Beta Glass Plc
RC: 13215

Report of the Directors, Audited Financial Statements and Other National Disclosures For the year ended 31 December 2021

BETA GLASS PLC

Annual Report, Audited Financial Statements and Other National Disclosures
For the year ended 31 December 2021

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Director and Other Corporate Information

Country of incorporation	Nigeria		
Incorporation number	13215		
Tax identification number (TIN)	01063118-0001		
Directors	**Name**	**Nationality**	**Position**
	Otunba Abimbola Ogunbanjo	Nigerian	Chairman
	Mr. Darren Bennett-Voci	British	Managing Director
	Mr. Haralambos (Harry) G. David	Cypriot	Non-Executive Director
	Mr. Nikolaos Mamoulis	Greek	Non-Executive Director
	Dr. Zulikat Wuraola Abiola	Nigerian	Independent Non-Executive Director
	Ms. Olufunmilola Adefope	Nigerian	Non-Executive Director
	Ms. Oluwaseun Abimisola Oni	Nigerian	Independent Non-Executive Director
	Mr. Emmanouil Metaxakis *	Greek	Non-Executive Director
	Mrs Clare Omatseye *	Nigerian	Independent Non-Executive Director
	* Appointed 1st July 2021		
Secretary	Bola Adebisi (Ms)		
Registered Office	Iddo House, Iddo, P. O. Box 159, Lagos, Nigeria		
Legal Adviser	Chris Ogunbanjo LP 3, Hospital Road, Lagos Island, Lagos,Nigeria		
Registrar	Cardinalstone Registrars Limited 335/337, Herbert Macaulay Way Yaba, Lagos		
Auditor	Ernst & Young Nigeria 10th & 13th Floors UBA House, Marina, Lagos		
Principal Bankers	Stanbic IBTC Bank Plc First City Monument Bank Plc Zenith Bank Plc Citibank Nigeria Limited		

BETA GLASS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present to the members of the Company, the Annual Report together with the Audited Financial Statements and Other National Disclosures for the year ended 31 December 2021.

Principal Activities

The principal activity of the Company is the manufacture and sale of glassware.

State of Affairs

In the opinion of the Directors, the state of the Company's affairs is satisfactory, and no events have occurred since the reporting date which would affect the financial statements as presented.

Results for the Year

	2021 N'000	2020 N'000
Revenue	36,982,815	25,637,010
Profit before taxation	7,438,909	5,114,594
Profit after taxation	5,457,671	3,466,670

Appropriation of Profit after Taxation

The Directors recommend to the shareholders, the payment of a gross dividend of **N1.10 kobo** per ordinary share to all shareholders on the Company's Register of Members as at the close of business on **June 10, 2022**. If the Directors' recommendation is approved by the shareholders, the profit after taxation of **N 5,457,671, 000.**will be appropriated as follows:

	N'000
Proposed dividend (Gross)	549,969
Transfer to general reserve	4,907,702

Scrip Issue

The directors are pleased to recommend to members, in addition to the declaration of dividend, the capitalization of the sum of N55,552,285.00 (Gross of Withholding Tax) from the retained earnings to be distributed as fully paid-up ordinary shares to existing shareholders whose name appears in the Register of Members as at the close of business on June 10 2022, in the proportion of one new ordinary shares to every five existing ordinary shares held by them. The directors also recommend the cancellation of the remaining 33,887 unissued residual fractional shares after the distribution of the bonus issue.

Directors

Mrs. Clare Omatseye and Mr. Emmanouil Metaxakis (Greek) were appointed Directors on July 1, 2021. They will retire at this Annual General Meeting and being eligible will seek election

The Directors retiring by rotation in accordance with the Articles of Association are **Otunba Abimbola Ogunbanjo, Mr. Darren Bennett-Voci, and Mr. Nikolas Mamoulis** and being eligible, offer themselves for re-election.

Record of Directors Attendance at Meetings

Pursuant to Section 284 (2) of the Companies and Allied Matters Act, 2020, the records of Directors' attendance at Board meetings during the year under review will be available for inspection at the Annual General Meeting.

Directors' Interests in the Shares of the Company

As at 1 January 2021 and 31 December 2021, the interests of the Directors (and those who served on the Board during the year under review) in the issued share capital of the Company as recorded in the register of members in compliance with Section 301 of the Companies and Allied Matters Act, 2020 were as follows:

		Nature of Holding (2021)		Nature of Holding (2020)	
S/N	**Name of Director**	**Direct**	**Indirect**	**Direct**	**Indirect**
1.	Otunba Abimbola Ogunbanjo	Nil	105,400	Nil	105,400
2.	Mr. Darren Bennett-Voci (British)	Nil	Nil	Nil	Nil
3.	Dr. Z. Wuraola Abiola	Nil	Nil	Nil	Nil
4.	Ms. Olufunmilola Adefope	Nil	Nil	Nil	Nil
5.	Mr. Haralambos (Harry) G. David (Cypriot)	25,437	Nil	25,437	Nil
6.	Mr. Nikolaos Mamoulis (Greek)	Nil	Nil	Nil	Nil
7	Ms Oluwaseun Abimbola Oni	Nil	Nil	Nil	Nil
8	Mrs. Clare Omatseye	Nil	Nil	Nil	Nil
9	Mr. Emmanouil Metaxakis (Greek)	Nil	Nil	Nil	Nil

*Otunba Abimbola Ogunbanjo has beneficial interest in 105,400 shares held by Turnbull Investments Limited.

Directors' Interests in Contracts

Otunba Abimbola Ogunbanjo is the Managing Partner of Chris Ogunbanjo LP. Chris Ogunbanjo LP is retained by the Company for legal matters. In accordance with Section 303 of the Companies and Allied Matters Act, 2020, Otunba Abimbola Ogunbanjo has notified the Board of his interest.

Ms. Olufunmilola Adefope is the Managing Director of Business Travel Management Limited (BTM), one of the providers of travel related services to the Company. In accordance with Section 303 of the Companies and Allied Matters Act, 2020, Ms. Olufunmilola Adefope has notified the Board of her interest.

Ms. Oluwaseun Abimisola Oni is the Group Managing Director/CEO of A.G. Leventis (Nigeria) Limited, one of the transportation/haulage service providers to the Company. In accordance with Section 303 of the Companies and Allied Matters Act, 2020, Ms. Oluwaseun Abimisola Oni has notified the Board of her interest.

None of the other Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act, 2020 of any disclosable interests in contracts involving the Company either as at 31 December 2021 or at the date of this report.

Acquisition of Own Shares

The Company did not acquire its own shares during the year ended 31 December 2021 (2020: Nil).

Charitable Gifts

In compliance with Section 43(2) of the Companies and Allied Matters Act, 2020, the Company did not make any donations or gifts to any political party, political association or for any political purpose during the year ended 31 December 2021 (2020: Nil).

Corporate Social Responsibility

It is the policy of the Company to consistently improve on some amenities within its host communities. Thus, during the year ended 31 December 2021, the Company accomplished the following:

	N'000
Generic out-patient items such as Bottles of Hand Sanitizer, Packs of Nose Mask, outpatients waiting seat Stainless Steel, Window Blinds (Curtain) and Hospital Wardroom Iron Protector to Agbara Medical Centre	1,642
Installation of One (1) Solar Powered water pump and painting of the water tank for Eruemukowarien Community	3,139
Total Cost	**4,781**

Substantial Interest in Shares

According to the register of members the following organization held more than 5% of the issued share capital of the Company as at 31 December, 2021.

	2021		2020	
	Number of Shares	**%**	**Number of Shares**	**%**
Frigoglass Industries (Nigeria) Limited	309,391,133	61.88	309,391,133	61.88
Frigoinvest Holdings BV	40,833,131	8.17	40,833,131	8.17
Stanbic IBTC Nominees Nigeria Limited	31,310,272	6.27	31,310,274	6.26

Significant Changes in Property, Plant and Equipment

Movements in Property, Plant and Equipment during the year were as shown in Note 19 to the financial statements. In the opinion of the Directors, the market value of the Company's Property, Plant and Equipment is not less than the carrying values shown in the Statement of Financial Position.

Employment Policies and Training

The Company's employment policy ensures that opportunities are also given to disabled persons. Disabled applicants are therefore given special consideration for employment having regard to the aptitudes and capabilities of each applicant.

The Company also has training programmes designed to ensure that employees who became disabled during their employment are not, for the sake of their disabilities, disadvantaged in their career development in the Company. The Company provides overseas and on-the-job technical training for employees' knowledge in glass production technology. There were no disabled persons in the Company as at year ended 31 December 2021 (2020: nil).

Health, Safety and Welfare of Employees

The Company has standard in-plants clinics run by competent and qualified medical personnel where free medical services are provided for all staff. There are also stand-by ambulances for transfer of serious cases of illness to designated hospitals retained by the Company.

The Company provides free meals to its employees at the staff canteens.

There are contributory retirement benefit schemes for both Management and Junior employees of the Company. The schemes are in compliance with the provisions of the Pensions Reform Act 2014.

Employees' involvement

The Company consults with representatives of the workers' union on important issues that affect the career of employees and the fortunes of the Company.

Employees' individual suggestions are entertained using suggestion boxes strategically located in the Company's premises.

Employment Equity, Gender Policies and Practices

Our employment and promotion policy ensures equity, and is free from discriminatory bias of gender, ethnic origin, age, marital status, sexual orientation, disability, religion and other diversity issues. This is role modelled throughout our end-to-end employee life cycle process.

Events after the Reporting Date

A dividend in respect of the year ended 31 December 2021 of **N 1.10 kobo** per share, amounting to a total dividend of **N549,969,200.00** was proposed at the board meeting held on March 24, 2022 and subject to approval at the Annual General Meeting.

A scrip issue in respect of the year ended 31 December 2021 amounting to the capitalization of the sum of N55,552,285.00 (Gross of Withholding Tax) from the retained earnings to be distributed as fully paid-up ordinary shares to existing shareholders whose name appears in the Register of Members as at the close of business on June 10 2022, in the proportion of one new ordinary share to every five existing ordinary shares held by them was proposed at the board meeting held on March 24, 2022 and subject to approval at the Annual General Meeting.

The cancellation of the residual 33,887 unissued shares of company was proposed at the board meeting held on March 24, 2022 and subject to approval at the Annual General Meeting. This is done in compliance with the provisions of section 124 of the Companies and Allied Matters Act 2020.

Auditors

Messrs. Ernst & Young having been Auditors of the Company for 5 years have indicated their willingness to continue in office as Auditors of the Company in accordance with Section 401 (2) of the Companies and Allied Matters Act, 2020.

BY ORDER OF THE BOARD

BOLA ADEBISI (MS)-Company Secretary-FRC/2013/NBA/00000002344

IDDO HOUSE, IDDO, LAGOS
24th March, 2022

Beta Glass Plc

Compliance Certificate on the Company's Audited Financial Statements
For the year ended 31 December 2021

We hereby certify that:

a) We the undersigned have reviewed the annual report, audited financial statements of Beta Glass Plc ("the Company) and other national disclosures for the year ended 31 December 2021.

   Based on our knowledge as officers of the Company, the annual report, audited financial statements and other national disclosures do not contain:

   i. any untrue statement of a material fact, or

   ii. omit to state a material fact, which would make the statement misleading in the light of the circumstances under which the statement was made.

b) Based on our knowledge, the financial statements and other financial information included in the annual report fairly represent in all material respect, the financial conditions and results of operations of the Company as of, and for the period presented in the report.

c) We, the undersigned:

   i. are responsible for establishing and maintaining controls;

   ii. have designed such internal controls to ensure that material information relating to the Company is made known to us by others within the entity particularly during the period in which the periodic reports are being prepared;

   iii. have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report.;

   iv. have presented in the report our conclusions about the effectiveness of the internal controls based on the evaluation as of that date;

d) We have disclosed to the external auditors of the Company and the audit committee:

   i. all significant deficiencies in the design or operation of the internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's Auditors any material weakness in internal controls, and

   ii. any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls.

e) We have identified in the report whether or not there were significant changes in internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Mr. Darren Bennett-Voci
Managing Director
24 March 2022
FRC/2016/IODN/00000015783

Mr. Dhanikonda Shanker
Chief Financial Officer
24 March 2022
FRC/2013/ANAN/00000002336

The Companies and Allied Matters Act, 2020 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. This responsibility includes:

a. ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020;

b. designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and

c. preparing the company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, 2020.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the year ended 31 December 2021. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate 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 twelve months from the date of this statement.

Otunba Abimbola Ogunbanjo
Chairman
24 March 2022
FRC/2013/NBA/00000004358

Mr. Darren Bennett-Voci
Managing Director
24 March 2022
FRC/2016/IODN/00000015783

BETA GLASS PLC

Report of the Statutory Audit Committee

For the year ended December 31, 2021

In compliance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act No 6, 2011, the members of the Audit Committee of the Company hereby report as follows:

a. We have reviewed the scope and planning of the audit for the year ended December 31, 2021 and we confirm that they were adequate.

b. The Company's reporting and accounting policies as well as the internal control systems conform with legal requirements and agreed ethical practices.

c. We have reviewed the effectiveness of the Company's system of accounting and internal control.

d. We are satisfied with the departmental responses to the External Auditors' findings on Management matters for the year ended December 31, 2021.

Professor C.A. Osuntogun, OFR
Chairman of the Statutory Audit Committee
FRC/2019/CDIR/00000019269

Dated this **17th** day of **March 2022**

Members of the Statutory Audit Committee

Prof C. A. Osuntogun	- Chairman
Dr. Zulikat Wuraola Abiola	- Member
Chief Robert I. Igwe	- Member
Chief Simeon A. Odubiyi	- Member
Ms. Oluwaseun Abimisola Oni	- Member

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Independent Auditor's Report
To the Members of Beta Glass Plc
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Beta Glass Plc ('the Company'), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Beta Glass Plc as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit matter

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 period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditor's Report

To the Members of Beta Glass Plc

Report on the Audit of the Financial Statements - Continued

Key Audit Matter	How the matter was addressed in the audit
Export Expansion Grant (EEG) Receivables	
The company has Export Expansion Grant (EEG) receivable of N3.154 billion as at 31 December 2021. EEG receivable is recognised based on export sales as soon as the related export proceeds are repatriated into the country within 300 days of the sales. EEG receivable is a key audit matter due to the judgement applied by management in the application of the Scheme and the significance of the amount involved. The significant judgment by Management was further evidence by the inability of the beneficiary to receive any Export Credit Certificates (ECC) previously NDCC during the year. Management is convinced that the EEG receivable is recoverable because this is a sovereign debt. This is further buttressed by NEPC circular requesting the exporters to submit EEG baseline data and subsequent to the approval of the baseline data, exporters are also required to submit outstanding EEG claims for which the Company has complied.	We obtained an understanding of the Company's accounting policy for recognition of the EEG receivables and evaluate for consistency with the requirements of International Accounting Standard (IAS 20) - Government grant and the Nigerian Export Promotion Council (NEPC) Act. We tested the recognition of the EEG receivable for compliance with the Company's accounting policy. In particular, we tested the EEG receivable recognised by assessing documentation that supports the repatriation of export proceeds within 300 days of sale. We reviewed the baseline data submitted by the Company in compliance with the NEPC circular issued on 20 March 2017 requesting exporters to submit their baseline data for EEG claims and confirmed that the EEG rate applied is that approved by the Nigerian Export Promotion Council (NEPC). We also reviewed the adjustments made to write down the value of the receivable. We tested the adequacy of provisions for related charges such as processing fees/ collection charges, utilisation charges etc. During the year, the Company has not obtain payment approval in respect of its outstanding claims.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Beta Glass Plc Report of the Directors, Audited Financial Statements and Other National Disclosures for the year ended 31 December 2021", which includes the Director and Other Corporate Information, Directors' Report, Compliance Certificate, Statement of Directors' Responsibilities, Audit Committee's Report and Other National Disclosures (Value Added Statement and Five-Year Financial Summary), which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. 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 an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, 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 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 material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement 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 not detecting a material misstatement 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 control.
- 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Director's 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 a going concern.

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Independent Auditor's Report
To the Members of Beta Glass Plc
Report on the Audit of the Financial Statements - Continued

- 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.

We communicate with the Directors 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 Directors 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 thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are 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 requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Company in so far as appears from our examination of those books;
- The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Omolola Alebiosu
FRC/2012/ICAN/00000000145
For Ernst & Young
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
3G/ICAN
1109161

30 March 2022

BETA GLASS PLC

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

	Notes	31 December 2021 N'000	31 December 2020 N'000
Revenue from contract with customers	6	36,982,815	25,637,010
Cost of sales	7.1	(27,729,399)	(19,733,028)
Gross profit		9,253,416	5,903,982
Selling and distribution expenses	7.3	(203,708)	(196,178)
Administrative expenses	7.2	(2,301,829)	(1,646,681)
Other income	8	1,101,875	434,327
Operating profit		7,849,754	4,495,450
Foreign exchange (loss)/ gain	9	(763,346)	285,495
Finance income	10.1	597,144	537,232
Finance cost	10.2	(244,643)	(203,582)
Finance income - net	10	352,501	333,650
Profit before taxation		7,438,909	5,114,594
Income tax expense	11	(1,981,238)	(1,647,924)
Profit for the year		5,457,671	3,466,670
Other comprehensive income:			
Total comprehensive income for the year; net of taxation		5,457,671	3,466,670
Earnings per share (EPS)			
Basic and diluted EPS (Naira)	12	10.92	6.93

The notes on pages 21 to 62 are an integral part of these financial statements.

BETA GLASS PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	31 December 2021 N'000	31 December 2020 N'000
Assets			
Non-current assets			
Property, plant and equipment	19	22,511,651	22,108,397
Right-of-Use assets	20	46,806	38,928
Intangible assets	14	12,563	16,980
		22,571,020	22,164,305
Current assets			
Inventories	15	9,179,179	7,454,229
Trade and other receivables	16	15,476,340	12,746,846
Cash and short term deposit	17	15,885,871	11,598,254
		40,541,390	31,799,329
Total assets		63,112,410	53,963,634
Liabilities			
Non-current liabilities			
Deferred tax liabilities	21	3,584,963	1,961,617
		3,584,963	1,961,617
Current liabilities			
Borrowings	18	4,829,269	4,120,895
Trade and other payables	22	11,853,395	8,178,695
Current income tax	23	576,145	2,386,694
Dividend payable	24	141,220	126,015
		17,400,029	14,812,299
Total liabilities		20,984,992	16,773,916
Equity			
Issued share capital	25	249,986	249,986
Share premium	25	312,847	312,847
Other reserves	26	2,429,942	2,429,942
Retained earnings	27	39,134,643	34,196,943
Total equity		42,127,418	37,189,718
Total equity and liabilities		63,112,410	53,963,634

The notes on pages 21 to 63 are an integral part of these financial statements.

The audited financial statements on pages 16 to 63 were approved and authorised for issue by the Board of Directors on 24th March 2022 and were signed on its behalf by:

Otunba Abimbola Ogunbanjo
Chairman
FRC/2013/NBA/00000004358

Mr. Darren Bennett-Voci
Managing Director
FRC/2016/IODN/00000015783

Mr. Shanker Dhanikonda
Chief Financial Officer
FRC/2013/ANAN/00000002336

BETA GLASS PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Issued Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total N'000
At 1 January 2020	249,986	312,847	2,429,942	31,565,226	34,558,001
Profit for the year	-	-	-	3,466,670	3,466,670
Total comprehensive income for the year - net of taxation	-	-	-	3,466,670	3,466,670
Transaction with owners:					
Dividend declared (Note 24)	-	-	-	(834,953)	(834,953)
Total transaction with owners	-	-	-	(834,953)	(834,953)
At 31 December 2020	**249,986**	**312,847**	**2,429,942**	**34,196,943**	**37,189,718**
At 1 January 2021	249,986	312,847	2,429,942	34,196,943	37,189,718
Profit for the year	-	-	-	5,457,671	5,457,671
Total comprehensive income for the year - net of taxation	-	-	-	5,457,671	5,457,671
Transaction with owners:					
Dividend declared (Note 24)	-	-	-	(519,971)	(519,971)
Total transaction with owners	-	-	-	(519,971)	(519,971)
At 31 December 2021	**249,986**	**312,847**	**2,429,942**	**39,134,643**	**42,127,418**

The notes on pages 21 to 62 are an integral part of these financial statements.

BETA GLASS PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	31 December 2021 N'000	31 December 2020 N'000
Cash flows from operating activities			
Cash generated from operations	28	9,573,444	5,727,781
Income tax paid	23	(2,168,441)	(2,366,741)
Net cash generated from operating activities		**7,405,003**	**3,361,039**
Cash flows from investing activities			
Purchase of property, plant and equipment	19	(3,681,133)	(3,078,715)
Purchase of right-of-use asset	20	(159,998)	(147,192)
Proceeds from disposal of property, plant and equipment		226,846	133,726
Interest received	10.1	597,144	537,232
Net cash used in investing activities		**(3,017,141)**	**(2,554,948)**
Cash flows from financing activities			
Proceeds from short term borrowings	18	5,403,666	5,848,734
Repayment of term borrowing	18	(4,695,292)	(4,695,292)
Interest paid	18	(244,643)	(203,582)
Dividend paid	24	(519,971)	(834,953)
Unclaimed dividend returned	24	15,205	32,443
Net cash (used in) /generated from financing activities		**(41,035)**	**147,350**
Net increase in cash and cash equivalents		4,346,827	953,441
Effect of exchange rate changes on cash and cash equivalents		20	461,069
Cash and cash equivalents at 1 January		11,598,254	10,183,744
Cash and cash equivalents at 31 December	17.2	**15,945,101**	**11,598,254**

The notes on pages 21 to 62 are an integral part of these financial statements.

Notes to the Audited Financial Statements

BETA GLASS PLC

NOTES TO THE AUDITED FINANCIAL STATEMENTS

1 General information

Beta Glass Plc (the Company) manufactures, distributes and sells glass bottles and containers for the leading soft drinks, breweries, wine and spirit, pharmaceutical, foods and cosmetics companies. The company has manufacturing plants in Agbara Ogun State and in Ughelli Delta State. Beta Glass Plc exports to five countries namely: Cameroun, Ghana, Liberia, Sierra-leone and Guinea.

The company is a public limited company, which is listed on the Nigerian Stock Exchange and incorporated and domiciled in Nigeria. The address of its registered office is Iddo House, Iddo, Lagos State, Nigeria. P.O. Box 159.

Beta Glass Plc is a subsidiary of Frigoglass Industries Nigeria Limited (the parent company) which holds 61.88% of the ordinary shares of the Company. The ultimate controlling party is Frigoglass S.A.I.C, Athens.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements is the stand alone financial statements of the Company.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), including International Accounting Standards (IAS) issued by International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and in accordance with requirements of Financial Reporting Council of Nigeria (FRCN) Act No 6, 2011 and provisions of Companies and Allied Matters Act (CAMA), 2020.

The financial statements have been prepared on a historical cost basis.
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Directors believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The financial statements comprise the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the audited financial statements.
The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 24th March 2022.

The financial statements have been prepared in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

2.1.1 Going concern

The company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements is continue to be prepared on the going concern basis.

2.1 Basis of preparation - continued

2.1.2 Changes in accounting policies and disclosures

New and amended standards and interpretation

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2021. The nature and effect of changes as a result of adoption of these new standards are described below:

Interest rate benchmark reform- phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On 27 August 2020, the IASB published Interest rate benchmark reform- phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. This is effective for annual periods beginning 1 January 2021.
The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedient:

(1) A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
(2) Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

(3) Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

(b) New standards, amendments and interpretations not yet effective for adoption

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022 and beyond, and have not been applied in preparing this financial statements. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below:

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture.

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.
The amendments are not expected to have a material impact on the Company.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.
The amendments are not expected to have a material impact on the Company.

2.1.2 Changes in accounting policy and disclosure - continued

(b) New standards, amendments and interpretations not yet effective for adoption - continued

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

• A specific adaptation for contracts with direct participation features (the variable fee approach)
• A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

2.1.2 Changes in accounting policy and disclosure - continued

(b) New standards, amendments and interpretations not yet effective for adoption - continued

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - continued

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have any impact on the Company

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company has no subsidiary and the amendment would not have any impact on the Company

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company in the current or future reporting period and on foreseeable future transactions.

2.2 Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors of Beta Glass Plc.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency and presentation currency of Beta Glass Plc is the Nigerian naira (N).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the reporting date at exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognized in the foreign exchange gain or loss in the profit or loss.

Foreign exchange gain and losses are presented in the profit or loss as foreign exchanges gain or loss.

2.4 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs including costs of property, plant and equipment below N50,000 are charged to profit or loss during the financial period in which they are incurred.

Property, Plant and Equipment under construction are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Building	3
Plant and machinery:	
- Factory equipment and tools	10
- Quarry equipment and machinery-	20
- Glass moulds -	50
- Other plant and machinery-	10
Furnaces-	14
Motor vehicles-	20
Furniture, Fittings and equipment:	
- Office and house equipment-	15
- Household furniture and fittings-	20
- Computer equipment-	25

The assets' residual values and useful lives and method of depreciation are reviewed and adjusted if appropriate, at the end of each reporting date.

2.4 Property, plant and equipment - continued

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

In the case where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference (impairment loss) is recorded as expense in profit or loss.

Gains and losses on disposal of property, plant and equipment are determined by the difference between the sales proceeds and the carrying amount of the asset. These gains and losses are included in profit or loss.

Interest costs on borrowings specifically used to finance the acquisition of property, plant and equipment are capitalized during the period of time required to prepare and complete the asset for its intended use. Other borrowing costs are recorded in the profit or loss as expenses. There have been no qualifying assets in both periods presented in the financial statements.

There are few assets of Property, Plant and Equipment that are fully depreciated but still being used.

2.4.1 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- **Buildings 1- 2 years**

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.6 - Impairment of non-financial assets.

ii) Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term lease for some warehouses and guest house (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company has a guest house leased to accomodate its workers at a proximate location to its plant, which it categorised as short-term leases asset. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2.4.1 Leases - continued

iii) Lease liabilities

At the commencement date of the lease, the Company does not have any lease liabilities measured at the present value of lease payments to be made over the lease term. The lease agreement does not contain/ include any exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease.

2.5 Intangible assets

Computer software

Capitalized software licenses are acquired and carried at acquisition cost less accumulated amortization, less any accumulated impairment. They are amortized using the straight-line method over five (5) years. Computer software maintenance costs are recognized as expenses in the profit or loss as incurred.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2.6 Impairment of non-financial assets

Assets that have an indefinite useful life not subject to amortisation are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.7. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

2.7.1 *Initial recognition, classification and measurement*

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are classified at initial recognition as, amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. 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. Refer to the accounting policies on revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

2.7. Financial instruments – initial recognition and subsequent measurement - continued

Financial assets - continued

2.7.1 *Initial recognition, classification and measurement - continued*

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

2.7.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a. Financial assets at amortised cost (debt instruments)

b. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

c. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

d. Financial assets at fair value through profit or loss

The Company's financial assets includes financial assets at amortised cost.

2.7.3 Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables, staff advances and receivables from related parties and cash and bank balances.

The Company did not own any financial assets that can be classified otherwise during the periods presented in these financial statements.

2.7.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

(a) The rights to receive cash flows from the asset have expired OR

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2.7. Financial instruments – initial recognition and subsequent measurement - continued

Financial assets - continued

2.7.4 Derecognition - continued

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.7.5 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. 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. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any).

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).

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.

The Company calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Company considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs, EADs and LGDs. In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Oil price
- Exchange rate
- Inflation rate

2.7. Financial instruments – initial recognition and subsequent measurement - continued

Financial assets - continued

2.7.6 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit or loss.

2.8 Financial liabilities

Financial liabilities are at amortized cost. These include trade and other payables and loan and borrowings.

Recognition and measurement
Trade payables are initially recognized at fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method.

Loan and borrowings are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

2.8.1 *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.10 Inventories

Inventories are recorded at the lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The cost of finished goods and work in progress is determined using the first-in, first-out (FIFO) method and comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), incurred in bringing inventory to its present location and condition.

The cost of engineering spares and raw materials is determined using the weighted average method.

Allowance is made for excessive, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in the period in which the write-downs or losses occur.

2.11 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Trade receivable is impaired using a provision matrix to calculate Expected Credit Loss (ECL). 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. The expected credit loss on receivables recognised in the current year is not material to the Company and this has been disclosed as part of selling and distribution expenses in Note 7.

Subsequent recoveries of amounts previously written off are credited against administrative expenses in profit or loss.

2.12 Cash and cash equivalents

Cash in hand and at bank include cash at hand and deposits held at call with banks. Bank overdrafts is included within borrowings in current liabilities on the Statement of Financial Position while Bank overdrafts is included in Cash and Cash equivalents on the Statement of Cash flow.

2.13 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

No borrowing costs were capitalised in 2021 (2020: Nil) as there were no qualifying assets.

2.14.1 Current income tax

The tax for the period comprises current, education and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

2.14.2 Deferred tax

Deferred tax is the tax expected to be payable or recoverable 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 is accounted for using the liability method. Deferred tax liabilities are generally recognised 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 utilised. Such assets and liabilities are not recognised 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 tax profit nor the accounting profit.

2.14.2 Deferred tax - continued

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 profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax liabilities on a net basis.

Deferred tax assets and liabilities are presented as non-current in the statement of financial position.

2.15 Employee benefit obligation

The company operates defined contribution pension plans for its employees.
A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.16 Export expansion grant

Export expansion grants (EEG) from the government are recognized at fair value when there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.

The following conditions must be met by the Company in order to receive the EEG:

- The Company must be registered with the Nigerian Export Promotion Council (NEPC)
- The Company must have a minimum annual export turnover of N5 million and evidence of repatriation of proceeds of exports.
- The Company shall submit its baseline data which includes audited financial statements and information on operational capacity to NEPC.
- An eligible company shall be a manufacturer, producer or merchant of products of Nigerian origin for the export market (i.e. the products must be made in Nigeria).
- Qualifying export transaction must have the proceeds fully repatriated within 300 days, calculated from the date of export and as approved by the EEG Implementation Committee.

2.17 *Revenue recognition from Contract with customers*

The company is in the business of manufacturing and sales of glassware and glass bottles for soft drink, breweries, pharmaceutical, cosmetic, food companies among others.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

2.17 ***Revenue recognition from Contract with customers - continued***

Revenue comprises the fair value for the sale of goods and services net of value-added tax, rebates and discounts.

Revenue is measured at the transaction price . This is the amount that an entity expects to be entitled in exchange for transferring promised goods or services to the customer (excluding amounts collected on behalf of third parties, for example sales taxes). Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

• the Company has identified a sales contract with a customer;
• the performance obligations within this contract has been identified
• the transactions price has been determined;
• this transaction price has been allocated to the performance obligations in the contract; and
• revenue is recognised as or when each performance obligation is satisfied

The sale of bottles is based on Ex-works prices agreed with the customers. Haulage services are provided to the Customers through third party service providers as an option. The sale of bottles and haulage services for delivery of bottles are distinct and have no bearing on each other, and are negotiated separately. Further, the consideration to be paid in one contract does not depend on the price or performance of other contract. Goods or services promised in the separate contracts are not a single performance obligation. There are no other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The company performs an obligation once the products or goods are transferred to the customer, that is ownership, legal title, physical possession, significant control related to the products has been transferred to the customer and the customer has accepted the products.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of bottles, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The consideration to be received is stated in the contract i.e invoice as the contract price which is agreed, accepted and signed by the customer. Revenue comprises the fair value for sales of goods and services net of value-added tax, rebates and discounts. Rebates constitutes a variable consideration and are allocated to a single performance obligation affected.

The transaction price as stated in the invoice relates to the performance of obligation by the entity when the goods have been delivered to the customers.

Revenue from the sales of goods is recognised when the ownership and controls of the goods are transferred to the buyer. Where goods are picked up by customers, risk is transferred immediately. Where goods are delivered, revenue is recognised when order by the customer is delivered to the customers with the evidence of the delivery note acknowledged/signed by the customers.

Variable consideration

Rebates constitute a variable consideration and are allocated to a single performance obligation affected.

Significant financing component

For bottle sales transactions, the receipt of the consideration by the Company does not match the timing of the delivery of bottles to the customer (e.g., the consideration is paid after the bottles has been delivered). Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component since 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.

2.17 ***Revenue recognition from Contract with customers - continued***

Consideration payable to a customer: No consideration is payable to customer in respect of sales of glass bottles.

Contract balances:

Contract assets: No contract asset as all sales are unconditional.

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).

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.

2.18 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

2.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3 Financial instruments risk management

The Company's business activities expose it to a variety of financial risks: market risk (including foreign exchange, interest rate, and price), credit risk and liquidity risk. The objective of the Company's risk management programme is to minimise potential adverse impacts on the Company's financial performance.

Risk management is carried out in line with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as set the overall risk appetite for the Company. Specific risk management approaches are defined for respective risks such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is the responsibility of the Treasury Manager, which aims to effectively manage the financial risk of Beta Glass Plc, according to the policies approved by the Board of Directors. The Treasury Manager identifies and monitors financial risk. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange, interest rates and credit risks, use of financial instruments and investment of excess liquidity.

The Company's financial instruments consist of trade and other receivables, trade and other payables, borrowings, cash in hand and at bank.

3 Financial instruments risk management - cotinuued

Risk	Exposure arising from	Measurement	Management
Market Risk- Foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in Naira units	Cash flow forecasting Sensitivity analysis	Contractual agreements on exchange rates
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate negotiations
Credit risk	Cash and cash equivalents and trade receivables	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit. Investment guidelines for and held-to-maturity investments.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

3.1 (a) Market risk

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, price risk,such as equity price risk and commodity risk and interest rate risk. Financial instruments affected by market risk include deposits and loans and borrowings.

(i) Foreign exchange risk

The Company is exposed to foreign exchange risks from some of its commercial transactions and recognised assets. The Company buys and imports some of the raw materials used for production, the payments for which are made in US Dollars. Receipts for sales of finished goods in Nigeria are in Naira whilst receipts for sales of finished goods to foreign countries are in US dollars. The Company makes payments and collects receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in the US dollar and Euro.

Management's approach to managing foreign exchange risk is to hold foreign currency bank accounts which act as a natural hedge for these transactions.

3 Financial instruments risk management - continued

3.1 (a) Market risk - continued

(i) Foreign exchange risk - continued

The Company's exposure to US Dollar (USD) is as follows:

	2021 Euro'ooo	2021 USD'ooo	2020 Euro'ooo	2020 USD'ooo
Financial assets				
Cash in hand and at bank	-	10,092	-	12,653
Trade receivables	-	5,881	-	498
	-	15,973	-	13,152
Financial liabilities				
Borrowings	6,505	3,285	1,304	8,451
Trade payables	4,322	651	932	1,357
Related parties payable	677	446	328	119
	11,504	4,382	2,564	9,926
Net amount	**(11,504)**	**11,591**	**(2,564)**	**3,225**

Effects in Naira on the Company's result:

	2021 N'ooo Effect on proft before tax Euro	2021 N'ooo Effect on proft before tax USD	2020 N'ooo Effect on proft before tax Euro	2020 N'ooo Effect on proft before tax USD
15 percent strengthening of the Naira to Euro /USD	879,487	(782,393)	193,495	(198,363)
15 percent weakning of the Naira to Euro / USD	(879,487)	782,393	(193,495)	198,363

	2021 Euro	2021 USD	2020 Euro	2020 USD
Reporting date spot rate of 1 Euro or 1USD to Naira	509.67	450	503	410

The above analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period but it has no impact on equity. The analysis assumes that all other variables remain constant.

(ii) Price risk

The Company is not exposed to price risk as it does not hold any equity instruments or commodity trade at active exchange market.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from borrowings. Borrowings are issued at floating rates exposing the Company to cash flow interest rate risk which is partially offset by cash held at variable rates. The Company's policy on managing interest rate risk is to negotiate favourable terms with the banks to reduce the impact of exposure to this risk and to obtain competitive rates for loans and for deposits. The Company had short term borrowing as at 31 December 2021 of 4.83 billion Naira and 31 December 2020 of 4.12 billion Naira which have variable interest rate.

3 Financial instruments risk management - continued

3.1 Market Risk - continued

(iii) Interest rate risk - continued

Interest rate sensitivity	Increase/decrease in basis point	Effect on profit before tax
2021		N'000
US Dollar	+1	2,515
Euro	+1	-3
US Dollar	-1	(2,515)
Euro	-1	3
2020		
US Dollar	+1	1,365
Euro	+1	-1
US Dollar	-1	(1,365)
Euro	-1	1

3.2 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Company uses policies to ensure that sales of products are to customers with appropriate credit history. The granting of credit is controlled by credit limits and the application of certain terms of sale. The continuous credit worthiness of the existing customers is monitored periodically based on history of performance of the obligations and settlement of their debt. Appropriate provision for impairment losses is made for specific credit risks. At the year end, Beta Glass Plc considered that there were no material credit risks that had not been covered by Expected Credit Loss (ECL) provisions.

No credit limits on cash amounts were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties. None of the counterparties renegotiated their terms in the reporting period.

The maximum exposure to credit risk for trade receivables approximates the amount recognized on the statement of financial position. The Company does not hold any collateral as security.

The table below analyses the Company's financial assets into relevant maturity groupings as at the reporting date.

31 December 2021

Financial assets:	Neither past due nor impaired	Up to 90 days	91 - 150 days	Over 150 days	Total
	N'000	N'000	N'000	N'000	N'000
Cash in hand and at bank (Note 17)	15,885,871	-	-	-	15,885,871
Trade receivables (Note 16)	6,375,556	1,392,780	58,900	57,383	7,884,619
Receivables from related parties (Note 16)	3,449,424	-	-	-	3,449,424
Staff receivables (Note 16)	222,828	-	-	-	222,828
	25,933,679	**1,392,780**	**58,900**	**57,383**	**27,442,742**

3 Financial instruments risk management - continued

3.2 Credit risk - continued

31 December 2020

Financial assets:	Neither past due nor impaired N'000	Up to 90 days N'000	91 - 150 days N'000	Over 150 days N'000	Total N'000
Cash in hand and at bank (Note 17)	11,598,254	-	-	-	11,598,254
Trade receivables (Note 16)	4,042,379	647,754	1,088	43,325	4,734,546
Receivables from related parties (Note 16)	4,504,954	154,352	8,476	-	4,667,782
Staff receivables (Note 16)	180,174	-	-	-	180,174
	20,325,761	**802,106**	**9,564**	**43,325**	**21,180,756**

Receivables from related parties and Staff receivables are from counterparties with low risk of default.

An analysis of the international long term credit ratings of counterparties where cash and short-term deposits are held is as follows:

i. Credit rating	2021 N'000	2020 N'000
B-/stable/B	43,586	80,790
AAA	15,872,781	11,488,730
Aa	28,734	28,734
	15,945,101	**11,598,254**

The credit ratings is by Fitch and Augusto rating agencies and below are the interpretations of the ratings

B-/Stable/B : The rating indicates obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its future financial commitments.

AAA: A financial institution of very good condition and strong capacity to meet its obligations as and when due. Adverse changes in the environment (macro-economic, political and regulatory) will result in a slight increase in the risk attributable to an exposure to this financial institution. However, financial condition and ability to meet obligations as at when due remain strong.

In assessing the Company's internal rating process, the Company's customers and counter parties are assessed based on a credit scoring model that takes into account various historical, current and forward-looking information such as:
• Any publicly available information on the Company's customers and counter parties from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond or press releases and articles.
• Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.

Security

No security is obtained for trade receivables either in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. The company's sales transaction model is Business to Business model and major customers are multi-nationals while credit are granted on the strength of their credibility and past performance.

3 Financial instruments risk management - continued

3.3 Impairment of trade and related party receivables

The company has trade receivable from sales of inventory and provision of haulages services, related party receivable and staff advances that are subject to expected credit loss model.

Cash and cash equivalents are also subject to impairment requirements of IFRS 9, the identified impairment loss was immaterial.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for different customers and 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. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in table (maturity grouping) above.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for trade receivables.

Trade Receivable

			Days past due					
	Current	<30 days	31–60 days	61–90 days	91–120 days	121–150 days	> 365 days	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
31-Dec-21								
Expected credit loss rate	**0.00%**	**0.45%**	**1.80%**	**1.33%**	**1.07%**	-	-	
Estimated total gross carrying amount at default	6,376,018	1,207,175	156,332	29,273	115,820	-	-	7,884,619
Expected credit loss	-	**5,489**	**2,810**	**388**	**1,244**	-	-	**9,932**
31-Dec-20								
Expected credit loss rate	**0.00%**	**0.56%**	**1.90%**	**3.13%**	**3.13%**	-	-	
Estimated total gross carrying amount at default	3,879,550	563,162	228,073	10,872	52,889	-	-	4,734,546
Expected credit loss	-	**3,133**	**4,343**	**340**	**1,654**	-	-	**9,469**

Expected credit loss measurement - other financial assets

The Company applied the general approach in computing expected credit losses (ECL) for intercompany receivables. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. 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.

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).

3 Financial instruments risk management - continued

3.3 Impairment of trade and related party receivables - continued

The ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.
The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

3.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by maintaining sufficient cash reserves to meet operational needs at all times so that the Company does not breach borrowing limit. The Company has access to sufficient varieties sources of funding to meet its short term commitments. The Company manages liquidity risk by effective working capital and cash flow management.

Beta Glass Plc invests its surplus cash in interest bearing current accounts. At the reporting date the Company had N12.79 billion (2020: Nil) in interest bearing current accounts.
The table below summarised the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	On Demand	Less than 3 months	3 months to 12 months	Total
At 31 December 2021				
	N'000	**N'000**	**N'000**	**N'000**
Financial liabilities:				
Trade and other payables excluding transaction taxes and accrued expenses (Note 22)	-	9,071,420	-	9,071,420
Borrowings	-	4,927,765	-	4,927,765
	-	13,999,185	-	13,999,185

3 Financial instruments risk management - continued

3.4 Liquidity risk - continued

At 31 December 2020	On Demand	Less than 3 months	3 months to 12 months	Total
	N'000	N'000	N'000	N'000
Financial liabilities:				
Trade and other payables excluding transaction taxes and accrued expenses (Note 22)	-	5,588,378	-	5,588,378
Borrowings	-	4,198,292	-	4,198,292
	-	9,786,670	-	9,786,670

3.5 Capital risk management

The objective of managing capital is to safeguard the Company's ability to continue as a going concern in order to maximise returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued, or debt raised.

Consistent with others in the industry, the Company monitors capital on a monthly basis using the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payable less Cash in hand and at bank. Total equity is calculated as the sum of all equity components on the statement of financial position.

The gearing ratios at 31 December 2021 and 31 December 2020 are as follows:

	2021	2020
	N'000	N'000
Borrowings	4,829,269	4,120,895
Trade and other payables	11,853,395	8,178,695
Less: Cash in hand and at bank	(15,945,101)	(11,598,254)
Net Debt	737,563	701,336
Total equity	42,127,418	37,189,718
Gearing ratio	0.018:1	0.019:1

3.6 Financial instruments which are carried at other than fair value

The carrying value of all financial assets and financial liabilities is a reasonable approximation of fair value. The approximation is due to the short term nature of the instruments. No further disclosure is required.

4 Critical accounting estimates and judgements

Critical accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires directors to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on directors experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Significant accounting judgments and estimates made in the preparation of the financial statements is shown below.

Plant and machinery

Plant and machinery is depreciated over its useful life. Beta Glass Plc estimates the useful lives of plant and machinery based on the period over which the assets are expected to be available for use. The estimation of the useful lives of plant and machinery are based on technical evaluations carried out by those staff with knowledge of the machines and experience with similar assets. Estimates could change if expectations differ due to physical wear and tear and technical or commercial obsolescence. It is possible however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the plant and machinery would increase expenses and decrease the value of non-current assets.

Export Expansion Grant and Negotiable Duty Credit Certificate

Export Expansion Grant (EEG) is a very vital incentive of the Federal Government of Nigeria required for the stimulation of export oriented activities that will lead to significant growth of the non-oil export sector. Having met the eligibility criteria and registered under the scheme by the Nigerian Export Promotion Council (NEPC), the Company is entitled to a rebate on export sales in as much as it can demonstrate that the proceeds of the related sales have been repatriated through an approved channels to the country within 300 days of such export sales.

The rebate is recognised as a credit to cost of sales and as a receivable from the Federal Government of Nigeria (i.e. EEG receivable). As at 31 December 2021, EEG receivable stood at N 3.15 billion (31 December 2020: N2.86 billion) as disclosed in Note 16.

Negotiable Duty Credit Certificate (NDCC) is the instrument of the Federal Government of Nigeria (FGN) for settlement of EEG receivable. The NDCC was used for the payment of Import and Excise duties in lieu of cash. However, NEPC has stopped issuing NDCC in line with the new guidelines and all our NDCC has been returned for replacement with proposed promisory notes in line with the new guidelines.

Though, a significant component of the EEG receivable and unutilized NDCC have been outstanding for more than 1 year, no impairment charge have been recognised because they are regarded as sovereign debts. Moreover, Government have not communicated or indicated unwillingness to honour the obligations. Thus, the outstanding balances are classified as current assets accordingly.

5 Segment information

IFRS 8 'Operating segments requires operating segments to be determined based on the Company's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Board of Directors which includes executive directors and other key management. It is the Board of Directors that has responsibility for planning and controlling the activities of the Company.

The company's reportable segment has been identified on a product basis as glass bottles. Beta Glass Plc is a one segment business.
Customer sales greater than 10% of sales of Beta Glass Plc:

	2021		2020	
	N'000	%	N'000	%
Customer 1	7,018,453	19%	6,173,463	24%
Customer 2	7,001,801	19%	5,635,913	22%
Customer 3	4,691,870	13%	3,285,169	13%
Customer 4	4,094,282	11%	928,426	4%

Revenue is generated from local and international sales. An analysis based on customer location is set out below:

	2021	2020
	N'000	N'000
Local sales	33,958,663	24,934,278
Export sales	3,024,152	702,732
Total revenue	36,982,815	25,637,010

The Board of Directors assesses the performance of the operating segment based on profit from operations.

	2021	2020
	N'000	N'000
Operating profit	7,849,754	4,495,450

6 Revenue from contracts with customers

Disagregated revenue information

	31 December 2021 N'000	31 December 2020 N'000
Type of goods:		
Sales of glassware and bottles	36,982,815	25,637,010
Geographical markets:		
Local	33,958,663	24,934,278
Export	3,024,152	702,732
	36,982,815	**25,637,010**

Revenue from the sale of bottles are recognised at a point in time, generally upon delivery of the bottles.

N227 million (2020- N266 million) included in the revenue represents amount in contract liabilities at the beginning of the year.

Included in sales of glassware and bottles are sales to related parties of N7.0 billion (2020: N6.2 billion). See Note 29 for further details.

7 Expenses by function

		31 December 2021 N'000	31 December 2020 N'000
7.1	*Cost of sales*		
	Material consumed (Note 15)	10,106,795	6,861,908
	Depreciation of PPE (Note 19)	3,226,513	2,465,498
	Technical assistance fees (Note 29)	1,192,696	825,188
	Factory salaries and wages (Note 7.5)	2,480,119	2,245,638
	Pension costs - defined contribution plans (Note 13c)	162,597	146,677
	Fuel, gas and electricity	7,727,147	5,262,910
	Other factory overheads	2,833,532	1,925,208
		27,729,399	**19,733,028**

Other factory overheads represents repair and maintenance of plant and machinery, building and motor vehicle, insurance premium, staff canteen expenses and other factory overheads

7.2	***Administrative expenses***		
	Depreciation of PPE (Note 19)	44,390	58,615
	Amortisation of intangible assets (Note 14)	4,417	5,449
	Depreciation of ROU assets (Note 20)	152,120	137,794
	Auditors remuneration	28,332	26,217
	Legal and professional fees	196,136	103,883
	Salaries and wages (Note 7.5)	613,879	539,941
	Pension costs - defined contribution plans (Note 13c)	48,756	44,786
	Other personnel cost	148,494	125,879
	Directors' remuneration (Note 13d)	46,018	25,813
	Travel and transportation	108,449	74,184
	Other administrative expenses	670,498	515,479
	Expected Credit loss charged / (reversed) on financial assets excluding trade receivable (Note 16.2.2/3/4)	76,831	(11,360)
		2,301,829	**1,646,681**

Other personnel cost includes - Medical, staff training and other staff welfare expenses.

Included in Other administrative expenses are rent and rates- N228 million (2020: N150 million), Information and communication - N159 million (2020- N134 million), housing expenses- N87 million (2020: N53 million), publication and AGM- N56 million (2020: N47 million), vehicle maintenance- N80 million (2020: N51 million) , others - N61 million (2020 - N79 million)

Ernst & Young did not render any other service to the Company.

7 Expenses by function - continued

	31 December 2021 N'000	31 December 2020 N'000
7.3 *Selling and distribution expense*		
Salaries and wages (Note 7.5)	79,671	57,234
Other selling and distribution expense	123,574	145,020
Expected Credit loss charged/(reversed) on trade receivable (Note)	463	(6,076)
	203,708	196,178
Total cost of sales, administrative expenses and distribution costs	30,234,937	21,575,887

Bad debt written off in 2021- Nil (2020: N29 Million) is included in selling and distribution expenses

7.4 Credit loss expense

The table below shows the ECL credit on financial instruments for the year 2021 recorded in the profit or loss:

	Note	*Stage 1 Individual* *N'000*	*Simplified Model* *N'000*	*Total* *N'000*
Debt instruments measured at amortised cost -Related party loans	7.2	17,601	-	17,601
Debt instruments measured at amortised cost - Staff loan	7.2	-	-	-
Debt instruments measured at amortised costs - trade receivables	7.3	-	463	463
Debt instruments measured at amortised costs - Short term deposit	7.2	59,230	-	59,230
Total		76,831	463	77,294

The table below shows the ECL charge on financial instruments for the year 2020

	Note	*Stage 1 Individual* *N'000*	*Simplified Model* *N'000*	*Total* *N'000*
Debt instruments measured at amortised cost -Related party loans	7.2	(6,531)	-	(6,531)
Debt instruments measured at amortised cost - Staff loan	7.2	(4,829)	-	(4,829)
Debt instruments measured at amortised costs - trade receivables	7.3	-	(6,076)	(6,076)
Total		(11,360)	(6,076)	(17,437)

7.5 Expenses by Nature- Salary and wages

	31 December 2021	31 December 2020
Wages and salaries includes:	N'000	N'000
Cost of sales (Note 7.1)	2,480,119	2,245,638
Administrative expenses (Note 7.2)	613,879	539,941
Selling and distribution expense (Note 7.3)	79,671	57,234
	3,173,669	**2,842,812**

8 Other income

	31 December 2021	31 December 2020
	N'000	N'000
Profit on disposal of property, plant and equipment	219,870	117,721
Surplus on transport and others **	858,587	309,047
Proceed from sale of scraps	23,418	7,559
	1,101,875	**434,327**

** This represents surplus on transport charges recovered from customers, insurance claims and others

9 Foreign exchange (loss) / gain

	31 December 2021	31 December 2020
	N'000	N'000
Foreign exchange (loss) / gain	**(763,346)**	**285,495**
Analysed as follows:		
Net Realised (loss) / gain	(418,084)	453,518
Unrealised gain	52,854	545,842
Unrealised loss	(398,116)	(713,865)
Net foreign exchange (loss) / gain	**(763,346)**	**285,495**

Included in unrealised exchange gain is N20.00 million (2020: N461.07 million) relating to bank balances

10 Finance income and costs

	31 December 2021	31 December 2020
	N'000	N'000
10.1 Finance income		
Interest income	597,144	537,232
10.2 Finance cost		
Interest expense	(244,643)	(203,582)
Net finance income	**352,501**	**333,650**

The interest income are generated from fixed deposit and related parties borrowings. Interest are recognised using effective interest rate method (amortised cost).

11 Income tax expense

	31 December 2021 N'000	31 December 2020 N'000
Current income tax	94,662	2,021,040
Education tax	262,858	154,978
Police Trust Fund levy	372	-
Total income tax provision for the year (Note 23)	357,892	2,176,018
Deferred tax expenses / (credit) for the year (Note 21)	1,623,346	(528,094)
Income tax expense	**1,981,238**	**1,647,924**

The current tax charge has been computed at the applicable rate of 30% (31 December 2020: 30%) plus education levy of 2.5% (31 December 2020:2%) and Police trust fund levy of 0.005% (31December 2020: 0.005%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes. Non-deductible expenses include items such as donations and certain provisions which are not allowed as a deduction by the tax authorities. Tax exempt income include income such as export profits and gain on disposal of assets which are not
The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

11.1 Effective tax reconciliation

	31 December 2021 N'000	31 December 2020 N'000
Profit before taxation	7,438,909	5,114,594
Tax at the Nigeria Corporation Tax rate of 30% (2020 :30%)	2,231,673	1,534,378
Tax effects of:		
Non chargeable income	(168,149)	(53,860)
Non deductible expenses	51,938	42,226
Effect of education tax and police trust levy	263,230	154,978
Effect of tax incentive	(397,454)	(29,798)
Tax charge for the year	**1,981,238**	**1,647,924**

12 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting year.

	31 December 2021	31 December 2020
Profit attributable to shareholders of the Company (N' 000)	5,457,671	3,466,670
Weighted average number of ordinary shares in issue ('000)	499,972	499,972
Basic Earnings per share (Naira)	10.92	6.93

Diluted EPS is the same as the Basic earnings per share as there are no potential securities convertible to ordinary shares.

13 Particulars of the Directors and Employees

a The average employees excluding Directors, employed by the Company during the year was as follows:

	31 December 2021 Number	31 December 2020 Number
Management	328	327
Factory	390	343
Sales and Administration	9	9
	727	679

b **Salary Range**

The number of the employees in Nigeria with gross emoluments excluding retirement benefits within the bands stated below were:

	31 December 2021 Number	31 December 2020 Number
N800,001 - N1,000,000	-	2
N1,000,001 - N1,200,000	121	78
N1,200,001 - N1,400,000	52	69
N1,400,001 - N1,600,000	26	18
N1,600,001 - N1,800,000	9	9
N1,800,001 - N2,000,000	20	26
N2,000,001 - N2,500,000	145	131
N2,500,001 - N3,000,000	113	130
Over N3,000,000	241	216
	727	679

c **Staff Cost**

Staff costs for the above personel (excluding executive Directors):

	31 December 2021 N'000	31 December 2020 N'000
Wages and salaries (Note 7.5)	3,173,669	2,842,812
Pension costs - defined contribution plans- Cost of Sales (Note 7.1)	162,597	146,677
Pension costs - defined contribution plans- Administrative (Note 7.2)	48,756	44,786
Other personnel cost (Note 7.2)	148,494	125,879
	3,533,516	3,160,154

d **Directors' emoluments**

The remuneration paid to the Directors of the Company was:

	31 December 2021 N'000	31 December 2020 N'000
Fees for services as Directors	46,018	25,813
Other emolument as management	-	-
	46,018	25,813

13 Particulars of directors and staff - continued

d Directors' emoluments - continued

Fees for services as directors include fees, sitting allowance and travel expenses. The Managing Director is the only member of management team on the board and he earns no salary from the Company. His salary is paid by Frigoglass Industries Nigeria Limited- Beta Glass Plc's parent company

	2020	2019
	N'000	N'000
Analysis of Directors' emoluments:		
Fees	4,500	3,000
Sitting allowances	15,755	8,190
Travel expenses	25,763	14,623
Total directors' emoluments	**46,018**	**25,813**

	31 December 2021	31 December 2020
	N'000	N'000
Amount paid to the Chairman	8,562	7,017
Amount paid to the highest paid Director	8,562	7,017

The number of Directors of the Company (including the highest paid Director) whose remuneration, excluding pension contributions in respect of services to the Company fell within the following ranges:

	31 December 2021	31 December 2020
	Number	Number
N150,000 - N500,000	-	1
N500,001 - N8,000,000	6	5
	6	6
Directors with no emoluments	3	2

Directors with no emoluments waived their right to receive remuneration from the Company.

14 Intangible Assets

	Computer software	
	2021	2020
	N'000	N'000
Cost		
As at 1 January	60,708	60,708
Additions	-	-
As at 31 December	**60,708**	**60,708**
Accumulated amortisation:		
As at 1 January	(43,728)	(38,279)
Charge for the year	(4,417)	(5,449)
As at 31 December	**(48,145)**	**(43,728)**
Net book vaue		
As at 31 December	**12,563**	**16,980**

The remaining amortization period of the intangible asset is between 1 and 2 years. Amortization of N4.4 million (2020: N5.45 million) has been charged to Administrative expenses.

15 Inventories

	31 December 2021	31 December 2020
	N'000	N'000
Raw materials	3,061,754	1,987,486
Work in progress	270,043	259,043
Finished goods	3,291,508	2,735,169
Spare parts and consumables	2,022,522	1,718,704
Goods in transit	533,352	753,828
	9,179,179	**7,454,229**

In 2021, the write-down of inventories to net realisable value amounted to N614.78 million (2020: N397.13 million) and the movement is recognised as an expense in the period it occurred and included in cost of sales in profit or loss.

Analysis of value of inventories charged to profit or loss is as follows:

	31 December 2021	31 December 2020
	N'000	N'000
Cost of inventories included in cost of sales	10,106,795	6,861,908

The amount represents cost of materials consumed less export grants and included in cost of sales per Note 7.1

16 Trade and other receivables

	31 December 2021	31 December 2020
	N'000	N'000
Trade receivables	7,884,619	4,734,546
EEG receivable (Note 4)	3,153,681	2,860,681
Prepayment - others (Note 16.1)	600,881	213,155
Prepayment - Short term lease	71,029	32,601
Withholding tax receivable	133,340	99,202
Other receivables	36,427	16,531
Staff receivables	222,828	180,174
Related parties receivables (Note 29e)	3,449,424	4,667,782
	15,552,229	12,804,671
Allowance for expected credit losses	(75,889)	(57,825)
Total	**15,476,340**	**12,746,846**

Analysis of Expected credit losses- 2021

	Trade Receivable	Staff Receivable	Related Party Receivable	Total
	N'000	N'000	N'000	N'000
Gross	7,884,619	222,828	3,449,424	11,556,871
ECL	9,932	1,053	64,904	75,889
Net	**7,874,687**	**221,775**	**3,384,520**	**11,480,982**

Analysis of Expected credit losses- 2020

	Trade Receivable	Staff Receivable	Related Party Receivable	Total
	N'000	N'000	N'000	N'000
Gross	4,734,546	180,174	4,667,782	9,582,502
ECL	9,469	1,053	47,303	57,825
Net	**4,725,077**	**179,121**	**4,620,479**	**9,524,676**

Other receivable represents insurance claim receivables.

16.1 Prepayments includes Prepaid Insurance: N241 million (2020: N132 million), Supplier advances: N294 million (2020: N29 million) and Others: N65 million (2020: N52 million)

Trade receivables are non- interest bearing and are generally on payment terms of 30 - 90 days.

16.2 Set out below is the movement in the allowance for expected credit losses:

16.2.1 Trade Receivable

	2021	2020
	N'000	N'000
As at 1 Janauary	9,469	15,780
Reversal of provision during the year	-	(6,076)
Additional Provision during the year	463	-
Write off	-	(235)
As at 31 December	9,932	9,469

16.2.2 Staff Receivable

	2021	2020
	N'000	N'000
As at 1 Janauary	1,053	5,882
Reversal of provision during the year	-	(5,882)
Additional Provision during the year	-	1,053
As at 31 December	1,053	1,053

16 Trade and other receivables - continued

16.2.3 Related Parties Receivable

	2021	2020
	N'000	N'000
As at 1 Janauary	47,303	53,835
Reversal of provision during the year	-	-
Additional / (reversal) of provision during the year	17,601	(6,531)
As at 31 December	64,904	47,303

17 Cash and Short-term deposits

	31 December 2021	31 December 2020
	N'000	N'000
Cash in hand	556	600
Cash at bank	3,153,545	11,597,654
Short-term deposit	12,791,000	-
	15,945,101	**11,598,254**
Expected credit loss on short term deposit (Note 16.2.4)	(59,230)	-
Cash and Short-term deposits	**15,885,871**	**11,598,254**

17.1 Expected Credit Loss on Short Term Deposit

	2021	2020
	N'000	N'000
As at 1 Janauary	-	-
Provision during the year	59,230	-
Additional Provision during the year	-	-
Used during the year		
As at 31 December	**59,230**	-

17.2 For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand, cash at bank and short term deposit excluding ECL on short term deposit.

	31 December 2021	31 December 2020
	N'000	N'000
Cash and Short-term deposits	15,945,101	11,598,254
Cash and cash equivalents	**15,945,101**	**11,598,254**

18 Borrowings

	31 December 2021	31 December 2020
	N'000	N'000
Short term borrowings	4,829,269	4,120,895
	4,829,269	**4,120,895**

	31 December 2021	31 December 2020
Reconciliation of Short term Borrowings:	N'000	N'000
As at 1 January	4,120,895	2,967,453
Interest charged	244,643	203,582
Repayment of borrowings during the year	(4,695,292)	(4,695,292)
Interest paid	(244,643)	(203,582)
Additional borrowings during the year	5,403,666	5,848,734
As at 31 December	**4,829,269**	**4,120,895**

Short term borrowings represents Banker Acceptance from Stanbic IBTC Bank for the importation of raw materials and plant and equipment at a variable interest rate ranges from 8% to 8.28% (2020: 5.4% to 9.25%) payable within 30 to 90 days.

19 Property, plant and equipment

	Land N'000	Building N'000	Plant and Machinery N' 000	Furniture fittings and equipment N' 000	Motor Vehicles N' 000	Furnaces N' 000	Assets under Construction N' 000	Total N' 000
Cost								
At 1 January 2021	168,540	2,145,058	21,593,863	358,704	957,251	7,377,312	12,215,436	44,816,163
Additions	-	129,542	2,189,493	53,296	192,129	138,579	978,094	3,681,133
Disposals	-	(2,238)	(2,748,925)	-	(61,814)	(1,635,328)	-	(4,448,305)
Transfers **	-	393,984	5,768,333	3,526	-	5,499,404	(11,665,247)	-
At 31 December 2021	**168,540**	**2,666,346**	**26,802,764**	**415,526**	**1,087,567**	**11,379,968**	**1,528,283**	**44,048,991**
Accumulated depreciation:								
At 1 January 2021	-	805,511	15,243,672	245,387	656,883	5,756,313	-	22,707,766
Charge for the year	-	91,911	2,003,196	44,385	135,956	995,455	-	3,270,903
On disposals	-	(308)	(2,748,713)	-	(58,044)	(1,634,264)	-	(4,441,329)
At 31 December 2021	**-**	**897,114**	**14,498,155**	**289,771**	**734,795**	**5,117,504**	**-**	**21,537,340**
Net book value:								
At 31 December 2021	**168,540**	**1,769,232**	**12,304,609**	**125,756**	**352,772**	**6,262,464**	**1,528,283**	**22,511,651**

Assets under construction represents value of plant and machinery in progress. On completion, the assets will be capitalized and subsequently depreciated.

None of the Property, Plant and Equipment are specifically pledged as security or collateral

** Transfer represents asset that were capitalised from Asset under Construction during the year

Depreciation expenses charged as follows:	N' 000
Cost of Sales (Note 7.1)	3,226,513
Administrative expenses (Note 7.2)	44,390
Total	**3,270,903**

19 Property, plant and equipment - Continued

	Land N'000	Building N'000	Plant and Machinery N' 000	Furniture fittings and N' 000	Motor Vehicles N' 000	Furnaces N' 000	Assets under Constructio N' 000	Total N' 000
Cost:								
At 1 January 2020	168,540	2,098,580	22,905,097	640,498	1,091,636	7,783,076	10,240,972	44,928,399
Additions	-	14,376	827,297	27,163	-	-	2,209,879	3,078,715
Disposals	-	-	(54,898)	(53,415)	(42,614)	-	-	(150,927)
Write off	-	-	(2,354,590)	(170,120)	(100,771)	(414,542)	-	(3,040,023)
Transfers *	-	32,102	162,251	23,284	9,000	8,778	(235,415)	-
Reclassifications **	-	-	108,706	(108,706)	-	-	-	-
At 31 December 2020	**168,540**	**2,145,058**	**21,593,863**	**358,704**	**957,250**	**7,377,311**	**12,215,436**	**44,816,163**
Acumulated depreciation:								
At 1 January 2020	-	736,714	15,879,177	448,788	670,216	5,623,681	-	23,358,576
Charge for the year	-	68,797	1,719,634	58,615	129,893	547,174	-	2,524,113
On disposals	-	-	(39,058)	(53,409)	(42,455)	-	-	(134,922)
Write off	-	-	(2,354,581)	(170,107)	(100,771)	(414,542)	-	(3,040,001)
Reclassifications **	-	-	38,500	(38,500)	-	-	-	-
At 31 December 2020	-	**805,511**	**15,243,672**	**245,387**	**656,883**	**5,756,313**	-	**22,707,766**
Net book value:								
At 31 December 2020	**168,540**	**1,339,547**	**6,350,191**	**113,317**	**300,367**	**1,620,998**	**12,215,436**	**22,108,397**

Assets under construction represents value of plant and machinery in progress. On completion, the assets will be capitalized and subsequently depreciated.
None of the Property, Plant and Equipment are specifically pledged as security or collateral
* Transfer represents asset that were capitalised from Asset under Construction during the year
** Reclassification represents changes among asset categories for proper classifications

Depreciation expenses charged as follows:	N' 000
Cost of Sales (Note 7.1)	2,465,498
Administrative expenses (Note 7.2)	58,615
Total	**2,524,113**

20 Right-of-Use asset

Company as a lessee

The Company has lease contracts for rented guesthouses. Leases of guesthouses generally have lease terms between 1 and 2 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options, which are further discussed below.

The Company has certain leases of warehouses and guesthouses with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Building	
	2021	2020
	₦'000	₦'000
As at 1 January	38,928	29,530
Additions	159,998	147,192
Depreciation charged	(152,120)	(137,794)
As at 31 December	46,806	38,928

There were no lease liabilities as at 31 December 2021 (2020: Nil).

	2021	2020
	₦'000	₦'000
Depreciation expense of right-of-use assets	152,120	137,794
Expense relating to short-term leases (included in Admin and Selling expenses)	212,809	28,011
Total amount recognised in profit or loss	364,929	165,805

The Company had total cash outflows for leases of N159,998,000 in 2021. (2020: 147,292,000)

21 Deferred tax liabilities

	31 December 2021 N'000	31 December 2020 N'000
The movement in deferred tax is as follows:		
At 1 January	1,961,617	2,489,711
Changes during the year:		
- Charged / (credit) recognised in tax expense in profit or loss (Note 11)	1,623,346	(528,094)
At 31 December	**3,584,963**	**1,961,617**

	31 December 2021 N'000	31 December 2020 N'000
Deferred Tax Assets	(392,818)	(298,874)
Deferred Tax Liabilities	3,977,781	2,260,491
Net Deferred Tax Liabilities	**3,584,963**	**1,961,617**

Deferred tax relates to the followings:

	Statement of Financial Position		Statement of Profit or loss	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Accelerated depreciation for deferred tax purpose	(3,977,781)	(2,161,794)	1,815,987	(446,800)
Cash and Trade receivable - unrealised exchange gain	6,456	(98,698)	(105,154)	(33,325)
Trade and other payable - unrealised exchange gain and others	105,754	152,465	46,711	(103,478)
Trade and other receivables - impairment loss	80,804	19,328	(61,477)	7,481
Inventory - write down	199,804	127,082	(72,722)	48,028
Total	**(3,584,963)**	**(1,961,617)**	**1,623,346**	**(528,094)**

22 Trade and other payables

	31 December 2021 N'000	31 December 2020 N'000
Trade payables	7,685,561	4,302,658
Contract liabilities	481,590	227,611
Social security and transaction taxes	1,080,538	1,005,853
Accrued expenses and other payables	1,701,437	1,584,464
Amounts due to related parties (Note 29d)	904,269	1,058,109
	11,853,395	**8,178,695**

The Contract liabilities represents short- term advances received from customers to supply glass bottles

22 Trade and other payables - continued

22.1 Social security and transaction taxes includes Value Added Tax, Withholding taxes, Pay As You Earns taxes and Pension liabilities

22.2 Accrued expenses and other payables represent energy expenses accrued, transport income accrued, employee bonus accrued and raw material purchases accrual etc as at year end

All trade payables are due within twelve (12) months.

	31 December 2021	31 December 2020
22.3 Financial liabilities includes:	**N'000**	**N'000**
Trade payables	7,685,561	4,302,658
Amounts due to related parties (Note 29)	904,269	1,058,109
	8,589,830	**5,360,767**

23 Current income tax

	31 December 2021	31 December 2020
	N'000	N'000
The movement in current income tax is as follows:		
At 1 January	2,386,694	2,884,915
Provision for the year (Note 11)	357,892	2,176,018
Payment during the year	(2,168,441)	(2,366,741)
Withholding Tax Credit Utilised	-	(307,498)
At 31 December	**576,145**	**2,386,694**

24 Dividend payable

	31 December 2021	31 December 2020
	N'000	N'000
At 1 January	126,015	93,572
Dividend declared during the year	519,971	834,953
Dividend paid during the year relating to prior year (Note 27)	(519,971)	(834,953)
Unclaimed dividend returned	15,205	32,443
At 31 December	**141,220**	**126,015**
Dividend per share (Naira)	1.04	1.67

Unclaimed dividend returned relates to dividend declared but not claimed for a period of 15 months and above. This has not become statute barred and still claimable by the beneficiaries.

25 Issued Share Capital and Share Premium

	31 December 2021 N'000	31 December 2020 N'000
25.1 Allotted, called up and fully paid:		
499,972,000 ordinary shares of 50k each	249,986	249,986

	31 December 2021		31 December 2020	
	Number of shares	%	Number of shares	%
Frigoglass Industries Nigeria Limited	309,391,133	61.88%	309,391,133	61.88%
Friogoinvest Holdings B.V	40,833,131	8.17%	40,833,131	8.17%
Stanbic IBTC Nominees Nigeria Limited	31,341,272	6.27%	31,310,274	6.26%
Delta State Ministry of Finance Incorporated	22,258,117	4.45%	22,258,117	4.45%
Others	96,148,347	19.23%	96,179,345	19.24%
	499,972,000	100%	499,972,000	100%

25.2 Share premium

	31 December 2021 N'000	31 December 2020 N'000
Share premium	312,847	312,847

Share premium arose from share issue at a rate above the nominal value of ordinary shares.

26 Other reserves

	N'000
At 31 December 2021	2,429,942
At 31 December 2020	2,429,942

Other reserves represents furnace rebuilt reserve set aside from retained earnings in previous years and the amount is not available for distribution to the equity holders of the Company.

27 Retained earnings

	31 December 2021 N'000	31 December 2020 N'000
At 1 January	34,196,943	31,565,226
Dividend declared & paid during the year relating to prior year (Note 24)	(519,971)	(834,953)
Total comprehensive income for the year, net of taxation	5,457,671	3,466,670
At 31 December	39,134,643	34,196,943

28 Cash generated from operating activities

	31 December 2021 N'000	31 December 2020 N'000
Profit before taxation	**7,438,909**	**5,114,594**
Adjustment for:		
Depreciation of property, plant and equipment (Note 19)	3,270,903	2,524,113
Depreciation of Right-of-use asset (Note 20)	152,120	137,794
Write off of Net book value of Property, plant and equipment (Note 19)	-	22
Amortisation of intangible assets (Note 14)	4,417	5,449
Profit on disposal of property, plant and equipment (Note 8)	(219,870)	(117,721)
Interest income (Note 10.1)	(597,144)	(537,232)
Interest expense (Note 10.2)	244,643	203,582
Net Unrealised Exchange Difference (Note 9)	345,262	168,023
Allowance for expected credit losses Others (Note 7.4)	18,064	(17,437)
Allowance for expected credit losses- Short term deposit (Note 7.4)	59,230	-
Changes in working capital:		
(Increase) / decrease in trade and other receivables *	(3,092,841)	63,989
Increase in inventories	(1,724,950)	(909,381)
Decrease / (increase) in trade and other payables	3,674,700	(908,018)
Cash generated from operations	**9,573,444**	**5,727,781**
Reconciliations:		
* (Increase) /decrease in trade and other receivables	(2,729,494)	983,142
Less: Withholding tax utilised	-	(307,498)
Less: Trade and other receivable Impairment allowances during the year	(18,064)	17,437
Less: Exchange difference	(345,283)	(629,092)
(Increase) / Decrease in trade and other receivables for cash flow purpose	**(3,092,841)**	**63,989**

29 Related parties

The Company is a member of the Frigoglass group and is thus related to other subsidiaries of the Company through common shareholdings or common directorships. Transactions arising from dealings with related parties are as detailed below.

The Company is controlled by Frigoglass Industries Nigeria Limited which holds 61.88% (2020- 61.88%) of the Company's issued ordinary shares. The remaining 38.12% of the shares are widely held. The ultimate holding company is Frigoglass S.A.I.C (incorporated in Greece).

The following companies are related parties of Beta Glass Plc:

Frigoglass S.A.I.C - Ultimate parent and ultimate controlling party

Frigoglass Industries (Nigeria) Limited - Parent company

Frigoinvest Holdings BV - Intermediate parent company

Frigoglass Finance B.V. - Subsidiary of Frigoinvest Holding BV

Frigoglass Global Limited- Subsidiary of Frigoinvest Holding BV

A.G. Leventis Plc- A common Director

Nigerian Bottling Company - Shareholder with power to participate in the operating and financial decisions of the parent company of Beta Glass Plc

a Remuneration of key management personnel

Key management personnel includes the Board of directors (executive and non executive) and members of the Executive Committee . The compensation paid or payable to key management for employee services is shown below:

	31 December 2021 N'000	31 December 2020 N'000
Short term benefits (Note 13)	46,018	25,813
Amount paid to the highest paid Director	8,562	7,017
Amount paid to Chairman	8,562	7,017

b The number of directors of the Company based on range emolument is as below:

	31 December 2021 Number	31 December 2020 Number
N150,000 - N500,000	-	1
N500,001 - N8,000,000	6	5
	6	6
Directors with no emoluments	3	2

Directors with no emoluments waived their right to receive remuneration from the Company.

c Transactions with related parties

The following transactions took place between the Company and its related parties during the year:

c(i) Sales of goods and services

	2021 N'000	2020 N'000
Sales of goods:		
Nigerian Bottling Company Limited	7,018,453	6,173,463
	7,018,453	6,173,463

Goods are sold based on the price list in force and credit period ranges from 30 to 60 days. Accordingly, they are at arms' length.

29 Related parties - continued

c Transactions with related parties - continued

c(ii) Purchases of goods and services

	2021 N'000	2020 N'000
Purchase of services:		
Frigoglass Global Limited	1,192,696	825,188
A.G. Leventis Plc	1,079,170	638,819
	2,271,866	**1,464,007**

The transaction with Frigoglass Global limited was for the supply of technical expertise to Beta Glass Plc. The technical service fee represents 3% of net sales as approved by the National Office for Technology Acquisition and Promotion (NOTAP) certificate number 006914 with maturity profile of three (3) years from 01 January 2019 to 31 December 2021. Also included in the technical service charge for the year is Value Added Tax (VAT) at 7.5% (2020: 7.5%) paid on the technical service fee. The transactions with A.G. Leventis Plc were for rent of residential building, supply of haulage services and secretariat services.

Purchases of goods and services are at prices comparable to those obtainable from third parties.

d Due to related companies

This represents the balance due to related parties stated below as at year end:

	Description	31 December 2021 N'000	31 December 2020 N'000
Frigoglass Industries (Nigeria) Limited	Payments made by Frigoglass Ind.(Nig.) Limited on behalf of Beta Glass Plc	47,965	550,792
Frigoglass Global Limted	Purchase of services	577,824	394,570
Frigoglass SAIC - Kato Achaia	Purchase of services	213,058	61,511
A.G. Leventis Nig PLC	Purchase of services	65,422	51,236
		904,269	1,058,109

e Due from related companies

This represents the balance due from related parties stated below as at year end:

	Description	31 December 2021 N'000	31 December 2020 N'000
Nigerian Bottling Company Limited	Sales of Bottles and purchase of cullet	210,895	1,099,808
Frigoglass Industries (Nigeria) Limited	Intercompany treasury balances	3,238,529	3,567,974
		3,449,424	4,667,782

The receivables from related parties arise mainly from sale transactions, intercompany treasury balances and payments on behalf of other related companies with short term settlement period. The receivables are unsecured in nature and bear no interest except for treasury balances. There is impairment provisions amounting to N64.9 million (2020: N47.30 million).

The payables to related parties arise mainly on purchases and services from related parties with short term settlement period/ or payable on demand. The payables bear no interest.

30 Contingent liabilities

Legal proceedings
The company is presently involved in four (4) litigation as at 31 December 2021 (2020: 5). The claims against the Company from the suits amount to N5.93 billion (31 December 2020: N7.23 billion) as of reporting date. No provision has been made for these claims. Based on legal advice, the Company believes that no significant loss will eventuate .

Guarantee on behalf of Frigoglass Finance B.V.

On February 12, 2020, Frigoglass Finance B.V. (the "Issuer") issued €260.0 million in aggregate principal amount of 6.875% senior secured notes due 2025 (the "Notes") to restructure the exisiting loan and note. The Notes are guaranteed on a senior secured basis by Frigoglass S.A.I.C., Beta Glass, Frigoglass Industries Nigeria Limited and certain other subsidiaries of the Frigoglass Group (the "Guarantors") and secured by certain assets of the Issuer and certain of the Guarantors. The Notes mature on February 12, 2025. The Notes are secured by a pledge over the shares of Frigoglass Industries Nigeria Limited and Beta Glass held by Frigoinvest Holdings B.V. (the "Share Pledge"). The aggregate amount of the secured obligations in respect of the Share Pledge is limited to €175.0 million. The loan and note as at December 2020 was €175 million.

31 Commitments

At 31 December, 2021, the Company had commitment of N3.83 billion (2020: N1.09 billion) with a bank relating to purchase of raw materials. Also had a bond of N464.53 million (2020: Nil) for supply of gas with a gas supplier.

The company had no capital commitments as at 31 December 2021 (31 December 2020: Nil).

32 Subsequent events

A dividend in respect of the year ended 31 December 2021 of N1.10 per share, amounting to a total dividend of N549,969,200 was proposed at the Board meeting held on 24 March 2022 and subject to approval at the Annual General Meeting. In addition, the directors recomended a scrip Issue of one (1) for every five (5) shares held by the existing shareholders as fully paid up shares amounting to N55,552,285 (Gross of Withholding Tax) to be capitalised from retained earnings. These financial statements do not reflect these dividend payable and Scrip Issue. The Company is not also impacted by COVID 19 pandemic.

There were no any other after the reporting date events which could have had a 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 recognised.

33 Securities trading policy

In compliance with Rule 17.15 of the Nigerian Stock Exchange Amended Rules, the Company has a Securities Trading Policy in place which serves to guide its Directors, Management, Officers and related persons in dealing with its shares. All concerned are obliged to observe the provisions of the Regulations when dealing in the Company's shares and securities. The Company is not aware of any infringement of the policy during the period.

34 Compliance with regulatory bodies

There was no penalty for non-compliance matters with respect to regulatory bodies for the year ended 31 December 2021 (31 December 2020: Nil).

BETA GLASS PLC

VALUE ADDED STAEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 N'000	%	2020 N'000	%
Revenue	36,982,815		25,637,010	
Finance income	597,144		537,232	
Other income	1,101,875		434,327	
Foreign exchange (loss) /gain	(763,346)		285,495	
	37,918,489		26,894,065	
Bought in materials and services				
- Imported	(7,017,207)		(5,450,964)	
- Local	(16,256,775)		(10,297,416)	
	14,644,507	**100**	**11,145,685**	**100**

		%		%
Applied as follows:				
To pay employees:				
- Wages, salaries and other benefits	3,533,516	24.13	3,160,154	28.35
To pay providers of capital:				
- Finance cost	244,643	1.67	203,582	1.83
To pay government:				
- Income tax expense	357,892	2.44	2,176,018	19.52
To provide for enhancement of assets and growth:				
- Depreciation of plant, property and equipment	3,270,903	22.34	2,524,113	22.65
- Depreciation of right-of-use asset	152,120	1.04	137,794	1.24
- Amortisation of intangible assets	4,417	0.03	5,449	0.05
- Deferred tax charged / (credit) for the year	1,623,346	11.09	(528,094)	(4.74)
- Profit retained for the year	5,457,671	37.27	3,466,670	31.10
	14,644,507	**100**	**11,145,685**	**100**

The value added represents the wealth created through the use of the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, capital providers, government and that retained for future creation of wealth.

Note: Value added statement is not a required disclosure under IFRS

BETA GLASS PLC

FIVE YEAR FINANCIAL SUMMARY

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Assets employed					
Non-current assets	22,571,020	22,164,305	21,621,782	17,528,799	11,877,447
Current assets	40,541,390	31,799,329	30,458,580	28,550,830	26,334,166
Non-current liabilities	(3,584,963)	(1,961,617)	(2,489,711)	(2,728,744)	(4,023,546)
Current liabilities	(17,400,029)	(14,812,299)	(15,032,650)	(13,723,312)	(9,042,953)
Net assets	**42,127,418**	**37,189,718**	**34,558,001**	**29,627,573**	**25,145,114**
Capital employed					
Issued share capital	249,986	249,986	249,986	249,986	249,986
Share Premium	312,847	312,847	312,847	312,847	312,847
Other reserves	2,429,942	2,429,942	2,429,942	2,429,942	2,429,942
Retained earnings	39,134,643	34,196,943	31,565,226	26,634,798	22,152,339
Total equity	**42,127,418**	**37,189,718**	**34,558,001**	**29,627,573**	**25,145,114**

	2021 N'000	2020 N'000	2019 N'000	2,018 N'000	2,017 N'000
Revenue	36,982,815	25,637,010	29,412,252	26,321,014	22,186,258
Profit before taxation	7,438,909	5,114,594	8,012,533	7,188,181	5,854,740
Income tax expense	(1,981,238)	(1,647,924)	(2,432,313)	(2,135,376)	(1,739,598)
Profit for the year	5,457,671	3,466,670	5,580,220	5,052,805	4,115,142
Other comprehensive income	-	-	-	-	44,981
Total comprehensive income	**5,457,671**	**3,466,670**	**5,580,220**	**5,052,805**	**4,160,123**
Per share data					
Earnings per share (Naira)	10.92	6.93	11.16	10.11	8.23
Net asset per share (Naira)	84.26	74.38	69.12	59.26	50.29

Earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

Net assets per share is calculated by dividing net assets of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

Note: Five year financial summary is not a required disclosure under IFRS