Beta Glass Plc
RC: 13215

Report of the Directors, Audited Financial Statements and Other National Disclosures For the year ended 31 December 2020

BETA GLASS PLC

Annual Report, Audited Financial Statements and Other National Disclosures
For the year ended 31 December 2020

Table of contents **Page**

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
	Mr. John Mastoroudes *	British	Non-Executive Director
	Ms. Oluwaseun Abimisola Oni	Nigerian	Independent Non-Executive Director
	* Resigned 3rd July 2020		
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		

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 2020.

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

	2020	**2019**
	N'000	**N'000**
Revenue	25,637,010	29,412,252
Profit before taxation	5,114,594	8,012,533
Profit after taxation	3,466,670	5,580,220

Appropriation of Profit after Taxation

The Directors recommend to the shareholders, the payment of a gross dividend of **N1.04** per 50 kobo ordinary share to all shareholders on the Company's Register of Members as at the close of business on **June 10, 2021**. If the Directors' recommendation is approved by the shareholders, the profit after taxation of **N 3,466,670,000** will be appropriated as follows:

	N'000
Proposed dividend (Gross)	519,971
Transfer to general reserve	2,946,699

Directors

The Directors retiring by rotation in accordance with the Articles of Association are **Mr. Haralambos (Harry) G. David** and **Ms. Olufunmilola Adefope** 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 2020 and 31 December 2020, 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 (2020)		Nature of Holding (2019)	
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.	Mr. John Mastoroudes ***(retired w.e.f 3/7/2020)***	Nil	Nil	Nil	Nil
8.	Ms. Oluwaseun Abimisola Oni	Nil	Nil	Nil	Nil

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

Save as disclosed above, the Company is not aware of any other interests of the Directors in the share capital of the Company as at 31 December, 2020 or at the date of this report.

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 2020 or at the date of this report.

Corporate Governance

The directors have striven to maintain the corporate governance ethics and rules and regulations of the regulatory authorities during the year under review.

Acquisition of Own Shares

The Company did not acquire its own shares during the year ended 31 December 2020 (2019: 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 2020 (2019: 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 2020, the Company accomplished the following:

	N'000
COVID-19 intervention cash donation to Ogun state government	20,000
Provision of various medical items for the Agbara medical health centre, Agbara, Ogun State	629
Provision of Sienna bus to Ughelli North local government, Delta state	2,900
Provision of community van to Eruemukowarien community, Delta state	2,924
Provision of medical equipment and renovation of Ekeravwe Community, Delta State	3,500
Construction of one (1) self-bungalow in community teachers living quarter Ekeravewe community, Delta state	3,763
Total	**33,716**

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, 2020.

	2020		**2019**	
	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	31,310,274	6.26	28,518,616	5.70

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.

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.

In the wake of the COVID-19 pandemic, the Company demonstrated its commitment towards stemming the tide of the virus through its corporate social responsibility activities which included donation of N20 million to Ogun state government in support of the state government's efforts in curbing the spread of the pandemic and provision of palliatives.

Internally, emergency preparedness and response activities were strengthened, with carefully drafted operational measures at the Plants for safety and employees' protection, work from home programme procedures, technology was adopted for effective communication and efficient working.

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 through the use of suggestion boxes strategically located in the Company's premises.

Employment of Disabled Persons

It is the Company's policy to give special consideration to disabled persons having regard to the individual applicant's aptitudes and abilities. There were no disabled persons in the Company as at year ended 31 December 2020 (2019: nil).

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.

Evaluation of the impact of Covid-19

The Coronavirus (Covid-19) pandemic had an impact on the economy and by implication, on the Company during the year under review. Our priority remained protecting the health, safety and welfare of employees, customers and partners. The Company continuously monitored and evaluated its financial position and performance in such challenging conditions; The financial position was managed to remain strong and healthy during the period. The focus of the Board and the Management was on mitigating the impact and work on quick turnaround once the restrictions were gradually withdrawn.

Events after the Reporting Date

A dividend in respect of the year ended 31 December 2020 of **N1.04 kobo** per share, amounting to a total dividend of **N 519,970,880.00** was proposed at the board meeting held on **March 22, 2021** and subject to approval at the Annual General Meeting.

There were no other events after the reporting date which could have had a material effect on the state of affairs of the Company as at 31 December 2020 and on the profit for the year ended on that date which have not been adequately provided for or recognized.

Auditors

Messrs. Ernst & Young having been Auditors of the Company for 4 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
22 March, 2021

Beta Glass Plc

Compliance Certificate on the Company's Audited Financial Statements
For the year ended 31 December 2020

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 2020.

   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.

D-P Bennett-Voci	
Mr. Darren Bennett-Voci	**Mr. Dhanikonda Shanker**
Managing Director	**Chief Financial Officer**
22 March 2021	22 March 2021
FRC/2016/IODN/00000015783	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 2020. 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
22 March 2021
FRC/2013/NBA/00000004358

Mr. Darren Bennett-Voci
Managing Director
22 March 2021
FRC/2016/IODN/00000015783

BETA GLASS PLC

Audit Committee's Report

For the year ended December 31, 2020

In accordance 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, we have reviewed the scope and planning of the audit for the year ended December 31, 2020, which in our opinion were adequate.

We have reviewed the External Auditors' findings and recommendations on Management matters and are satisfied with Management's responses and actions thereon.

We have also kept under review the efficacy of the Company's internal control and system of accounting.

We confirm that the reporting and accounting policies of the Company are in accordance with legal requirements and agreed ethical practices.

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

Dated this **18th** day of **March 2021**

Members of the Audit Committee

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

Building a better working world

Ernst & Young
13th Floor,
UBA House
57,Marina
P.O. Box 2442, Marina
Lagos, Nigeria

Tel: +234 (01) 631 4500
Fax: +234 (01) 463 0481
Email:Services@ng.ey.com
www.ey.com

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 2020, 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 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing the audit of the Company. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of the Company. 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.

Building a better
working world

Key Audit Matters	How the matter was addressed in the audit
Export Expansion Grant (EEG) Receivables and Untilised Negotiable Duty Credit Certificates (NDDC)	
The company has Export Expansion Grant (EEG) receivable of N1.84billion and unutilised Negotiable Duty Credit Certificates (NDCC) of N1.02 billion as at 31 December 2020. 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. Unutilised NDCC is recognised when certificates are issued to the Company by the Nigerian Export Promotion Council (NEPC) for settlement of EEG receivable. EEG receivable and unutilised NDCC are key audit matters 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 either receive significant fresh Export Credit Certificates (ECC) previously NDCC or use the NDCC at hand for the settlement of import duties and levies in lieu of cash. Management is convinced that both the EEG receivable and the unutilised NDCC are recoverable because they are sovereign debts. This is further buttressed by NEPC circular, issued on 20 March 2017, 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 unutilised NDCC and evaluated 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 and unutilised NDCC 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 receivables. We tested the adequacy of provisions for related charges such as processing fees/ collection charges, utilisation charges, etc. During the year, the Company did not obtain 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 Annual Financial Statements for the year ended 31 December 2020", which includes the Directors' report, Compliance Certificate, Statement of Directors' Responsibilities, Audit Committee's report and Other National Disclosures (Value Added Statement and Five-Year Financial Summary) as required by the Companies and Allied Matters Act, 2020 and the Securities and Exchange Commission. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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 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, 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.

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

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 Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Building a better working world

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

***Auditor's Responsibilities for 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.

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
0366098

29 March 2021

BETA GLASS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	31 December 2020 N'000	31 December 2019 N'000
Revenue from contract with customers	6	25,637,010	29,412,252
Cost of sales	7.1	(19,733,028)	(21,474,020)
Gross profit		5,903,982	7,938,232
Selling and distribution expenses	7.3	(196,178)	(97,937)
Administrative expenses	7.2	(1,646,681)	(1,537,554)
Other income	8	434,327	684,809
Operating profit		4,495,450	6,987,550
Foreign exchange gain	9	285,495	155,910
Finance income	10.1	537,232	1,160,665
Finance cost	10.2	(203,582)	(291,592)
Finance income - net	10	333,650	869,073
Profit before taxation		5,114,594	8,012,533
Income tax expense	11	(1,647,924)	(2,432,313)
Profit for the year		3,466,670	5,580,220
Other comprehensive income:			
Total comprehensive income for the year; net of taxation		3,466,670	5,580,220
Earnings per share (EPS)			
Basic and diluted EPS (Naira)	12	6.93	11.16

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

BETA GLASS PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	31 December 2020 N'000	31 December 2019 N'000
Assets			
Non-current assets			
Property, plant and equipment	19	22,108,397	21,569,823
Right-of-Use assets	20	38,928	29,530
Intangible assets	14	16,980	22,429
		22,164,305	21,621,782
Current assets			
Inventories	15	7,454,229	6,544,848
Trade and other receivables	16	12,746,846	13,729,988
Cash in hand and at bank	17	11,598,254	10,183,744
		31,799,329	30,458,580
Total assets		53,963,634	52,080,362
Liabilities			
Non-current liabilities			
Deferred tax liabilities	21	1,961,617	2,489,711
		1,961,617	2,489,711
Current liabilities			
Borrowings	18	4,120,895	2,967,453
Trade and other payables	22	8,178,695	9,086,710
Current income tax	23	2,386,694	2,884,915
Dividend payable	24	126,015	93,572
		14,812,299	15,032,650
Total liabilities		16,773,916	17,522,361
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	34,196,943	31,565,226
Total equity		37,189,718	34,558,001
Total equity and liabilities		53,963,634	52,080,362

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 22 March 2021 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 2020

	Issued Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total N'000
At 1 January 2019	249,986	312,847	2,429,942	26,634,798	29,627,573
Profit for the year	-	-	-	5,580,220	5,580,220
Other comprehensive income for the year - net of taxation	-	-	-	-	-
Total comprehensive income for the year - net of taxation	-	-	-	5,580,220	5,580,220
Transaction with owners:					
Dividend declared (Note 24)	-	-	-	(649,964)	(649,964)
Statute barred unclaimed dividend returned (Note 24)	-	-	-	172	172
Total transaction with owners	-	-	-	(649,792)	(649,792)
At 31 December 2019	**249,986**	**312,847**	**2,429,942**	**31,565,226**	**34,558,001**
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
Other comprehensive income for the year - net of taxation	-	-	-	-	-
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**

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

BETA GLASS PLC

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	31 December 2020 N'000	31 December 2019 N'000
Cash flows from operating activities			
Cash generated from operations	28	5,727,781	6,156,071
Income tax paid	23	(2,366,741)	(750,568)
Net cash generated from operating activities		**3,361,039**	**5,405,503**
Cash flows from investing activities			
Purchase of property, plant and equipment	19	(3,078,715)	(6,615,211)
Purchase of right-of-use asset	20	(147,192)	(106,269)
Proceeds from disposal of property, plant and equipment		133,726	115,733
Purchase of intangible asset	14	-	(20,549)
Interest received	10.1	537,232	1,160,665
Net cash used in investing activities		**(2,554,948)**	**(5,465,631)**
Cash flows from financing activities			
Proceeds from short term borrowings	18	5,848,734	11,654,422
Repayment of term borrowing	18	(4,695,292)	(9,785,553)
Interest paid	18	(203,582)	(291,592)
Dividend paid	24	(834,953)	(649,964)
Unclaimed dividend returned	24	32,443	31,190
Net cash generated from financing activities		**147,350**	**958,503**
Net increase in cash and cash equivalents		953,441	898,375
Effect of exchange rate changes on cash and cash equivalents		461,069	412,572
Cash and cash equivalents at 1 January		10,183,744	8,872,797
Cash and cash equivalents at 31 December	17	**11,598,254**	**10,183,744**

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

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 61.9% 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 22 March 2021.

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 2020. The nature and effect of changes as a result of adoption of these new standards are described below:

Amendments to IFRS 3: *Definition of a Business*

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.

2.1.2 Changes in accounting policy and disclosure (continued)

(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 2021 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.

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 2021, 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.

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).

2.1.2 Changes in accounting policy and disclosure (continued)

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

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

The amendments include 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. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on economically equivalent basis with no value transfer having occurred.

Any other changes made at the same time, such as a change in the credit spread or maturity date are assessed. If they are substantial, the instrument is derecognised. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument with any modification gain or loss recognised in profit or loss.

Beta Glass does not have any financial instruments linked to IBOR at 31 December 2020 and therefore the impact is not expected to be material. Management will continue to assess the impact going-forward.

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 and other comprehensive income 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 with nil value 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.

Lease - (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.

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.

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

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 the amount required to be paid, less, when material, a discount to reduce the payables to 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 2020 (2019: 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.

3.0 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.

3.0 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:

	2020 Euro'000	2020 USD'000	2019 Euro'000	2019 USD'000
Financial assets				
Cash in hand and at bank	-	12,653	-	22,992
Trade receivables	-	498	-	2,051
	-	13,152	-	25,043
Financial liabilities				
Borrowings	1,304	8,451	3,562	4,241
Trade payables	932	1,357	6,543	586
Related parties payable	328	119	-	43
	2,564	9,926	10,105	4,871
Net amount	**(2,564)**	**3,225**	**(10,105)**	**20,173**

Effects in Naira on the Company's result:

	2020 N'000	2020 N'000	2019 N'000	2019 N'000
	Effect on proft before tax	Effect on proft before tax	Effect on proft before tax	Effect on proft before tax
	Euro	USD	Euro	USD
15 percent strengthening of the Naira to Euro /USD	193,495	(198,363)	612,986	(1,089,321)
15 percent weakning of the Naira to Euro / USD	(193,495)	198,363	(612,986)	1,089,321

	2020 Euro	2020 USD	2019 Euro	2019 USD
Reporting date spot rate of 1 Euro or 1USD to Naira	503	410	404	360

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 2020 of 4.12 billion Naira and 31 December 2019 of 2.97 billion Naira which have variable interest rate.

3.0 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
2020		**N'000**
US Dollar	+1	1,365
Euro	+1	-1
US Dollar	-1	(1,365)
Euro	-1	1
2019		
US Dollar	+1	4,327
Euro	+1	-1
US Dollar	-1	(4,327)
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 2020

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)	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**

3.0 Financial instruments risk management - continued

3.2 Credit risk - continued

31 December 2019

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)	10,183,744	-	-	-	10,183,744
Trade receivables (Note 16)	4,162,440	911,563	113,821	7,383	5,195,207
Receivables from related parties (Note 16)	4,951,318	67,955	3,513	-	5,022,786
Staff receivables (Note 16)	169,572	-	-	-	169,572
	19,467,074	**979,518**	**117,334**	**7,383**	**20,571,309**

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:

	2020	2019
i. Credit rating	**N'000**	**N'000**
B-/stable/B	80,790	171,814
AAA	11,488,730	10,010,599
Aa	28,734	1,331
	11,598,254	**10,183,744**

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.

3.0 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 2020 and 31 December 2019 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
	₦‘000	₦‘000	₦‘000	₦‘000	₦‘000	₦‘000	₦‘000	₦‘000
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**
31-Dec-19								
Expected credit loss rate	**0.00%**	**0.63%**	**2.24%**	**3.70%**	**3.70%**	-	-	
Estimated total gross carrying amount at default	4,152,440	653,424	187,192	80,294	121,857	-	-	5,195,207
Expected credit loss	**-**	**4,105**	**4,188**	**2,974**	**4,514**	**-**	**-**	**15,780**

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).

3.0 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 no amount (2019: N8.6 billion) 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 2020				
	N'000	**N'000**	**N'000**	**N'000**
Financial liabilities:				
Trade and other payables exclude transaction taxes and accrued expenses (Note 22)	-	5,588,378	-	5,588,378
Borrowings	-	4,198,292	-	4,198,292
	-	**9,786,671**	**-**	**9,786,671**

3.0 Financial instruments risk management -continued

3.4 Liquidity risk - continued

At 31 December 2019	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 exclude transaction taxes and accrued expenses (Note 22)	-	7,278,506	-	7,278,506
Borrowings	-	3,002,103	-	3,002,103
	-	**10,280,609**	**-**	**10,280,609**

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 2020 and 31 December 2019 are as follows:

	2020	2019
	N'000	N'000
Borrowings	4,120,895	2,967,453
Trade and other payables	8,178,695	9,086,710
Less: Cash in hand and at bank	(11,598,254)	(10,183,744)
Net Debt	**701,337**	**1,870,418**
Total equity	37,189,718	34,558,001
Capital and net debt	37,891,055	36,428,420
Gearing ratio	**2%**	**5%**

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. 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 2020, EEG receivable stood at N 1.84 billion (31 December 2019: N1.76 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. As at 31 December 2020, Unutilized NDCC stood at N 1.02 billion (31 December 2019: N1.02 billion) as disclosed in Note 16.

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.

4 Critical accounting estimates and judgements (continued)

Deferred tax

Deferred tax is the tax expected to be payable on differences between the carrying amounts of assets / 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. Such liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other liabilities in a transaction that affects neither the tax profit nor the accounting profit. Management has calculated the deferred tax liability and deferred tax asset based on estimated amounts of underlying transactions. Actual amounts may differ from estimated balances.

COVID-19 Impact

Covid-19 was declared a pandemic by the World Health Organization on 11 March 2020. Faced with this unprecedented global health crisis, Beta Glass Plc's absolute priorities were the safety of its staff, partners and other stakeholders and at the same time protecting the business and mitigate all the Risks during this period. The Company's business levels and earnings were affected by the pandemic especially in Quarter 2 and to a lesser extent in Quarter 3 due to restrictions and lockdown imposed by Federal and State governments to curb the spread of the virus. Quarter 2 reflected the deepest impact of COVID-19 with sales and profit before tax (PBT) lower by 42% and -109% respectively when compared with same period of last year. Significantly low sales to brewery customers which normally represent around 50% of the Company's top line was largely responsible for the lower performance in Quarter 2. The major impact was due to total lock down and restriction of movement of people and materials in Quarter 2 in Ogun state. However, there was greater support from soft drinks and Cosmetics customers to ameliorate the impact for other customer categories. There were signs of recovery in Quarter 3 with improvement in demand for glass bottles. Quarter 4 was a very healthy performance with Rebound of Sales which was better by 12 % and Operating profit better by 3% vs the same period last year. Below we summarize the specific risks and the impact it had on the company's business.

a. Financial risk management: We have considered the impact of COVID-19 pandemic on market risk, credit risk and liquidity risk and summarized as follows:
- Interest rate risk: Interest rates on local borrowings are still trending in the Pre- COVID-19 direction in a downward direction, so there has not been a major impact of the COVID-19 on borrowings.
- Foreign exchange risk: The economy was faced with a steep devaluation of the Naira during the year and the business was faced with challenges to settle import liabilities due to lack of liquidity in the foreign exchange market. The Company mitigated this risk by settling foreign invoices with the export sales proceeds of USD, and steadily participating in the CBN driven auctions for sale of USD.
- Credit risk: The Company managed very well the Credit risk associated with COVID-19 as receivables from customers were collected in a timely manner, keeping under control the Receivables. Hence, there is no impairment of receivables as a result of COVID-19.
- Liquidity risk: We have considered the potential of liquidity and working capital challenges due to changes in liquidity risk on financial instruments as a result of the pandemic. We have not had working capital challenges arising from the impact of COVID-19.

Critical accounting estimates and judgements (continued)

COVID-19 Impact - (continued)

b. Property, plant and equipment (PPE): The Company operations slowed down in Quarter 2 during the initial lock down restrictions of COVID-19, especially in Ogun state but for a very short period, the normal production resumed afterwards to meet the customers' demand. The useful life of property, plant and equipment was not reassessed as a result of COVID-19 as the impact was considered very short term, immaterial and temporal. No PPE was considered obsolete as aresult of COVID-19

c. Inventory and supply chain management: There was Global crisis in supply chain, and delays witnessed in receipt of material, more particularly for imported raw materials. The global supply chain faced intense disruptions across all industries and Geographies due to the COVID-19 restrictions. In view of our preparedness for anticipating delays, the Company managed the inventories efficiently to ensure keeping adequate stock levels to meet the production requirements at all times. No instance of inventory obsolescence as a result of COVID-19.

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:

	2020		2019	
	N'000	%	N'000	%
Customer 1	6,173,463	24%	6,431,711	22%
Customer 2	5,635,913	22%	5,390,946	18%
Customer 3	3,285,169	13%	4,559,762	16%
Customer 4	928,426	4%	3,642,664	12%

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

	2020	2019
	N'000	N'000
Local sales	24,934,278	26,926,199
Export sales	702,732	2,486,053
Total revenue	**25,637,010**	**29,412,252**

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

	2020	2019
	N'000	N'000
Operating profit	4,495,450	6,987,551

6 Revenue from contracts with customers
Disagregated revenue information

	31 December 2020	31 December 2019
Type of goods:	N'000	N'000
Sales of glassware and bottles	25,637,010	29,412,252
Geographical markets:		
Local	24,934,278	26,926,198
Export	702,732	2,486,053
	25,637,010	**29,412,252**

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

N266 million (2019- N202 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 N6.2 billion (2019: N4.6 billion). See Note 29 for further details.

7 Expenses by function

		31 December 2020	31 December 2019
		N'000	N'000
7.1	*Cost of sales*		
	Material consumed (Note 15)	6,861,908	8,693,521
	Depreciation (Note 19)	2,465,498	2,508,665
	Technical assistance fees (Note 29)	825,188	926,486
	Factory salaries and wages (Note 7.5)	2,245,638	2,181,045
	Pension costs - defined contribution plans (Note 13c)	146,677	140,792
	Fuel, gas and electricity	5,262,910	5,083,281
	Other factory overheads	1,925,208	1,940,231
		19,733,028	**21,474,020**

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 (Note 19)	58,615	49,282
	Amortisation charges (Note 14)	5,449	8,915
	Depreciation charges - Right-of- Use asset (Note 20)	137,794	99,350
	Auditors remuneration	26,217	27,684
	Legal and professional fees	103,883	128,306
	Salaries and wages (Note 7.5)	539,941	488,988
	Pension costs - defined contribution plans (Note 13c)	44,786	42,601
	Other personnel cost	125,879	144,348
	Directors' remuneration (Note 13d)	25,813	26,843
	Travel and transportation	74,184	111,720
	Other administrative expenses	515,479	392,016
	Expected Credit loss (reversed)/ charged on other receivables (Note 16.2.2/3)	(11,360)	17,501
		1,646,681	**1,537,554**

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

Included in other administrative expenses is N20 million donated to Ogun state government to support effort against COVID 19 pandemic. Also included are rent and rates- N150 million (2019: N120 million), Information and communication - N134 million (2019- N129 million), housing expenses- N53 million (2019: 54 million), others - N177 million (2019 - N92 million)

7 Expenses by function - continued

	31 December 2020 N'000	31 December 2019 N'000
7.3 *Selling and distribution expense*		
Salaries and wages (Note 7.5)	57,234	53,639
Other selling and distribution expense	145,020	43,015
Expected Credit loss (reversed) /charge on trade receivable (Note 16.2.1)	(6,076)	1,282
	196,178	**97,937**
Total cost of sales, administrative expenses and distribution costs	**21,575,888**	**23,109,511**

Bad debt written off of N29 Million (2019: Nil) 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 2020 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	(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)**

The table below shows the ECL (credit) / charge on financial instruments for the year 2019

	Note	*Stage 1 Individual N'000*	*Simplified Model N'000*	*Total N'000*
Debt instruments measured at amortised cost -Related party loans	7.2	17,501	-	17,501
Debt instruments measured at amortised cost - Staff loan	7.2	-	-	-
Debt instruments measured at amortised costs - trade receivables	7.3	-	1,282	1,282
Total		**17,501**	**1,282**	**18,784**

7.5 Expenses by Nature- Salary and wages

	31 December 2020	31 December 2019
Wages and salaries includes:	N'000	N'000
Cost of sales (Note 7.1)	2,245,638	2,181,045
Administrative expenses (Note 7.2)	539,941	488,988
Selling and distribution expense (Note 7.3)	57,234	53,639
	2,842,812	**2,723,673**

8 Other income

	31 December 2020	31 December 2019
	N'000	N'000
Profit on disposal of property, plant and equipment	117,721	110,287
Surplus on transport and others **	309,047	558,778
Proceed from sale of scraps	7,559	15,744
	434,327	**684,809**

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

9 Foreign exchange gain

	31 December 2020	31 December 2019
	N'000	N'000
Foreign exchange gain	**285,495**	**155,910**
Analysed as follows:		
Net Realised gain / (loss)	453,518	(103,577)
Unrealised gain	545,842	412,572
Unrealised loss	(713,865)	(153,085)
Net foreign exchange gain	**285,495**	**155,910**

Included in unrealised exchange gain is N461.069 million (2019: N412.572 million) relating to bank balances

10 Finance income and expenses

		31 December 2020	31 December 2019
		N'000	N'000
10.1	**Finance income**		
	Interest income	537,232	1,160,665
10.2	**Finance cost**		
	Interest expense	(203,582)	(291,592)
	Net finance income	**333,650**	**869,073**

Interest are recognised using effective interest rate method (amortised cost).

11 Income tax expense

	31 December 2020 N'000	31 December 2019 N'000
Current income tax provision for the year	2,021,040	2,475,102
Education tax	154,978	196,244
Total income tax provision for the year (Note 23)	2,176,018	2,671,346
Deferred tax credit for the year (Note 21)	(528,094)	(239,033)
Tax expense	**1,647,924**	**2,432,313**

The current tax charge has been computed at the applicable rate of 30% (31 December 2019: 30%) plus education levy of 2% (31 December 2019:2%) 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 taxable.

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 2020 N'000	31 December 2019 N'000
Profit before taxation	5,114,594	8,012,533
Tax at the Nigeria Corporation Tax rate of 30% (2019 :30%)	1,534,378	2,403,760
Tax effects of:		
Non chargeable income	(53,860)	(184,719)
Non deductible expenses	42,226	68,377
Effect of education tax	154,978	196,244
Effect of tax incentive	(29,798)	(51,350)
Tax charge for the year	**1,647,924**	**2,432,312**

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 2020	31 December 2019
Profit attributable to shareholders of the Company (N' 000)	3,466,670	5,580,220
Weighted average number of ordinary shares in issue ('000)	499,972	499,972
Basic Earnings per share (Naira)	6.93	11.16

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 2020 Number	31 December 2019 Number
Management	327	307
Factory	343	371
Sales and Administration	9	9
	679	**687**

b Salary Range

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

	31 December 2020 Number	31 December 2019 Number
N800,001 - N1,000,000	2	6
N1,000,001 - N1,200,000	78	75
N1,200,001 - N1,400,000	69	68
N1,400,001 - N1,600,000	18	22
N1,600,001 - N1,800,000	9	14
N1,800,001 - N2,000,000	26	59
N2,000,001 - N2,500,000	131	124
N2,500,001 - N3,000,000	130	133
Over N3,000,000	216	186
	679	**687**

c Staff Cost

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

	31 December 2020 N'000	31 December 2019 N'000
Wages and salaries (Note 7.5)	2,842,812	2,723,673
Pension costs - defined contribution plans- Cost of Sales	146,677	140,792
Pension costs - defined contribution plans- Administrative	44,786	42,601
Other personnel cost	125,879	144,348
	3,160,154	**3,051,414**

d Directors' emoluments

The remuneration paid to the Directors of the Company was:

	31 December 2020 N'000	31 December 2019 N'000
Fees for services as Directors	25,813	26,843
Other emolument as management	-	-
	25,813	**26,843**

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	3,000	3,250
Sitting allowances	8,190	11,130
Travel expenses	14,623	12,463
Total directors' emoluments	**25,813**	**26,843**

	31 December 2020	31 December 2019
	N'000	N'000
Amount paid to the Chairman	7,017	5,885
Amount paid to the highest paid Director	7,017	5,885

The table below shows individual details of Directors' fees, board and committee's sitting allowances and travel expenses in 2020.

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 2020	31 December 2019
	Number	Number
N150,000 - N500,000	1	-
N500,001 - N8,000,000	5	6
	6	6
Directors with no emoluments	2	2

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

14 Intangible Assets

	Computer software	
	2020	**2019**
	N'000	**N'000**
Cost		
As at 1 January	60,708	40,159
Additions	-	20,549
As at 31 December	**60,708**	**60,708**
Accumulated amortisation:		
As at 1 January	(38,279)	(29,364)
Charge for the year	(5,449)	(8,915)
As at 31 December	**(43,728)**	**(38,279)**
Net book vaue		
As at 31 December	**16,980**	**22,429**

The remaining amortization period of the intangible asset is between 2 and 3 years. Amortization of N5.45 million (2019: N8.92 million) has been charged to Administrative expenses.

15 Inventories

	31 December 2020	**31 December 2019**
	N'000	**N'000**
Raw materials	1,987,486	1,213,129
Work in progress	259,043	72,486
Finished goods	2,735,169	2,607,516
Spare parts and consumables	1,718,704	1,446,137
Goods in transit	753,828	1,205,580
	7,454,229	**6,544,848**

In 2020, the write-downs of inventories to net realisable value amounted to N397.13 million (2019: N547.22 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 2020	**31 December 2019**
	N'000	**N'000**
Cost of inventories included in cost of sales	6,861,908	8,693,521

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 2020	31 December 2019
	N'000	**N'000**
Trade receivables	4,734,546	5,195,207
Unutilised Negotiable Duty Credit Certificates (Note 4)	1,017,817	1,017,817
EEG receivable (Note 4)	1,842,864	1,763,065
Prepayments (Note 16.1)	213,155	248,571
Prepayment - Short term lease	32,601	29,823
Withholding tax receivable	99,202	358,645
Other receivables	16,531	-
Staff receivables	180,174	169,572
Related parties receivables (Note 29e)	4,667,782	5,022,786
	12,804,671	13,805,486
Allowance for expected credit losses	(57,825)	(75,497)
Total	**12,746,846**	**13,729,988**

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**	**4,620,478**	**9,524,676**

Analysis of Expected credit losses- 2019

	Trade Receivable	Staff Receivable	Related Party Receivable	Total
	N'000	**N'000**	**N'000**	**N'000**
Gross	5,195,207	169,572	5,022,786	10,387,565
ECL	15,780	5,882	53,835	75,497
Net	**4,090,874**	**126,403**	**6,070,433**	**10,312,067**

Other receivable represents insurance claim receivables.

16.1 Prepayments includes Prepaid Insurance: N132 million (2019: N123 million), Supplier advances: N29 million (2019: N111 million) and Others: N52 million (2019: N14 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

	2020	2019
	N'000	**N'000**
As at 1 Janauary	15,780	14,498
Reversal of provision during the year	(6,076)	-
Additional Provision during the year	-	1,282
Write off	(235)	-
As at 31 December	9,469	15,780

16.2.2 Staff Receivable

	2020	2019
	N'000	**N'000**
As at 1 Janauary	5,882	5,882
Reversal of provision during the year	(5,882)	-
Additional Provision during the year	1,053	-
As at 31 December	1,053	5,882

16 Trade and other receivables - (continued)

16.2.3 Related Parties Receivable

	2020	2019
	N'000	N'000
As at 1 Janauary	53,835	36,334
Reversal of provision during the year	(6,531)	-
Additional Provision during the year	-	17,501
As at 31 December	47,303	53,835

17 Cash in hand and at bank

	31 December 2020	31 December 2019
	N'000	N'000
Cash in hand	600	475
Cash at bank	11,597,654	10,183,270
Cash in hand and at bank	**11,598,254**	**10,183,744**

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand and cash at bank

	31 December 2020	31 December 2019
	N'000	N'000
Cash in hand and at bank	11,598,254	10,183,744
Cash and cash equivalents	**11,598,254**	**10,183,744**

18 Borrowings

	31 December 2020	31 December 2019
	N'000	N'000
Short term borrowings	4,120,895	2,967,453
	4,120,895	**2,967,453**

	31 December 2020	31 December 2019
Reconciliation of Short term Borrowings:	N'000	N'000
Borrowing as at 1 January	2,967,453	1,098,584
Interest charged	203,582	291,592
Repayment of borrowings during the year	(4,695,292)	(9,785,553)
Interest paid	(203,582)	(291,592)
Additional borrowings during the year	5,848,734	11,654,422
Borrowing as at 31 December	**4,120,895**	**2,967,453**

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 5.4% to 9.25% (2019: 3.5% to 6.5%) 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 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)	-
Reclassification***	-	-	108,706	(108,706)	-	-	-	-
At 31 December 2020	**168,540**	**2,145,058**	**21,593,863**	**358,704**	**957,251**	**7,377,312**	**12,215,436**	**44,816,163**
Accumulated 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)
Reclassification***	-	-	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**	**113,318**	**300,368**	**1,620,999**	**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**

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 2019	168,540	1,851,993	23,028,530	465,793	803,024	7,905,583	5,813,799	40,037,262
Additions		183,886	1,236,750	99,602	138,889	68,669	4,887,415	6,615,211
Disposals	-	-	(722,422)	(19)	(135,809)	(865,824)	-	(1,724,074)
Transfers *	-	48,554	270,986	63,743	43,650	33,309	(460,242)	-
Reclassifications **	-	14,147	(908,747)	11,380	241,881	641,339	-	-
At 31 December 2019	**168,540**	**2,098,580**	**22,905,098**	**640,499**	**1,091,636**	**7,783,076**	**10,240,973**	**44,928,399**
Acumulated depreciation:								
At 1 January 2019	-	664,292	15,908,321	397,644	487,136	5,061,864	-	22,519,258
Charge for the year	-	58,275	1,596,581	39,783	77,007	786,301	-	2,557,947
On disposals	-	-	(716,977)	(19)	(135,808)	(865,823)	-	(1,718,627)
Reclassifications **	-	14,147	(908,747)	11,380	241,881	641,339	-	-
At 31 December 2019	**-**	**736,715**	**15,879,179**	**448,787**	**670,216**	**5,623,680**	**-**	**23,358,576**
Net book value:								
At 31 December 2019	**168,540**	**1,361,865**	**7,025,919**	**191,711**	**421,420**	**2,159,396**	**10,240,973**	**21,569,823**

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)	2,508,665
Administrative expenses (Note 7.2)	49,282
Total	**2,557,948**

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	
	2020	**2019**
	₦'000	**₦'000**
As at 1 January	29,530	22,611
Additions	147,192	106,269
Depreciation expense	(137,794)	(99,350)
As at 31 December	38,928	29,530

There were no lease liabilities as at 31 December 2020 (2019: Nil).

	2020	**2019**
	₦'000	**₦'000**
Depreciation expense of right-of-use assets	137,794	99,350
Expense relating to short-term leases (included in Admin and Selling expenses)	83,158	28,011
Total amount recognised in profit or loss	220,952	127,361

The Company had total cash outflows for leases of N147,192,000 in 2020. (2019: 106,269,444)

21 Deferred tax liabilities

	31 December 2020	31 December 2019
	N'000	**N'000**
The movement in deferred tax is as follows:		
At 1 January	2,489,711	2,728,744
Changes during the year:		
- Credit recognised in tax expense in profit or loss (Note 11)	(528,094)	(239,033)
At 31 December	**1,961,617**	**2,489,711**

	31 December 2020	31 December 2019
	N'000	**N'000**
Deferred Tax Assets	(298,874)	(250,906)
Deferred Tax Liabilities	2,260,491	2,740,617
Net Deferred Tax Liabilities	**1,961,617**	**2,489,711**

Deferred tax relates to the followings:

	Statement of Financial Position		Statement of Profit or loss	
	2020	2019	2020	2019
	N'000	**N'000**	**N'000**	**N'000**
Accelerated depreciation for deferred tax purpose	(2,161,794)	(2,608,594)	(446,800)	(315,018)
Cash and Trade receivable - unrealised exchange gain	(98,698)	(132,023)	(33,325)	50,598
Trade and other payable - unrealised exchange gain and others	152,465	48,987	(103,478)	50,798
Trade and other receivables - impairment loss	19,328	26,809	7,481	(6,012)
Inventory - write down	127,082	175,110	48,028	(19,399)
Total	**(1,961,617)**	**(2,489,711)**	**(528,094)**	**(239,033)**

22 Trade and other payables

	31 December 2020	31 December 2019
	N'000	**N'000**
Trade payables	4,302,658	5,330,073
Contract liabilities	227,611	266,017
Social security and transaction taxes	1,005,853	377,292
Accrued expenses and other payables	1,584,464	1,430,912
Amounts due to related parties (Note 29d)	1,058,109	1,682,416
	8,178,695	**9,086,710**

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 VAT, 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 2020	31 December 2019
22.3 Financial liabilities includes:	**N'000**	**N'000**
Trade payables	4,302,658	5,330,073
Amounts due to related parties (Note 29)	1,058,109	1,682,416
	5,360,767	**7,012,489**

23 Current income tax

	31 December 2020	31 December 2019
	N'000	**N'000**
The movement in current income tax is as follows:		
At 1 January	2,884,915	964,137
Provision for the year (Note 11)	2,176,018	2,671,346
Payment during the year	(2,366,741)	(750,568)
Withholding Tax Credit Utilised	(307,498)	-
At 31 December	**2,386,694**	**2,884,915**

24 Dividend payable

	31 December 2020	31 December 2019
	N'000	**N'000**
At 1 January	93,572	62,554
Dividend declared during the year	834,953	649,964
Dividend paid during the year relating to prior year (Note 27)	(834,953)	(649,964)
Unclaimed dividend returned	32,443	31,190
Statute barred unclaimed dividend transferred to retained earnings	-	(172)
At 31 December	**126,015**	**93,572**
Dividend per share (Naira)	1.67	1.30

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 hence, the non-recognition in retained earnings.

25 Share capital

25.0 Authorised:

	31 December 2020 N'000	31 December 2019 N'000
600,000,000 ordinary shares of 50kobo each	300,000	300,000
Allotted, called up and fully paid:		
499,972,000 ordinary shares of 50k each	**249,986**	**249,986**

	31 December 2020		31 December 2019	
	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	31,310,274	6.26%	28,518,616	5.70%
Delta State Ministry of Finance Incorporated	22,258,117	4.45%	22,258,117	4.45%
Others	96,179,345	19.24%	98,971,003	19.80%
	499,972,000	**100%**	**499,972,000**	**100%**

25.1 Share premium

	31 December 2020 N'000	31 December 2019 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 2020	2,429,942
At 31 December 2019	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 2020 N'000	31 December 2019 N'000
At 1 January	31,565,226	26,634,798
Dividend declared & paid during the year relating to prior year (note 24)	(834,953)	(649,964)
Total comprehensive income; net of taxation	3,466,670	5,580,220
Statute barred dividend returned (Note 24)	-	172
At 31 December	**34,196,943**	**31,565,226**

Statute barred dividend is no longer available for collection by the beneficiaries hence, the recognition in retained earnings.

28 Cash generated from operating activities

	31 December 2020	31 December 2019
	N'000	**N'000**
Profit before taxation	**5,114,594**	**8,012,533**
Adjustment for:		
Depreciation of property, plant and equipment (Note 19)	2,524,113	2,557,947
Depreciation of Right-of-use asset (Note 20)	137,794	99,350
Write off of Net book value of Property, plant and equipment (Note 19)	23	-
Amortisation of intangible assets (Note 14)	5,449	8,915
Profit on disposal of property, plant and equipment (Note 8)	(117,721)	(110,287)
Interest income (Note 10.1)	(537,232)	(1,160,665)
Interest expense (Note 10.2)	203,582	291,592
Net Unrealised Exchange Difference (Note 9)	168,023	(259,487)
Allowance for expected credit losses (Note 7.4)	(17,437)	18,784
Changes in working capital:		
Decrease / (increase) in trade and other receivables *	63,989	(486,176)
Increase in inventories	(909,381)	(305,108)
Decrease in trade and other payables	(908,018)	(2,511,328)
Cash generated from operations	**5,727,781**	**6,156,071**
Reconciliations:		
* Decrease / (increase) in trade and other receivables	983,142	(291,696)
Less: Withholding tax utilised	(307,498)	-
Less: Receivable Impairment allowances during the year	17,437	(18,784)
Less: Right-of-use asset reclassified from prepayment	-	(22,611)
Less: Exchange difference	(629,092)	(153,085)
Decrease / (increase) in trade and other receivables for cash flow purpose	**63,989**	**(486,176)**

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 61.9% (2019- 61.9%) of the Company's issued ordinary shares. The remaining 38.1% 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 2020	31 December 2019
	N'000	N'000
Short term benefits (Note 13)	25,813	26,843
Amount paid to the highest paid Director	7,017	5,885
Amount paid to Chairman	7,017	5,885

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

	31 December 2020	31 December 2019
	Number	Number
N150,000 - N500,000	-	-
N500,001 - N8,000,000	6	6
	6	6
Directors with no emoluments	2	2

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

	2020	2019
	N'000	N'000
Sales of goods:		
Nigerian Bottling Company Limited	6,173,463	4,559,762
	6,173,463	**4,559,762**

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

	2020	2019
	N'000	N'000
Purchase of services:		
Frigoglass Global Limited	825,188	926,486
A.G. Leventis Plc	638,819	376,082
	1,464,007	**1,302,568**

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% (2019: 5%) paid on the technical service fee. The transaction with A.G. Leventis Plc was for 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:

		31 December 2020	31 December 2019
	Description	**N'000**	**N'000**
Frigoglass Industries (Nigeria) Limited	Payments made by Frigoglass Ind.(Nig.) Limited on behalf of Beta Glass Plc	550,792	818,073
Frigoglass Global Limted	Purchase of services	394,570	829,697
Frigoglass SAIC - Kato Achaia	Purchase of services	61,511	31,176
A.G. Leventis Nig PLC	Purchase of services	51,236	3,470
		1,058,109	**1,682,416**

e Due from related companies

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

		31 December 2020	31 December 2019
	Description	**N'000**	**N'000**
Nigerian Bottling Company Limited	Sales of Bottles and purchase of cullet	1,099,808	1,043,856
Frigoglass Industries (Nigeria) Limited	Intercompany treasury balances	3,567,974	3,978,931
		4,667,782	**5,022,786**

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 N47.30 million (2019: N53.84 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 five (5) litigation as at 31 December 2020 (2019: 4). The claims against the Company from the suits amount to N7.23 billion (31 December 2019: 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 2019 was €161 million which was restructured in February 2020.

31 Commitments

At 31 December, 2020, the Company had commitment of N1.09 billion (2019: N2.77 billion) with a bank relating to trade purchase of raw materials.

The company had no capital commitments as at 31 December 2020 (31 December 2019: Nil).

32 Subsequent events

A dividend in respect of the year ended 31 December 2020 of N1.04 per share, amounting to a total dividend of N519,970,880 was proposed at the Board meeting held on 22 March 2021 and subject to approval at the Annual General Meeting. These financial statements do not reflect this dividend payable.

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 2020 and on the profit for the year ended on that date which have not been adequately provided for or recognised.

33 Coronavirus pandemic and 2021 outlook

COVID 19 is a global pandemic as already declared by World Health Organisation (WHO) on 11th March 2020 and the crisis impacted adversely most businesses in 2020. However, there was sign of relieve towards the end of year 2020 with development of vaccine against the virus. Nigerian government and world at large has continued to introduce measures to curtail the spread of the virus. Business has significantly resumed and gradually returning to normal in 2021. Beta Glass operations has also returned to normal and accelerating to full operation in 2021.

34 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.

35 Compliance with regulatory bodies

There was no penalty for non-compliance matters with respect to regulatory bodies for the year ended 31 December 2020 (31 December 2019: Nil).

36 Reclassification

Certain reclassifications were made to the prior year reported balances totaling N127 million between Cost of Sales and Administrative expenses in order to conform to the current year's presentation.

BETA GLASS PLC

VALUE ADDED STAEMENT

For the year ended 31 December 2020

	2020 N'000		2019 N'000	%
Revenue	25,637,010		29,412,252	
Finance income	537,232		1,160,665	
Other income	434,327		684,809	
Foreign exchange gain	285,495		155,910	
	26,894,065		31,413,636	
Bought in materials and services				
- Imported	(5,450,964)		(6,946,575)	
- Local	(10,297,415)		(10,445,311)	
	11,145,686	**100**	**14,021,751**	**100**

Applied as follows:

	2020	%	2019	%
To pay employees:				
- Wages, salaries and other benefits	3,160,154	28.35	3,051,414	21.76
To pay providers of capital:				
- Finance cost	203,582	1.83	291,592	2.08
To pay government:				
- Income tax expense	2,176,018	19.52	2,671,346	19.05
To provide for enhancement of assets and growth:				
- Depreciation of plant, property and equipment	2,524,113	22.65	2,557,947	18.24
- Depreciation of right-of-use asset	137,794	1.24	99,350	0.71
- Amortisation of intangible assets	5,449	0.05	8,915	0.06
'Deferred tax credit for the year	(528,094)	(4.74)	(239,033)	(1.70)
- Profit retained for the year	3,466,670	31.10	5,580,220	39.80
	11,145,686	**100**	**14,021,751**	**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

	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Assets employed					
Non-current assets	22,164,305	21,621,782	17,528,799	11,877,447	10,533,274
Current assets	31,799,329	30,458,580	28,550,830	26,334,166	22,657,398
Non-current liabilities	(1,961,617)	(2,489,711)	(2,728,744)	(4,023,546)	(4,718,709)
Current liabilities	(14,812,299)	(15,032,650)	(13,723,312)	(9,042,953)	(6,996,999)
Net assets	**37,189,718**	**34,558,001**	**29,627,573**	**25,145,114**	**21,474,964**
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	34,196,943	31,565,226	26,634,798	22,152,339	18,482,189
Total equity	**37,189,718**	**34,558,001**	**29,627,573**	**25,145,114**	**21,474,964**

	2020 N'000	2019 N'000	2018 N'000	2,017 N'000	2016 N'000
Revenue	25,637,010	29,412,252	26,321,014	22,186,258	19,091,192
Profit before taxation	5,114,594	8,012,533	7,188,181	5,854,740	5,215,253
Income tax expense	(1,647,924)	(2,432,313)	(2,135,376)	(1,739,598)	(1,415,860)
Profit for the year	3,466,670	5,580,220	5,052,805	4,115,142	3,799,393
Other comprehensive income	-	-	-	44,981	296,238
Total comprehensive income	**3,466,670**	**5,580,220**	**5,052,805**	**4,160,123**	**4,095,631**
Per share data					
Earnings per share (Naira)	6.93	11.16	10.11	8.23	7.60
Net asset per share (Naira)	74.38	69.12	59.26	50.29	42.95

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