FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Annual report and consolidated financial statements

For the year ended 31 December 2019

Index to the Annual report and consolidated financial statements
For the year ended 31 December 2019

Corporate Information

Country of incorporation and domicile	Nigeria	
Directors	Mr. Nikolaos Mamoulis (Greek)	Chairman
	Mr. Darren Bennett-Voci (British)	Managing Director
	Mr. Haralambos G. David (Cypriot)	Director
	Mr. Dhanikonda Shanker (Indian)	Director
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	
Auditors	PricewaterhouseCoopers, Chartered Accountants Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria T: +234 1 271 1700,	
Principal Bankers	Stanbic IBTC Bank Plc First City Monument Bank Plc Zenith Bank Plc Citibank Nigeria Limited	

Report of the directors

The Directors of Frigoglass Industries Nigeria Limited ("the Company") present to members of the Company, the annual report together with the audited financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the Company is the manufacture and sale of crown corks, plastic products and commercial refrigeration products. The Company is also involved in the manufacturing and sales of glassware through its group activities.

Merger through external restructuring

On 6th December 2019, Frigoglass West Africa Limited (FWAL), a related entity, was merged with the Company through a scheme of external restructuring sanctioned by an order of a court of competent jurisdiction. Effective from the referenced date, the Company took over the business operations of FWAL which is the sales and refurbishment of Ice-Cold Merchandise (ICM). Also, on the same date, all assets and liabilities of FWAL were integrated into the Company at book value.

As a result of the scheme of external restructuring, FWAL ceased to be a legal entity and the Company becomes the surviving entity of the combined operations. The shares of FWAL were also cancelled and there was no issuance of shares in the Company in exchange for the shares of FWAL.

Results for the year

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Revenue from contracts with customers	39,205,065	36,762,836	9,792,813	10,441,821
Profit before income tax	11,535,110	11,426,617	3,924,785	4,569,484
Profit for the year	7,828,729	7,923,777	2,650,718	3,202,020

Appropriation of profit after taxation

The profit after taxation has been transferred to retained earnings. However, a dividend of N6.83k per ordinary share amounting to N 2.99 billion (2018:Nil) was proposed and will be distributed from the retained earnings, from profits of 2014, 2015 and 2016 financial years

Directors

The names of the Directors who held office during the year under review and at the date of this report are as follows:

Mr. Nikolaos Mamoulis (Greek) - Chairman
Mr. Darren Bennett-Voci (British) - Managing Director
Mr. Haralambos (Harry) G David (Cypriot)
Mr. Shanker Venkada Dhanikonda (Indian)

The Directors retiring by rotation in accordance with the Articles of Association are **Messrs. Nikolaos Mamoulis** and **Shanker Venkada Dhanikonda**. They being eligible, offer themselves for re-election.

In accordance with Section 258(2) of the Companies and Allied Matters Act, the records of Directors' attendance at board meetings during the year will be available for inspection at the Annual General Meeting.

Report of the directors (continued)

Directors' interests in:

a) **Shares of the Company:** According to the register kept for the purposes of Section 275 of the Companies and Allied Matters Act, none of the directors held any shares in the issued share capital of the Company as at 1 January 2019 and 31 December 2019.

b) **Shares of the Subsidiary Company:** The table below shows the interests of the directors in the issued share capital of Beta Glass Plc:

	Number of shares as at	
	31 December 2019	**1 January 2019**
Mr. Nikolaos Mamoulis (Greek)	-	-
Mr. Darren Bennett-Voci (British)	-	-
Mr. Haralambos (Harry) G David (Cypriot)	25,437	25,437
Mr. Shanker Venkada Dhanikonda (Indian)	-	-

Contracts

None of the directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, of any disclosable interests in contracts involving the Company either as at 31 December 2019 or the date of this report.

Shareholding

According to the register of members as at 31 December 2019, the following shareholders of the company held more than 10% of the issued share capital of the company:

Shareholder	Number of shares	Percentage held
	Units	%
Frigoinvest Holdings B.V Netherlands	332,373,932	76.03
Nigerian Bottling Company Limited	104,491,862	23.90

Distribution of Company's products

The Company's products are manufactured mainly to customers' specifications. Hence, distributors are not involved in the Company's value chain.

Acquisition of own shares

The Company did not acquire its own shares during the year under review and in prior year.

Property, plant and equipment

In the opinion of the directors, the market value of the Company's property, plant and equipment is not less than the value disclosed in the financial statements.

Employment and employee matters:

Employment of disables persons

It is the Company's policy not to discriminate against disabled persons hence, full and fair consideration is given to applications received from them having regard to each applicant's particular aptitudes and abilities.

Report of the directors (continued)

Employment and employee matters (continued)

Health, safety and welfare of employees

Free medical treatment is given to all employees in well-equipped and professionally manned in-house clinics, which exists in the Company's and its subsidiary's operational locations. Cases requiring more intensive medical care are referred to the nearest reputable hospitals whose services is retained by the Company. Where necessary, protective clothing and devices are provided for employees.

Free meals of high nutritional value are served at the Company's canteens, whilst transportation facilities to and from employees places of work is provided by the Company.

Retirement benefit scheme is operated for all qualified employees of the Company in accordance with the Pensions Reform Act, 2004 as amended.

Employees' involvement and training

In keeping with the Company's policy, which enhances industrial peace and harmony, employees are consulted and involved in decisions that affect their current jobs or future prospects. Also, employees are provided with appropriate training both locally and internationally.

Auditors

Messrs. PricewaterhouseCoopers have indicated their willingness to continue in office as auditors of the Company in accordance with Section 357(2) of the Companies and Allied Matters Act.

By order of the Board

Bola Adebisi (Ms)
Company Secretary

Iddo House, Iddo, Lagos

Dated: 24 March 2020

Statement of directors' responsibilities

The Companies and Allied Matters Act 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 group at the end of the year and of its profit or loss. This responsibility include:

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;

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 and the requirements of the Companies and Allied Matters Act.

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 or loss. 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.

Mr. Nikolaos Mamoulis
Chairman
24 March 2020

D. Bennett-Voci

Mr. Darren Bennett-Voci
Managing Director
24 March 2020

Independent auditor's report

To the Members of Frigoglass Industries Nigeria Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Frigoglass Industries Nigeria Limited ("the company") and its subsidiaries (together "the group") as at 31 December 2019, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Frigoglass Industries Nigeria Limited's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

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 consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Report of the Directors, Statement of Directors' Responsibilities, Consolidated and Separate Statements of Value Added and Consolidated and Separate Five-Year Financial Summary, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group'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 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 Group'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 consolidated and separate 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) 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.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
3G/ICAN
0691265

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

22 July 2020

Engagement Partner: Edafe Erhie
FRC/2013/ICAN/00000001143

Consolidated and separate statement of profit or loss and other comprehensive income

		Group		Company	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
	Note	N'000	N'000	N'000	N'000
Revenue from contracts with customers	5	39,205,065	36,762,836	9,792,813	10,441,821
Cost of sales	6	(29,028,146)	(27,521,103)	(7,426,892)	(7,580,729)
Gross profit		10,176,919	9,241,733	2,365,921	2,861,092
Administrative expenses	6	(2,323,878)	(2,371,403)	(931,061)	(702,236)
Selling and distribution expenses	6	(114,848)	(81,161)	(18,193)	-
Net impairment (loss)/gain	17.3	(19,017)	13,189	(234)	-
Other income	8	859,291	1,429,020	576,690	509,912
Operating profit		8,578,467	8,231,378	1,993,123	2,668,768
Net foreign exchange gain	9	770,645	1,013,610	614,735	880,883
Finance income	10	2,601,315	2,506,474	2,299,695	2,019,437
Finance cost	10	(415,316)	(324,845)	(982,769)	(999,604)
Finance income - net	10	2,185,999	2,181,629	1,316,927	1,019,833
Profit before income tax		11,535,110	11,426,617	3,924,785	4,569,484
Income tax expense	11	(3,706,381)	(3,502,840)	(1,274,067)	(1,367,464)
Profit for the year		7,828,729	7,923,777	2,650,718	3,202,020
Total comprehensive income for the year		7,828,729	7,923,777	2,650,718	3,202,020
Total comprehensive income attributable to:					
– Owners of the parent		5,701,549	5,997,648	2,650,718	3,202,020
– Non-controlling interests		2,127,180	1,926,129	-	-
		7,828,729	7,923,777	2,650,718	3,202,020
Earnings per share for profit attributable to the equity holders of the company					
Basic and diluted EPS (Naira)	12	17.91	18.12	6.06	7.32

The notes on pages 14 to 57 are an integral part of these financial statements.

Consolidated and separate statement of financial position
As at 31 December 2019

	Notes	Group 31 December 2019 N'000	Group 31 December 2018 N'000	Company 31 December 2019 N'000	Company 31 December 2018 N'000
Assets					
Non-current assets					
Property, plant and equipment	15	24,093,586	19,513,697	2,523,764	1,995,694
Right-of-use asset	15.1	101,743	-	72,213	-
Investments in subsidiary	13	-	-	1,786,130	1,786,130
Intangible assets	14	36,336	10,795	13,908	-
Total non-current assets		24,231,665	19,524,492	4,396,015	3,781,824
Current assets					
Inventories	16	9,745,693	9,293,338	3,200,845	3,053,599
Trade and other receivables	17	32,065,108	31,853,276	22,314,048	23,851,182
Cash in hand and at bank	18	12,474,177	10,121,137	2,290,433	1,248,339
Total current assets		54,284,978	51,267,751	27,805,326	28,153,120
Total assets		78,516,643	70,792,243	32,201,341	31,934,944
Liabilities					
Non-current liabilities					
Lease liabilities	23a	93,156	-	93,156	-
Deferred tax liabilities	23b	5,443,013	5,572,797	2,953,303	2,844,054
Total non-current liabilities		5,536,169	5,572,797	3,046,459	2,844,054
Current liabilities					
Lease liabilities	23a	22,385	-	22,385	-
Borrowings	21	3,042,184	1,624,630	74,731	526,045
Trade and other payables	19	11,947,368	13,032,047	6,796,835	6,858,476
Current income tax liabilities	20	3,214,068	2,048,603	329,149	1,084,462
Total current liabilities		18,226,005	16,705,280	7,223,100	8,468,983
Total liabilities		23,762,174	22,278,077	10,269,559	11,313,037
Equity					
Ordinary share capital	23c	218,591	218,591	218,591	218,591
Share premium		16,330	16,330	16,330	16,330
Other reserves		2,429,942	2,429,942	-	-
Retained earnings		38,928,443	34,567,630	21,696,861	20,386,986
		41,593,306	37,232,493	21,931,782	20,621,907
Non controlling interest		13,161,163	11,281,673	-	-
Total equity		54,754,469	48,514,166	21,931,782	20,621,907
Total equity and liabilities		78,516,643	70,792,243	32,201,341	31,934,944

The notes on pages 14 to 57 are an integral part of these financial statements.

The financial statements and other national disclosures on pages 9 to 61 were approved and authorised for issue by the board of directors on 24 March 2020 and were signed on its behalf by:

Mr. Nikolaos Mamoulis
Chairman

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

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

Consolidated statement of changes in equity- Group

	Attributable to owners of the parent						
	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total N'000	Non controlling interest N'000	Total equity N'000
Balance at 1 January 2018	218,591	16,330	2,429,942	28,591,873	31,256,736	9,572,951	40,829,687
Changes on initial application of IFRS 9 (Note 17.1)				(32,321)	(32,321)	(19,911)	(52,232)
Deferred tax on changes on initial application of IFRS 9 (Note 23)				10,344	10,344	6,372	16,716
At 1 January 2018- Restated	218,591	16,330	2,429,942	28,569,896	31,234,759	9,559,412	40,794,171
Profit for the year	-	-	-	5,997,648	5,997,648	1,926,129	7,923,777
Total comprehensive income for the year	-	-	-	5,997,648	5,997,648	1,926,129	7,923,777
Transaction with owners:							
Dividend paid	-	-	-	-	-	(203,922)	(203,922)
Statute barred dividend written back				86	86	54	140
Total transactions with owners	-	-	-	86	86	(203,868)	(203,782)
Balance at 31 December 2018	218,591	16,330	2,429,942	34,567,630	37,232,493	11,281,673	48,514,166
Balance at 1 January 2019	218,591	16,330	2,429,942	34,567,630	37,232,493	11,281,673	48,514,166
Profit for the year	-	-	-	5,701,549	5,701,549	2,127,180	7,828,729
Total comprehensive income for the year	-	-	-	5,701,549	5,701,549	2,127,180	7,828,729
Transaction with owners:							
Dividend paid	-	-	-	-	-	(247,755)	(247,755)
Statute barred dividend returned	-	-	-	107	107	65	172
Re-organisational loss (Note 2.2 d)				(1,340,843)	(1,340,843)	-	(1,340,843)
Total transactions with owners	-	-	-	(1,340,736)	(1,340,736)	(247,690)	(1,588,426)
Balance at 31 December 2019	218,591	16,330	2,429,942	38,928,443	41,593,306	13,161,163	54,754,469

The notes on pages 14 to 57 are an integral part of these financial statements.

Statement of changes in equity- Company

	Attributable to owners of the parent			
	Share capital N'000	Share premium N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2018	218,591	16,330	17,184,966	17,419,887
Profit for the year	-	-	3,202,020	3,202,020
Total comprehensive income for the year	-	-	3,202,020	3,202,020
Balance at 31 December 2018	218,591	16,330	20,386,986	20,621,907
Balance at 1 January 2019	218,591	16,330	20,386,986	20,621,907
Profit for the year	-	-	2,650,718	2,650,718
Total comprehensive income for the year	-	-	2,650,718	2,650,718
Transaction with Owners:				
Re-organisational loss (Note 2.2 d)			(1,340,843)	(1,340,843)
Total transactions with owners	-	-	(1,340,843)	(1,340,843)
Balance at 31 December 2019	218,591	16,330	21,696,861	21,931,782

The notes on pages 14 to 57 are an integral part of these financial statements.

Consolidated and separate statement of cash flows

	Note	Group 31 December 2019 N'000	Group 31 December 2018 N'000	Company 31 December 2019 N'000	Company 31 December 2018 N'000
Cash generated from / (used in) operations	24	5,246,599	12,436,656	(507,264)	(1,281,819)
Tax paid	20	(1,603,142)	(3,586,526)	(852,574)	(891,307)
Employee retirement benefits obligation paid	22	-	(2,995,654)	-	(256,297)
Net cash generated from / (used in) operating activities		3,643,457	5,854,476	(1,359,838)	(2,429,423)
Cash flows from investing activities					
Purchase of property, plant and equipment	15	(7,297,130)	(8,827,491)	(681,919)	(922,820)
Purchase of right-of-use asset	15.1	(106,269)	-	-	-
Purchase of intangible asset	14	(30,318)	(3,077)	(9,769)	-
Proceeds from sale of property, plant and equipment	24	118,134	33,910	2,401	18,921
Interest received	10	2,601,315	2,506,474	2,299,695	2,019,437
Net cash (used in)/generated from investing activities		(4,714,268)	(6,290,183)	1,610,408	1,115,538
Cash flows from financing activities					
Proceeds from short term borrowings	21	3,042,184	1,624,630	74,731	526,045
Repayment of short term borrowing	21	(1,624,630)	(1,046,457)	(526,045)	(283,594)
Interest paid (i.e. finance cost less interest on lease liabilities)	10	(396,059)	(324,845)	(963,512)	(999,604)
Dividend paid to non-controlling interest		(247,755)	(203,922)	-	-
Unclaimed dividend returned		31,190	5,651	-	-
Net cash generated from/(used in) financing activities		804,930	55,057	(1,414,826)	(757,153)
Net decrease in cash and cash equivalents		(265,882)	(380,651)	(1,164,255)	(2,071,038)
Effect of exchange rate changes on cash and cash equivalents		389,990	227,642	(22,582)	(23,802)
Cash and cash equivalents at 1 January		10,121,137	10,274,146	1,248,339	3,343,179
Cash transferred from related party	2.2 d	2,228,931	-	2,228,931	-
Cash and cash equivalents at 31 December	18	12,474,177	10,121,137	2,290,433	1,248,339

Cash transferred from related party relates to transfer from Frigoglass West Africa Limited

The notes on pages 14 to 57 are an integral part of these financial statements.

1 General information

Frigoglass Industries (Nigeria) Limited was incorporated on 21 April 1995 and it is engaged in the manufacturing of crown corks, plastic crates and commercial refrigeration products. The Company and its subsidiary - Beta Glass Plc are together referred to as "The Group".

2 Summary of significant accounting policies

2.1 Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements comprise the consolidated statement of proft or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flow and the notes to the consolidated financial statements.

The financial statements are presented in Naira, which is the Group's presentation currency. The figures shown in the financial statements are stated in thousands of Naira except where stated otherwise.

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

The financial statements were authorised for issue by the Board of Directors on 24 of March, 2020.

The financial statements have been prepared using a rounding level of N1000.

2.1.1 Going concern

The consolidated financial statements have been prepared in accordance with the going concern principle under the historical cost convention.

2.1.2 Changes in accounting policy and disclosure

(a) New standards, amendments and interpretations adopted by the Group for the first time

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2019. The nature and effect of changes as a result of adoption of these new standards are described below:

Several other amendments and interpretations issued and effective for the first time in 2019, but they do not have an impact on the group's financial statements. The Group has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

IFRS 16 - Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the Statement of Financial Position.

2.1.2 Changes in accounting policy and disclosure (continued)

IFRS 16 - Leases (continued)

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The effect of adopting IFRS 16 as at 1 January 2019 is, as follows:

	Group	Company
	1 January 2019	
	Increase /(Decrease)	
Assets	₦'000	₦'000
Right-of-use assets (Note 15.1)	22,611	-
Prepayments	(22,611)	-
Total assets	-	-
Liabilities		
Lease liabilities	-	-
Total Liabilities	-	-

The Group and Company (together "the Group") has lease contracts for leased factory, guest houses and warehouses. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.10 Leases for the accounting policy subsequent to 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

• Leases previously accounted for as operating leases
The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised.

2.1.2 Changes in accounting policy and disclosure (continued)

IFRS 16 - Leases (continued)

The Group applied the available practical expedients wherein it:
• Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
• Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 January 2019:
• Right-of-use assets of N22,611,316 were recognised and presented separately in the statement of financial position.
• Prepayments of N22,611,000 related to previous operating leases were derecognised.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit / (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group has related party transactions, it assessed whether the Interpretation had an impact on its consolidated financial statements.
Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation do not have any impact on the Group's financial statements.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted. These amendments have no impact on the Group's financial statements.

2.1.2 Changes in accounting policy and disclosure (continued)

Annual Improvements 2015-2017 Cycle (issued in December 2017):
IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. The Group's current practice is in line with these amendments.

IAS 23 Borrowing Costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Group's current practice is in line with these amendments, they had no impact on the Group's financial statements.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset). The amendments had no impact on the financial statements of the Group as it did not have any plan benefit during the period.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests. The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures. These amendments had no impact on the financial statements as the Group does not have interest in any associate or joint venture.

2.1.2 **Changes in accounting policy and disclosure (continued)**

IFRS 3 Business Combination

IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. This standard has no impact on the Group's financial statements.

IFRS 11 Joint Arrangement

IFRS 11 - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation. This standard has no impact on the Group's financial statements.

(b) New standards, amendments, and interpretations issued but not yet adopted by the group

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019 and beyond, and have not been applied in preparing these financial statements. The Group 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 group's financial statements are disclosed below.

Amendments to IAS 1 and IAS 8: Definition of Material
In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if 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 to the definition of material is not expected to have a significant impact on the Group's financial statements.

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 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 Group.

2.1.2 **Changes in accounting policy and disclosure (continued)**

(b) New standards, amendments, and interpretations issued but not yet adopted by the group (continued)

Amendments to IFRS 3: Definition of a Business
In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments. The amendment is effective for the reporting period begining on or after January 2020.
Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

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

2.2 Consolidation

(a) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date in which control is transferred to the group. They are deconsolidated from the date that control ceases. Investments in subsidiaries are recognised at cost less impairment.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with group's accounting policies.

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Merger of Frigoglass West Africa Limited through external restructuring

On 6th December 2019, Frigoglass West Africa Limited (FWAL) a company with same ownership with Frigoglass Industries Nigeria Limited (FINL) merged through external restructuring that resulted in combination of (FWAL) with (FINL). FWAL ceased to exist from the date of merger. The asset and liabilities of FWAL was merged with FINL using the book value as at that date. The business combination has been accounted for as a common control transaction where FINL (the acquirer) has applied predecesor accounting as basis in recognising the asset acquired and liabilities assumed of FWAL. There is no purchase consideration and net asset/(liabilities) has been accounted in retained earnings.

In line with common control transactions accounted for using predecessor accounting method, FINL chose to incorporate results from operation of FWAL prospectively from the date of integration. On integration date of 6th December 2019, the net liabilities of FWAL assumed by FINL are as follows:

Assets Acquired:	**N'000**
Property, plant and equipment (net book value)	258,862
Deferred tax asset	1,027,337
Intangible assets	5,041

2.2 Consolidation

(d) Merger through external restructuring (continued)

Asset acquired (continued)	
Inventories	1,574,029
Trade and other receivables	1,279,511
Cash in hand and at bank	2,228,931
Assets	6,373,711
Trade and other payables	7,714,554
Liabilities	7,714,554
Net Liabilitiies assumed	**(1,340,843)**
Purchase consideration	-
Re-organisational loss	(1,340,843)

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities 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 the Group 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 exchange rates of monetary assets and liabilities denominated in currencies other than an entities' functional currency are recognized in the foreign exchange gain in profit or loss.

2.4 Property, plant and equipment

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

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation of 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:

Buildings 3%

Plant and machinery:
- Furnaces 14%
- Factory equipment and tools 15%
- Quarry equipment and machinery 20%
- Glass molds 50%
- Other plant and machinery 10%

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 are reviewed and adjusted if appropriate, at the end of each reporting date.

Impairment of Property, Plant and Equipment

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.

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. There have been no qualifying assets in both periods presented in the financial statements.

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

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

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

2.7.1 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.

2.7.2 Financial assets

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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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 Group 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.

The Group'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 Financial assets (continued)

2.7.3 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 Group's financial assets includes financial assets at amortised cost.

2.7.4 Financial assets at amortised cost (debt instruments)

The Group 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 Group's financial assets at amortised cost includes trade receivables, staff advances and receivables from related parties.

The Group did not own any financial assets that can be classified as fair value through profit and loss or held for trading financial assets during the periods presented in these financial statements.

2.7.5 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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group 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.

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 Group could be required to repay.

2.7.2 Financial assets (continued)

2.7.6 Write-offs

The Group's accounting policy under IFRS 9 remains the same as it was under IAS 39. Financial assets are written off either partially or in their entirety only when the Group 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.

2.7.7 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.

2.7.8 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. A provision for impairment for trade receivables is established when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of the receivables. Trade receivabke is impaired using a provision matrix to calculate Expected Credit Loss (ECL). The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss

The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. The recoverable amount, if the receivable is more than one year is equal to the present value of expected cash flows, discounted at the market rate of interest applicable to similar borrowers. The amount of the provision is recognized as an expense in profit or loss.

Subsequent recoveries of amounts previously written off are credited to profit or loss.

2.7.9 Cash and cash equivalents

Cash and cash equivalent include cash on hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

2.7.10 Impairment of financial assets

The Group 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 Group 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).

2.7.10 Impairment of financial assets (continued)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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 Group 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.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2.8 Financial liabilities

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

Recognition and measurement

2.8.1 Trade payables

These 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.

2.8.2 Borrowings

These 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.

2.8.3 Derecognition of financial instruments

Financial assets and liabilities are derecognised when the rights to receive cash flows from the investments or settle obligations have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

2.8.4 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.

2.9 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.

2.10 Leases

Policy prior to 1 January 2019

Leases are divided into finance leases and operating leases.

(a) Group or Company is the lessee

(i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) Finance lease

Leases of assets where the Group or Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in long term liabilities if the tenure is more than one year. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) Group or Company is the lessor

(i) Operating lease

When assets are subject to an operating lease, the assets continue to be recognised as property and equipment based on the nature of the asset. Lease income is recognised on a straight line basis over the lease term.

Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

(ii) Finance lease

When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

Policy subsequent to 1 January 2019

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.

2.10 Leases

Policy subsequent to 1 January 2019

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- 5 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 section (s) 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.

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.

2.11 Current and deferred 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

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.

2.11 Current and deferred income tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 equity, in which case the deferred tax is also dealt with in 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 Group 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.

2.12 Employee benefits

The company operates both the defined benefit (gratuity) and 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.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Federal Government of Nigeria bonds.

The current service cost of the defined benefit gratuity plan is recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognised immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

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.

2.13 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.

EEG are recognized in the profit or loss over the period corresponding to the costs they are intended to compensate.

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 Statement 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.

2.14 Revenue from Contract with customers

The Group is in the business of manufacturing and sales of glassware, glass bottles, plastic crates and crown cork for soft drink, breweries, Pharmaceutical, cosmetic etc.

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 Group 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.

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 fair value of the consideration received or receivable and represents amounts received or receivable for goods supplied stated net of discounts, returns and value added 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, plastic crates and crown corks are 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, plastic crates and crown corks are distinct from haulage services for delivery of bottles 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 Group 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.

2.14 Revenue from Contract with customers (continued)

The Group 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, plastic crates and crown corks, the Group 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 significant 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 obligatin affected.

Significant financing component

For all sales transactions, the receipt of the consideration by the Group does not match the timing of the delivery of bottles, plastic crates and crown corks to the customer (e.g., the consideration is paid after the sales item has been delivered). Using the practical expedient in IFRS 15, the Group 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.

Consideration payable to a customer: No consideration is payable to customer in respect of sales of glass bottles, plastic crates and crown corks.

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 Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

Interest income and expense

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.15 Cost of sales

Cost of sales includes the cost of manufacturing finished goods inventory (including depreciation, amortization and impairment charges), costs related to transportation, impairment and inventory write-downs.

2.16 Share capital

The Group and Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded as share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 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.

2.18 Statement of cash flows

The Statement of cash flows shows the changes in cash and cash equivalents during the period arising from operating activities, investing activities and financing activities. Cash and cash equivalents include highly liquid investments.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

The cash flows from investing and financing activities are determined by using the direct method. The Company's assignment of the cash flows to operating, investing and financing category depends on the Company's business model (management approach).

2.19 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where IAS 8 applies, comparative figures have been adjusted to conform with changes in presentation in the current year.

2.20 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.

3 Financial instruments and risk management

3.1 Financial risk factors

The Group'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 Group's risk management programme is to minimise potential adverse impacts on the Group'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 Group. 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 Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is the responsibility of the Treasury Manager, which aims to effectively manage the financial risk of Frigoglass Industries Nigeria Limited, 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 Group's financial instruments consist of trade and other receivables and trade and other payables, bank borrowings and overdraft and cash and cash equivalents. In addition, the Company has loan to subsidiary.

3.1.1 Market risk

Market risk is the risk that movements in market rates, including foreign exchange rates, and commodity prices will reduce the Group's income. The management of market risk is undertaken using risk limits approved by the operating unit finance directors under delegated authority.

(a) Foreign exchange risk

The Group is exposed to foreign exchange risks from some of its commercial transactions and recognised assets. The Group 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 other countries are in US dollars. The Group makes payments and collects receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in the US dollar.

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

Sensitivity analysis for foreign exchange rate risk

The sensitivity analysis for foreign exchange rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates at the reporting date. The variable balances that the company is exposed relate to cash balances.

Foreign exchange risk (continued)

Sensitivity analysis for foreign exchange rate risk (continued)

The Group and Company exposure to US Dollar (USD) is as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	USD'000	**USD'000**	**USD'000**	**USD'000**
Financial assets				
Cash and cash equivalent	23,384	15,950	392	439
Trade receivables	2,051	3,447	-	-
Related parties	51,271	42,311	51,271	42,311
	76,706	61,708	51,663	42,750
Financial liabilities				
Borrowings	8,451	3,416	208	929
Trade payables	6,904	5,514	243	640
Related parties payable	6,365	51	5,048	51
	21,719	8,980	5,498	1,619
Net amount	54,988	52,728	46,166	41,131

Effects in Naira on the Group and Company result:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	N'000	**N'000**	**N'000**	**N'000**
15 percent strengthening of the Naira to USD	(2,969,328)	(2,697,025)	(2,492,940)	(2,103,838)
15 percent weakning of the Naira to USD	2,969,328	2,697,025	2,492,940	2,103,838
			2019	**2018**
Reporting date spot rate of 1USD to Naira			360	341

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.

(b) Interest rate risk

The Group interest rate risk arises from borrowings. Borrowings are issued at floating rates exposing the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The Group'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.

(c) Price risk

The Group is not exposed to price risk as it does not hold any equity instruments.

3.1.2 Credit risk

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

The Group 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, Frigoglass Industries Nigeria Limited considered that there were no material credit risks that had not been covered by doubtful debt 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 Group does not hold any collateral as security.

As at 31 December 2019, all financial assets of N40.11bn (31 December 2018: N38.76bn) for the Group and for the Company N23.52bn (31 December 2018: N24.97bn) were fully performing, N1.76bn (31 December 2018: N1.31bn) for the Group and for the Company N0.66bn (31 December 2018: N0.30bn) were past due but not impaired.

The aging analysis of the latter two categories of receivables is as follows:

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

31 December 2019 - Group	**Neither past**	**Past due but not impaired**			
Financial assets:	**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 and cash equivalents (Note 18)	12,474,177	-	-	-	12,474,177
Trade receivables (Note 17)	4,977,232	1,328,798	116,828	7,383	6,430,241
Receivables from related parties (Note 17)	20,681,683	293,219	13,200	158	20,988,260
Staff advances (Note 17)	215,558	-	-	-	215,558
	38,348,650	1,622,017	130,028	7,541	40,108,236

31 December 2018 - Group	**Neither past**	**Past due but not impaired**			
Financial assets:	**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 and cash equivalents (Note 18)	10,121,137	-	-	-	10,121,137
Trade receivables (Note 17)	3,857,476	1,150,242	46,998	5,067	5,059,783
Receivables from related parties (Note 17)	23,310,975	107,353	2,318	-	23,420,646
Staff advances (Note 17)	154,273	-	-	-	154,273
	37,443,861	1,257,595	49,316	5,067	38,755,839

3.1.2 Credit risk (continued)

31 December 2019 - Company	Neither past due nor impaired	Past due but not impaired			
Financial assets:		Up to 90 days	91 - 150 days	Over 150 days	Total
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents (Note 18)	2,290,433	-	-	-	2,290,433
Trade receivables (Note 17)	814,792	417,235	3,008	-	1,235,035
Receivables from related parties (Note 17)	19,709,295	225,264	9,687	158	19,944,404
Staff advances (Note 17)	45,986	-	-	-	45,986
	22,860,506	642,499	12,695	158	23,515,858

31 December 2018 - Company	Neither past due nor impaired	Past due but not impaired			
Financial assets:		Up to 90 days	91 - 150 days	Over 150 days	Total
	N'000	N'000	N'000	N'000	N'000
Cash and cash equivalents (Note 18)	1,248,339	-	-	-	1,248,339
Trade receivables (Note 17)	649,894	281,524	22,993		954,411
Receivables from related parties (Note 17)	22,750,078	-	-	-	22,750,078
Staff advances (Note 17)	21,988	-	-	-	21,988
	24,670,299	281,524	22,993	-	24,974,816

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

	Group		Company	
	2019	2018	2019	2018
Credit rating	N'000	N'000	N'000	N'000
AAA	12,301,032	10,097,323	2,290,433	1,248,339
AA+	1,331	10	-	-
B/B	171,814	23,804	-	-
	12,474,177	10,121,137	2,290,433	1,248,339

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

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

AA+: A financial institution of good condition and strong capacity to meet its obligations with expectations of very low default risk. It indicates very strong capacity for payment of financial commitments. Thiscapacity is not significantly vulnerable to foreseeable events. The plus sign indicates that the rating may be raised.

B/B : The rating indicates a stable outlook in terms of financial and risk profile. Better asset quality and sound revenue generation.

3.1.2 Credit risk (continued)

Neither past due nor impaired

Credit quality of financial assets (Trade receivables, Receivables from related parties and Staff advances)

The credit quality of financial assets (Trade receivables, Receivables from related parties and Staff advances) that are neither past due nor impaired can be assessed by reference to the internal rating provided by the finance department:

Internal rating categories	Group 2019 N'000	Group 2018 N'000	Company 2019 N'000	Company 2018 N'000
Group A	20,897,241	23,465,248	19,755,281	22,772,066
Group B	4,977,232	3,857,476	814,792	649,894
	25,874,473	27,322,724	20,570,073	23,421,960

Group A — These are receivables from related parties and staff advances.

Group B — These are trade receivables.

3.1.3 *Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by maintaining sufficient cash reserves to operational needs at all times so that the Group does not breach borrowing limits on any of its borrowing facilities. The Group manages liquidity risk by effective working capital and cash flow management.

Frigoglass Industries Nigeria Limited invests its surplus cash in interest bearing current accounts.

The table below analyses the Group's financial liabilities into relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group At 31 December 2019	Less than 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Total N'000
Trade creditors and due to related parties (Note 19)	8,577,076	-	-	8,577,076
	8,577,076	-	-	8,577,076

Group At 31 December 2018	Less than 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Total N'000
Trade creditors and due to related parties (Note 19)	9,815,305	-	-	9,815,305
	9,815,305	-	-	9,815,305

3.1.3 *Liquidity risk (continued)*

Company At 31 December 2019	Less than 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Total N'000
Trade creditors and due to related parties (Note 19)	5,277,501			5,277,501
	5,277,501	-	-	5,277,501

Company At 31 December 2018	Less than 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Total N'000
Trade creditors and due to related parties (Note 19)	5,969,943	-	-	5,969,943
	5,969,943	-	-	5,969,943

3.1.4. Capital risk management

The objective in managing capital is to safeguard the Group'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 Group 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 Group monitors capital on a monthly basis using the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as the sum of all equity components on the statement of financial position.

The gearing ratios at 31 December 2019 and 31 December 2018 are as follows:

	Group		Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	N'000	N'000	N'000	N'000
Total borrowings (Note 21)	3,042,184	1,624,630	74,731	526,045
Total equity	54,754,469	48,514,166	21,931,782	20,621,907
Gearing ratio	**5.6%**	**3.3%**	**0.3%**	**2.6%**

3.1.5. Fair value estimation

Group and Company

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 judgments

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.

Property, plant and equipment

Plant and machinery is depreciated over its useful life. Frigoglass Industries Nigeria Limited 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 Export 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 (formerly 180) 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 2019, EEG receivable stood at N 1.83 billion and N0.07 billion (31 December 2018: N1.80 billion and N0.07 billion) for Group and Company respectively as disclosed in Note 17.

Negotiable Duty Credit Certificate (NDCC) was 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. Export Credit Certificate (ECC) was introduced to replace NDCC effective from 2017 export grants claims. As at 31 December 2019, Unutilized NDCC stood at N 1.02 billion (31 December 2018: N1.02 billion) as disclosed in Note 17.

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. FGN through Debt management Office (DMO) commenced issuance of Promissory Notes (PNs) in January 2020 for outstanding EEG claims for 2007-2016 in favour of Frigoglass Industries Nigeria Limited (FINL).

Deferred tax

Deferred tax is the tax expected to be payable on differences between the carrying amounts of 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 based on estimated amounts of underlying transactions. Actual amounts may differ from estimated balances.

5 Revenue from contracts with customers

	Group		Company	
	2019	**2018**	**2019**	**2018**
	N'000	**N'000**	**N'000**	**N'000**
Glass products	29,412,252	26,321,014	-	-
Packaging for beverages	9,716,062	10,441,822	9,716,062	10,441,821
Ice cold merchandisers	76,751	-	76,751	-
	39,205,065	36,762,836	9,792,813	10,441,821

6 Expenses

	2019	2018	2019	2018
	N'000	**N'000**	**N'000**	**N'000**
Cost of sales				
Material consumed (Note 16)	(14,428,551)	(13,862,028)	(5,735,030)	(5,981,324)
Depreciation (Note 15)	(2,731,084)	(2,420,730)	(360,287)	(300,552)
Depreciation- Right-of-Use asset (Note 15.1)	(24,071)	-	(24,071)	-
Technical assistance fees - Frigoglass Global Limited (Note 25)	(1,130,532)	(1,048,981)	(204,047)	(219,269)
Factory salaries and related staff cost (Note 7)	(2,602,301)	(2,315,941)	(280,464)	(262,608)
Fuel, gas and electricity	(5,561,410)	(5,396,053)	(478,129)	(502,887)
Other factory overheads	(2,550,197)	(2,477,370)	(344,865)	(314,089)
	(29,028,146)	(27,521,103)	(7,426,892)	(7,580,729)
Administrative expenses				
Depreciation and amortisation charges (Note 14 & 15)	(248,188)	(178,474)	(52,126)	(43,044)
Depreciation- Right-of-use asset (Note 15.1)	(99,350)		-	
Auditors remuneration	(48,928)	(46,658)	(21,244)	(20,232)
Legal and professional fees	(258,954)	(132,829)	(130,648)	(39,606)
Salaries and related staff cost (Note 7)	(907,318)	(1,285,900)	(231,381)	(190,374)
Directors' remuneration (Note 25a)	(8,506)	(11,555)	(8,506)	(11,555)
Travel and transportation	(169,227)	(189,601)	(57,507)	(66,381)
Other administrative expenses	(583,407)	(526,386)	(429,649)	(331,045)
	(2,323,878)	(2,371,403)	(931,061)	(702,236)
Selling and distribution expense	(114,848)	(81,161)	(18,193)	-
Total cost of cost of sales, administrative expenses and distribution costs	(31,466,873)	(29,973,668)	(8,376,146)	(8,282,964)

Included in legal and professional fees of the group for the year ended 31 December 2019 is non - audit fees to PricewaterhouseCoopers Limited of N3.0 million being fee payable in relation to Transfer pricing documentation (31 December 2018: N3.0 million)

7 Employee costs

	2019	2018	2019	2018
	N'000	**N'000**	**N'000**	**N'000**
Wages and salaries	(3,509,619)	(3,074,301)	(511,845)	(400,861)
Interest on employee benefit obligation (Note 22)	-	(364,068)	-	(31,746)
Current service cost of employee benefit obligation (Note 22)	-	(163,472)	-	(20,375)
Total (Note 6)	(3,509,618)	(3,601,841)	(511,845)	(452,982)

8 Other income

	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Profit on disposal of property plant and equipment (Note 24)	111,485	15,633	1,198	1,433
Sundry income	87,912	73,404	34,239	19,731
Dividend income	-	-	402,208	331,049
Sale of scrap and others	632,394	846,233	111,545	74,738
Net gain on settlement of employee benefit obligation (Note 22)*	-	463,750	-	52,962
Income from admin Charges	27,500	30,000	27,500	30,000
	859,291	1,429,020	576,690	509,912

Dividend income represents gross amounts received as dividend from Beta Glass Plc.

* Being curtailment gain on final settlement of employee benefit obligation (gratuity scheme)

9 Foreign exchange gain/(loss)

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Realised foreign exchange (loss)/ gain	(81,253)	71,506	22,324	(11,092)
Unrealised-foreign exchange gain	851,898	942,104	592,411	891,975
Net foreign exchange gain	770,645	1,013,610	614,735	880,883

10 Finance income and expenses

	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Finance income				
Interest income	2,601,315	2,506,474	2,299,695	2,019,437
Finance cost				
Interest expense	(396,059)	(324,845)	(963,512)	(999,604)
Interest on lease liabilities (Note 23a)	(19,257)		(19,257)	
Finance cost	(415,316)	(324,845)	(982,769)	(999,604)
Net finance income	2,185,999	2,181,629	1,316,927	1,019,833

11 Income tax expense

	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Income tax	2,546,042	1,457,166	70,940	853,096
Education tax	262,787	202,354	66,542	67,684
Net income and education tax for the year (Note 20)	2,808,829	1,659,520	137,482	920,780
Deferred tax charged (Note 23b)	897,553	1,843,321	1,136,586	446,684
Tax expense	3,706,381	3,502,840	1,274,067	1,367,464

11 Income tax expense (continued)

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:

Effective tax reconciliation

	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Profit before tax	**11,535,110**	**11,426,617**	**3,924,785**	**4,569,484**
Income tax using the domestic corporation tax rate of 30%	3,460,533	3,427,985	1,177,436	1,370,845
Tax effects of:				
Non chargeable income	(144,498)	(89,789)	(80,442)	(66,210)
Non deductible expenses	171,451	30,482	103,076	7,219
Effect of education tax	262,787	202,354	66,542	67,684
Effect of tax incentive	(72,702)	(68,192)	(21,353)	(12,073)
Back duty	28,810	-	28,810	-
Total income tax expense in statement of profit or loss	3,706,381	3,502,839	1,274,067	1,367,464

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 period.

Profit attributable to shareholders of the Company - N'000	7,828,729	7,923,777	2,650,718	3,202,020
Weighted average number of ordinary shares in issue - '000	437,182	437,182	437,182	437,182
Basic earnings per share (Naira)	17.91	18.12	6.06	7.32

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

13 Investment in subsidiary

	Company	
	31 Dec 2019 N'000	31 Dec 2018 N'000
Investment	1,786,130	1,786,130

This relates to a 61.88% investment in Beta Glass Plc, a subsidiary of the Company which is consolidated.

The non controlling interest portion is distributed amongst

	Percentage holding	
	2019	2018
Frigoinvest Holdings B.V	8.17%	8.17%
Stanbic IBTC Nominees Nigeria Limited	6.27%	5.70%
Delta State Ministry of Finance Incorporated	4.45%	4.45%
Others	19.2%	19.8%

14 Intangible assets

	Group		Company	
	2019	2018	2019	2018
Cost	N'000	N'000	N'000	N'000
As at 1 January	63,288	60,211	23,129	23,129
Additions	30,318	3,077	9,769	-
Transfer from related party (Note 2.2 d)	26,176	-	26,176	-
Write off	(10,256)	-	(10,256)	-
As at 31 December	109,526	63,288	48,818	23,129
Accumulated amortisation:				
As at 1 January	52,493	50,125	23,129	23,129
Amortisation charge for the year	9,818	2,368	904	-
Transfer from related party (Note 2.2 d)	21,135	-	21,134	-
Write off	(10,256)	-	(10,256)	-
As at 31 December	73,190	52,493	34,911	23,129
Net book values				
At 31 December	36,336	10,795	13,908	-

The remaining amortization period of the intangible asset is between 1 and 4 years. Amortization charges are included in administrative expenses

Transfer from related party relates to transfer from Frigoglass West Africa Limited

15 Property plant and equipment (See pages 55 - 56)

15.1 Right of use asset (see page 57)

16 Inventories

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Raw materials	3,024,419	3,924,491	416,902	1,816,500
Work-in-progress	384,018	239,431	311,533	230,000
Finished goods	3,051,761	1,828,983	1,838,632	478,330
Spare parts and consumables	2,050,218	1,930,331	604,080	347,978
	8,510,416	7,923,236	3,171,147	2,872,808
Goods in transit	1,235,277	1,370,102	29,698	180,791
	9,745,693	9,293,338	3,200,845	3,053,599

Analysis of value of inventories included in cost of sales and charged to profit or loss is as follows:

	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Cost of inventories included in cost of sales (Note 6)	14,428,551	13,862,028	5,735,030	5,981,324

17 Trade and other receivables

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Trade receivables	6,430,241	5,059,783	1,235,035	954,411
Unutilised Negotiable Duty Credit Certificates (Note 4)	1,017,817	1,017,817	-	-
EEG receivable (Note 4)	1,832,231	1,804,312	69,166	69,166
Other Prepayments	480,159	285,327	231,588	24,507
Prepayment - short term lease	53,862	31,639	24,039	35,832
Other receivables	1,130,649	144,130	772,001	3,137
Staff advances	215,558	154,273	45,986	21,988
Due from related companies (Note 25)	20,988,260	23,420,646	19,944,404	22,750,078
	32,148,777	31,917,927	22,322,219	23,859,119
Allowance for expected credit loss (Note 17.2)	(83,669)	(64,651)	(8,171)	(7,937)
Total	32,065,108	31,853,276	22,314,048	23,851,182

Other receivables include Withholding tax receivable and insurance claim receivables
Other Prepayment includes prepaid Insurance, prepaid microsoft license and others
Trade receivables are non- interest bearing and are generally on payment terms of 30 - 90 days

Group	2019 Trade Receivable	2019 Staff Receivable	2019 Related Party Receivable	2018 Trade Receivable	2018 Staff Receivable	2018 Related Party Receivable
	N'000	N'000	N'000	N'000	N'000	N'000
Gross	6,430,241	215,558	20,988,260	5,059,783	154,273	23,420,646
ECL	(23,951)	(5,882)	(53,836)	(22,435)	(5,882)	(36,334)
Net	6,406,291	209,676	20,934,424	5,037,348	148,391	23,384,312

Company	2019 Trade Receivable	2019 Staff Receivable	2019 Related Party Receivable	2018 Trade Receivable	2018 Staff Receivable	2018 Related Party Receivable
	N'000	N'000	N'000	N'000	N'000	N'000
Gross	1,235,035	45,986	19,944,404	954,411	21,988	22,750,078
ECL	(8,171)	-	-	(7,937)	-	-
Net	1,226,864	45,986	19,944,404	946,474	21,988	22,750,078

17.2 Summary of movement in ECL

	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
As at 1 January				
Trade Receivable	22,434	32,738	7,937	7,937
Staff Receivable	5,882	5,379	-	-
Related Party Receivable	36,335	39,724	-	-
	64,651	77,841	7,937	7,937
Net impairment (gain) / loss for the year				
Trade Receivable	1,516	(10,303)	234	-
Staff Receivable	-	503	-	-
Related Party Receivable	17,501	(3,389)	-	-
	19,017	(13,189)	234	-
As at 31 December	83,669	64,651	8,171	7,937
Analysis of closing balance				
Trade Receivable	23,951	22,434	8,171	7,937
Staff Receivable	5,882	5,882	-	-
Related Party Receivable	53,836	36,335	-	-
	83,669	64,651	8,171	7,937

17 Trade and other receivables (continued)

17.2a Effect of adoption of IFRS 9

	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Trade Receivable	-	7,129	-	-
Staff Receivable	-	5,379	-	-
Related Parties Receivable	-	39,724	-	-
Gross	-	**52,232**	-	-
Deferred tax (Note 23)	-	(16,717)	-	-
Net Effect of adoption of IFRS 9	-	**35,515**	-	-

17.3 Trade and other receivable for cashflow purpose

	Group		Company	
	2019 N'000	**2018 N'000**	**2019 N'000**	**2018 N'000**
Trade and other receivables	32,065,108	31,853,276	22,314,048	23,851,182
Withholding tax utilised for tax payment	40,221	-	40,221	-
Expected credit loss (ECL) to income statement	19,017	(13,189)	234	-
Expected credit loss (ECL) to retained earnings	-	52,232	-	-
Right-of-use asset reclassified from prepayment	22,611	-	-	-
Unrealised Exchange (gain) /loss	(461,907)	(714,462)	(614,993)	(915,777)
Transfer from Frigoglass West Africa Limited	(1,279,510)		(1,279,510)	
Trade and other receivables for Cashflow Statement	30,405,541	31,177,857	20,460,000	22,935,405

18 Cash and cash equivalents

	Group		Company	
	2019 N'000	**2018 N'000**	**2019 N'000**	**2018 N'000**
Cash at bank	12,472,716	10,119,967	2,289,446	1,247,531
Cash in hand	1,461	1,170	987	808
Cash in hand and at bank	12,474,177	10,121,137	2,290,433	1,248,339

19 Trade and other payables

	Group		Company	
	2019 N'000	**2018 N'000**	**2019 N'000**	**2018 N'000**
Trade creditors	5,853,749	9,368,500	257,660	468,399
Other creditors and accruals	3,370,292	3,216,742	1,519,334	888,533
Due to related companies (Note 25)	2,723,327	446,805	5,019,841	5,501,544
	11,947,368	13,032,047	6,796,835	6,858,476

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

19 Trade and other payables (continued)

19.1 Trade and Other payables for Cashflow Statement

Trade and Other payables	11,947,368	13,032,047	6,796,835	6,858,476
Unclaimed dividend received	(31,018)	(5,511)		-
Transfer from related party	(7,714,555)		(7,714,555)	
Trade and Other payables for Cashflow Statement	4,201,795	13,026,536	(917,720)	6,858,476

20 Tax payable

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
The movement in tax payable is as follows:				
At 1 January	2,048,603	4,133,170	1,084,462	1,192,550
Provision for the year (Note 11)	2,808,828	1,659,520	137,482	920,780
WHT credit note utilised during the year	(40,221)	(157,561)	(40,221)	(137,561)
Payment during the year	(1,603,142)	(3,586,526)	(852,574)	(891,307)
At 31 December	3,214,068	2,048,603	329,149	1,084,462

21 Borrowings

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Short term borrowings	3,042,184	1,624,630	74,731	526,045
	3,042,184	1,624,630	74,731	526,045

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Reconciliation of short term borrowings:				
Borrowing as at 1 January 2018	1,624,630	1,046,457	526,045	283,594
Repayment during the year	(1,624,630)	(1,046,457)	(526,045)	(283,594)
Addition during the year	3,042,184	1,624,630	74,731	526,045
Borrowing as at 31 December 2019	**3,042,184**	**1,624,630**	**74,731**	**526,045**

Short term borrowings represents Banker Acceptance from a commercial Bank for the importation of raw materials at an average interest rate of 6.5% payable within 30 to 90 days.

22 Employee benefits obligation

The table below outlines where the group's post-employment amounts and activity are included in the financial statements:

Charge to statement of comprehensive income included in employee benefits expense for:

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Post-employment benefit	-	527,541	-	52,121
	-	527,541	-	52,121

The provision for gratuity was based on independent actuarial valuation performed by independent actuaries using the projected unit credit method. The group does not maintain any assets for the gratuity plan but ensures that it has sufficient funds for the obligations as they crystallize.

22 Employee benefits obligation (continued)

The amounts recognised in the statement of financial position are determined as follows:

	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Present value of obligations (unfunded)	-	-	-	-

The movement in the defined benefit obligation over the year is as follows:

	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Balance at the beginning of the year	-	2,931,863	-	257,138
Charge during the year:				
Current service cost (Note 7)	-	163,472	-	20,375
Interest for the year (Note 7)	-	364,068	-	31,746
Net gain on settlement of employee obligation (Note 8)	-	(463,750)	-	(52,962)
Net charge/(gain) during the period	-	63,791	-	(841)
Total	-	2,995,654	-	256,297
Payments from plan:				
Benefits paid by the employer	-	(2,995,654)	-	(256,297)
Balance at the end of the year	-	-	-	-

The significant actuarial assumptions were as follows:

Following various discussions, with the Employee Unions on managing the Gratuity Scheme, the Company entered into an agreement with the Unions to discontinue the Gratuity Scheme and all outstanding liabilities per employee settled before 31 December 2018.

Effective from 31 December 2018, the gratuity scheme is abolished.

23a Lease liabilities

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
As at 1 January	96,284	-	96,284	-
Additions	-	-	-	-
Accretion of interest (Note 10)	19,257	-	19,257	-
Payments	-	-	-	-
As at 31 December	115,541	-	115,541	-
Current	22,385	-	22,385	-
Non-Current	93,156	-	93,156	-

23b Deferred tax liabilities

The analysis of deferred tax liability is as follows:

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Deferred tax liability:				
- To be recovered after 12 months	5,443,013	5,572,797	2,953,303	2,844,054
	5,443,013	5,572,797	2,953,303	2,844,054

23b Deferred tax liabilities (continued)

The movement in deferred tax liability is as follows:

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
At start	5,572,797	3,746,193	2,844,054	2,397,370
Changes during the year:				
- Charged to profit or loss (Note 11)	897,553	1,843,321	1,136,586	446,684
- Credit to retained earnings (Note 17.2a)	-	(16,717)	-	-
- Deferred tax asset transferred from related party (Note 2.2)	(1,027,337)	-	(1,027,337)	-
At end of the year	5,443,013	5,572,797	2,953,303	2,844,054

	Group			Company		
	Fixed assets	Provisions	Total	Fixed assets	Provisions	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2018	2,400,795	1,345,398	3,746,193	355,789	2,041,581	2,397,370
Charged to profit or loss and OCI	680,935	1,145,669	1,826,604	76,213	370,471	446,684
At 31 December 2018	3,081,730	2,491,067	5,572,797	432,002	2,412,052	2,844,054
Charged to profit or loss and OCI (included here is DTA from a related party)	(228,219)	98,434	(129,784)	86,799	22,449	109,249
At 31 December 2019	2,853,511	2,589,501	5,443,013	518,802	2,434,501	2,953,303

23c Share capital

Authorised:

	2019 N'000	2018 N'000
1,000,000,000 ordinary shares of 50kobo each	500,000	500,000
Allotted, called up and fully paid:		
437, 181,868 ordinary shares of 50k each	218,591	218,591

24 Cash generated from / (used in) operating activities

	Note	Group 2019 N'000	Group 2018 N'000	Company 2019 N'000	Company 2018 N'000
Cash flows from operating activities					
Profit before tax		11,535,110	11,426,617	3,924,785	4,569,484
Adjustment for:					
Depreciation of Property, plant and equipment	15	2,969,455	2,596,836	411,508	343,595
Depreciation of Right-of-use asset	15.1	123,421	-	24,071	-
Profit on disposal of property, plant and equipment	8	(111,485)	(15,633)	(1,198)	(1,433)
Amortisation charges	14	9,818	2,368	904	-
Interest on employee benefit obligation	22	-	364,068	-	31,746
Current service costs on other employee benefit obligation	22	-	163,472	-	20,375
Net gain on settlement of employee benefit	22	-	(463,750)	-	(52,962)
Finance income	10	(2,601,315)	(2,506,474)	(2,299,695)	(2,019,437)
Finance expense	10	396,059	324,845	963,512	999,604
Interest on lease liabilities	10	19,257	-	19,257	-
Net Exchange Difference (Note 9)	9	(851,898)	(942,104)	(592,411)	(891,975)
Allowance for expected credit losses (Note 17.2)	17.2	19,017	-	234	-
Changes in working capital:					
Decrease /(Increase) in trade and other receivables		1,447,735	(4,436,443)	3,391,182	(4,756,090)
Decrease / (Increase) in inventory *		1,121,675	(701,237)	1,426,784	513,286
(Decrease) /Increase in trade and other payables		(8,830,251)	6,624,091	(7,776,196)	(38,013)
Net cash generated from / (used in) operations		5,246,599	12,436,656	(507,264)	(1,281,819)

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	Group 2019	Group 2018	Company 2019	Company 2018
Cost of asset disposed (Note 15)	1,747,291	203,022	23,219	67,386
Accumulated depreciation of asset disposed (Note 15)	(1,740,643)	(184,745)	(22,016)	(49,898)
Profit on disposal of property, plant and equipment (Note 8)	111,485	15,633	1,198	1,433
Proceeds from disposal of property, plant and equipment	118,134	33,910	2,401	18,921

25 Related parties

Frigoglass Industries (Nigeria) Limited "the Group" is owned by Frigoinvest Holdings B.V Netherlands with over 70% of its shares. The ultimate parent company is Frigoglass S.A.I.C and the Group is thus related to other subsidiaries of Frigoglass S.A.I.C through common shareholdings or common directorships. Transactions arising from dealings with related parties are as detailed below.

25 Related parties (continued)

The following companies are related parties of Frigoglass Industries Nigeria Limited:

Frigoglass S.A.I.C - Ultimate parent and ultimate controlling party
Beta Glass Plc. - Subsidiary company
Frigoinvest Holding B.V. Netherlands - Intermediate parent company
Nigerian Bottling Company - Shareholder
A.G. Leventis Nigeria Limited - Common directorship

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:

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Fees for services as directors	850	4,940	850	4,940
Salaries and wages	7,656	6,615	7,656	6,615
	8,506	11,555	8,506	11,555

Fees for services as directors include fees, sitting allowance and travel expenses. The Managing Director and Chief Financial Officer are the only member of management team on the board. Managing Director earns salaries from the company while Chief Financial Officer earns salary from the Beta Glass Plc, subsidiary of the company.

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

	2019	2018	2019	2018
	Number	Number	Number	Number
N150,001 - N300,000	-	-	-	-
> N300,000	2	4	2	4
	2	4	2	4
Directors with no emoluments	2	3	2	3

Director with no emoluments waived their right to receive remuneration from the company.

	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Amount paid to the highest paid director	7,656	6,615	7,656	6,615
Amount paid to Chairman	-	2,490	-	2,490

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

	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Sales of goods:				
Nigerian Bottling Company	10,963,993	9,636,204	6,404,231	5,740,590

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

25 Related parties (continued)

c(ii) Purchases of services

	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Purchase of services:				
Frigoglass Global Limited (Note 6)	1,130,532	1,048,981	204,047	219,269
A.G. Leventis Nigeria Limited	440,292	386,025	64,210	64,571
	1,570,824	1,435,006	268,257	283,840

The transaction with Frigoglass Global Limited was for the supply of technical know how to Beta Glass Plc and Frigoglass Industries Nigeria Limited . The technical know how fee represents 3% and 2% of net sales from production activities of Beta Glass Plc and Frigoglass Industries Nigeria Limited respectively as approved by the National Office for Technology Acquisition and Promotion (NOTAP) certificate numbers 005524 and 006914 for Beta Glass Plc with maturity profile of three (3) years from 01 January 2016 to 31 december 2018 and 01 January 2019 to 31 December 2021 and certificates number 006559 for Frigoglass Industries Nigeria Limited with maturity profile of three (3) years from 01 January 2018 to 31 December 2020 respectively. Also included in the technical service charge for the year is Value Added Tax (VAT) at 5% paid on the technical know how fee.

Transactions with A.G. Leventis Plc are for the provision of haulage services, lease of properties and provision of secretariat services. The amount charged for the year is included in the Other administrative expenses under administrative expenses.

Purchases are from companies with common ultimate parent and ultimate controlling party. The purchases are at prices comparable to those obtainable from third parties.

d Due to related companies

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

		Group	
		2019	2018
	Description	N'000	N'000
Frigoglass SAIC	Purchase of goods and services	87,666	23,731
Frigoglass South Africa	Purchase of goods and services	357,170	-
Frigoglass Indonesia	Purchase of goods and services	1,096,194	-
Frigoglass Romania -Plant	Purchase of goods and services	243,690	-
Frigoglass Eurasia	Purchase of goods and services	10,505	-
A.G. Leventis Nigeria Limited	Purchase of goods and services	5,621	-
Frigoglass India	Purchase of goods and services	25,947	18,240
Frigoglass Global	Purchase of services	896,534	403,677
Frigoglass West Africa Limited	Intercompany payable	-	1,157
		2,723,327	446,805

		Company	
		2019	2018
	Description	N'000	N'000
Beta Glass Plc	Intercompany treasury and current balances	3,160,614	5,435,895
Frigoglass India	Purchase of goods and services	25,947	18,240
Frigoglass SAIC	Purchase of goods and services	56,490	-
Frigoglass South Africa	Purchase of goods and services	357,170	-
Frigoglass Indonesia	Purchase of goods and services	1,096,194	-
Frigoglass Romania -Plant	Purchase of goods and services	243,690	-
Frigoglass Eurasia	Purchase of goods and services	10,505	-
A.G. Leventis Nigeria Limited	Purchase of services	2,394	
Frigoglass West Africa Limited	Payments made by FWAL customers	-	1,157
Frigoglass Global Limited	Purchase of services	66,837	46,252
		5,019,841	5,501,544

25 Related parties (continued)

e Due from related companies

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

		Group	
		2019	2018
	Description	N'000	N'000
Frigoglass South Africa	Payments made on behalf of Frigoglass South Africa	-	12,714
Frigoglass Indonesia	Payments made on behalf of Frigoglass Indonesia	-	433
Frigoinvest Holdings B.V	Intercompany loan and other receivables	18,424,749	16,401,574
Frigoglass West Africa	Intercompany loan and other receivables	-	5,024,426
Nigeria Bottling Co (NBC)	Intercompany receivables	2,563,511	1,973,071
A.G. Leventis Plc	Intercompany receivables	-	8,428
		20,988,260	23,420,646

		Company	
		2019	2018
	Description	N'000	N'000
Frigoglass South Africa	Payments made on behalf of Frigoglass South Africa	-	12,714
Beta Glass Plc	Payments made on behalf of Beta Glass PLC	-	-
Frigoglass Indonesia	Payments made on behalf of Frigoglass Indonesia	-	433
Frigoinvest Holdings B.V	Intercompany loan and other receivables	18,424,749	16,401,574
Frigoglass West Africa	Payments made on behalf of Frigoglass West Africa	-	5,024,275
Nigeria Bottling Co (NBC)	Sales of bottles and purchase of cullet	1,519,655	1,311,082
		19,944,404	22,750,078

The receivables from related parties arose mainly from loan and sale transactions which are due two months after the date of sales. The loan receivable bears interest at Euribor + 8.5% and repayable on demand while sales receivables are unsecured in nature and bear no interest.

The payables to related parties arose mainly from purchase transactions due within 30 to 60 days after the date of purchase. The payables bear no interest.

26 Contingent liabilities

The group is presently involved in five (5) litigation suits as at 31 December 2019. The claims against the group from the suits amount to N7.23 billion (31 December 2018: N2.33 billion) as of reporting date. No provision has been made for these claims. Based on legal advice, the directors believe that no significant loss will eventuate .

Guarantee on behalf of Frigoglass Finance B.V.

In 2017, the Company and its subsidiary- Beta Glass Plc guarantees first lien indebtedness (comprised of loans and notes) incurred by other members of the Frigoglass S.A.I.C. Group of approximately €120.0 million (48.48 billion Naira), which matures on 31 December 2021 and second lien indebtedness (comprised of loans and notes) of approximately €141 million (16.564 billion Naira), which matures on 31 March 2022.

27 Capital commitments

The company had no capital commitments as at 31 December 2019 (31 December 2018: Nil).

28 Subsequent events

In the first quarter of 2020, there was a COVID -19 outbreak which has spread globally. The outbreak has been declared a Public Health Emergency of International concern by World Health Organisation (WHO) in March 2020. As at the date of this report, several cases have been confirmed in Nigeria by the Nigerian Centre for Disease Control.

The disease has caused a significant reduction in social interaction, with a shutdown of public facilities and physical interaction. Measures taken to contain the virus have affected economic activity. COVID-19 is a global pandemic as already declared by WHO. We have taken all steps to ensure that the operations and our business are ready to meet the challenges posed by the pandemic, and also to be compliant with the regulations of the Federal and State government being issued from time to time..

Management has also considered the potential implications of this outbreak and have put in place measures to mitigate against a significant impairment of the carrying value of assets. The management is confident that there are no plans to liquidate any of the Company's operations or to cease trading. On the business operations, adequate continuity plans have been put in place to address all business needs as much as feasible in line with various government regulations/restrictions and customers requirement and essential employees for meeting up with the operational needs have been adequately equipped, instructed and provided with relevant protective tools.

There have been generally low activities which will invariably affect forex, revenue outlook and export sales, but adequate measures are in place to mitigate the impacts as much as feasibly possible in the current circumstance. However, given the early stage of the outbreak and the high level of uncertainties due to the unpredictable outcome of this disease, it may be difficult to estimate the financial effects of the outbreak at the reporting date.

However, it is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions used for some estimates and judgement, could require a material adjustment to the carrying amount of the asset or liability affected.

A dividend of N6.83k per ordinary share amounting to N 2.99 billion (2018:Nil) was proposed and will be distributed from the retained earnings, from profits of 2014, 2015 and 2016 financial years.

There were no other subsequent events which could have had a material effect on the state of affairs of the company as at 31 December 2019 and on the profit for the year ended on that date which have not been adequately provided for or recognised in these financial statements.

29 Compliance with regulatory requirements

There was no penalty for non-compliance matters with respect to regulatory requirements for the year ended 31 December 2019 (31 December 2018: Nil).

30 Particulars of staff

The average number of persons, excluding directors, employed by the group and company during the year was as follows:

	Group		Company	
	2019	2018	2019	2018
	Number	Number	Number	Number
Management	332	321	25	36
Factory	459	401	88	65
Sales and Administration	10	8	1	1
	801	730	114	102

30 Particulars of staff (continued)

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

	Group		Company	
	2019 Number	2018 Number	2019 Number	2018 Number
N800,001 - N1,000,000	20	22	14	4
N1,000,001 - N1,200,000	81	52	6	10
N1,200,001 - N1,400,000	76	66	8	6
N1,400,001 - N1,600,000	28	32	6	4
N1,600,001 - N1,800,000	22	49	8	12
N1,800,001 - N2,000,000	63	54	4	10
N2,000,001 - N2,500,000	153	153	29	33
N2,500,001 - N3,000,000	147	136	14	14
Over N3,000,000	211	166	25	9
	801	730	114	102

15 Property, plant and equipment

Group - 31 December 2019

	Land N'000	Building N'000	Plant and machinery N' 000	Furniture fittings and equipment N' 000	Motor vehicles N' 000	Assets under construction N' 000	Total N' 000
Cost or valuation:							
At 1 January 2018	168,540	1,880,612	29,380,438	705,603	793,391	3,782,679	36,711,263
Additions	-	84,397	2,433,875	66,252	361,748	5,881,219	8,827,491
Disposals	-	-	(55,687)	(5,663)	(141,672)	-	(203,022)
Reclassifications	-	-	2,736	7,864	13,000	(23,600)	-
At 31 December 2018	**168,540**	**1,965,009**	**31,761,362**	**774,056**	**1,026,467**	**9,640,298**	**45,335,732**
At 1 January 2019	168,540	1,965,009	31,761,362	774,056	1,026,467	9,640,298	45,335,732
Additions	-	245,461	1,693,585	126,982	182,101	5,049,001	7,297,130
Disposals	-	-	(1,595,230)	(4,288)	(147,773)	-	(1,747,291)
Reclassifications	-	48,554	586,365	65,003	51,840	(751,762)	-
Transfers from related party (Note 2.2d)	12,000	216,958	392,292	92,290	227,175	-	940,715
At 31 December 2019	**180,540**	**2,475,982**	**32,838,374**	**1,054,043**	**1,339,810**	**13,937,537**	**51,826,286**
Depreciation:							
At 1 January 2018	-	576,244	21,560,686	642,357	630,657	-	23,409,944
Charge for the year	-	63,872	2,360,336	41,108	131,520	-	2,596,836
On disposals	-	-	(55,687)	(5,648)	(123,410)	-	(184,745)
At 31 December 2018	-	**640,116**	**23,865,335**	**677,817**	**638,767**	-	**25,822,035**
At 1 January 2019	-	640,116	23,865,335	677,817	638,767	-	25,822,035
Charge for the year	-	74,921	2,720,472	59,388	114,673	-	2,969,455
On disposals	-	-	(1,589,785)	(3,326)	(147,532)	-	(1,740,643)
Reclassifications	-	14,147	(267,408)	11,380	241,881		-
Transfers from related party (Note 2.2d)	-	104,230	331,028	68,182	178,413	-	681,853
At 31 December 2019	-	**833,414**	**25,059,642**	**813,441**	**1,026,202**	-	**27,732,700**
Net book value:							
At 31 December 2019	**180,540**	**1,642,568**	**7,778,732**	**240,602**	**313,607**	**13,937,537**	**24,093,586**
At 31 December 2018	**168,540**	**1,324,893**	**7,896,027**	**96,239**	**387,700**	**9,640,298**	**19,513,697**

Transfer from related party relates to transfer from Frigoglass West Africa Limited

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

Depreciation expenses of N2.73 (2018: N2.42) billion has been charged to cost of sales and N0.24 (2018: N0.17) billion was charged to administrative expenses.

15 Property, plant and equipment (continued)

Company - 31 December 2019

	Land N'000	Building N'000	Plant and machinery N' 000	Furniture fittings and equipment N' 000	Motor vehicles N' 000	Assets under construction N' 000	Total N' 000
Cost or valuation:							
At 1 January 2018	-	100,337	3,806,091	289,398	189,674	58,052	4,443,552
Additions	-	24,122	531,873	31,130	72,684	263,011	922,820
Disposals	-	-	(16,799)	(4,710)	(45,877)	-	(67,386)
Reclassifications	-	-	2,736	7,864	13,000	(23,600)	-
At 31 December 2018	-	124,459	4,323,901	323,682	229,481	297,463	5,298,986
At 1 January 2019	-	124,459	4,323,901	323,682	229,481	297,463	5,298,986
Additions	-	61,575	388,166	27,380	43,212	161,586	681,919
Disposals	-	-	(6,985)	(4,269)	(11,965)	-	(23,219)
Reclassifications	-	-	282,070	1,260	8,190	(291,520)	-
Transfers from related party (Note 2.2d)	12,000	216,958	392,292	92,290	227,175	-	940,715
At 31 December 2019	12,000	402,992	5,379,444	440,343	496,093	167,529	6,898,401
Depreciation:							
At 1 January 2018	-	26,112	2,557,633	270,722	155,128	-	3,009,595
Charge for the year	-	9,713	294,316	14,672	24,894	-	343,595
On disposals	-	-	(16,799)	(4,710)	(28,389)	-	(49,898)
At 31 December 2018	-	35,825	2,835,150	280,684	151,633	-	3,303,292
At 1 January 2019	-	35,825	2,835,150	280,684	151,633	-	3,303,292
Charge for the year	-	16,646	337,590	19,606	37,666	-	411,508
On disposals	-	-	(6,985)	(3,307)	(11,724)	-	(22,016)
Transfers from related party (Note 2.2d)		104,230	331,028	68,182	178,413	-	681,853
At 31 December 2019	-	156,701	3,496,783	365,165	355,988	-	4,374,637
Net book value:							
At 31 December 2019	12,000	246,291	1,882,661	75,178	140,105	167,529	2,523,764
At 31 December 2018	-	88,634	1,488,751	42,998	77,848	297,463	1,995,694

Transfer from related party relates to transfer from Frigoglass West Africa Limited

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

Depreciation expenses of N0.36 (2018: N0.30) billion has been charged to Cost of sales and N0.05 (2018: N0.04) billion was charged to Administrative expenses.

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2019

15.1 Right of use Asset

Group - 31 December 2019

	Building N'000	Total N' 000
Cost or valuation:		
At 1 January 2019	22,611	22,611
Additions	202,553	202,553
At 31 December 2019	**225,164**	**225,164**
Depreciation:		
At 1 January 2019	-	-
Charge for the year	123,421	123,421
At 31 December 2019	**123,421**	**123,421**
Net book value:		
At 31 December 2019	**101,743**	**101,743**

The depreciation charges for the year included in cost of sales and administration expenses are N24,071,000 and N99,350,000 respectively

The Group had total cash outflows for leases of N106,269,444 in 2019.

15.1 Right of use Asset

Company - 31 December 2019

	Building N'000	Total N' 000
Cost:		
At 1 January 2019	-	-
Additions	96,284	96,284
At 31 December 2019	**96,284**	**96,284**
Depreciation:		
At 1 January 2019	-	-
Charge for the year	24,071	24,071
At 31 December 2019	**24,071**	**24,071**
Net book value:		
At 31 December 2019	**72,213**	**72,213**

The depreciation charges of N24,071,000 for the year is included in cost of sales

The Company had no cash outflows for lease during the year. The additions to lease has corresponding lease liabilities.

Statement of value added - Group
For the year ended 31 December 2019

	Note	2019 N'000	%	2018 N'000	%
Revenue	5	39,205,065		36,762,836	
Finance income	10	2,601,315		2,506,474	
Other income	8	859,291		1,429,020	
Net foreign exchange gain	9	770,645		1,013,610	
		43,436,315		41,711,940	
Bought in materials and services					
- Imported		(9,995,411)		(9,046,510)	
- Local		(15,001,587)		(14,712,923)	
Value added		**18,439,318**	**100**	**17,952,507**	**100**

	Note	2019 N'000	%	2018 N'000	%
Applied as follows:					
To pay employees:					
- Wages, salaries and other benefits	7	3,509,618	19.0	3,601,841	20.1
To pay providers of capital:					
- Finance cost	10	415,316	2.3	324,845	1.8
To pay government:					
- Income tax expense	11	3,706,381	20.1	3,502,840	19.5
To provide for enhancement of assets and growth:					
- Depreciation of plant, property and equipment	15	2,969,455	16.1	2,596,836	14.5
- Amortization of intangible assets	14	9,818	0.1	2,368	0.0
- Profit for the year from continued operations		7,828,729	42.5	7,923,777	44.1
Value added		**18,439,318**	**100**	**17,952,507**	**100**

Note: Statement of value added is not a required disclosure under IFRS

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Statement of value added - Company
For the year ended 31 December 2019

	Note	2019 N'000	%	2018 N'000	%
Revenue	5	9,792,813		10,441,821	
Finance income	10	2,299,695		2,019,437	
Other income	8	576,690		509,912	
Net foreign exchange gain	9	614,735		880,883	
		13,283,933		13,852,053	
Bought in materials and services					
- Imported		(3,048,836)		(3,299,935)	
- Local		(4,403,287)		(4,186,453)	
Value added		**5,831,810**	**100**	**6,365,664**	**100**

Applied as follows:

	Note	2019 N'000	%	2018 N'000	%
To pay employees:					
- Wages, salaries and other benefits	7	511,845	8.8	452,982	7.1
To pay providers of capital:					
- Finance cost	10	982,769	16.9	999,604	15.7
To pay government:					
- Income tax expense	11	1,274,067	20.8	1,367,464	21.5
To provide for enhancement of assets and growth:					
- Depreciation of plant, property and equipment	15	411,508	7.1	343,595	5.4
- Amortization of intangible assets	14	904	1.0	-	1.0
- Profit for the year from continued operations		2,650,718	45.5	3,202,020	50.3
Value added		**5,831,810**	**100**	**6,365,664**	**100**

Note: Statement of value added is not a required disclosure under IFRS

Five year financial summary - Group
For the year ended 31 December 2019

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Assets employed					
Non-current assets	24,231,665	19,524,492	13,311,405	11,937,899	13,182,608
Current assets	54,284,978	51,267,751	45,778,410	37,370,630	25,265,481
Non-current liabilities	(5,536,169)	(5,572,797)	(6,678,056)	(6,891,712)	(4,937,477)
Current liabilities	(18,226,005)	(16,705,280)	(11,582,072)	(8,619,055)	(7,328,414)
Net assets	**54,754,469**	**48,514,166**	**40,829,687**	**33,797,762**	**26,182,198**
Capital employed					
Ordinary share capital	218,591	218,591	218,591	218,591	218,591
Share premium	16,330	16,330	16,330	16,330	16,330
Other reserves	2,429,942	2,429,942	2,429,942	2,429,942	2,429,942
Retained earnings	38,928,443	34,567,630	28,591,873	22,959,019	16,816,554
Non controlling interest	13,161,163	11,281,673	9,572,951	8,173,880	6,700,781
Total equity	**54,754,469**	**48,514,166**	**40,829,687**	**33,797,762**	**26,182,198**

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Turnover	39,205,065	36,762,836	31,255,164	25,814,644	21,637,727
Profit before income tax	11,535,110	11,426,617	10,335,411	10,476,246	4,741,242
Income tax expense	(3,706,381)	(3,502,840)	(3,204,691)	(3,096,086)	(1,861,550)
Profit for the year	7,828,728	7,923,776	7,130,719	7,380,160	2,879,691
Total comprehensive income	7,828,729	7,923,777	7,172,122	7,380,160	2,879,691
Per share data					
Earnings per share (Naira)	17.91	18.12	16.31	16.88	6.59
Net assets per share (Naira)	125.24	110.97	93.39	77.31	59.89

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

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Five year financial summary - Company
For the year ended 31 December 2019

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Assets employed					
Non-current assets	4,396,015	3,781,824	3,220,087	3,190,759	3,293,372
Current assets	27,805,326	28,153,120	25,226,941	17,237,709	11,207,106
Non-current liabilities	(3,046,459)	(2,844,054)	(2,654,508)	(2,173,002)	(871,539)
Current liabilities	(7,223,100)	(8,468,983)	(8,372,633)	(4,197,350)	(3,289,557)
Net assets	**21,931,782**	**20,621,907**	**17,419,887**	**14,058,116**	**10,339,382**
Capital employed					
Ordinary share capital	218,591	218,591	218,591	218,591	218,591
Share premium	16,330	16,330	16,330	16,330	16,330
Retained earnings	21,696,861	20,386,986	17,184,966	13,823,195	10,104,461
Total equity	**21,931,782**	**20,621,907**	**17,419,887**	**14,058,116**	**10,339,382**

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Turnover	9,792,813	10,441,821	9,068,905	6,723,452	5,684,504
Profit before income tax	3,924,785	4,569,484	4,783,872	5,372,378	1,799,086
Income tax expense	(1,274,067)	(1,367,464)	(1,465,093)	(1,680,225)	(737,882)
Profit for the year	2,650,718	3,202,020	3,318,779	3,692,153	1,061,204
Total comprehensive income	2,650,718	3,202,020	3,315,201	3,718,734	1,179,606
Per share data					
Earnings per share (Naira)	6.06	7.32	7.59	8.45	2.43
Net assets per share (Naira)	50.17	47.17	39.85	32.16	23.65

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