

**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

**Annual report and consolidated financial statements**

**For the year ended 31 December 2021**

**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

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For the year ended 31 December 2021**

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**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

**Annual report and consolidated financial statements**

**For the year ended 31 December 2021**

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**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**

**Company 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**

**Principal Bankers**

**Stanbic IBTC Bank Plc**

**First City Monument Bank Plc**

**Zenith Bank Plc**

**Citibank Nigeria Limited**

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statements For the year ended 31 December 2021

#### Report of the directors

The Directors present to members of the company, the annual report together with the audited financial statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the Company is the manufacture and sale of crown corks, plastic products and Ice Cold Merchandise (ICM). The Company is also involved in the manufacturing and sales of glassware through its group activities.

#### Results for the year

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Revenue from contracts with customers	54,473,029	36,579,432	17,490,213	10,942,422
Profit before income tax	9,672,915	11,682,858	2,555,773	7,084,944
Profit for the year	6,835,611	7,823,581	1,699,707	4,873,591

#### Appropriation of profit after taxation

The profit after taxation has been transferred to retained earnings. The Directors are pleased to recommend to Shareholders the declaration of a total dividend of **N6,124,917,970** that is, **N14.01** per ordinary share of fifty kobo each. The Company had earlier paid an interim dividend of **N2,745,502,131** that is **N6.28** only from the profits of the Company for the years 2016 and 2017. Thus, the final dividend will be **N3, 379, 415, 839**. that is, **N7.73** per ordinary share from the profit of the Company from the years 2017 and 2018. If the proposed final dividend is approved, it will be subject to deduction of withholding tax at the appropriate rate and the dividend will become payable on the March 24, 2022, to all Shareholders whose names appear on the Company Register of Members, the close of business on March 23, 2022.

#### 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 **Mr. Nikolaos Mamoulis** and **Mr. Shanker Venkada Dhanikonda**. They, being eligible, offer themselves for re-election.

In accordance with Section 284(2) of the Companies and Allied Matters Act 2020, the records of Directors' attendance at board meetings during the year will be available for inspection at the Annual General Meeting.

#### Directors' interests in:

- a) **Shares of the Company:** According to the register kept for the purposes of Section 301 of the Companies and Allied Matters Act, 2020, none of the directors held any shares in the issued share capital of the Company as at 1 January 2021 and 31 December 2021.

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statements For the year ended 31 December 2021

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#### Report of the directors (continued)

- 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 2021	1 January 2021
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 301 of the Companies and Allied Matters Act 2020, of any disclosable interests in contracts involving the Company either as at 31 December 2021 or the date of this report.

#### Shareholding

According to the register of members at 31 December 2021, 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

#### Cancellation of unissued shares

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

#### 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.

#### 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.

## **FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

### **Annual report and consolidated financial statements For the year ended 31 December 2021**

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#### **Report of the directors (continued)**

#### **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.

##### **Health, safety and welfare of employees**

Free medical treatment is given to all employees in well-equipped and professionally manned in-house clinics, which exist 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 are 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 are 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 Training opportunities are provided both locally and abroad.

##### **Auditors**

Messrs. PricewaterhouseCoopers have indicated their willingness to continue in office as auditors of the Company in accordance with Section 401 (2) of the Companies and Allied Matters Act, 2020.

#### **By order of the Board**



**Bola Adebisi (Ms)**

**FRC/2013/NBA/0000002344**

Company Secretary

**Iddo House, Iddo, Lagos**

**Dated: 24 March 2022**

**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

**Annual report and consolidated financial statements  
For the year ended 31 December 2021**

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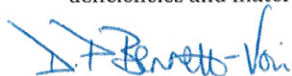
**Statement of Corporate Responsibility for the Financial Statements**

In line with the provision of section 405 of the Company and Allied Matters Act (CAMA) 2020, hereby certify that:

- a) We, the undersigned, have reviewed the annual report, consolidated audited financial statements of Frigoglass Industries Nigeria Limited and its subsidiary (the Group) and other national disclosures for the year ended 31 December 2021.

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

- i. any untrue statement of a material fact, or
  - ii. omit to state a material fact, which would make the statement misleading in the light of the circumstances under which the statement was made.
- b) Based on our knowledge, the annual report and consolidated audited financial statements and other financial information fairly represent in all material respect, the financial conditions and results of operations of the Group as of, and for the period presented.
- c) We, the undersigned:
- i. are responsible for establishing and maintaining controls;
  - ii. have designed such internal controls to ensure that material information relating to the Group is made known to us by others within the Group particularly during the period in which the periodic reports are being prepared;
  - iii. have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report.;
  - iv. have presented in the report our conclusions about the effectiveness of the internal controls based on the evaluation as of that date;
- d) We have disclosed to the external auditors:
- i. that there are no significant deficiencies in the design or operation of the internal controls which would adversely affect the Group's ability to record, process, summarize and report financial data and have identified for the External Auditors any material weakness in internal controls, and
  - ii. that there has not been any fraud, whether or not material, that involves management or other employees who have significant role in the Group's internal controls.
- e) We have identified in the report there has not been any significant changes in internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weakness.



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



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

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statements For the year ended 31 December 2021

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#### Statement of directors' responsibilities

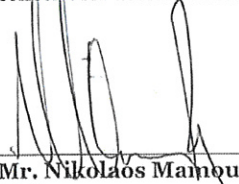
The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the group at the end of the year and of its profit or loss. This responsibility include:

- 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.



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**Mr. Nikolaos Manoulis**  
Chairman  
24 March 2022



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





## *Independent auditor's report*

To the Members of Frigoglass Industries (Nigeria) Limited

### *Report on the audit of the consolidated and separate financial statements*

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#### *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 2021, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with the 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 profit or loss and other comprehensive income for the year ended 31 December 2021;
- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated statements of changes in equity - Group for the year then ended;
- the statements of changes in equity - Company 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 audited financial statements, which include a summary of significant accounting policies.

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#### *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.

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#### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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*PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria*



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### *Other information*

The directors are responsible for the other information. The other information comprises the Corporate Information, Report of the Directors, Statement of Corporate Responsibility for the Financial Statements, Statement of Directors' Responsibilities, Statement of Value Added and 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.

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### *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.

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### *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.

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

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### *Report on other legal and regulatory requirements*

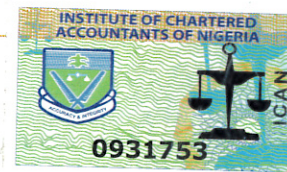
The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- 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 and returns.

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

Engagement Partner: EDAFE ERHIE  
FRC/2013/ICAN/0000001143



14 June 2022

# FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

## Annual report and consolidated financial statements For the year ended 31 December 2021

### Consolidated and separate statements of profit or loss and other comprehensive income

As at 31 December 2021

	Note	Group		Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		N'000	N'000	N'000	N'000
Revenue from contracts with customers	5	54,473,028	36,579,432	17,490,213	10,942,422
Cost of sales	6	(41,750,748)	(28,761,563)	(14,021,349)	(9,028,536)
<b>Gross profit</b>		<b>12,722,280</b>	<b>7,817,869</b>	<b>3,468,864</b>	<b>1,913,886</b>
Administrative expenses	6	(3,301,320)	(2,499,423)	(1,076,322)	(841,383)
Selling and distribution expenses	6	(247,508)	(262,605)	(44,263)	(60,351)
Net impairment (loss) / gain	17.3	(77,294)	17,436	-	-
Other income	8	1,308,171	563,030	528,063	645,386
<b>Operating profit</b>		<b>10,404,329</b>	<b>5,636,307</b>	<b>2,876,342</b>	<b>1,657,538</b>
Net foreign exchange (loss) / gain	9	(2,557,047)	4,644,607	(1,793,701)	4,359,112
Finance income	10	2,255,844	2,383,553	1,997,196	2,311,928
Finance cost	10	(430,211)	(981,609)	(524,064)	(1,243,634)
Finance income - net	10	1,825,633	1,401,944	1,473,132	1,068,294
<b>Profit before income tax</b>		<b>9,672,915</b>	<b>11,682,858</b>	<b>2,555,773</b>	<b>7,084,944</b>
Income tax expense	11	(2,837,304)	(3,859,277)	(856,066)	(2,211,353)
<b>Profit for the year</b>		<b>6,835,611</b>	<b>7,823,581</b>	<b>1,699,707</b>	<b>4,873,591</b>
<b>Other comprehensive income for the year - net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>6,835,611</b>	<b>7,823,581</b>	<b>1,699,707</b>	<b>4,873,591</b>
<b>Total comprehensive income attributable to:</b>					
- Owners of the parent		4,755,147	6,502,087	1,699,707	4,873,591
- Non-controlling interests		2,080,464	1,321,494	-	-
		<b>6,835,611</b>	<b>7,823,581</b>	<b>1,699,707</b>	<b>4,873,591</b>
<b>Earnings per share for profit attributable to the equity holders of the company</b>					
Basic and diluted EPS (Naira)	12	15.64	17.90	3.89	11.15

The notes on pages 15 to 51 are an integral part of these financial statements.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

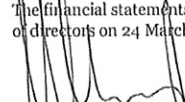
Annual report and consolidated financial statements  
For the year ended 31 December 2021

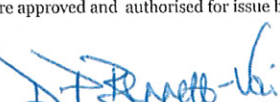
Consolidated and separate statements of financial position  
As at 31 December 2021

	Note	Group		Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		N'000	N'000	N'000	N'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	15	25,060,160	24,454,449	2,548,510	2,346,054
Right-of-use asset	15.1	73,156	87,070	26,350	48,142
Investments in subsidiary	13	-	-	1,786,130	1,786,130
Intangible assets	14	31,172	31,196	18,609	14,216
<b>Total non-current assets</b>		<b>25,164,488</b>	<b>24,572,715</b>	<b>4,379,599</b>	<b>4,194,542</b>
<b>Current assets</b>					
Inventories	16	13,443,186	9,479,690	4,264,007	2,025,460
Trade and other receivables	17	43,661,998	38,012,899	31,424,189	28,834,028
Cash in hand and at bank	18	19,219,768	13,264,477	3,333,897	1,666,223
<b>Total current assets</b>		<b>76,324,952</b>	<b>60,757,066</b>	<b>39,022,093</b>	<b>32,525,711</b>
<b>Total assets</b>		<b>101,489,440</b>	<b>85,329,781</b>	<b>43,401,692</b>	<b>36,720,253</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Lease liabilities	22	-	30,134	-	30,134
Deferred tax liabilities	23 a	7,753,425	6,440,862	4,168,463	4,479,246
<b>Total non-current liabilities</b>		<b>7,753,425</b>	<b>6,470,996</b>	<b>4,168,463</b>	<b>4,509,380</b>
<b>Current liabilities</b>					
Lease liabilities	22	2,403	100,933	2,403	100,933
Borrowings	21	10,938,122	5,178,980	6,108,853	1,058,085
Trade and other payables	19	16,930,265	10,301,704	8,366,224	5,741,807
Dividend Payable	19 a	735,537	770,269	594,317	644,254
Current income tax liabilities	20	1,963,955	3,233,071	1,387,806	846,373
<b>Total current liabilities</b>		<b>30,570,282</b>	<b>19,584,957</b>	<b>16,459,603</b>	<b>8,391,452</b>
<b>Total liabilities</b>		<b>38,323,707</b>	<b>26,055,953</b>	<b>20,628,066</b>	<b>12,900,832</b>
<b>Equity</b>					
Issued share capital	23b	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		44,454,223	42,444,578	22,538,705	23,584,500
		47,119,086	45,109,441	22,773,626	23,819,421
Non controlling interest		16,046,647	14,164,387	-	-
<b>Total equity</b>		<b>63,165,733</b>	<b>59,273,828</b>	<b>22,773,626</b>	<b>23,819,421</b>
<b>Total equity and liabilities</b>		<b>101,489,440</b>	<b>85,329,781</b>	<b>43,401,692</b>	<b>36,720,253</b>


The notes on pages 15 to 51 are an integral part of these financial statements.

The financial statements and other national disclosures on pages 10 to 55 were approved and authorised for issue by the board of directors on 24 March 2022 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

**FRIGOLASS INDUSTRIES (NIGERIA) LIMITED**

**Annual report and consolidated financial statements  
For the year ended 31 December 2021**

**Consolidated statement of changes in equity- Group**

	Attributable to owners of the parent						Total equity N'000
	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total N'000	Non controlling interest N'000	
<b>Balance at 1 January 2020</b>	218,591	16,330	2,429,942	38,928,443	41,593,306	13,161,163	54,754,469
Profit for the year	-	-	-	6,502,087	6,502,087	1,321,494	7,823,581
Total comprehensive income for the year	-	-	-	6,502,087	6,502,087	1,321,494	7,823,581
Transaction with owners:							
Dividend declared	-	-	-	(2,985,952)	(2,985,952)	(318,270)	(3,304,222)
Total transactions with owners	-	-	-	(2,985,952)	(2,985,952)	(318,270)	(3,304,222)
<b>Balance at 31 December 2020</b>	218,591	16,330	2,429,942	42,444,578	45,109,441	14,164,387	59,273,828
<b>Balance at 1 January 2021</b>	218,591	16,330	2,429,942	42,444,578	45,109,441	14,164,387	59,273,828
Profit for the year	-	-	-	4,755,147	4,755,147	2,080,464	6,835,611
Total comprehensive income for the year	-	-	-	4,755,147	4,755,147	2,080,464	6,835,611
Transaction with owners:							
Dividend declared	-	-	-	(2,745,502)	(2,745,502)	(198,204)	(2,943,706)
Total transactions with owners	-	-	-	(2,745,502)	(2,745,502)	(198,204)	(2,943,706)
<b>Balance at 31 December 2021</b>	218,591	16,330	2,429,942	44,454,223	47,119,086	16,046,647	63,165,733

The notes on pages 15 to 51 are an integral part of these financial statements.

**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

**Annual report and consolidated financial statements  
For the year ended 31 December 2021**

**Statement of changes in equity- Company**

	Attributable to owners of the parent		
	Share capital	Share premium	Retained earnings
	N'000	N'000	N'000
<b>Balance at 1 January 2020</b>	218,591	16,330	21,696,861
Profit for the year	-	-	4,873,591
Total comprehensive income for the year	-	-	4,873,591
Transaction with owners:			
Dividend declared		(2,985,952)	(2,985,952)
Total transactions with owners		-	(2,985,952)
<b>Balance at 31 December 2020</b>	<u>218,591</u>	<u>16,330</u>	<u>23,584,500</u>
<b>Balance at 1 January 2021</b>	218,591	16,330	23,584,500
Profit for the year	-	-	1,699,707
Total comprehensive income for the year	-	-	1,699,707
Transaction with Owners:			
Dividend Declared- Interim		(2,745,502)	(2,745,502)
Total transactions with owners		-	(2,745,502)
<b>Balance at 31 December 2021</b>	<u>218,591</u>	<u>16,330</u>	<u>22,538,705</u>

The notes on pages 15 to 51 are an integral part of these financial statements.

# FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

## Annual report and consolidated financial statements For the year ended 31 December 2021

### Consolidated and separate statements of cash flows

	Note	Group		Company	
		31 December 2021 N'000	31 December 2020 N'000	31 December 2021 N'000	31 December 2020 N'000
Cash generated from / (used in) operations	24	7,971,245	5,216,367	(1,221,201)	5,271
Tax paid	20	(2,218,065)	(2,433,428)	(49,624)	(66,687)
<b>Net cash generated from / (used in) operating activities</b>		<b>5,753,180</b>	<b>2,782,939</b>	<b>(1,270,825)</b>	<b>(61,416)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	15	(4,328,563)	(3,377,080)	(647,429)	(298,365)
Purchase of right-of-use asset	15.1	(163,644)	(147,192)	(3,646)	-
Purchase of intangible asset	14	(10,221)	(5,913)	(10,221)	(5,913)
Proceeds from sale of property, plant and equipment	24	226,846	149,736	-	16,008
Interest received	10	2,255,844	2,383,553	1,997,196	2,311,928
<b>Net cash (used in)/generated from investing activities</b>		<b>(2,019,738)</b>	<b>(996,896)</b>	<b>1,335,900</b>	<b>2,023,658</b>
<b>Cash flows from financing activities</b>					
Proceeds from short term borrowings	21	10,938,122	5,178,980	6,108,853	1,058,085
Repayment of short term borrowing	21	(5,178,980)	(3,042,184)	(1,058,085)	(74,731)
Payment of lease liabilities	22	(140,090)	-	(140,090)	-
Interest paid (i.e. finance cost less interest on lease liabilities)	10	(418,785)	(966,083)	(512,638)	(1,228,108)
Dividend paid	19 a	(2,993,643)	(2,659,968)	(2,795,439)	(2,341,698)
Unclaimed dividend returned	19 a	15,205	32,443	-	-
<b>Net cash generated (used in) / from financing activities</b>		<b>2,221,829</b>	<b>(1,456,812)</b>	<b>1,602,601</b>	<b>(2,586,452)</b>
Net increase / (decrease) in cash and cash equivalents		5,955,271	329,231	1,667,676	(624,210)
Effect of exchange rate changes on cash and cash equivalents	20	461,069	-	-	-
Cash and cash equivalents at 1 January		13,264,477	12,474,177	1,666,223	2,290,433
<b>Cash and cash equivalents at 31 December</b>	18	<b>19,219,768</b>	<b>13,264,477</b>	<b>3,333,899</b>	<b>1,666,223</b>

The notes on pages 15 to 51 are an integral part of these financial statements.



# FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

## Annual report and consolidated financial statement For the year ended 31 December 2021

### Notes to the consolidated and separate audited financial statements

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#### 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 profit 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, 2022.

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 became effective for the first time from the financial year beginning on or after 1 January 2021. The nature and effect of changes as a result of adoption of these new standards are described below:

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

###### **IAS 23 Borrowing Costs:**

On 27 August 2020, the IASB published Interest rate benchmark reform- phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. This is effective for annual periods beginning 1 January 2021.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

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

The amendments include a practical expedient to require contractual changes or changes to cash flows that are directly required by the reform to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on economically equivalent basis with no value transfer having occurred.

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

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

Several other amendments and interpretations were issued and effective for the first time in 2021, 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.

##### **(b) New standards, amendments, and interpretations issued but not yet effective for adoption**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022 and beyond, and have not been applied in preparing this financial statements. The 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:

##### **IAS 41 Agriculture - Taxation fair value measurements**

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

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

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the Group.

##### **Definition of Accounting Estimates - Amendments to IAS 8**

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

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

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##### 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)

###### Definition of Accounting Estimates - Amendments to IAS 8 (continued)

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

###### IFRS 17 Insurance Contracts

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

- A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts
- IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

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

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

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

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

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

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

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

###### Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

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

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

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

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

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

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

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

The amendments is not expected to have any impact on the Group

# FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

## Annual report and consolidated financial statement

For the year ended 31 December 2021

### Notes to the consolidated and separate audited financial statements (continued)

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

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

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

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

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

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

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

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendment would not have any impact on the Group

###### **IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities**

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

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.

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement

For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

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#### 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.

#### 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 are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure 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%

# FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

## Annual report and consolidated financial statement

For the year ended 31 December 2021

### Notes to the consolidated and separate audited financial statements (continued)

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#### Property, plant and equipment - (continued)

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 incurred.

#### 2.6 Impairment of non-financial assets

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

#### 2.7 Financial Instruments:

##### 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.

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement

For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

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##### 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 or 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 Group'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 Group 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.



## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement

For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

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##### 2.7.2 Financial assets (continued)

##### 2.7.6 Write-offs

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 receivable 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).

# FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

## Annual report and consolidated financial statement

For the year ended 31 December 2021

### Notes to the consolidated and separate audited financial statements (continued)

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#### 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 effective interest rate (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 but must not exceed the initially recognised impairment 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 Group 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.

# FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

## Annual report and consolidated financial statement

For the year ended 31 December 2021

### Notes to the consolidated and separate audited financial statements (continued)

#### 2.10 Leases

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

##### Company as a lessee

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

##### i) Right-of-use assets

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

- Buildings 1- 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 on Impairment of non-financial assets (Note 2.6).

##### 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 accommodate 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.

#### (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.

#### 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.

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement

For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

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##### 2.11 Current and deferred income tax (continued)

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.

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 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.

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 and food products 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 Group 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.

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement

For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

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##### 2.14 Revenue from Contract with customers - (continued)

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

Revenue is measured at the 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.

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 obligation 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).

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement

For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

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##### 2.14 Revenue from Contract with customers - (continued)

**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.

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement

For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

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### 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 to relate to cash balances.

**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

**Annual report and consolidated financial statement**

**For the year ended 31 December 2021**

**Notes to the consolidated and separate audited financial statements (continued)**

**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	
	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000
<b>Financial assets</b>				
Cash and cash equivalent	10,253	12,797	161	144
Trade receivables	5,881	498	-	-
Related parties	57,145	60,702	57,145	60,702
	<u>73,279</u>	<u>73,997</u>	<u>57,306</u>	<u>60,846</u>
<b>Financial liabilities</b>				
Borrowings	24,307	12,631	13,575	2,581
Trade payables	5,724	2,651	178	150
Related parties payable	1,271	3,122	59	2,600
	<u>31,302</u>	<u>18,404</u>	<u>13,812</u>	<u>5,331</u>
<b>Net amount</b>	<u>41,977</u>	<u>55,593</u>	<u>43,494</u>	<u>55,515</u>

Effects in Naira on the Group and Company result:

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
15 percent strengthening of the Naira to USD	(2,833,448)	(3,418,977)	(2,935,845)	(3,414,155)
15 percent weakning of the Naira to USD	2,833,448	3,418,977	2,935,845	3,414,155
			<u>2021</u>	<u>2020</u>
Reporting date spot rate of 1USD to Naira			450	410

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

**(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.



## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement

For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

##### 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 2021, all financial assets of N58.15bn (31 December 2020: N46.94bn) for the Group and for the Company N33.94bn (31 December 2020: N29.32bn) were fully performing, N2.71bn (31 December 2020: N1.31bn) for the Group and for the Company N1.03bn (31 December 2020: N0.45bn) 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 2021 - Group	Neither past due nor impaired N'000	Past due but not impaired			Total N'000
		Up to 90 days N'000	91 - 150 days N'000	Over 150 days N'000	
Cash and cash equivalents (Note 18)	19,219,768	-	-	-	19,219,768
Trade receivables (Note 17)	7,998,397	2,241,236	111,541	63,029	10,414,203
Receivables from related parties (Note 17)	27,946,875	273,705	16,295	146	28,237,021
Staff advances (Note 17)	282,750	-	-	-	282,750
	<u>55,447,790</u>	<u>2,514,941</u>	<u>127,836</u>	<u>63,175</u>	<u>58,153,742</u>
31 December 2020 - Group	Neither past due nor impaired N'000	Past due but not impaired			Total N'000
		Up to 90 days N'000	91 - 150 days N'000	Over 150 days N'000	
Cash and cash equivalents (Note 18)	13,264,477	-	-	-	13,264,477
Trade receivables (Note 17)	4,899,519	761,251	66,596	54,455	5,781,821
Receivables from related parties (Note 17)	27,237,830	381,561	22,468	20,982	27,662,841
Staff advances (Note 17)	227,769	-	-	-	227,769
	<u>45,629,595</u>	<u>1,142,812</u>	<u>89,064</u>	<u>75,437</u>	<u>46,936,908</u>

**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

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**For the year ended 31 December 2021**

**Notes to the consolidated and separate audited financial statements (continued)**

**3.1.2 Credit risk (continued)**

31 December 2021 - Company	Neither past due nor impaired N'000	Past due but not impaired			Total N'000
		Up to 90 days N'000	91 - 150 days N'000	Over 150 days N'000	
Cash and cash equivalents (Note 18)	3,333,897	-	-	-	3,333,897
Trade receivables (Note 17)	1,622,841	848,456	52,641	5,646	2,529,584
Receivables from related parties (Note 17)	27,898,808	119,353	7,819	146	28,026,126
Staff advances (Note 17)	59,922	-	-	-	59,922
	<u>32,915,468</u>	<u>967,809</u>	<u>60,460</u>	<u>5,792</u>	<u>33,949,529</u>

31 December 2020 - Company	Neither past due nor impaired N'000	Past due but not impaired			Total N'000
		Up to 90 days N'000	91 - 150 days N'000	Over 150 days N'000	
Cash and cash equivalents (Note 18)	1,666,223	-	-	-	1,666,223
Trade receivables (Note 17)	857,140	113,497	65,508	11,130	1,047,275
Receivables from related parties (Note 17)	26,300,850	227,209	13,992	20,982	26,563,033
Staff advances (Note 17)	47,595	-	-	-	47,595
	<u>28,871,808</u>	<u>340,706</u>	<u>79,500</u>	<u>32,112</u>	<u>29,324,126</u>

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

Credit rating	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
AAA	19,172,454	12,067,225	3,299,673	1,457,335
Aa	33,946	36,231	5,212	7,497
B-/stable/B	72,598	282,181	29,012	201,391
	<u>19,278,998</u>	<u>12,385,637</u>	<u>3,333,897</u>	<u>1,666,223</u>

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

AAA: A financial institution of very good condition and strong capacity to meet its obligations as and when due. Adverse changes in the environment (macro-economic, political and regulatory) will result in a slight increase 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. This capacity is not significantly vulnerable to foreseeable events. The plus sign indicates that the rating may be raised.

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

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement

For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

#### 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:

<u>Internal rating categories</u>	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Group A	28,229,625	27,465,599	27,958,730	26,348,445
Group B	7,998,397	4,899,519	1,622,841	857,140
	<b>36,228,022</b>	<b>32,365,118</b>	<b>29,581,571</b>	<b>27,205,585</b>

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.

<b>Group</b>	<b>Less than</b>	<b>Between 1</b>	<b>Between 2</b>	<b>Total</b>
<b>At 31 December 2021</b>	<b>1 year</b>	<b>and 2 years</b>	<b>and 5 years</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Trade creditors and due to related parties (Note 19)	12,443,986	-	-	12,443,986
	<b>12,443,986</b>	<b>-</b>	<b>-</b>	<b>12,443,986</b>
<b>Group</b>	<b>Less than</b>	<b>Between 1</b>	<b>Between 2</b>	<b>Total</b>
<b>At 31 December 2020</b>	<b>1 year</b>	<b>and 2 years</b>	<b>and 5 years</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Trade creditors and due to related parties (Note 19)	6,613,253	-	-	6,613,253
	<b>6,613,253</b>	<b>-</b>	<b>-</b>	<b>6,613,253</b>

**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

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**For the year ended 31 December 2021**

**Notes to the consolidated and separate audited financial statements (continued)**

**3.1.3 Liquidity risk (continued)**

<b>Company At 31 December 2021</b>	<b>Less than 1 year N'000</b>	<b>Between 1 and 2 years N'000</b>	<b>Between 2 and 5 years N'000</b>	<b>Total N'000</b>
Trade creditors and due to related parties (Note 19)	6,611,095			6,611,095
	<u>6,611,095</u>	-	-	<u>6,611,095</u>
<b>Company At 31 December 2020</b>	<b>Less than 1 year N'000</b>	<b>Between 1 and 2 years N'000</b>	<b>Between 2 and 5 years N'000</b>	<b>Total N'000</b>
Trade creditors and due to related parties (Note 19)	4,592,850	-	-	4,592,850
	<u>4,592,850</u>	-	-	<u>4,592,850</u>

**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 2021 and 31 December 2020 are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Total borrowings (Note 21)	10,938,122	5,178,980	6,108,853	1,058,085
Total equity	63,165,733	59,273,828	22,773,626	23,819,421
<b>Gearing ratio</b>	<b>17.3%</b>	<b>8.7%</b>	<b>26.8%</b>	<b>4.4%</b>

**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.

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement

For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

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#### 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 are 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 Group 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 approved channels to the country within 300 days of such export sales .

The rebate being a future cashflow is discounted using an estimated discounting rate and is recognised as a credit to cost of sales and as a receivable from the Federal Government of Nigeria (i.e. EEG receivable). As at 31 December 2021, All EEG receivable including returned NDCC stood at N 3.15 billion and No.00 billion (31 December 2020: N2.86 billion and No.07 billion) for Group and Company respectively as disclosed in Note 17.

Though, a significant component of the EEG receivable 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). FINL received PNs in settlement of outstanding EEG claims in 2020 and 2021.

##### ***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.

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

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For the year ended 31 December 2021

### Notes to the consolidated and separate audited financial statements (continued)

5	Revenue from contracts with customers	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
	Glass products	36,982,815	25,637,010	-	-
	Packaging for beverages	14,393,081	7,952,850	14,393,081	7,952,850
	Ice cold merchandisers	2,117,169	2,084,921	2,117,169	2,084,921
	Servicing of Coolers	979,963	904,651	979,963	904,651
		<u>54,473,028</u>	<u>36,579,432</u>	<u>17,490,213</u>	<u>10,942,422</u>
6	Expenses				
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
	<b>Cost of sales</b>				
	Material consumed (Note 16)	21,555,899	13,865,250	11,449,104	7,003,342
	Depreciation (Note 15)	3,580,083	2,828,460	353,570	362,962
	Depreciation- Right-of-Use asset (Note 15.1)	25,438	24,071	25,438	24,071
	Technical assistance fees - Frigoglass Global Limited (Note 25c)	1,502,181	995,999	309,485	170,811
	Factory salaries and related staff cost (Note 7)	3,006,172	2,723,644	526,053	478,006
	Pension costs - defined contribution plans	202,346	184,919	39,749	38,242
	Other personnel cost	147,752	102,158	147,752	102,158
	Fuel, gas and electricity	8,390,739	5,726,704	663,592	463,794
	Other factory overheads	3,340,138	2,310,358	506,606	385,150
		<u>41,750,748</u>	<u>28,761,563</u>	<u>14,021,349</u>	<u>9,028,536</u>
	<b>Administrative expenses</b>				
	Depreciation (Note 15)	135,793	171,545	91,403	112,930
	Amortisation (Note 14)	10,245	11,052	5,828	5,603
	Depreciation- Right-of-use asset (Note 15.1)	152,120	137,794	-	-
	Auditors remuneration	49,223	45,735	20,891	19,518
	Legal and professional fees	267,675	159,707	71,539	55,824
	Salaries and related staff cost (Note 7)	804,744	676,897	190,865	136,956
	Pension costs - defined contribution plans	56,216	51,221	7,460	6,435
	Other personnel cost	217,992	182,751	69,498	56,872
	Directors' remuneration (Note 25a)	6,680	9,213	6,680	9,213
	Travel and transportation	169,891	133,190	61,442	59,006
	Other administrative expenses	1,430,741	920,318	550,716	379,026
		<u>3,301,320</u>	<u>2,499,423</u>	<u>1,076,322</u>	<u>841,383</u>
	Selling and distribution expense	247,508	262,605	44,263	60,351
	Total cost of cost of sales, administrative expenses and distribution costs	<u>45,299,576</u>	<u>31,523,591</u>	<u>15,141,934</u>	<u>9,930,270</u>

Included in legal and professional fees of the group for the year ended 31 December 2021 is non - audit fees to PricewaterhouseCoopers Limited of N5.0 million being fee payable in relation to Transfer pricing documentation (31 December 2020: N3.5 million)

7	Employee costs	2021 N'000	2020 N'000	2021 N'000	2020 N'000
	Salaries and related staff cost	3,810,916	3,400,541	716,918	614,962
	Pension costs - defined contribution plans	258,562	236,140	47,209	44,677
	Other personnel cost	365,744	284,909	217,250	159,030
	Total (Note 6)	<u>4,435,222</u>	<u>3,921,590</u>	<u>981,377</u>	<u>818,669</u>

**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

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**Notes to the consolidated and separate audited financial statements (continued)**

**8 Other income**

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Profit on disposal of property plant and equipment (Note 24)	219,870	133,548	-	15,827
Sundry income	935,622	343,771	77,935	34,724
Dividend income	-	-	321,767	516,683
Sale of scrap and others	152,679	85,711	129,261	78,152
Income from admin Charges	-	-	-	-
	<b>1,308,171</b>	<b>563,030</b>	<b>528,063</b>	<b>645,386</b>

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

**9 Foreign exchange gain/(loss)**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Realised foreign exchange gain / (loss)	(909,736)	259,217	(491,652)	(194,301)
Unrealised-foreign exchange gain / (loss)	(1,647,311)	4,385,390	(1,302,049)	4,553,413
Net foreign exchange gain / (loss)	<b>(2,557,047)</b>	<b>4,644,607</b>	<b>(1,793,701)</b>	<b>4,359,112</b>

**10 Finance income and expenses**

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Finance income</b>				
Interest income	2,255,844	2,383,553	1,997,196	2,311,928
<b>Finance cost</b>				
Interest expense	(418,785)	(966,083)	(512,638)	(1,228,108)
Interest on lease liabilities (Note 22)	(11,426)	(15,526)	(11,426)	(15,526)
Finance cost	<b>(430,211)</b>	<b>(981,609)</b>	<b>(524,064)</b>	<b>(1,243,634)</b>
Net finance income	<b>1,825,633</b>	<b>1,401,944</b>	<b>1,473,132</b>	<b>1,068,294</b>

**11 Income tax expense**

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Income tax	1,157,913	2,662,704	1,063,251	641,664
Education tax	366,328	198,724	103,470	43,746
Police Trust fund levy	500	-	128	-
Net income and education tax for the year (Note 20)	<b>1,524,741</b>	<b>2,861,428</b>	<b>1,166,849</b>	<b>685,410</b>
Deferred tax charged (Note 23a)	<b>1,312,563</b>	<b>997,849</b>	<b>(310,783)</b>	<b>1,525,943</b>
Tax expense	<b>2,837,304</b>	<b>3,859,277</b>	<b>856,066</b>	<b>2,211,353</b>

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

#### 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

	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Profit before tax	9,672,915	11,682,858	2,555,773	7,084,944
Income tax using the domestic corporation tax rate of 30%	2,901,875	3,504,857	766,732	2,125,484
Tax effects of:				
Non chargeable income	(147,074)	(8,063)	(75,083)	(109,208)
Non deductible expenses	122,563	154,009	70,625	111,785
Effect of education tax	366,700	198,726	103,470	43,746
Police Trust Fund levy	500	-	128	-
Effect of tax incentive	(407,260)	(38,319)	(9,806)	(8,521)
Back duty	-	48,067	-	48,067
Total income tax expense in statement of profit or loss	<u>2,837,304</u>	<u>3,859,277</u>	<u>856,066</u>	<u>2,211,353</u>

#### 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 Group/Company - N'000	<u>6,835,611</u>	<u>7,823,581</u>	<u>1,699,707</u>	<u>4,873,591</u>
Weighted average number of ordinary shares in issue - '000	<u>437,182</u>	<u>437,182</u>	<u>437,182</u>	<u>437,182</u>
Basic earnings per share (Naira)	<u>15.64</u>	<u>17.90</u>	<u>3.89</u>	<u>11.15</u>

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 2020 N'000	31 Dec 2019 N'000

Investment	<u>1,786,130</u>	<u>1,786,130</u>
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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	
	2020	2019
Frigoinvest Holdings B.V	8.17%	8.17%
Stanbic IBTC Nominees Nigeria Limited	6.26%	5.70%
Delta State Ministry of Finance Incorporated	4.45%	4.45%
Others	<u>19.24%</u>	<u>19.8%</u>



**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

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**Notes to the consolidated and separate audited financial statements (continued)**

14 Intangible assets	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
<b>Cost</b>				
As at 1 January	115,438	109,525	54,730	48,817
Additions	10,221	5,913	10,221	5,913
As at 31 December	<u>125,659</u>	<u>115,438</u>	<u>64,951</u>	<u>54,730</u>
<b>Accumulated amortisation:</b>				
As at 1 January	84,242	73,190	40,514	34,911
Amortisation charge for the year	10,245	11,052	5,828	5,603
As at 31 December	<u>94,487</u>	<u>84,242</u>	<u>46,342</u>	<u>40,514</u>
<b>Net book values</b>				
At 31 December	<u>31,172</u>	<u>31,196</u>	<u>18,609</u>	<u>14,216</u>

The remaining amortization period of the intangible asset is between 1 and 3 years. Amortization charges are included in administrative expenses

**15 Property plant and equipment (See pages 49 - 50)**

**15.1 Right of use asset (see page 51)**

16 Inventories	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Raw materials	5,142,904	3,277,398	1,851,396	542,229
Work-in-progress	730,167	377,905	460,124	118,862
Finished goods	4,118,281	2,408,424	1,056,527	420,938
Spare parts and consumables	2,327,688	1,996,802	305,166	278,098
	<u>12,319,040</u>	<u>8,060,529</u>	<u>3,673,213</u>	<u>1,360,127</u>
Goods in transit	1,124,146	1,419,161	590,794	665,333
	<u>13,443,186</u>	<u>9,479,690</u>	<u>4,264,007</u>	<u>2,025,460</u>

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

	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cost of inventories included in cost of sales (Note 6)	<u>21,555,899</u>	<u>13,865,250</u>	<u>11,449,104</u>	<u>7,003,342</u>

**FRIGOLASS INDUSTRIES (NIGERIA) LIMITED**
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**Notes to the consolidated and separate audited financial statements (continued)**

17 Trade and other receivables	Group		Company	
	2,021 N'000	2,020 N'000	2021 N'000	2020 N'000
Trade receivables	10,414,203	5,781,821	2,529,584	1,047,275
EEG receivable (Note 4)	3,153,681	2,860,681	-	-
Other Prepayments	816,680	396,164	215,799	183,009
Prepayment - short term lease	89,908	49,581	18,879	16,980
Other receivables	752,052	1,100,275	582,050	984,307
Staff advances	282,750	227,769	59,922	47,595
Due from related companies (Note 25)	28,237,021	27,662,841	28,026,126	26,563,033
	43,746,295	38,079,132	31,432,360	28,842,199
Allowance for expected credit loss (excluding short term deposit) (Note 17.2)	(84,297)	(66,233)	(8,171)	(8,171)
<b>Total</b>	<b>43,661,998</b>	<b>38,012,899</b>	<b>31,424,189</b>	<b>28,834,028</b>

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	2021	2021	2021	2020	2020	2020
	Trade Receivable N'000	Staff Receivable N'000	Related Party Receivable N'000	Trade Receivable N'000	Staff Receivable N'000	Related Party Receivable N'000
Gross	10,414,203	282,750	28,237,021	5,781,821	227,769	27,662,841
ECL	(18,338)	(1,053)	(64,906)	(17,875)	(1,053)	(47,305)
<b>Net</b>	<b>10,395,865</b>	<b>281,697</b>	<b>28,172,115</b>	<b>5,763,946</b>	<b>226,716</b>	<b>27,615,536</b>

Company	2021	2021	2021	2020	2020	2020
	Trade Receivable N'000	Staff Receivable N'000	Related Party Receivable N'000	Trade Receivable N'000	Staff Receivable N'000	Related Party Receivable N'000
Gross	2,529,584	59,922	28,026,126	1,047,275	47,595	26,563,033
ECL	(8,171)	-	-	(8,171)	-	-
<b>Net</b>	<b>2,521,413</b>	<b>59,922</b>	<b>28,026,126</b>	<b>1,039,104</b>	<b>47,595</b>	<b>26,563,033</b>

17.2 Summary of movement in ECL	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
<b>As at 1 January</b>				
Trade Receivable	17,875	23,951	8,171	8,171
Staff Receivable	1,053	5,882	-	-
Related Party Receivable	47,305	53,836	-	-
Short term deposit	-	-	-	-
	<b>66,233</b>	<b>83,669</b>	<b>8,171</b>	<b>8,171</b>
<b>Net impairment (gain) / loss for the year</b>				
Trade Receivable	463	(6,076)	-	-
Staff Receivable	-	(4,829)	-	-
Related Party Receivable	17,601	(6,531)	-	-
Short term deposit	59,230	-	-	-
	<b>77,294</b>	<b>(17,436)</b>	<b>-</b>	<b>-</b>
<b>As at 31 December</b>	<b>143,527</b>	<b>66,233</b>	<b>8,171</b>	<b>8,171</b>
<b>Analysis of closing balance</b>				
Trade Receivable	18,338	17,875	8,171	8,171
Staff Receivable	1,053	1,053	-	-
Related Party Receivable	64,906	47,305	-	-
Short term deposit	59,230	-	-	-
	<b>143,527</b>	<b>66,233</b>	<b>8,171</b>	<b>8,171</b>

**FRIGOLASS INDUSTRIES (NIGERIA) LIMITED**

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**Notes to the consolidated and separate audited financial statements (continued)**

**17 Trade and other receivables (continued)**

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
<b>17.3 Trade and other receivable for cashflow purpose</b>				
Trade and other receivables	43,661,998	38,012,899	31,424,189	28,834,028
Withholding tax utilised for tax payment	575,792	408,997	575,792	101,499
Expected credit loss / (gain) to income statement	77,294	(17,436)	-	-
Unrealised Exchange (gain) /loss	1,647,332	(3,924,321)	1,302,049	(4,553,413)
Trade and other receivables for Cashflow Statement	<u>45,962,416</u>	<u>34,480,139</u>	<u>33,302,030</u>	<u>24,382,114</u>

**18 Cash and cash equivalents**

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Cash in hand	2,065	1,609	1,509	1,009
Cash at bank	6,485,933	13,262,868	3,332,388	1,665,214
Short-term deposit	12,791,000	-	-	-
Expected credit loss on short term deposit	19,278,998	13,264,477	3,333,897	1,666,223
	(59,230)	-	-	-
Cash and Short-term deposits	<u>19,219,768</u>	<u>13,264,477</u>	<u>3,333,897</u>	<u>1,666,223</u>

**19 Trade and other payables**

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Trade creditors	8,589,741	4,727,709	904,180	425,051
Contract liabilities	481,590	227,611	-	-
Other creditors and accruals	4,486,279	3,688,451	1,755,129	1,148,958
Due to related companies (Note 25)	3,372,655	1,657,933	5,706,915	4,167,798
	<u>16,930,265</u>	<u>10,301,704</u>	<u>8,366,224</u>	<u>5,741,807</u>

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

**19 a Dividend Payable**

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
At 1 January	770,269	93,572	644,254	-
Dividend declared during the year	198,204	3,304,222	-	2,985,952
Interim Dividend	2,745,502	-	2,745,502	-
Dividend paid during the year	(2,993,643)	(2,659,968)	(2,795,439)	(2,341,698)
Unclaimed dividend returned	15,205	32,443	-	-
At 31 December	<u>735,537</u>	<u>770,269</u>	<u>594,317</u>	<u>644,254</u>

**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

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**Notes to the consolidated and separate audited financial statements (continued)**

20	Tax payable	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
	The movement in tax payable is as follows:				
	At 1 January	3,233,071	3,214,068	846,373	329,149
	Provision for the year (Note 11)	1,524,741	2,861,428	1,166,849	685,410
	WHT credit note utilised during the year	(575,792)	(408,997)	(575,792)	(101,499)
	Payment during the year	(2,218,065)	(2,433,428)	(49,624)	(66,687)
	<b>At 31 December</b>	<b>1,963,955</b>	<b>3,233,071</b>	<b>1,387,806</b>	<b>846,373</b>
21	Borrowings	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
	Short term borrowings	10,938,122	5,178,980	6,108,853	1,058,085
		<b>10,938,122</b>	<b>5,178,980</b>	<b>6,108,853</b>	<b>1,058,085</b>
		Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
	<b>Reconciliation of short term borrowings:</b>				
	<b>Borrowing as at 1 January 2020</b>	5,178,980	3,042,184	1,058,085	74,731
	Repayment during the year	(5,178,980)	(3,042,184)	(1,058,085)	(74,731)
	Addition during the year	10,938,122	5,178,980	6,108,853	1,058,085
	<b>Borrowing as at 31 December 2021</b>	<b>10,938,122</b>	<b>5,178,980</b>	<b>6,108,853</b>	<b>1,058,085</b>
	Short term borrowings represents Banker's Acceptance from a commercial Bank for the importation of raw materials at an average interest rate of 8%-8.28% (2020: 5.4% - 9%) payable within 30 to 90 days.				
22	Lease liabilities	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
	As at 1 January	131,067	115,541	131,067	115,541
	Additions	-	-	-	-
	Accretion of interest (Note 10)	11,426	15,526	11,426	15,526
	Payments	(140,090)	-	(140,090)	-
	<b>As at 31 December</b>	<b>2,403</b>	<b>131,067</b>	<b>2,403</b>	<b>131,067</b>
	Current	2,403	100,933	2,403	100,933
	Non-Current	-	30,134	-	30,134

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**Notes to the consolidated and separate audited financial statements (continued)**

**23 a Deferred tax liabilities**

The analysis of deferred tax liability is as follows:

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
<b>Deferred tax liability:</b>				
To be recovered after 12 months	7,753,425	6,440,862	4,168,463	4,479,246
	<u>7,753,425</u>	<u>6,440,862</u>	<u>4,168,463</u>	<u>4,479,246</u>

The movement in deferred tax liability is as follows:

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
At start	6,440,862	5,443,013	4,479,246	2,953,303
Changes during the year:				
- Charged to profit or loss (Note 11)	1,312,563	997,849	(310,783)	1,525,943
At end of the year	<u>7,753,425</u>	<u>6,440,862</u>	<u>4,168,463</u>	<u>4,479,246</u>

	Group			Company		
	Fixed assets N'000	Provisions N'000	Total N'000	Fixed assets N'000	Provisions N'000	Total N'000
<b>At 1 January 2020</b>	2,853,511	2,589,501	5,443,013	518,801	2,434,502	2,953,303
Charged to profit or loss and OCI (included here is DTA from a related party)	(502,784)	1,500,633	997,849	(55,984)	1,581,927	1,525,943
<b>At 31 December 2020</b>	<u>2,350,727</u>	<u>4,090,134</u>	<u>6,440,862</u>	<u>462,817</u>	<u>4,016,429</u>	<u>4,479,246</u>
Charged to profit or loss and OCI	1,812,612	(500,049)	1,312,563	(3,375)	(307,408)	(310,783)
<b>At 31 December 2021</b>	<u>4,163,339</u>	<u>3,590,085</u>	<u>7,753,425</u>	<u>459,442</u>	<u>3,709,021</u>	<u>4,168,463</u>

**23b Issued Share capital**

	2021 N'000	2020 N'000
Allotted, called up and fully paid: 437,181,868 ordinary shares of 50k each	<u>218,591</u>	<u>218,591</u>

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

24 Cash generated from / (used in) operating activities	Note	Group		Company	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
<b>Cash flows from operating activities</b>					
Profit before tax		9,672,915	11,682,858	2,555,773	7,084,944
<b>Adjustment for:</b>					
Depreciation of Property, plant and equipment	15	3,715,876	3,000,005	444,973	475,892
Depreciation of Right-of-use asset	15.1	177,558	161,865	25,438	24,071
Write off of Net book value of PPE	15	-	23	-	-
Profit on disposal of property, plant and equipment	8	(219,870)	(133,547)	-	(15,827)
Amortisation charges	14	10,245	11,052	5,828	5,603
Finance income	10	(2,255,844)	(2,383,553)	(1,997,196)	(2,311,928)
Finance expense	10	418,785	966,083	512,638	1,228,108
Interest on lease liabilities	10	11,426	15,526	11,426	15,526
Net unrealised Exchange gain	9	1,647,311	(4,385,390)	1,302,049	(4,553,413)
Allowance for expected credit losses (Note 17.2)	17.2	77,294	(17,436)	-	-
<b>Changes in working capital:</b>					
Increase in trade and other receivables		(7,949,516)	(2,415,030)	(4,468,000)	(2,068,062)
Decrease / (Increase) in inventory		(3,963,496)	266,003	(2,238,547)	1,175,385
Increase / (Decrease) in trade and other payables		6,628,561	(1,552,092)	2,624,417	(1,055,028)
<b>Net cash generated from / (used in) operations</b>		<b>7,971,245</b>	<b>5,216,367</b>	<b>(1,221,201)</b>	<b>5,271</b>
Cost of asset disposed (Note 15)		4,448,305	602,236	-	451,309
Accumulated depreciation of asset disposed (Note 15)		(4,441,329)	(586,048)	-	(451,128)
Profit on disposal of property, plant and equipment (Note 8)		219,870	133,548	-	15,827
Proceeds from disposal of property, plant and equipment		226,846	149,736	-	16,008

#### 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.

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

#### 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	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Fees for services as directors	850	850	850	850
Salaries and wages	5,830	8,363	5,830	8,363
	<u>6,680</u>	<u>9,213</u>	<u>6,680</u>	<u>9,213</u>

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 of emolument is as below:

	2021 Number	2020 Number	2021 Number	2020 Number
N150,001 - N300,000	-	-	-	-
> N300,000	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Directors with no emoluments	2	2	2	2

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

	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Amount paid to the highest paid director	5,830	7,656	5,830	7,656
Amount paid to Chairman	-	-	-	-

#### c Transactions with related parties

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

#### (i) Sales of goods

	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Sales of goods:				
Nigerian Bottling Company	20,712,380	14,930,601	13,693,927	8,757,138

Goods are sold based on the price lists in force and credit period ranges from 60 to 75 days. Accordingly, they are at arms length.

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

#### 25 Related parties (continued)

##### c(ii) Purchases of services

	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Purchase of services:				
Frigoglass Global Limited (Note 6)	1,502,181	995,999	309,485	170,811
A.G. Leventis Nigeria Limited	1,290,511	743,534	211,341	104,715
	<u>2,792,692</u>	<u>1,739,533</u>	<u>520,826</u>	<u>275,526</u>

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 number 006914 for Beta Glass Plc with maturity profile of three (3) years from 1 January 2019 to 31 December 2021 and certificate number 007498 for Frigoglass Industries Nigeria Limited with maturity profile of three (3) years from 1 January 2021 to 31 December 2023 respectively. Also included in the technical service charge for the year is Value Added Tax (VAT) at 7.5% (2020: 7.5%) paid on the technical 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	
		2021 N'000	2020 N'000
	<b>Description</b>		
Frigoglass SAIC	Purchase of goods and services	285,988	154,149
Frigoglass South Africa	Purchase of goods and services	-	69,763
Frigoglass Indonesia	Purchase of goods and services	637,692	341,220
Frigoglass Romania -Plant	Purchase of goods and services	192,382	173,579
Frigoglass Eurasia	Purchase of goods and services	22,051	23,085
A.G. Leventis Nigeria Limited	Purchase of goods and services	71,748	57,795
Frigoglass India	Purchase of goods and services	1,336,866	340,937
Frigoglass Global	Purchase of services	825,928	497,405
		<u>3,372,655</u>	<u>1,657,933</u>
		Company	
		2021 N'000	2020 N'000
Beta Glass Plc	Intercompany treasury and current balances	3,190,564	3,017,182
Frigoglass India	Purchase of goods and services	1,336,866	340,937
Frigoglass SAIC	Purchase of goods and services	72,930	92,638
Frigoglass South Africa	Purchase of goods and services	-	69,763
Frigoglass Indonesia	Purchase of goods and services	637,692	341,220
Frigoglass Romania -Plant	Purchase of goods and services	192,382	173,579
Frigoglass Eurasia	Purchase of goods and services	22,051	23,085
A.G. Leventis Nigeria Limited	Purchase of services	6,326	6,559
Frigoglass Global Limited	Purchase of services	248,104,000	102,835
		<u>5,706,915</u>	<u>4,167,798</u>



## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

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### Notes to the consolidated and separate audited financial statements (continued)

#### 25 Related parties (continued)

##### e Due from related companies

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

		Group	
		2021	2020
		N'000	N'000
	<b>Description</b>		
Frigoinvest Holdings B.V	Intercompany loan and other receivables	25,705,561	24,854,107
Frigoglass South Africa	Payment on behalf	4,604	-
Nigeria Bottling Co (NBC)	Intercompany receivables	2,526,856	2,808,734
		<u>28,237,021</u>	<u>27,662,841</u>
		Company	
		2021	2020
		N'000	N'000
	<b>Description</b>		
Frigoinvest Holdings B.V	Intercompany loan and other receivables	25,705,561	24,854,107
Frigoglass South Africa	Payment on behalf	4,604	-
Nigeria Bottling Co (NBC)	Sales of bottles and purchase of cullet	2,315,961	1,708,926
		<u>28,026,126</u>	<u>26,563,033</u>

The receivables from related parties arose mainly from loan and sale transactions which are due within three 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 Seven (7) litigation suits as at 31 December 2021 (2020: 4). The claims against the group from the suits amount to N5.95 billion (31 December 2020: N7.23 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.**

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

#### 27 Capital commitments

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

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Annual report and consolidated financial statement For the year ended 31 December 2021

#### Notes to the consolidated and separate audited financial statements (continued)

##### 28 Subsequent events

The Directors recommended to Shareholders the declaration of a total dividend of N6,124,917,970 that is, N14.01 per ordinary share of fifty kobo each. The Company had earlier during the year paid an interim dividend of N2,745,502,131 that is N6.28 only from the profits of the Company for the years 2016 and 2017. Thus, the final dividend will be N3,379,415,839, that is, N7.73 per ordinary share from the profit of the Company from the years 2017 and 2018.

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 2020 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 2021 (31 December 2020: 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	
	2021	2020	2021	2020
	Number	Number	Number	Number
Management	350	349	22	22
Factory	475	422	85	79
Sales and Administration	10	11	1	2
	<u>835</u>	<u>782</u>	<u>108</u>	<u>103</u>

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

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
N800,001 - N1,000,000	1	14	1	12
N1,000,001 - N1,200,000	137	88	16	10
N1,200,001 - N1,400,000	58	74	6	5
N1,400,001 - N1,600,000	32	24	6	6
N1,600,001 - N1,800,000	13	14	4	5
N1,800,001 - N2,000,000	26	32	6	6
N2,000,001 - N2,500,000	167	149	22	18
N2,500,001 - N3,000,000	128	143	15	13
Over N3,000,000	<u>273</u>	<u>244</u>	<u>32</u>	<u>28</u>
	<u>835</u>	<u>782</u>	<u>108</u>	<u>103</u>

**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

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Notes to the consolidated and separate audited financial statements (continued)

**15 Property, plant and equipment**

**Group - 31 December 2021**

	Land N'000	Building N'000	Plant and machinery N'000	Furniture and fittings and equipment N'000	Motor vehicles N'000	Assets under construction N'000	Total N'000
<b>Cost:</b>							
At 1 January 2020	180,540	2,475,982	32,838,374	1,054,043	1,339,810	13,937,537	51,826,286
Additions	-	15,226	957,126	41,641	676	2,362,411	3,377,080
Disposals	-	(31,788)	(422,726)	(80,299)	(67,423)	-	(602,236)
Write off	-	-	(2,769,133)	(170,120)	(100,771)	-	(3,040,024)
Reclassifications	-	-	251,529	(85,233)	-	(166,296)	-
<b>At 31 December 2020</b>	<b>180,540</b>	<b>2,459,420</b>	<b>30,855,170</b>	<b>760,032</b>	<b>1,172,292</b>	<b>16,133,652</b>	<b>51,561,106</b>
At 1 January 2021	180,540	2,459,420	30,855,170	760,032	1,172,292	16,133,652	51,561,106
Additions	-	172,446	2,532,743	96,423	217,025	1,309,926	4,328,563
Disposals	-	(2,238)	(4,384,253)	-	(61,814)	-	(4,448,305)
Reclassifications	-	-	104,181	13,592	12,655	(130,428)	-
<b>At 31 December 2021</b>	<b>180,540</b>	<b>2,629,628</b>	<b>29,107,841</b>	<b>870,047</b>	<b>1,340,158</b>	<b>17,313,150</b>	<b>51,441,364</b>
<b>Depreciation:</b>							
At 1 January 2020	-	833,414	25,059,642	813,442	1,026,202	-	27,732,700
Charge for the year	-	94,368	2,611,240	130,896	163,501	-	3,000,005
On disposals	-	(31,788)	(406,591)	(80,585)	(67,684)	-	(586,648)
Write off	-	-	(2,769,123)	(170,107)	(100,770)	-	(3,040,000)
Reclassifications	-	-	38,500	(38,500)	-	-	-
<b>At 31 December 2020</b>	<b>-</b>	<b>895,994</b>	<b>24,533,668</b>	<b>655,146</b>	<b>1,021,849</b>	<b>-</b>	<b>27,106,657</b>
At 1 January 2021	-	895,994	24,533,668	655,146	1,021,849	-	27,106,657
Charge for the year	-	116,712	3,333,530	101,334	164,300	-	3,715,876
On disposals	-	(308)	(4,382,977)	-	(58,044)	-	(4,441,329)
<b>At 31 December 2021</b>	<b>-</b>	<b>1,012,398</b>	<b>23,484,221</b>	<b>756,480</b>	<b>1,128,105</b>	<b>-</b>	<b>26,381,204</b>
<b>Net book value:</b>							
At 31 December 2021	180,540	1,617,230	5,623,620	113,567	212,053	17,313,150	25,060,160
At 31 December 2020	180,540	1,563,426	6,321,502	104,886	150,443	16,133,652	24,454,449

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

Depreciation expenses were charged as follows:

	2021 N'000	2020 N'000
Cost of sales	(3,580,083)	(2,828,460)
Administrative expenses	(135,793)	(171,545)
<b>Total</b>	<b>(3,715,876)</b>	<b>(3,000,005)</b>

**FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED**

**Annual report and consolidated financial statement  
For the year ended 31 December 2021**

**Notes to the consolidated and separate audited financial statements (continued)**

**15 Property, plant and equipment (continued)**

**Company - 31 December 2021**

	Land N'000	Building N'000	Plant and machinery N' 000	Furniture and fittings and equipment N' 000	Motor vehicles N' 000	Assets under construction N' 000	Total N' 000
<b>Cost:</b>							
At 1 January 2020	12,000	402,992	5,379,444	440,343	496,093	167,529	6,898,401
Additions	-	850	129,829	14,478	676	152,532	298,365
Disposals	-	(31,788)	(367,828)	(26,884)	(24,809)	-	(451,309)
Reclassifications	-	-	142,823	23,473	-	(166,296)	-
<b>At 31 December 2020</b>	<b>12,000</b>	<b>372,054</b>	<b>5,284,268</b>	<b>451,410</b>	<b>471,960</b>	<b>153,765</b>	<b>6,745,457</b>
At 1 January 2021	12,000	372,054	5,284,268	451,410	471,960	153,765	6,745,457
Additions	-	42,904	204,671	43,127	24,896	331,831	647,429
Disposals	-	-	-	-	-	-	-
Reclassifications	-	-	104,181	13,592	12,655	(130,428)	-
<b>At 31 December 2021</b>	<b>12,000</b>	<b>414,958</b>	<b>5,593,120</b>	<b>508,129</b>	<b>509,511</b>	<b>355,168</b>	<b>7,392,886</b>
<b>Depreciation:</b>							
At 1 January 2020	-	156,701	3,496,784	365,165	355,988	-	4,374,639
Charge for the year	-	25,571	344,432	72,281	33,608	-	475,892
On disposals	-	(31,788)	(367,533)	(27,176)	(24,690)	-	(451,128)
<b>At 31 December 2020</b>	<b>-</b>	<b>150,484</b>	<b>3,473,683</b>	<b>410,270</b>	<b>364,966</b>	<b>-</b>	<b>4,399,403</b>
At 1 January 2021	-	150,484	3,473,683	410,270	364,966	-	4,399,403
Charge for the year	-	24,801	334,879	56,949	28,344	-	444,973
On disposals	-	-	-	-	-	-	-
<b>At 31 December 2021</b>	<b>-</b>	<b>175,285</b>	<b>3,808,562</b>	<b>467,219</b>	<b>393,310</b>	<b>-</b>	<b>4,844,376</b>
<b>Net book value:</b>							
At 31 December 2021	12,000	239,673	1,784,558	40,910	116,201	355,168	2,548,510
At 31 December 2020	12,000	221,570	1,810,585	41,139	106,994	153,765	2,346,054

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 were charged as follows:

	2021 N' 000	2020 N' 000
Cost of sales	(353,570)	(362,962)
Administrative expenses	(91,403)	(112,930)
<b>Total</b>	<b>(444,973)</b>	<b>(475,892)</b>

# FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

## Annual report and consolidated financial statement For the year ended 31 December 2021

### Notes to the consolidated and separate audited financial statements (continued)

#### 15.1 Right of use Asset

##### Group - 31 December

	Building	
	2021 N'000	2020 N' 000
<b>Cost or valuation:</b>		
At 1 January	372,356	225,164
Additions	163,644	147,192
<b>At 31 December</b>	<b>536,000</b>	<b>372,356</b>
<b>Depreciation:</b>		
At 1 January	285,286	123,421
Charge for the year	177,558	161,865
<b>At 31 December</b>	<b>462,844</b>	<b>285,286</b>
<b>Net book value:</b>		
<b>At 31 December</b>	<b>73,156</b>	<b>87,070</b>

The depreciation charges for the year included in cost of sales and administration expenses are N24.07 million (2020: N24.07million) and N137.79 million (2020: N137.79 million) respectively

The Group had total cash outflows for leases of N147.19 million in 2020. (2020: N147.19 million)

#### 15.1 Right of use Asset

##### Company - 31 December

	Building	
	2021 N'000	2020 N' 000
<b>Cost:</b>		
At 1 January	96,284	96,284
Additions	3,646	-
<b>At 31 December</b>	<b>99,930</b>	<b>96,284</b>
<b>Depreciation:</b>		
At 1 January	48,142	24,071
Charge for the year	25,438	24,071
<b>At 31 December</b>	<b>73,580</b>	<b>48,142</b>
<b>Net book value:</b>		
<b>At 31 December</b>	<b>26,350</b>	<b>48,142</b>

The depreciation charges of N25.43 million (2020: N24.07 million) for the year is included in cost of sales

The Company had no cash outflows for lease during the year.

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Statement of value added - Group For the year ended 31 December 2021

	Note	2021 N'000	%	2020 N'000	%
Revenue	5	54,473,028		36,579,432	
Finance income	10	2,255,844		2,383,553	
Other income	8	1,308,171		563,030	
Net foreign exchange gain	9	<u>(2,557,047)</u>		<u>4,644,607</u>	
		55,479,996		44,170,622	
Bought in materials and services					
- Imported		(14,763,685)		(10,987,379)	
- Local		<u>(31,322,286)</u>		<u>(21,429,309)</u>	
<b>Value added</b>		<b><u>9,394,025</u></b>	<b>100</b>	<b><u>11,753,934</u></b>	<b>100</b>
<b>Applied as follows:</b>					
			%		%
<b>To pay employees:</b>					
- Wages, salaries and other benefits	7	(4,435,222)	(47.2)	(3,921,590)	(33.4)
<b>To pay providers of capital:</b>					
- Finance cost	10	430,211	4.6	981,609	8.4
<b>To pay government:</b>					
- Income tax expense	11	2,837,304	30.2	3,859,277	32.8
<b>To provide for enhancement of assets and growth:</b>					
- Depreciation of plant, property and equipment	15	3,715,876	39.6	3,000,005	25.5
- Amortization of intangible assets	14	10,245	0.1	11,052	0.1
- Profit for the year from continued operations		<u>6,835,611</u>	<u>72.8</u>	<u>7,823,581</u>	<u>66.6</u>
<b>Value added</b>		<b><u>9,394,025</u></b>	<b>100</b>	<b><u>11,753,934</u></b>	<b>100</b>

“Value added” is the measure of wealth the company has created in its operations by “adding value” to the cost of products and services. The statement above summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out above is the amount retained and re-invested in the Group for the replacement of assets and the further development of operations.

**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 2021

	Note	2021 N'000	%	2020 N'000	%
Revenue	5	17,490,213		10,942,422	
Finance income	10	1,997,196		2,311,928	
Other income	8	528,063		645,386	
Net foreign exchange gain	9	<u>(1,793,701)</u>		<u>4,359,112</u>	
		18,221,771		18,258,848	
Bought in materials and services					
- Imported		(7,746,478)		(5,536,415)	
- Local		<u>(5,963,278)</u>		<u>(3,093,691)</u>	
<b>Value added</b>		<b><u>4,512,015</u></b>	<b>100</b>	<b><u>9,628,742</u></b>	<b>100</b>
<b>Applied as follows:</b>					
			%		%
<b>To pay employees:</b>					
- Wages, salaries and other benefits	7	981,377	21.8	818,669	8.5
<b>To pay providers of capital:</b>					
- Finance cost	10	524,064	11.6	1,243,634	12.9
<b>To pay government:</b>					
- Income tax expense	11	856,066	19.0	2,211,353	23.0
<b>To provide for enhancement of assets and growth:</b>					
- Depreciation of plant, property and equipment	15	444,973	9.9	475,892	4.9
- Amortization of intangible assets	14	5,828	0.1	5,603	1.0
- Profit for the year from continued operations		<u>1,699,707</u>	<u>37.7</u>	<u>4,873,591</u>	<u>50.6</u>
<b>Value added</b>		<b><u>4,512,015</u></b>	<b>100</b>	<b><u>9,628,742</u></b>	<b>100</b>

“Value added” is the measure of wealth the company has created in its operations by “adding value” to the cost of products and services. The statement above summarises the total wealth created and shows how it was shared by employees and other parties who contributed to its creation. Also set out above is the amount retained and re-invested in the company for the replacement of assets and the further development of operations.

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

## FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

### Five-year financial summary - Group For the year ended 31 December 2021

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
<b>Assets employed</b>					
Non-current assets	25,164,488	24,572,715	24,231,665	19,524,492	13,311,405
Current assets	76,324,952	60,757,066	54,284,978	51,267,751	45,778,410
Non-current liabilities	(7,753,425)	(6,470,996)	(5,536,169)	(5,572,797)	(6,678,056)
Current liabilities	(30,570,282)	(19,584,957)	(18,226,005)	(16,705,280)	(11,582,072)
<b>Net assets</b>	<b>63,165,733</b>	<b>59,273,828</b>	<b>54,754,469</b>	<b>48,514,167</b>	<b>40,829,687</b>
<b>Capital employed</b>					
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	44,454,223	42,444,578	38,928,443	34,567,630	28,591,873
Non controlling interest	16,046,647	14,164,387	13,161,163	11,281,673	9,572,951
<b>Total equity</b>	<b>63,165,733</b>	<b>59,273,828</b>	<b>54,754,469</b>	<b>48,514,167</b>	<b>40,829,687</b>
	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Turnover	54,473,028	36,579,432	39,205,065	36,762,836	31,255,164
Profit before income tax	9,672,915	11,682,858	11,535,110	11,426,617	10,335,411
Income tax expense	(2,837,304)	(3,859,277)	(3,706,381)	(3,502,840)	(3,204,691)
Profit for the year	6,835,611	7,823,581	7,828,729	7,923,777	7,130,719
Total comprehensive income	6,835,611	7,823,581	7,828,729	7,923,777	7,172,122
<b>Per share data</b>					
Earnings per share (Naira)	15.64	17.90	17.91	18.12	16.31
Net assets per share (Naira)	144.48	135.58	125.24	110.97	93.39

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 2021

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
<b>Assets employed</b>					
Non-current assets	4,379,599	4,194,542	4,396,015	3,781,824	3,220,087
Current assets	39,022,093	32,525,711	27,805,326	28,153,120	25,226,941
Non-current liabilities	(4,168,463)	(4,509,380)	(3,046,459)	(2,844,054)	(2,654,508)
Current liabilities	(16,459,603)	(8,391,452)	(7,223,100)	(8,468,983)	(8,372,633)
<b>Net assets</b>	<b>22,773,626</b>	<b>23,819,421</b>	<b>21,931,782</b>	<b>20,621,907</b>	<b>17,419,887</b>
<b>Capital employed</b>					
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	22,538,705	23,584,500	21,696,861	20,386,986	17,184,966
<b>Total equity</b>	<b>22,773,626</b>	<b>23,819,421</b>	<b>21,931,782</b>	<b>20,621,907</b>	<b>17,419,887</b>
	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Turnover	17,490,213	10,942,422	9,792,813	10,441,821	9,068,905
Profit before income tax	2,555,773	7,084,944	3,924,785	4,569,484	4,783,872
Income tax expense	(856,066)	(2,211,353)	(1,274,067)	(1,367,464)	(1,465,093)
Profit for the year	1,699,707	4,873,591	2,650,718	3,202,020	3,318,779
Total comprehensive income	1,699,707	4,873,591	2,650,718	3,202,020	3,315,201
<b>Per share data</b>					
Earnings per share (Naira)	3.89	11.15	6.06	7.32	7.59
Net assets per share (Naira)	52.09	54.48	50.17	47.17	39.85

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**