MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

AUDITOR'S REPORT
AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Separate financial statements - For the year ended 31 December 2021

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Auditor's report

To : The shareholders of Middle East Glass Manufacturing Company (S.A.E.)

Report on the separate financial statements

We have audited the accompanying separate financial statements of Middle East Glass Manufacturing Company (S.A.E.) which comprise the separate statement of financial position as of 31 December 2021 and the separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the fiscal year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the separate financial statements

These separate financial statements are the responsibility of the management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these separate financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

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Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of Middle East Glass Manufacturing Company (S.A.E.) as of 31 December 2021, and of its financial performance and its cash flows for the fiscal year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

Report on other legal and regulatory requirements

The Company maintains proper financial records, which includes all that is required by the law and the Company's statutes, and the accompanying financial statements are in agreement therewith. Also, the Company applies a costing system that meets its designated purpose, and the inventory counts were taken by the management in accordance with proper principles.

The financial information included in the Board of Directors' report is prepared in accordance with law No. 159 of 1981 and its executive regulations, is in agreement with Company's accounting records, within the limits that such information recorded therein.

Mohamed Elmoataz
R.A.A. 12747
F.R.A. 133

24 March 2022
Cairo

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Separate statement of financial position - At 31 December 2021

(All amounts in Egyptian Pounds)	Note	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	5	189,141,905	189,565,941
Intangible assets	6	770,101	865,113
Investments in subsidiaries	7	631,882,817	631,882,817
Financial assets at fair value through profit or loss	8	-	160,911,026
Prepaid expenses and other receivables – non-current portion		-	4,511,266
Total non-current assets		**821,794,823**	**987,736,163**
Current assets			
Inventory	9	53,984,038	57,849,435
Trade and notes receivables	10	103,392,294	64,871,397
Contract assets	26	8,906,099	-
Prepaid expenses and other debit balances	11	56,317,240	71,722,234
Due from related parties	12	574,248,668	501,125,055
Financial assets at amortized cost	13	12,943,326	-
Cash and cash equivalents	14	297,039,629	114,093,069
Total current assets		**1,106,831,294**	**809,661,190**
Total assets		**1,928,626,117**	**1,797,397,353**
Equity			
Issued and paid up capital	20	50,322,580	50,322,580
Legal reserve	21	25,161,260	25,161,260
Share premium reserve	20	172,217,162	172,217,162
Other reserves	20	13,129,007	13,129,007
Payments under capital increase	20	432,825,002	432,825,002
Retained earnings	22	455,993,850	397,505,366
Total equity		**1,149,648,861**	**1,091,160,377**
Liabilities			
Non-current liabilities			
Bank borrowings	16	307,814,900	369,612,439
Retirement benefits obligations	23	7,433,004	7,603,402
Deferred tax liabilities	25	4,386,140	38,220,580
Total non-current liabilities		**319,634,044**	**415,436,421**
Current liabilities			
Provisions	15	18,146,939	18,501,657
Bank overdrafts	16	97,996,933	98,436,568
Trade and notes payables	17	51,465,117	73,957,581
Accrued expenses and other payables	18	88,307,180	90,204,815
Due to related parties	12	110,043,722	9,699,934
Income tax liability	19	31,820,343	-
Current portion of long-term loans	16	61,562,978	-
Total current liabilities		**459,343,212**	**290,800,555**
Total liabilities		**778,977,256**	**706,236,976**
Total equity and liabilities		**1,928,626,117**	**1,797,397,353**

- The accompanying notes from (1) to (39) are integral part of these consolidated financial statements.
- Auditor's report attached.

Mohamed Khalifa	**Peter Carpenter**	**Abdul Galil Besher**
Chief Financial Officer	**Director**	**Chairman**
24 March 2022		

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Separate statement of profit or loss - For the year ended 31 December 2021

	Notes	2021	2020
(All amounts in Egyptian Pounds)			
Revenue from contracts with customers	26	820,982,594	692,833,629
Cost of sales	27	(636,305,170)	(560,042,770)
Gross profit		**184,677,424**	**132,790,859**
Selling and marketing expenses	28	(24,530,429)	(22,103,670)
General and administrative expenses	29	(47,379,885)	(44,094,367)
Other operating expense	30	(25,337,130)	(34,396,437)
Other operating income	31	33,094,082	95,108,160
Profit from operations		**120,524,062**	**127,304,545**
Finance costs	32	(38,805,966)	(61,565,263)
Interest income	33	2,381,141	167,106
Export subsidy present value adjustment		704,992	(704,992)
Profit before tax		**84,804,229**	**65,201,396**
Income tax	34	(15,950,822)	(12,825,601)
Net profit for the year		**68,853,407**	**52,375,795**
Basic/ diluted earnings per share			
Basic earnings per share	35	**1.15**	**1.04**
Diluted earnings per share		**1.13**	**-**

- The accompanying notes from (1) to (39) are integral part of these separate financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Separate statement of other comprehensive income - For the year ended 31 December 2021

(All amounts in Egyptian Pounds)	2021	2020
Net profit for the year	68,853,407	52,375,795
Other comprehensive income	-	-
Total other comprehensive income for the year	**68,853,407**	**52,375,795**

- The accompanying notes from (1) to (39) are integral part of these separate financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Separate statement of changes in owners' equity - For the year ended 31 December 2021

(All amount in Egyptian Pounds)	Issued and paid up capital	Payment under increase in capital	Share premium reserve	Other reserves	Legal reserve	Retained earnings	Total
Balance at 1 January 2020	50,322,580	432,825,002	172,217,162	13,129,007	25,161,260	358,776,041	1,052,431,052
Total comprehensive income for the year	-	-	-	-	-	52,375,795	52,375,795
Profit share distribution to employees	-	-	-	-	-	(13,646,470)	(13,646,470)
Balance at 31 December 2020	50,322,580	432,825,002	172,217,162	13,129,007	25,161,260	397,505,366	1,091,160,377
Balance at 1 January 2021	50,322,580	432,825,002	172,217,162	13,129,007	25,161,260	397,505,366	1,091,160,377
Effect of adoption of the new accounting standard (Note 2.B)	-	-	-	-	-	206,744	206,744
Adjusted balance as at 1 January 2021	50,322,580	432,825,002	172,217,162	13,129,007	25,161,260	397,712,110	1,091,367,121
Total comprehensive income for the year	-	-	-	-	-	68,853,407	68,853,407
Profit share distribution to employees	-	-	-	-	-	(10,571,667)	(10,571,667)
Balance at 31 December 2021	50,322,580	432,825,002	172,217,162	13,129,007	25,161,260	455,993,850	1,149,648,861

- The accompanying notes from (1) to (39) are integral part of these separate financial statements.

MIDDLE EAST GLASS MANUFACTURING COMPANY (S.A.E.)

Separate statement of cash flows - For the year ended 31 December 2021

	Note	2021	2020
(All amount in Egyptian Pounds)			
Cash flows from operating activities			
Net profit for the year before tax		84.804.229	65,201,396
Adjusted by:			
Depreciation and amortization	5,6	32.322.743	29,092,878
(Gain) / loss on sale of property, plant and equipment	31	(3.508)	1,489,741
Retirement benefits obligations provision	23	3.020.115	3,072,802
Provisions formed		8.219.296	5,255,399
Provisions no longer required		(2.509.312)	-
Interest income	33	(482.355)	(167,106)
Interest expenses		37.893.086	45,051,022
Unrealized fair value gain on investment		-	(40,205,113)
Gain on sale of financial assets		(17.054.602)	-
Gain on settlement of retirement employee benefits		(130.304)	(452,394)
The effect of discounting the long-term export subsidies to the present value		-	704,992
Unrealized foreign exchange gain		(234.560)	(7,095,288)
Operating profit before changes in working capital		**145,844,828**	**101,948,329**
Changes in working capital			
Inventory	9	(7.423.446)	19,012,141
Trade and notes receivables		(26.542.955)	(11,127,003)
Contract assets	26	(8,906,099)	-
Prepaid expenses and other receivables		3,231,784	7,190,551
Due from related parties	12	(73,123,613)	(31,988,850)
Trade and notes payables	17	(22,492,464)	(17,016,771)
Accrued expenses and other payables		(2,458,563)	23,951,153
Tax authority-Withholding tax		-	(2,096,868)
Provisions used	15	(8,273,718)	-
Due to related parties		94,688,378	9,173,876
Payment of employees' retirement benefits	23	(3,060,210)	(2,724,635)
Cash inflow from operations		**91,483,922**	**96,321,923**
Income tax paid		-	(6,740,900)
Interest paid	32	(36,520,852)	(45,051,022)
Penalty payment		-	(1,505,477)
Net cash inflow from operating activities		**54,963,070**	**43,024,524**
Cash flows from investing activities			
Purchase of property, plant and equipment	5,6	(37,455,599)	(113,575,874)
Proceeds from sale of property, plant and equipment		-	90,789
Advance payments for fixed assets suppliers		(1,524,716)	(3,921,051)
Payments of purchase of treasury bills	13	(11,543,670)	-
Proceeds from disposal of financial assets		177,965,628	-
Interest income received		981,482	167,106
Net cash flows generated from / (used in) investing activities		**128,423,125**	**(117,239,030)**
Cash flows from financing activities			
Repayments of bank borrowings	16	-	(217,057,575)
Loans proceeds	16	-	376,741,330
Bank overdrafts	16	(439,635)	15,607,835
Net cash flows (used in) / generated from financing activities		**(439,635)**	**175,291,590**
Net increase in cash and cash equivalents		**182,946,560**	**101,077,084**
Cash and cash equivalents at beginning of the year	14	114,093,069	13,015,985
Cash and cash equivalents at end of the year	14	**297,039,629**	**114,093,069**

- The accompanying notes from (1) to (39) are integral part of these separate financial statements.

1. General information

Middle East Glass Manufacturing Company S.A.E. (the "Company") was established in 1979 as an Egyptian joint stock Company under the provisions of Law No. 43 of 1974 as amended by Law No. 230 of 1989 as amended by Law No. 8 of 1997, and is registered in the commercial register under number 193770 Cairo. The address of the Company's registered office is Nasr City, 6 Mokhayam El-Daem Street 6th District, Industrial Zone, Cairo – Arab Republic of Egypt.

The Company is listed on the Egyptian Stock Exchange (EGX).

The Company and its subsidiaries together comprise "the Company".

The Company's main activity is manufacturing all kinds of glass containers and the acquisition of other entities that operate in the same field.

The ultimate parent of the Company is MENA Glass Holdings Limited with 51.43% ownership. The Company is ultimately controlled by Mr. Abdul Galil Basher.

These separate financial statements have been approved for issuance by the Chairman of the Company on 24 March 2022.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of this separate financial statements summarized below, which are applied consistently over the presented years unless otherwise stated.

A. Basis of preparation

1. Compliance with EAS

These separate financial statements have been prepared in accordance with Egyptian Accounting Standards (EAS) and the relevant laws and are prepared on the basis of the historical cost convention, except for financial assets at fair value through profit or loss which are measured at fair value through profit and loss, and the employees' defined benefits obligation, which is measured at the present value of the obligation.

2. Classification of assets and liabilities

The Company presents its assets and liabilities in the statement of financial position based on current/ non-current classification. An asset is classified as current when it is:

* Expected to be realised or intended to be sold or used in the normal course of operations;
* Held primarily for trading.
* Expected to be realised within 12 months after the end of the reporting period, or
* Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The liability is classified as current when:

* It is expected to be settled in the normal course of operation;
* Held primarily for trading.
* Expected to be realised within 12 months after the end of the reporting period, or
* The entity does not have an unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current.

The preparation of the separate financial statements in conformity with EASs requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Note (4) describes the significant accounting estimations and assumptions of these separate financial statements, as well as significant judgments used by the Company's management when applying the Company's accounting policies.

Basis of preparation (continued)

Users of these separate financial statements should read them with the Company's separate financial statements as of and for the year ended 31 December 2021 in order to obtain full information on the financial position, results of operations, its cash flows and changes in equity of the Company.

EAS requires the reference to the International Financial Reporting Standards (IFRS) when there is no EAS, or legal requirements that explain the treatment of specific balances and transactions.

B. New issued and amendments made to EASs:

On 28 March 2019, the Minister of Investment and International Cooperation issued Resolution No. 69 of 2019, amending some provisions of the Egyptian Accounting Standards, which include some new accounting standards and amendments to some existing standards. These amendments were published in the Official Gazette on 7 April 2019.

The significant amendments relevant to the Company are summarized below, which have been adopted from 1 January 2021 and have not been early adopted by the Company.

The Company's preliminary assessment of the impact of these new standards and amendments is set out below:

EAS (38) "Employees benefits"
It's Amended to introduce new measurement rules to account for the amendment, curtailment or settlement of employee benefits plans. The Company does not expect to be affected by this amendment.

EAS (47) "Financial instruments"
The standard includes new classification and measurement method categories of financial assets that reflect the business model in order to manage the assets and the characteristics of its cash flows.

The Company has reviewed its financial assets and liabilities and identified the following impact from the application of the new standard on 1 January 2021:

Classification and measurement of financial assets and liabilities:

- According to EAS 47, the financial asset is classified at the initial recognition either as financial assets at amortised cost, financial assets at fair value through comprehensive income or financial assets at fair value through profit or loss. The classification of financial assets in accordance with EAS 47 depends on the business model which manages the financial asset, contracted cash flows and its characteristics.
- According to the Company's business model, trade receivables and other receivables are classified as financial assets at amortised cost. Therefore, the Company does not expect any effect of applying the new standard on the classification and measurement of these financial assets.
- Cash and cash equivalents' definition as per EAS 4 remains unchanged with the application of EAS 47, short-term investments and time deposits will continue to be presented under cash and cash equivalents, being highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- The Company does not have equity investments or other debt instruments that are managed using a business model to hold to sell or hold and sell.
  Accordingly, the Company does not expect the new standard to affect the classification and measurement of these financial assets.
- EAS 47 largely maintains the requirements contained in EAS 25 related to the classification of financial liabilities, therefore, no significant impact on the classification and measurement of financial liabilities.
- The rules for de-recognition were transferred from the EAS 26 and have not been changed.
- The Company does not hold derivative instruments and does not enter into hedging relationships. Therefore, the new hedge accounting rules will not affect the Company.

Impairment of financial assets
The new impairment model requires recognition of impairment provisions based on expected credit losses instead of credit losses incurred only, as is the case in accordance with EAS 26. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under EAS 48 "Revenue from Contracts with Customers", lease receivables, loan commitments, and some financial guarantee contracts.

New issued and amendments made to EASs: (Continued)

Based on the evaluations implemented to date, the Company expects an immaterial effect in expected credit losses for trade receivables provision, and no significant impairment is expected on account of bank balances.

The new standard also introduces extended terms of disclosure and changes in presentation. It is expected to change the nature and size of the Company's disclosures regarding its financial instruments, especially in the year in which the new standard is applied.

EAS (47) is effective for financial periods which start on or after the 1 January 2021, and early application is permitted, provided that the revised EASs No. (1) "Presentation of financial statements", (25) "Financial instruments: Presentation", (26) "Financial instruments: Classification and Measurement" and (40) "Financial instrument: Disclosures" are applied at the same time. The Company applied the new rules retrospectively as of 1 January 2021, with the adoption of the practical means permitted under the standard. Comparative figures for 2020 will not be restated.

EAS (48) "Revenue from Contracts with Customers"

This standard establishes a comprehensive concept framework by determining the amount and timing of revenue recognition. This standard replaces EAS (11) "Revenue", which covers contracts for sales of goods and services, and EAS (8) "Construction contracts".

The new standard is based on the principle of revenue recognition when control of a good or service transfers to a customer.

The management has assessed the effects of applying the new standard on the Company's financial statements, considering the economic and legal aspects of existing contracts with customers based on the five-steps model under EAS 48.

Under existing contracts, the products manufactured and supplied are typically customized without any option for alternative use, manufactured within binding contractual arrangements. The customers' contracts represent the contract within the scope of EAS 48, when determining the transaction price, and whether variable considerations exist in the form of right of returns, discounts and possibly considerations to be paid to a customer in the form of price concession.

For contacts with customers, where the Company has an enforceable right to payment for the performance completed to date, the revenue for the goods concerned are recognized over time using the output method together with presentation of contract assets.

The Company assessed the effect of adopting EAS 48 at 1 January 2021 to result in an increase in equity of EGP 2.5 million, a reduction in inventories of EGP 11 million, an increase in contract assets of EGP 13 million.

EAS 48 applies to the financial years beginning on or after 1 January 2021. The Company applied the new standard by using a modified approach for application retrospectively, which means that the cumulative effect of the application will be recognized in the retained earnings from 1 January 2021, and that the comparative figures will not be restated.

EAS (49) "Leases"

The Company had to change its accounting policies and make adjustments on a retrospective basis after applying the Egyptian Accounting Standard (49) in relation to the finance leases. Most of the other adjustments mentioned above had no effect on the amounts recognized in prior periods, and it is not expected that they will materially affect current or future periods.

The company applied the Second Phase of EAS 49 in relation to operating leases from the mandatory application date from 1 January 2021. The company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

The company use the practical expedient provided by the standard and right of use assets arising from operating leases will be measured at the amount of the lease liability at the date of the initial application (adjusted for any advance or due rental expense). The company identified that there is no material impact from applying the standard.

New issued and amendments made to EASs: (Continued)

There are no other standards that are not yet effective and that would be expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Impact on the financial statements from the adoption of the new standard presented as follow:

(All amounts in Egyptian Pounds)	1 January 2021 before adoption	EAS 48	EAS 47	1 January 2021 after adoption
ASSETS				
Non-current assets				
Property, plant and equipment	189,565,941	-	-	189,565,941
Intangible assets	865,113	-	-	865,113
Investment in subsidiaries	631,882,817	-	-	631,882,817
Financial assets at fair value through profit or loss	160,911,026	-	-	160,911,026
Prepaid expenses and other receivables- non current portions	4,511,266	-	-	4,511,266
Total non-current assets	**987,736,163**	-	-	**987,736,163**
Current assets				
Inventory	57,849,435	(11,288,843)	-	46,560,592
Trade and notes receivables	64,871,397	13,822,840	(2,327,253)	76,366,984
Prepaid expenses and other receivables	71,722,234	-	-	71,722,234
Due from related parties	501,125,055	-	-	501,125,055
Cash and cash equivalents	114,093,069	-	-	114,093,069
Total current assets	**809,661,190**	**2,533,997**	**(2,327,253)**	**809,867,934**
Total assets	**1,797,397,353**	**2,533,997**	**(2,327,253)**	**1,797,604,097**
Equity				
Issued and paid up capital	50,322,580	-	-	50,322,580
Legal reserve	25,161,260	-	-	25,161,260
Share premium reserve	172,217,162	-	-	172,217,162
Other reserves	13,129,007	-	-	13,129,007
Payments under capital increase	432,825,002	-	-	432,825,002
Retained earnings	397,505,366	**2,533,997**	**(2,327,253)**	397,712,110
Total equity	**1,091,160,377**	**2,533,997**	**(2,327,253)**	**1,091,367,121**
Non-current liabilities				
Bank borrowings	369,612,439	-	-	369,612,439
Retirement benefits obligations	7,603,402	-	-	7,603,402
Deferred tax liabilities	38,220,580	-	-	38,220,580
Total non-current liabilities	**415,436,421**	-	-	**415,436,421**
Current liabilities				
Provisions	18,501,657	-	-	18,501,657
Bank overdrafts	98,436,568	-	-	98,436,568
Trade and notes payables	73,957,581	-	-	73,957,581
Accrued expenses and other payables	90,204,815	-	-	90,204,815
Due to related parties	9,699,934	-	-	9,699,934
Total current liabilities	**290,800,555**	-	-	**290,800,555**
Total liabilities	**706,236,976**	-	-	**706,236,976**
Total equity and liabilities	**1,797,397,353**	**2,533,997**	**(2,327,253)**	**1,797,604,097**

C. **Foreign currency transactions**

(1) **Functional and presentation currency**

Items included in the financial statements are measured and presented using the currency of the primary economic environment in which the Company operates ('the functional currency'). The separate financial statements are presented in Egyptian Pounds, which is the functional and presentation currency of the Company.

Foreign currency transactions (continued)

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

D. Property plant and equipment

The Company applies the cost model at measurement of property, plant and equipment. All Property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items when it's available to use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The straight-line method is used to distribute the depreciation of Property, plant and equipment on a regular basis over the estimated useful life, except for lands where the estimated useful life is unlimited. The following are the estimated useful lives for each type of a group of assets:

Buildings	16 – 50 years
Machinery and equipment	5 - 10 years
Moulds	Units of production method
Vehicles & transportation	5 years
Furniture and office equipment	4-10 years
Computers & Software	3 - 5 years

The Company reviews the residual value of Property, plant and equipment and estimated useful lives of Property, plant and equipment at the end of each fiscal year, and adjusted when expectations differ from previous estimates.

The carrying amount of the Property, plant and equipment is reduced to the recoverable amount, if the recoverable amount of an asset is less than its carrying amount. This reduction is considered as a loss resulting from impairment.

Gains or losses on the disposal of an item of Proprty, plant and equipment from the books are determined based on the difference between the net proceeds from the disposal of the item and the book value of the item, and the gain or loss resulting from the disposal of Property, plant and equipment is included in the statement of profit and loss.

E. Investment in subsidiaries

The subsidiaries are entities controlled by the Company, a subsidiary is consolidated when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Investment in subsidiaries in the separate financial statements is stated at cost. The Cost method require recognition of investment at cost and recording of investment income to the extent of dividends distribution received from investee.

F. Investment in associates

Associate companies are all entities that are subject to significant influences by an investor. These investments are recognized in the financial statements by the cost method. The significant influence is the ability to participate in making decisions related to operational and financial policies of investee but does not reach to the control or joint control over those policies.

G. Intangible assets

1. **Computer software**
Separately acquired software licenses are shown at cost less the accumulated amortization and the accumulated impairment losses. The Company charges the amortization amount of the software licenses consistently over their estimated useful lives of four years using the straight-line method.

The costs of the acquisition of computer software licenses that are not considered an integral part of computers are recognized as intangible assets on the basis of costs related to prepare the asset for use in the purpose for which it was acquired.

2. **Technical assistance services**
Amounts paid with respect to technical assistance services are recognized as intangible assets and amortized using the straight-line method over the estimated useful life, and it's amortised over10 years.

The know how provided by Techpack Solutions Company Limited (Korea) under a Technical Services Agreement concluded with the Company mainly comprises fees for technical assistance for the methods, techniques and processes to be applied by the Company in the normal course of business.

License costs are stated at cost less accumulated amortization.

H. Impairment of non- financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in profit or loss statement 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 of sales and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are generating separately cash inflows (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period by the Company. Impairment losses recognised in prior years are reversed when there is an indication that such losses no longer exist or have decreased. Reversal of loss of impairment should not exceed the carrying amount that would have been determined (net of depreciation). Such reversal is recognised in the statement of profit or loss.

I. Inventory

Inventories are measured at the lower of cost and net realisable value. Cost is determined using weighted average method. The cost comprises direct materials, direct labours and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity, that are incurred by the Company in bringing the inventory to their present location and condition but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and any other costs necessary to complete the sale. The amount of any write-down of inventories to net realisable value below it's book value and all losses of inventories shall be recognised as an expense in the period when the write-down or loss occurs.

J. Financial assets under EAS 47

i. Classification

From 1 January 2021, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- Those to be measured at amortized cost. The Company's financial asset at amortized cost comprise of trade receivables, other debit balances and treasury bills.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.
For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss statement.

Debt instruments – treasury bills

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. According to the Company business model the Company subsequently measure debt instruments at amortised cost for Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in interest income/(Loss), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Debt instruments – trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, cash at banks, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts that are repayable on demand which is characterized by fluctuating bank balance from a positive balance to an overdraft balance, bank overdrafts are shown in current liabilities in the seprate statement of financial position.

iii. Impairment

From 1 January 2021, the Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by EAS 47, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

K. **Investments and other financial assets, according to EAS 26 "Financial instruments" Measurement and Recognition**

(1) Classification

The Company classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profits or losses are financial assets held for trading. A financial asset is classified in this category if acquired principally arisen for the purpose of selling or re-purchase in the short-term or as the part of a specified managed financial instruments portfolio. Derivatives are also categorized as held for trading unless they are designated as hedges. Financial assets in this category are classified as current assets if expected to be recovered within 12 months from the date of the end of financial period.

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract. Some of the cash flows of the hybrid instrument vary in a way similar to a stand-alone derivative. An embedded derivative cause some or all of the cash flows of the contract to be modified according to a specified underlying, where the host contract is measured at fair value through profit or loss the entire instrument is recorded at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets included in such group are presented as current asset if expected to be recovered within 12 months from the date of the end of the period. The Company's loans and receivables comprise 'Trade receivables and other debit balances' and 'Due from related parties' and 'cash and cash equivalents' in the statement of financial position.

(2) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

(3) Impairment of financial assets

Financial assets carried at amortised cost

The Company assesses impairment at the end of each reporting period whenever there is objective evidence that a specific financial asset or a group of financial assets may be impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, violation of contract terms such as default or delinquency in interest or principal payments, or the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows since the initial recognition, or, changes in economic of domestic conditions that correlate with defaults of the Company's assets.

Investments and other financial assets, according to EAS 26 "Financial instruments" Measurement and Recognition (continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss. Loans expected to be uncollectible are written off by deduction from the relevant provision, and any subsequent proceeds are recognised as revenue in the statement of profit and loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

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 loss was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the separate statement of profit or loss.

L. Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company has an intention to settle on a net basis or realize 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 of the counterparty, and should reflect the Company's normal practices and requirements of financial requirements and other conditions related to the considerations of the risk and timing of the Company's cash flows.

M. Interest Income

Interest income is recognised on a time-proportionate basis using the effective interest method. When a receivable balance resulting from the recognition of interest is impaired, the carrying amount is reduced to the present value of the future cash flows discounted at the original effective interest rate.

N. Capital

Ordinary shares are classified within equity. Share premiums, if any, are added to legal reserve to the extent of half of the issued capital, and the remaining balance of the premium is transferred to a special reserve, after deducting the shares issue expenses (net of any tax benefit) from the amount of share premium.

Where the Company repurchases its equity instruments (treasury shares), the consideration paid or received in exchange for those instruments, including any directly attributable incremental transaction costs (net of income tax) is deducted from the equity attributable to the owners of Middle East Glass as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Middle East Glass.

O. Financial liabilities

(1) Classification
The Company classifies its financial liabilities as financial liabilities at fair value through profit and loss and other financial liabilities. The classification of the financial liability depends on the purpose of acquisition at the initial recognition.

(2) Recognition and derecognition
A financial liability is recognised in the statement of financial position when - and only when- the Company becomes a party to the contractual provisions of the financial liability. The Company removes the financial liability (or part of it) from the statement of financial position when it is disposed, cancelled or expired.

Financial liabilities (continued)

The Company accounts for the exchange between an existing borrower and lender of debt instruments with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability (or part of it) extinguished or transferred to another party including non-amortised expenses, and the consideration paid to settle the liability are recognised in profit or loss.

(3) Measurement
At initial recognition, the Company measures the financial liabilities at fair value plus transaction costs, except for financial liabilities at fair value through profit or loss where all other attributable costs are charged to the statement of profit or loss. The other financial liabilities, represented in trade payables and other payables, and bank borrowings, are subsequently measures at amortised cost using the effective interest method.

P. Taxation

The income tax expense represents the sum of the current income and deferred tax.

Current tax
The current income tax is based on the taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss statement 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 current income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to the tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits only of the temporary differences and they are expected to 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 based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Taxation (continued)

Current income and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Q. Employee benefits

The Company operates various employees' benefits schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(1) Pension obligations
The Company has two types of pension schemes.

Defined contribution plans
The defined contribution plan is a pension plans under which the Company pays fixed contributions to the General Authority for Social Insurance on mandatory basis. The Company has no further liabilities once its obligations are paid. The regular contributions are recognised as periodic cost for the year in which they are due and as such are included in staff costs.

Defined benefit plans
A defined benefit plan is a post-employment plan that is not a defined contribution plan.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, using a formula that is usually dependent on employees' average wages, and the number of the years of service.

The net defined benefit obligation recognised in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period. The annual defined benefits obligations are determined annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using discount rate at the end of the financial reporting period on market returns of government bonds that are denominated in the currency and the estimated period for the defined benefit obligations.

The Company recognises the current service cost of the defined benefit obligation in the statement of profit or loss, except where included in the cost of an asset that reflects the increase in the defined benefit obligations relating to services performed to the Company during the current year or when changes or curtailments are made to the plan.

The Company recognises the cost of past service as an expense when benefit changes or is curtailed, and when the Company recognises the restructuring costs, whichever is earlier in the statement of profit or loss.

Net interest is calculated on the net defined benefit obligation by multiplying the net defined benefit obligation by a discount rate as determined at the beginning of the annual financial year. These costs are included within finance cost in the statement of profit or loss.

Actuarial gains and losses, which are the changes in the present value of the defined benefit obligation that arises from experience adjustments and changes in actuarial assumptions, are charged in other comprehensive income in the year in which they arise.

(2) Termination benefits
Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of EAS 28 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination costs and benefits obligation are initially measured.

The Company measures and recognises the subsequent changes in accordance to the nature of the benefits based on the number of employees expected to accept the offer of benefits. Where it is not expected to settle the benefits falling due before 12 months after the end of the reporting period, the benefits are discounted to their present value.

Employee benefits (continued)

(3) Employees' share in legally defined profits

The Company recognises expected cash dividends as the employees' share in accordance with the companies' articles of association, to be included as part of dividends in equity, and as liabilities when the ordinary general assembly meeting of the shareholders of the Company approve the proposed dividends. The Company does not record any liabilities in the employees' share of undistributed dividends.

R. Leases

The company leases various properties, Rental contracts are typically made for fixed periods of 2 to 4 years lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or each company's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

S. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the date of the financial statements.

T. 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 time as the assets are substantially ready for their intended use or sale.

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the cost of borrowing, the Company determines the amount of borrowing costs that are capitalised on this asset, which is the actual borrowing costs incurred by the entity during the period because of the borrowing transaction less any revenue realised from the temporary investment of borrowed funds.

The Company recognises other borrowing costs as expenses in the period the Company incurs such costs.

Investment income which earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The Company recognises other borrowing costs as expenses in the year the Company incurs such costs.

U. Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The Company recognises the commitments required for restructuring and not related to the Company's effective activities within the costs of the provision of restructure.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the impact of the time value of money is significant, the amount of the provision is the present value of expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of profit or loss.

V. Trade payables

Trade payables are recognised initially at the amount of goods or services received from others, whether they received invoices or not. When they are material, goods and services received, as well as the trade payables are recognised at the present value of the cash outflow expected by using interest rate of similar loans. Trade payables are then carried at amortised cost using the effective interest rate.

W. Revenue recognition

Under Egyptian accounting standard No. 11 (2020)

Revenue is measured at the fair value of the consideration received or receivable for goods sold or service rendered within the Company's normal course of business and not included in value added tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Compant's activities as described below. The amount of revenue is not considered accurately measurable unless all cases of uncertainty regarding the possibility of the collection of the amount due are excluded. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

Sales of goods

Revenue is recognised from the sale of goods to traders or contractors who have the right to sell them and determine their prices when the goods are delivered to them, and the Company does not retain significant risks of ownership of the goods, there is no obligation that prevent those traders or contractors to accept the goods sold. Delivery is recognised, both in the Companys' stores or in specific locations, according to the agreements. When the Company transfers the significant risk and rewards of the ownership of goods to the traders, it retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Sales to traders do not comprise the element of financing, as the credit period granted to them is average 90 days.

Revenue recognition (continued)

Under Egyptian accounting standard No. 48 (2021)

Revenue recognized at a point in time
Revenue is income arising in the course of the Company's ordinary activities. Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties.

Revenue is recognised net of returns.

Revenue recognized over time
According to current contracts for products manufactured and supplied that are typically customized, according to binding contractual arrangements, without any option for alternative use, where the Company has an enforceable right to payment for the performance completed to date, the revenue for the goods concerned are recognized over time using the output method together with presentation under contract assets.

Contract assets
A contract asset is initially recognised for revenue earned from manufacturing glass containers because the receipt of consideration is conditional on successful completion and delivery of the products. Upon delivery to the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (2-J-iii).

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional is due from the customer Refer to accounting policies of financial assets in section (2-j-ii).

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract

X. Government export subsidy

The government of Egypt operates an export subsidy program managed by the Export Development Fund. The scheme was established under law 155 of 2002 to create incentives for Egyptian companies to grow exports. The Company operates in a qualifying sector and the subsidy represents a percentage of the export value depending on a set of variables including the percentage of local components, location of the factory, export destination and amongst others.

The subsidy on export sales is recognized when there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. The subsidy is recognised under other income in the statement of profit or loss on a gross basis.

Export subsidies are recognized immediately as the company already recognize it since the government provide this subsidy to compensate the Company for export sales already incurred.

Y. Dividends

Dividends are recognised as liabilities in the separate financial statements for the amount of any dividend declared, being appropriately authorised by the Company's General Assembly of Shareholders.

Z. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker which has been identified as the chief executive officer. The board of Middle East Glass manufacturing Company has appointed a chief operating decision-maker who assesses the financial performance and position of the Company and makes strategic decisions, and who determines that the Company's activities are organised into one segment which is wholly related to the manufacturing and sale of glass containers.

3. Financial risk management

(1) Financial risk factors

The Company's activities expose it to a variety of financial risks. These risks include market risks (including foreign currency exchange risks, prices risks, cash flow interest rate risks and fair value risks), credit risks, and liquidity risks.

The Company's management aims to minimise the potential adverse effects on the Company's financial performance, through the monitoring process performed by the Company's Finance Department and board of directors at the level of the Parent Company.

(A) Market risk

i) Foreign currency exchange rate risk

Foreign exchange rates risks are the risks of fluctuations in the fair value of future cash flows of a financial instrument due to changes in foreign currency exchange rates. The following analysis shows the calculation of the effect of reasonable and possible changes in foreign currencies against the functional currency of the Company while keeping all other variables constant, on the separate statement of profit or loss:

	2021	2020
US Dollars %	(9,192,633)	(25,679,186)
Euros %	(309,064)	(2,704,481)

The following table shows the currencies position denominated in Egyptian Pounds at the date of the statement of financial position:

	2021			2020
	Assets	Liabilities	Net	Net
US Dollars	289,588,913	(381,515,240)	**(91,926,327)**	**(256,791,858)**
Euros	69,248	(3,159,893)	**(3,090,645)**	**(27,044,810)**

ii) Price risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the separate financial position at fair value through profit or loss (FVPL).

To manage its price risk arising from investments in equity securities, the Company entered into an agreement whereby the Company has the right but not the obligation "put option", to sell the equity securities at a predetermined exercise price which include a floor price.

iii) Interest rates and fair value risk on cash flows

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to changes interest rates risks on its variable interest-bearing assets and liabilities (bank overdrafts, and term loans). The risk is managed by the Company by maintaining an appropriate mix between bank borrowings and bank facilities with floating rates.

The following table demonstrates the sensitivity of the separate statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the separate statement of profit or loss statement is the effect of the assumed changes in interest rates on the Company's profit for a year, based on the floating rate financial assets and financial liabilities held at 31 December 2021.

	Increase / Decrease in %	Effect on profits for the year EGP
31 December 2021		
EGP	10%	3,127,327
31 December 2020		
EGP	10%	6,786,710

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Financial risk management (Continued)

LIBOR reform

In July 2017, the United Kingdom Financial Conduct Authority ('FCA'), which regulates the London Interbank Offered Rate ('LIBOR'), announced that the interest benchmark would cease after 2021. LIBOR is one of the most common series of benchmark interest rates. LIBOR reforms will be dealt with between the Company and the lending banks according to the facility agreements.

(B) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers', including outstanding receivables and committed transactions The Company's credit risk is managed as a whole, except for the credit risk related to the customers' account balances, as as the company management manages and analyses the credit risk of their own trade receivables.

For banks and financial institutions, only high-credit-quality and rating banks and financial institutions are accepted.

For banks and financial institutions, the company is dealing with the banks with good reputation and subject to rules of the Central Bank of Egypt.

For the new customers, their credit risk is analyzed before standard payment and delivery terms and conditions are agreed.

The Company is exposed to credit risk on the following financial instruments:

Category	Class	Amount	Impairment model
Financial assets at amortised cost	Treasury bills	12,943,326	
	Trade receivables – local*	86,263,331	Simplified
	Trade receivables – export*	18,260,488	Simplified
	Due from related parties	574,248,668	Simplified
	Contract assets	8,906,099	Simplified

Trade receivables, contract assets

The board receives regular reporting from the credit department who manage the performance of the trade receivables, contact assets.

The credit department has set out policies and procedures for managing credit risk on the trade receivables, contract assets:

- The Company structures the levels of credit risk it undertakes by placing limits on the amount of accepted credit risk in relation to a customer. Limits on the level of credit risk are approved regularly by management. Such limits are monitored on a revolving basis and are subject to an annual, or more frequent, review.
- The Company has enforceable contractual agreements signed with its major customers include the product specifications such as the color, size, and shape, quantities, unit price and payment terms.
- On granting of credit, an assessment is performed of the credit worthiness of the debtor and the ability to pay.
- Where appropriate, guarantees is held against such receivables.
- After granting the credit, the credit department, on a monthly basis, reviews the aging analysis and follows up on all outstanding payments.
- Credit limits are set for each customer based on internal and external credit limits in accordance with limits set by the board. The credit limits are regularly reviewed for each individual customer.
- Management believes that customers' impairment provisions are adequate. Note (10) related to the financial assets provides more information on the credit risk.

Transactions with major customers

Revenue transaction with the Company's largest two customers are equivalent to 53% of the total revenues for the year ended 31 December 2021 (2020: 50 %) each of these customers contribute more than 10% of the total sales.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Financial risk management (Continued)

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due due to shortage of fund. The Company's exposure to liquidity risk results primarily from the lack of offset between maturities of financial assets and liabilities.

Management makes cash flow projections on periodic basis, and takes the necessary actions to negotiate with suppliers, follow-up the collections from customers and manage inventory balances in order to ensure sufficient cash is maintained to discharge the Company's liabilities. The Company's management monitors liquidity requirements of the Company to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations of loans and borrowings to be able to maintain financial terms, guarantees and covenants at all times.

The Company limits liquidity risk by maintaining sufficient bank facilities and reserves, by monitoring cash forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities. Balances due to suppliers are normally settled with an average of 120 days from the date of purchase.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2021 and 31 December 2020, based on contractual payment dates and current market interest rates.

	Less than 6 month	Between 6 month & 1 year	Between 1 & 2 years	More than 2 years
31 December 2021				
Trade and notes payable	51,465,117	-	-	-
Accrued expenses and other payables*	70,318,395	-	-	-
Due to related parties	-	110,043,722	-	-
Bank overdraft	-	97,996,721	-	-
Loans and borrowings	30,781,490	30,781,490	61,562,980	246,251,919
Future interest payment	8,463,564	9,339,104	16,051,585	29,184,700
Total	**161,028,566**	**248,161,037**	**77,614,565**	**275,436,619**
31 December 2020				
Trade and notes payable	73,957,581	-	-	-
Accrued expenses and other payables*	61,441,988	-	-	-
Due to related parties	-	9,699,934	-	-
Bank overdraft	98,436,568	-	-	-
Loans and borrowings	-	-	61,601,730	308,010,709
Future interest payment	11,282,432	11,282,432	20,684,459	47,010,135
Total	**245,118,569**	**20,982,366**	**82,286,189**	**355,020,844**

* Accrued expenses and other payables presented above excludes contract liabilities, social insurance authority and tax liabilities.

The unused credit facility at 31 December 2021 amounts LE 631,160 (2020: LE 94,598,011).

(2) Capital risk management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders using the financial statements. The Company also aims to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the Company's debts.

The Company monitors capital structure based on its gearing ratio. Gearing is calculated as the ratio of net debt divided by total capital. Net debt comprises total borrowings and bank overdrafts less cash and bank balances and total capital comprises the equity plus net debt.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Financial risk management (Continued)

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

	2021	2020
Loans and borrowings	369,377,879	369,612,439
Bank overdrafts	97,996,933	98,436,568
Less: cash and cash equivalents	(297,039,629)	(114,093,069)
Net debt	**170,335,183**	**353,955,938**
Total owners' equity	1,149,648,861	1,091,160,377
Total capital	**1,319,984,044**	**1,445,116,315**
Gearing ratio	**13%**	**24%**

The main reason for the decrease in the gearing ratio in 31 December 2021 comparing to 31 December 2020 is the increase in cash, in addition to profit achieved for the year ended 31 December 2021.

Debt covenants

The Company is required to comply with the following financial covenants under the terms of the medium-term loan facilities:

- Current ratio should not fall below 1:1.
- Debt service ratio should not fall below 1.2 throughout the life of the loan except for the financial year ended 2023 which should not fall below 1.1.
- Total net debt to EBITDA ratio should not exceed 3.1 for the financial year ended 2021, and 3.0 for the next years.

The Company was in compliance with all financial covenants at 31 December 2021.

4. Critical accounting estimates and judgments

(1) Critical accounting estimates and assumptions

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made in applying the Company's accounting policies were applied consistently across the annual periods. The significant judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in these financial statements are outlined below.

a. **Property, plant and equipment – useful life**

Property, plant and equipment are a substantial portion of the total assets of the Company, depreciation expense that is related to it, is a substantial portion of annual operating expenses.

The useful life of property, plant and equipment which were based on management's estimation and assumptions has a significant impact on assets value. Each item of the property, plant and equipment has a useful life estimation based on the past experience of corresponding assets, expected period in which economic benefits will flow to the Company during the operation of the asset.

The useful life of property, plant and equipment estimates and assumptions are reviewed periodically to assess if there is any adjustments or changes related to useful life and residual values if there is any adjustments will be implemented on future years.

b. **Fair value measurement of derivative financial instruments**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment in appropriately estimating the fair value of derivative financial instruments. Derivative financial instruments held by the Company do not have observable market price and so the Company is required to identify appropriate valuation models in calculating these fair values in making its estimates, priority is given to observable inputs. For details of Key assumptions used and the impact of changes to these assumption refer to Note 24.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

5. Property, plant and equipment

	Land	Buildings	Machinery, equipment & moulds	Vehicles & transportation	Furniture & office equipment	Computers & Software	Projects under construction	Total
31 December 2020								
Cost								
Balance at beginning of the year	9,968,571	48,958,326	451,782,596	4,864,492	1,941,123	10,106,274	235,331	527,856,713
Additions	22,612,030	985,054	77,831,993	3,500,759	204,910	955,029	7,486,099	113,575,874
Disposals	-	-	(39,925,168)	-	-	(20,020)	-	(39,945,188)
Transfers from projects under construction	-	-	9,075	-	-	36,589	(45,664)	-
Balance at the end of the year	32,580,601	49,943,380	489,698,496	8,365,251	2,146,033	11,077,872	7,675,766	601,487,399
Accumulated depreciation								
Balance at beginning of the year	-	(32,355,939)	(378,807,731)	(3,589,212)	(1,448,259)	(6,106,847)	-	(422,307,988)
Depreciation expense	-	(1,690,835)	(23,806,378)	(984,652)	(142,194)	(1,354,069)	-	(27,978,128)
Disposals depreciation	-	-	38,344,638	-	-	20,020	-	38,364,658
Balance at the end of the year	-	(34,046,774)	(364,269,471)	(4,573,864)	(1,590,453)	(7,440,896)	-	(411,921,458)
Net book value at the end of the year	32,580,601	15,896,606	125,429,025	3,791,387	555,580	3,636,976	7,675,766	189,565,941
31 December 2021								
Cost								
Balance at beginning of the year	32,580,601	49,943,380	489,698,496	8,365,251	2,146,033	11,077,872	7,675,766	601,487,399
Additions	2,614,454	1,277,767	22,670,991	4,816,455	122,883	795,925	4,387,023	36,685,498
Disposals	-	-	(8,097,105)	(1,417,401)	-	-	(3,855,419)	(13,369,925)
Transfers from projects under construction	-	-	510,433	-	-	-	(510,433)	-
Balance at the end of the year	35,195,055	51,221,147	504,782,815	11,764,305	2,268,916	11,873,797	7,696,937	624,802,972
Accumulated depreciation								
Balance at beginning of the year	-	(34,046,774)	(364,269,471)	(4,573,864)	(1,590,453)	(7,440,896)	-	(411,921,458)
Depreciation expense	-	(1,774,446)	(26,824,213)	(1,293,959)	(165,960)	(1,399,054)	-	(31,457,632)
Disposals depreciation	-	-	6,300,623	1,417,400	-	-	-	7,718,023
Balance at the end of the year	-	(35,821,220)	(384,793,061)	(4,450,423)	(1,756,413)	(8,839,950)	-	(435,661,067)
Net book value at the end of the year	35,195,055	15,399,927	119,989,754	7,313,882	512,503	3,033,847	7,696,937	189,141,905

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Property, plant and equipment (continued)

The balance of project under construction as of 31 December 2021 is represented as follows:

	2021	2020
Furnace	3,389,018	-
Machineries	4,074,483	7,487,993
Others	233,436	187,773
	7,696,937	**7,675,766**

Depreciation expense is allocated in profit or loss statement as follows:

	2021	2020
Cost of goods sold	28,245,257	25,082,135
General and administrative expenses	2,450,833	2,299,431
Selling and marketing expenses	761,542	596,562
	31,457,632	**27,978,128**

6. Intangible assets

31 December 2021	License costs	Computer software	Assets under construction	Total
Cost				
Balance at the beginning of the year	**5,156,143**	**4,726,294**	-	**9,882,437**
Additions	-	322,364	447,735	**770,099**
Balance at the end of the year	**5,156,143**	**5,048,658**	**447,735**	**10,652,536**
Accumulated amortization				
Balance at the beginning of the year	**(4,640,532)**	**(4,376,792)**	-	**(9,017,324)**
Amortization expense	(515,611)	(349,500)	-	**(865,111)**
Balance at the end of the year	**(5,156,143)**	**(4,726,292)**	-	**(9,882,435)**
Net book value at end of the year	-	**322,366**	**447,735**	**770,101**

31 December 2020	License costs	Computer software	Assets under construction	Total
Cost				
Balance at the beginning of the year	5,156,143	4,726,294	-	**9,882,437**
Balance at the end of the year	**5,156,143**	**4,726,294**	-	**9,882,437**
Accumulated amortization				
Balance at the beginning of the year	(4,124,913)	(3,777,660)	-	**(7,902,573)**
Amortization expense	(515,619)	(599,132)	-	**(1,114,751)**
Balance at the end of the year	**(4,640,532)**	**(4,376,792)**	-	**(9,017,324)**
Net book value at end of the year	**515,611**	**349,502**	-	**865,113**

License costs

In July 2011, the Company concluded an agreement with Techpack Solutions Company - (South Korea) for the purpose of providing the Company with technical assistance services for the manufacturing, processing, inspecting, testing and packaging of Contract Glassware, and in particular the methods, to produce bottles with a technology of Narrow Neck Press, in the normal course of business. The costs to obtain the right and license to manufacture, sell glass containers upon receiving such services are recorded as license Costs.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

7. Investment in subsidiaries

On 29 January 2014, the Company acquired 100% of Middle East Glass Containers Sadat S.A.E (previously Wadi Glass Containers S.A.E) shares. The Company's headquarters is located at Plot Number 254,255,256 extension of Fifth Industrial Zone, Sadat City, Menofia. In 2020 the Company's name was changed to Middle East Glass in Sadat City (S.A.E). The Company's main activity is the manufacture and sale all kinds of glass bottles.

On 10 November 2015, the Company established a new Company (MEG Misr for Glass MEG S.A.E.) with an ownership percentage of 99.97%, and the headquarters is located at 6 Mokhayam El-Daem Street, Ninth District, Nasr City, Cairo and the main activity is manufacturing all kinds of glass bottles & the acquisition of other entities that operates in the same field. In January 2016, MEG Misr for Glass MEG (S.A.E.) acquired 100% of the issued capital of Misr for Glass Manufacturing (S.A.E.). The Company's principal activity is the manufacturing and sale of all kind of glass bottles. The Company's head quarter is located at Mostord, Qalubya, Egypt.

According to an Extraordinary General Assembly Meeting held on 9 December 2018, the Company approved as the major shareholder in MEG Misr for Glass MEG to increase the paid up capital of MEG Misr for Glass MEG to be EGP 433,074,972 through using the amounts due from MEG Misr for Glass MEG.

	Ownership %	2021	2020
Middle East Glass Containers Sadat S.A.E	100%	198,807,845	198,807,845
MEG Misr for Glass (S.A.E.)	99.97%	433,074,972	433,074,972
		631,882,817	**631,882,817**

8. Financial assets at fair value through profit or loss

	Ownership %	2021	2020
Unquoted equity securities - Medco Plast for Packing and Packaging System (S.A.E)	15.6%	-	160,911,026
		-	**160,911,026**

Investment in Medco Plast for Packing and Packaging System (S.A.E) represents the retained investment in Medco Plast after the sale of 74% of the initial 60% equity stake which led to a loss of control on 13 November 2018. The value of the retained investment is recognized as financial assets at fair value through profit or loss "FVPL.

According to the sale and purchase agreement signed between the Company and the buyer of the 74% equity stake in Medco Plast, the Company has the right but not the obligation, to sell the 15.6% remaining interest (the "put option") exercisable starting from 1 April 2021 till 1 August 2023. In the event the option is exercised the sale price must be equal to or greater than the transaction consideration agreed with the buyer for the sale of the 74% interest in 2018. The Buyer of the 74% stake also has a right but not the obligation to buy the 15.6% stake (the Call Option") which can only be exercised after expiry of the put option exercise period. This hybrid agreement includes embedded derivatives which have not been separately accounted for and the entire agreement has been recorded at fair value through profit or loss.

During December 2021, Company exercised the put option to sell all of the Company's shares in Medco Plast for Packing and Packaging Systems S.A.E, and income from sale of investment has been recognized by an amount of EGP 17,054,602.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

9. Inventory

	2021	2020
Finished goods	4,046,931	15,856,623
Spare parts	26,350,187	24,846,644
Work in process	6,626,452	14,434,691
Raw materials	18,468,149	9,772,740
Packing and wrapping materials	7,979,236	2,548,995
Fuel and oil	1,066,065	942,724
	64,537,020	**68,402,417**
Allowance for decline in inventory value	(10,552,982)	(10,552,982)
	53,984,038	**57,849,435**

Allowance for decline in inventory value

	2021	2020
Balance at 1 January	10,552,982	10,552,982
Charged for the year	-	-
	10,552,982	**10,552,982**

The cost of inventories recognised as an expense during the period representing cost of sales amounted to EGP 440,909,232 (2020: EGP 379,518,222).

The Company applied EAS 48 starting from January 1,2021, accordingly, the Company has recognized sales revenue against the manufactured finished goods which are customized for certain customers but wasn't invoiced or delivered to the customers with a cost amount of EGP 7,252,569 at 31 December 2021.

10. Trade and notes receivables

	2021	2020
Trade receivables	104,848,133	66,509,295
Notes receivables	-	-
	104,848,133	**66,509,295**
Expected credit loss allowance	(1,455,839)	(1,637,898)
	103,392,294	**64,871,397**

* The movement of impairments of trade receivables as follows:

	2021	2020
Balance at 1 January	1,637,898	862,248
Charged for the year	300,296	775,650
Provision no longer required	(482,355)	-
	1,455,839	**1,637,898**

Trade receivables at 31 December 2021 amounts EGP 18,260,488 (2020: EGP 30,488,489) net of expected credit loss allowance are denominated in foreign currency.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Trade and notes receivables (continued)

The Company applies the EAS 47 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of customers over a period of 48 month before each balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The credit loss allowance for trade receivables is determined according to the provision matrix presented in the table below. The provision matrix is based on the number of days that an asset is past due, adjusted for:

	31 December 2021			
In % of gross value (of Egyptian Pound)	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value
Trade receivables				
- current	0.08%	88,499,700	90,630	89,564,613
- less than 30 days overdue	0.51%	11,833,611	53,559	11,780,052
- 31 to 60 days overdue	1.34%	-	-	-
- 61 to 91 days overdue	4.65%	942,458	30,926	911,532
- 91 to 180 days overdue	5.85%	2,416,821	125,181	2,291,640
- In Default	100%	1,155,543	1,155,543	-
Total	-	**104,848,133**	**1,455,839**	**104,547,837**

11. Prepaid expenses and other receivables

	2021	2020
Accrued Export subsidy	7,093,499	11,631,611
Advances to suppliers	10,385,107	12,529,612
Other receivables	17,220,699	21,621,522
Refundable deposits	14,041,659	12,862,551
Prepaid expenses	2,376,274	2,139,169
Tax authority-Advance payments	2,863,261	-
Employee impress and loan	2,336,741	1,749,794
Tax Authority- Withholding tax	-	9,187,975
	56,317,240	**71,722,234**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

12. Related parties

The Company entered into several transactions with companies and entities that are included within the definition of related parties, as stated in EAS 15, "Disclosure of related parties". The related parties comprise the Company's board of directors, their entities, companies under common control, and/ or joint management and control, and their partners and employees of senior management.

Below is the statement of the nature and values of related parties' transaction during the year, as well as the balances due at the date of the financial statements.

Due from related parties

	Relationship	Nature of transaction	Volume of transaction	Balance as of 31 December 2021	Balance as of 31 December 2020
The Coca-Cola Bottling Company of Egypt (CCBCE) (S.A.E.)	Under common control	Sales	257,923,794	22,748,930	87,337,469
		Purchases	(1,807,091)	-	-
		Collections	(320,705,242)	-	-
Middle East Glass Containers Sadat S.A.E.	Subsidiary	Sales	96,360,979	490,821,906	384,155,202
		Purchase	(143,450,661)	-	-
		Payment on behalf	153,756,386	-	-
MEG Misr for Glass "MEG" (S.A.E.)	Subsidiary	Payment on behalf	67,149	11,758,672	11,691,523
Sheba Investment (S.A.E.)	Related party	Payment on behalf	30,992,214	48,810,567	17,818,353
Sanaa Beverages and Industrial Company Limited (SBI) – Yemen	Related party	Sales	(13,915)	108,593	122,508
				574,248,668	501,125,055

Due to related parties

	Relationship	Nature of transaction	Volume of transaction	Balance as of 31 December 2021	Balance as of 31 December 2020
Misr for Glass Manufacturing S.A.E.	Subsidiary	Sales	(149,701,604)	109,738,948	9,272,246
		Purchase	224,331,686	-	-
		Payment on behalf	25,836,620	-	-
Gulf Capital	The main shareholder	Payment on behalf	(122,914)	304,774	427,688
				110,043,722	9,699,934

Key management compensation

Amounts paid to the senior management during the year ended 31 December 2021 amounted to EGP 13,036,012 (2020: EGP 13,508,338).

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

13. Financial assets at amortised cost

	2021	2020
Treasury bills	12,943,326	-
	12,943,326	-

Treasury bills

	2021	2020
Treasury bills par value		
91 Days maturity	-	-
341- 364 Days maturity	13,000,000	-
	13,000,000	-
Unearned interest	(1,456,304)	-
Value of treasury bills purchased	**11,543,696**	-
Interest income recognized to profit or loss	1,399,630	-
Treasury bills balance	**12,943,326**	-

The average effective interest rate related to treasury bills is 12,9%.

The Company has adopted 12-month ECL approach, based on management assessment, there will be immaterial impact on treasury bills due to the following factors:
- It is issued and guaranteed by Government of Egypt.
- There is no history of default.
- Incorporating forward-looking information would not result in an increase in Expected default rate.

14. Cash and cash equivalents

	2021	2020
Current accounts at banks	276,661,326	113,896,445
Deposits at banks	20,000,000	-
Cash on hand	378,303	196,624
Total	**297,039,629**	**114,093,069**

Cash flows information

a. Non-cash transaction

For the cash flow statement preparation purposes, the Company posted non-cash transaction which is not presented in the statement of cash flows. As follows:

	2021	2020
Settlement of Employees' declared profit share against advances to employees was included under other receivables	10,879,866	10,571,667
Fixed assets	5,655,410	-

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Cash and cash equivalents (continued)

b. Net debt reconciliation

	2021	2020
Cash and cash equivalents	297,039,629	114,093,069
Bank Overdrafts	(97,996,933)	(98,436,568)
Borrowings – repayable within one year	(61,562,978)	-
Borrowing – repayable within after one year	(307,814,900)	(369,612,439)
Total	**(170,335,182)**	**(353,955,938)**

	Cash & cash equivalents	Bank Overdrafts	Borrowing due within 1 year	Borrowing due after 1 year	Total
Net debt as at 1 January 2021	114,093,069	(98,436,568)	-	(369,612,439)	**(353,955,938)**
Cash flows	182,946,560	(439,635)	(61,562,978)	61,562,978	**182,506,925**
Foreign exchange adjustment	-	879,270	-	234,561	**1,113,831**
Net debt as at 31 December 2021	**297,039,629**	**(97,996,933)**	**(61,562,978)**	**(307,814,900)**	**(170,335,182)**

15. Provisions

	Other provisions	2021	2020
Balance at the beginning of the year	18,501,657	18,501,657	**14,021,908**
Formed during the year	7,919,000	7,919,000	**4,479,749**
Provisions No longer required	-	-	-
Utilised during the year	(8,273,718)	(8,273,718)	-
Balance at the end of the year	**18,146,939**	**18,146,939**	**18,501,657**

Other provisions

Other provisions relate to claims expected to be made by external parties in connection with the Company's operations. The information usually required by accounting standards is not disclosed because the management believes that to do so would seriously prejudice the outcome of the negotiations with those parties. These provisions are reviewed by management annually and the amount provided is adjusted based on latest developments, discussions and agreements with those external parties.

16. Bank borrowings and overdrafts

	2021	2020
A. Borrowings - current portion		
Bank borrowings	61,562,978	-
Bank overdrafts	97,996,933	98,436,568
Total current portion	**159,559,911**	**98,436,568**
B. Borrowings non-current portion		
Bank borrowings	307,814,900	369,612,439
Total non-current portion	**307,814,900**	**369,612,439**
Total	**467,374,811**	**468,049,007**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Bank borrowings and overdrafts (continued)

In November 2019, the Company signed medium term loan agreements with the International Finance Corporation ("IFC") and Commercial International Bank ("CIB") to refinance its existing medium-term debt and to provide funding for capital expenditure to increase production capacity, including furnace rebuilds, new production equipment, printing machines, resource efficiency improvements and streamlining of the cullet processing operation. The full amount of the facilities was disbursed in 2020 and resulted in settlement of all existing medium-term bank borrowings.

The loans have a seven-year tenor with 18-month grace and carries interest at 6-month LIBOR plus a margin.

The loans are secured with the following security package:
- First ranking real estate mortgage over the lands and buildings owned by the Company.
- Commercial establishment mortgage over Company movable assets.
- Restrictions over transfers of subsidiaries' shares owned by the Company.

17. Trade and notes payables

	2021	2020
Trade payables	38,881,298	62,702,719
Notes payable	12,583,819	11,254,862
	51,465,117	**73,957,581**

18. Accrued expenses and other payables

	2021	2020
Accrued expenses	41,310,120	32,016,392
Contract liabilities (Note 26)	9,436,492	9,163,652
Other payables	15,851,020	19,160,187
Due to Tax Authority – Payroll	3,014,717	14,607,554
Accrued interest expense	5,219,913	3,847,679
Due to tax Authority – Withholding tax	8,722,359	6,949,111
Social insurance authority	668,829	627,014
Retention	381,958	381,958
Due to Tax Authority -VAT	3,517,292	3,257,149
Stamp & Other Tax	184,480	194,119
	88,307,180	**90,204,815**

19. Income tax liability

	2021	2020
Balance at the beginning of the year	-	-
Settlement against withholding tax	(17,964,918)	1,336,793
Payments to tax authority	-	(6,740,900)
Charged during the year	49,785,261	5,404,107
Balance at the end of the year	**31,820,343**	**-**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

20. Issued and paid up capital

The total number of authorized ordinary shares is 15 million shares with a par value of EGP10 per share. The issued and paid up capital is 5,032,258 shares with a par value of EGP 10 per share. All issued shares are fully paid.

On 26 January 2015, an Extraordinary General Assembly Meeting of Shareholders approved an increase of the issued share capital from EGP 40,000,000 (only forty million Egyptian pounds) to EGP 50,322,580 (only fifty million three hundred twenty two thousand five hundred and eighty Egyptian Pounds) with an amount of EGP 10,322,580 (only ten million three hundred twenty two thousand five hundred and eighty Egyptian Pounds) by issuing 1,322,580 shares for subscription by the existing shareholders at a fair value of EGP 198.84 per share amounting to a total amount of EGP 205,254,181 (only two hundred and five million two hundred fifty four thousand one hundred and eighty one Egyptian Pounds. The difference between the nominal value and fair value of the shares is recorded in reserves account. The increase was approved in the commercial register on 26 June 2015.

According to the Law No 159 for the year 1981 and its regulations, the total value of the premium issued for the capital increase has been included in the legal reserve after deducting issuance cost to reach what is equivalent to the half of the issued capital and the remaining balance has been included in share premium reserve as follows:

	2021
Share premium	194,931,601
Deduct: Issuance cost	(6,414,554)
Net share premium	**188,517,047**
Transferred to legal reserve	(16,299,885)
Transferred to share premium reserve	**172,217,162**

Other reserves
On 3 April 2014, the existing shareholders signed an agreement to increase the paid up capital by approximately US $28.7 million which was equivalent to LE 205 million at the agreement date. Subsequently on 10 May 2015, the existing shareholders subscribed in the capital increase with total value of LE 205 million equivalent to US $26.5 million at the subscription date., the shareholders agreed to pay the remaining amount of the capital increase included in the above mentioned agreement amounting to US $1.7 million (equivalent to LE 13,129,007) which has been treated as capital contribution under other reserves in the statement of shareholders' equity.

Payments under capital increase
According to the resolution of the Extraordinary General Assembly Meeting held on 2018, the shareholders decided to convert the shareholder loan amounted EGP 432,825,002 into share capital and accordingly, the balance has been recognized as payment under increase in capital in the statement of shareholders' equity till the finalization of legal requirements.

Share split
On 14 September 2018, the Extraordinary General Assembly Meeting approved a ten-for-one share split of its ordinary share, accordingly the shares par value has become 1 EGP instead of EGP 10 per share before split and the number of issued shares became 50,322,580 instead of 5,032,258. The share split has been approved in the commercial register on 31 January 2020.Earning per share information have been retrospectively adjusted to reflect new number of shares and par value.

21. Legal reserve

In accordance with the companies' Law No.159 for 1981, 5 % of the net profit for the year is transferred to the legal reserve account until it reaches 50% of paid up capital. This reserve is not available for distribution to shareholders.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

22. Retained earnings

	2021	2020
Balance at beginning of the year	397,505,366	358,776,041
Net profit for the year	68,853,407	52,375,795
Profit share to distribution	(10,571,667)	(13,646,470)
Cumulative effect on adoption of EAS 47 & 48	206,744	-
Balance at end of the year	**455,993,850**	**397,505,366**

23. Retirement benefit obligations

Defined benefit obligation

Employees of the Company are entitled upon their retirement, partial or total disability or to an end of service gratuity based on a defined benefit plan. The entitlement is based on the length of service and final remuneration package of the employee upon retirement. The defined benefit obligation is calculated using the projected additional unit method takes into consideration the principal actuarial assumptions as follows:

	2021	2020
Discount rate	14.6%	14.2%
Average salary increase rate	7%	7%
Life table	49 – 52	49 – 52

The amounts recognized at the statement of financial position date are determined as follows:

	2021	2020
Present value of obligations	7,433,004	7,603,402
Liabilities as per the statement of financial position	**7,433,004**	**7,603,402**

Movement in the liability recognized in the statement of financial position:

	2021	2020
Balance at beginning of the year	**7,603,403**	**7,707,629**
Interest expense	1,079,683	2,080,707
Current service cost	1,940,432	992,095
Gain on settlement of retirement benefit obligation	(130,304)	(452,394)
Total amount recognised in profit or loss	**2,889,811**	**2,620,408**
Remeasurement		
Benefit payments during the year	(3,060,210)	(2,724,635)
Balance at end of the year	**7,433,004**	**7,603,402**

24. Fair value measurement

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or pay the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, the most advantageous market for the asset or the liability.

The Company should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Company does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Company takes into consideration all information reasonably available.

Fair value measurement (Continued)

The table below shows the financial assets and liabilities at fair value in the separate financial statements at 31 December 2021 within the hierarchy of the fair value, based on the input levels that are considered to be significant to the fair value measurement as a whole:

- Level 1 - Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities, which the Company can have access to at the date of measurement.
- Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3- Unobservable inputs of the asset or the liability, fair value of derivative financial instruments are measured within this category.

The fair values of financial instruments are not materially different from their carrying values. The fair value of financial assets and liabilities are considered at the amount at which the instrument could be exchanged in a current transactions between willing parties. The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents, trade receivables, other financial assets, due from related parties, trade and other payables and due to related parties approximate their carrying amounts, largely due to the short-term maturities of these instruments.

- Fair value of bank borrowings approximates its book value since the loans bears floating market rate of interest hence the loans principal approximate fair value.

- Fair value of its financial assets at fair value through profit or loss was determined using market comparison technique. The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities, and the revenue and EBITDA of the investee.The estimate is adjusted for the net debt of the investee. This is a level 2 recurring Fair value measurement using significant observable input.
- The fair value of put and call options were determined using significant unobservable input within level 3 within the fair value hierarchy as follows:

  The fair value was determined using Black-Scholes-Merton options pricing model.

  Earnings before interest, tax, depreciation and amortization "EBITDA"; this was determined in accordance with a projected business plan approved by management.

Maturity	1.6 years for the put option
Volatility	Assumed to be 59.25% based on the EGX 30
Risk free rate	Estimated to be 13.44 % based on the yield of Egyptian Government Bonds maturing closest to the maturity date of the options

Regarding the exercise dates of the put and call options, for the assessment of fair value, the management assumed that the put option would be exercised earlier than the time when the call option becomes exercisable. Therefore, the call option is expected to expire before it becomes exercisable and therefore, assigned a zero value as at 31 December 2020.

Sensitivity of fair value to the changes in significant inputs:
If the risk-free rate increase / decrease in by 1% with the rest of the inputs remaining constant, the fair value of the put option will decrease / increase by EGP 3 million.

If the volatility rate increase / decrease by 1% with the other inputs remaining constant, the fair value of the put option will decrease / increase by EGP 1 million.

25. Deferred tax liabilities

a. Recognized deferred tax liabilities:

	2021	2020
Retirement benefits obligations	1,672,426	1,710,766
Depreciation Property, plant and equipment	(5,715,790)	(4,336,589)
Unrealized revaluation gain of fair value investment	-	(36,204,980)
Tax effect of unrealized foreign currency	(342,776)	610,223
	(4,386,140)	**(38,220,580)**

b. deferred tax assets liabilities movement:

	Retirement benefit obligation	Depreciation of Property, plant and equipment	Unrealized revaluation gain of fair value investment	Tax effect of unrealized foreign currency	Total
Balance at 1 January 2020	**1,734,217**	**(4,077,053)**	**(27,158,830)**	**(1,297,420)**	**(30,799,086)**
Tax charged on the statement of profit or loss (Note 34)	(23,451)	(259,536)	(9,046,150)	1,907,643	**(7,421,494)**
Balance at 31 December 2020 and 1 January 2021	**1,710,766**	**(4,336,589)**	**(36,204,980)**	**610,223**	**(38,220,580)**
Tax charged on the statement of profit or loss (Note 34)	(38,340)	(1,379,201)	36,204,980	(952,999)	**33,834,440**
Balance at 31 December 2021	**1,672,426**	**(5,715,790)**	-	**(342,776)**	**(4,386,140)**

26. Revenue from contracts with customers

	2021	2020
Local sales	715,246,813	528,853,523
Export sales	105,735,781	163,980,106
Total	**820,982,594**	**692,833,629**

Timing of revenue recognition is as follows:

In Egyptian Pound	Note	2021	2020
At a point in time		45,556,149	-
Over time		775,426,445	-
Total revenue from contracts with customers		**820,982,594**	**-**

Assets and liabilities arising from contracts with customers

The Company has recognised the following assets and liabilities arising from contracts with customers:

In Egyptian Pound	Note	31 December 2021	31 December 2020
Current contract assets from contracts with customers*		8,906,099	-
Expected credit loss allowance		-	
Total current contract assets		**8,906,099**	-
current assets recognised for costs incurred to obtain or fulfil a contract			
Contract liabilities – advances from customers		9,436,492	-
Total current contract liabilities	(18)	**9,436,492**	

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Revenue from contracts with customers (continued)

The movement of Contract assets and contact liabilities from contracts with customers during the period represented in the following :-

Contract assets

In of Egyptian Pounds	2021	2020
		-
Contract assets on adoption of EAS 48 as of January 1,2021	**13,822,840**	
Add: Revenue recognized during the year According to EAS 48	820,982,594	-
Less: Billing during the period	(825,899,335)	-
Contract assets as of December 31,2021	**8,906,099**	-

Contract liabilities

	2021	2020
Beginning balance on adoption of EAS 48 as of January 1,2021	**9,163,652**	
Deduct: Revenue recognised during the year	(9,163,652)	
Add: Advance from customers arisen during the year	9,436,492	
Contract liabilities as of 31 December 2021	**9,436,492**	

The Company applies the EAS 47 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days outstanding as unbilled. The contract assets relate to unbilled work in progress and have substantially similar risk characteristics as the trade receivables for the same types of contracts. However, the longer the contract asset is outstanding the higher is the increased risk that it will not be collected.

The expected loss rates are based on the past data collected over a period of 48 months (31 December 2020: 36 months) prior to the end of the reporting period and the corresponding historical losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified (the gross domestic product) of Egypt to be the most relevant indicators, and accordingly adjusts the historical loss rates based on expected changes in these variables.

All the outstanding contract assets are less than 90 days.

27. Cost of sales

	2021	2020
Goods purchased for sale	322,258,647	166,612,408
Raw material and consumables used in production	109,023,169	189,993,293
Water and electricity	77,189,307	69,780,447
Salaries and fringe benefits	51,149,429	45,131,952
Depreciation and amortization	28,245,257	25,082,135
Maintenance expenses	17,017,253	14,800,367
Exports expenses	13,114,858	22,152,917
Change in inventory	9,627,416	22,912,521
Short term lease	3,791,081	1,308,262
Insurance	3,054,808	1,529,137
Other expenses	1,494,925	534,183
Professional and consultancy fees	339,020	205,148
	636,305,170	**560,042,770**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

28. Selling and marketing expenses

	2021	2020
Salaries and fringe benefits	9,120,113	11,066,472
Short term lease	5,165,084	5,356,868
Other expenses	3,327,116	90,142
Water and electricity	2,083,144	688,471
Insurance	1,553,687	777,522
Marketing and advertisement expense	1,397,004	2,251,205
Maintenance expenses	801,324	949,814
Depreciation and amortization	761,542	596,562
Office tools	321,415	326,614
	24,530,429	**22,103,670**

29. General and administrative expenses

	2021	2020
Salaries and fringe benefits	32,094,352	28,881,540
Other expenses	3,632,637	997,483
Depreciation and amortization	3,315,945	3,414,181
Short term lease	2,617,857	2,155,175
Maintenance expenses	1,732,257	1,880,155
Water and electricity	1,269,221	1,604,526
Marketing and advertisement expense	1,223,140	1,540,098
Professional and consultancy fees	707,869	2,825,324
Office tools	337,895	369,838
Insurance	246,441	227,230
Vehicle and transportation	202,271	198,817
	47,379,885	**44,094,367**

30. Other operating expense

	2021	2020
Other expenses	17,117,834	27,651,297
Other provisions (Note 15)	7,919,000	4,479,749
Loss on sale of Property, plant and equipment	-	1,489,741
Expected Credit loss allowance (Note 10)	300,296	775,650
	25,337,130	**34,396,437**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

31. Other operating income

	2021	2020
Gain from sale of investment*	17,054,602	23,024,242
Government grant-export subsidy	9,957,722	9,321,433
Scrap sales	3,509,321	2,367,372
Gain from fair value on financial assets at fair value through profit or loss	-	40,205,113
Insurance recovery relating to fire	-	20,190,000
Provision no longer required (Note 10)	482,355	-
Other income	2,090,082	-
	33,094,082	**95,108,160**

*On 14 July 2021, MEG has issued a notice to exercise its put option right pursuant to the terms of the shareholders agreement dated 17 September 2018, and the amount stated above is representing gain from selling of the remaining 15.6% of MEDCO Company shares.

32. Finance costs

	2021	2020
Interest expenses	34,847,173	45,051,022
Refinancing transaction cost	1,299,164	8,686,912
Foreign currency exchange losses	207,888	3,874,270
Bank charges	1,198,711	-
Export subsidy early settlement loss *	1,253,030	3,953,059
	38,805,966	**61,565,263**

* This amount represents the loss resulted from settling long term export subsidy receivables under the early settlement initiative announced by the Minister of Finance. Under this initiative, the Company received a lump-sum payment from one of the commercial banks against a 15% discount from the total amount due.

33. Interest income

	2021	2020
Interest income	2,381,141	167,106
Foreign currency exchange gain	-	-
	2,381,141	**167,106**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

34. Income tax expense

	2021	2020
Current income tax (Note 25)	(49,785,262)	(5,404,107)
Deferred income tax (Note 19)	33,834,440	(7,421,494)
	(15,950,822)	**(12,825,601)**

	2021	2020
Profit before tax	**84,804,229**	**65,201,396**
Tax calculated using enacted tax rate	19,080,952	14,670,314
Non-deductible expenses for tax purpose	3,132,852	3,324,263
Deductible expenses / Non Deductible revenues for tax purpose	29,097,628	(9,679,634)
Difference between Accounting Depreciation & Taxable Depreciation	(1,526,170)	(2,910,836)
Deferred income tax	(33,834,440)	7,421,494
Income tax	**15,950,822**	**12,825,601**

35. Earnings per share

Basic and diluted earnings / (loss) per share is calculated by dividing the net profit / (loss) attributable to the shareholders of the parent Company by the weighted average number of ordinary shares issued, after considering the proposed employees' profit share.

A. Basic earnings per share

	2021	2020
Net profit attributable to owners' equity	57,973,540	52,375,795
Weighted average number of issued and paid shares	50,322,580	50,322,580
Basic Earning per share	**1.15**	**1.04**

B. Diluted earnings per share

	2021	2020
Net profit attributable to owners' equity	57,973,540	-
Weighted average number of issued and paid shares	65,291,580	-
Diluted earnings per share	**1.13**	-

*Weighted average number of shares used as the denominator	
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share:	50,322,580
*Adjustments for calculation of diluted earnings per share:	
Potential ordinary shares	14,969,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share:	**65,291,580**

On 31 October 2021 the board of directors' Approved the proposal to increase the company's issued share capital by 14,969,000 shares through inviting the existing shareholders to subscribe to the additional shares, each in proportion to his contribution in the company's capital share to be financed in cash and - or the credit balances pertaining to shareholders.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

36. Financial instruments by category

Financial assets	Loans & receivables		Fair value P&L	
	2021	2020	2021	2020
Assets as per statement of financial position				
Trade and notes receivables	103,392,294	64,871,397		-
Other receivables*	40,692,598	47,865,477		
Cash and cash equivalents	297,039,629	114,093,069	-	-
Due from related parties	574,248,668	501,125,055	-	-
Financial assets at amortized costs	12,943,326	-	-	-
Financial assets at fair value through profit or loss	-	-	-	160,911,026

Financial liabilities	Other financial liabilities		Fair value P&L	
	2021	2020	2021	2020
Liabilities as per statement of financial position				
Bank borrowings	369,377,878	369,612,439	-	-
Trade and notes payables	51,465,117	73,957,581	-	-
Bank overdrafts	97,996,933	98,436,568	-	-
Accrued expenses and other payables**	70,318,586	60,814,976	-	-
Due to related parties	110,043,722	9,699,934		-

* Other receivables presented above excludes prepaid expenses, advances to suppliers and tax receivable.

** Accrued expenses and other payables presented above excludes advances from customers, social insurance authority and tax liabilities.

37. Segment reporting

The Company's activities are organised into one segment which is wholly related to the manufacturing and sale of glass containers. This is in accordance with the presentations to the Board of Directors. Therefore, entity wide information required under EAS 41 "operating segments" are already included in the financial statements so no further information requires disclosure.

38. Contingencies

The Company had contingent liabilities in respect of letters of guarantees and letter of credit arising in the ordinary course of business from which it is anticipated that no material liabilities will arise to third parties amounting to LE 2,313,168 as of 31 December 2021 (2020: LE 642,281).

39. Covid-19 implication

In response to the spread of the Covid-19 pandemic in Egypt and other territories and its resulting disruption to the social and economic activities in those markets, the Company's management has proactively assessed its impact on its operations and has taken a series of preventative measures, including the creation of on-going crisis management teams and processes, to ensure the health and safety of its employees, customers, consumers and the wider community as well as to ensure the continuity of supply of its products throughout its markets.

The Company manufactures and sells glass containers to its customers who operate in the food, beverage and pharmaceutical industries. These industries currently remain largely unaffected as they are exempt from the bans and constraints imposed by various regulatory authorities including exemption from lock-down hours and cargo shipping and flight operations restrictions. Based on these factors, management believes that the Covid-19 pandemic has had no material effect on the Company's reported financial results for year ended 31 December 2021. The management continues to monitor the situation closely.

Covid-19 implication (continued)

However, as explained above, the Company has reviewed the key sources of estimate uncertainties disclosed in the last annual consolidated financial statements against the backdrop of Covid-19 pandemic as follows:

Impairment of non-financial assets: There are no indicators of impairment in the activities of the business, as all the cash generating units are operating at normal capacity while the gross margin remains consistent with prior periods and budget. Impairment of financial assets: The Company manufactures its products in accordance with customers' specifications under enforceable contracts that specify prices and quantities to be delivered. As explained above, the Company's major customers are not affected by the situation, also there is not a substantial shift in the aging profile that would suggest financial difficulty of the counterparties. Hence there are no indicators of impairment in respect of the Company's financial assets subject to impairment measurement.

All other sources of estimate uncertainty remain similar to those disclosed in the annual consolidated financial statements. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.