

**Beta Glass Plc**  
**Unaudited Financial Statements**  
**For Nine months ended 30 September 2016**

# **Beta Glass Plc**

**For Nine months ended 30 September 2016**

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COMPLIANCE CERTIFICATE ON THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2016.

We hereby certify that:

- a) We the undersigned, have reviewed the report and
- b) based on our knowledge the report does not contain
  - i. any untrue statement of a material fact, or
  - ii. omit to state a material, which would make the statement misleading in the light of the circumstances under which the statement was made;
- c) based on our knowledge the financial statement and other financial information included in the report fairly present in all material respects the financial conditions and results of operations of the Company as of, and for the period presented in the report.
- d) We, the undersigned -
  - i. are responsible for establishing and maintaining controls
  - ii. have designed such internal controls to ensure that material information relating to the Company is made known to us by others within those entities particularly during the period in which the periodic reports are being prepared.
  - iii. have evaluated the effectiveness of the Company's internal controls as of date.



**MANAGING DIRECTOR**  
Darren Bennett-Voci



**FINANCIAL CONTROLLER**  
Sola Abodunrin  
FRC/2013/ICAN/0000002132

**Beta Glass Plc**  
**Statement of financial position**  
**As at 30 September 2016**

		<b>30 September 2016</b>	<b>31 December 2015</b>
	<b>Notes</b>	<b>N'000</b>	<b>N'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	10,813,338	11,657,119
Intangible assets	15	15,419	18,249
		<b>10,828,757</b>	<b>11,675,368</b>
<b>Current assets</b>			
Inventories	16	5,270,156	3,479,879
Trade and other receivables	17	10,377,253	8,014,021
Cash and cash equivalents	18	6,402,376	4,001,802
		<b>22,049,785</b>	<b>15,495,702</b>
<b>Total assets</b>		<b>32,878,542</b>	<b>27,171,068</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	19	-	-
Employee benefit obligation	20	2,828,103	2,577,718
Deferred taxation liabilities	21	2,095,031	1,488,219
		<b>4,923,134</b>	<b>4,065,937</b>
<b>Current liabilities</b>			
Borrowings	19	-	151,539
Trade and other payables	22	6,183,226	4,386,368
Current income tax liabilities	23	1,439,982	940,642
Dividend payable	24	59,886	48,457
		<b>7,683,093</b>	<b>5,527,006</b>
<b>Total liabilities</b>		<b>12,606,227</b>	<b>9,592,943</b>
<b>Equity</b>			
Ordinary share capital	25	249,986	249,986
Share Premium	25	312,847	312,847
Other reserves	26	2,429,942	2,429,942
Retained earnings	27	17,279,540	14,585,350
<b>Total equity</b>		<b>20,272,315</b>	<b>17,578,126</b>
<b>Total equity and liabilities</b>		<b>32,878,543</b>	<b>27,171,068</b>

**The notes on pages 6 to 29 are an integral part of these financial statements.**

## Beta Glass Plc

### Statement of profit or loss and other comprehensive income For Nine months period ended 30 September 2016

	Notes	For the period ended			
		3 months July-Sept 2016	9 months 30 September 2016	3 months July-Sept 2015	9 months 30 September 2015
		N'000	N'000	N'000	N'000
Revenue	6	5,568,260	13,340,989	3,934,542	11,523,961
Cost of sales	7	(3,733,589)	(10,353,136)	(2,759,970)	(8,753,106)
<b>Gross profit</b>		1,834,671	2,987,853	1,174,572	2,770,855
Selling and distribution expenses	7	(1,056)	(69,616)	(20,217)	(70,275)
Administrative expenses	7	(331,221)	(1,037,058)	(500,812)	(1,407,209)
Other income	8	126,825	250,206	98,319	189,570
Foreign exchange (loss)/gain	9	398,630	1,870,829	19,587	386,413
<b>Operating profit</b>		2,027,849	4,002,214	771,449	1,869,354
Finance income	10	109,765	292,200	84,901	413,262
Finance cost	10	(19,811)	(38,269)	(25,554)	(49,655)
Finance (costs)/income - net		89,954	253,931	59,347	363,607
<b>Profit before income tax</b>		2,117,803	4,256,145	830,796	2,232,961
Income tax expense	11	(677,698)	(1,361,967)	(235,308)	(632,483)
<b>Profit for the year</b>		1,440,105	2,894,178	595,488	1,600,478
<b>Other Comprehensive Income:</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Remeasurement loss on employee benefit obligation	20	-	-	-	-
Deferred tax credit on remeasurement loss on employee benefit obligation	21	-	-	-	-
<b>Other comprehensive Income (net of tax)</b>		0	0	0	0
<b>Total comprehensive income</b>		1,440,105	2,894,178	595,488	1,600,478
<b>Earnings per share for profit attributable to the equity holders of the company</b>					
Basic and diluted EPS (Naira)	12	2.88	5.79	1.19	3.20

**Beta Glass Plc**  
**Statement of changes in equity**  
**Nine months period ended 30 September 2016**

	Share Capital N'000	Share Premium N'000	Other Reserves N'000	Retained Earnings N'000	Total N'000
<b>Balance at 1 January 2016</b>	<b>249,986</b>	<b>312,847</b>	<b>2,429,942</b>	<b>14,585,350</b>	<b>17,578,125</b>
<b>Changes in Equity for 2016:</b>					
Profit for the period				2,894,178	2,894,178
<i>Other comprehensive income for the year:</i>					
Other comprehensive income for the year - net of tax				-	-
Total comprehensive income for the year	-	-	-	2,894,178	2,894,178
Dividend relating to 2015				(199,989)	(199,989)
<b>Balance at 30 September 2016</b>	<b>249,986</b>	<b>312,847</b>	<b>2,429,942</b>	<b>17,279,540</b>	<b>20,272,315</b>
<b>Balance at 1 January 2015</b>	<b>249,986</b>	<b>312,847</b>	<b>2,429,942</b>	<b>12,960,206</b>	<b>15,952,981</b>
<b>Changes in Equity for 2015:</b>					
Profit for the year	-	-	-	1,600,478	1,600,478
Other comprehensive income for the year - net of tax	-	-	-		-
Total comprehensive income for the year	-	-	-	1,600,478	1,600,478
Dividend relating to 2014 paid in the year	-	-	-	(309,983)	(309,983)
<b>Balance at 30 September 2015</b>	<b>249,986</b>	<b>312,847</b>	<b>2,429,942</b>	<b>14,250,701</b>	<b>17,243,475</b>

## Beta Glass Plc

### Statement of cash flows Nine months period ended 30 September 2016

		30 September 2016	30 September 2015
	Notes	N'000	N'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	28	3,612,260	4,359,831
Tax paid	23	(255,815)	(890,007)
Employee benefits paid	20	(98,720)	(52,663)
<b>Net cash generated from operating activities</b>		<b>3,257,726</b>	<b>3,417,161</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	14	(786,014)	(3,680,689)
Purchase of intangible assets	15	-	-
Proceeds from sale of property, plant and equipment		15,031	843
Interest income	10	292,200	189,860
<b>Net cash used in investing activities</b>		<b>(478,782)</b>	<b>(3,489,985)</b>
<b>Cash flows from financing activities</b>			
Repayment of term loan		-	-
Interest paid	10	(38,269)	173,747
Dividend paid	24	(185,289)	(309,983)
Returned unclaimed dividend received/(paid)	24	(3,271)	34,820
<b>Net cash from/(used in) financing activities</b>		<b>(226,829)</b>	<b>(101,416)</b>
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		2,552,114	(174,240)
Cash, cash equivalents and bank overdrafts at the beginning of the year	18	3,850,263	3,020,145
<b>Cash, cash equivalents and bank overdrafts at the end of the period</b>	18	<b>6,402,377</b>	<b>2,845,905</b>

# **Beta Glass Plc**

## **Notes to the Financial Statements**

**For Nine months period ended 30 September 2016**

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### **1. General information**

Beta Glass Plc (the Company) manufactures, distributes and sells glass bottles and containers for the leading soft drinks, wine and spirit, pharmaceutical and cosmetics companies. The Company has manufacturing plants in Agbara Ogun state and in Ughelli Delta state. Beta Glass Plc exports to some African countries including: Benin, Burkina Faso, Cameroun, Gabon, Gambia, Ghana, Guinea, Liberia, Mauritius, Senegal, Sierra Leone and Togo.

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

Beta Glass Plc is a subsidiary of Frigoglass Industries Nigeria Limited (the parent company) which holds 61.9% of the ordinary shares of the company. The ultimate controlling party is Frigoinvest Holdings B.V. Netherlands.

### **2. Summary of significant accounting policies**

#### **2.1 Basis of preparation**

These financial statements are the stand alone financial statements of the company.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) , including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). Further standards may be issued by the International Accounting Standards Board (IASB) and may be subject to interpretations issued by the IFRIC.

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

The financial statements comprise the statement of financial position, the statement of Profit or Loss and comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

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

#### **2.1.1 Going concern**

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



## **Beta Glass Plc**

### **Notes to the Financial Statements For the period ended 30 September 2016**

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#### **2. Summary of significant accounting policies (continued)**

##### **2.1. Changes in accounting policy and disclosure**

###### ***(a) New standards, amendments and interpretations adopted by the Company***

There followings are the new or amended accounting standards adopted for the first time by Beta Glass Plc during the period ended 30 September 2016.

Amendments to IAS 16, "Property plant and equipment" and IAS 38, "Intangible assets" to clarify when a method of depreciation or amortisation based on revenue may be appropriate. The amendment to IAS 16 clarifies that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate. The amendment to IAS 38 establishes a rebuttable presumption that amortisation of an intangible asset based on revenue generated by using the asset is inappropriate. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendments are effective Amendments to IAS 1, "Presentation of financial statements" gives clarification on materiality and aggregation, presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments form a part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be

###### ***(b) New standards, amendments and interpretations not yet adopted***

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statement. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The standard is effective for accounting periods beginning on or after 1 useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Company is assessing the impact of IFRS 15.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

## **Beta Glass Plc**

### **Notes to the Financial Statements For Nine months period ended 30 September 2016**

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#### **2. Summary of significant accounting policies (continued)**

##### **2.2 Segment reporting**

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

##### **2.3 Foreign currency translation**

###### *(a) Functional and presentation currency*

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

###### *(b) Transactions and balances*

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

##### **2.4 Property, plant and equipment**

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is di

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

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

Buildings 3%

Plant and machinery:

- Factory equipment and tools 10%
- Quarry equipment and machinery 20%
- Glass moulds 50%
- Other plant and machinery 10%

Furnaces 14%

Motor vehicles 20%

Furniture, Fittings and equipment:

- Office and house equipment 15%
- Household furniture and fittings 20%
- Computer equipment 25%

## **Beta Glass Plc**

### **Notes to the Financial Statements For Nine months period ended 30 September 2016**

#### **Summary of significant accounting policies (continued)**

##### **2.4 Property, plant and equipment (Continued)**

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

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

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

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

##### **2.5 Intangible assets**

Computer software

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

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

##### **2.6 Impairment of non-financial assets**

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

# **Beta Glass Plc**

## **Notes to the Financial Statements For Nine months period ended 30 September 2016**

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### **Summary of significant accounting policies (continued)**

#### **2.7 Financial assets**

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

##### **2.7.1 Classification**

Management determines the classification of its financial instruments at initial recognition.

The Company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting

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

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

##### **2.7.2 Recognition and measurement**

Loans and receivables are initially recognised at fair value and subsequently they are carried at amortised cost using the effective interest method.

##### **2.7.3 Impairment of financial assets**

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is 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 an event that occurred after the initial recognition of the asset and that loss event 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 debtor is experiencing financial difficulty, default in interest or principal payments, or the probability that they will enter bankruptcy and where there is an indication of a decrease in the estimated future cash flows.

For loans and receivables, the amount of the loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows. The carrying amount is reduced and the loss is recognised in profit or loss.

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

# **Beta Glass Plc**

## **Notes to the Financial Statements For Nine months period ended 30 September 2016**

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### **Summary of significant accounting policies (continued)**

#### **2.8 Financial liabilities**

Financial liabilities are at amortized cost. This include trade and other payables and bank overdrafts.

##### **Recognition and measurement**

Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method.

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

#### **2.9 Derecognition of financial instruments**

obligations have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

##### **2.9.1 Offsetting financial instruments**

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

#### **2.10 Inventories**

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

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

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

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

#### **2.11 Trade receivables**

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment for trade receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

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

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

## **Beta Glass Plc**

### **Notes to the Financial Statements For Nine months period ended 30 September 2016**

#### **Summary of significant accounting policies (continued)**

##### **2.12 Cash, cash equivalents and bank overdrafts**

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

##### **2.13 (a) Borrowings**

Borrowings are recognized initially at fair value, as the proceeds received, net of any transaction cost incurred. Borrowings are subsequently recorded at amortized cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

##### **(b) 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, added to the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale.

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

No borrowing costs were capitalised in 2016 (2015: Nil) as there were no qualifying assets.

##### **2.14 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is within one year or less. Otherwise, they are classified as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### **2.15 Current and deferred income tax**

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

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

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

## **Beta Glass Plc**

### **Notes to the Financial Statements For Nine months period ended 30 September 2016**

#### **Summary of significant accounting policies (continued)**

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

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

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

#### **2.16 Employee benefit obligation**

The company operates both the defined benefit (gratuity) and defined contribution pension plans for its employees.

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

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

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

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

Past-service costs are recognised immediately in income.

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

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

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

## **Beta Glass Plc**

### **Notes to the Financial Statements For Nine months period ended 30 September 2016**

#### **Summary of significant accounting policies (continued)**

##### **2.17 Export expansion grant**

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

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

- The exporter must be registered with the Nigerian Export promotion Council (NEPC)
  - An exporter must have a minimum annual export turnover of N5 million and evidence of repatriation of proceeds of export:
  - An exporter-company shall submit its baseline data which includes audited Financial Statement and information on operational
- An eligible exporter shall be a manufacturer, producer or merchant of products of Nigerian origin for the export market and  
as approved by the EEG Implementation Committee.

##### **2.18 Revenue recognition**

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

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied stated net of discounts, returns and value added taxes.

##### **Sales of goods**

Sale of glass bottles arises from both domestic and foreign sales to third parties. Revenue from the sale of goods is recognized when the significant risks and rewards of owning the goods are transferred to the buyer. Where goods are picked up by customers, risk is transferred immediately. Where goods are delivered, Beta Glass bears the risk in transit and the risk transfers when the goods are delivered. For export sales risk and rewards transfer when goods are loaded.

##### **2.19 Provisions**

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

##### **2.20 Dividend distribution**

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



## **Beta Glass Plc**

### **Notes to the Financial Statements For Nine months period ended 30 September 2016**

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#### **3 Financial risk management**

##### **3.1 Financial risk factors**

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

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

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

The Company's financial instruments consist of trade and other receivables and trade and other payables, bank overdraft, cash and cash equivalents

##### ***(a) Market risk***

###### **(i) Foreign exchange risk**

The Company is exposed to foreign exchange risks from some of its commercial transactions and recognised assets. The Company buys and imports some of the raw materials used for production, the payments for which are made in US Dollars. Receipts for sales of finished goods in Nigeria are in Naira whilst receipts for sales of finished goods to countries such as Angola, Benin, Burkina Faso, Cameroon, Gabon, Ghana, Mauritius, Sierra Leone and Togo are in US dollars. The Company makes payments and collects receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in the US dollar.

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

###### **(ii) Price risk**

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

###### **(iii) Interest rate risk**

The Company's interest rate risk arises from long-term borrowings. Borrowings are issued at floating rates exposing the Company to cash flow interest rate risk which is partially offset by cash held at variable rates. The Company's policy on managing interest rate risk is to negotiate favourable terms with the banks to reduce the impact of exposure to this risk and to obtain competitive rates for loans and for deposits.

##### ***(b) Credit risk***

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

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

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

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#### *(b) Credit risk (continued)*

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

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

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

#### **30 September 2016**

<b>Financial assets:</b>	<b>Neither past due nor impaired</b>	<b>Up to 90 days</b>	<b>91 - 150 days</b>	<b>Over 150 days</b>
Cash and cash equivalents (Note 18)	6,402,376	-	-	-
Trade receivables (Note 17)	1,854,159	598,935	11,089	29,123
Receivables from related parties (Note 17)	4,725,800	5,517	2,399	-
Staff advances (Note 17)	138,988	-	-	-
	<b>13,121,323</b>	<b>604,452</b>	<b>13,488</b>	<b>29,123</b>

#### **31 December 2015**

<b>Financial assets:</b>	<b>Neither past due nor impaired</b>	<b>Up to 90 days</b>	<b>91 - 150 days</b>	<b>Over 150 days</b>
Cash and cash equivalents (Note 18)	4,001,802	-	-	-
Trade receivables (Note 17)	1,188,483	1,306,749	62,795	29,855
Receivables from related parties (Note 17)	1,624,770	973,679	149,999	11,695
Staff advances (Note 17)	119,659	-	-	-
	<b>6,934,714</b>	<b>2,280,428</b>	<b>212,794</b>	<b>41,550</b>

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

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#### (c) Liquidity risk

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

Beta Glass Plc invests its surplus cash in interest bearing current accounts. At the reporting date the company had N3.8 billion in current accounts.

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

<b>30 September 2016</b>	<b>Less than 1 year N'000</b>	<b>Between 1 and 2 years N'000</b>	<b>Between 2 and 5 years N'000</b>	<b>Total N'000</b>
<b>Financial liabilities:</b>				
Trade and other payables excluding transaction taxes (Note 22)	5,943,685	-	-	5,943,685
Bank overdraft	-	-	-	-
	<b>5,943,685</b>	-	-	<b>5,943,685</b>
<b>31 December 2015</b>	<b>Less than 1 year N'000</b>	<b>Between 1 and 2 years N'000</b>	<b>Between 2 and 5 years N'000</b>	<b>Total N'000</b>
<b>Financial liabilities:</b>				
Trade and other payables excluding transaction taxes (Note 22)	4,182,045	-	-	4,182,045
Bank overdraft	151,539	-	-	151,539
	<b>4,333,583</b>	-	-	<b>4,333,583</b>

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

#### 3.2 Capital risk management

The objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to maximise returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued, or debt raised.

Consistent with others in the industry, the Company monitors capital on a monthly basis using the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as the sum of all equity components on the statement of financial position.

The gearing ratios at 30 June 2016 and 31 December 2015 are as follows:

	2016 N'000	2015 N'000
Total debt	-	151,539
Total equity	20,272,315	17,578,125
<b>Gearing ratio</b>	<b>0%</b>	<b>1%</b>

#### 3 Financial instruments which are carried at other than fair value

The carrying value of all financial assets and financial liabilities is a reasonable approximation of fair value. No further disclosure is required.

#### 4 Critical accounting estimates and judgements

##### Critical accounting policies and key sources of estimation uncertainty

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

##### *Plant and machinery*

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

##### **Deferred tax**

Deferred tax is the tax expected to be payable on differences between the carrying amounts of liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Such liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other liabilities in a transaction that affects neither the tax profit nor the accounting profit. Management has calculated the deferred tax liability based on estimated amounts of underlying transactions. Actual amounts may differ from estimated balances.

#### 5 Segment information

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

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

	September 2016		September 2015	
	N'000	%	N'000	%
Customer 1	2,878,485	22%	2,828,671	25%
Customer 2	2,388,951	18%	2,564,322	22%
Customer 3	2,325,405	17%	1,647,589	14%

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

	September 2016 N'000	September 2015 N'000
Local sales	11,713,406	10,186,769

Export sales	1,627,583	1,337,192
Total revenue	<u>13,340,989</u>	<u>11,523,961</u>

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

	<b>September 2016</b>	<b>September 2015</b>
	<b>N'000</b>	<b>N'000</b>
Operating profit	<u>4,002,214</u>	<u>1,869,354</u>

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

#### 6 Turnover

	3 months July-Sept 2016	9 months 30 September 2016	3 months July-Sept 2015	9 months 30 September 2015
	N'000	N'000	N'000	N'000
Sales of glassware and bottles in Nigeria	4,666,355	11,713,406	3,473,998	10,186,769
Export sales	901,905	1,627,583	460,544	1,337,192
	<b>5,568,260</b>	<b>13,340,989</b>	<b>3,934,542</b>	<b>11,523,961</b>

#### 7 Expenses by nature

	July-Sept 2016	30 September 2016	July-Sept 2015	30 September 2015
	N'000	N'000	N'000	N'000
<i>Cost of sales</i>				
Purchases (Material consumed)	(1,096,258)	(2,951,067)	(662,047)	(2,480,761)
Depreciation and amortisation charges (Note 14 & 15)	(539,907)	(1,599,221)	(454,385)	(1,472,189)
Technical assistance fees	(172,484)	(417,325)	(124,591)	(363,186)
Factory salaries and wages (Note 13)	(373,023)	(1,161,498)	(367,057)	(1,091,297)
Fuel, gas and electricity	(1,155,305)	(3,074,525)	(839,167)	(2,362,661)
Other factory overheads	(396,612)	(1,149,500)	(312,723)	(983,012)
	<b>(3,733,589)</b>	<b>(10,353,136)</b>	<b>(2,759,970)</b>	<b>(8,753,106)</b>
The Purchases represent Direct material consumed net off export incentive				
<i>Administrative expenses</i>				
Depreciation and amortisation charges (Note 14 & 15)	(5,523)	(19,037)	(6,259)	(18,950)
Auditors remuneration	(12,332)	(26,024)	(11,975)	(25,013)
Legal & professional fees	(2,262)	(60,766)	(49,608)	(102,591)
Salaries and wages (Note 13)	(101,807)	(326,112)	(98,210)	(305,450)
Pension costs - defined contribution plans (Note 13)	(26,450)	(79,686)	(26,693)	(80,555)
Interest on employee benefit obligation (Note 13)	(47,250)	(150,458)	(41,625)	(124,875)
Current service cost of employee benefit obligation (Note 13)	(66,216)	(198,648)	(60,198)	(180,594)
Directors' remuneration	(1,197)	(6,531)	(3,918)	(8,242)
Head office administrative charge (Note 30)	862	20,340	(126,288)	(385,760)
Travel and transportation and other administrative expenses	(21,732)	(64,429)	(19,106)	(55,420)
Donations	-	(50)	-	-
Other administrative expenses	(47,314)	(125,659)	(56,932)	(119,759)
	<b>(331,221)</b>	<b>(1,037,058)</b>	<b>(500,812)</b>	<b>(1,407,209)</b>
<i>Distribution costs</i>				
Selling and distribution expense	(1,056)	(69,616)	(20,217)	(70,275)
	<b>(1,056)</b>	<b>(69,616)</b>	<b>(20,217)</b>	<b>(70,275)</b>
Total cost of cost of sales, administrative expenses and distribution costs	<b>(4,065,866)</b>	<b>(11,459,810)</b>	<b>(3,280,999)</b>	<b>(10,230,590)</b>

#### 8 Other income

	July-Sept 2016	30 September 2016	July-Sept 2015	30 September 2015
	N'000	N'000	N'000	N'000
Profit / (Loss) on disposal of property plant and equipment	43	665	-	843
Surplus on transport charges recovered from customers, insurance claims and others	121,903	238,119	92,934	176,226
Proceed from sale of scraps	4,879	11,422	5,385	12,501
	<b>126,825</b>	<b>250,206</b>	<b>98,319</b>	<b>189,570</b>

**Beta Glass Plc****Notes to the Financial Statements****For Nine months period ended 30 September 2016****9 Foreign exchange gain**

	<b>July-Sept 2016</b>	<b>30 September 2016</b>	<b>July-Sept 2015</b>	<b>30 September 2015</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Foreign exchange (loss)/gains	398,630	1,870,829	19,587	386,413
	<b>398,630</b>	<b>1,870,829</b>	<b>19,587</b>	<b>386,413</b>

**10 Finance income and expenses**

	<b>July-Sept 2016</b>	<b>30 September 2016</b>	<b>July-Sept 2015</b>	<b>30 September 2015</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Finance income</b>				
Interest income	109,765	292,200	84,901	413,262
	<b>109,765</b>	<b>292,200</b>	<b>84,901</b>	<b>413,262</b>
<b>Finance cost</b>				
Interest expense and bank charges	(19,811)	(38,269)	(25,554)	(49,655)
	<b>89,954</b>	<b>253,931</b>	<b>59,347</b>	<b>363,607</b>

**11 Income tax expense**

	<b>July-Sept 2016</b>	<b>30 September 2016</b>	<b>July-Sept 2015</b>	<b>30 September 2015</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Income tax	478,320	1,230,741	209,760	561,431
Education tax	-	-	-	-
Prior year under provision	-	23,412	-	-
	478,320	1,254,153	209,760	561,431
Deferred tax provision	199,378	107,814	25,548	71,052
	<b>677,698</b>	<b>1,361,967</b>	<b>235,308</b>	<b>632,483</b>

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

#### 12 Earnings per share

holders of the company by the weighted average number of ordinary shares outstanding at

	July-Sept 2016	30 September 2016 N'000	July-Sept 2015	30 September 2015 N'000
Profit attributable to shareholders of the Company	1,440,105	2,894,178	595,488	1,600,478
Weighted average number of ordinary shares in issue	499,972	499,972	499,972	499,972
Basic Earnings per share (Naira)	2.88	5.79	1.19	3.20

convertible to ordinary shares

#### 13 Particulars of directors and staff

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

	30 September 2016	30 September 2015
	Number	Number
Management	298	297
Factory	352	352
Sales and Administration	9	10
	<b>659</b>	<b>659</b>

b benefits within the bands stated below were:

	30 September 2016	30 September 2015
	Number	Number
N200,001 - N400,000	-	-
N400,001 - N600,000	-	-
N600,001 - N800,000	-	32
N800,001 - N1,000,000	11	114
N1,000,001 - N1,200,000	64	51
N1,200,001 - N1,400,000	59	61
N1,400,001 - N1,600,000	53	75
N1,600,001 - N1,800,000	64	78
N1,800,001 - N2,000,000	68	53
N2,000,001 - N2,500,000	178	91
N2,500,001 - N3,000,000	69	36
Over N3,000,000	93	68
	<b>659</b>	<b>659</b>

c Staff costs for the above persons (excluding executive Directors):

	30 September 2016 N'000	30 September 2015 N'000
Wages and salaries	1,487,610	1,396,747
Pension costs - defined contribution plans	79,686	80,555
Interest on employee benefit obligation (Note 20)	150,458	124,875
Current service cost of employee benefit obligation (Note 20)	198,648	180,594
	<b>1,916,401</b>	<b>1,782,772</b>



## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

#### 14 Property plant and equipment - see pages 26 and 27

#### 15 Intangible Assets

	Computer Software N'000
<b>Cost</b>	
As at 1 January 2016	37,082
Additions	-
As at 30 September 2016	<u>37,082</u>
<b>Accumulated amortisation and impairment:</b>	
As at 1 January 2016	(18,833)
Amortisation charge for the period	<u>(2,830)</u>
As at 30 September 2016	<u>(21,663)</u>
<b>Net book value</b>	
As at 30 September 2016	<u>15,419</u>

The remaining amortization period of the intangible asset is between 2 and 3 years

#### 16 Inventories

	30 September 2016 N'000	31 December 2015 N'000
Raw materials - cost	898,425	738,729
Work in progress - cost	61,705	17,611
Finished goods - cost	2,317,433	1,475,101
Spare parts and consumables - cost	1,274,319	1,148,418
	<u>4,551,882</u>	<u>3,379,859</u>
Goods in transit - cost	718,273	100,019
	<u>5,270,156</u>	<u>3,479,879</u>

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

	30 September 2016 N'000	31 December 2015 N'000
Cost of inventories included in cost of sales	<u>3,170,321</u>	<u>3,870,178</u>

#### 17 Trade and other receivables

	30 September 2016 N'000	31 December 2015 N'000
Trade receivables	2,493,305	2,587,882
Unutilised Negotiable Duty Credit Certificates (Note 29)	1,067,598	1,067,598
EEG receivable (Note 29)	1,492,454	1,272,828
Prepayments	377,717	171,612
Other receivables	73,476	34,299
Staff advances	138,988	119,659
Receivables from related parties	4,733,717	2,760,143
Total	<u>10,377,253</u>	<u>8,014,021</u>

There is no impairment charge against trade receivables in 2016 (2015: Nil). All trade receivables are current.

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

#### 18 Cash and cash equivalents

	<b>30 September 2016 N'000</b>	<b>31 December 2015 N'000</b>
Cash in hand	971	564
Cash at bank	688,950	-
Domiciliary account balance	5,712,454	4,001,238
<b>Cash and cash equivalents</b>	<b>6,402,376</b>	<b>4,001,802</b>
For the purpose of the cash flow statement, cash and cash equivalents comprise of: cash in hand, cash at bank, and bank overdraft.		
Cash and cash equivalents	6,402,376	4,001,802
Bank overdrafts (Note 19)	0	(151,539)
	<b>6,402,376</b>	<b>3,850,263</b>

#### 19 Borrowings

	<b>30 September 2016 N'000</b>	<b>31 December 2015 N'000</b>
Bank overdraft	-	151,539
Term loan	-	-
	<b>-</b>	<b>151,539</b>

#### 20 Employee benefit obligations

	<b>30 September 2016 N'000</b>	<b>31 December 2015 N'000</b>
Balance at the beginning of the year	2,577,718	2,165,977
Charge during the year:		
Current service cost of employee benefit obligation	198,648	262,792
Interest on employee benefit obligation	150,458	166,500
Actuarial (gain)/ loss	-	80,000
Payment during the year	-98,720	-97,551
<b>As at 30 September 2016</b>	<b>2,828,103</b>	<b>2,577,718</b>

#### 21 Deferred tax liabilities

	<b>30 September 2016 N'000</b>	<b>31 December 2015 N'000</b>
The analysis of deferred tax liabilities is as follows:		
Deferred tax liability to be recovered after more than 12 months	2,095,031	1,488,219
Deferred tax liability to be recovered within 12 months	-	-
	<b>2,095,031</b>	<b>1,488,219</b>

The movement in deferred tax is as follows:

#### Deferred tax liability

	<b>30 September 2016 N'000</b>	<b>31 December 2015 N'000</b>
At start of year	1,488,219	1,135,472
Changes during the year:		
- Credit on actuarial loss from other comprehensive income	-	-24,000
- Charge/(credit) to profit or loss	107,814	376,747
- Prior year under provision	498,998	-
<b>As at 30 September 2016</b>	<b>2,095,031</b>	<b>1,488,219</b>

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

#### 22 Trade and other payables

	30 September 2016 N'000	31 December 2015 N'000
Trade payables	2,903,840	2,338,765
Social security and transaction taxes	239,541	204,325
Accrued expenses and other payables	1,831,748	1,192,625
Amounts due to related parties	1,208,097	650,654
	<b>6,183,226</b>	<b>4,386,368</b>

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

#### 23 Tax payable

	30 September 2016 N'000	31 December 2015 N'000
The movement in tax payable is as follows:		
At 1 January	940,642	1,344,347
Provision for the year (Note 11)	1,254,153	746,921
Payment during the year	(255,815)	(1,150,626)
Prior year over provision	(498,999)	
	<b>1,439,982</b>	<b>940,642</b>

#### 24 Dividend payable

	30 September 2016 N'000	31 December 2015 N'000
At 1 January	48,457	13,637
Dividend declared during the year	199,989	309,983
Non-statute barred unclaimed dividend received/(paid)	(3,271)	34,820
Dividend paid during the year relating to prior year (Note 27)	(185,289)	(309,983)
	<b>59,886</b>	<b>48,457</b>
Dividend per share (Naira)	0.40	0.62

#### 25 Share capital

##### a Authorised:

	30 September 2016 N'000	31 December 2015 N'000
600,000,000 ordinary shares of 50kobo each	300,000	300,000
Allotted, called up and fully paid:		
499,972,000 ordinary shares of 50k each	<b>249,986</b>	<b>249,986</b>

	2016		2015	
	Number of shares	Percentage	Number of shares	Percentage
Frigoglass Industries Nigeria Limited	309,391,133	61.88	309,391,133	61.88
Frigoinvest Holdings B.V	40,833,131	8.17	40,833,131	8.17
Delta State Ministry of Finance Incorporated	28,008,549	5.60	28,008,549	5.60
Others	121,739,187	24.35	121,739,187	24.35
	<b>499,972,000</b>	<b>100.00</b>	<b>499,972,000</b>	<b>100.00</b>

##### b Share premium

	30 September 2016 N'000	31 December 2015 N'000
Share premium	312,847	312,847

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

#### 26 Other reserves

	N'000
At 1 January 2015	2,429,942
As at December 2015	2,429,942
As at 30 September 2016	2,429,942

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

#### 27 Retained earnings

	30 September 2016 N'000	31 December 2015 N'000
At start of year	14,585,350	12,960,206
Dividend declared during the year relating to prior year (note 24)	(199,989)	(309,983)
Profit for the year	2,894,178	1,935,127
Returned unclaimed dividend	-	-
At end of period	17,279,540	14,585,350

#### 28 Cash generated from operating activities

	30 September 2016 N'000	30 September 2015 N'000
Profit before tax	4,256,145	2,232,961
<b>Adjustment for:</b>		
Depreciation of fixed assets (Note 14)	1,615,428	1,487,749
Amortisation of intangible assets (Note 15)	2,830	3,391
(Profit) /Loss on disposal of property, plant and equipment	(665)	(843)
Interest on employee benefit obligation (Note 20)	150,458	124,875
Current service cost of employee benefit obligation (Note 20)	198,648	180,594
Interest income (Note 10)	(292,200)	(189,860)
Interest expense (Note 10)	38,269	(173,747)
<b>Changes in working capital:</b>		
(Increase)/decrease in trade and other receivables	(2,363,233)	3,861,851
(Increase)/Decrease in inventories	(1,790,276)	(1,021,394)
Increase/(decrease) in trade and other payables	1,796,857	(2,145,745)
<b>Net cash generated from operations</b>	<b>3,612,260</b>	<b>4,359,831</b>

#### 29 Export expansion grant

The export expansion grant (EEG) scheme is a government scheme for the stimulation and development of the non-oil export sector. EEG rates are applicable to exporters under three categories, one of these is Manufacturing: processed to finished products of Nigerian origin which Beta Glass Plc falls under.

To qualify under this scheme, the qualifying export transaction must have the proceeds fully repatriated within 180 days from the date of export and as approved by the EEG Implementation Committee.

The EEG is recognised as a credit to cost of sales and a receivable is booked when there is objective evidence that the export proceeds have been repatriated into Nigeria.

	30 September 2016 N'000	31 December 2015 N'000
EEG receivable and unutilised Negotiable Duty Credit Certificates balance	2,560,051	2,340,425

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

#### 14 Property, plant and equipment - 30 September 2016

	Land N'000	Building N'000	Plant and Machinery N' 000	Furniture fittings and equipment N' 000	Motor Vehicles N' 000	Furnaces N' 000	Assets under Construction N' 000	Total N' 000
<b>Cost or valuation:</b>								
At 1 January 2016	168,540	1,721,777	17,962,196	374,288	563,569	6,517,105	766,247	28,073,722
Additions	-	26,426	1,247,716	6,313	65,794	32,804	(593,039)	786,014
Disposals	-	-	(183,911)	(5,559)	(5,940)	-	-	(195,410)
Reclassifications	-	-	-	-	-	-	-	-
<b>At 30 September 2016</b>	<b>168,540</b>	<b>1,748,203</b>	<b>19,026,001</b>	<b>375,042</b>	<b>623,423</b>	<b>6,549,909</b>	<b>173,208</b>	<b>28,664,326</b>
<b>Depreciation:</b>								
At 1 January 2016	-	505,629	11,556,376	334,179	404,886	3,615,533	-	16,416,603
Charge for the period	-	38,761	1,159,461	16,207	60,616	340,383	-	1,615,428
On disposals	-	-	(169,573)	(5,531)	(5,940)	-	-	(181,044)
Reclassifications	-	-	-	-	-	-	-	-
<b>At 30 September 2016</b>	<b>-</b>	<b>544,390</b>	<b>12,546,264</b>	<b>344,855</b>	<b>459,562</b>	<b>3,955,916</b>	<b>-</b>	<b>17,850,987</b>
<b>Net book value:</b>								
<b>At 30 September 2016</b>	<b>168,540</b>	<b>1,203,813</b>	<b>6,479,737</b>	<b>30,187</b>	<b>163,861</b>	<b>2,593,993</b>	<b>173,208</b>	<b>10,813,338</b>
<b>At 31 December 2015</b>	<b>168,540</b>	<b>1,216,148</b>	<b>6,405,820</b>	<b>40,109</b>	<b>158,683</b>	<b>2,901,572</b>	<b>766,247</b>	<b>11,657,119</b>

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

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

#### 14 Property, plant and equipment - 31 December 2015

	Land N'000	Building N'000	Plant and Machinery N' 000	Furniture fittings and equipment N' 000	Motor Vehicles N' 000	Furnaces N' 000	Assets under Construction N' 000	Total N' 000
<b>Cost or valuation:</b>								
At 1 January 2015	168,540	1,673,710	16,871,426	355,740	493,162	4,269,322	1,721,761	25,553,661
Additions	-	30,069	2,255,874	13,163	71,296	1,680,195	135,458	4,186,055
Disposals	-	-	(1,445,515)	-	(4,515)	(215,964)	-	(1,665,994)
Reclassifications	-	17,998	280,411	5,385	3,626	783,552	(1,090,972)	-
<b>At 31 December 2015</b>	<b>168,540</b>	<b>1,721,777</b>	<b>17,962,196</b>	<b>374,288</b>	<b>563,569</b>	<b>6,517,105</b>	<b>766,247</b>	<b>28,073,722</b>
<b>Depreciation:</b>								
At 1 January 2015	-	454,587	11,355,437	311,383	339,261	3,513,035	-	15,973,703
Charge for the year	-	51,042	1,640,929	22,796	70,140	318,461	-	2,103,368
On disposals	-	-	(1,439,990)	-	(4,515)	(215,963)	-	(1,660,468)
<b>At 31 December 2015</b>	<b>-</b>	<b>505,629</b>	<b>11,556,376</b>	<b>334,179</b>	<b>404,886</b>	<b>3,615,533</b>	<b>-</b>	<b>16,416,603</b>
<b>Net book value:</b>								
<b>At 31 December 2015</b>	<b>168,540</b>	<b>1,216,148</b>	<b>6,405,820</b>	<b>40,109</b>	<b>158,683</b>	<b>2,901,572</b>	<b>766,247</b>	<b>11,657,119</b>
<b>At 31 December 2014</b>	<b>168,540</b>	<b>1,219,123</b>	<b>5,515,989</b>	<b>44,357</b>	<b>153,901</b>	<b>756,287</b>	<b>1,721,761</b>	<b>9,579,958</b>

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

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

#### 30 Related parties

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

The Company is controlled by Frigoglass Industries Nigeria Limited which holds 61.9% (2014- 61.9%) of the company's issued ordinary shares. The remaining 38.1% of the shares are widely held. The ultimate holding company, Frigoglass S.A.I.C (incorporated in Greece).

The following companies are related parties of Beta Glass Plc:

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

Frigoglass Industries (Nigeria) Limited - Parent company

Frigoinvest Holdings B.V - Intermediate parent company

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

#### a Transactions with related parties

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

#### a(i) Sales of goods and services

	30 September 2016 N'000	31 December 2015 N'000
Sales of goods:		
Nigerian Bottling Company (NBC) Limited	2,878,485	3,747,910
	<b>2,878,485</b>	<b>3,747,910</b>

Goods are sold based on the price lists in force and credit period ranging from 30 to 60 days

#### a(ii) Purchases of goods and services

	30 September 2016 N'000	31 December 2015 N'000
Purchases of goods:		
Frigoglass Kato Achaia - common ultimate parent and ultimate controlling party	-	2,534
<b>Purchase of services:</b>		
Frigoglass Cyprus Limited		502,577
Frigoglass Global Limited	417,325	-
Frigoglass Industries (Nigeria) Limited	-	336,350
Frigoglass Jebel Ali	-20,340	202,539
	<b>396,985</b>	<b>1,041,466</b>

The transaction with Frigoglass Global Limited and Frigoglass Cyprus Limited were for the supply of technical expertise to Beta Glass Plc. The technical service fee represents 3% of net sales as approved by the National Office for Technology Acquisition and Promotion (NOTAP) certificate numbers 005961 and 005524 with maturity profile of three (3) years from 01 January 2016 to 31 December 2018 and 01 January 2013 to 31 December 2015 respectively. Also included in the technical service charge for the year is Value Added Tax (VAT) at 5% paid on the technical service fee.

## Beta Glass Plc

### Notes to the Financial Statements For Nine months period ended 30 September 2016

#### b Due to related companies

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

		<b>30 September 2016 N'000</b>	<b>31 December 2015 N'000</b>
	<b>Description</b>		
Kato Achaia ( Plant & SO Hellas )	Purchases of goods	-	2,534
Frigoglass Industries (Nigeria) Limited	Payments made on behalf of Beta Glass Plc	360,718	14,324
Frigoglass Cyprus Limited	Purchase of services	130,599	225,999
Frigoglass West Africa Limited	Receipt on behalf of Frigoglass West Africa	-	190,698
Frigoglass Jebel Ali ( Plant & SO )	Purchase of services	263,674	217,099
Frigoglass Global Limited	Purchase of services	453,106	-
		<u>1,208,097</u>	<u>650,654</u>

#### c Due from related companies

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

		<b>30 September 2016 N'000</b>	<b>31 December 2015 N'000</b>
	<b>Description</b>		
	Payments made by Beta Glass Plc on behalf of Frigoglass		
Frigoglass West Africa Limited	West Africa Limited	1,336,176	-
Nigerian Bottling Company Plc	Sales of Bottles and purchase of cullet	1,439,541	1,337,143
Frigoglass Industries (Nigeria) Limited	Intercompany treasury balances	1,958,000	1,423,000
		<u>4,733,717</u>	<u>2,760,143</u>

The receivables from related parties arise mainly from sale transactions which are due two months after the date of sales and intercompany treasury balances. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

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

#### 31 Contingent liabilities

##### Legal proceedings:

The company is presently involved in three (2) litigation suits as at 30 September 2016. The claims against the company from the suits amount to N1.36 billion (31 December 2015: N2.45 billion) as of reporting date. No provision has been made for these claims because based on legal advice, the directors believe that no significant loss will eventuate.

##### Guarantee on behalf of Frigoglass Finance B.V.

On 26 February 2015, the Company guaranteed Euro 30 million loan granted by Eurobank Private Bank Luxembourg SA to Frigoglass Finance B.V.

#### 32 Capital commitments

The company had no capital commitments as at 30 September 2016 (31 December 2015: Nil).

#### 33 Subsequent events

There were no other post balance sheet events which could have had a material effect on the state of affairs of the company as at 30 September 2016 and on the profit for the period ended on that date which have not been adequately provided for or recognised.

#### 34 Compliance with regulatory bodies

There was no penalty for non-compliance matters with respect to regulatory bodies for the period ended 30 September 2016 except the penalty of N6.77 million by The Security and Exchange Commission (SEC) for default in filing returns which is being contested as there were no default in filing well known to the management.