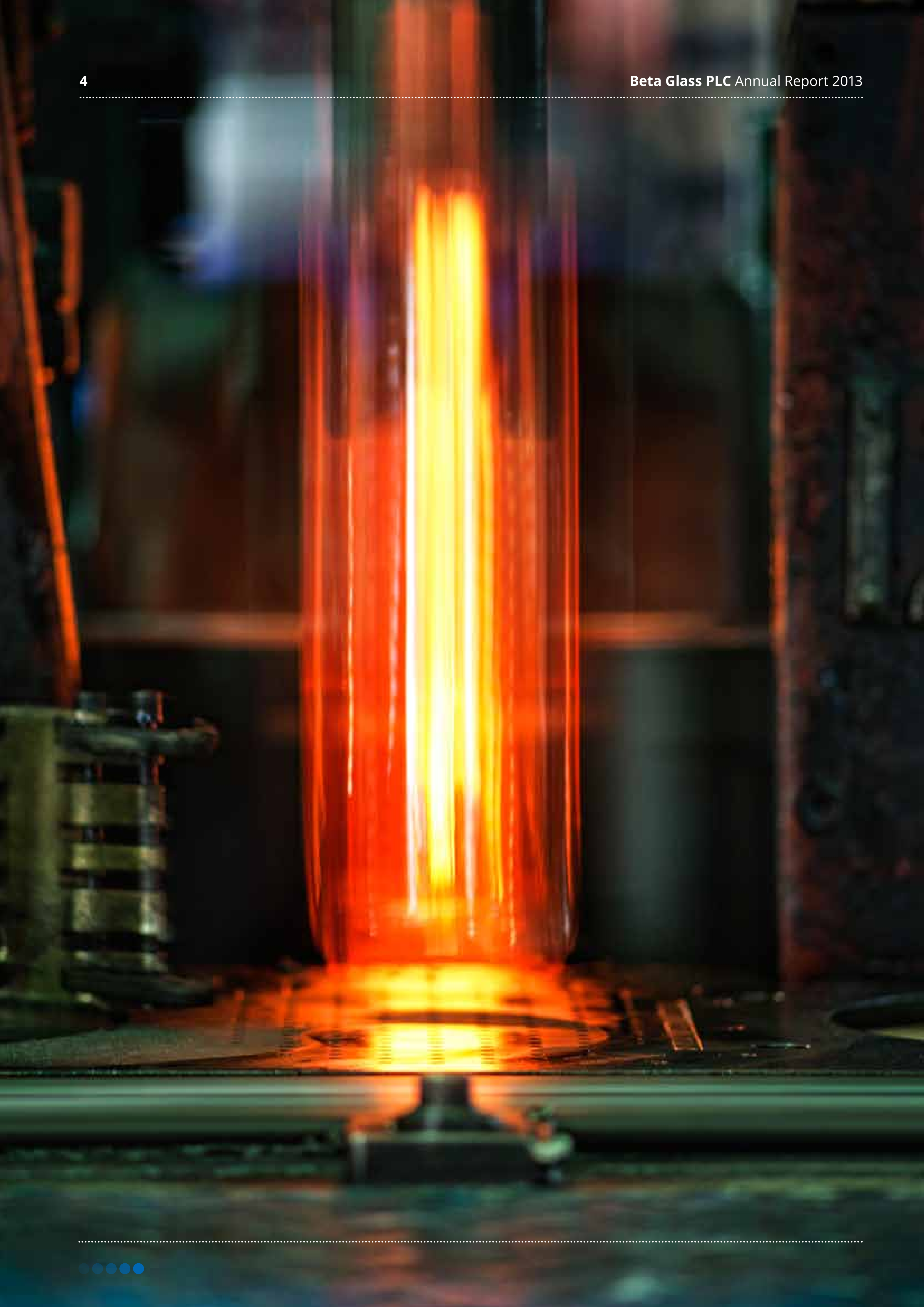
Beta Glass PLC

Annual Report 2013

RC No. 13215

Contents



Who we are

Beta Glass is a member of the Frigoglass Group, a strategic partner to beverage brands throughout the world. Beta Glass is the principal supplier of glass packaging in the high growth markets of West Africa.

Our operations represent West Africa's largest glass container capacity, encompassing two plants and three furnaces that exceed 600 tons of produced glass containers per day.

Through a wide range of glass containers, we provide superior packaging solutions to a variety of customers operating in the soft drinks, beer, spirit, cosmetics and pharmaceutical market segments.

We have recently invested in state-of-the-art equipment and systems as well as new product development initiatives that enable us to offer our customers value-adding solutions and innovative products.

Financial highlights

Results at a glance

	2013 N'000	2012 N'000	Increase (Decrease) %
Major statement of financial position			
Share capital	249,986	249,986	-
Share premium	312,847	312,847	-
Other reserves	2,429,942	2,429,942	-
Shareholders' funds	13,753,157	12,455,803	10
Total assets	27,166,481	22,456,567	21
Major profit and loss account items			
Turnover	14,096,123	12,932,549	9
Profit before income tax	2,043,293	1,857,089	10
Profit for the year	1,467,344	1,328,580	10
Information per 50 kobo ordinary share			
Basic earnings per share (Kobo)	293.49	265.73	10
Net assets per share (Naira)	27.51	24.91	10
Stock Exchange quotation - 31 December (Naira)	14.43	10.50	37
Market capitalization as at 31 December (N:Million)	7,215	5,250	37

Five-year financial summary

Turnover

Year	N' Million
2013	**14,096**
2012	12,933
2011	12,726
2010	11,168
2009	10,561

Profit After Tax (PAT)

Year	N' Million
2013	**1,467**
2012	1,329
2011	1,775
2010	1,472
2009	1,385

Shareholders' Fund

Year	N' Million
2013	**13,753**
2012	12,456
2011	11,327
2010	10,073
2009	8,524

Earnings per share (EPS)

Year	Kobo
2013	**293**
2012	**266**
2011	355
2010	295
2009	277

Company snapshot

We partner with our customers to offer them quality solutions and innovative products that support them in their key initiatives.

Beers and malt

Breweries (including malt) represent our largest customer segment accounting for 47% of total glass unit sales.

Soft drinks

Sales to soft drink companies account for 28% of our glass unit sales.

Wine and spirits

Wine and spirits represent 14% of our unit sales with an offering from proprietary to generic bottles.

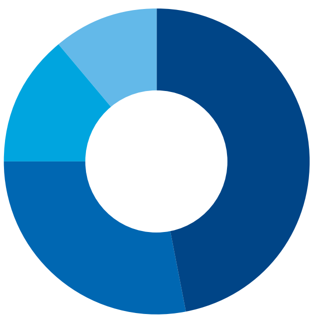
Pharmaceutical and cosmetics

This segment represents 11% of our glass unit sales. We manufacture glass containers for leading global pharmaceutical and cosmetic companies.

Revenue breakdown by customer segment

Sales per unit

Beers and malt	47 %
Soft drinks	28 %
Wine and spirits	14 %
Pharmaceutical and cosmetics	11 %



Markets

Beta Glass exports to 14 countries including:
Angola, Benin, Burkina Faso, Cameroon, Ethiopia, Gabon, Gambia, Ghana, Guinea, Liberia, Mauritius, Rwanda, Sierra Leone & Togo.

2 production plants

Guinea plant
Delta plant

Capacity

Number of furnaces:	**3**
Daily glass production:	**600 tons**

Capital expenditure

Capital expenditure amounted to **N1.76 billion in 2013**, directed primarily to machinery and equipment.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 40th Annual General Meeting of Beta Glass PLC will be held at Mainland Hotel, Ebute-Metta, Lagos on Tuesday, July 8, 2014 at 12.00 noon for the following purposes:

1. To lay before the meeting, the audited financial statements for the year ended December 31, 2013 and the Directors', Auditors' and Audit Committee's Reports thereon.

2. To re-elect Directors retiring in accordance with the Company's Articles of Association.

3. To declare a dividend.

4. To authorize the Directors to fix the remuneration of the Auditors.

5. To elect/re-elect shareholders' representatives on the Audit Committee.

A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.

All instruments of proxy duly stamped by the Commissioner of Stamp Duties in accordance with the Stamp Duties Act (Cap S.8 Laws of the Federation of Nigeria 2004) should be deposited with the Registrar at City Securities (Registrars) Limited, 358 Herbert Macaulay Way, Yaba, Lagos, not less than 48 hours before the time for holding the meeting.

By Order of the Board

Temidayo Olaofe (Mrs)
Company Secretary
FRC/2013/ICSAN/00000002145

IDDO HOUSE, IDDO, LAGOS
Dated this 25th day of March, 2014

Temidayo Olaofe (Mrs)
Company Secretary

Dividend Warrants

If the payment of a dividend of 38k per share as recommended by the Directors is approved, it is intended that the warrants will be posted on Wednesday, July 9, 2014 to holders of eligible shares whose names appear on the Register of Members on May 2, 2014.

Directors, officers and advisers

Directors

Chief Joseph Babatunde Oke, OON	Chairman
George Papachristou (Greek)	Managing Director
Chief Chris Avielele	Director
Haralambos (Harry) G David (Cypriot)	Director
Kolapo A Lawson	Director
John Mastoroudes (British)	Director
Abimbola Ogunbanjo	Director
Torsten Tuerling (German)	Director
Gerasimos Varvias (Greek)	Director

Secretary

Temidayo Olaofe (Mrs)

Registered office

Iddo House, Iddo, P O Box 159, Lagos
Phone: +234 1 280 6700, 234 1 774 0844
Fax: +234 1 280 6701

Registrar and transfer office

City Securities (Registrars) Limited
358 Herbert Macaulay Way,
Yaba, Lagos

Auditors

PricewaterhouseCoopers (Chartered Accountants)
252E Muri Okunola Street, Victoria Island, Lagos

Chairman's statement

Distinguished shareholders, ladies and gentlemen, it gives me great pleasure to welcome you to the 40th Annual General Meeting of our Company and to present to you the Annual Report and Financial Statements for the year ended December 31, 2013.

Economic environment

2013 witnessed diverse fortunes on the economic landscape of Nigeria.

Inflation was reduced as a result of strict monetary policies and GDP improved versus that of the previous year. It was noteworthy that, for most part of the year the official Naira rate against the US Dollar remained consistent within a narrow range supporting the stable economic conditions. The scourge of the Boko Haram sect appeared to continue unabated even though the Federal Government made efforts to halt the sect's activities and protect Nigerians from the sectarian violence.

Also affecting the country's economic environment was the slow pace in improving our infrastructure especially our road network and the continued challenges we face over power supply in general and power needs of our plants in particular.

We are strongly reliant on our energy requirements from natural gas, but were struggling with the Suppliers over agreement in prices and regular supplies. However, with the intervention of the Federal Government the matters were resolved amicably to ensure uninterrupted supplies and price alignments.

As our business depends largely on the supply of glass containers to major companies in the soft drinks and brewing industries, it is only if our clients improve their market shares that they would place higher orders with us for more glass containers. The average Nigerian's purchasing power and consumer spending drive our business and enable sustainability in the long run. The restricted disposable incomes of Nigerians also had a subdued effect on the Company's business for some period during the year.

On a brighter note, the Nigerian Stock Exchange is recovering from the trough of 2009 and the market has shown appreciable growth during the year. This can be seen from the increased value of our shares giving our shareholders better value for their investment.

Operating results

Despite all the challenges enumerated above, the Company achieved a turnover that was 9% higher than that of last year. It was also heartening to note that our efforts in containing costs and prudent financial management enabled us to deliver profits at a much higher level than the growth in the turnover for the year.

It was gratifying to note that our Export Grant payments have continued to be paid by the Federal Government, thus encouraging our export business. The process of export grants payments has been strengthened by the Federal Government by eliminating the nefarious activities of some companies and their claims. However it is important to mention that the Federal Government has decided to marginally reduce the export grants entitlements from the year 2014, but has strengthened the processing of claims for exporters and their timely release. As a major exporter in the non-oil sector, we shall continue to develop our export business after satisfying the domestic requirements of Nigeria.

Dividend

Your directors in recognition of the improvement of the earnings per share for the year ended December 31, 2013, have decided to recommend a dividend payout of 38 kobo per 50 kobo ordinary share.

Future outlook

The year promises to be interesting. With the forthcoming elections in 2015 there might be a possible increase in money supply as elections' spending rises. This could mean a growth in disposable income resulting in increased consumer spending of the average Nigerian.

The trickle-down effect of this scenario would be that our customers would require a greater number of glass containers to satisfy the demands of their own customers. This can only augur well for the Company.

Our Company plans to have a furnace rebuilt in our plant at Agbara in the year 2015. The furnace reconstruction has been managed to ensure that the high demand of 2014 is well satisfied while it minimizes the impact on operations for the following year.

Directors and staff

There were no changes in the Board during the year under review and members' untiring efforts contributed to the positive direction that the Company is heading.

Overall, the industrial relations atmosphere remained cordial and realizing that people are our greatest assets, training was imparted on a continuous basis. The Company's Glass Academy has proven invaluable to the training of our staff and the opportunity to travel abroad for further training has lifted the staff's morale and improved their skills.

I seize this opportunity to thank Management and staff for achieving these results despite the harsh economic climate under which we operated.

Conclusion

Despite the challenges that we face in our operations we shall continue to invest in skilled manpower and needed machinery, tooling and equipment to ensure uninterrupted production.

I would like to thank my colleagues on the Board for their contributions and the warm and cordial atmosphere within which our deliberations were held.

The communities within which we operate deserve mention for the cordial relationship that has existed over a great length of time.

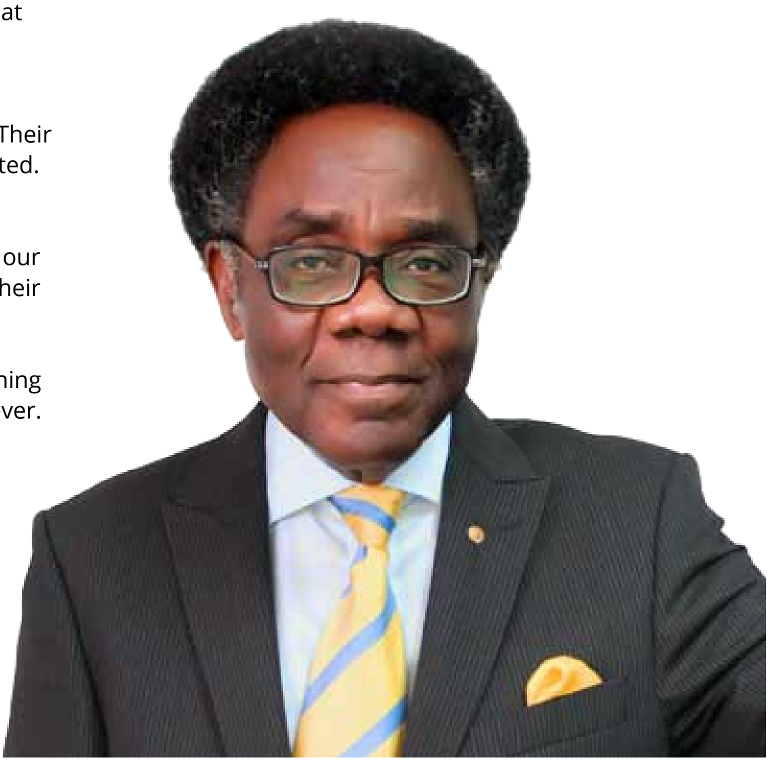
It would be remiss of me not to thank our Technical Partners for all the assistance given to the Company. Their unwavering commitment to our Company is appreciated.

Our appreciation goes to our customers who have entrusted the shape and supply of their containers in our hands. We hope to continue to partner with them in their quest for growth in the years to come.

Lastly, I thank you dear Shareholders for your unflinching support which only encourages us to do better than ever.

Thank you and God Bless

Chief Joseph Babatunde Oke, OON
Chairman



Board of Directors

Chief Joseph Babatunde Oke, OON
Chairman

George Papachristou (Greek)
Managing Director

Chief Chris Avielele
Director

Haralambos (Harry) G. David (Cypriot)
Director

Kolapo A Lawson
Director

John Mastoroudes (British)
Director

Abimbola Ogunbanjo
Director

Torsten Tuerling (German)
Director

Gerasimos Varvias (Greek)
Director

Directors' report

The Directors present to the members of the Company, the Annual Report together with the audited financial statements for the year ended December 31, 2013.

Principal activities

The principal activity of the Company is the manufacture and sale of glassware.

Results for the year

	2013 N'000	2012 N'000
Turnover	14,096,123	12,932,549
Profit before Taxation	2,043,293	1,857,089
Profit after Taxation	1,467,344	1,328,580

Appropriation of profit after taxation

The Directors recommend to the shareholders, the payment of a gross dividend of 38 Kobo per 50 kobo ordinary share to all shareholders on the Company's Register of Members as at the close of business on May 2, 2014. If the Directors' recommendation is approved by the shareholders, the profit after taxation of N1, 467,344, 000 will be appropriated as follows:

	N'000
Proposed Dividend (Gross)	189,989
Transfer to General Reserve	1,277,355

Directors

The Directors retiring by rotation in accordance with the Articles of Association are Mr. George Papachristou and Mr. John Mastoroudes. They being eligible offer themselves for re-election.

Record of Directors' attendance at meetings

Pursuant to Section 258(2) of the Companies and Allied Matters Act, the records of Directors' attendance at Board meetings during the year under review will be available for inspection at the Annual General Meeting.

Directors' interests in the shares of the company

As at January 1, 2013 and December 31, 2013 the interests of the Directors (and those who served on the Board during the year under review) in the issued share capital of the company as recorded in the register of members in compliance to Section 275 of the Companies and Allied Matters Act, were as follows:

Number of shares as at	31 Dec 2013	1 Jan 2013
Chief Joseph Babatunde Oke, OON	122,274	122,274
Mr. George Papachristou (Greek)	-	-
Chief Chris Avielele	27,474	27,474
Mr. Haralambos (Harry) G. David (Cypriot)	25,437	25,437
Mr. Kolapo A. Lawson*	100,000	100,000
Mr. John Mastoroudes (British)	-	-
Mr. Abimbola Ogunbanjo	-	-
Mr. Torsten Tuerling (German)	-	-
Mr. Gerasimos Varvias (Greek)	-	-

*Mr. Kolapo A. Lawson is a beneficiary in the Estate of Chief Adeyemi Lawson, which holds 2,710, 400 shares.

Save as disclosed above, the Company is not aware of any other interests of the directors in the share capital of the Company or of its Holding Company Frigoglass Industries (Nigeria) Limited as at 31 December, 2013 or at the date of this report.

Directors' interests in contracts

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, of any disclosable interests in contracts involving the Company either as at 31 December 2013 or at the date of this report.

Charitable gifts

In compliance with Section 38(2) of the Companies and Allied Matters Act, the Company did not make any donations or gifts to any political party, political association or for any political purpose during the year under review.

Corporate governance

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

Corporate social responsibility

It is the policy of the Company to try and improve on some amenities within its host communities. Thus during the year under review, the Company accomplished the following:

Renovation of a three classroom block in Eruemokohwarien Community of Delta State	N 3,045,000
Construction of 12 Lockup market stores in Ekakpamre Community of Delta State	N 2,900,000
4 Sewing machines donated to Joint National Association of Persons with Disabilities (Ughelli North Chapter)	N 80, 000
Rehabilitation of Agbara Community Bridge	N 730, 000
Office furniture donated to the Immigration office, Agbara, Ogun State	N 100, 000
Total cost	**N 6, 855, 000**

Significant changes in fixed assets

Movements in fixed assets during the year were as shown in note 14 on page 48 of the financial statements. In the opinion of the Directors, the market value of the Company's fixed assets is not less than as shown in the Balance Sheet.

Employment policies and training

The Company's employment policy ensures that opportunities are given to disabled persons. Disabled applicants are therefore given special consideration for employment having regard to the aptitudes and capabilities of each applicant.

The Company also has training programmes designed to ensure that employees who became disabled during their employment are not, for the sake of their disabilities, disadvantaged in their career development in the Company. The Company provides overseas and on-the-job technical training for employees' knowledge in glass production technology.

Health, safety and welfare of employees

The Company has standard in-plants clinics run by competent and qualified medical personnel where free medical services are provided for all staff. There are also stand-by ambulances for transfer of serious cases of illness to designated hospitals retained by the Company.
The Company provides free meals to its employees at the staff canteens.

There are contributory retirement benefit schemes for both management and junior employees of the Company. The schemes are in compliance with the provisions of the Pensions Reform Act 2004.

Employees' involvement

The Company consults with representatives of the workers union on important issues that affect the career of employees and the fortunes of the Company.

Employees' individual suggestions are entertained through the use of suggestion boxes strategically located in the Company's premises.

Auditors

Messrs. PricewaterhouseCoopers, having indicated their willingness, will continue in office as Auditors of the Company in accordance with Section 357 (2) of the Companies and Allied Matters Act.

By Order of the Board

Temidayo Olaofe (Mrs)
Company Secretary
FRC/2013/ICSAN/00000002145

IDDO HOUSE, IDDO, LAGOS
25th March, 2014

Corporate governance report

BETA GLASS PLC ("Company") is committed to the best practices in corporate governance; hence the Board is continually reviewing corporate governance standards and procedures in the light of the current developments in and outside Nigeria. It recognizes that corporate governance is fundamental to earning the confidence and trust of the shareholders and consequently provides the structure through which the objectives of the Company are set and the means of attaining such objectives.

The Board is guided in its Corporate Governance policies by the provisions of the Code of Corporate Governance ("the Code") which came into effect on April 1, 2011 and its policies are designed to ensure that the Company's business is conducted in a fair and transparent manner which conforms to high ethical standards. The governance framework helps the Board to discharge its roles of providing oversight and strategic counsel in balance with their responsibility to ensure conformity with regulatory requirements and acceptable risk.

In compliance with Section 34(4) of the Code, it is hereby reported as follows:

The Board of Directors

The Directors of the Company are professionals who are well established in various fields of endeavor such as Consultancy, Accountancy, Law, Insurance, Business, Engineering, etcetera, creating a good skills-mix and wealth of experience which they have brought to bear on deliberations at Board meetings and in the exercise of their oversight functions. The Board governs and supervises the overall activities of the Company through the Managing Director.

Composition of the Board of Directors

The composition of the Board of Directors of the Company is as follows:

Title	Name	Executive / Non- Executive	Independent	Date of Appointment
Chairman	Chief J B Oke, OON	Non-Executive		24/04/2008
Managing Director	George Papachristou (Greek)	Executive		28/03/2012
Member	Chief Chris Avielele	Non-Executive		28/09/2010
Member	Haralambos (Harry) G. David (Cypriot)	Non-Executive		24/04/2008
Member	Kolapo Lawson	Non-Executive		13/01/2000
Member	John Mastoroudes (British)	Non-Executive	Independent	28/09/2010
Member	Abimbola Ogunbanjo	Non-Executive		28/09/2010
Member	Torsten Tuerling (German)	Non-Executive		05/12/2012
Member	Gerasimos Varvias (Greek)	Non-Executive		24/04/2008

The roles of the Board of Directors

The Charter provides for the following as the roles and responsibilities of the Board of Directors:

- Strategy and Planning
- Staffing at Board and Senior Management Levels & Succession Planning
- Executive Remuneration
- Performance Monitoring
- Risk Management and Internal Control
- Capital Management and Financial Reporting
- Communication with the shareholders and Management of Investor relations
- Audit and Compliance

The Board was fully aware of its responsibilities which primarily involve the creation of stakeholder value and ensuring the success of the Company. The Board is responsible for ensuring that the affairs of the Company are run in an efficient manner and in compliance with applicable regulations. Members of the Board are required at all times to act in the best interest of the Company in the articulation and formulation of its strategic direction. The Board of Directors is dedicated to ensuring that the Company achieves its objectives. The Board met four times during the year, on the following days: March 26, 2013, July 3, 2013, October 3, 2013 and December 5, 2013.

Attendance at meetings by Directors

The following is the list of the directors and their attendance at meetings during the year:

	Board	Audit Committee
Number of Meetings	**4**	**4**
Chief Joseph Babatunde Oke, OON	4	N/A
George Papachristou (Greek)	4	2
Haralambos (Harry) G. David (Cypriot)	0	N/A
Kolapo Lawson	2	N/A
Chief Chris Avielele	4	3
John Mastoroudes (British)	2	1
Abimbola Ogunbanjo	4	4
Gerasimos Varvias (Greek)	2	N/A
Mr. Torsten Tuerling (German)	1	N/A

The Directors retiring by rotation in accordance with the Articles of Association are Mr. George Papachristou and Mr. John Mastoroudes. They being eligible, offer themselves for re-election.

The biographical details of the Directors seeking election/re-election are as stated below:

Mr. George Papachristou

Mr. George Papachristou, the Company's Managing Director, holds an MBA and has almost 30 years' experience and a proven track record with major international companies such as Coca-Cola, Frigoglass and PepsiCo, working in places like Zambia, Greece and Nigeria.

Mr. John Mastoroudes

Mr. John Mastoroudes has lived and worked in Nigeria for several decades and has worked in various management roles in several companies including Carpet Royal Nigeria Ltd and Flour Mills of Nigeria PLC. He is also currently a director at the Lekki Port LFTZ Enterprise.

The Board is in the process of establishing a formal annual evaluation of its performance, those of its committees, the chairman and individual directors. The Board determined that the performances of its Chairman and Directors were considered satisfactory.

The Audit Committee

The Audit Committee is composed of 6 members made up of three representatives of the shareholders elected at the 2012 Annual General Meeting for tenure of one year, and three representatives of the Board of Directors nominated by the Board. The Chairman of the Committee, Professor C A Osuntogun, OFR in compliance with the requirements of Corporate Governance is a shareholder representative. The Committee met three times in the year, on the following days: 2 February 2013, March 22, 2013, September 24, 2013 and November 12, 2013 (Plant Visit).

Composition

1	Professor Caleb Adeniyi Osuntogun, OFR	Shareholder/Chairman
2	Mr. Abimbola Ogunbanjo	Director/Member
3	Chief Chris Avielele	Director/Member
4	Chief Simeon Akinyemi Odubiyi	Shareholder/Member
5	Mr. Peter Knight Okoh	Shareholder/Member
6	Mr. George Papachristou (resigned w.e.f. 03.07.2013)	Director/Member
7	Mr. John Mastoroudes (appointed w.e.f 03.07.2013)	Director/Member

Members' attendance at the audit committee meetings during the financial year ended 31 December 2013 is as stated below:

Professor Caleb Adeniyi Osuntogun, OFR	3/4
Mr. Abimbola Ogunbanjo	4/4
Chief Simeon Akinyemi Odubiyi	4/4
Chief Chris Avielele	3/4
Mr. Peter Knight Okoh	4/4
Mr. George Papachristou *	2/4
Mr. John Mastoroudes *	1/4

*Mr. George Papachristou attended the 2 meetings that were held before his resignation in July 3, 2013 while Mr. John Mastoroudes attended one out of the two meetings that held after his appointment in July 3, 2013.

In 2013 the Audit Committee:

- reviewed the results of the audits undertaken by the Internal Audit department and considered the adequacy of management's responses to the matters raised, including the implementation of any recommendations made.
- reviewed and approved the 2013 Internal Audit programme, including the proposed audit approach, coverage and allocation of resources.
- reviewed the effectiveness of Internal Audit, taking into account the views of directors and senior management on matters such as independence, proficiency, resourcing, and audit strategy, planning and methodology.
- reviewed regular reports on control issues of Company level significance, including details of any remedial action being taken. It considered reports from the Internal and external auditors on the Company's systems of internal control and reported to the Board on the results of its review.

The Internal Audit department is an independent function that ensures that all operations are executing their duties in accordance with the corporate objectives, policies and procedures. In particular, Internal Audit seeks to ensure that internal financial control systems across the Company remain robust and consistent.

The Internal auditor acts according to the International Standards for the Professional Practice of Internal Auditing and the policies and procedures of the Company, and reports directly to the Audit Committee

Corporate governance report (continued)

Human resources and remuneration committee

During the year under review, the Board of Directors established a Human Resources and Remuneration Committee to continually review the Company's Human Resources Policies, Procedures, Programmes, Compensation and Benefit Policies for all employees.

The Company now has in existence a "Speak Up" Policy which encourages Whistle Blowing. It was decided by the Board that the Human Resources and Remuneration Committee should also oversee the implementation of this "Speak Up" policy.

The Committee is made up of the following Directors:

Mr. Abimbola Ogunbanjo	Chairman
Mr. Kolapo Lawson	
Mr. John Mastoroudes	
Mr. George Papachristou	

The inaugural meeting took place on Thursday March 20, 2014 and was attended by all members.

Financial reporting, communication and internal control

The Company produces a detailed Annual Report and Financial Statements, which provide insight about the business and its financial results, according to relevant international and local standards and regulations. The annual report is sent to every shareholder ahead of the Annual General meeting. The Company publishes full and half year results and also provides quarterly forecasts as required by the Investment and Securities Act 2007. The results are published in two national dailies with wide circulation. All the financial information released for public consumption is approved by the Board. The share price sensitive information is disseminated simultaneously to all shareholders without giving any preferential treatment to anyone.

The Company put in place adequate internal control procedures which include an independent audit function reporting to the audit committee. The internal audit function assists the Directors and management to maintain effective controls through periodic evaluation to determine the effectiveness and efficiency of the Company's internal control systems and make recommendations for enhancement or improvement.

The Directors having gone through the reports of the audit committee are satisfied with the adequacy and effectiveness of internal control framework existing in the Company.

Code of Business Conduct

Beta Glass PLC is a member of Frigoglass SAIC and follows the Code of Business Conduct (CoBC) for Frigoglass group companies. The CoBC constitutes an integral part of responsible corporate governance to which the Frigoglass Group including Beta Glass Plc has committed itself. The CoBC can be accessed at **http://www.frigoglass.com/sites/default/files/Code%20of%20Business%20conduct_31.01.12.pdf** and provides guidance on achieving corporate objectives through operating with honesty, fairness and integrity. The CoBC contains the following amongst others:

- Corporate values
- Compliance with laws and regulations
- Commitment to and expectations of our employees
- Our responsibilities to customers, suppliers and markets
- Our commitment to shareholders
- Our responsibilities to the public

The Company's sustainability policies and programmes covering such issues as corruption, community service, environmental protection, HIV/AIDS and matters of general corporate social responsibility are covered by CoBC.

The CoBC is subscribed to by all members of the Board of Directors, Managers and all Employees of the Company. The Company mandates strict adherence to the Code in the Company's day to day operations.

Compliance with the Code's provisions

The Board after a careful review of the provisions of the code with the assistance of Company Secretary is of the opinion that the Company's corporate governance practices and structure are in compliance with the provisions of the Code.

Statement of Directors' responsibilities

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

a) ensuring that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act;

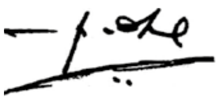
b) designing, implementation and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and

c) preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.



Chief Joseph Babatunde Oke, OON
Chairman

25 March 2014
FRC/2013/IODN/00000002128

Mr. George Papachristou
Managing Director

25 March 2014
FRC/2013/IODN/00000002337

Report of the audit committee

For the year ended December 31, 2013

In compliance with the provisions of Section 359(6) of the Companies and Allied Matters Act Cap C20 Laws of the Federal Republic of Nigeria 2004 the members of the Audit Committee of the Company hereby report as follows:

a) we have reviewed the scope and planning of the audit for the year ended December 31, 2013 and we confirm that they were adequate.

b) the Company's reporting and accounting policies as well as the internal control systems conform with legal requirements and agreed ethical practices.

c) we are satisfied with the management responses to the External Auditors' findings on management matters for the year ended December 31, 2013.

Professor C A Osuntogun
Chairman of the Audit Committee
Dated this 24th day of March 2014

Members of the Audit Committee

Prof. Adeniyi Osuntogun, OFR	Chairman
Chief Chris Avielele	Member
Mr. John Mastoroudes	Member
Chief Simeon A. Odubiyi	Member
Mr. Abimbola Ogunbanjo	Member
Mr. Peter K. Okoh	Member

Report by the independent auditors to the members of Beta Glass PLC

Report on the financial statements

We have audited the accompanying financial statements of Beta Glass Plc ("the company"). These financial statements comprise the statement of financial position as at 31 December 2013 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the company's financial affairs at 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

Report on other legal requirements

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

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

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

iii the company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Uyi Akpata

PricewaterhouseCoopers
Chartered Accountants
Engagement partner: Uyi Akpata
FRC/2013/ICAN/00000000643

Lagos, Nigeria

28 March 2014

Statement of comprehensive income

	Notes	For the year ended 31 December 2013 N'000	31 December 2012 N'000
Revenue	6	14,096,123	12,932,549
Cost of sales	7	(10,870,208)	(9,811,848)
Gross profit		**3,225,915**	**3,120,701**
Selling and distribution expenses	7	(54,360)	(118,163)
Administrative expenses	7	(1,462,163)	(1,274,972)
Other income	8	42,631	87,801
Foreign exchange gain	9	43,933	53,285
Operating profit		**1,795,956**	**1,868,652**
Finance income	10	428,771	221,749
Finance cost	10	(181,434)	(233,312)
Finance income/(costs) - net	10	247,337	(11,563)
Profit before income tax		**2,043,293**	**1,857,089**
Income tax expense	11	(575,949)	(528,509)
Profit for the year		**1,467,344**	**1,328,580**
Total comprehensive income for the year		**1,467,344**	**1,328,580**
Total comprehensive income attributable to equity holders of the company		**1,467,344**	**1,328,580**
Earnings per share for profit attributable to the equity holders of the company			
Basic and diluted EPS (Naira)	12	2.93	2.66

The results shown above for both 2013 and 2012 relate to continuing operations.

The notes on pages 29 to 51 are an integral part of these financial statements.

Statement of financial position

	Notes	31 December 2013 N'000	31 December 2012 N'000
Assets			
Non-current assets			
Property, plant and equipment	14	9,666,496	9,864,569
Intangible assets	15	27,246	27,406
		9,693,742	9,891,975
Current assets			
Inventories	16	3,301,032	2,649,148
Trade and other receivables	17	12,114,349	8,841,853
Cash and cash equivalents	18	2,057,358	1,073,591
		17,472,739	12,564,592
Total assets		**27,166,481**	**22,456,567**
Liabilities			
Non-current liabilities			
Borrowings	19	703,606	1,901,238
Amount due to employees	20	1,552,997	1,633,003
Deferred taxation liabilities	21	1,346,087	1,574,905
Other long-term employee benefits	22	387,321	131,053
		3,990,011	**5,240,199**
Current liabilities			
Short term borrowings	19	960,706	17,883
Trade and other payables	23	7,706,805	4,341,099
Current income tax liabilities	24	742,165	387,946
Dividend payable	25	13,637	13,637
		9,423,313	**4,760,565**
Total liabilities		**13,413,324**	**10,000,764**
Equity			
Ordinary share capital	26	249,986	249,986
Share premium	26	312,847	312,847
Other reserves	27	2,429,942	2,429,942
Retained earnings	28	10,760,382	9,463,028
Total equity		**13,753,157**	**12,455,803**
Total equity and liabilities		**27,166,481**	**22,456,567**

The notes on pages 29 to 51 are an integral part of these financial statements.

The financial statements on pages 25 to 53 were approved and authorised for issue by the board of directors on 25 March 2014 and were signed on its behalf by:

Chief Joseph Babatunde Oke, OON
Chairman

FRC/2013/NIM/00000002128

Mr. George Papachristou
Managing Director

FRC/2013/10DN/00000002337

Statement of changes in equity

	Share Capital N'000	Share Premium N'000	Other Reserves N'000	Retained Earnings N'000	Total N'000
Balance at 1 January 2012	249,986	312,847	2,429,942	8,334,437	11,327,212
Profit for the year	-	-	-	1,328,580	1,328,580
Total comprehensive income for the year	-	-	-	1,328,580	1,328,580
Dividend relating to 2011 paid in the year				(199,989)	(199,989)
Balance at 31 December 2012	**249,986**	**312,847**	**2,429,942**	**9,463,028**	**12,455,803**
Balance at 1 January 2013	249,986	312,847	2,429,942	9,463,028	12,455,803
Profit for the year	-	-	-	1,467,344	1,467,344
Total comprehensive income for the year	-	-	-	1,467,344	1,467,344
Dividend relating to 2012 paid in the year				(169,990)	(169,990)
Balance at 31 December 2013	**249,986**	**312,847**	**2,429,942**	**10,760,382**	**13,753,157**

The notes on pages 29 to 51 are an integral part of these financial statements.

Statement of cash flows

	Notes	31 December 2013 N'000	31 December 2012 N'000
Cash flows from operating activities			
Cash generated from operations	29	3,591,236	1,608,175
Tax paid	24	(450,548)	(549,295)
Amount due to employees paid	20	(202,481)	(130,453)
Other long-term employee benefits	22	(15,235)	-
Net cash from operating activities		**2,922,972**	**928,427**
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(1,758,919)	(2,731,940)
Purchase of intangible assets	15	(4,175)	(18,427)
Proceeds from sale of property, plant and equipment		1,350	2,710
Interest income	10	428,771	221,749
Net cash used in investing activities		**(1,332,973)**	**(2,525,908)**
Cash flows from financing activities			
Proceed from term loan	19	-	1,901,238
Repayment of term loan		(236,925)	-
Interest paid	10	(181,434)	(233,312)
Unclaimed dividend received	25	-	13,529
Dividend paid	25	(169,990)	(199,989)
Net cash (used in)/from financing activities		**(588,349)**	**1,481,466**
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		1,001,650	(116,015)
Cash, cash equivalents and bank overdrafts at the beginning of the year	18	1,055,708	1,171,723
Cash, cash equivalents and bank overdrafts at the end of the year	**18**	**2,057,358**	**1,055,708**

The notes on pages 29 to 51 are an integral part of these financial statements.

Notes to the financial statements

1. General information

Beta Glass Plc (the Company) manufactures, distributes and sells glass bottles and containers for the leading breweries, 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 13 countries including: Angola, Benin, Burkina Faso, Cameroun, Gabon, Gambia, Ghana, Guinea, Liberia, Mauritius, Rwanda, 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 Friglass S.A.I.C

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 believe 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 comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.

The financial statements were authorised for issue by the Board of Directors on 25th of March, 2014.

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.

2.1.2 Changes in accounting policy and disclosure

New and revised IFRSs that are mandatorily effective for the year ended 31 December 2013

All the applicable International Financial Reporting Standards effective for the year ended 31 December 2013 have been adopted in the preparation of these financial statements.

New standards and interpretations issued but not yet effective and not early adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. They will be adopted by the group when they become effective. The standards and amendments are as follows:

IFRS 9, 'Financial instruments', addressess the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010 and will be effective 1st January 2015. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at the initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instruments. Beta Glass is yet to assess the full impact of the standards on its financial statements.

IFRIC 21, 'Levies', sets out the accounting for obligation to pay a levy that is not income tax. The interpretation addreses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. Beta Glass is not currently subjected to signficant levies as a result the impact on the company will be immaterial.

Amendment to IAS 36, 'Impairment of assets' to align the disclosure requirements in IAS 36 in line with IFRS 13 Fair Value Measurement disclosures, to require the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment also requires additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal, consistently with the disclosure requirements for impaired assets in US GAAP.

Ammendments to IAS 32 "Financial Instrument: Presentation", on asset and liability offsetting.
The amendment clarifies the meaning of the entity currently having a legally enforceable right to set off financial assets and financial liabilities as well as the application of IAS 32 offsetting criteria to settlement systems. The amendment is effective for financial periods beginning on or after 1 January 2014. The impact of this amendment is currently being assessed by the group.

Notes to the financial statements (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 (N).

(b) Transactions and balances

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

2.4 Property, plant and equipment

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

Subsequent 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 group 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:
- Furnaces 14%
- Factory equipment and tools 10%
- Quarry equipment and machinery 20%
- Other plant and machinery 10%

Computer equipment 25%

Motor vehicles 20%
Furniture, Fittings and equipment:
- Office and house equipment 15%
- Household furniture and fittings 20%

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 and 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).

Notes to the financial statements (continued)

2.7 Financial assets

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

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 date.

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 an event that occurred after the initial recognition of the asset and that loss event has an impact in 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.

2.8 Financial liabilities

Financial liabilities at amortized cost include trade and other payables, bank overdraft and long-term loan.

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 debt and long-term debt 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 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.

Notes to the financial statements (continued)

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 (more than 120 days overdue) 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 profit or loss.

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

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 2013 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Notes to the financial statements (continued)

2.15 Current and deferred income tax (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the 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.

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

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

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

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

2.16 Employee benefits

Pension scheme

(a) Defined contribution scheme

The Company operates a defined contribution retirement benefit scheme for all its full time employees.

Under the defined contribution retirement benefit scheme, the company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company's contributions to the defined contribution schemes are charged to the profit or loss account in the year to which they relate.

(b) Other long-term employee benefits

Effective from 2012, the Company operates other long term employee benefit scheme (deferred compensation) into which a fixed percentage of staffs' annual emolument is recognised. No contribution is made by the staff and interest of 8% per annum is given to staff on the liability held. The plan is unfunded.

Prior to 2012, the Company operated a defined benefit scheme based on final salary and number of years of employment. This was calculated annually by independent actuaries using the projected unit credit method. The liability recognised in the statement of financial position in respect of the defined benefit scheme is the present value of the defined benefit obligation at the reporting date, together with adjustments for actuarial gains/losses and past service cost. The plan was unfunded.

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 exports.
- An exporter-company shall submit its baseline data which includes audited Financial Statement and information on operational capacity to NEPC.
- An eligible exporter shall be a manufacturer, producer or merchant of products of Nigerian origin for the export market (i.e. the products must be made in Nigeria).
- Qualifying export transaction must have the proceeds fully repatriated within 180 days, calculated from the date of export 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 (upon customer requests) the delivery is undertaken on behlaf of the customer at the customers cost and risks. For export sales risk and rewards transfer when goods are loaded into the vessel.

Notes to the financial statements (continued)

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.

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 Plc, according to the policies approved by the Board of Directors. The treasury manager identifies and monitors financial risk. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange, interest rates and credit risks, use of financial instruments and investment of excess liquidity.

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

(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 mainly 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, Ethiopia, 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. Beta Glass Plc took out a long term loan of $12.25million in the last quarter of 2012. The loan is denominated in US dollars.

Notes to the financial statements (continued)

3.1 Financial risk factors (continued)

(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.

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

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

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

31 December 2013

Financial assets:	**Neither past due nor impaired** N'000	**Up to 90 days** N'000	**91 - 150 days** N'000	**Over 150 days** N'000
Cash and cash equivalents (Note 18)	2,057,358	-	-	-
Trade receivables (Note 17)	-	2,074,480	300,234	55,450
Receivables from related parties (Note 17)	7,561,190	-	-	-
Staff advances (Note 17)	98,635	-	-	-
	9,717,183	**2,074,480**	**300,234**	**55,450**

31 December 2012

Financial assets:	**Neither past due nor impaired** N'000	**Up to 90 days** N'000	**91 - 150 days** N'000	**Over 150 days** N'000
Cash and cash equivalents (Note 18)	1,073,591	-	-	-
Trade receivables (Note 17)	-	2,725,598	58,214	126,900
Receivables from related parties (Note 17)	4,290,289	-	-	-
Staff advances (Note 17)	84,803	-	-	-
	5,448,683	**2,725,598**	**58,214**	**126,900**

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

Credit rating	**2013** N'000	**2012** N'000
B+	900	470
AAA	1,539,717	803,470
Aa+	516,741	269,651
	2,057,358	**1,073,591**

Notes to the financial statements (continued)

3.1 Financial risk factors (continued)

(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 N2.06 billion in current accounts.

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

At 31 December 2013	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
	N'000	N'000	N'000	N'000
Financial liabilities:				
Trade and other payables (Note 23)	7,706,805	-	-	7,706,805
Borrowings (principal and interest) (Note 19)	960,706	-	-	960,706
Bank loan (medium term) (Note 19)	-	703,606	-	703,606
Amount due to staff (Note 20)	-	-	1,552,997	1,552,997
	8,667,511	**703,606**	**1,552,997**	**10,924,114**

At 31 December 2012	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
	N'000	N'000	N'000	N'000
Financial liabilities:				
Trade and other payables (Note 23)	4,341,099	-	-	4,341,099
Borrowings (principal and interest) (Note 19)	133,528	1,068,628	699,082	1,901,238
Bank loan (medium term) (Note 19)	17,883	-	-	17,883
Amount due to staff (Note 20)	-	-	1,633,003	1,633,003
	4,492,510	**1,068,628**	**2,332,085**	**7,893,223**

The long term borrowing is a three year loan which includes a 15 month moratorium on principal only. Interest is paid quarterly at LIBOR +6%.

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 31 Dec 2013 and 2012 are as follows:

	2013	**2012**
	N'000	N'000
Total debt	1,664,312	1,919,121
Total equity	13,753,157	12,455,803
Gearing ratio	**12%**	**15%**

3.3 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.

Notes to the financial statements (continued)

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 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.

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:

	2013 N'000	%		**2012** N'000	%
Customer 1	3,519,142	25	Customer 1	3,143,462	24
Customer 2	2,986,650	21	Customer 2	1,615,800	12
Customer 3	1,404,468	10	Customer 3	2,340,480	18

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

	2013 N'000	**2012** N'000
Local sales	12,470,606	10,920,348
Export sales	1,625,517	2,012,201
Total revenue	**14,096,123**	**12,932,549**

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

	2013 N'000	**2012** N'000
Operating profit	**1,795,956**	**1,868,652**

Notes to the financial statements (continued)

6 Turnover

	31 December 2013 N'000	31 December 2012 N'000
Sales of glassware and bottles in Nigeria	12,556,927	10,952,101
Export sales	1,625,517	2,012,201
Sales discounts and rebates	(86,320)	(31,753)
	14,096,123	**12,932,549**

Included in sales of glassware and bottles are sales to related parties of N3.5bn (2012: N3.2bn). See note 32 for further details.

7 Expenses by nature

	31 December 2013 N'000	31 December 2012 N'000
Cost of sales		
Purchases	(3,810,009)	(3,418,287)
Depreciation and amortisation charges (Note 14 & 15)	(1,883,209)	(1,872,624)
Technical assistance fees (Note 32)	(446,318)	(408,191)
Factory salaries and wages (Note 13)	(1,443,489)	(1,320,818)
Fuel, gas and electricity	(2,233,291)	(1,662,656)
Other factory overheads	(1,053,891)	(1,129,271)
	(10,870,208)	**(9,811,848)**
Administrative expenses		
Depreciation and amortisation charges (Note 14 & 15)	(76,415)	(90,947)
Auditors remuneration	(19,184)	(19,184)
Legal & professional fees	(90,903)	(85,660)
Advertising costs/sales promotion	(18,245)	(17,695)
Salaries and wages (Note 13)	(333,161)	(331,883)
Pension costs - defined contribution plans (Note 13)	(45,834)	(56,045)
Interest on amount due to employees (Note 13)	(122,475)	(130,071)
Interest on other long term employee benefits (Note 13)	(28,599)	(9,708)
Current service cost of other long term employee benefit (Note 13)	(242,904)	(121,345)
Directors' remuneration (Note 13)	(7,559)	(8,340)
Head office administrative charge (Note 32)	(400,365)	(258,651)
Travel and transportation	(56,689)	(66,975)
Donations	(270)	(120)
Other administrative (expenses)	(19,560)	(78,348)
	(1,462,163)	**(1,274,972)**
Distribution costs		
Selling and distribution expense	(54,360)	(118,163)
	(54,360)	**(118,163)**
Total cost of cost of sales, administrative expenses and distribution costs	**(12,386,730)**	**(11,204,983)**

8 Other income

	31 December 2013 N'000	31 December 2012 N'000
Loss on disposal of property plant and equipment	(353)	(6,025)
Insurance claims	30,517	88,583
Proceed from sale of scraps	12,467	5,243
	42,631	**87,801**

Notes to the financial statements (continued)

9 Foreign exchange gain

	31 December 2013 N'000	31 December 2012 N'000
Foreign exchange gains	43,933	53,285
	43,933	**53,285**

10 Finance income and expenses

	31 December 2013 N'000	31 December 2012 N'000
Finance income		
Interest income	428,771	221,749
Finance cost		
Interest expense on loans	(181,434)	(233,312)
Net finance income/(cost)	**247,337**	**(11,563)**

11 Income tax expense

	31 December 2013 N'000	31 December 2012 N'000
Income tax	617,723	289,065
Education tax	79,331	75,019
Prior year underprovision	107,714	-
	804,767	364,084
Deferred tax (credit)/charge Note 21	(228,818)	164,425
Tax expense	**575,949**	**528,509**

The current tax charge has been computed at the applicable rate of 30% (31 December 2012: 30%) plus education levy of 2% (31 December 2012:2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes. Non-deductable expenses include items such as donations and certain provisions which are not allowed as a deduction by the tax authorities. Tax exempt income include income such as export profits and gain on disposal of assets which are not taxable.

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

11.1 Effective tax reconciliation

	31 December 2013 N'000	31 December 2012 N'000
Profit before tax	2,043,293	1,857,089
Tax at the Nigeria Corporation Tax rate of 30% (2012:30%)	612,988	557,127
Tax effects of:		
Non chargeable income	(71,112)	(72,241)
Non deductible expenses	9,197	11,783
Effect of education tax	79,331	75,019
Effect of tax incentive	(54,454)	(43,179)
Tax charge for the year	**575,949**	**528,509**

Notes to the financial statements (continued)

12 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

	31 December 2013 N'000	**31 December 2012** N'000
Profit attributable to shareholders of the Company	1,467,344	1,328,580
Weighted average number of ordinary shares in issue	499,972	499,972
Basic Earnings per share (Naira)	2.93	2.66

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

13 Particulars of directors and staff

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

	31 December 2013 Number	**31 December 2012** Number
Management	279	296
Factory	353	371
Sales and Administration	10	9
	642	**676**

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

	31 December 2013 Number	**31 December 2012** Number
N200,001 - N400,000	-	-
N400,001 - N600,000	-	-
N600,001 - N800,000	88	102
N800,001 - N1,000,000	74	98
N1,000,001 - N1,200,000	42	99
N1,200,001 - N1,400,000	75	125
N1,400,001 - N1,600,000	89	57
N1,600,001 - N1,800,000	74	44
N1,800,001 - N2,000,000	55	32
N2,000,001 - N2,500,000	60	45
N2,500,001 - N3,000,000	31	22
Over N3,000,000	54	52
	642	**676**

Notes to the financial statements (continued)

13 Particulars of directors and staff (continued)

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

	31 December 2013 N'000	**31 December 2012** N'000
Wages and salaries	1,776,651	1,652,701
Pension costs - defined contribution plans	45,834	56,045
Interest on amount due to employees (Note 20)	122,475	130,071
Interest on other long term employee benefits (Note 22)	28,599	9,708
Current service cost of other long term employee benefit (Note 22)	242,904	121,345
	2,216,462	**1,969,870**

e Directors' emoluments

The remuneration paid to the Directors of the Company was:

	31 December 2013 N'000	**31 December 2012** N'000
Short term benefits	7,559	8,340
Amount paid to the highest paid director	2,161	4,642
Amount paid to the Chairman	1,861	4,642

This includes fees, sitting allowance and travel expenses.

The number of directors of the company (including the highest paid Director) whose remuneration, excluding pension contributions in respect of services to the company fell within the following ranges:

	31 December 2013 Number	**31 December 2012** Number
N150,000 - N500,000	2	4
N500,001 - N5,000,000	4	3
	6	**7**
Directors with no emoluments	**3**	**3**

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

14 Property plant and equipment - see page 48

Notes to the financial statements (continued)

15 Intangible Assets

	Computer Software N'000
Cost	
As at 1 January 2013	32,907
Additions	4,175
As at 31 December 2013	37,082
Accumulated amortisation and impairment:	
At 1 January 2013	(5,501)
Additions	(4,335)
As at 31 December 2013	(9,836)
Net book value	
As at 31 December 2013	27,246
As at 31 December 2012	27,406

The remainining amortization period of the intangible asset is between 3 and 4 years.

16 Inventories

	31 December 2013 N'000	31 December 2012 N'000
Raw materials - cost	850,226	759,198
Work in progress - cost	4,590	18,188
Finished goods - cost	965,557	729,291
Spare parts and consumables - cost	1,126,809	1,025,371
	2,947,182	2,532,049
Goods in transit - cost	353,850	117,100
	3,301,032	**2,649,148**

Analysis of value of inventories charged to income statement is as follows:

	31 December 2013 N'000	31 December 2012 N'000
Cost of inventories included in cost of sales	**8,822,129**	**8,093,900**

17 Trade and other receivables

	31 December 2013 N'000	31 December 2012 N'000
Trade receivables	2,430,164	2,910,712
Prepayments	2,024,360	1,556,049
Staff advances	98,635	84,803
Receivables from related parties (Note 32)	7,561,190	4,290,289
Total	**12,114,349**	**8,841,853**

There is no impairment charge against trade receivables in 2013 (2012: Nil). All trade receivables are current.

Notes to the financial statements (continued)

18 Cash and cash equivalents

	31 December 2013 N'000	31 December 2012 N'000
Cash in hand	600	3,800
Cash at bank	1,692,791	631,989
Domiciliary account balance	363,966	437,802
Cash and cash equivalents	**2,057,358**	**1,073,591**

For the purpose of the cash flow statement, cash and cash equivalents comprise of: cash in hand, cash at bank, domicillairy account balance and bank overdraft.

Cash and cash equivalents	2,057,358	1,073,591
Bank overdrafts (Note 19)	-	(17,883)
	2,057,358	**1,055,708**

19 Borrowings

	31 December 2013 N'000	31 December 2012 N'000
Short term loan		
Bank overdraft	-	17,883
Term loan	960,706	-
	960,706	**17,883**
Long term loan		
Term loan	**703,606**	**1,901,238**

The company obtained a long term loan of $12.25million in the last quarter of 2012. The long term borrowing is a three year loan denominated in USD, which includes a 15 month moratorium on principal only. Interest and principal repayments are made quarterly at LIBOR +6%. The amortised cost of the loan in naira is N1.66bn (2012: N1.90bn).

20 Amount due to employees

	31 December 2013 N'000	31 December 2012 N'000
As at 1 January	1,633,003	1,633,385
Interest and provision for the year	122,475	130,071
Payment during the year	(202,481)	(130,453)
As at 31 December	1,552,997	1,633,003

Amount due to employees relates to the terminated defined benefit scheme.

Notes to the financial statements (continued)

21 Deferred tax liabilities

	31 December 2013 N'000	31 December 2012 N'000
The analysis of deferred tax liabilities is as follows:		
Deferred tax liability to be recovered after more than 12 months	1,346,087	1,346,087
Deferred tax liability to be recovered within 12 months	-	228,818
	1,346,087	1,574,905

The movement in deferred tax is as follows:

Deferred tax liability	31 December 2013 N'000	31 December 2012 N'000
At start of year	1,574,905	1,410,480
Changes during the year:		
- (Credit) / charge to profit or loss (Note 11)	(228,818)	164,425
At end of year	1,346,087	1,574,905

	Property plant and equipment N'000	Provisions N'000	Total N'000
At 1 January 2013	2,104,122	(529,217)	1,574,905
Credit to income statement	(214,745)	(14,073)	(228,818)
At 31 December 2013	**1,889,377**	**(543,290)**	**1,346,087**

22 Other long term employee benefits

	31 December 2013 N'000	31 December 2012 N'000
At 1 January 2013	131,053	-
Current service cost	242,904	121,345
Interest for the year	28,599	9,708
Payment during the year	(15,235)	-
As at 31 December	**387,321**	**131,053**

Previously, the company operated a defined contributory and a defined benefit scheme. In 2011, the company terminated the defined benefit scheme and replaced it with other long term employee benefits scheme.

The liability on the defined benefit scheme terminated in 2011 is held by the company as an amount due to staff at annual interest rate of 8%. Employees will be entitled to take the amount due to them and the accrued interest thereon at the time of disengagement from the company.

In 2012, the company commenced other long term employee benefit scheme (deferred compensation) into which a fixed percentage of staffs' annual emolument is booked. No contribution is made by the staff and interest of 8% per annum is charged on the outstanding balance.

Notes to the financial statements (continued)

23 Trade and other payables

	31 December 2013 N'000	31 December 2012 N'000
Trade payables	2,448,810	2,046,935
Social security and transaction taxes	91,208	241,058
Accrued expenses and other payables	1,553,904	472,574
Amounts due to related parties (Note 32)	3,612,883	1,580,532
	7,706,805	**4,341,099**

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

24 Tax payable

	31 December 2013 N'000	31 December 2012 N'000
The movement in tax payable is as follows:		
At 1 January	387,946	573,157
Provision for the year (Note 11)	804,767	364,084
Payment during the year	(450,548)	(549,295)
	742,165	**387,946**

25 Dividend payable

	31 December 2013 N'000	31 December 2012 N'000
At 1 January	13,637	108
Dividend declared during the year	169,990	199,989
Prior years unclaimed dividend	-	13,529
Dividend paid during the year relating to prior year (Note 28)	(169,990)	(199,989)
At 31 December	**13,637**	**13,637**
Dividend per share (Naira)	**0.34**	**0.40**

26 Share capital

a Authorised:

	31 December 2013 N'000	31 December 2012 N'000
600,000,000 ordinary shares of 50kobo each	300,000	300,000
Allotted, called up and fully paid:		
499,972,000 ordinary shares of 50k each	**249,986**	**249,986**

	31 December 2013		31 December 2012	
	Number of shares	%	Number of shares	%
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	30,508,549	6.10
Others	121,739,187	24.35	119,239,187	23.85
	499,972,000	100.00	499,972,000	100.00

Notes to the financial statements (continued)

26 Share capital (continued)

b Share premium

	31 December 2013 N'000	31 December 2012 N'000
Share premium	312,847	312,847

27 Other reserves

	N'000
At 31 December 2012	2,429,942
At 31 December 2013	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.

28 Retained earnings

	31 December 2013 N'000	31 December 2012 N'000
At start of year	9,463,028	8,334,437
Dividend paid during the year relating to prior year (note 25)	(169,990)	(199,989)
Profit for the year	1,467,344	1,328,580
At end of year	**10,760,382**	**9,463,028**

29 Cash generated from operating activities

	31 December 2013 N'000	31 December 2012 N'000
Profit before tax	2,043,293	1,857,089
Adjustment for:		
Depreciation of fixed assets (Note 14)	1,955,289	1,959,562
Amortisation of intangible assets (Note 15)	4,335	4,003
Loss on disposal of property, plant and equipment	353	6,025
Interest on amount due to employees (Note 20)	122,475	130,071
Interest on other long term employee benefits (Note 22)	28,599	9,708
Current service cost of other long term employee benefit (Note 22)	242,904	121,345
Interest paid (Note 10)	(428,771)	(221,749)
Interest expense (Note 10)	181,434	233,312
Changes in working capital:		
(Increase) in trade and other receivables	(3,272,497)	(4,008,016)
(Increase)/decrease in inventories	(651,884)	250,234
Increase in trade and other payables	3,365,706	1,266,591
Net cash generated from operations	**3,591,236**	**1,608,175**

Notes to the financial statements (continued)

30 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.

	31 December 2013 N'000	**31 December 2012** N'000
EEG balance as at 31 December	1,786,885	1,418,826

Notes to the financial statements (continued)

14 Property, plant and equipment

	Land	Building	Plant and Machinery	Furniture fittings and equipment	Motor Vehicles	Furnaces	Assets under Construction	Total
	N'000	N'000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Cost or valuation:								
At 1 January 2013	168,540	1,577,061	15,226,737	319,652	346,948	4,223,185	535,641	22,397,764
Additions	-	47,641	1,117,135	17,739	44,079	31,008	501,317	1,758,919
Disposals	-	-	(2,627)	(173)	(19,826)	-	-	(22,626)
Reclassifications	-	22,472	57,053	462	4,830	-	(84,817)	-
At 31 December 2013	**168,540**	**1,647,174**	**16,398,298**	**337,680**	**376,031**	**4,254,193**	**952,141**	**24,134,057**
Depreciation:								
At 1 January 2013	-	354,781	8,918,506	261,775	248,679	2,749,454	-	12,533,195
Charge for the year	-	50,365	1,490,641	25,569	60,686	328,028	-	1,955,289
On disposals	-	-	(924)	(173)	(19,826)	-	-	(20,923)
At 31 December 2013	**-**	**405,146**	**10,408,223**	**287,171**	**289,539**	**3,077,482**	**-**	**14,467,561**
Net book value:								
At 31 December 2013	**168,540**	**1,242,028**	**5,990,075**	**50,509**	**86,492**	**1,176,711**	**952,141**	**9,666,496**
At 31 December 2012	**168,540**	**1,222,280**	**6,308,231**	**57,877**	**98,269**	**1,473,731**	**535,641**	**9,864,569**

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

Notes to the financial statements (continued)

32 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% (2012- 61.9%) of the company's issued ordinary shares. The remaining 38.1% of the shares are widely held. The ultimate holding company is Frigoglass S.A.I.C (incorporated in Greece).

The following companies are related parties of Beta Glass Plc:

Frigoglass S.A.I.C - Ultimate parent and ultimate controlling party
Frigoglass Industries (Nigeria) Limited - Parent company
Frigoinvest Holdings 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
Frigoglass Jebel Ali - Common ultimate parent
Frigoglass Kato Achaia - Common ultimate parent

a Remuneration of key management personnel

Key management personnel includes the Board of directors (executive and non executive) and members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

	31 December 2013 N'000	31 December 2012 N'000
Short term benefits (Note 13)	7,559	8,340
Amount paid to the highest paid director	2,161	4,642
Amount paid to Chairman	1,861	4,642

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

	31 December 2013 Number	31 December 2012 Number
N150,000 - N500,000	2	4
N500,001 - N5,000,000	4	3
	6	7

c Transactions with related parties

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

c(i) Sales of goods and services

	31 December 2013 N'000	31 December 2012 N'000
Sales of goods:		
Nigerian Bottling Company	3,519,142	3,143,462
	3,519,142	**3,143,462**

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

Notes to the financial statements (continued)

c Transactions with related parties (continued)

c(ii) Purchases of goods and services

	2013 N'000	2012 N'000
Purchases of goods:		
Frigoglass Ireland - common ultimate parent and ultimate controlling party	-	1,544,164
Frigoglass Kato Achaia - common utlimate parent and unltimate controlling party	1,974	709
Purchase of services:		
Friogoinvest Holdings B.V	446,318	-
Deltainvest Holding Limited	-	408,191
Frigoglass Industries (Nigeria) Limited	400,365	258,651
Frigoglass Jebel Ali	117,975	-
	966,632	2,211,715

The transaction with Frigoinvest Holdings B.V was for the supply of technical expertise to Beta Glass Plc.

d Due to related companies

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

	Description:	2013 N'000	2012 N'000
Kato Achaia (Plant & SO Hellas)	Purchases of goods	3,468	3,301
Frigoglass Industries (Nigeria) Limited	Payments made on behalf of Beta Glass Plc	2,452,959	629,067
Friogoinvest Holdings B.V	Purchase of services	380,595	350,655
Frigoglass Ireland	Purchase of raw materials	-	347,509
Frigoglass Industries (Nigeria) Limited	Intercompany loans	650,000	250,000
Nigerian Bottling Company Plc	Purchase of cullets	21,722	-
Frigoglass Jebel Ali (Plant & SO)	Purchase of services	104,139	-
		3,612,883	1,580,532

e Due from related companies

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

	Description:	2013 N'000	2012 N'000
Frigoglass Industries (Nigeria) Limited	Payments made by Beta Glass Plc on behalf of Frigoglass Industries (Nigeria) Limited	1,011,190	840,289
Frigoglass Industries (Nigeria) Limited	Intercompany loan	6,550,000	3,450,000
		7,561,190	4,290,289

The receivables from related parties arise mainly from sale transactions, intercompany loans and payments on behalf of other related companies, and they are due two months after the date of transactions. The receivables are unsecured in nature and are interest bearing. There are no provisions held against receivables from related parties.

The payables to related parties arise mainly from purchases on behalf of related parties and intercompany loans. They are due 30 to 60 days after the date of purchase. The payables are interest bearing.

Notes to the financial statements (continued)

33 Contingent liabilities

Legal proceedings

The company is presently involved in two (2) litigation suits as at 31 December 2013. The claims against the company from the suits amount to N1.157 billion (31 December 2012: N1.167 billion) as of reporting date. No provision has been made for these claims as based on legal advice, the directors believe that no significant loss will eventuate.

34 Capital commitments

The company had no capital commitments as at 31 December 2013 (31 December 2012: Nil).

35 Subsequent events

A dividend in respect of the year ended 31 Dec 2013 of 38 kobo per share, amounting to a total dividend of N189,989,000 was declared at the board meeting held on 25 March 2014 . These financial statements do not reflect this dividend payable.

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 31 December, 2013 and on the profit for the year ended on that date which have not been adequately provided for or recognised.

36 Compliance with regulatory bodies

There was no penalty for non-compliance matters with respect to regulatory bodies for the year ended 31 December 2013.

Statement of value added

	2013 N'000	%	2012 N'000	%
Revenue	14,096,123		12,932,549	
Finance income	428,771		221,749	
Other income	42,631		87,801	
	14,567,525		13,242,099	
Bought in materials and services				
- Imported	(2,819,662)		(2,409,330)	
- Local	(5,347,050)		(4,808,933)	
	6,400,813	**100.0**	**6,023,836**	**100.0**

Applied as follows:

	2013 N'000	%	2012 N'000	%
To pay employees:				
- Wages, salaries and other benefits	2,216,462	34.6	1,969,870	32.7
To pay providers of capital:				
- Net finance cost	181,434	2.8	233,312	3.9
To pay government:				
- Income tax expense	575,949	9.0	528,509	8.8
To provide for enhancement of assets and growth:				
- Depreciation of plant, property and equipment	1,955,289	30.5	1,959,562	32.5
- Amortisation of intangible assets	4,335	0.1	4,003	0.1
- Profit retained for the year	1,467,344	22.9	1,328,580	22.1
	6,400,813	**100.0**	**6,023,836**	**100.0**

Five year financial summary

	IFRS				NGAAP
	2013 N'000	**2012** N'000	**2011** N'000	**2010** N'000	**2009** N'000
Assets employed					
Non-current assets	9,693,742	9,891,975	9,113,908	8,688,689	7,953,933
Current assets	17,472,739	12,564,592	8,907,682	7,777,777	5, 276,371
Non-current liabilities	(3,990,011)	(5,240,199)	(3,043,865)	(2,876,777)	(2,608,888)
Current liabilities	(9,423,313)	(4,760,565)	(3,650,513)	(3,516,478)	(2,097,066)
Net assets	13,753,157	12,455,803	11,327,212	10,073,211	8,524,350
Capital employed					
Ordinary share capital	249,986	249,986	249,986	249,986	249,986
Share premium	312,847	312,847	312,847	312,847	312,847
Other reserves	2,429,942	2,429,942	2,429,942	2,429,942	-
Revaluation reserve	-	-	-	-	898,957
Furnace rebuilt reserve	-	-	-	-	2,429,942
Retained earnings	10,760,382	9,463,028	8,334,437	7,080,436	4,632,618
Total equity	**13,753,157**	**12,455,803**	**11,327,212**	**10,073,211**	**8,524,350**

	IFRS			NGAAP	
	2013 N'000	**2012** N'000	**2011** N'000	**2010** N'000	**2009** N'000
Turnover	14,096,123	12,932,549	12,726,227	11,168,096	10,561,248
Profit before income tax	2,043,293	1,857,089	2,300,357	1,832,403	1,813,400
Income tax expense	(575,949)	(528,509)	(525,697)	(359,959)	(428,624)
Profit for the year	1,467,344	1,328,580	1,774,660	1,472,444	1,384,776
Other comprehensive income	-	-	(330,670)	-	-
Total comprehensive income	1,467,344	1,328,580	1,443,990	1,472,444	1,384,776
Per share data					
Earnings per share (Naira)	2.93	2.66	3.55	2.95	2.77
Net asset per share (Naira)	27.51	24.91	22.66	20.15	17.05

Earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

Net assets per share is calculated by dividing net assets of the company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

Additional information

1. Major shareholders

	Number of Shares of 50 Kobo each	%
The following shareholders held more than 5% of the issued ordinary shares as at 31 December 2013:		
Frigoglass Industries (Nigeria) Limited	309,391,133	61.90
Frigoinvest Holdings B.V	40,833,131	8.17
Delta State Ministry of Finance Incorporated	28,008,549	5.60

2. Registered range analysis

Range	No. of Holders	Percent	Units	Percent
1 - 5,000	4,238	71.07	6,461,132	1.29
5,001 - 10,000	653	10.95	4,441,617	0.89
10,001 - 50,000	793	13.30	16,396,184	3.28
50,001 - 100,000	121	2.03	8,274,773	1.66
100,001 - 500,000	122	2.05	22,870,376	4.57
500,001 - 1,000,000	16	0.27	11,076,469	2.22
1,000,001 & Above	20	0.34	430,451,449	86.10
Grand Total	**5,963**	**100.00%**	**499,972,000**	**100.00**

3. Unclaimed dividends

Our records show that some dividend warrants have not been presented to the bank for payment.

Similarly, a number of share certificates posted to shareholders have been returned to us by the Post Office.

Shareholders concerned are advised to contact the City Securities (Registrars) Limited
at 358, Herbert Macaulay Way, Yaba, Lagos.
Telephone nos. 234 (1) 264 1298, 792 4462
E-mail: cslregistrars@cslregistrars.com

Share capital history

The issued and fully paid up share capital of the Company as at December 31, 2013 was N249,986,000
The share capital had been progressively increased over the years as follows:

Date	Authorised Share Capital Increased		Issued and Fully Paid Up Share Capital Increase		Consideration
	From N	To N	From N	To N	
Nov 20, 1974	3, 000, 000	3, 000, 000	Cash	-	
Dec 13, 1974	3, 000, 000	5, 000, 000	3, 000, 000	5, 000, 000	Cash
Nov 25, 1975	5, 000, 000	6, 000, 000	5, 000, 000	6, 000, 000	Cash
Jul 23, 1977	6, 000, 000	6, 625, 000	6, 000, 000	6, 625, 000	Cash
Oct 2, 1980	6, 625, 000	14, 625, 000	6, 625, 000	14, 625, 000	Cash
Apr 19, 1984	14, 625, 000	20, 625, 000	14, 625, 000	20, 625, 000	Cash
Feb 23, 1990	20, 625, 000	35, 625, 000	20, 625, 000	34, 972, 250	Cash
May 24, 1994	35, 625, 000	80, 625, 000	34, 972, 250	79, 972, 250	Cash (Right Issue 3:2)
Sep 29, 1994	80, 625, 000	155, 625, 000	79, 972, 250	104, 972, 250	Bonus Issue 1 : 3
Sep 2, 1996	155, 625, 000	155, 625, 000	104, 972, 250	100, 000, 000	Pref Share Redemption
March 2, 1998	155, 625, 000	155, 625, 000	100, 000, 000	125, 000, 000	Bonus Issue 1 : 4
Jul 20, 1999	155, 625, 000	250, 000, 000	125, 000, 000	206, 600, 000	Merger of Delta & Guinea Glass
Feb 15, 2001	250, 000, 000	250, 000, 000	206, 600, 000	227, 260, 000	Bonus Issue 1 : 10
Apr 24, 2008	250, 000, 000	300, 000, 000	227, 260, 000	249, 986, 000	Bonus Issue 1 : 10

Contact

Beta Glass PLC

Registered office:
Iddo House, Iddo, Lagos,
PO Box 159, Lagos

Phone: +234 1 7740844,
+234 1 2806700
Fax: +234 1 2806701

Works

Guinea Plant,
KM 32, Lagos Badagry Express Road,
Agbara Industrial Estate, Ogun State

Delta Plant,
KM 17, Warri-Patani Road, P.M.B 48,
Ughelli, Delta State

Proxy form

This Proxy form should not be completed and sent to the address overleaf if the member will be attending the meeting personally. Before forwarding the above form, please tear off the part below and retain it for admission to the meeting.

I/We*

(BLOCK CAPITALS)

being a member of **Beta Glass PLC** hereby appoint**

or failing him, **CHIEF JOSEPH BABATUNDE OKE, OON** or failing him, **MR GEORGE PAPACHRISTOU** as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on **Tuesday, July 8, 2014** and any adjournment thereof.

Dated this ____________ day of ____________

Shareholder's signature ____________

Resolutions	For	Against
To re-elect Mr. George Papachristou as a Director		
To re-elect Mr. John Mastoroudes as a Director		
To declare a Dividend		
To authorize the Directors to fix the remuneration of the Auditors		
To re-elect Prof. Caleb Adeniyi Osuntogun as a member of the Audit Committee		
To re-elect Chief Simeon Akinyemi Odubuyi as a member of the Audit Committee		
To re-elect Mr. Peter Knight Okoh as a member of the Audit Committee		

Please indicate with an "X" in the appropriate square how you want your vote to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

NOTE:
A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy and this form has been prepared to enable you exercise your right to vote in case you cannot personally attend the meeting.
Following the normal practice, the names of two Directors of the Company have been entered on the form to ensure that someone will be at the meeting to act as your proxy. If you wish, you may insert in the blank space on the form (marked**) the name of any person, whether a member (shareholder) of the Company or not who will attend the meeting and vote on your behalf instead of one of the Directors.

Admission Card

Beta Glass PLC (RC 13215)

This admission card must be produced by the Shareholder or his proxy in order to be allowed to attend the Annual General Meeting.

Please admit

(SHAREHOLDER'S FULL NAME)

To be completed by shareholder or his duly appointed proxy to the **Annual General Meeting of Beta Glass PLC** which will be held at **Mainland Hotel, Oyingbo, Ebute-Metta, Lago** on **Tuesday, July 8, 2014** at **12.00 noon**.

Number of Shares held

(TO BE COMPLETED BY THE COMPANY'S OFFICIAL)

Temidayo Olaofe (Mrs) Company Secretary, Beta Glass PLC

Annual General Meeting

Beta Glass PLC (RC 13215)

Annual General Meeting of Beta Glass PLC to be held at Mainland Hotel, Ebute-Metta, Lagos on Tuesday, July 8, 2014 at 12.00 noon

Shareholder's full name

(TO BE COMPLETED BY THE COMPANY'S OFFICIAL)

Signature of person attending

(TO BE SIGNED IN THE PRESENCE OF THE COMPANY'S OFFICIALS AT THE ENTRANCE TO THE HALL)

Number of Shares held

(TO BE COMPLETED BY THE COMPANY'S OFFICIAL)

Please affix
postage stamp

CITY SECURITIES (REGISTRARS) LIMITED
358 HERBERT MACAULAY WAY
YABA, LAGOS

Electronic delivery mandate form

I, Chief/Mr/Mrs ____________________

of ____________________

☐ hereby agree to the electronic delivery of Annual reports and other statutory documents of Beta Glass Plc by choosing the option below:

The Company should forward the materials to the following e-mail address:

Email address ____________________

Surname ____________________ First name ____________________

Signature ____________________ Date ____________________

Please fill and return the completed form to either:

The Managing Director
City Securities (Registrars) Limited
358 Herbert Macaulay Way
Yaba
Lagos

OR

The Company Secretary
Beta Glass PLC
Iddo House
Iddo
Lagos

E-bonus and e-dividend mandate form

City Securities (Registrars) Limited

Please fill and return the completed form to:
The Registrar, City Securities (Registrars) Limited, 358 Herbert Macaulay Way, Yaba, Lagos

Date ______________________________

☐ I/We hereby mandate you to include my/our shareholding in Beta Glass Plc among the e-bonus beneficiaries for future bonus issues.

My/our shareholding particulars are:

Surname ______________________________ Other name(s) ______________________________

Address ______________________________

Signature ______________________________

Telephone ______________________________ Email ______________________________

CSCS Clearing House No. ______________________________

Account number ______________________________

Stockbroking firm ______________________________

Official stamp and Authorised Signature:

Note: please ensure that the names are identical with those on your share certificates.

☐ I/We will also like to recieve my/our future dividends directly into my/our bank account electronically through e-dividend.

My/our bank account details are as stated below:

Bank ______________________________ Branch ______________________________

Bank address ______________________________

Account Number ______________________________ Bank Sort Code ______________________________

Official stamp and Authorised Signature:

Signature(s) of the Shareholder(s) ______________________________

A Frigoglass Company