Beta Glass Plc
Annual report and financial statements
For the year ended 31 December 2016

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The Directors present to the members of the Company, the Annual Report together with the audited financial statements for the year ended 31 December 2016.

Principal activities

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

Results for the year

	2016 **N'000**	2015 N'000
Turnover	19,091,192	15,953,224
Profit before taxation	5,215,253	3,114,795
Profit after taxation	3,799,393	1,991,127

Appropriation of profit after taxation

The Directors recommend to the shareholders, the payment of a gross dividend of **98 Kobo** per 50 kobo ordinary share to all shareholders on the Company's Register of Members as at the close of business on **June 9, 2017**. If the Directors' recommendation is approved by the shareholders, the profit after taxation of **N3,799,393,000** will be appropriated as follows:

	N'000
Proposed dividend (Gross)	489,973
Transfer to general reserve	3,309,420

Directors

The Directors retiring by rotation in accordance with the Articles of Association are **Mr. George Papachristou** and **Mr. John Mastoroudes** and 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 1 January 2016 and 31 December 2016 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 December 2016	1 January 2016
Mr. Abimbola Ogunbanjo	-	-
Mr. Darren Bennett-Voci (British)	-	-
Mr. Olaolu Akerele	-	-
Chief Chris Avielele	27,474	27,474
Mr. Haralambos (Harry) G. David (Cypriot)	25,437	25,437
Mr. Nikolaos Mamoulis	-	-
Mr. John Mastoroudes (British)	-	-
Mr. George Papachristou (Greek)	-	-

*Mr. Abimbola Ogunbanjo has beneficial interest in 62,700 shares held by Turnbull Investments Limited.

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 2016 or at the date of this report.

Directors' interests in contracts

Mr. Abimbola Ogunbanjo is the Managing Partner of Chris Ogunbanjo & Co., one of the providers of legal services to the Company. In accordance with Section 277 of the Companies and Allied Matters Act, Mr. Abimbola Ogunbanjo has notified the Board of his position.

None of the other 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 2016 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 its 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:

	₦
Provision of Sixty (60) wooden classroom chairs for 2 classrooms in Agbara Community Grammar School, Agbara	700,000
Construction of 6 Lockup shops in Ekakpamre Community of Delta State	2,500,000
Provision of drainage of 150m x 2 x 3m deep with walls both sides at Eruemukohwarien Community	3,000,000
Provision of drainage channel and interlocking concrete of Ekrerhavwe Community Town Hall premises	4,100,000
Total cost	**10, 300, 000**

Significant changes in fixed assets

Movements in fixed assets during the year were as shown in note 14 to 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 Statement of financial position.

Employment policies and training

The Company's employment policy ensures that opportunities are therefore 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 2014.

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 audited the company consecutively for ten (10) years, will step down as auditors of the company in accordance with the Securities and Exchange Commission's Code of Corporate Governance on rotation of external auditors.

A resolution will be passed at the Annual General Meeting for the appointment of another external auditors.

BY ORDER OF THE BOARD

BOLA ADEBISI (MS)
Deputy Company Secretary
FRC/2013/NBA/00000002344

IDDO HOUSE, IDDO, LAGOS
23rd March, 2017

ADDEDUM TO THE DIRECTOR'S REPORT

FINANCIAL REPORTING COUNCIL OF NIGERIA WAIVER IN RESPECT OF RULE 2

The Financial Reporting Council of Nigeria has granted a waiver to the Company by allowing the Audit Committee Chairman, Prof. Caleb A Osuntogun, OFR sign the 2016 annual report and financial statements without indicating any Financial Reporting Council (FRC) registration number with the certification.

BOLA ADEBISI (MS)
Deputy Company Secretary
FRC/2013/NBA/00000002344

IDDO HOUSE, IDDO, LAGOS

Compliance certificate on the Company's audited financial statements
For the year ended 31 December 2016

We hereby certify that:

a) We the undersigned have reviewed the annual report and audited financial statements of Beta Glass Plc ("the Company) for the year ended 31 December 2016.

b) Based on our knowledge as officers of the Company, the annual report and audited financial statements do not contain:
   i. any untrue statement of a material fact, or

   ii. omit to state a material fact, which would make the statement misleading in the light of the circumstances under which the statement was made;

c) Based on our knowledge, the financial statements and other financial information included in the annual report fairly represent in all material respect, the financial conditions and results of operations of the Company as of, and for the period presented in the report.

d) We, the undersigned:
   i. are responsible for establishing and maintaining controls

   ii. have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to us by others within those entities particularly during the period in which the periodic reports are being prepared.

   iii. have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report.

   iv. have presented in the report our conclusions about the effectiveness of their internal controls based on their evaluation as of that date.

e) We have disclosed to the external auditors of the Company and the audit committee:
   i. all significant deficiencies in the design or operation of the internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's Auditors any material weakness in internal controls, and

   ii. any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls.

f) We have identified in the report whether or not there were significant changes in internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Mr. Darren Bennett-Voci
Managing Director
23 March 2017
FRC/2016/IODN/00000015783

Mr. Dhanikonda Shanker
Chief Financial Officer
23 March 2017
FRC/2013/ANAN/00000002336

(RC 13215)

BETA GLASS PLC

NIS ISO 9001:2008 CERTIFIED

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Agbara Industrial Estate, Ogun State
P. O. Box 2515, Lagos, Nigeria
Tel: 234-01-7733138

BETA GLASS PLC
Audit Committee's Report
For the year ended December 31, 2016

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act Cap C20, LFN 2004, we have reviewed the scope and planning of the audit for the year ended December 31, 2016, which in our opinion were adequate.

We have also reviewed the External Auditors' findings and recommendations on Management matters and are satisfied with Management's responses and actions thereon.

We confirm that the reporting and accounting policies of the Company are in accordance with legal requirements and agreed ethical practices.

Professor C. A. Osuntogun, OFR
Chairman of the Audit Committee

Dated this **21st** day of **March, 2017**

Members of the Audit Committee

Prof. Adeniyi Osuntogun, OFR	-	Chairman
Mr. Olaolu Akerele	-	Member
Chief Chris Avielele	-	"
Mr. John Mastoroudes	-	"
Chief Simeon A. Odubiyi	-	"
Mr. Peter K. Okoh	-	"

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

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

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

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

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

Ogunbanjo. I.

Mr. Abimbola Ogunbanjo
Chairman
23 March 2017
FRC/2013/NBA/00000004358

D.T Bennett-Voci

Mr. Darren Bennett-Voci
Managing Director
23 March 2017
FRC/2016/IODN/00000015783

Independent auditor's report

To the members of Beta Glass Plc

Report on the audit of the financial statements

Our opinion

In our opinion, Beta Glass Plc's financial statements give a true and fair view of the state of the financial position of the company as at 31 December 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Beta Glass Plc's financial statements comprising of:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of Beta Glass Plc ("the company") in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

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

pwc

Key audit matter	How our audit addressed the key audit matter
Export Expansion Grant Receivable (EEG Receivable) and Unutilised Negotiable Duty Credit Certificates (Unutilised NDCC)	
As indicated in note 4 (Critical accounting estimates and judgements) and note 17 (Trade and other receivables), the company has Export Expansion Grant Receivable ("EEG Receivable") of N1.55 billion and Unutilised Negotiable Duty Credit Certificates ("Unutilised NDCC") of N1.07 billion as at 31 December 2016. We focused on EEG Receivable and Unutilised NDCC due to judgement applied by management in the application of Export Expansion Grant (EEG) Scheme in relation to the company's export sales. EEG receivable is recognised as soon as the related export proceeds are repatriated into the country within 180 days of export sales while Unutilised NDCC is recognised when certificates are issued to the Company by the Nigerian Export Promotion Council (NEPC) for settlement of EEG receivable. The significant use of judgement by management is further evidenced by: • The inability of exporters to submit valid EEG claims since January 2014. • The inability of the beneficiaries to either receive fresh NDCC or use the NDCC at hand for settlement of import duties and levies in lieu of cash. Management is convinced that both the EEG receivable and the Unutilised NDCC are recoverable because they are sovereign debts. This is further buttressed by the NEPC circular of 20 March 2017 requesting exporters to submit EEG baseline data and subsequent to the approval of the baseline data, exporters will be requested to submit outstanding EEG claims.	We obtained an understanding of the company's accounting policy for recognition of EEG receivable and Unutilised NDCC and evaluate for consistency with the requirements of International Accounting Standard (IAS 20) – Government Grant, and the Nigerian Export Promotion Council (NEPC) Act. We tested the recognition of the EEG Receivables and Unutilised NDCC for compliance with the company's accounting policy. In particular, we tested all EEG receivables recognised by assessing documentation that supports the repatriation of export proceeds within 180 days of sale. We sighted Unutilised NDCC in the custody of the company. For those in custody of the company's bankers, we obtained direct confirmation on the existence of the unutilised NDCC. We evaluated the NEPC circular issued on 20 March 2017 requesting exporters to submit their baseline data for EEG claims and subsequent to the approval of the baseline data, the exporters will be requested to submit outstanding EEG claims.

Other information

The directors are responsible for the other information. The other information comprises Report of the Directors, Statement of Directors' responsibilities, Report of the Audit Committee, Statement of value added, Five year financial summary, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

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

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

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

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

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A1250373

Edafe Erhie

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

29 March 2017

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

Beta Glass Plc

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2016

	Notes	31 December 2016 N'000	31 December 2015 N'000
Revenue	6	19,091,192	15,953,224
Cost of sales	7	(15,145,377)	(12,247,347)
Gross profit		3,945,815	3,705,877
Selling and distribution expenses	7	(113,254)	(82,713)
Administrative expenses	7	(1,504,997)	(1,870,269)
Other income	8	629,968	596,691
Operating profit		2,957,532	2,349,586
Foreign exchange gain	9	1,913,258	380,027
Finance income	10	364,271	454,162
Finance cost	10	(19,808)	(68,980)
Finance income - net	10	344,463	385,182
Profit before income tax		5,215,253	3,114,795
Income tax expense	11	(1,415,860)	(1,123,668)
Profit for the year		3,799,393	1,991,127
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement gain / (loss) on employee benefit obligation	20	419,983	(80,000)
Deferred tax credit on remeasurement loss on employee benefit obligation	21	(123,745)	24,000
Other comprehensive income for the year-net of tax		296,238	(56,000)
Total comprehensive income for the year		4,095,631	1,935,127
Total comprehensive income attributable to equity holders of the company		4,095,631	1,935,127
Earnings per share for profit attributable to the equity holders of the company			
Basic and diluted EPS (Naira)	12	7.60	3.98

The notes on pages 16 to 37 are an integral part of these financial statements.

Beta Glass Plc

Statement of financial position
As at

	Notes	31 December 2016 N'000	31 December 2015 N'000
Assets			
Non-current assets			
Property, plant and equipment	14	10,518,406	11,657,119
Intangible assets	15	14,868	18,249
		10,533,274	11,675,368
Current assets			
Inventories	16	4,210,668	3,479,878
Trade and other receivables	17	10,385,530	8,014,021
Cash in hand and at bank	18	8,054,658	4,001,802
		22,650,856	15,495,701
Total assets		33,184,130	27,171,069
Liabilities			
Non-current liabilities			
Employee benefit obligation	20	2,401,301	2,577,718
Deferred taxation liabilities	21	2,317,408	1,488,219
		4,718,709	4,065,937
Current liabilities			
Borrowings	19	181,018	151,539
Trade and other payables	22	5,341,684	4,386,369
Current income tax liabilities	23	1,422,569	940,642
Dividend payable	24	45,186	48,457
		6,990,457	5,527,007
Total liabilities		11,709,166	9,592,944
Equity			
Ordinary share capital	25	249,986	249,986
Share premium	25	312,847	312,847
Other reserves	26	2,429,942	2,429,942
Retained earnings	27	18,482,189	14,585,350
Total equity		21,474,964	17,578,125
Total equity and liabilities		33,184,130	27,171,069

The notes on pages 16 to 37 are an integral part of these financial statements

The financial statements on pages 12 to 37 were approved and authorised for issue by the board of directors on 23 March 2017 and were signed on its behalf by:

Mr. Abimbola Ogunbanjo
Chairman

FRC/2013/NBA/00000004358

Mr. Darren Bennett-Voci.
Managing Director

FRC/2016/IODN/00000015783

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

Beta Glass Plc

Statement of changes in equity
For the year ended 31 December 2016

	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2015	249,986	312,847	2,429,942	12,960,206	15,952,981
Profit for the year	-	-	-	1,991,127	1,991,127
Other comprehensive income for the year - net of tax	-	-	-	(56,000)	(56,000)
Total comprehensive income for the year	-	-	-	1,935,127	1,935,127
Transaction with owners:					
Dividend paid	-	-	-	(309,983)	(309,983)
Total transaction with owners	-	-	-	(309,983)	(309,983)
Balance at 31 December 2015	**249,986**	**312,847**	**2,429,942**	**14,585,350**	**17,578,125**
Balance at 1 January 2016	249,986	312,847	2,429,942	14,585,350	17,578,125
Profit for the year	-	-	-	3,799,393	3,799,393
Other comprehensive income for the year - net of tax	-	-	-	296,238	296,238
Total comprehensive income for the year	-	-	-	4,095,631	4,095,631
Transaction with owners:					
Dividend paid	-	-	-	(199,989)	(199,989)
Statute barred dividend returned	-	-	-	1,197	1,197
Total transaction with owners	-	-	-	(198,792)	(198,792)
Balance at 31 December 2016	**249,986**	**312,847**	**2,429,942**	**18,482,189**	**21,474,964**

The notes on pages 16 to 37 are an integral part of these financial statements.

Beta Glass Plc

Statement of cash flows
For the year ended 31 December 2016

	Notes	31 December 2016 N'000	31 December 2015 N'000
Cash flows from operating activities			
Cash generated from operations	28	5,359,988	6,090,618
Tax paid	23	(228,489)	(1,150,626)
Employee benefits paid	20	(218,954)	(97,551)
Net cash generated from operating activities		**4,912,545**	**4,842,441**
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(1,034,048)	(4,186,055)
Proceeds from disposal of property, plant and equipment		2,480	63,713
Interest income	10	364,271	454,162
Net cash used in investing activities		**(667,297)**	**(3,668,180)**
Cash flows from financing activities			
Interest paid	10	(19,808)	(68,980)
Dividend paid	24	(199,989)	(309,983)
Statute barred dividend returned	27	1,197	-
Non-statute barred dividend (paid)/returned	24	(3,271)	34,820
Net cash used in financing activities		**(221,871)**	**(344,143)**
Net increase in cash, cash equivalents and bank overdrafts		4,023,377	830,118
Cash, cash equivalents and bank overdrafts at the beginning of the year	18	3,850,263	3,020,145
Cash, cash equivalents and bank overdrafts at the end of the year	18	**7,873,640**	**3,850,263**

The notes on pages 16 to 37 are an integral part of these financial statements.

1. General information

Beta Glass Plc (the Company) manufactures, distributes and sells glass bottles and containers for the leading soft drinks, wine and spirit, pharmaceutical and cosmetics companies. The Company has manufacturing plants in Agbara Ogun state and in Ughelli Delta state. Beta Glass Plc exports to seven (7) countries namely: Cameroun, Gambia, Ghana, Guinea, Liberia, Sierra Leone and Cape Verde.

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 Frigoglass S.A.I.C, Athens

2 Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

The financial statements comprise the statement of 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 23 of March, 2017.

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

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

The following standards have been adopted by the company for the first time for the financial year beginning on or after 1 January 2016:

Amendments to IAS 16, "Property plant and equipment" and IAS 38, "Intangible assets" to clarify when a method of depreciation or amortisation based on revenue may be appropriate. The amendment to IAS 16 clarifies that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate. The amendment to IAS 38 establishes a rebuttable presumption that amortisation of an intangible asset based on revenue generated by using the asset is inappropriate. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendments are effective from 1 January 2016.

Amendments to IAS 1, "Presentation of financial statements" gives clarification on materiality and aggregation, presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments form a part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments are effective from 1 January 2016.

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016 and beyond, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is assessing IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Company is assessing the impact of IFRS 15.

IFRS 16, 'Leases' was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard is effective for accounting periods beginning on or after 1 January 2019.
There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company in the current or future reporting period and on foreseeable future transactions.

2.2 Segment reporting

Operating segment is 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 segment, 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 or loss in the profit or loss.

2.4 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is 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 company and the cost can be measured reliably. All other repairs and maintenance costs including costs of fixed assets below N50,000 are charged to profit or loss during the financial period in which they are incurred.

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

Buildings 3%

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

Furnaces 14%

Motor vehicles 20%

Furniture, Fittings and equipment:
- Office and house equipment 15%
- Household furniture and fittings 20%
- Computer equipment 25%

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

Property, plant and equipment (continued)

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 both periods presented in the financial statements.

2.5 Intangible assets

Computer software

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

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

2.6 Impairment of non-financial assets

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

2.7 Financial assets

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

2.7.1 Classification

Management determines the classification of its financial assets 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 of an event that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor is experiencing financial difficulty, default in interest or principal payments, or the probability that they will enter bankruptcy and where there is an indication of a decrease in the estimated future cash flows.

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

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

2.8 Financial liabilities

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

Recognition and measurement

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

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

2.9 *Derecognition of financial instruments*

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

2.9.1 Offsetting financial instruments

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

2.10 Inventories

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

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

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

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

2.11 Trade receivables

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

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

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

2.14 Trade payables

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

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

2.15 Current and deferred income tax

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

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

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

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

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

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

2.16 Employee benefit obligation

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

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

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

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

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

Employee benefit obligation (continued)

Past-service costs are recognised immediately in income.

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

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

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

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 Company must be registered with the Nigerian Export promotion Council (NEPC)
- The Company must have a minimum annual export turnover of N5 million and evidence of repatriation of proceeds of exports.
- The Company shall submit its baseline data which includes audited Financial Statement and information on operational capacity to NEPC.
- An eligible company shall be a manufacturer, producer or merchant of products of Nigerian origin for the export market (i.e. the products must be made in Nigeria).
- Qualifying export transaction must have the proceeds fully repatriated within 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, Beta Glass bears the risk in transit and the risk transfers when the goods are delivered. For export sales risk and rewards transfer when goods are loaded.

2.19 Provisions

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

2.20 Dividend distribution

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

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.

Financial risk management (cont'd)

(a) Market risk

(i) Foreign exchange risk

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

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

The Company's exposure to US Dollar (USD) is as follows:

	2016 USD'000	2015 USD'000
Financial assets		
Cash and cash equivalent	18,523	20,268
Trade receivables	2,125	1,966
	20,648	22,234
Financial liabilities		
Trade payables	2,487	3,562
Related parties payable	53	1,101
	2,540	4,663
Net amount	**18,108**	**17,571**

Effects in Naira on the Company's result:

	2016 N'000	2015 N'000
15 percent strengthening of the Naira to USD	(828,423)	(519,223)
15 percent weakning of the Naira to USD	828,423	519,223

	2016	2015
Reporting date spot rate of 1USD to Naira	305	197

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

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

(b) Credit risk

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

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

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

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

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

31 December 2016

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	Total N'000
Cash and cash equivalents (Note 18)	8,054,658	-	-	-	8,054,658
Trade receivables (Note 17)	2,195,976	921,055	45,814	-	3,162,845
Receivables from related parties (Note 17)	4,083,331	56,818		-	4,140,149
Staff advances (Note 17)	119,189	-	-	-	119,189
	14,453,154	977,873	45,814	-	15,476,841

31 December 2015

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	Total N'000
Cash and cash equivalents (Note 18)	4,001,802	-	-	-	4,001,802
Trade receivables (Note 17)	-	2,241,749	186,008	160,125	2,587,882
Receivables from related parties (Note 17)	2,760,143	-	-	-	2,760,143
Staff advances (Note 17)	119,659	-	-	-	119,659
	6,881,604	2,241,749	186,008	160,125	9,469,486

Receivables from related parties and Staff advances are from counterparties with no risk of default.

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

Credit rating	2016 N'000	2015 N'000
B+	20,948	2,852
AAA	8,033,698	3,998,096
AA+	12	854
	8,054,658	4,001,802

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

B+ : Financial condition of the bank is weak but obligations still met as and when due. The bank has more than one major weakness and may require external support which may not be assured. Adverse changes in the environment (macro-economic, political and regulatory) will increase risk significantly. The plus sign indicates that the rating may be raised.

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

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

(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 meet operational needs at all times so that the Company does not breach borrowing limit. 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 N4.0 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 2016	Less than 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Total N'000
Financial liabilities:				
Trade and other payables excluding transaction taxes (Note 22)	5,099,906	-	-	5,099,906
Bank overdraft (Note 19)	181,018	-	-	181,018
	5,280,924	-	-	5,280,924

At 31 December 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Financial liabilities:				
Trade and other payables excluding transaction taxes (Note 22)	4,182,045	-	-	4,182,045
Bank overdraft (Note 19)	151,539	-	-	151,539
	4,333,583	-	-	4,333,583

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. Total capital is calculated as the sum of all equity components on the statement of financial position.

The gearing ratios at 31 December 2015 and 31 December 2014 are as follows:	2016 N'000	2015 N'000
Total debt	181,018	151,539
Total equity	21,474,964	17,578,125
Gearing ratio	1%	1%

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.

4 Critical accounting estimates and judgements

Critical accounting policies and key sources of estimation uncertainty

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

Plant and machinery

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

Export expansion grant and Negotiable duty credit certificate

Export Expansion Grant (EEG) is a very vital incentive of the Federal Government of Nigeria required for the stimulation of export oriented activities that will lead to significant growth of the non-oil export sector. Having met the eligibility criteria and registered under the scheme by the Nigerian Export Promotion Council (NEPC), the Company is entitled to a rebate on export sales in as much as it can demonstrate that the proceeds of the related sales have been repatriated to the country within 180 days of such export sales.

The rebate is recognised as a credit to cost of sales and as a receivable from the Federal Government of Nigeria (i.e. EEG receivable). As at 31 December 2016, EEG receivable stood at N 1.55 billion (31 December 2015: N1.27 billion) as disclosed in Note 17.

Negotiable Duty Credit Certificate (NDCC) is the instrument of the Federal Government of Nigeria for settlement of EEG receivable. The NDCC is used for the payment of Import and Excise duties in lieu of cash. In the last three years, the Company and other industry players have not been able to use the NDCC for settlement of customs duties. No NDCC was received by the Company in 2016 (2015: Nil). As at 31 December 2016, Unutilized NDCC stood at N 1.07 billion (31 December 2015: N1.07 billion) as disclosed in Note 17.

Though, a significant component of the EEG receivable and unutilized NDCC have been outstanding for more than 1 year, no impairment charge have been recognised because they are regarded as sovereign debts. Moreover, Government have not communicated or indicated unwillingness to honour the obligations. Thus, the outstanding balances are classified as current assets accordingly.

Critical accounting policies and key sources of estimation uncertainty (continued)

Deferred tax

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

5 Segment information

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

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

	2016		2015	
	N'000	%	N'000	%
Customer 1	3,947,450	21%	3,747,910	23%
Customer 2	3,181,742	17%	3,417,262	21%
Customer 3	3,165,895	17%	2,316,107	15%

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

	2016	2015
	N'000	N'000
Local sales	16,660,177	14,157,483
Export sales	2,431,015	1,795,741
Total revenue	19,091,192	15,953,224

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

	2016	2015
	N'000	N'000
Operating profit	2,957,532	2,349,586

6 Revenue

	31 December 2016 N'000	31 December 2015 N'000
Sales of glassware and bottles in Nigeria	16,660,177	14,157,483
Export sales	2,431,015	1,795,741
	19,091,192	**15,953,224**

Included in sales of glassware and bottles are sales to related parties of N3.95bn (2015: N3.75bn). See note 29 for further details.

7 Expenses by nature

	31 December 2016 N'000	31 December 2015 N'000
Cost of sales		
Purchases	(4,986,131)	(3,569,787)
Depreciation (Note 14)	(2,070,090)	(2,010,432)
Technical assistance fees (Note 29)	(601,373)	(502,577)
Factory salaries and wages (Note 13)	(1,632,267)	(1,535,190)
Fuel, gas and electricity	(4,234,784)	(3,220,199)
Other factory overheads	(1,620,732)	(1,409,162)
	(15,145,377)	**(12,247,347)**
Administrative expenses		
Depreciation and amortisation charges (Note 14 & 15)	(106,024)	(97,456)
Auditors remuneration	(22,272)	(22,272)
Legal and professional fees	(82,159)	(129,221)
Salaries and wages (Note 13)	(633,063)	(482,762)
Pension costs - defined contribution plans (Note 13)	(25,701)	(24,297)
Interest on employee benefit obligation (Note 13)	(197,656)	(166,500)
Current service cost of employee benefit obligation (Note 13)	(264,864)	(262,792)
Directors' remuneration (Note 13)	(13,611)	(10,052)
Head office administrative charge - FINL and Frigoglass Jebel Ali (Note 29)	(5,351)	(538,889)
Travel and transportation	(105,382)	(79,468)
Other administrative expenses	(48,914)	(56,559)
	(1,504,997)	**(1,870,269)**
Distribution costs		
Selling and distribution expense	(113,254)	(82,713)
	(113,254)	**(82,713)**
Total cost of cost of sales, administrative expenses and distribution costs	**(16,763,628)**	**(14,200,329)**

Included in legal and professional fees for the year ended 31 December 2016 is the sum of N0.75 million being 30% of fee payable to PricewaterhouseCoopers Limited for professional services in relation to The Nigerian Stock Exchange Rules on Interested Parties Transactions. The 30% represents final invoice amount recognised during the period ended 31 December 2016.

8 Other income

	31 December 2016 N'000	31 December 2015 N'000
Profit on disposal of property plant and equipment	2,452	58,186
Surplus on transport charges recovered from customers, insurance claims and others	469,740	521,197
Proceed from sale of scraps	18,408	17,308
Provision no longer required	139,368	-
	629,968	**596,691**

Provision no longer required represents prior year provison for management service fees no longer required

9 Foreign exchange gain

	31 December 2016 N'000	31 December 2015 N'000
Foreign exchange gain	1,913,258	380,027
	1,913,258	**380,027**

10 Finance income and expenses

	31 December 2016 N'000	31 December 2015 N'000
Finance income		
Bank interest income	364,271	454,162
Finance cost		
Interest expense	(19,808)	(68,980)
Net finance income	**344,463**	**385,182**

11 Income tax expense

	31 December 2016 N'000	31 December 2015 N'000
Income tax	1,122,979	635,461
Education tax	109,849	111,460
Prior year over provision*	(522,412)	-
Net income and education tax for the year (Note 23)	710,416	746,921
Deferred tax charged	183,032	376,747
Prior year under provision*	522,412	-
Net deferred tax for the year (Note 21)	705,444	376,747
Tax expense	**1,415,860**	**1,123,668**

*Prior year over/under provision of N522,412,000 represents additional deferred tax liability in 2015 as a result of application of accelerated capital allowance of 95% on plant and machinery in the tax computation submitted to the tax authority for self assessment filing for 2016 Year of Assessment (YOA).

The current tax charge has been computed at the applicable rate of 30% (31 December 2015: 30%) plus education levy of 2% (31 December 2015:2%) 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 2016 N'000	31 December 2015 N'000
Profit before tax	5,215,253	3,114,795
Tax at the Nigeria Corporation Tax rate of 30% (2014:30%)	1,564,576	934,438
Tax effects of:		
Non chargeable income	(119,159)	(75,334)
Non deductible expenses	30,130	292,104
Effect of education tax	109,849	111,460
Effect of tax incentive	(169,536)	(139,000)
Tax charge for the year	**1,415,860**	**1,123,668**

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 2016 N'000	31 December 2015 N'000
Profit attributable to shareholders of the Company	3,799,393	1,991,127
Weighted average number of ordinary shares in issue	499,972	499,972
Basic Earnings per share (Naira)	7.60	3.98

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 2016 Number	31 December 2015 Number
Management	292	299
Factory	323	352
Sales and Administration	8	9
	623	660

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

	31 December 2016 Number	31 December 2015 Number
N600,001 - N800,000		1
N800,001 - N1,000,000	16	37
N1,000,001 - N1,200,000	69	91
N1,200,001 - N1,400,000	44	48
N1,400,001 - N1,600,000	41	53
N1,600,001 - N1,800,000	39	61
N1,800,001 - N2,000,000	60	78
N2,000,001 - N2,500,000	152	138
N2,500,001 - N3,000,000	82	64
Over N3,000,000	120	89
	623	660

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

	31 December 2016 N'000	31 December 2015 N'000
Wages and salaries	2,265,330	2,017,952
Pension costs - defined contribution plans	25,701	24,297
Interest on employee benefit obligation (Note 20)	197,656	166,500
Current service cost of employee benefit obligation (Note 20)	264,864	262,792
	2,753,551	2,471,542

d Directors' emoluments
The remuneration paid to the Directors of the Company was:

	31 December 2016 N'000	31 December 2015 N'000
Fees for services as directors	13,611	10,052
Other emolument as management	-	-
	13,611	10,052

Fees for services as directors include fees, sitting allowance and travel expenses. The Managing Director is the only member of management team on the board and he earns no salary from the company. His salary is paid by Frigoglass Industries Nigeria Limited- Beta Glass Plc's parent company

Amount paid to the chairman	4,145	3,894
Amount paid to the highest paid director	4,145	3,894

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:

Directors' emoluments (cont'd)

	31 December 2016 Number	31 December 2015 Number
N150,000 - N500,000	-	-
N500,001 - N5,000,000	6	6
	6	6
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 36

15 Intangible Assets

	Computer software	
	31 December 2016 N'000	31 December 2015 N'000
Cost		
As at 1 January	37,082	37,082
Additions	-	-
As at 31 December	**37,082**	**37,082**
Accumulated amortisation:		
As at 1 January	(18,833)	(14,312)
Charge for the year	(3,381)	(4,521)
As at 31 December	**(22,214)**	**(18,833)**
Net book vaue		
As at 31 December	**14,868**	**18,249**

The remaining amortization period of the intangible asset is between 2 and 3 years. Amortization charge of N3.3 million (2015: N4.5 million) has been charged to Administrative expenses

16 Inventories

	31 December 2016 N'000	31 December 2015 N'000
Raw materials - cost	837,841	738,729
Work in progress - cost	31,512	17,611
Finished goods - cost	1,745,640	1,475,101
Spare parts and consumables - cost	1,253,017	1,148,418
	3,868,010	3,379,859
Goods in transit - cost	342,658	100,019
	4,210,668	**3,479,878**

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

	31 December 2016 N'000	31 December 2015 N'000
Cost of inventories included in cost of sales	4,986,131	3,569,787

The amount represents cost of materials consumed and included in cost of sales per note 7

17 Trade and other receivables

	31 December 2016 N'000	31 December 2015 N'000
Trade receivables	3,162,845	2,587,882
Unutilised Negotiable Duty Credit Certificates (Note 4)	1,067,598	1,067,598
EEG receivable (Note 4)	1,552,562	1,272,828
Prepayments	252,884	171,612
Other receivables	90,303	34,299
Staff advances	119,189	119,659
Receivables from related parties (Note 29)	4,140,149	2,760,143
Total	**10,385,530**	**8,014,021**

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

18 Cash and cash equivalents

	31 December 2016 N'000	31 December 2015 N'000
Cash in hand	442	564
Cash at bank	8,054,216	4,001,238
Cash in hand and at bank	**8,054,658**	**4,001,802**

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

Cash in hand and at bank	8,054,658	4,001,802
Bank overdraft/ Short term borrowings	(181,018)	(151,539)
Cash and cash equivalents	7,873,640	3,850,263

19 Borrowings

	31 December 2016 N'000	31 December 2015 N'000
Bank overdraft/ Short term borrowings	181,018	151,539
	181,018	**151,539**

20 Employee benefit obligations

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

	31 December 2016 N'000	31 December 2015 N'000
Statement of financial position obligations for:		
Post-employment benefit	2,401,301	2,577,718
Liability in the statement of financial position	2,401,301	2,577,718
Charge to statement of comprehensive income included in employee benefits expense for:		
Post-employment benefit	462,520	429,292
	462,520	429,292
Remeasurements for:		
Post-employment benefit	(419,983)	80,000
	(419,983)	80,000

20 Employee benefit obligations (cont'd)

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

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

	31 December 2016	31 December 2015 N'000
Present value of obligations (unfunded)	2,401,301	2,577,718

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

	31 December 2016 N'000	31 December 2015 N'000
Balance at the beginning of the year	2,577,718	2,165,977
Charge during the year:		
Current service cost	264,864	262,792
Interest expense	197,656	166,500
	462,520	429,292
Total	3,040,238	2,595,269
Remeasurements:		
Actuarial losses - change in financial assumption	(30,798)	68,835
Actuarial losses - experience adjustment	(389,185)	11,165
	(419,983)	80,000
Payments from plans:		
Benefits paid by the employer	(218,954)	(97,551)
Balance at the end of the year	2,401,301	2,577,718

The significant actuarial assumptions were as follows:

	31 December 2016	31 December 2015
Discount rate (p.a.)	15.8%	12.0%
Future average pay increase (p.a.)	14.0%	12.0%
Average rate of inflation (p.a.)	12.0%	9.0%

The next valuation date is due as at 31 December 2017

The sensitivity analysis on the accrued liability as at 31 December 2016 is as follows:

		Accrued liability N'000
Discount rate	+0.5%	2,386,565
Discount rate	-0.5%	2,416,862
Salary increase	+0.5%	2,424,176
Salary decrease	-0.5%	2,379,285
Mortality experience	Age rated up by 1 year	2,400,629
Mortality experience	Age rated down by 1 year	2,401,908

Risk exposure

Through its defined benefit scheme, the company is exposed to a number of risks, the most significant of which are detailed below:

Changes in discount rate: an increase in the discount rate will increase plan liabilities

Inflation risks: the company's obligations are linked to salary inflation, and higher inflation will lead to higher liabilities.

Life expectancy: the obligation is to provide benefits for the life of members, so increases in life expectancy will result in an increase in the employee benefits obligations.

21 Deferred tax liabilities

	31 December 2016 N'000	31 December 2015 N'000
The analysis of deferred tax liabilities is as follows:		
Deferred tax liability to be recovered after more than 12 months	2,317,408	1,488,219
Deferred tax liability to be recovered within 12 months	-	-
	2,317,408	**1,488,219**

The movement in deferred tax is as follows:

	31 December 2016 N'000	31 December 2015 N'000
At start of year	1,488,219	1,135,472
Changes during the year:		
- Debit / (Credit) on actuarial loss/gain from other comprehensive income	123,745	(24,000)
- Debit to profit or loss (Note 11)	705,444	376,747
At end of year	**2,317,408**	**1,488,219**

	Property plant and equipment N'000	Unrealised exchange difference N'000	Provisions N'000	Total N'000
At 1 January 2016	2,234,240	(1,177)	(744,844)	1,488,219
Net charged to profit or loss and other comprehensive income	300,567	597,787	(69,165)	829,189
At 31 December 2016	**2,534,807**	**596,610**	**(814,009)**	**2,317,408**

22 Trade and other payables

	31 December 2016	31 December 2015 N'000
Trade payables	2,160,527	2,338,765
Social security and transaction taxes	241,777	204,325
Accrued expenses and other payables	1,849,991	1,192,625
Amounts due to related parties (Note 29)	1,089,389	650,654
	5,341,684	**4,386,369**

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

23 Tax payable

	31 December 2016 N'000	31 December 2015 N'000
The movement in tax payable is as follows:		
At 1 January	940,642	1,344,347
Provision for the year (Note 11)	710,416	746,921
Payment during the year	(228,489)	(1,150,626)
	1,422,569	**940,642**

24 Dividend payable

	31 December 2016 N'000	31 December 2015 N'000
At 1 January	48,457	13,637
Dividend declared during the year	199,989	309,983
Dividend paid during the year relating to prior year (Note 27)	(199,989)	(309,983)
Non-statute barred unclaimed dividend (paid) / returned	(3,271)	34,820
At 31 December	**45,186**	**48,457**
Dividend per share (Naira)	0.40	0.62

Non-statute barred dividend (paid) /returned relates to dividend declared but not claimed for a period of 15 months and above. This has not become statute barred and still claimable by the beneficiaries hence, the non-recognition in retained earnings.

25 **Share capital**

a Authorised:

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

	31 December 2016		31 December 2015	
	Number of shares	%	Number of shares	%
Frigoglass Industries Nigeria Limited	309,391,133	61.88	309,391,133	61.88
Friogoinvest Holdings B.V	40,833,131	8.17	40,833,131	8.17
Stanbic IBTC Nominees Nigeria Limited	39,788,149	7.96	-	-
Delta State Ministry of Finance Incorporated	28,008,549	5.60	28,008,549	5.60
Others	81,951,038	16.39	121,739,187	24.35
	499,972,000	100.00	499,972,000	100.00

b **Share premium**

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

26 **Other reserves**

	N'000
At 31 December 2015	2,429,942
At 31 December 2016	2,429,942

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

27 **Retained earnings**

	31 December 2016 N'000	31 December 2015 N'000
At start of year	14,585,350	12,960,206
Dividend paid during the year relating to prior year (note 24)	(199,989)	(309,983)
Profit for the year	4,095,631	1,935,127
Statute barred dividend returned	1,197	-
At end of year	18,482,189	14,585,350

Statute barred dividend is no longer available for collection by the beneficiaries hence, the recognition in retained earnings.

28 **Cash generated from operating activities**

	31 December 2016 N'000	31 December 2015 N'000
Profit before tax	5,215,253	3,114,795
Adjustment for:		
Depreciation of fixed assets (Note 14)	2,172,733	2,103,368
Amortisation of intangible assets (Note 15)	3,381	4,521
Profit on disposal of property, plant and equipment	(2,452)	(58,186)
Interest on employee benefit obligation (Note 20)	197,656	166,500
Current service cost of employee benefit obligation (Note 20)	264,864	262,792
Interest income (Note 10)	(364,271)	(454,162)
Interest expense (Note 10)	19,808	68,980
Changes in working capital:		
(Increase) /decrease in trade and other receivables	(2,371,509)	3,995,571
Increase in inventories	(730,790)	(1,183,956)
Increase /(decrease) in trade and other payables	955,315	(1,929,604)
Net cash generated from operations	5,359,988	6,090,618

29 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% (2015- 61.9%) of the company's issued ordinary shares. The remaining 38.1% of the shares are widely held. The ultimate holding company, Frigoglass S.A.I.C (incorporated in Greece).

The following companies are related parties of Beta Glass Plc:
Frigoglass S.A.I.C - Ultimate parent and ultimate controlling party
Frigoglass Industries (Nigeria) Limited - Parent company
Frigoinvest Holdings BV - Intermediate parent company
Nigerian Bottling Company - Shareholder with power to participate in the operating and financial decisions of the parent company of Beta Glass Plc

a 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 2016 N'000	31 December 2015 N'000
Short term benefits (Note 13)	13,611	10,052
Amount paid to the highest paid director	4,145	3,894
Amount paid to Chairman	4,145	3,894

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

	31 December 2016 Number	31 December 2015 Number
N150,000 - N500,000	-	-
N500,001 - N5,000,000	6	6
	6	6
Directors with no emoluments	3	3

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

	2016 N'000	2015 N'000
Sales of goods:		
Nigerian Bottling Company	3,947,450	3,747,910
	3,947,450	**3,747,910**

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

c(ii) Purchases of goods and services

	2016 N'000	2015 N'000
Purchases of goods:		
Frigoglass Kato Achaia - common utlimate parent and unltimate controlling party	-	2,534
Purchase of services:		
Frigoglass Global Limited	601,373	-
Frigoglass Cyprus Limited	-	502,577
Frigoglass Industries (Nigeria) Limited	-	336,350
Frigoglass Jebel Ali	5,351	202,539
	606,724	**1,041,466**

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

Purchases of goods and services are at prices comparable to those obtainable from third parties.

d Due to related companies

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

	Description	31 December 2016 N'000	31 December 2015 N'000
Kato Achaia (Plant & SO Hellas)	Purchases of goods	-	2,534
Frigoglass Industries (Nigeria) Limited	Payments made on behalf of Beta Glass Plc	694,890	14,324
Frigoglass Cyprus Limited	Purchase of services	285,084	225,999
Frigoglass West Africa Limted	Payments made on behalf of Beta Glass Plc		190,698
Frigoglass Jebel Ali (Plant & SO)	Purchase of services	11,918	217,099
Frigoglass Global Limted	Purchase of services	97,497	-
		1,089,389	**650,654**

e Due from related companies

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

	Description	31 December 2016 N'000	31 December 2015 N'000
Frigoglass West Africa Limted	Payments made by Beta Glass Plc on behalf of Frigoglass (West Africa Limited	1,336,205	-
Nigerian Bottling Company Limited	Sales of Bottles and purchase of cullet	980,905	1,337,143
Frigoglass Industries (Nigeria) Limited	Intercompany treasury balances	1,823,039	1,423,000
		4,140,149	**2,760,143**

The receivables from related parties arise mainly from sale transactions, intercompany treasury balances and payments on behalf of other related companies with short term settlement period. The receivables are unsecured in nature and bear no interest. There are no provisions required against receivables from any related parties.

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

30 Contingent liabilities

Legal proceedings

The company is presently involved in three (2) litigation suits as at 31 December 2016. The claims against the company from the suits amount to N1.8 billion (31 December 2015: N2.45 billion) as of reporting date. No provision has been made for these claims because based on legal advice, the directors believe that no significant loss will eventuate .

Guarantee on behalf of Frigoglass Finance B.V.

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

31 Capital commitments

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

32 Subsequent events

A dividend in respect of the year ended 31 Dec 2016 of 98 kobo per share, amounting to a total dividend of N489,972,560 was declared at the board meeting held on 23 March 2017 . These financial statements do not reflect this dividend payable.

On 20 March 2017, the Nigeria Export Promotion Council (NEPC) released a circular requesting exporters to submit their baseline data for EEG claims. Subsequent to the approval of the baseline data, exporters will be requested to submit outstanding EEG claims.

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, 2016 and on the profit for the year ended on that date which have not been adequately provided for or recognised.

33 Compliance with regulatory bodies

There was no penalty for non-compliance matters with respect to regulatory bodies for the year ended 31 December 2016.

14 Property, plant and equipment - 31 December 2016

	Land N'000	Building N'000	Plant and Machinery N' 000	Furniture fittings and equipment N' 000	Motor Vehicles N' 000	Furnaces N' 000	Assets under Construction N' 000	Total N' 000
Cost or valuation:								
At 1 January 2016	168,540	1,721,777	17,962,196	374,288	563,569	6,517,105	766,247	28,073,722
Additions	-	36,779	858,937	30,335	68,379	39,618	-	1,034,048
Disposals	-	-	(196,613)	(5,559)	(10,114)	-	-	(212,286)
Reclassifications	-	-	696,581	-	-	-	(696,581)	-
At 31 December 2016	168,540	1,758,556	19,321,101	399,064	621,834	6,556,723	69,666	28,895,484
Depreciation:								
At 1 January 2016	-	505,629	11,556,376	334,179	404,886	3,615,533	-	16,416,603
Charge for the year	-	51,838	1,563,601	21,603	81,040	454,651	-	2,172,733
On disposals	-	-	(196,613)	(5,531)	(10,114)	-	-	(212,258)
At 31 December 2016	-	557,467	12,923,364	350,251	475,812	4,070,184	-	18,377,078
Net book value:								
At 31 December 2016	168,540	1,201,089	6,397,737	48,813	146,022	2,486,539	69,666	10,518,406
At 31 December 2015	168,540	1,216,148	6,405,820	40,109	158,683	2,901,572	766,247	11,657,119

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

Depreciation expenses of N2.070 billion (2015: N2.010 billion) has been charged to Cost of sales and N102.73 million (2015: N92.94 million) was charged to Administrative expenses

14 Property, plant and equipment - 31 December 2015

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

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

Depreciation expenses of N2.010 billion (2014: N1.923 billion) has been charged to Cost of sales and N92.94 million (2014: N80.8 million) was charged to Administrative expenses

Statement of value added

	2016 N'000		2015 N'000	%
Revenue	19,091,192		15,953,224	
Finance income	364,271		454,162	
Other income	629,968		596,691	
Foreign exchange gain	1,913,258		380,027	
	21,998,689		17,384,104	
Bought in materials and services				
- Imported	(1,098,310)		(749,507)	
- Local	(10,735,653)		(8,871,391)	
	10,164,726	**100.00**	**7,763,206**	**100.00**
Applied as follows:				
To pay employees:				
- Wages, salaries and other benefits	2,753,551	27.09	2,471,542	31.84
To pay providers of capital:				
- Finance cost	19,808	0.19	68,980	0.89
To pay government:				
- Income tax expense	1,415,860	13.93	1,123,668	14.47
To provide for enhancement of assets and growth:				
- Depreciation of plant, property and equipment	2,172,733	21.38	2,103,368	27.09
- Amortisation of intangible assets	3,381	0.03	4,521	0.06
- Profit retained for the year	3,799,393	37.38	1,991,127	25.65
	10,164,726	**100.00**	**7,763,206**	**100.00**

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

Five year financial summary

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Assets employed					
Non-current assets	10,533,274	11,675,368	9,602,728	9,693,742	9,891,975
Current assets	22,650,856	15,495,701	17,325,659	17,472,739	12,564,592
Non-current liabilities	(4,718,709)	(4,065,937)	(3,301,449)	(3,990,011)	(5,240,199)
Current liabilities	(6,990,457)	(5,527,007)	(7,673,957)	(9,423,313)	(4,760,565)
Net assets	**21,474,964**	**17,578,125**	**15,952,981**	**13,753,157**	**12,455,803**
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	2,429,942
Retained earnings	18,482,189	14,585,350	12,960,206	10,760,382	9,463,028
Total equity	**21,474,964**	**17,578,125**	**15,952,981**	**13,753,157**	**12,455,803**

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Turnover	19,091,192	15,953,224	16,632,879	14,096,123	12,932,549
Profit before income tax	5,215,253	3,114,795	3,340,660	2,138,784	1,857,089
Income tax expense	(1,415,860)	(1,123,668)	(950,437)	(578,619)	(528,509)
Profit for the year	3,799,393	1,991,127	2,390,223	1,560,164	1,328,580
Other comprehensive income	296,238	(56,000)	(4,125)	(6,230)	-
Total comprehensive income	**4,095,631**	**1,935,127**	**2,386,098**	**1,553,934**	**1,328,580**

Per share data					
Earnings per share (Naira)	7.60	3.98	4.78	3.12	2.66
Net asset per share (Naira)	42.95	35.16	31.91	27.51	24.91

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

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

Note: Five year financial summary is not a required disclosure under IFRS