FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED
Annual report and financial statements
For the year ended 31 December 2016

Index to the consolidated financial statements
For the year ended 31 December 2016

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED
Report of the Directors
For the year ended 31 December 2016

The Directors present to 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 crown corks and plastic products. The Company is also involved in the manufacturing and sales of glassware through its group activities.

RESULTS FOR THE YEAR

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Turnover	25,814,644	21,637,727	6,723,452	5,684,504
Profit before taxation from continuing operation	10,476,246	4,741,241	5,372,378	1,799,086
Profit after taxation from continuing operation	7,380,160	2,879,691	3,692,153	1,061,204

APPROPRIATION OF PROFIT AFTER TAXATION

The Directors recommend no dividend for the year ended 31 December, 2016 (31 December 2015: Nil).

DIRECTORS

The names of the Directors who held office during the year under review and at the date of this report are as follows:

(Bashorun) Adebisi Alli Adesanya -Chairman
Mr. Darren Bennett-Voci (British) (appointed 17/03/2016) -Managing Director
Mr. George Papachristou (Greek)
Chief Christopher Avielele
Mr. Haralambos (Harry) G David (Cypriot)
Mr. Nikolaos Mamoulis (Greek)
Mr. Emmanouil Fafalios (Greek) (appointed 17/03/2016)
Mr. Torsten Tuerling (German) (resigned w.e.f 01/12/2016)

Mr. Torsten Tuerling resigned as a Director of the Company, after the last Annual General Meeting.

Messrs. Darren Bennett-Voci and Emmanouil Fafalios were appointed as Directors before the last Annual General Meeting. At the Last Annual General Meeting, they retired, sought election and their appointments were ratified by members of the Company.

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

In accordance with Section 258(2) of the Companies and Allied Matters Act, the records of Directors' attendance at Board Meetings during the year will be available for inspection.

DIRECTORS' INTERESTS IN:

a) **Shares of the Company:** According to the Register kept for the purposes of Section 275 of the Companies and Allied Matters Act, none of the Directors held any shares in the issued share capital of the Company as at 1 January 2016 and 31 December 2016.

b) **Shares of the Subsidiary Company:** The table below shows the interests of the Directors in the issued share capital of Beta Glass Plc:

	Number of shares as at	
	31 December 2016	**1 January 2016**
(Bashorun) Adebisi A Adesanya	639,685	639,685
Mr. Darren Bennett-Voci (British) (appointed w.e.f 17/03/2016)	-	-
Mr. George Papachristou (Greek)	-	-
Chief Chrisopher Avielele	27,474	27,474
Mr. Haralambos (Harry) G David (Cypriot)	25,437	25,437
Mr. Gerasimos Varvias (Greek)(resigned w.e.f 17/03/2016)	-	-
Mr. Nikolaos Mamoulis (Greek)	-	-
Mr. Emmanouil Fafalios (Greek) (appointed w.e.f 17/03/2016)	-	-
Mr. Torsten Tuerling (German) (resigned w.e.f 01/12/2016)	-	-

CONTRACTS

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, of any disclosable interests in contracts involving the Company either as at 31 December 2016 or the date of this report.

SHAREHOLDING

According to the register of members at 31 December, 2016, the following shareholders of the company held more than 10% of the issued share capital of the company:

Shareholder	**Number of shares**	**Percentage held**
	Units	**%**
Frigoinvest Holdings B.V Netherlands	332,373,932	76.03
Nigerian Bottling Company Limited	104,491,862	23.90

DISTRIBUTION OF COMPANY'S PRODUCTS

The Company's products are manufactured mainly to customers' specifications. Hence, distributors are not involved in the company's value chain

ACQUISITION OF OWN SHARES

The Company did not acquire its own shares during the period under review.

FIXED ASSETS

In the opinion of the Directors, the market value of the Company's assets is not less than the value shown in the financial statements.

EMPLOYMENT OF DISABLED PERSONS

It is the Company's policy not to discriminate against disabled persons hence, full and fair consideration is given to applications received from them having regard to each applicant's particular aptitudes and abilities.

HEALTH, SAFETY AND WELFARE OF EMPLOYEES

Free medical treatment is given to all employees in well-equipped and professionally manned in-house clinics, which exists in the Company's and its subsidiary's operational locations. Cases requiring more intensive medical care are referred to the nearest reputable hospitals whose services is retained by the Company. Where, necessary, protective clothing and devices are provided for employees.

Free meals of high nutritional value are served at the Company's canteens, whilst transportation facilities to and from their places of work is provided by the Company.

Retirement benefit scheme is operated for all qualified employees of the Company in accordance with the Pensions Reform Act, 2004 as amended.

EMPLOYEES' INVOLVEMENT AND TRAINING

In keeping with the Company's policy, which enhances industrial peace and harmony, employees are consulted and involved in decisions that affect their current jobs or future prospects.

Training opportunities are provided both locally and abroad.

AUDITORS

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

BY ORDER OF THE BOARD

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

IDDO HOUSE, IDDO, LAGOS

Dated: 23 March 2017

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED
Statement of directors' responsibilities
For the year ended 31 December 2016

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.

Bashorun Adebisi Alli Adesanya
Chairman
23 March 2017
FRC/2013/IODN/00000005709

D.P Bennett-Voci

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

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Independent auditor's report

To the members of Frigoglass Industries Nigeria Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated and separate financial position of Frigoglass Industries Nigeria Limited ("the company") and its subsidiaries (together "the group") as at 31 December 2016, and of their consolidated and separate financial performance and their consolidated and separate 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

Frigoglass Industries Nigeria Limited's financial statements comprising of:

- the consolidated and separate statements of financial position as at 31 December 2016;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate 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 consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International 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.

Other information

The directors are responsible for the other information. The other information comprises *the Directors Report, Statement of Directors' Responsibilities, Statements of value added and Five Year Financial Summary* but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed 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 consolidated and separate financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

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

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

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such pwc

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated 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.

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

Edafe Erhie

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

11 May 2017

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

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

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

	Note	Group 31 December 2016 N'000	Group Restated 31 December 2015 N'000	Company 31 December 2016 N'000	Company Restated 31 December 2015 N'000
Revenue	5	25,814,644	21,637,727	6,723,452	5,684,504
Cost of sales	6	(20,617,610)	(17,184,035)	(5,472,233)	(4,936,688)
Gross profit		5,197,034	4,453,692	1,251,219	747,816
Administrative expenses	6	(2,036,796)	(1,981,187)	(531,797)	(429,901)
Selling and distribution expenses	6	(125,305)	(83,284)	(12,051)	(571)
Other income	8	834,162	609,858	315,575	504,788
Operating profit		3,869,095	2,999,079	1,022,946	822,132
Net foreign exchange gain	9	5,816,310	1,340,685	3,903,052	960,658
Finance income	10	850,734	535,571	794,185	247,959
Finance cost	10	(59,893)	(134,094)	(347,805)	(231,663)
Finance income - net	10	790,841	401,477	446,380	16,296
Profit before income tax		10,476,246	4,741,241	5,372,378	1,799,086
Income tax expense	11	(3,096,086)	(1,861,550)	(1,680,225)	(737,882)
Profit for the year from continuing operations		7,380,160	2,879,691	3,692,153	1,061,204
Discontinued operations					
Profit after taxation from discontinued operations	6	-	118,402	-	118,402
Profit for the year		7,380,160	2,998,093	3,692,153	1,179,606
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement gain/(loss) on employee benefit obligation	22	459,577	(80,000)	39,594	-
Deferred tax (charged) /credit on remeasurement gain/(loss) on employee benefit obligation	23	(136,758)	24,000	(13,013)	-
Other comprehensive income for the year-net of tax		322,819	(56,000)	26,581	-
Total comprehensive income for the year		7,702,979	2,942,093	3,718,734	1,179,606
Total comprehensive income attributable to:					
– Owners of the parent		6,141,724	2,204,423	3,718,734	1,179,606
– Non-controlling interests		1,561,255	737,670	-	-
		7,702,979	2,942,093	3,718,734	1,179,606
Earnings per share for profit attributable to the equity holders of the company					
Basic and diluted EPS (Naira)	12	16.88	6.59	8.45	2.43

The notes on pages 14 to 41 are an integral part of these financial statements.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Consolidated statement of financial position

As at

	Notes	Group 31 December 2016 N'000	Group 31 December 2015 N'000	Company 31 December 2016 N'000	Company 31 December 2015 N'000
Assets					
Non-current assets					
Property, plant and equipment	15	11,921,752	13,160,694	1,403,350	1,503,577
Investments in subsidiaries	13	-	-	1,786,130	1,786,130
Intangible assets	14	16,147	21,914	1,279	3,665
Total non-current assets		11,937,899	13,182,608	3,190,759	3,293,372
Current assets					
Inventories	16	6,073,785	4,805,369	1,863,123	1,325,491
Trade and other receivables	17	22,215,223	16,382,155	14,347,622	9,805,459
Cash in hand and at bank	18	9,081,622	4,077,957	1,026,964	76,156
Total current assets		37,370,630	25,265,481	17,237,709	11,207,106
Total assets		49,308,529	38,448,089	20,428,468	14,500,478
Liabilities					
Non-current liabilities					
Employee benefit obligation	22	2,615,121	2,818,768	213,819	241,049
Deferred taxation liabilities	23	4,276,591	2,118,709	1,959,183	630,490
Total non-current liabilities		6,891,712	4,937,477	2,173,002	871,539
Current liabilities					
Borrowings	21	181,018	624,229	-	472,691
Trade and other payables	19	6,397,523	5,059,843	3,579,407	2,113,167
Current income tax liabilities	20	2,040,514	1,644,342	617,943	703,699
Total current liabilities		8,619,055	7,328,414	4,197,350	3,289,557
Total liabilities		15,510,767	12,265,891	6,370,352	4,161,096
Equity					
Ordinary share capital	24	218,591	218,591	218,591	218,591
Share premium		16,330	16,330	16,330	16,330
Other reserves		2,429,942	2,429,942	-	-
Retained earnings		22,959,019	16,816,554	13,823,195	10,104,461
		25,623,882	19,481,417	14,058,116	10,339,382
Non controlling interest		8,173,880	6,700,781	-	-
Total equity		33,797,762	26,182,198	14,058,116	10,339,382
Total equity and liabilities		49,308,529	38,448,089	20,428,468	14,500,478

The notes on pages 14 to 41 are an integral part of these financial statements.

The financial statements on pages 9 to 41 were approved and authorised for issue by the board of directors on 23 March 2017 and were signed on its behalf by:

(Bashorun) Adebisi Alli Adesanya
Chairman
FRC/2013/IODN/00000005709

DP Bennett-Voci

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

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

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Consolidated statement of changes in equity- Group
Year ended 31 December 2016

	Attributable to owners of the parent						
	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total N'000	Non controlling interest N'000	Total equity N'000
Balance at 1 January 2015	**218,591**	**16,330**	**2,429,942**	**15,896,450**	**18,561,313**	**4,796,958**	**23,358,271**
Profit for the year	-	-	-	2,239,076	2,239,076	759,017	2,998,093
Other comprehensive income for the year - net of tax	-	-	-	(34,653)	(34,653)	(21,347)	(56,000)
Total comprehensive income for the year	-	-	-	2,204,423	2,204,423	737,670	2,942,093
Transaction with owners:							
Realignment of NCI in subsidiary	-	-	-	(1,284,319)	(1,284,319)	1,284,319	-
Dividend paid	-	-	-	-	-	(118,166)	(118,166)
Total transactions with owners	-	-	-	(1,284,319)	(1,284,319)	1,166,153	(118,166)
Balance at 31 December 2015	218,591	16,330	2,429,942	16,816,554	19,481,417	6,700,781	26,182,198
Balance at 1 January 2016	218,591	16,330	2,429,942	16,816,554	19,481,417	6,700,781	26,182,198
Profit for the year	-	-	-	5,931,831	5,931,831	1,448,329	7,380,160
Other comprehensive income for the year - net of tax	-	-	-	209,893	209,893	112,926	322,819
Total comprehensive income for the year	-	-	-	6,141,724	6,141,724	1,561,255	7,702,979
Transaction with owners:							
Dividend paid	-	-	-	-	-	(88,612)	(88,612)
Statute barred dividend returned	-	-	-	741	741	456	1,197
Total transactions with owners	-	-	-	741	741	(88,156)	(87,415)
Balance at 31 December 2016	218,591	16,330	2,429,942	22,959,019	25,623,882	8,173,880	33,797,762

The notes on pages 14 to 41 are an integral part of these financial statements.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED
Statement of changes in equity- Company
Year ended 31 December 2016

	Attributable to owners of the parent			
	Share capital N'000	Share premium N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2015	218,591	16,330	8,924,855	9,159,776
Profit for the year	-	-	1,179,606	1,179,606
Other comprehensive income for the year - net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,179,606	1,179,606
Balance at 31 December 2015	218,591	16,330	10,104,461	10,339,382
Balance at 1 January 2016	218,591	16,330	10,104,461	10,339,382
Profit for the year	-	-	3,692,153	3,692,153
Other comprehensive income for the year - net of tax	-	-	26,581	26,581
Total comprehensive income for the year	-	-	3,718,734	3,718,734
Balance at 31 December 2016	218,591	16,330	13,823,195	14,058,116

The notes on pages 14 to 41 are an integral part of these financial statements.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Consolidated statement of cash flows
Year ended 31 December 2016

	Note	Group 31 December 2016 N'000	Group 31 December 2015 N'000	Company 31 December 2016 N'000	Company 31 December 2015 N'000
Cash generated from/(used in) operations	25	6,620,676	3,699,408	1,375,335	(2,234,215)
Tax paid	20	(361,161)	(1,199,386)	(132,672)	(48,760)
Employee retirement benefits obligation paid	22	(272,302)	(118,444)	(53,348)	(20,893)
Net cash generated from/(used in) operating activities		5,987,213	2,381,578	1,189,315	(2,303,868)
Cash flows from investing activities					
Purchase of property, plant and equipment	15	(1,249,272)	(4,339,077)	(215,225)	(153,023)
Proceeds from sale of property, plant and equipment	25	5,510	84,056	3,029	20,344
Interest received	10	850,734	535,571	794,185	247,959
Net cash (used in)/generated from investing activities		(393,028)	(3,719,450)	581,989	115,280
Cash flows from financing activities					
Interest paid	10	(59,893)	(134,245)	(347,805)	(231,814)
Dividend paid		(88,612)	(118,166)	-	-
Statute barred dividend returned		1,197	-	-	-
Net cash used in financing activities		(147,308)	(252,411)	(347,805)	(231,814)
Net increase/(decrease) in cash and cash equivalents		5,446,877	(1,590,284)	1,423,499	(2,420,402)
Cash and cash equivalents at the beginning of the year		3,453,727	5,044,011	(396,535)	2,023,867
Cash and cash equivalents at the end of the year	18	8,900,604	3,453,727	1,026,964	(396,535)

The notes on pages 14 to 41 are an integral part of these financial statements.

1 General information

Frigoglass Industries (Nigeria) Limited was incorporated on 21 April 1995 and it is engaged in the manufacturing of crown corks, plastic crates and commercial refrigeration products. The Company and its subsidiary - Beta Glass Plc are together referred to as "The Group".

2 Summary of significant accounting policies

2.1 Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flow and the notes to the financial statements.

The financial statements are presented in Naira, which is the Group's presentation currency. The figures shown in the financial statements are stated in thousands of Naira except where stated otherwise.

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

The financial statements were authorised for issue by the Board of Directors on 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.

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 Group 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

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 Group, 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 group 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 group 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 Group in the current or future reporting period and on foreseeable future transactions.

2.2 Consolidation

(a) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. Investments in subsidiaries are recognised at cost less impairment.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with group's accounting policies.

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency and presentation currency of the Group is the Nigerian naira (N).

(b) Transactions and balances

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

2.4 Property, plant and equipment

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

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Property, plant and equipment (cont'd)

Depreciation on assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings 3%

Plant and machinery:
- Furnaces 14%
- Factory equipment and tools 15%
- Quarry equipment and machinery 20%
- Glass molds 50%

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.

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

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

Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale. There have been no qualifying assets in both periods presented in the financial statements.

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

2.5 Intangible assets

Computer software

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

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

2.6 Impairment of non-financial assets

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

2.7 Financial assets

Financial assets are recognized when the Group or Company becomes a party to the contractual provisions of the instrument.

Classification

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

The Group classifies its financial assets as loans and receivables. 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 Group 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, loans to subsidiaries and cash and cash equivalents in the statement of financial position.

Recognition and measurement

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

2.8 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment for trade receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable is impaired.

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

Subsequent recoveries of amounts previously written off are credited to profit or loss.

2.9 Cash and cash equivalents

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

Impairment of financial assets

The Group 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.

2.10 Financial liabilities

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

Recognition and measurement

Trade payables

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

Borrowings

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

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.

2.11 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.

2.12 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.

2.13 Leases

Leases are divided into finance leases and operating leases.

(a) Group or Company is the lessee

(i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) Finance lease

Leases of assets where the Group or Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in long term liabilities if the tenure is more than one year. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) Group or Company is the lessor

(i) Operating lease

When assets are subject to an operating lease, the assets continue to be recognised as property and equipment based on the nature of the asset. Lease income is recognised on a straight line basis over the lease term.

Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

Leases (cont'd)

(ii) Finance lease

When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

2.14 Current and deferred income tax

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

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

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

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

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

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

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

2.15 Employee benefits

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

Past-service costs are recognised immediately in income.

Employee benefits (cont'd)

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 income statement.

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.

2.16 Export expansion grant

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

EEG are recognized in the profit or loss over the period corresponding to the costs they are intended to compensate.

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

- The Company must be registered with The Nigerian Export promotion Council (NEPC)
- The Company must have a minimum annual export turnover of N5 million and evidence of repatriation of proceeds of exports.
- The Company shall submit its baseline data which includes audited Financial Statement and information on operational capacity to NEPC.
- An eligible company shall be a manufacturer, producer or merchant of products of Nigerian origin for the export market (i.e. the products must be made in Nigeria).
- Qualifying export transaction must have the proceeds fully repatriated within 180 days, calculated from the date of export and as approved by the EEG Implementation Committee.

2.17 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, crowns and plastics 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, the Group or the Company 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.

Interest income and expense

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.18 Cost of sales

Cost of sales includes the cost of manufacturing finished goods inventory (including depreciation, amortization and impairment charges), costs related to transportation, impairment, the allowance for doubtful accounts and inventory write-downs.

2.19 Share capital

The Group and Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded as share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 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.

2.21 Statement of cash flows

The Statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities. Cash and cash equivalents include highly liquid investments.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

The cash flows from investing and financing activities are determined by using the direct method. The Company's assignment of the cash flows to operating, investing and financing category depends on the Company's business model (management approach).

2.22 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where IAS 8 applies, comparative figures have been adjusted to conform with changes in presentation in the current year.

2.23 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.

3 Financial instruments and risk management

3.1 Financial risk factors

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

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

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

The Group's financial instruments consist of trade and other receivables and trade and other payables, bank borrowings and overdraft and cash and cash equivalents. In addition, the Company has loan to subsidiary.

3.1.1 Market risk

Market risk is the risk that movements in market rates, including foreign exchange rates, and commodity prices will reduce the Group's income. The management of market risk is undertaken using risk limits approved by the operating unit finance directors under delegated authority.

(a) Foreign exchange risk

The Group is exposed to foreign exchange risks from some of its commercial transactions and recognised assets. The Group buys and imports some of the raw materials used for production, the payments for which are made in US Dollars. Receipts for sales of finished goods in Nigeria are in Naira whilst receipts for sales of finished goods to other countries are in US dollars. The Group makes payments and collects receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in the US dollar.

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

Foreign exchange risk (cont'd)

Sensitivity analysis for foreign exchange rate risk

The sensitivity analysis for foreign exchange rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates at the reporting date. The variable balances that the company is exposed relate to cash balances.

The Group and Company exposure to US Dollar (USD) is as follows:

	Group		Company	
	2016	2015	2016	2015
	USD'000	USD'000	USD'000	USD'000
Financial assets				
Cash and cash equivalent	18,803	20,550	280	282
Trade receivables	2,125	1,966	-	-
Related parties	37,647	34,920	37,647	34,920
	58,575	57,436	37,927	35,202
Financial liabilities				
Trade payables	5,320	3,562	2,833	1,336
Related parties payable	254	2,013	201	912
	5,574	5,575	3,034	2,248
Net amount	53,001	51,861	34,893	32,954

Effects in Naira on the Group and Company result:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
15 percent strengthening of the Naira to USD	(2,424,810)	(1,532,487)	(1,596,369)	(973,788)
15 percent weakning of the Naira to USD	2,424,810	1,532,487	1,596,369	973,788

	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.

(b) Interest rate risk

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

(c) Price risk

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

3.1.2 Credit risk

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

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

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

Credit risk (cont'd)

The maximum exposure to credit risk for trade receivables approximates the amount recognized on the statement of financial position. The Group does not hold any collateral as security.
As at 31 December 2016, all financial assets of N27.1bn (31 December 2015: N15.1bn) for the Group and for the CompanyN15.7bn (31 December 2015: N9.6bn) were fully performing, N1.1bn (31 December 2015: N2.7bn) for the Group and for the Company N0.09bn (31 December 2015: N0.06bn) were past due but not impaired. No impaired financial assets for Group and Company as at 31 December 2016 and 31 December 2015.

The aging analysis of the latter two categories of receivables is as follows:

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

31 December 2016 - Group	**Neither past due nor impaired**	**Past due but not impaired**			**Total**
		Up to 90 days	**91 - 150 days**	**Over 150 days**	
Financial assets:					
Cash and cash equivalents	9,081,622	-	-	-	9,081,622
Trade receivables	2,467,415	956,424	45,732	3,831	3,473,402
Receivables from related parties	15,423,558	104,610	4,080	-	15,532,248
Staff advances	138,527	-	-	-	138,527
	27,111,122	1,061,034	49,812	3,831	28,225,799

31 December 2015 - Group					
Financial assets:					
Cash and cash equivalents	4,077,957	-	-	-	4,077,957
Trade receivables	110,919	2,301,876	186,166	163,956	2,762,917
Receivables from related parties	10,741,169	-	-	-	10,741,169
Staff advances	140,955	-	-	-	140,955
	15,071,000	2,301,876	186,166	163,956	17,722,998

31 December 2016 - Company	**Neither past due nor impaired**	**Past due but not impaired**			**Total**
		Up to 90 days	**91 - 150 days**	**Over 150 days**	
Financial assets:					
Cash and cash equivalents	1,026,964	-	-	-	1,026,964
Trade receivables	271,439	35,369	(82)	3,831	310,557
Receivables from related parties	13,858,156	47,792	4,080	-	13,910,028
Staff advances	19,338	-	-	-	19,338
	15,175,897	83,161	3,998	3,831	15,266,887

31 December 2015 - Company					
Financial assets:					
Cash and cash equivalents	76,156	-	-	-	76,156
Trade receivables	110,919	60,127	158	3,831	175,035
Receivables from related parties	9,418,348	-	-	-	9,418,348
Staff advances	21,296	-	-	-	21,296
	9,626,719	60,127	158	3,831	9,690,835

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**	**2016 N'000**	**2015 N'000**
AAA	9,060,662	4,074,252	1,026,964	76,156
AA+	12	854	-	-
B+	20,948	2,851	-	-
	9,081,622	4,077,957	1,026,964	76,156

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

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

Credit risk (cont'd)

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

B+ : 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.

Neither past due nor impaired

Credit quality of financial assets (Trade receivables, Receivables from related parties and Staff advances)

The credit quality of financial assets (Trade receivables, Receivables from related parties and Staff advances) that are neither past due nor impaired can be assessed by reference to the internal rating provided by the finance department:

Internal rating categories	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Group A	15,562,085	10,882,124	13,877,494	9,439,644
Group B	2,467,415	110,919	271,439	110,919
	18,029,500	10,993,043	14,148,933	9,550,563

Group A These are receivables from related parties and staff advances.

Group B These are trade receivables.

3.1.3. *Liquidity risk*

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

Frigoglass Industries Nigeria Limited invests its surplus cash in interest bearing current accounts.

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

Group 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
Trade creditors and due to related parties	2,965,708	-	-	2,965,708
	2,965,708	-	-	2,965,708

Group At 31 December 2015	Less than 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Total N'000
Trade creditors and due to related parties	3,228,327	-	-	3,228,327
	3,228,327	-	-	3,228,327

Liquidity risk (cont'd)

Company 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
Trade creditors and due to related parties	2,233,721	-	-	2,233,721

Company At 31 December 2015	Less than 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Total N'000
Trade creditors and due to related parties	1,676,232	-	-	1,676,232
	1,676,232	-	-	1,676,232

3.1.4. Capital risk management

The objective in managing capital is to safeguard the Group's ability to continue as a going concern in order to maximise returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued, or debt raised.

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

The gearing ratios at 31 December 2015 and 31 December 2014 are as follows:

	Group		Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Total borrowings	181,018	624,229	-	472,691
Total equity	33,797,762	26,182,198	14,058,116	10,339,382
Gearing ratio	1%	2%	0%	5%

3.1.5. Fair value estimation

Group and Company

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

4 Critical accounting estimates and judgments

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

Property, plant and equipment

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

Export expansion grant and 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 Group and 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 1.62 billion and N0.06 billion (31 December 2015: N1.34 billion and N0.06 billion) for Group and Company respectively 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 two years, the Group and other industry players have not been able to use the NDCC for settlement of customs duties. No NDCC was received by the Group 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.

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 Revenue

	Group		Company	
		Restated		Restated
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Glass products	19,091,192	15,953,224	-	-
Packaging for beverages	6,723,452	5,684,503	6,723,452	5,684,504
	25,814,644	21,637,727	6,723,452	5,684,504

6 Expenses

		Restated		Restated
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Cost of sales				
Purchases	(9,187,105)	(7,088,888)	(4,200,974)	(3,519,101)
Depreciation (Note 14)	(2,344,832)	(2,364,607)	(274,742)	(354,175)
Technical assistance fees - Frigoglass Global Limited and Frigoglass Cyprus Limited (Note 27)	(742,565)	(622,354)	(141,192)	(119,777)
Factory salaries and wages (Note 7)	(1,843,230)	(1,745,412)	(210,964)	(210,222)
Fuel, gas and electricity	(4,619,281)	(3,527,167)	(384,497)	(306,968)
Other factory overheads	(1,880,597)	(1,835,607)	(259,864)	(426,445)
	(20,617,610)	(17,184,035)	(5,472,233)	(4,936,688)
Administrative expenses				
Depreciation and amortisation charges (Note 14 &15)	(149,055)	(143,373)	(43,031)	(45,916)
Auditors remuneration	(37,498)	(37,498)	(15,226)	(15,226)
Legal and professional fees	(105,040)	(157,607)	(22,882)	(28,386)
Salaries and wages (Note 7)	(1,317,280)	(1,087,104)	(195,996)	(150,753)
Directors' remuneration (Note 27a)	(7,425)	(8,895)	(7,425)	(8,895)
Head office administrative charge - Frigoglass Jebel Ali (Note 27)	(5,351)	(332,194)	-	(112,286)
Travel and transportation	(140,819)	(107,655)	(35,434)	(28,187)
Other administrative expenses	(274,328)	(106,862)	(211,803)	(40,252)
	(2,036,796)	(1,981,187)	(531,797)	(429,901)
Selling and distribution expense	(125,305)	(83,284)	(12,051)	(571)
Total cost of cost of sales, administrative expenses and distribution costs	(22,779,711)	(19,248,506)	(6,016,081)	(5,367,160)

Included in legal and professional fees of the group for the year ended 31 December 2016 are the following non-audit fees paid to PricewaterhouseCoopers Limited:
- N0.75 million being final 30% of fee payable in relation to The Nigerian Stock Exchange Rules on Interested Parties Transactions in Beta Glass Plc.
- N1.2 million being final 30% of fee payable in relation to Transfer Pricing documentation.

Discontinued operations

Effective from 1 September 2015, ICM operations was carved out of Frigoglass Industries Limited to form a separate legal entity. The carve out was based on the Net Book Value of the assets and the liabilities as at the carve out date. Accordingly, there was no profit or loss arising from the carve out.

In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the relevant operating results of ICM operations from 1 January 2015 up to the date of the carve out is classified as discontinued operations in the separate and consolidated income statement as follows:

	2015
Revenue	N'000
Ice cold merchandisers	3,407,416
	3,407,416
Cost of sales	
Purchases	(2,935,808)
Depreciation (Note 14)	(16,709)
Technical assistance fees - Frigoglass Global Limited and Frigoglass Cyprus Limited (Note 27)	(17,954)
Factory salaries and wages (Note 7)	(46,584)
Fuel, gas and electricity	(4,997)
Other factory overheads	(21,493)
	(3,043,545)

Administrative expenses

Depreciation and amortisation charges (Note 14 &15)	(10,303)
Legal and professional fees	(15,833)
Salaries and wages (Note 7)	(20,175)
Head office administrative charge - Frigoglass Jebel Ali (Note 27)	(20,000)
Travel and transportation	(1,596)
Other administrative expenses	(104,647)
	(172,554)
Selling and distribution expense	(41,305)
Total cost of sales, administrative expenses and distribution costs	(3,257,404)
Other income	
Profit on disposal of property plant and equipment	121
Sundry income	9,073
Sale of scrap	232
	9,426
Operating profit	159,438
Foreign exchange gain	14,835
Interest expense	(151)
Profit before taxation	174,122
Taxation (Note 20)	(55,720)
Total profit after taxation from discontinued operations	118,402

7 Employee costs

	2016 N'000	Restated 2015 N'000	2016 N'000	Restated 2015 N'000
Wages and salaries	(2,632,278)	(2,344,451)	(341,248)	(302,202)
Interest on employee benefit obligation (Note 22)	(217,636)	(186,352)	(19,980)	(19,852)
Current service cost of employee benefit obligation (Note 22)	(310,596)	(301,713)	(45,732)	(38,921)
Total (Note 6)	(3,160,510)	(2,832,516)	(406,960)	(360,975)

8 Other income

	2016 N'000	Restated 2015 N'000	2016 N'000	Restated 2015 N'000
Profit on disposal of property plant and equipment	5,481	59,861	3,029	1,675
Sundry income	148,958	241,780	28,051	299,135
Dividend income	-	-	111,381	172,640
Sale of scrap	405,207	308,216	37,966	31,338
Provision no longer required	274,516	-	135,148	-
	834,162	609,858	315,575	504,788

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

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

9 Foreign exchange gain/(loss)

	Group 2016 N'000	Group Restated 2015 N'000	Company 2016 N'000	Company Restated 2015 N'000
Foreign exchange gain	5,816,310	1,340,685	3,903,052	960,658
Foreign exchange loss	-	-	-	-
Net foreign exchange gain	5,816,310	1,340,685	3,903,052	960,658

10 Finance income and expenses

	2016 N'000	Restated 2015 N'000	2016 N'000	Restated 2015 N'000
Finance income				
Bank interest income	850,734	535,571	794,185	247,959
Finance cost				
Interest expense	(59,893)	(134,094)	(347,805)	(231,663)
Net finance income	790,841	401,477	446,380	16,296

11 Income tax expense

	2016 N'000	Restated 2015 N'000	2016 N'000	Restated 2015 N'000
Income tax	1,530,762	1,055,297	407,783	419,837
Education tax	139,550	142,009	29,700	30,548
Prior year over provision*	(595,350)	-	(72,938)	-
Net income and education tax for the year (Note 20)	1,074,962	1,197,306	364,545	450,385
Deferred tax charged	1,425,774	664,244	1,242,742	287,497
Prior year under provision*	595,350	-	72,938	-
Net deferred tax for the year (Note 23)	2,021,124	664,244	1,315,680	287,497
Tax expense	3,096,086	1,861,550	1,680,225	737,882

*Prior year over/under provision 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 tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

Effective tax reconciliation

Profit before tax	**10,476,246**	**4,741,241**	**5,372,378**	**1,799,086**
Income tax using the domestic corporation tax rate of 30%	3,142,874	1,422,372	1,611,713	539,726
Tax effects of:				
Non chargeable income	(134,248)	(69,579)	(48,504)	(51,792)
Non deductible expenses	37,973	535,970	7,841	249,623
Effect of education tax	139,550	142,009	29,700	30,547
Effect of tax incentive	(90,063)	(169,222)	79,475	(30,222)
Total income tax expense in statement of profit or loss	3,096,086	1,861,550	1,680,225	737,882

12 Earnings per share

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

Profit attributable to shareholders of the Company - N'000	7,380,160	2,879,691	3,692,153	1,061,204
Weighted average number of ordinary shares in issue - '000	437,182	437,182	437,182	437,182
Basic Earnings per share (Naira)	16.88	6.59	8.45	2.43

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

13 Investment in subsidiary

	Company 31 Dec 2016 N'000	Company 31 Dec 2015 N'000
Investment	1,786,130	1,786,130

This relates to a 61.88% investment in Beta Glass Plc, a subsidiary of the Company which is consolidated.

The non controlling interest portion is distributed amongst

	Percentage holding 2016	Percentage holding 2015
Frigoinvest Holdings B.V	8.17%	8.17%
Stanbic IBTC Nominees Nigeria Limited	7.96%	-
Delta State Ministry of Finance Incorporated	5.60%	5.60%
Others	16.39%	24.35%

14 Intangible assets

	Group 2016 N'000	Group 2015 N'000	Company 2016 N'000	Company 2015 N'000
Cost				
As at 1 January	60,211	71,645	23,129	34,563
Additions	-	-	-	-
Transfer to Frigoglass West Africa Ltd	-	(11,434)	-	(11,434)
As at 31 December	60,211	60,211	23,129	23,129
Accumulated amortisation:				
As at 1 January	38,296	34,018	19,463	19,706
Amortisation charge for the year	5,768	8,473	2,387	3,952
Transfer to Frigoglass West Africa Ltd	-	(4,195)		(4,195)
As at 31 December	44,064	38,296	21,850	19,463
Net book values				
At 31 December	16,147	21,914	1,279	3,665

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

15 Property plant and equipment (See page 38 - 41)

16 Inventory

	Group 2016 N'000	Group 2015 N'000	Company 2016 N'000	Company 2015 N'000
Raw materials	2,222,316	2,049,588	476,676	574,487
Work-in-progress	135,145	51,143	103,640	33,532
Finished goods	1,058,170	923,393	220,328	184,664
Spare parts and consumables	1,548,043	1,466,572	295,026	318,154
	4,963,674	4,490,696	1,095,670	1,110,837
Goods in transit	1,110,111	314,673	767,453	214,654
	6,073,785	4,805,369	1,863,123	1,325,491

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

	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Cost of inventories included in cost of sales	9,187,105	10,024,696	4,200,974	6,454,908
Cost of inventory written off during the period	-	-	-	-

17 Trade and other receivables

	Group 2016 N'000	Group 2015 N'000	Company 2016 N'000	Company 2015 N'000
Trade receivables	3,473,402	2,762,917	310,557	175,035
Unutilised Negotiable Duty Credit Certificates (Note 4)	1,067,598	1,067,598	-	-
EEG receivable (Note 4)	1,621,728	1,341,994	69,166	69,166
Prepayments	290,768	203,788	37,884	32,176
Other receivables	90,952	123,734	649	89,438
Staff advances	138,527	140,955	19,338	21,296
Due from related companies (Note 27)	15,532,248	10,741,169	13,910,028	9,418,348
Total	22,215,223	16,382,155	14,347,622	9,805,459

There was no impairment on trade receivables at year end. All trade receivables are current. Amortised cost of trade and other receivables approximate fair values.

18 Cash and cash equivalents

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Cash at bank	9,081,103	4,076,471	1,026,887	75,233
Cash in hand	519	1,486	77	922
Cash in hand and at bank	9,081,622	4,077,957	1,026,964	76,156

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

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Cash in hand and at bank	9,081,622	4,077,957	1,026,964	76,156
Bank overdraft (Note 21)	(181,018)	(624,229)	-	(472,691)
Cash and cash equivalents	8,900,604	3,453,728	1,026,964	(396,535)

19 Trade and other payables

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Trade creditors	2,295,535	2,416,733	135,008	77,968
Other creditors and accruals	3,431,816	1,831,516	1,345,687	436,935
Due to related companies (Note 27)	670,172	811,594	2,098,712	1,598,264
	6,397,523	5,059,843	3,579,407	2,113,167

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

20 Tax payable

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
The movement in tax payable is as follows:				
At 1 January	1,644,342	1,888,502	703,699	544,154
Provision for the year (Note 11)	1,074,962	1,197,305	364,545	450,384
Taxation from discontinued operations (Note 6)	-	55,720	-	55,720
WHT credit note utilised during the year	(317,629)	(297,799)	(317,629)	(297,799)
Payment during the year	(361,161)	(1,199,386)	(132,672)	(48,760)
At 31 December	2,040,514	1,644,342	617,943	703,699

21 Borrowings

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Non-current				
Bank borrowings	-	-	-	-
Current				
Bank overdraft	181,018	624,229	-	472,691
	181,018	624,229	-	472,691

22 Employee benefits obligation

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

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Statement of financial position obligations for:				
Post-employment benefit	2,615,121	2,818,768	213,819	241,049
Liability in the statement of financial position	2,615,121	2,818,768	213,819	241,049

Employee benefit obligation (cont'd)

Charge to statement of comprehensive income included in employee benefits expense for:

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Post-employment benefit	528,232	488,065	65,712	58,773
	528,232	488,065	65,712	58,773
Remeasurements for:				
Post-employment benefit	(459,577)	80,000	(39,594)	-
	(459,577)	80,000	(39,594)	-

The provision for gratuity was based on independent actuarial valuation performed by independent actuaries using the projected unit credit method. The group 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:

	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Present value of obligations (unfunded)	2,615,121	2,818,768	213,819	241,049

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

	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Balance at the beginning of the year	2,818,768	2,448,047	241,049	282,069
Charge during the year				
Current service cost (Note 7)	310,596	301,713	45,732	38,921
Interest for the year (Note 7)	217,636	186,352	19,980	19,852
	528,232	488,065	65,712	58,773
Total	3,347,000	2,936,112	306,761	340,842
Remeasurements:				
Actuarial (gains)/losses - change in financial assumption	(36,430)	68,835	(5,632)	-
Actuarial (gains)/losses - experience adjustment	(423,147)	11,165	(33,962)	-
	(459,577)	80,000	(39,594)	-
Payments from plan:				
Benefits paid by the employer	(272,302)	(118,444)	(53,348)	(20,893)
Transfer to Frigoglass West Africa Ltd	-	(78,900)	-	(78,900)
Balance at the end of the year	2,615,121	2,818,768	213,819	241,049

The significant actuarial assumptions were as follows:

	2016	2015
Discount rate (p.a.)	16%	12%
Future average pay increase (p.a.)	14%	12%
Average rate of inflation (p.a.)	12%	9%

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%	211,743
Discount rate	-0.5%	216,010
Salary increase	+0.5%	216,718
Salary decrease	-0.5%	211,038
Mortality experience	Age rated up by 1 year	213,740
Mortality experience	Age rated down by 1 year	213,889

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.

23 Deferred tax liability

The analysis of deferred tax liability is as follows:

	Group 2016 N'000	Group 2015 N'000	Company 2016 N'000	Company 2015 N'000
Deferred tax liability:				
- To be recovered after 12 months	4,276,591	2,118,709	1,959,183	630,490
- To be recovered within 12 months	-	-	-	-
	4,276,591	2,118,709	1,959,183	630,490

The movement in deferred tax liability is as follows:

	Group 2016 N'000	Group 2015 N'000	Company 2016 N'000	Company 2015 N'000
At start	2,118,709	1,516,070	630,490	380,598
Changes during the year:				
Charged/(credited) on actuarial loss from other comprehensive income	136,758	(24,000)	13,013	-
Charged to profit or loss (Note 11)	2,021,124	664,244	1,315,680	287,497
Transfer to Frigoglass West Africa Ltd	-	(37,605)	-	(37,605)
At end of the year	4,276,591	2,118,709	1,959,183	630,490

	Group Fixed assets N'000	Group Provisions N'000	Group Total N'000	Company Fixed assets N'000	Company Provisions N'000	Company Total N'000
At 1 January 2015	1,796,700	(280,630)	1,516,070	316,149	64,449	380,598
Charged/(credited) to profit or loss and OCI	1,008,116	(367,871)	640,244	528,310	(240,812)	287,497
Transfer to Frigoglass West Africa Ltd	58,725	(21,120)	37,605	58,725	(21,120)	37,605
At 31 December 2015	2,746,090	(627,381)	2,118,709	785,733	(155,243)	630,490
Charged/(credited) to profit or loss and OCI	(139,388)	2,297,270	2,157,882	(439,955)	1,768,648	1,328,693
At 31 December 2016	2,606,702	1,669,889	4,276,591	345,778	1,613,405	1,959,183

24 Share capital

Authorised:

	2016 N'000	2015 N'000
1,000,000 ordinary shares of 50kobo each	500,000	500,000
Allotted, called up and fully paid: 437, 181,868 ordinary shares of 50k each	218,591	218,591

25 Cash generated from operating activities

	Note	Group 2016 N'000	Group 2015 N'000	Company 2016 N'000	Company 2015 N'000
Cash flows from operating activities					
Profit before tax		10,476,246	4,915,363	5,372,378	1,973,208
Adjustment for:					
Depreciation	15	2,488,185	2,526,519	315,452	423,151
Profit on disposal of property, plant and equipment		(5,481)	(59,982)	(3,029)	(1,796)
Amortisation charges	14	5,768	8,473	2,387	3,952
Employee benefits obligation transferred to FWA	22	-	(78,900)	-	(78,900)
Interest on employee benefit obligation	22	217,636	186,352	19,980	19,852
Current service costs on other employee benefit obligation	22	310,596	301,713	45,732	38,921
Finance income	10	(850,734)	(535,571)	(794,185)	(247,959)
Finance expense	10	59,893	134,245	347,805	231,814
Changes in working capital:					
(Increase)/decrease in trade and other receivables		(6,150,697)	(2,280,501)	(4,859,793)	3,135,884
(Increase)/decrease in inventory		(1,268,416)	(674,170)	(537,632)	509,786
Increase/(decrease) in trade and other payables		1,337,680	(744,134)	1,466,240	(8,242,125)
Net cash generated from/(used in) operations		6,620,676	3,699,408	1,375,335	(2,234,215)

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	Group 2016	Group 2015	Company 2016	Company 2015
Net book amount (Note 15)	29	24,074	-	18,548
Profit/(loss) on disposal of property, plant and equipment (Note 8)	5,481	59,982	3,029	1,796
Proceeds from disposal of property, plant and equipment	5,510	84,056	3,029	20,344

26 Operating lease commitments

The Group leases land, buildings plant and machinery under non cancellable operating lease agreements. The lease tenure is 10 years and is renewable at the end of the lease.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group and Company 2016 N'000	Group and Company 2015 N'000
Not later than 1 year	36,054	23,642
Later than 1 year no later than 5 years	144,217	94,569
Later than 5 years	144,217	94,569
	324,488	212,780

27 Related parties

The Group is owned by Frigoinvest Holdings B.V Netherlands with over 70% of its shares. The ultimate parent company is Frigoglass S.A.I.C and the Group is thus related to other subsidiaries of Frigoglass S.A.I.C through common shareholdings or common directorships. Transactions arising from dealings with related parties are as detailed below.

The following companies are related parties of Frigoglass Industries Nigeria Limited:

Frigoglass S.A.I.C - Ultimate parent and ultimate controlling party
Beta Glass Plc. - Subsidiary company
Frigoinvest Services Ltd. Cyprus - Intermediate parent company
Nigerian Bottling Company - Shareholder

Related parties (cont'd)

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

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Fees for services as directors	3,758	2,839	3,758	2,839
Salaries and wages	3,667	6,056	3,667	6,056
	7,425	8,895	7,425	8,895

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

	2016 Number	2015 Number	2016 Number	2015 Number
N150,001 - N300,000	-	-	-	-
> N300,000	4	4	4	4
	4	4	4	4
Directors with no emoluments	3	2	3	2

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

	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Amount paid to the highest paid director	2,950	6,055	2,950	6,055
Amount paid to Chairman	2,950	1,065	2,950	1,065

c Transactions with related parties
The following transactions represents 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	2016 N'000	2015 N'000
Sales of goods:				
Nigerian Bottling Company	9,468,056	10,963,823	5,520,606	7,215,913

Goods are sold based on the price lists 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	2016 N'000	2015 N'000
Purchases of goods:				
Frigoglass Kato Achaia	-	7,524	-	7,524
Frigoglass Romania	-	85,967	-	85,967
Frigoglass Indonesia	-	858,857	-	858,857
Frigoglass China	-	517,075	-	517,075
Frigoglass South Africa	-	-	-	-
Frigoglass India	-	256,846	-	256,846
Frigoglass Turkey	-	811	-	811
Frigoglass Kenya	-	-	-	-
Purchase of services:				
Frigoglass, Jebel Ali (Note 6)	5,351	344,825	-	142,286
Frigoglass Global Limited (Note 6)	742,565	137,731	141,192	137,731
Frigoglass Cyrpus Limited (Note 6)		502,577	-	-
	747,916	2,712,212	141,192	2,007,096

The transaction with Frigoglass Cyprus Limited was for the supply of technical expertise to Beta Glass Plc (2015) while the transaction with Frigoglass Global Limited was for the supply of technical expertise to Beta Glass Plc (2016)and Frigoglass Industries Nigeria Limited (2016). The technical service fee represents 3% and 2% of net sales from production activities of Beta Glass Plc and Frigoglass Industries Nigeria Limited respectively as approved by the National Office for Technology Acquisition and Promotion (NOTAP) certificate numbers 005961 and 005524 for Beta Glass Plc with maturity profile of three (3) years from 01 January 2013 to 31 December 2015 and 01 January 2016 to 31 December 2018 respectively and certificates number 005891 for Frigoglass Industries Nigeria Limited with maturity profile of three (3) years from 01 January 2015 to 31 December 2017. 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 from companies with common ultimate parent and ultimate controlling party. Purchases of goods and services are at prices comparable to those obtainable from third parties.

Related parties (cont'd)

d Due to related companies

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

		Group	
		2016	2015
	Description	N'000	N'000
Frigoglass Cyprus	Purchase of services	285,084	225,999
Frigoglass Kato Achaia	Purchase of goods	-	5,862
Frigoglass India	Purchase of goods	13,091	-
Frigoglass West Africa	Intercompany payable		190,698
Frigoglass Global	Purchase of services	145,722	35,862
Frigoglass West Africa (FWAL)	Intercompany payable	214,357	-
Frigoglass Jebel Ali	Purchase of services	11,918	353,173
		670,172	811,594

		Company	
		2016	2015
	Description	N'000	N'000
Beta Glass Plc	Intercompany loan	1,823,039	1,423,000
Frigoglass Kato Achaia	Purchase of goods	-	3,328
Frigoglass India	Purchase of goods	13,091	-
Frigoglass West Africa (FWAL)	Payments made by FWAL customers	214,357	-
Frigoglass Global	Purchase of services	48,225	35,862
Frigoglass Jebel Ali	Purchase of services	-	136,074
		2,098,712	1,598,264

e Due from related companies

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

		Group	
		2016	2015
	Description	N'000	N'000
Frigoglass Jebel Ali	Intercompany loans	1,058,269	622,835
Frigoinvest Holdings B.V	Intercompany loan and other receivables	10,509,545	6,306,869
Frigoglass West Africa	Intercompany receivables	1,336,205	1,425,180
Nigeria Bottling Co (NBC)	Intercompany receivables	2,628,231	2,386,285
		15,532,250	10,741,169

		Company	
		2016	2015
	Description	N'000	N'000
Beta Glass Plc	Payments made on behalf of Beta Glass Plc		14,449
Beta Glass Plc	Intercompany treasury balances	694,888	-
Frigoglass Jebel Ali	Intercompany loan and other receivables	1,058,269	622,835
Frigoinvest Holdings B.V	Intercompany loan and other receivables	10,509,545	6,306,869
Frigoglass West Africa	Intercompany receivables	-	1,425,180
Nigeria Bottling Co (NBC)	Sales of Bottles and purchase of cullet	1,647,326	1,049,015
		13,910,028	9,418,348

Related parties (cont'd)

The receivables from related parties arise mainly from loan and sale transactions which are due two months after the date of sales. The loan receivable bears interest and repayable on demand while sales receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

The payables to related parties arise mainly from purchase transactions are due 30 to 60 days after the date of purchase. The payables bear no interest.

28 Contingent liabilities

The group is presently involved in four (4) litigation suits as at 31 December 2016. The claims against the group from the suits amount to N1.8 billion (31 December 2015: N3.36 billion) as of reporting date. No provision has been made for these claims as based on legal advice, the directors believe that no significant loss will eventuate .

Guarantee on behalf of Frigoglass Finance B.V.

On 26 February 2015, Frigoglass Industries Nigeria Limited and Beta Glass Plc guaranteed Euro 30 million loan granted by Eurobank Private Bank Luxembourg SA to Frigoglass Finance B.V.

29 Capital commitments

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

30 Subsequent events

No dividend was declared for 2016 year end and 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.

31 Compliance with regulatory bodies

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

32 Particulars of staff

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

	Group		Company	
	2016 Number	**2015 Number**	**2016 Number**	**2015 Number**
Management	330	338	38	39
Factory	389	420	66	68
Sales and Administration	9	10	1	1
	728	768	105	108

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

	Group		**Company**	
	2016 Number	**2015 Number**	**2016 Number**	**2015 Number**
N400,001 - N600,000	-	-	-	-
N600,001 - N800,000	3	4	3	3
N800,001 - N1,000,000	20	47	4	10
N1,000,001 - N1,200,000	74	105	5	14
N1,200,001 - N1,400,000	52	61	8	13
N1,400,001 - N1,600,000	48	71	7	18
N1,600,001 - N1,800,000	50	72	11	11
N1,800,001 - N2,000,000	74	88	14	10
N2,000,001 - N2,500,000	188	159	36	21
N2,500,001 - N3,000,000	89	66	7	2
Over N3,000,000	130	95	10	6
	728	768	105	108

15 Property, plant and equipment

Group - 31 December 2016

	Land N'000	Building N'000	Plant and Machinery N' 000	Furniture fittings and equipment N' 000	Motor Vehicles N' 000	Assets under Construction N' 000	Total N' 000
Cost or valuation:							
At 1 January 2016	168,540	1,806,449	27,916,297	643,556	751,397	1,219,834	32,506,073
Additions	-	42,996	1,013,974	38,596	103,071	50,635	1,249,272
Disposals	-	-	(547,581)	(6,986)	(26,873)	-	(581,440)
Reclassifications	-	-	1,371	-	8,135	(9,506)	-
At 31 December 2016	**168,540**	**1,849,445**	**28,384,061**	**675,166**	**835,730**	**1,260,963**	**33,173,905**
Depreciation:							
At 1 January 2016	-	458,534	17,745,627	587,396	553,822	-	19,345,379
Charge for the year	-	58,272	2,290,351	32,274	107,288	-	2,488,185
On disposals	-	-	(547,581)	(6,957)	(26,873)	-	(581,411)
At 31 December 2016	**-**	**516,806**	**19,488,397**	**612,713**	**634,237**	**-**	**21,252,153**
Net book value:							
At 31 December 2016	**168,540**	**1,332,639**	**8,895,664**	**62,453**	**201,493**	**1,260,963**	**11,921,752**
At 31 December 2015	**168,540**	**1,347,915**	**10,170,670**	**56,160**	**197,575**	**1,219,834**	**13,160,694**

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

Depreciation expenses of N2.34 billion (2015: N2.38 billion) has been charged to Cost of sales and N0.15 billion (2015: N0.15 billion) was charged to Administrative expenses.

Company - 31 December 2016

	Land N'000	Building N'000	Plant and Machinery N' 000	Furniture fittings and equipment N' 000	Motor Vehicles N' 000	Assets under Construction N' 000	Total N' 000
Cost or valuation:							
At 1 January 2016	-	93,595	3,867,437	270,873	191,456	9,506	4,432,866
Additions	-	6,217	115,420	8,261	34,692	50,635	215,225
Disposals	-	-	(350,968)	(1,426)	(16,759)	-	(369,152)
Reclassifications	-	-	1,371	-	8,135	(9,506)	-
At 31 December 2016	-	**99,812**	**3,633,260**	**277,708**	**217,524**	**50,635**	**4,278,939**
Depreciation:							
At 1 January 2016	-	12,906	2,513,719	253,727	148,938	-	2,929,289
Charge for the year	-	6,434	272,099	10,671	26,248	-	315,452
On disposals	-	-	(350,968)	(1,426)	(16,759)	-	(369,152)
At 31 December 2016	-	**19,340**	**2,434,850**	**262,972**	**158,427**	-	**2,875,589**
Net book value:							
At 31 December 2016	-	**80,472**	**1,198,410**	**14,736**	**59,097**	**50,635**	**1,403,350**
At 31 December 2015	-	**80,689**	**1,353,718**	**17,146**	**42,518**	**9,506**	**1,503,577**

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

Depreciation expenses of N0.27 billion (2015: N0.37 billion) has been charged to Cost of sales and N0.05 billion (2015: N0.05 billion) was charged to Administrative expenses.

15 Property, plant and equipment

Group - 31 December 2015

	Land N'000	Building N'000	Plant and Machinery N' 000	Furniture fittings and equipment N' 000	Motor Vehicles N' 000	Assets under Construction N' 000	Total N' 000
Cost or valuation:							
At 1 January 2015	199,519	1,920,089	24,883,377	663,227	727,401	2,227,671	30,621,284
Additions	-	60,751	4,665,760	28,845	87,020	(503,299)	4,339,077
Disposals	-	-	(1,678,774)	(4,991)	(31,106)	-	(1,714,871)
Impairement charge	-	-	(55,028)	-	-	(30,830)	(85,858)
Reclassifications	-	16,656	453,283	3,769	-	(473,708)	-
Transfer to Frigoglass West Africa Ltd	(30,979)	(191,047)	(352,320)	(47,295)	(31,918)	-	(653,559)
At 31 December 2015	**168,540**	**1,806,449**	**27,916,297**	**643,556**	**751,397**	**1,219,834**	**32,506,073**
Depreciation:							
At 1 January 2015	-	475,510	17,349,362	587,938	503,505	-	18,916,315
Charge for the year	-	60,803	2,320,519	40,184	105,013	-	2,526,519
On disposals	-	-	(1,655,953)	(3,792)	(31,053)	-	(1,690,797)
Transfer to Frigoglass West Africa Ltd	-	(77,779)	(268,300)	(36,934)	(23,644)	-	(406,657)
At 31 December 2015	**-**	**458,534**	**17,745,627**	**587,396**	**553,822**	**-**	**19,345,379**
Net book value:							
At 31 December 2015	**168,540**	**1,347,915**	**10,170,670**	**56,160**	**197,575**	**1,219,834**	**13,160,694**
At 31 December 2014	**199,519**	**1,444,579**	**7,534,015**	**75,289**	**223,896**	**2,227,671**	**11,704,969**

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

Depreciation expenses of N2.38 billion (2014: N2.24 billion) has been charged to Cost of sales and N0.15 billion (2014: N0.14 billion) was charged to Administrative expenses.

Company - 31 December 2015

	Land N'000	Building N'000	Plant and Machinery N' 000	Furniture fittings and equipment N' 000	Motor Vehicles N' 000	Assets under Construction N' 000	Total N' 000
Cost or valuation:							
At 1 January 2015	30,979	246,379	3,742,629	307,996	234,240	505,915	5,068,138
Additions	-	21,607	96,170	11,393	15,724	8,129	153,023
Disposals	-	-	(17,296)	(4,991)	(26,591)	-	(48,877)
Impairement charge	-	-	(55,028)	-	-	(30,830)	(85,858)
Reclassifications	-	16,656	453,283	3,769	-	(473,708)	-
Transfer to Frigoglass West Africa Ltd	(30,979)	(191,047)	(352,320)	(47,295)	(31,918)	-	(653,559)
At 31 December 2015	-	93,595	3,867,437	270,873	191,456	9,506	4,432,866
Depreciation:							
At 1 January 2015	-	20,924	2,480,891	277,064	164,246	-	2,943,125
Charge for the year	-	9,761	361,128	17,388	34,873	-	423,151
On disposals	-	-	-	(3,792)	(26,538)	-	(30,329)
Transfer to Frigoglass West Africa Ltd	-	(17,779)	(328,300)	(36,934)	(23,644)	-	(406,657)
At 31 December 2015	-	12,906	2,513,719	253,727	148,938	-	2,929,289
Net book value:							
At 31 December 2015	-	80,689	1,353,718	17,146	42,518	9,506	1,503,577
At 31 December 2014	30,979	225,455	1,261,738	30,932	69,994	505,915	2,125,013

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

Depreciation expenses of N0.37 billion (2014: N0.31 billion) has been charged to Cost of sales and N0.05 billion (2014: N0.03 billion) was charged to Administrative expenses.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Statement of value added - Company
For the year ended 31 December 2016

	Note	2016 N'000	%	Restated 2015 N'000	%
Revenue	5	6,723,452		5,684,504	
Finance income	10	794,185		247,959	
Other income	8	315,575		504,788	
Net foreign exchange gain	9	3,903,052		960,658	
		11,736,264		7,397,909	
Bought in materials and services					
- Imported		(2,381,077)		(1,602,679)	
- Local		(2,910,205)		(2,976,403)	
		6,444,982	**100**	**2,818,827**	**100**
Applied as follows:					
To pay employees:					
- Wages, salaries and other benefits	7	406,960	6	360,975	13
To pay providers of capital:					
- Finance cost	10	347,805	5	231,663	8
To pay government:					
- Income tax expense	11	1,680,225	26	737,882	26
To provide for enhancement of assets and growth:					
- Depreciation of plant, property and equipment	15	315,452	5	423,151	15
- Amortization of intangible assets	14	2,387	1	3,952	1
- Profit for the year from continued operations		3,692,153	57	1,061,204	37
		6,444,982	**100**	**2,818,827**	**100**

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

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Statement of value added - Group
For the year ended 31 December 2016

	Note	2016 N'000	%	Restated 2015 N'000	%
Revenue	5	25,814,644		21,637,727	
Finance income	10	850,734		535,571	
Other income	8	834,162		609,858	
Net foreign exchange gain	9	5,816,310		1,340,685	
		33,315,850		24,123,841	
Bought in materials and services					
- Imported		(3,479,387)		(2,352,186)	
- Local		(13,645,861)		(11,410,410)	
		16,190,602	**100**	**10,361,245**	**100**
Applied as follows:					
To pay employees:					
- Wages, salaries and other benefits	7	3,160,510	20	2,832,516	28
To pay providers of capital:					
- Finance cost	10	59,893	-	134,094	1
To pay government:					
- Income tax expense	11	3,096,086	19	1,861,550	18
To provide for enhancement of assets and growth:					
- Depreciation of plant, property and equipment	15	2,488,185	15	2,526,519	24
- Amortization of intangible assets	14	5,768	-	8,473	-
- Profit for the year from continued operations		7,380,160	46	2,998,093	29
		16,190,602	**100**	**10,361,245**	**100**

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

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Five year financial summary - Company
For the year ended 31 December 2016

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Assets employed					
Non-current assets	3,190,759	3,293,372	3,926,000	3,361,028	3,448,161
Current assets	17,237,709	11,207,106	16,795,889	15,464,336	12,554,679
Non-current liabilities	(2,173,002)	(871,539)	(662,667)	(467,992)	(468,032)
Current liabilities	(4,197,350)	(3,289,557)	(10,899,446)	(10,347,239)	(7,782,514)
Net assets	**14,058,116**	**10,339,382**	**9,159,776**	**8,010,133**	**7,752,294**
Capital employed					
Ordinary share capital	218,591	218,591	218,591	218,591	218,591
Share premium	16,330	16,330	16,330	16,330	16,330
Retained earnings	13,823,195	10,104,461	8,924,855	7,775,212	7,517,373
Total equity	**14,058,116**	**10,339,382**	**9,159,776**	**8,010,133**	**7,752,294**

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Turnover	6,723,452	5,684,504	11,325,491	9,518,697	9,942,030
Profit before income tax	5,372,378	1,799,086	1,742,996	736,068	747,243
Income tax expense	(1,680,225)	(737,882)	(512,647)	(396,798)	(240,325)
Profit for the year	3,692,153	1,061,204	1,230,349	339,270	506,918
Total comprehensive income	3,718,734	1,179,606	1,230,349	339,270	506,918

Per share data					
Earnings per share (Naira)	8.45	2.43	2.81	0.78	1.16
Net assets per share (Naira)	32.16	23.65	20.95	18.32	17.73

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

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

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

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Five year financial summary - Group
For the year ended 31 December 2016

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Assets employed					
Non-current assets	11,937,899	13,182,608	11,742,596	11,249,796	11,554,094
Current assets	37,370,630	25,265,481	23,272,271	22,766,974	18,557,298
Non-current liabilities	(6,891,712)	(4,937,477)	(3,964,117)	(4,458,004)	(5,708,230)
Current liabilities	(8,619,055)	(7,328,414)	(7,692,479)	(9,561,715)	(5,971,818)
Net assets	**33,797,762**	**26,182,198**	**23,358,271**	**19,997,051**	**18,431,344**
Capital employed					
Ordinary share capital	218,591	218,591	218,591	218,591	218,591
Share premium	16,330	16,330	16,330	16,330	16,330
Other reserves	2,429,942	2,429,942	2,429,942	2,429,942	2,429,942
Retained earnings	22,959,019	16,816,554	15,896,450	13,372,387	12,301,231
Non controlling interest	8,173,880	6,700,781	4,796,958	3,959,801	3,465,250
Total equity	**33,797,762**	**26,182,198**	**23,358,271**	**19,997,051**	**18,431,344**

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Turnover	25,814,644	21,637,727	27,958,370	23,614,820	22,874,579
Profit before income tax	10,476,246	4,741,241	4,977,844	2,693,584	2,492,180
Income tax expense	(3,096,086)	(1,861,550)	(1,463,084)	(975,417)	(768,833)
Profit for the year	7,380,160	2,879,691	3,514,760	1,718,167	1,723,347
Total comprehensive income	7,702,979	2,942,093	3,514,760	1,718,167	1,723,347

Per share data					
Earnings per share (Naira)	16.88	6.59	8.04	3.93	3.94
Net assets per share (Naira)	77.31	59.89	53.43	45.74	42.16

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