FRIGOGLASS WEST AFRICA LIMITED
Annual report and financial statements
For the year ended 31 December 2016

Index to the financial statements

Corporate information

Board of directors	Ioannis Sklavainas	Chairman	Greek	
	George Papachristou	Managing Director	Greek	
	Lemonia Chanaki		Greek	
	Emmanouil Souliotis		Greek	
	Abimbola Ogunbanjo		Nigerian	
	Simisola Eyisanmi		Nigerian	Resigned on 7 April 2016

Registration number RC 1260327

Registered office
2,Iddo House, Iddo
P.O. Box 159
Lagos, Nigeria

Company secretary
Chris Ogunbanjo Nominees
3, Hospital Road
Lagos Island
Lagos

Independent auditor
PricewaterhouseCoopers
Chartered Accountants
Landmark Towers
5B, Water Corporation Road
Victoria Island
Lagos

Principal bankers
Stanbic IBTC Bank Plc
Zenith Bank Plc

REPORT OF THE DIRECTORS

The Directors hereby present to members of the Company, the Annual Report together with the Audited Financial Statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

Frigoglass West Africa Limited is a major player in the ice-cooling merchandise (beverage coolers) market.

RESULTS FOR THE YEAR / PERIOD

	Twelve months period ended 31 Dec 2016	Four months period ended 31 Dec 2015
	N'000	N'000
Turnover	4,713,810	1,265,603
Loss before taxation	(502,111)	(56,234)
Loss after taxation	(236,014)	(142,673)

APPROPRAITION OF LOSS AFTER TAXATION

The Directors do not recommend the payment of dividend for the year ended 31 December 2016.

DIRECTORS

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

Ioannis Sklavainas (Greek) - Chairman
George Papachristou (Greek) - Managing Director
Lemonia Chanaki (Greek)
Emmanouil Souliotis (Greek)
Abimbola Ogunbanjo (Nigerian)
Simisola Eyisanmi (Nigerian) (resigned w.e.f 7/04/2016)

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

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 31 December 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 disposable interests in contracts involving the Company either as at 31 December 2016 or the date of this report.

REPORT OF THE DIRECTORS

SHAREHOLDING

According to the register of members at 31 December 2016, below are the details of the shareholding of the Company:

Shareholder	Number of shares	Percentage held
	Units	%
Frigoinvest Holdings B. V. Netherlands	653,823,600	76.02
Nigerian Bottling Company Limited	205,574,400	23.90
Strawdale Limited	602,000	0.08
Total	**860,000,000**	**100**

DISTRIBUTION OF COMPANY'S PRODUCTS

The Company's products are manufactured mainly to customer's specifications.

ACQUISITION OF OWN SHARES

The Company did not acquire its own shares during the year 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 premises. Cases requiring more intensive medical care are referred to the nearest reputable hospitals whose services are retained by the Company. Where necessary, protective clothing and devices are adequately 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 Pension 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.

REPORT OF THE DIRECTORS

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

Chris Ogunbanjo Nominees Limited
CHRIS OGUNBANJO NOMINEES LIMITED
Company Secretary

Dated: 6 July **2017**

Statement of directors' responsibilities

The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of financial affairs of the Company at the end of the period 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 judgments 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 judgments 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.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Abimbola Ogunbanjo
Director
FRC/2013/NBA/00000004358
6 July 2017

G.P.
Mr. George Papachristou
Managing Director
FRC/2013/IODN/00000002337
6 July 2017

Independent auditor's report

To the members of Frigoglass West Africa Limited

Report on the audit of the financial statements

Our opinion

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

What we have audited

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

Basis for opinion

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

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

Independence

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

Other information

The directors are responsible for the other information. The other information comprises the corporate information, Report of the directors, Statement of directors' responsibilities, Statement of value added and any other information but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

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

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

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

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
A1 313451

6 July 2017

Edafe Erhie

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

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

Statement of profit or loss and other comprehensive income

	Note	Twelve months period ended 31 December 2016	Four months period ended 31 December 2015
		N'000	N'000
Revenue	5	4,713,810	1,265,603
Cost of sales	6	(3,757,885)	(1,265,051)
Gross profit		955,925	552
Operating expenses	6	(272,444)	(71,170)
Other income	8	161,199	5,853
Net foreign exchange (loss)/gain	9	(1,392,800)	3,203
Operating loss		(548,120)	(61,562)
Finance income	10	55,177	21,325
Finance cost	10	(9,168)	(15,997)
Finance income- net	10	46,009	5,328
Loss before income tax		(502,111)	(56,234)
Income tax credit/(expense)	11	266,097	(86,439)
Loss for the year/period		(236,014)	(142,673)
Other comprehensive income:			
Remeasurement gain/(loss) on employee benefit obligation	20	20,821	-
Deferred tax credit on remeasurement loss on employee benefit obligation	21	(6,246)	-
Total items that will not be reclassified to profit or loss		14,575	-
Other comprehensive income for the year/period-net of tax		14,575	-
Total comprehensive loss for the year/period		(221,439)	(142,673)
Total comprehensive loss for the year/period attributable to owners of the company		(221,439)	(142,673)
Earnings per share for loss attributable to the equity holders of the company			
Basic and diluted EPS (Naira)	12	(0.27)	(0.17)

The notes on pages 13 to 30 are an integral part of these financial statements.

Statement of financial position

	Note	31 December 2016 N'000	31 December 2015 N'000
Assets			
Non-current assets			
Property, plant and equipment	14	236,130	251,875
Deferred tax assets	21	414,500	17,953
Intangible assets	13	11,801	16,058
Total non-current assets		662,431	285,886
Current assets			
Inventories	15	601,531	783,912
Trade and other receivables	16	3,318,754	1,788,836
Cash and cash equivalents	17	1,833,427	2,260,878
Total current assets		5,753,712	4,833,626
Total assets		6,416,143	5,119,512
Liabilities			
Non-current liabilities			
Employee benefit obligation	20	70,859	89,848
Total non-current liabilities		70,859	89,848
Current liabilities			
Trade and other payables	18	6,142,700	4,600,339
Current income tax liabilities	19	136,696	141,998
Total current liabilities		6,279,396	4,742,337
Total liabilities		6,350,255	4,832,185
Equity			
Ordinary share capital	22	430,000	430,000
Retained earnings		(364,112)	(142,673)
Total equity		65,888	287,327
Total equity and liabilities		6,416,143	5,119,512

The notes on pages 13 to 30 are an integral part of these financial statements.

The financial statements on pages 9 to 30 were approved and authorised for issue by the board of directors on 5 July 2017 and were signed on its behalf by:

Mr. Abimbola Ogunbanjo
Director
FRC/2013/NBA/00000004378

Mr. George Papachristou
Managing Director
FRC/2013/IODN/00000002337

Statement of changes in equity

	Attributable to owners of the parent		
	Share capital N'000	Retained earnings N'000	Total N'000
Balance at 1 September 2015	-	-	-
Issued ordinary share capital	430,000	-	430,000
Loss for the period	-	(142,673)	(142,673)
Balance at 31 December 2015	430,000	(142,673)	287,327
Balance at 1 January 2016	430,000	(142,673)	287,327
Loss for the year	-	(236,014)	(236,014)
Other comprehensive income for the year- net of tax	-	14,575	14,575
Total comprehensive loss for the year	-	(221,439)	(221,439)
Balance at 31 December 2016	430,000	(364,112)	65,888

The notes on pages 13 to 30 are an integral part of these financial statements.

Statement of cash flows

	Note	31 December 2016 N'000	31 December 2015 N'000
Cash flows from operating activities			
Cash (used in)/generated from operations	23	(285,580)	1,878,390
Tax paid	19	(141,998)	-
Employee retirement benefit obligation paid	20	(21,479)	-
Net cash (used in)/generated from operating activities		(449,057)	1,878,390
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(51,193)	(14,026)
Purchase of intangible assets	13	-	(38,814)
Proceeds from sale of Property, Plant and equipment		26,790	-
Interest received	10	55,177	21,325
Net cash generated from/(used in) investing activities		30,774	(31,515)
Cash flows from financing activities			
Proceed from issuance of ordinary shares		-	430,000
Interest paid	10	(9,168)	(15,997)
Net cash (used in)/generated from financing activities		(9,168)	414,003
Net (decrease)/increase in cash and cash equivalents		(427,451)	2,260,878
Cash and cash equivalents at the beginning of the year		2,260,878	-
Cash and cash equivalents at the end of the year	17	1,833,427	2,260,878

The notes on pages 13 to 30 are an integral part of these financial statements.

1 General information

Frigoglass West Africa Limited was incorporated on 13 May 2015 and commenced operation on 1 September 2015. The company's principal activity is the assembling and sale of ice cold merchandise, (ICM). The Company is incorporated and domiciled in Nigeria and the address of its registered office is 2, Iddo House, Iddo P.O. Box 159 Lagos Nigeria.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise

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

The financial statements were authorised for issue by the Board of Directors on 6 July 2017

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

2.1.1 Going concern

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

2.1.2 Changes in accounting policy and disclosure

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

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

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

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

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

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

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

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

IFRS 16, 'Leases' was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard is effective for accounting periods beginning on or after 1 January 2019.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company in the current or future reporting period and on foreseeable future transactions.

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements 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 Frigoglass West Africa is the Nigeria 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.

2.3 Property, plant and equipment

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

Subsequent 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 Company 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

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

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:
- Factory equipment and tools 15%
- Other plant and machinery 10%

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.

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

2.4 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.

2.5 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).

2.6 Financial assets

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

2.6.1 Classification

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

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

Loans and receivables

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

2.6.2 Recognition and measurement

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

2.6.3 Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of an event that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

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

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

2.7 Financial liabilities

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

Recognition and measurement

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

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

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.

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.

2.8 Inventories

Inventories are recorded at the lower of cost and net realisable value. Net realisable 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.

2.9 Trade receivables

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

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

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

2.10 Cash, cash equivalents and bank overdrafts

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

2.11 (a) Borrowings

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

(b) Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale.

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

No borrowing costs were capitalised in 2015 as there were no qualifying assets.

2.12 Trade payables

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

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

2.13 Current and deferred income tax

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Company 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 Company intends to settle its current tax liabilities on a net basis.

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

2.14 Employee benefits obligation

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

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

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

The liability recognised in the balance sheet 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.

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.

2.15 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.

Sale of goods

Sale of ICM products 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 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.

2.16 Provisions

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

2.17 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.

2.18 Share capital

The 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.

2.19 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.

2.20 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).

2.21 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.

3 Financial instruments and risk management

3.1 Financial risk factors

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

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

Risk management is the responsibility of the Treasury manager, which aims to effectively manage the financial risk of Frigoglass West Africa 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 Company'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 Company'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 Company is exposed to foreign exchange risks from some of its commercial transactions and recognised assets. The Company buys and imports some of the raw materials used for production, the payments for which are made in US Dollars. Receipts for sales of finished goods in Nigeria are in Naira whilst receipts for sales of finished goods to other countries are in US dollars. The Company makes payments and collects receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in the US dollar.

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

	2016 USD'000	2016 EURO'000	2015 USD'000	2015 EURO'000
Financial assets				
Cash and cash equivalaent	-	3	184	3
Related parties receivables	174,906	299,613	435	660
	174,906	299,616	619	663
Financial liabilities				
Trade payables	-	-	-	-
Related parties payable	1,496,929	2,929,697	10,181	4,151
	1,496,929	2,929,697	10,181	4,151
Net amount	(1,322,023)	(2,630,080)	(9,562)	(3,488)

	2016 N'000	2016 N'000	2015 N'000	2015 N'000
15 percent strengthening of the Naira to USD/EURO	60,497,986	126,868,161	282,880	117,137
15 percent weakening of the Naira to USD/EURO	(60,497,986)	(126,868,161)	(282,880)	(117,137)

	2016	2016	2015	2015
Reporting date Spot rate of 1USD/EURO to Naira	305	322	197	224

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 Company's policy on managing interest rate risk is to negotiate favourable terms with the banks to reduce the impact of exposure to this risk and to obtain competitive rates for loans and for deposits.

The Company, Frigoglass does not have any borrowings.

(c) Price risk

The Company 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 Company. The Company is exposed to credit risk from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and committed transactions.

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

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

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

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

31 December 2016

Financial assets:	Neither past due nor impaired	Past due but not impaired: Up to 90 days	91 - 150 days	Over 150 days	Total
Cash and cash equivalents	1,833,427	-	-	-	1,833,427
Trade receivables	712,603	1,134,470	494,486	1,639	2,343,198
Receivables from related parties	-	-	-	-	-
Staff advances	5,789	-	-	-	5,789
	2,551,819	1,134,470	494,486	1,639	4,182,414

31 December 2015

Financial assets:	Neither past due nor impaired	Past due but not impaired: Up to 90 days	91 - 150 days	Over 150 days	Total
Cash and cash equivalents	2,260,878	-	-	-	2,260,878
Trade receivables	1,005,163	6,999	13,267	225,649	1,251,078
Receivables from related parties	-	-	-	-	-
Staff advances	6,694	-	-	-	6,694
	3,272,735	6,999	13,267	225,649	3,518,650

Cash and short-term investments all fall under neither past due nor impaired and are not rated.

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
AAA	1,833,427	2,249,546
AA+	-	11,332
	1,833,427	2,260,878

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.

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.

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

	2,016 N'000	2,015 N'000
Group A	692,247	692,247
Group B	26,145	319,610
	718,392	1,011,857

Trade debtors are categorised by the sales and marketing team. This classification is based on the net worth of the customers and volume of sales.

Group A These are sales to Nigerian Bottling Company (NBC). Over 60% of sales is attributable to this category.

Group B All other sales.

(c) Liquidity risk

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

Frigoglass West Africa Limited invests its surplus cash in interest bearing current accounts.

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

At 31 December 2016	**Less than 1 year N'000**	**Between 1 and 2 years N'000**	**Between 2 and 5 years N'000**	**Total N'000**
Trade and other payables	6,142,700	-	-	6,142,700

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 and other payables	4,600,339	-	-	4,600,339

3.2 Capital risk management

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

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

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

The gearing ratios at 31 December 2015 are as follows:

	31 Dec 2016 N'000	**31 Dec 2015 N'000**
Total borrowings	-	-
Total equity	65,888	287,327
Gearing ratio	-	-

3.3 Financial instruments which are carried at other than fair value

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

4 Critical accounting estimates and 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

Property, plant and equipment are depreciated over their useful lives. Useful lives are based on directors estimates of the period over which the assets will generate revenue and are periodically reviewed for continued appropriateness. Due to the long life of certain assets and the value of plant and machinery carried in the financial statements, changes to the estimates used can result in significant variations in the carrying value.

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

	Twelve months period ended 31 Dec 2016	Four months period ended 31 Dec 2015
	N'000	N'000
Ice cold merchandisers (ICM)	4,056,267	1,178,926
Logistics revenue	50,072	20,348
Servicing of coolers	607,471	66,329
	4,713,810	1,265,603

6 Expenses

	Twelve months period ended 31 Dec 2016	Four months period ended 31 Dec 2015
	N'000	N'000
Cost of sales		
Purchases	3,525,673	823,959
Depreciation (Note 14)	40,822	9,053
Factory salaries and wages (Note 7)	71,665	17,664
Fuel, gas and electricity	7,987	1,971
Other factory overheads	111,738	412,404
Total cost of cost of sales	**3,757,885**	**1,265,051**
Operating expenses		
Amortisation (Note 13)	4,257	3,641
Auditors remuneration	4,200	4,200
Salaries and wages (Note 7)	30,292	15,617
Head office administrative charge	30,000	10,000
Travel and transportation	2,127	741
Other administrative expenses	201,568	36,971
Total operating expenses	272,444	71,170
Total cost of sales and operating expenses	4,030,329	1,336,222

7a Employee costs

	Twelve months period ended 31 Dec 2016	Four months period ended 31 Dec 2015
	N'000	N'000
Wages and salaries	82,904	23,433
Interest on employee benefit obligation (Note 20)	10,678	356
Current service cost of employee benefit obligation (Note 20)	8,375	9,492
	101,957	33,281

Employee cost is recognised in the finacial statements as follows:

Cost of sales	71,665	17,664
Administartive expenses	30,292	15,617
	101,957	33,281

Particulars of staff

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

	2016 Number	2015 Number
Management	4	3
Factory	46	36
Sales and Administration	8	24
	58	63

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

	Twelve months period ended 31 Dec 2016 Number	Four months period ended 31 Dec 2015 Number
N600,001 - N800,000	-	4
N800,001 - N1,000,000	-	18
N1,000,001 - N1,200,000	-	17
N1,200,001 - N1,400,000	-	5
N1,400,001 - N1,600,000	-	4
N1,600,001 - N1,800,000	3	3
N1,800,001 - N2,000,000	26	2
N2,000,001 - N2,500,000	19	2
N2,500,001 - N3,000,000	3	2
N3,000,001 - N3,500,000	2	1
N3,500,001 - N4,000,000	2	2
N4,000,001 - N4,500,000	1	1
N4,500,001 - N5,000,000	1	1
Over 5 million	1	1
	58	63

d 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:

	Twelve months period ended 31 Dec 2016 N'000	Four months period ended 31 Dec 2015 N'000
Fees for services as directors	470	-
Sitting allowance	550	-
	1,020	-

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

	Twelve months period ended 31 Dec 2016 Number	Four months period ended 31 Dec 2015 Number
Directors with no emoluments	5	6

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

	Twelve months period ended 31 Dec 2016 N'000	Four months period ended 31 Dec 2015 N'000
Amount paid to the highest paid director	675	-
Amount paid to Chairman	-	-

The Managing Director is the only member of management team on the board and he earns no salary from the company. His salary is paid by Frigoglass Industries Nigeria Limited - a related company.

8 Other income

	Twelve months period ended 31 Dec 2016 N'000	Four months period ended 31 Dec 2015 N'000
Profit on disposal of property plant and equipment	674	-
Sundry income	160,525	5,777
Sale of scrap	-	76
	161,199	5,853

9 Foreign exchange (loss)/gain

	Twelve months period ended 31 Dec 2016 N'000	Four months period ended 31 Dec 2015 N'000
Foreign exchange (loss)/gain	(1,392,800)	3,203
Net foreign exchange (loss)/gain	(1,392,800)	3,203

10 Finance income and expenses

	Twelve months period ended 31 Dec 2016	Four months period ended 31 Dec 2015
	N'000	N'000
Finance income		
Bank interest income	55,177	21,325
Finance cost		
Interest expense	(9,168)	(15,997)
Net finance income	46,009	5,328

11 Income tax expense

	Twelve months period ended 31 Dec 2016	Four months period ended 31 Dec 2015
	N'000	N'000
Income tax	127,425	132,979
Education tax	9,271	9,019
	136,696	141,998
Deferred tax write back (Note 21)	(402,793)	(55,559)
Tax expense	(266,097)	86,439

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

	Twelve months period ended 31 Dec 2016	Four months period ended 31 Dec 2015
	N'000	N'000
Loss before tax	**(502,111)**	**(56,234)**
Income tax using the domestic corporation tax rate of 30%	(150,633)	(16,870)
Tax effects of:		
Education tax	9,271	9,019
Diallowable expenses due to timing difference	(119,131)	1,557
Diallowable permanent differences items	6,300	95,037
Effect of tax incentive- Permanent capital contribution	(122)	(2,304)
Effect of tax incentive	(11,781)	-
Total income tax expense in statement of profit or loss	(266,096)	86,439

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.

	Twelve months period ended 31 Dec 2016	Four months period ended 31 Dec 2015
	N'000	N'000
Loss attributable to shareholders of the Company - N'000	(236,014)	(142,673)
Weighted average number of ordinary shares in issue - '000	860,000	860,000
Basic Earnings per share (Naira)	(0.27)	(0.17)

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

13 Intangible Assets

	2016	2015
Cost	N'000	N'000
At 1 January	20,425	-
Transfer from related party	-	34,109
Additions	-	38,814
Write-off	-	(52,498)
As at 31 December	20,425	20,425
Accumulated amortisation and impairment:		
At 1 January	4,367	-
Transfer from related party	-	4,195
Amortisation charge for the year	4,257	3,641
Write-off	-	(3,469)
As at 31 December	8,624	4,367
Net book values		
At 31 December	11,801	16,058

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

14 Property plant and equipment (See page 30)

15 Inventory

	2016 N'000	2015 N'000
Raw materials	97,497	68,279
Work-in-progress	6,649	5,275
Finished goods	185,151	204,228
Spare parts and consumables	188,262	22,806
	477,559	300,588
Goods in transit	123,972	483,324
	601,531	783,912

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
Cost of inventories included in cost of sales	3,525,673	791,202
	3,525,673	791,202

16 Trade and other receivables

	2016 N'000	2015 N'000
Trade receivables	2,343,198	1,251,078
Prepayments	16,652	26,490
Other receivables	264,138	96,743
Staff advances	5,789	6,694
Due from related companies (Note 24)	688,977	407,831
Total	3,318,754	1,788,836

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.

17 Cash and cash equivalents

	2016 N'000	2015 N'000
Cash at bank	1,833,376	2,260,858
Cash in hand	51	20
Cash and cash equivalents	1,833,427	2,260,878

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

18 Trade and other payables

	2016 N'000	2015 N'000
Trade creditors	1,007	5,384
Other creditors and accruals	377,122	210,510
Due to related companies (Note 24)	5,764,571	4,384,445
	6,142,700	4,600,339

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

19 Tax payable

	2016 N'000	2015 N'000
The movement in tax payable is as follows:		
At 1 January	141,998	141,998
Charge for the year (Note 11)	136,696	-
Payment during the year	(141,998)	-
At 31 December	136,696	141,998

20 Employee benefit obligation

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

	2016 N'000	2015 N'000
Statement of financial position obligations for:		
Post-employment benefit	70,859	89,848
Liability in the statement of financial position	70,859	89,848

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

	2016 N'000	2015 N'000
Post-employment benefit	19,053	9,848
	19,053	9,848
Remeasurements for:		
Post-employment benefit	(20,821)	-
	(20,821)	-

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

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

	2016 N'000	2015 N'000
Present value of obligations (unfunded)	70,859	89,848

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

	2016 N'000	2015 N'000
Balance at the beginning of the year	89,848	-
Charge during the period:		
Current service cost (Note 7a)	8,375	9,492
Interest for the year (Note 7a)	10,678	356
Charge to statement of comprehensive income	19,053	9,848
Transfer from related party	4,258	80,000
Total	113,159	89,848
Remeasurements:		
Actuarial gains - change in financial assumption	(3,329)	
Actuarial losses - experience adjustment	(17,492)	-
	(20,821)	-
Payments from plan:		
Benefits paid by the employer	(21,479)	-
Balance at the end of the year	70,859	89,848

The significant actuarial assumptions were as follows:

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

			2016 N'000	2015 N'000
Discount rate			69,773	898
Discount rate	+0.5%	+0.5%	72,003	88,292
Salary increase	-0.5%	-0.5%	72,277	915
Salary decrease	+0.5%	+0.5%	69,501	91,817
Mortality experience	-0.5%	-0.5%	70,815	87,971
Mortality experience	Age rated up by 1 year		70,897	89,912
	Age rated down by 1 year			

21 Deferred tax assets

The analysis of deferred tax asset is as follows:

	2016 N'000	2015 N'000
Deferred tax asset:		
- To be recovered after 12 months	414,500	17,953
- To be recovered within 12 months	-	-
	414,500	17,953

The movement in deferred tax asset is as follows:

	2016 N'000	2015 N'000
At start	17,953	-
Transferred from related party	-	(37,606)
Changes during the year:		
Charge on actuarial gain from other comprehensive income	(6,246)	-
Credit to profit or loss (Note 11)	402,793	55,559
At end of the year	414,500	17,953

	Fixed assets N'000	Employee benefit obligation N'000	Provisions N'000	Total N'000
At 1 September 2015	-	-	-	-
Transferred from related party	(58,726)	-	21,120	(37,606)
Credited to the of profit or loss	513	-	55,046	55,559
At 31 December 2015	(58,213)	-	76,166	17,953
Credited to the of profit or loss and OCI	7,723	(6,246)	395,070	396,547
At 31 December 2016	(50,490)	(6,246)	471,236	414,500

22 Share capital

Authorised:

	2016 N'000	2015 N'000
860,000,000 ordinary shares of 50kobo each	430,000	430,000
Allotted, called up and fully paid:		
860,000,000 ordinary shares of 50k each	430,000	430,000

23 Cash generated from operating activities

	2016 N'000	2015 N'000
Cash flows from operating activities		
Loss before tax	(502,111)	(56,234)
Adjustment for:		
Depreciation (Note 14)	40,822	9,053
Amortisation charges (Note 13)	4,257	3,641
Profit on disposal of property, plant and equipment	(674)	-
Interest on employee benefit obligation (Note 7a)	10,678	356
Current service costs on other employee benefit obligation (Note 7a)	8,375	9,492
Finance income (Note 10)	(55,177)	(21,325)
Finance expense (Note 10)	9,168	15,997
Employee Benefit obligation transferred from related party (Note 20)	4,258	80,000
Deferred tax liability transferred from related party (Note 21)	-	37,606
Net PPE transferred from related party (Note 14)	-	(246,901)
Net Intangible asset transferred from related party (Note 13)	-	(29,914)
Net intangible asset written off (Note 13)	-	49,029
Changes in working capital:		
Increase in trade and other receivables	(1,529,918)	(1,788,836)
Decrease/(increase) in inventory	182,381	(783,912)
Increase in trade and other payables	1,542,361	4,600,339
Net cash (used in)/generated from operations	(285,580)	1,878,390

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

	2016	2015
Net book amount (Note 14)	26,116	-
Profit/(loss) on disposal of property, plant and equipment (Note 8)	674	-
Proceeds from disposal of property, plant and equipment	26,790	-

24 Related parties

The Company is owned by Frogoinvest Holdings B.V Netherlands with over 76% of its shares. The ultimate parent company is Frigoglass S.A.I.C and the company 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 West Africa Limited:

Frigoglass S.A.I.C - Ultimate parent and ultimate controlling party
Frogoinvest Holdings B.V Netherlands - Intermediate parent company
Nigerian Bottling Company - Shareholder

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 in Note 7.

b Transactions with related parties

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

c(i) Sales of goods and services

	2016 N'000	2015 N'000
Sales of goods:		
Nigerian Bottling Company	2,347,004	354,510

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

c(ii) Purchases of goods and services

	2016 N'000	2015 N'000
Purchases of goods:		
Frigoglass Romania	1,566,465	301,278
Frigoglass Indonesia	179,955	88,578
Frigoglass China	395,326	178,745
Frigoglass India	22,569	14,904
Frigoglass Turkey	-	793
Frigoglass Kato - Achaia	23,994	-
Frigoglass South Africa	41,397	-
Frigoglass Kenya	33	-
Frigoglass Eurasia	206,105	-
Purchase of services:		
Frigoglass Industries Nigeria Limited	30,000	10,000
	2,465,844	594,297

Purchases of goods and services are from companies with common ultimate parent and ultimate controlling party

d Due to related companies

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

	Description	2016 N'000	2015 N'000
Kato Achaia (Plant & SO Hellas)	Purchase of goods	50,893	32,317
Frigoglass Romania -Plant	Purchase of goods	1,956,980	410,484
Frigoglass Eurasia (Plant & SO)	Purchase of goods	236,363	17,885
Frigoglass Indonesia (Plant & SO)	Purchase of goods	650,126	1,189,640
Frigoglass South Africa (Plant & SO)	Purchase of goods	209,872	83,758
Frigoglass East Africa Ltd. - Kenya	Purchase of goods	-	123
Frigoglass China (Plant & SO)	Purchase of goods	582,998	686,378
Frigoglass Turkey - SO	Purchase of goods	-	1,255
Frigoglass India (Plant & SO)	Purchase of goods	740,857	533,881
Frigoglass Kenya (Plant & SO)	Purchase of goods	213	-
Frigoglass Industries Nigeria Limited HO Lagos-Nigeria	Intercompany payable	-	1,425,465
Beta Glass -Delta Plant	Intercompany payable	1,029,272	3,259
Beta Glass -Guinea Plant	Intercompany payable	306,997	-
		5,764,571	4,384,445

e Due from related companies

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

	Description	2016 N'000	2015 N'000
Kato Achaia (Plant & SO Hellas)	Intercompany receivables	4,751	3,008
Frigoglass Romania -Plant	Intercompany receivables	76,176	7,624
Frigoglass Indonesia (Plant & SO)	Intercompany receivables	180,829	85,865
Frigoglass South Africa (Plant & SO)	Intercompany receivables	59,990	31,531
Frigoglass China (Plant & SO)	Intercompany receivables	124,782	71,375
Frigoglass India (Plant & SO)	Intercompany receivables	-	14,149
FINL-Crowns Plant-Nigeria	Intercompany receivables	21,716	37
FINL-Plastics Agbara Plant	Intercompany receivables	653	285
Beta Glass -Delta Plant	Intercompany receivables	64	64
Beta Glass -Guinea Plant	Intercompany receivables	37	193,893
Frigoglass Eurasia (Plant & SO)	Intercompany receivables	6,276	-
Frigoglass Industries Nigeria Limited HO Lagos-Nigeria	Intercompany receivables	213,703	-
		688,977	407,831

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

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

25 Contingent liabilities

The company had no contingent liability as at 31 December 2016 (31 December 2015: Nil).

26 Capital commitments

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

27 Subsequent events

No dividend was declared for the year ended 31 December 2016 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 the year then ended and on the loss for the year then ended on that date which have not been adequately provided for or recognised.

28 Compliance with regulatory bodies

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

14 Property, plant and equipment - 31 December 2016

	Land N'000	Building N'000	Plant and machinery N' 000	Furniture fittings and equipment N' 000	Motor vehicles N' 000	Assets under construction N' 000	Total N' 000
Cost or valuation:							
At 1 January 2016	30,979	191,992	352,321	57,561	31,918	2,815	667,586
Additions	-	-	2,612	3,599	44,230	752	51,193
Disposals	-	-	(25,934)	(1,209)	(1,522)	-	(28,665)
Reclassifications	-	-	-	2,815	-	(2,815)	-
At 31 December 2016	**30,979**	**191,992**	**328,999**	**62,766**	**74,626**	**752**	**690,114**
Depreciation:							
At 1 January 2016	-	79,420	273,183	38,538	24,570	-	415,711
Charge for the year	-	6,305	12,469	6,302	15,746	-	40,822
On disposals	-	-	-	(1,028)	(1,521)	-	(2,549)
At 31 December 2016	**-**	**85,725**	**285,652**	**43,812**	**38,795**	**-**	**453,984**
Net book value:							
At 31 December 2016	**30,979**	**106,267**	**43,347**	**18,954**	**35,831**	**752**	**236,130**

Property, plant and equipment - 31 December 2015

	Land N'000	Building N'000	Plant and machinery N' 000	Furniture fittings and equipment N' 000	Motor vehicles N' 000	Assets under construction N' 000	Total N' 000
Transfer from related party	30,979	191,047	352,321	47,295	31,918	-	653,560
Additions	-	945	-	10,266	-	2,815	14,026
At 31 December 2015	**30,979**	**191,992**	**352,321**	**57,561**	**31,918**	**2,814**	**667,586**
Transfer from related party	-	77,779	268,300	36,935	23,644	-	406,658
Charge for the year	-	1,641	4,883	1,603	926	-	9,053
At 31 December 2015	**-**	**79,420**	**273,183**	**38,538**	**24,570**	**-**	**415,711**
Net book value:							
At 31 December 2015	**30,979**	**112,572**	**79,138**	**19,023**	**7,348**	**2,814**	**251,875**

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

Statement of value added -

	Note	2016 N'000	%	2015 N'000	%
Revenue	5	4,713,810		1,265,603	
Finance income	10	55,177		21,325	
Other income	8	161,199		5,853	
Net foreign exchange (loss)/gain	9	(1,392,800)		3,203	
		3,537,386		1,295,984	
Bought in materials and services					
- Imported		(3,520,583)		(916,204)	
- Local		(362,710)		(374,042)	
		(345,907)	100	5,738	100
Applied as follows:					
To pay employees:					
- Wages, salaries and other benefits	7a	101,957	(29)	33,281	580
To pay providers of capital:					
- Finance cost	10	9,168	(3)	15,997	279
To pay government:					
- Income tax expense	11	(266,097)	77	86,439	1,506
To provide for enhancement of assets and growth:					
- Depreciation of plant, property and equipment	14	40,822	(12)	9,053	158
- Amortization of intangible assets	13	4,257	(1)	3,641	63
- Loss for the year		(236,014)	68	(142,673)	(2,486)
		(345,907)	100	5,738	100

Note: Value added statement is not a required disclosure under IFRS