

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED
Annual report and audited financial statements
For the year ended 31 December 2018

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

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For the year ended 31 December 2018

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Report of the directors

The Directors present to members of the company, the annual report together with the audited financial statements for the year ended 31 December 2018.

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	
	2018	2017	2018	2017
	N'000	N'000	N'000	N'000
Revenue from contracts with customers	36,762,836	31,255,164	10,441,821	9,068,905
Profit before income tax	11,426,617	10,335,411	4,569,484	4,783,872
Profit for the year	7,923,777	7,130,719	3,202,020	3,318,779

APPROPRIATION OF PROFIT AFTER TAXATION

The Directors did not recommend payment of dividend for the year ended 31 December 2018 (31 December 2017: 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:

Mr. Nikolaos Mamoulis (Greek) - Chairman (appointed w.e.f 13 September 2018)
 Mr. Darren Bennett-Voci (British) - Managing Director
 (Bashorun) Adebisi Alli Adesanya (retired w.e.f 5 July 2018)
 Chief Christopher Avielele (retired w.e.f 22 March 2018)
 Mr. Haralambos (Harry) G David (Cypriot)
 Mr. Emmanouil Fafalios (Greek) (resigned w.e.f 31 May 2018)
 Mr. Shanker Venkada Dhanikonda (Indian)

(Bashorun) Adebisi Alli Adesanya and Chief Christopher Avielele retired after the last Annual General Meeting, while Mr. Emmanouil Fafalios resigned after the last Annual General Meeting.

The Directors retiring by rotation in accordance with the Articles of Association are Messrs. Darren Bennett-Voci and Haralambos (Harry) G David. 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 at the Annual General Meeting.

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 2018 and 31 December 2018.

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Report of the directors (continued)

- 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 2018	1 January 2018
Mr. Nikolaos Mamoulis (Greek)	-	-
Mr. Darren Bennett-Voci (British)	-	-
(Bashorun) Adebisi Alli Adesanya (Retired w.e.f 5 July 2018)	579,444	639,685
Chief Christopher Avielele (Retired w.e.f 22 March 2018)	27,474	27,474
Mr. Haralambos (Harry) G David (Cypriot)	25,437	25,437
Mr. Emmanouil Fafalios (Greek) (Resigned w.e.f 31 May 2018)	-	-
Mr. Shanker Venkata Dhanikonda (Indian)	-	-

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 2018 or the date of this report.

SHAREHOLDING

According to the register of members at 31 December 2018, 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 year under review.

PROPERTY, PLANT AND EQUIPMENT

In the opinion of the directors, the market value of the Company's property, plant and equipment is not less than the value disclosed in the financial statements.

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Report of the directors (continued)

EMPLOYMENT AND EMPLOYEE MATTERS

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 with 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 employees 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. Also Training opportunities are provided both locally and abroad.

DISCONTINUATION OF GRATUITY SCHEME

The group successfully concluded its discussions with the various workers unions to discontinue the gratuity scheme. Having received the nod of the unions, total gratuity liability was paid to the beneficiaries before 31 December 2018. Accordingly, the gratuity scheme has been abolished.

AUDITORS

Messrs. PricewaterhouseCoopers have indicated their willingness to 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)
Company Secretary

IDDO HOUSE, IDDO, LAGOS

Dated: 21 March 2019

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED
Statement of directors' responsibilities
For the year ended 31 December 2018

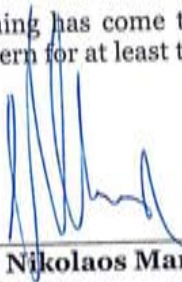
The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. This responsibility includes:

- 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.



Mr. Nikolaos Mamoulis
Chairman
21 March 2019



Mr. Darren Bennett-Voci
Managing Director
21 March 2019
FRC/2016/IODN/00000015783



Independent auditor's report

To the Members of Frigoglass Industries (Nigeria) Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate 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 2018, 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 consolidated and separate financial statements comprise:

- the consolidated and separate statement of financial position as at 31 December 2018;
- the consolidated and separate statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statement of changes in equity for the year then ended;
- the consolidated and separate statement 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 Report of the directors, Statement of directors' responsibilities, Consolidated and separate statements of value added, and Consolidated and separate 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 an audit opinion or any form of assurance conclusion thereon.

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



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, 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, 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 and separate 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 have 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 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 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 statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

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

Engagement Partner: Edefe Erhie
FRC/2013/ICAN/0000001143



26 April 2019

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED
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Consolidated and separate statement of profit or loss and other comprehensive income

	Note	Group		Company	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		N'000	N'000	N'000	N'000
Revenue from contracts with customers	5	36,762,836	31,255,164	10,441,821	9,068,905
Cost of sales	6	(27,521,103)	(23,350,922)	(7,580,729)	(6,412,527)
Gross profit		9,241,733	7,904,242	2,861,092	2,656,378
Administrative expenses	6	(2,345,024)	(1,942,287)	(702,236)	(549,159)
Selling and distribution expenses	6	(81,161)	(97,792)	-	-
Net impairment gain / (loss)	17.2	(13,189)	-	-	-
Other income	8	1,429,020	848,664	509,912	533,972
Operating profit		8,231,378	6,712,828	2,668,768	2,641,191
Net foreign exchange gain	9	1,013,610	2,017,178	880,883	1,673,060
Finance income	10	2,506,474	1,818,739	2,019,437	1,524,546
Finance cost	10	(324,845)	(213,335)	(999,604)	(1,054,925)
Finance income - net	10	2,181,629	1,605,404	1,019,833	469,621
Profit before income tax		11,426,617	10,335,411	4,569,484	4,783,872
Income tax expense	11	(3,502,840)	(3,204,691)	(1,367,464)	(1,465,093)
Profit for the year		7,923,777	7,130,719	3,202,020	3,318,779
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurement gain/(loss) on employee benefit obligation	22	-	58,997	-	(5,262)
Deferred tax (charged) /credit on remeasurement gain/(loss) on employee benefit obligation	23	-	(17,594)	-	1,684
Other comprehensive income/ (expenses) for the year-net of tax		-	41,403	-	(3,578)
Total comprehensive income for the year		7,923,777	7,172,122	3,202,020	3,315,201
Total comprehensive income attributable to:					
- Owners of the parent		5,997,648	5,586,283	3,202,020	3,315,201
- Non-controlling interests		1,926,129	1,585,839	-	-
		7,923,777	7,172,122	3,202,020	3,315,201
Earnings per share for profit attributable to the equity holders of the company					
Basic and diluted EPS (Naira)	12	18.12	16.31	7.32	7.59

The notes on pages 14 to 48 are an integral part of these financial statements.

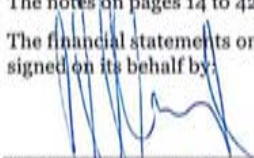
FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED


Consolidated statement of financial position
As at 31 December 2018


	Note	Group		Company	
		31 December 2018 N'000	31 December 2017 N'000	31 December 2018 N'000	31 December 2017 N'000
Assets					
Non-current assets					
Property, plant and equipment	15	19,513,697	13,301,319	1,995,694	1,433,957
Investments in subsidiary	13	-	-	1,786,130	1,786,130
Intangible assets	14	10,795	10,086	-	-
Total non-current assets		19,524,492	13,311,405	3,781,824	3,220,087
Current assets					
Inventories	16	9,293,338	8,592,101	3,053,599	3,566,886
Trade and other receivables	17	31,853,276	26,912,163	23,851,182	18,316,876
Cash in hand and at bank	18	10,121,137	10,274,146	1,248,339	3,343,179
Total current assets		51,267,751	45,778,410	28,153,120	25,226,941
Total assets		70,792,243	59,089,815	31,934,944	28,447,028
Liabilities					
Non-current liabilities					
Employee benefit obligation	22	-	2,931,863	-	257,138
Deferred tax liabilities	23	5,572,797	3,746,193	2,844,054	2,397,370
Total non-current liabilities		5,572,797	6,678,056	2,844,054	2,654,508
Current liabilities					
Borrowings	21	1,624,630	1,046,457	526,045	283,594
Trade and other payables	19	13,032,048	6,402,445	6,858,476	6,896,489
Current income tax liabilities	20	2,048,603	4,133,170	1,084,462	1,192,550
Total current liabilities		16,705,281	11,582,072	8,468,983	8,372,633
Total liabilities		22,278,078	18,260,128	11,313,037	11,027,141
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		34,567,629	28,591,873	20,386,986	17,184,966
		37,232,492	31,256,736	20,621,907	17,419,887
Non controlling interest		11,281,673	9,572,951	-	-
Total equity		48,514,165	40,829,687	20,621,907	17,419,887
Total equity and liabilities		70,792,243	59,089,815	31,934,944	28,447,028

The notes on pages 14 to 42 are an integral part of these financial statements.

The financial statements on pages 9 to 42 were approved and authorised for issue by the board of directors on 21 March 2019 and were signed on its behalf by:


Mr. Nikolaos Mamoulis
Chairman


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


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

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED
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Consolidated statement of changes in equity- Group

	Attributable to owners of the parent					Non controlling interest N'000	Total equity N'000
	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total N'000		
Balance at 1 January 2017	218,591	16,330	2,429,942	22,959,019	25,623,882	8,172,880	33,797,763
Profit for the year	-	-	-	5,562,027	5,562,027	1,568,642	7,130,719
Other comprehensive income for the year - net of tax	-	-	-	24,256	24,256	17,147	41,403
Total comprehensive income for the year	-	-	-	5,586,283	5,586,283	1,585,839	7,172,122
Transaction with owners:							
Dividend paid	-	-	-	-	-	(186,770)	(186,770)
Statute barred dividend written back	-	-	-	46,570	46,570	-	46,570
Total transactions with owners	-	-	-	46,570	46,570	(186,770)	(140,200)
Balance at 31 December 2017	218,591	16,330	2,429,942	28,591,873	31,258,795	9,572,951	40,831,746
Balance at 1 January 2018	218,591	16,330	2,429,942	28,591,873	31,256,726	9,572,951	40,829,687
Changes on initial application of IFRS 9 (Note 17.1)	-	-	-	(32,321)	(32,321)	(19,911)	(52,232)
Deferred tax on changes on initial application of IFRS 9 (Note 23)	-	-	-	10,344	10,344	6,372	16,716
At 1 January 2018- Restated	218,591	16,330	2,429,942	28,559,896	31,234,759	9,559,412	40,794,171
Profit for the year	-	-	-	5,997,648	5,997,648	1,926,129	7,923,777
Total comprehensive income for the year	-	-	-	5,997,648	5,997,648	1,926,129	7,923,777
Transaction with owners:							
Dividend paid	-	-	-	-	-	(203,922)	(203,922)
Statute barred dividend returned	-	-	-	86	86	54	140
Total transactions with owners	-	-	-	86	86	(203,868)	(203,782)
Balance at 31 December 2018	218,591	16,330	2,429,942	34,557,544	37,232,493	11,281,673	48,514,166

The notes on pages 14 to 48 are an integral part of these financial statements.

FRIGOGLOSS INDUSTRIES (NIGERIA) LIMITED
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Statement of changes in equity- Company

	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 2017	16,330	13,823,195	14,058,115	
Profit for the year	-	3,315,779	3,315,779	
Other comprehensive income for the year - net of tax	-	-	(3,578)	(3,578)
Total comprehensive income for the year	-	-	3,315,201	3,315,201
Transaction with owners:				
Statute barred dividend written back	-	-	46,570	46,570
Total transactions with owners	-	-	46,570	46,570
Balance at 31 December 2017	16,330	17,184,066	17,419,887	
Balance at 1 January 2018	16,330	17,184,066	17,419,887	
Profit for the year	-	3,202,030	3,202,030	
Total comprehensive income for the year	-	-	3,202,030	3,202,030
Balance at 31 December 2018	16,330	20,386,086	20,621,007	

The notes on pages 14 to 48 are an integral part of these financial statements.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED
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Consolidated and separate statement of cash flows

	Note	Group		Company	
		31 December 2018 N'000	31 December 2017 N'000	31 December 2018 N'000	31 December 2017 N'000
Cash generated from / (used in) operations	25	12,669,809	4,283,589	(1,305,621)	2,137,236
Tax paid	20	(3,586,526)	(1,421,465)	(891,307)	(223,253)
Employee retirement benefits obligation paid	22	(2,995,654)	(181,135)	(256,297)	(10,509)
Net cash generated from / (used in) operating activities		6,087,629	2,680,989	(2,453,225)	1,903,474
Cash flows from investing activities					
Purchase of property, plant and equipment	15	(8,827,491)	(3,920,531)	(922,820)	(350,652)
Purchase of intangible asset	14	(3,077)	-	-	-
Proceeds from sale of property, plant and equipment	25	33,910	101,422	18,921	10,178
Interest received	10	2,506,474	1,818,739	2,019,437	1,524,546
Net cash (used in)/generated from investing activities		(6,290,184)	(2,000,369)	1,115,538	1,184,072
Cash flows from financing activities					
Proceeds from short term borrowings	21	1,624,630	1,046,457	526,045	283,594
Repayment of term borrowing	21	(1,046,457)	-	(283,594)	-
Interest paid	10	(324,845)	(213,335)	(999,604)	(1,054,925)
Dividend paid		(203,922)	(186,770)	-	-
Statute barred dividend returned		140	46,570	-	-
Net cash generated from/(used in) financing activities		49,546	692,922	(757,153)	(771,331)
Net (decrease) / increase in cash and cash equivalents the year		(153,009)	1,373,542	(2,094,840)	2,316,215
		10,274,146	8,900,604	3,343,179	1,026,964
Cash and cash equivalents at the end of the year	18	10,121,137	10,274,146	1,248,339	3,343,179

The notes on pages 14 to 48 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 profit or loss and other 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 21 of March, 2019.

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 Group for the first time**

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2018. The nature and effect of changes as a result of adoption of these new standards are described below:

Several other amendments and interpretations apply for the first time in 2018, but they do not have an impact on the group's financial statements. The Group has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

(1) IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. The Group applied IFRS 9 prospectively, with an initial application date of 1 January 2018. The Group has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity. The effect of adopting IFRS 9 as at 1 January 2018 was, as follows:

	Adjustment	Group Company	
		01 January 2018	
Asset		N000	N000
Trade receivable	(b)	(7,129)	-
Staff receivable	(b)	(5,379)	-
Related party receivables	(b)	(39,724)	-
Total Asset		(52,232)	-
Liabilities			
Deferred Tax liabilities	(c)	(16,716)	-
Total Liabilities		(16,716)	-
Adjustment to Equity			
Retained Earnings	(a), (b), (c)	(35,516)	-

The nature of adjustment are described below:

(a) Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. The assessment of the Group's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

2.1.2 Changes in accounting policy and disclosure (continued)

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Group. The Group continued measuring at fair value all financial assets previously held at fair value under IAS 39. Trade receivables, Advances to staff and loan to related parties as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.

In summary, upon the adoption of IFRS 9, the Group had the following required or elected reclassifications as at 1 January 2018.

Group	IFRS 9 measurement category			
		Fair value through profit or loss	Amortised cost	Fair value through OCI
IAS 39 measurement category	N000	N000	N000	N000
Loans and receivables				
Trade receivables*	5,517,493		5,510,274	
Advances to staff*	163,262		157,883	
Receivables from related parties*	18,062,451		18,022,727	
Company	IFRS 9 measurement category			
		Fair value through profit or loss	Amortised cost	Fair value through OCI
IAS 39 measurement category	N000	N000	N000	N000
Loans and receivables				
Trade receivables*	658,911		658,911	
Advances to staff*	24,981		24,981	
Receivables from related parties*	17,437,420		17,437,420	

* The change in carrying amount is a result of additional impairment allowance. See details on impairment below.

(b) Impairment of financial asset

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon adoption of IFRS 9, the Group recognised additional impairment on the Group's Trade receivables, Staff loan and receivables from related parties of ₦7,129,000, ₦5,379,000 and ₦39,724,000, respectively, which resulted in a decrease in Retained earnings by ₦52,232,000 as at 1 January 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with IFRS 9:

Group	Allowance for impairment under IAS 39 as at 31 December 2017	Remeasurement	ECL under IFRS 9 as at 1 January 2018
	N000	N000	N000
Loans and receivables under IAS 39/Financial assets at amortised cost under IFRS 9	25,609	52,232	77,841
Company	Allowance for impairment under IAS 39 as at 31 December 2017	Remeasurement	ECL under IFRS 9 as at 1 January 2018
	N000	N000	N000
Loans and receivables under IAS 39/Financial assets at amortised cost under IFRS 9	7,937	-	7,937

2.1.2 Changes in accounting policy and disclosure (continued)**(c) Other adjustments**

In addition to the adjustments described above, other item such as deferred tax was adjusted to retained earnings as necessary upon adoption of IFRS 9 as at 1 January 2018.

(ii) IFRS 15 Revenue from Contracts with Customers: The IASB has issued a new standard for the recognition of revenue. This replaces IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption. Presentation of contract assets and contract liabilities in the Statement of Financial Position – IFRS 15 requires separate presentation of contract assets and contract liabilities in the Statement of Financial Position.

IFRS 15 was adopted for the first time in 2018 using modified retrospective method of adoption with the date of initial application of 1 January 2018. The cumulative effect of initially applying IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related Interpretations.

There is no material quantitative changes based on the adoption of IFRS 15 to the Group's revenue but the qualitative disclosures have been updated in line with application of IFRS 15.

(b) New standards, amendments, and interpretations issued but not yet adopted by the group

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019 and beyond, and have not been applied in preparing these financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the group's financial statements are disclosed below.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

The Group has long term lease of 4 years and impact of adoption of the standard on financial position as at December 2018 is stated below:

Asset:	N'000
Right on use of asset	96,284
Liability:	
Lease Liability	96,284

2.1.2 Changes in accounting policy and disclosure (continued)

(b) New standards, amendments, and interpretations issued but not yet adopted by the group

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities
3. How an entity determines taxable profit / (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Since the Company operates in a complex multinational tax environment, applying the Interpretation may affect its financial statements. In addition, the Company may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted. These amendments have no impact on the Company's financial statements.

Annual Improvements 2015-2017 Cycle (issued in December 2017)

IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, the Company do not expect any effect on its financial statements.

2.1.2 Changes in accounting policy and disclosure (continued)

(b) New standards, amendments, and interpretations issued but not yet adopted by the group (continued)

IAS 23 Borrowing Costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. The company currently has no borrowing made to develop a qualifying asset.

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 in 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.

Depreciation of 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%
- 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.

Impairment of Property, Plant and Equipment

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).

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

**Notes to the financial statements (continued)
For the year ended 31 December 2018**

2.7 Financial Instruments

2.7.1 Initial recognition and subsequent measurement - Policy prior to adoption of IFRS 9

2.7.1.1 Financial assets

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

2.7.1.2 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.

2.7.1.3 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.

2.7.1.4 Recognition and measurement

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

2.7 Financial instruments (continued)

2.7.1.5 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.

2.7.1.6 Financial liabilities

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

2.7.1.7 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.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

**Notes to the financial statements (continued)
For the year ended 31 December 2018**

2.7.1.8 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.

2.7.1.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. 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.

2.7.2 Financial instruments – initial recognition and subsequent measurement - Policy subsequent to 1 January 2018

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.7.2.1 Financial assets

Initial recognition, classification and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are classified at initial recognition as, amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies on revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

2.7.2.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a. Financial assets at amortised cost (debt instruments)
- b. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- c. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- d. Financial assets at fair value through profit or loss

The Group's financial assets includes financial assets at amortised cost.

2.7.2.3 Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- a. The financial asset is held within a business model with The objective to hold financial assets in order to collect contractual cash flows and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, staff advances and receivables from related parties. The Group did not own any financial assets that can be classified as fair value through profit and loss or held for trading financial assets during the periods presented in these financial statements.

2.7 Financial instrument (continued)

2.7.2.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

(a) The rights to receive cash flows from the asset have expired OR

(b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.7.2.5 Write-offs

The Group's accounting policy under IFRS 9 remains the same as it was under IAS 39. Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit or loss.

2.7.2.6 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.

2.7.2.7 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 Group will not be able to collect all the amounts due according to the original terms of the receivables. Trade receivable is impaired using a provision matrix to calculate Expected Credit Loss (ECL). The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss

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.

2.7.2.8 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.

2.7.2.9 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any).

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

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

2.8 Financial liabilities

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

2.9 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.

2.10 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.

(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.

2.14 Current and deferred income tax (continued)

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.

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

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

- (1) The Company must be registered with The Nigerian Export promotion Council (NEPC)
- (2) The Company must have a minimum annual export turnover of N5 million and evidence of repatriation of proceeds of exports.
- (3) The Company shall submit its baseline data which includes audited Financial Statement and information on operational capacity to NEPC.
- (4) 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).
- (5) Qualifying export transaction must have the proceeds fully repatriated within 300 days, calculated from the date of export and as approved by the EEG Implementation Committee.

2.17 Revenue from Contract with customers

The Group is in the business of manufacturing and sales of glassware, glass bottles, plastic crates and crown cork for soft drink, breweries, Pharmaceutical, cosmetic etc.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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 received or receivable for goods supplied stated net of discounts, returns and value added taxes. Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has identified a sales contract with a customer;
- the performance obligations within this contract has been identified
- the transactions price has been determined;
- this transaction price has been allocated to the performance obligations in the contract; and
- revenue is recognised as or when each performance obligation is satisfied

The sale of bottles, plastic crates and crown corks are based on Ex-works prices agreed with the customers. Haulage services are provided to the Customers through third party service providers as an option. The sale of bottles, plastic crates and crown corks are distinct from haulage services for delivery of bottles and have no bearing on each other, and are negotiated separately.

Further, the consideration to be paid in one contract does not depend on the price or performance of other contract. Goods or services promised in the separate contracts are not a single performance obligation. There are no other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Group performs an obligation once the products or goods are transferred to the customer, that is ownership, legal title, physical possession, significant control related to the products has been transferred to the customer and the customer has accepted the products.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of bottles, plastic crates and crown corks, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The consideration to be received is stated in the contract i.e invoice as the contract price which is agreed, accepted and signed by the customer. Revenue comprises the fair value for sales of goods and services net of value-added tax, rebates and discounts. Rebates constitutes a variable consideration and are allocated to a single performance obligation affected.

The transaction price as stated in the invoice relates to the performance of obligation by the entity when the goods have been delivered to the customers.

Revenue from the sales of goods is recognised when the significant ownership and controls of the goods are transferred to the buyer. Where goods are picked up by customers, risk is transferred immediately. Where goods are delivered, revenue is recognised when ordered by the customer is delivered to the customers with the evidence of the delivery note acknowledged/signed by the customers.

Variable consideration

Rebates constitute a variable consideration and are allocated to a single performance obligation affected.

2.17 Revenue from contract with customer (continued)

Significant financing component

For all sales transactions, the receipt of the consideration by the Group does not match the timing of the delivery of bottles, plastic crates and crown corks to the customer (e.g., the consideration is paid after the sales item has been delivered). Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Consideration payable to a customer: No consideration is payable to customer in respect of sales of glass bottles, plastic crates and crown corks.

Contract assets: No contract asset as all sales are unconditional.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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 during the period arising 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.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

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.

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	
	2018 USD'000	2017 USD'000	2018 USD'000	2017 USD'000
Financial assets				
Cash and cash equivalent	15,950	10,385	439	1,021
Trade receivables	3,447	827	-	-
Related parties	42,311	45,845	42,311	45,845
	<u>61,708</u>	<u>57,057</u>	<u>42,750</u>	<u>46,866</u>

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

3.1.1 Market risk (continued)

Foreign exchange risk (continued)

Financial liabilities				
Borrowings	4,765	3,416	1,543	929
Trade payables	19,066	5,514	748	640
Related parties payable	898	51	53	51
	<u>24,729</u>	<u>8,980</u>	<u>2,345</u>	<u>1,619</u>
Net amount	<u>36,979</u>	<u>48,077</u>	<u>40,405</u>	<u>45,247</u>

Effects in Naira on the Group and Company result:

	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
15 percent strengthening of the Naira to USD	(1,891,488)	(2,199,535)	(2,066,731)	(2,070,062)
15 percent weakening of the Naira to USD	<u>1,891,488</u>	<u>2,199,535</u>	<u>2,066,731</u>	<u>2,070,062</u>

Reporting date spot rate of 1USD to Naira	<u>2018</u> 341	<u>2017</u> 305
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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.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

**Notes to the financial statements (continued)
For the year ended 31 December 2018**

Credit risk (continued)

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 2018, all financial assets of N38.76bn (31 December 2017: N34.02bn) for the Group and for the Company N24.97bn (31 December 2017: N21.46bn) were fully performing, N1.31bn (31 December 2017: N2.39bn) for the Group and for the Company N0.30bn (31 December 2017: N0.66bn) were past due but not impaired.

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 2018 - Group	Neither past due nor impaired N'000	Past due but not impaired			Total N'000
		Up to 90 days N'000	91 - 150 days N'000	Over 150 days N'000	
		Cash and cash equivalents (Note 18)	10,121,137	-	
Trade receivables (Note 17)	3,857,476	1,150,242	46,998	5,067	5,059,783
Receivables from related parties (Note 17)	23,310,975	107,353	2,318	-	23,420,646
Staff advances (Note 17)	154,273	-	-	-	154,273
	37,443,861	1,257,595	49,316	5,067	38,755,839

31 December 2017 - Group	Neither past due nor impaired N'000	Past due but not impaired			Total N'000
		Up to 90 days N'000	91 - 150 days N'000	Over 150 days N'000	
		Cash and cash equivalents (Note 18)	10,274,146	-	
Trade receivables (Note 17)	3,678,568	1,728,087	102,599	8,149	5,517,403
Receivables from related parties (Note 17)	17,513,477	517,471	31,503	-	18,062,451
Staff advances (Note 17)	163,262	-	-	-	163,262
	31,629,453	2,245,558	134,102	8,149	34,017,262

31 December 2018 - Company	Neither past due nor impaired N'000	Past due but not impaired			Total N'000
		Up to 90 days N'000	91 - 150 days N'000	Over 150 days N'000	
		Cash and cash equivalents (Note 18)	1,248,339	-	
Trade receivables (Note 17)	649,894	281,524	22,993	-	954,411
Receivables from related parties (Note 17)	22,750,078	-	-	-	22,750,078
Staff advances (Note 17)	21,988	-	-	-	21,988
	24,670,299	281,524	22,993	-	24,974,816

31 December 2017 - Company	Neither past due nor impaired N'000	Past due but not impaired			Total N'000
		Up to 90 days N'000	91 - 150 days N'000	Over 150 days N'000	
		Cash and cash equivalents (Note 18)	3,343,179	-	
Trade receivables (Note 17)	435,224	211,544	12,143	-	658,911
Receivables from related parties (Note 17)	16,998,117	410,118	29,185	-	17,437,420
Staff advances (Note 17)	24,981	-	-	-	24,981
	20,801,501	621,662	41,328	-	21,464,491

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

Credit rating	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
AAA	10,097,323	10,250,332	1,248,339	3,343,179
AA+	10	10	-	-
B+	23,804	23,804	-	-
	10,121,137	10,274,146	1,248,339	3,343,179

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

**Notes to the financial statements (continued)
For the year ended 31 December 2018**

Credit risk (continued)

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

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	
	2018	2017	2018	2017
	N'000	N'000	N'000	N'000
Group A	23,465,248	17,676,739	22,772,066	17,023,098
Group B	3,857,476	3,678,568	649,894	435,224
	<u>27,322,724</u>	<u>21,355,307</u>	<u>23,421,960</u>	<u>17,458,322</u>

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 2018	Less than	Between 1	Between 2	Total
	1 year N'000	and 2 years N'000	and 5 years N'000	
Trade creditors and due to related parties (Note 19)	9,815,305	-	-	9,815,305
	<u>9,815,305</u>	<u>-</u>	<u>-</u>	<u>9,815,305</u>

Group At 31 December 2017	Less than	Between 1	Between 2	Total
	1 year N'000	and 2 years N'000	and 5 years N'000	
Trade creditors and due to related parties (Note 19)	3,626,192	-	-	3,626,192
	<u>3,626,192</u>	<u>-</u>	<u>-</u>	<u>3,626,192</u>

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

3.1.3. *Liquidity risk (continued)*

Company At 31 December 2018	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 (Note 19)	5,969,943	-	-	5,969,943
	<u>5,969,943</u>	<u>-</u>	<u>-</u>	<u>5,969,943</u>
Company At 31 December 2017	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 (Note 19)	6,056,571	-	-	6,056,571
	<u>6,056,571</u>	<u>-</u>	<u>-</u>	<u>6,056,571</u>

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

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 2018 and 31 December 2017 are as follows:

	Group		Company	
	31 Dec 2018 N'000	31 Dec 2017 N'000	31 Dec 2018 N'000	31 Dec 2017 N'000
Total borrowings (Note 21)	1,624,630	1,046,457	526,045	283,594
Total equity	48,514,166	40,829,687	20,621,907	17,419,887
Gearing ratio	3%	3%	3%	2%

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.

4 **Critical accounting estimates and judgements (continued)****Export expansion grant and Negotiable duty credit certificate**

Export Expansion Grant (EEG) is a very vital incentive of the Federal Government of Nigeria required for the stimulation of export oriented activities that will lead to significant growth of the non-oil export sector. Having met the eligibility criteria and registered under the scheme by the Nigerian Export Promotion Council (NEPC), the Company is entitled to a rebate on export sales in as much as it can demonstrate that the proceeds of the related sales have been repatriated through an approved channels to the country within 300 (formerly 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 2018, EEG receivable stood at N 1.80 billion and No.07 billion (31 December 2017: N1.65 billion and No.07 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 (FGN) for settlement of EEG receivable. The NDCC was used for the payment of Import and Excise duties in lieu of cash. However, NEPC has stopped issuing NDCC in line with the new guidelines and all our NDCC has been returned for replacement with proposed promisory notes in line with the new guidelines. As at 31 December 2018, Unutilized NDCC stood at N 1.02 billion (31 December 2017: N1.02 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.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

5	Revenue from contracts with customers	Group		Company	
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
	Glass products	26,321,014	22,186,258	-	-
	Packaging for beverages	10,441,822	9,068,906	10,441,821	9,068,905
		<u>36,762,836</u>	<u>31,255,164</u>	<u>10,441,821</u>	<u>9,068,905</u>
6	Expenses				
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
	<i>Cost of sales</i>				
	Material consumed (Note 16)	(13,862,028)	(10,831,548)	(5,981,324)	(4,869,187)
	Depreciation (Note 15)	(2,420,730)	(2,315,591)	(300,552)	(282,022)
	Technical assistance fees - Frigoglass Global Limited (Note 27)	(1,048,981)	(889,314)	(219,269)	(190,447)
	Factory salaries and related staff cost (Note 7)	(2,315,941)	(1,834,117)	(262,608)	(208,048)
	Fuel, gas and electricity	(5,396,053)	(5,206,610)	(502,887)	(523,561)
	Other factory overheads	(2,477,370)	(2,273,740)	(314,089)	(339,262)
		<u>(27,521,103)</u>	<u>(23,350,922)</u>	<u>(7,580,729)</u>	<u>(6,412,527)</u>
	<i>Administrative expenses</i>				
	Depreciation and amortisation charges (Note 14 & 15)	(178,474)	(149,638)	(43,044)	(35,912)
	Auditors remuneration	(46,658)	(40,123)	(20,232)	(17,851)
	Legal and professional fees	(132,829)	(80,423)	(39,606)	(19,330)
	Salaries and related staff cost (Note 7)	(1,285,900)	(1,138,780)	(190,374)	(158,537)
	Directors' remuneration (Note 27a)	(11,555)	(9,170)	(11,555)	(9,170)
	Travel and transportation	(189,601)	(181,217)	(66,381)	(63,942)
	Other administrative expenses	(500,007)	(342,936)	(331,045)	(244,418)
		<u>(2,345,024)</u>	<u>(1,942,287)</u>	<u>(702,236)</u>	<u>(549,159)</u>
	Selling and distribution expense	(81,161)	(97,792)	-	-
	Total cost of cost of sales, administrative expenses and distribution costs	<u>(29,947,290)</u>	<u>(25,391,001)</u>	<u>(8,282,964)</u>	<u>(6,961,686)</u>
	Included in legal and professional fees of the group for the year ended 31 December 2018 is non - audit fees to PricewaterhouseCoopers Limited of N3.0 million being fee payable in relation to Transfer pricing documentation (31 December 2017: N2.75 million)				
7	Employee costs				
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
	Wages and salaries	(3,074,301)	(2,416,023)	(400,861)	(318,018)
	Interest on employee benefit obligation (Note 22)	(364,068)	(398,852)	(31,746)	(32,882)
	Current service cost of employee benefit obligation (Note 22)	(163,472)	(158,022)	(20,375)	(15,684)
	Total (Note 6)	<u>(3,601,841)</u>	<u>(2,972,897)</u>	<u>(452,982)</u>	<u>(366,584)</u>
8	Other income				
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
	Profit on disposal of property plant and equipment (Note 25)	15,633	19,958	1,433	7,119
	Sundry income	73,404	226,646	19,731	116,237
	Dividend income	-	-	331,049	303,203
	Sale of scrap and others	846,233	572,060	74,738	77,412
	Net gain on settlement of employee benefit obligation	463,750	-	52,962	-
	Income from admin Charges	30,000	30,000	30,000	30,000
		<u>1,429,020</u>	<u>848,664</u>	<u>509,912</u>	<u>533,972</u>

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

* Being curtailment gain on final settlement of employee benefit obligation (gratuity scheme)

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

9	Foreign exchange gain/(loss)	Group		Company	
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
	Foreign exchange gain	1,013,610	2,017,178	880,883	1,673,060
	Foreign exchange loss	-	-	-	-
	Net foreign exchange gain	<u>1,013,610</u>	<u>2,017,178</u>	<u>880,883</u>	<u>1,673,060</u>
10	Finance income and expenses				
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
	Finance income				
	Interest income	2,506,474	1,818,739	2,019,437	1,524,546
	Finance cost				
	Interest expense	(324,845)	(213,335)	(999,604)	(1,054,925)
	Net finance income	<u>2,181,629</u>	<u>1,605,404</u>	<u>1,019,833</u>	<u>469,621</u>
11	Income tax expense				
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
	Income tax	1,457,166	3,491,069	853,096	955,966
	Education tax	202,354	261,616	67,684	69,256
	Net income and education tax for the year (Note 20)	<u>1,659,520</u>	<u>3,752,685</u>	<u>920,780</u>	<u>1,025,222</u>
	Deferred tax charged / (credit)	1,843,321	(547,992)	446,684	439,871
	Net deferred tax for the year (Note 23)	<u>1,843,321</u>	<u>(547,992)</u>	<u>446,684</u>	<u>439,871</u>
	Tax expense	<u>3,502,840</u>	<u>3,204,691</u>	<u>1,367,464</u>	<u>1,465,093</u>

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	11,426,617	10,335,411	4,569,484	4,783,872
Income tax using the domestic corporation tax rate of 30%	3,427,985	3,100,623	1,370,845	1,435,162
Tax effects of:				
Non chargeable income	(89,789)	(114,006)	(66,210)	(60,641)
Non deductible expenses	30,482	38,546	7,219	31,977
Effect of education tax	202,354	261,615	67,684	69,256
Effect of tax incentive	(68,192)	(82,087)	(12,073)	(10,659)
Total income tax expense in statement of profit or loss	<u>3,502,840</u>	<u>3,204,691</u>	<u>1,367,464</u>	<u>1,465,093</u>

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	<u>7,923,777</u>	<u>7,130,719</u>	<u>3,202,020</u>	<u>3,318,779</u>
Weighted average number of ordinary shares in issue - '000	<u>437,182</u>	<u>437,182</u>	<u>437,182</u>	<u>437,182</u>
Basic earnings per share (Naira)	<u>18.12</u>	<u>16.31</u>	<u>7.32</u>	<u>7.59</u>

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

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

13	Investment in subsidiary	Company			
		31 Dec 2018 N'000	31 Dec 2017 N'000		
	Investment	1,786,130	1,786,130		
	This relates to a 61.89% investment in Beta Glass Plc, a subsidiary of the Company which is consolidated.				
	The non controlling interest portion is distributed amongst				
		Percentage holding			
		2018	2017		
	Frigoinvest Holdings B.V	8.17%	8.17%		
	Stanbic IBTC Nominees Nigeria Limited	5.70%	7.89%		
	Delta State Ministry of Finance Incorporated	4.45%	4.45%		
	Others	19.8%	17.6%		
14	Intangible assets	Group		Company	
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
	Cost				
	As at 1 January	60,211	60,211	23,129	23,129
	Additions	3,077	-	-	-
	As at 31 December	63,288	60,211	23,129	23,129
	Accumulated amortisation:				
	As at 1 January	50,125	44,064	23,129	21,850
	Amortisation charge for the year	2,368	6,061	-	1,279
	As at 31 December	52,494	50,125	23,129	23,129
	Net book values				
	At 31 December	10,795	10,086	-	-
	The remaining amortization period of the intangible asset is between 1 and 3 years.				
	Amortization charges is included in administrative expenses				
15	Property plant and equipment (See pages 45 - 48)				
16	Inventories	Group		Company	
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
	Raw materials	3,924,491	2,757,045	1,816,500	1,061,942
	Work-in-progress	239,431	356,312	230,000	328,989
	Finished goods	1,828,983	1,526,244	478,330	716,779
	Spare parts and consumables	1,930,331	1,801,574	347,978	290,086
		7,923,236	6,441,175	2,872,808	2,397,795
	Goods in transit	1,370,102	2,150,926	180,791	1,169,090
		9,293,338	8,592,101	3,053,599	3,566,886
	Analysis of value of inventories included in cost of sales and charged to profit or loss is as follows:				
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
	Cost of inventories included in cost of sales (Note 6)	13,862,028	10,831,548	5,981,324	4,869,187

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

17 Trade and other receivables	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Trade receivables	5,059,783	5,517,403	954,411	658,911
Unutilised Negotiable Duty Credit Certificates (Note 4)	1,017,817	1,024,894	-	-
EEG receivable (Note 4)	1,804,312	1,651,040	69,166	69,166
Prepayments	316,966	420,591	60,339	125,558
Other receivables	144,130	72,594	3,137	840
Staff advances	154,273	163,262	21,988	24,981
Due from related companies (Note 27)	23,420,646	18,062,451	22,750,078	17,437,420
	31,917,927	26,912,163	23,859,119	18,316,876
Allowance for expected credit loss (Note 17.2)	(64,651)	-	(7,937)	-
Total	31,853,276	26,912,163	23,851,182	18,316,876

Other receivable represents insurance claim receivables

Prepayment includes Prepaid Insurance, Prepaid Rent and Others. The prepaid rent is for short term period

Trade receivables are non-interest bearing and are generally on payment terms of 30 - 90 days

Group	Trade Receivable		Staff Loan		Related Party Receivable	
Gross	5,059,783		154,273		23,420,646	
ECL	(22,435)		(5,882)		(36,334)	
Net	5,037,348		148,391		23,384,311	

Company	Trade Receivable		Staff Loan		Related Party Receivable	
Gross	954,411		21,988		22,750,078	
ECL	(7,937)		-		-	
Net	946,474		21,988		22,750,078	

Set out below is the movement in the allowance for expected credit losses:

Trade Receivable	Group		Company	
	2,018 N'000	2,017 N'000	2,018 N'000	2,017 N'000
As at 1 January (IAS 39)	25,609	28,704	7,937	7,937
Effect of adoption of IFRS 9 (Note 2.1.2)	7,129	-	-	-
As at 1 January (Restated)	32,738	28,704	7,937	7,937
Reversal of provision during the year	(10,303)	-	-	-
Additional Provision during the year	-	7,183	-	-
Used during the year	-	(10,278)	-	-
As at 31 December	22,435	25,609	7,937	7,937

Staff Receivable	Group		Company	
	2,018 N'000	2,017 N'000	2,018 N'000	2,017 N'000
As at 1 January (IAS 39)	-	-	-	-
Effect of adoption of IFRS 9 (Note 2.1.2)	5,379	-	-	-
As at 1 January (Restated)	5,379	-	-	-
Reversal of provision during the year	-	-	-	-
Additional Provision during the year	503	-	-	-
Used during the year	-	-	-	-
As at 31 December	5,882	-	-	-

Related Parties Receivable	Group		Company	
	2,018 N'000	2,017 N'000	2,018 N'000	2,017 N'000
As at 1 January (IAS 39)	-	-	-	-
Effect of adoption of IFRS 9 (Note 2.1.2)	39,724	-	-	-
As at 1 January (Restated)	39,724	-	-	-
Reversal of provision during the year	(3,389)	-	-	-
Additional Provision during the year	-	-	-	-
Used during the year	-	-	-	-
As at 31 December	36,334	-	-	-

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

17 Trade and other receivable (continued)**17.1 Effect of adoption of IFRS 9 (Note 2.1.2)**

Trade Receivable	7,129	-	-	-
Staff Receivable	5,379	-	-	-
Related Parties Receivable	39,724	-	-	-
Gross	52,232	-	-	-
Deferred tax (Note 23)	(16,716)	-	-	-
Net Effect of adoption of IFRS 9	35,516	-	-	-

17.2 Summary of movement in ECL**As at 1 January restated:**

Trade Receivable	32,738	28,704	7,937	7,937
Staff Receivable	5,379	-	-	-
Related Parties Receivable	39,724	-	-	-
	77,841	28,704	7,937	7,937

Net impairment gain / (loss) for the year

Trade Receivable	(10,303)	(3,095)	-	-
Staff Receivable	503	-	-	-
Related Parties Receivable	(3,389)	-	-	-
	(13,189)	(3,095)	-	-

As at 31 December 2018

	64,651	25,609	7,937	7,937
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	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
17.3 Trade and other receivable for cashflow purpose				
Trade and other receivables	31,853,276	26,912,163	23,851,182	18,316,876
Withholding tax utilised for tax payment	157,561	-	137,561	-
Expected credit loss (ECL) to retained earnings	52,232	-	-	-
Trade and other receivables for Cashflow Statement	32,063,069	26,912,163	23,988,743	18,316,876

18 Cash and cash equivalents

	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Cash at bank	10,119,967	10,273,112	1,247,531	3,342,489
Cash in hand	1,170	1,034	808	690
Cash in hand and at bank	10,121,137	10,274,146	1,248,339	3,343,179

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	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Cash in hand and at bank	10,121,137	10,274,146	1,248,339	3,343,179
Cash and cash equivalents	10,121,137	10,274,146	1,248,339	3,343,179

19 Trade and other payables

	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Trade creditors	9,368,500	3,347,520	468,399	219,416
Other creditors and accruals	3,216,742	2,776,254	888,533	839,918
Due to related companies (Note 27)	446,805	278,672	5,591,544	5,837,155
	13,032,047	6,402,445	6,858,476	6,896,489

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

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

19 Trade and other payables (continued)

19.1 Trade and Other payables for Cashflow Statement

Trade and Other payables	13,032,047	6,402,445	6,858,476	6,896,489
Dividend written back to retained earnings	-	-	-	46,570
Trade and Other payables for Cashflow Statement	13,032,047	6,402,445	6,858,476	6,943,059

20 Tax payable

	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
The movement in tax payable is as follows:				
At 1 January	4,133,170	2,040,514	1,192,550	617,943
Provision for the year (Note 11)	1,659,520	3,752,685	920,780	1,025,222
WHT credit note utilised during the year	(157,561)	(238,563)	(137,561)	(227,362)
Payment during the year	(3,586,526)	(1,421,465)	(891,307)	(223,253)
At 31 December	2,048,603	4,133,170	1,084,462	1,192,550

21 Borrowings

	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Short term borrowings	1,624,630	1,046,457	526,045	283,594
	1,624,630	1,046,457	526,045	283,594
	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Reconciliation of short term borrowings:				
Borrowing as at 1 January 2017	1,046,457	-	283,594	-
Repayment during the year	(1,046,457)	-	(283,594)	-
Addition during the year	1,624,630	1,046,457	526,045	283,594
Borrowing as at 31 December 2017	1,624,630	1,046,457	526,045	283,594

Short term borrowings represents Banker Acceptance from a commercial Bank for the importation of raw materials at a fixed interest rate of Libor+5.5% payable within 30 to 90 days.

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	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Statement of financial position obligations for:				
Post-employment benefit	-	2,931,863	-	257,138
Liability in the statement of financial position	-	2,931,863	-	257,138

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

	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Post-employment benefit	527,541	556,874	52,121	48,566
	527,541	556,874	52,121	48,566
Remeasurements for:				
Post-employment benefit	-	(58,997)	-	5,262
	-	(58,997)	-	5,262

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.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

22 Employee benefits obligation (continued)

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

	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Present value of obligations (unfunded)	-	2,931,863	-	257,138

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

	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Balance at the beginning of the year	2,931,863	2,615,121	257,138	213,819
Charge during the year:				
Current service cost (Note 7)	163,472	158,022	20,375	15,684
Interest for the year (Note 7)	364,068	398,852	31,746	32,882
Net gain on settlement of employee obligation (Note 7)	(463,750)	-	(52,962)	-
	63,791	556,874	(841)	48,566
Total	2,995,654	3,171,995	256,297	262,385
Remeasurements:				
Actuarial losses / (gains) - change in financial assumption	-	72,741	-	9,542
Actuarial (gains) - experience adjustment	-	(131,738)	-	(4,280)
	-	(58,997)	-	5,262
Payments from plan:				
Benefits paid by the employer	(2,995,654)	(181,135)	(256,297)	(10,509)
Balance at the end of the year	-	2,931,863	-	257,138

The significant actuarial assumptions were as follows:

	2018	2017
Discount rate (p.a.)	-	14%
Future average pay increase (p.a.)	-	14%
Average rate of inflation (p.a.)	-	12%

Following various discussions, with the Employee Unions on managing the Gratuity Scheme, the Company entered into an agreement with the Unions to discontinue the Gratuity Scheme and all outstanding liabilities per employee settled before 31 December 2018.

Effective from 31 December 2018, the gratuity scheme is abolished.

23 Deferred tax liabilities

The analysis of deferred tax liability is as follows:

	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Deferred tax liability:				
- To be recovered after 12 months	5,572,797	3,746,193	2,844,054	2,397,370
	5,572,797	3,746,193	2,844,054	2,397,370

The movement in deferred tax liability is as follows:

	Group		Company	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
At start	3,746,193	4,276,591	2,397,370	1,959,183
Changes during the year:				
- Debit to other comprehensive income	-	17,594	-	(1,684)
- Debit / (Credit) to profit or loss (Note 11)	1,843,321	(547,992)	446,684	439,871
- Credit to retained earnings (Note 17.1)	(16,716)	-	-	-
At end of the year	5,572,797	3,746,193	2,844,054	2,397,370

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

23 Deferred tax liabilities (continued)

	Group			Company		
	Fixed assets	Provisions	Total	Fixed assets	Provisions	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2017	2,606,702	1,669,889	4,276,591	345,778	1,613,405	1,959,183
(Credited)/ Charged to profit or loss and OCI	(205,907)	(324,491)	(530,398)	10,011	428,176	438,187
At 31 December 2017	2,400,795	1,345,398	3,746,193	355,789	2,041,581	2,397,370
Charged to profit or loss and OCI	680,935	1,145,669	1,826,604	76,213	370,471	446,684
At 31 December 2018	3,081,730	2,491,067	5,572,797	432,002	2,412,052	2,844,054

24 Share capital

Authorised:

	2018 N'000	2017 N'000
1,000,000,000 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 / (used in) operating activities

	Note	Group		Company	
		2018 N'000	2017 N'000	2018 N'000	2017 N'000
Cash flows from operating activities					
Profit before tax		11,426,617	10,335,411	4,569,484	4,783,872
Adjustment for:					
Depreciation	15	2,596,836	2,459,499	343,595	316,985
Profit on disposal of property, plant and equipment		(15,633)	(19,958)	(1,433)	(7,119)
Amortisation charges	14	2,368	6,061	-	1,279
Interest on employee benefit obligation	22	364,068	398,852	31,746	32,882
Current service costs on other employee benefit obligation	22	163,472	158,022	20,375	15,684
Net gain on settlement of employee benefit	22	(463,750)	-	(52,962)	-
Finance income	10	(2,506,474)	(1,818,739)	(2,019,437)	(1,524,546)
Finance expense	10	324,845	213,335	999,604	1,054,925
Changes in working capital:					
Increase in trade and other receivables (Note 17.3)		(5,150,905)	(4,935,503)	(5,671,867)	(4,196,615)
(Decrease) / Increase in inventory		(701,237)	(2,518,315)	513,286	(1,703,763)
Decrease in trade and other payables (Note 19.1)		6,629,602	4,922	(38,013)	3,363,652
Net cash generated from / (used in) operations		12,669,809	4,283,589	(1,305,621)	2,137,236
In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:					
Net book value of asset disposed (Note 15)		18,277	81,464	17,488	3,059
Profit on disposal of property, plant and equipment (Note 8)		15,633	19,958	1,433	7,119
Proceeds from disposal of property, plant and equipment		33,910	101,422	18,921	10,178

FRIGOGLOSS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

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	
	2018 N'000	2017 N'000
Not later than 1 year	42,556	42,556
Later than 1 year no later than 5 years	127,668	170,224
Later than 5 years	127,668	170,224
	<u>297,890</u>	<u>383,002</u>

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 Holding B.V. Netherlands - Intermediate parent company
Nigerian Bottling Company - Shareholder
A.G. Leventis Plc - Common directorship

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	
	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Fees for services as directors	4,940	3,725	4,940	3,725
Salaries and wages	6,615	5,445	6,615	5,445
	<u>11,555</u>	<u>9,170</u>	<u>11,555</u>	<u>9,170</u>

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

	2018 Number	2017 Number	2018 Number	2017 Number
N150,001 - N300,000	-	-	-	-
> N300,000	4	4	4	4
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Directors with no emoluments	3	3	3	3

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

	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Amount paid to the highest paid director	6,615	2,372	6,615	2,373
Amount paid to Chairman	2,490	2,373	2,490	2,373

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

	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Sales of goods:				
Nigerian Bottling Company	9,636,204	9,926,485	5,740,590	5,979,935
	<u>9,636,204</u>	<u>9,926,485</u>	<u>5,740,590</u>	<u>5,979,935</u>

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.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

27 Related parties (continued)
c(ii) Purchases of services

	2018 N'000	2017 N'000	2018 N'000	2017 N'000
Purchase of services:				
Frigoglass Global Limited (Note 6)	1,048,981	889,314	219,269	190,447
A.G. Leventis Plc	386,025	306,954	64,571	58,701
	<u>1,048,981</u>	<u>889,314</u>	<u>219,269</u>	<u>190,447</u>

The transaction with Frigoglass Global Limited was for the supply of technical expertise to Beta Glass Plc and Frigoglass Industries Nigeria Limited. 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 005524 for Beta Glass Plc with maturity profile of three (3) years from 01 January 2016 to 31 December 2018 and certificate number 005891 and 006559 for Frigoglass Industries Nigeria Limited with maturity profile of three (3) years from 01 January 2015 to 31 December 2017 and 01 January 2018 to 31 December 2020 respectively. Also included in the technical service charge for the year is Value Added Tax (VAT) at 5% paid on the technical service fee.

Transactions with A.G. Leventis Plc are for the provision of haulage services and lease of properties. The amount charged for the year is included in the other administrative expenses under administrative expenses

Purchases are from companies with common ultimate parent and ultimate controlling party. The purchases are at prices comparable to those obtainable from third parties.

d Due to related companies

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

		Group	
		2018 N'000	2017 N'000
	Description		
Frigoglass SAIC	Purchase of services	23,731	-
A.G. Leventis PLC	Purchase of services	-	25,466
Frigoglass India	Purchase of goods	18,240	14,183
Frigoglass Global	Purchase of services	403,677	237,866
Frigoglass West Africa (FWAL)	Intercompany payable	1,157	1,157
Frigoglass Jebel Ali	Purchase of services	-	-
		<u>446,805</u>	<u>278,672</u>
		Company	
		2018 N'000	2017 N'000
Beta Glass Plc	Intercompany treasury balances	5,146,956	5,414,776
Beta Glass Plc	Payment made on behalf of the company	288,939	367,510
Frigoglass India	Purchase of goods	18,240	14,183
Frigoglass West Africa (FWAL)	Payments made by FWAL customers	1,157	1,157
Frigoglass Global	Purchase of services	46,252	39,529
		<u>5,501,544</u>	<u>5,837,155</u>

e Due from related companies

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

		Group	
		2018 N'000	2017 N'000
	Description		
Frigoglass South Africa	Payments made on behalf of Frigoglass South Africa	12,714	7,241
Frigoglass Jebel Ali	intercompany loans	-	1,207,493
Frigoglass Indonesia	Payments made on behalf of Frigoglass Indonesia	433	-
Frigoinvest Holdings B.V	Intercompany loan and other receivables	16,401,574	12,984,550
Frigoglass West Africa	Intercompany loan and other receivables	5,024,426	2,191,795
Nigeria Bottling Co (NBC)	Intercompany receivables	1,973,071	1,671,372
A.G. Leventis Plc	Intercompany receivables	8,428	-
		<u>23,420,646</u>	<u>18,062,451</u>
		Company	
		2018 N'000	2017 N'000
Frigoglass South Africa	Payments made on behalf of Frigoglass South Africa	12,714	7,241
Beta Glass Plc	Payments made on behalf of Beta Glass PLC	-	-
Frigoglass Jebel Ali	Intercompany loan and other receivables	-	1,207,493
Frigoglass Indonesia	Payments made on behalf of Frigoglass Indonesia	433	-
Frigoinvest Holdings B.V	Intercompany loan and other receivables	16,401,574	12,984,550
Frigoglass West Africa	Intercompany loan and other receivables	5,024,275	2,191,795
Nigeria Bottling Co (NBC)	Sales of bottles and purchase of culet	1,311,082	1,046,341
		<u>22,750,078</u>	<u>17,437,420</u>

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)
For the year ended 31 December 2018

27 Related parties (continued)

Due from related companies (continued)

The receivables from related parties arose mainly from loan and sale transactions which are due two months after the date of sales. The loan receivable bears interest at Euribor + 8.5% 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 arose mainly from purchase transactions due within 30 to 60 days after the date of purchase. The payables bear no interest.

28 Contingent liabilities

The group is presently involved in five (5) litigation suits as at 31 December 2018. The claims against the group from the suits amount to N2.33 billion (31 December 2017: N2.33 billion) as of reporting date. No provision has been made for these claims. Based on legal advice, the directors believe that no significant loss will eventuate.

Guarantee on behalf of Frigoglass Finance B.V.

In the year 2017 the Company and its subsidiary- BetaGlass PLC guarantees first lien indebtedness (comprised of loans and notes) incurred by other members of the Frigoglass Group of approximately C120.0 million, which matures on 31 December 2021 and second lien indebtedness (comprised of loans and notes) of approximately C141 million, which matures on 31 March 2022.

29 Capital commitments

The company had no capital commitments as at 31 December 2018 (31 December 2017: Nil).

30 Subsequent events

No dividend was declared for 2018 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 2018 and on the profit for the year ended on that date which have not been adequately provided for or recognised.

31 Compliance with regulatory requirements

There was no penalty for non-compliance matters with respect to regulatory requirements for the year ended 31 December 2018 (31 December 2017: Nil).

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	
	2018 Number	2017 Number	2018 Number	2017 Number
Management	321	325	36	36
Factory	401	397	65	65
Sales and Administration	8	9	1	1
	730	731	102	102

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

	Group		Company	
	2018 Number	2017 Number	2018 Number	2017 Number
N600,001 - N800,000	-	-	-	-
N800,001 - N1,000,000	22	16	4	4
N1,000,001 - N1,200,000	52	43	10	10
N1,200,001 - N1,400,000	66	75	6	6
N1,400,001 - N1,600,000	32	41	4	4
N1,600,001 - N1,800,000	49	49	12	12
N1,800,001 - N2,000,000	54	42	10	10
N2,000,001 - N2,500,000	153	156	33	33
N2,500,001 - N3,000,000	136	138	14	14
Over N3,000,000	166	171	9	9
	730	731	102	102

FRIGOGLOSS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)

15 Property, plant and equipment

Group - 31 December 2018

	Land N'000	Building N'000	Plant and machinery N'000	Furniture and fittings and equipment N'000	Motor vehicles N'000	Assets under construction N'000	Total N'000
Cost or valuation:							
At 1 January 2018	168,540	1,880,612	29,380,438	705,603	793,391	3,782,679	36,711,263
Additions	-	84,397	2,433,875	66,252	361,748	5,881,219	8,827,491
Disposals	-	-	(55,687)	(5,663)	(141,672)	-	(203,022)
Reclassifications	-	-	2,736	7,864	13,000	(23,600)	-
At 31 December 2018	168,540	1,965,009	31,761,362	774,056	1,026,467	9,640,298	45,335,732
Depreciation:							
At 1 January 2018	-	576,244	21,560,686	642,357	630,657	-	23,409,944
Charge for the year	-	63,872	2,360,336	41,108	131,520	-	2,596,836
On disposals	-	-	(55,687)	(5,648)	(123,410)	-	(184,745)
At 31 December 2018	-	640,116	23,865,335	677,817	638,767	-	25,822,035
Net book value:							
At 31 December 2018	168,540	1,324,893	7,896,027	96,239	387,700	9,640,298	19,513,697

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

Depreciation expenses of N2.42 billion has been charged to cost of sales and No.17 billion was charged to administrative expenses.

FRIGOGLOSS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)

15 Property, plant and equipment (continued)

Company - 31 December 2018

	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 2018	-	100,337	3,806,091	289,398	189,674	58,052	4,443,552
Additions	-	24,122	531,873	31,130	72,684	263,011	922,820
Disposals	-	-	(16,799)	(4,710)	(45,877)	-	(67,386)
Reclassifications	-	-	2,736	7,864	13,000	(23,600)	-
At 31 December 2018	-	124,459	4,323,901	323,683	229,481	297,462	5,298,986
Depreciation:							
At 1 January 2018	-	26,112	2,557,633	270,722	155,128	-	3,009,595
Charge for the year	-	0.712	204,316	14,672	24,804	-	249,505
On disposals	-	-	(16,799)	(4,710)	(28,389)	-	(49,898)
At 31 December 2018	-	35,825	2,835,150	280,684	151,633	-	3,303,292
Net book value:							
At 31 December 2018	-	88,634	1,488,751	42,999	77,848	297,462	1,995,694

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

Depreciation expenses of No.30 billion has been charged to Cost of sales and No.04 billion was charged to Administrative expenses.

FRIGOGLOSS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)

15 Property, plant and equipment (continued)

Group - 31 December 2017

	Land N'000	Building N'000	Plant and machinery N'000	Furniture and fittings and equipment N'000	Motor vehicles N'000	Assets under construction N'000	Total N'000
Cost or valuation:							
At 1 January 2017	168,540	1,849,445	28,384,061	675,166	835,730	1,260,963	33,173,905
Additions	-	30,642	1,212,139	32,557	72,842	2,572,351	3,920,531
Disposals	-	-	(265,872)	(2,120)	(115,181)	-	(383,173)
Reclassifications	-	525	50,110	-	-	(50,635)	-
At 31 December 2017	168,540	1,880,612	29,380,438	705,603	793,391	3,782,679	36,711,263
Depreciation:							
At 1 January 2017	-	516,806	19,488,397	612,713	634,237	-	21,252,153
Charge for the year	-	59,438	2,259,755	31,756	108,550	-	2,459,499
On disposals	-	-	(187,466)	(2,112)	(112,130)	-	(301,709)
At 31 December 2017	-	576,244	21,560,686	642,357	630,657	-	23,409,944
Net book value:							
At 31 December 2017	168,540	1,304,368	7,819,752	63,246	162,734	3,782,679	13,301,319

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

Depreciation expenses of N2.32 billion has been charged to cost of sales and No.15 billion was charged to administrative expenses.

FRIGOGLOSS INDUSTRIES (NIGERIA) LIMITED

Notes to the financial statements (continued)

15 Property, plant and equipment (continued)
Company - 31 December 2017

	Land N'000	Building N'000	Plant and machinery N'000	Furniture and fittings and equipment N'000	Motor vehicles N'000	Assets under construction N'000	Total N'000
Cost or valuation:							
At 1 January 2017	-	99,812	3,633,260	277,708	217,524	50,635	4,278,939
Additions	-	-	278,790	13,810	-	58,052	350,652
Disposals	-	-	(156,069)	(2,120)	(27,850)	-	(186,039)
Reclassifications	-	525	50,110	-	-	(50,635)	-
At 31 December 2017	-	100,337	3,806,091	289,398	189,674	58,052	4,443,552
Depreciation:							
At 1 January 2017	-	19,340	2,434,850	262,972	158,427	-	2,875,590
Charge for the year	-	6,772	278,852	0,862	21,500	-	316,085
On disposals	-	-	(156,069)	(2,112)	(24,799)	-	(182,980)
At 31 December 2017	-	26,112	2,557,633	270,722	155,128	-	3,009,595
Net book value:							
At 31 December 2017	-	74,225	1,248,458	18,677	34,547	58,052	1,433,957

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

Depreciation expenses of No.28 billion has been charged to Cost of sales and No.04 billion was charged to Administrative expenses.

FRIGOGLASS INDUSTRIES (NIGERIA) LIMITED

Statement of value added - Company
For the year ended 31 December 2018

	Note	2017 N'000	%	2016 N'000	%
Revenue	5	10,441,821		9,068,905	
Finance income	10	2,019,437		1,524,546	
Other income	8	509,912		533,972	
Net foreign exchange gain	9	880,883		1,673,060	
		<u>13,852,053</u>		<u>12,800,482</u>	
Bought in materials and services					
- Imported		(3,299,935)		(3,917,022)	
- Local		<u>(4,186,453)</u>		<u>(2,359,814)</u>	
Value added		<u>6,365,664</u>	100	<u>6,523,645</u>	100
Applied as follows:					
			%		%
To pay employees:					
- Wages, salaries and other benefits	7	452,982	7.1	366,584	5.6
To pay providers of capital:					
- Finance cost	10	999,604	15.7	1,054,925	16.2
To pay government:					
- Income tax expense	11	1,367,464	20.5	1,465,093	22.5
To provide for enhancement of assets and growth:					
- Depreciation of plant, property and equipment	15	343,595	5.4	316,985	4.9
- Amortization of intangible assets	14	-	1.0	1,279	1.0
- Profit for the year from continued operations		<u>3,202,020</u>	<u>50.3</u>	<u>3,318,778</u>	<u>50.9</u>
Value added		<u>6,365,664</u>	100	<u>6,523,645</u>	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 2018

	Note	2017 N'000	%	2016 N'000	%
Revenue	5	36,762,836		31,255,164	
Finance income	10	2,506,474		1,818,739	
Other income	8	1,429,020		848,664	
Net foreign exchange gain	9	<u>1,013,610</u>		<u>2,017,178</u>	
		41,711,940		35,939,746	
Bought in materials and services					
- Imported		(9,046,510)		(7,022,357)	
- Local		<u>(14,712,922)</u>		<u>(12,930,184)</u>	
Value added		<u>17,952,507</u>	100	<u>15,987,204</u>	100
Applied as follows:					
			%		%
To pay employees:					
- Wages, salaries and other benefits	7	3,601,841	20.1	2,972,897	18.6
To pay providers of capital:					
- Finance cost	10	324,845	1.8	213,335	1.3
To pay government:					
- Income tax expense	11	3,502,840	19.5	3,204,691	20.0
To provide for enhancement of assets and growth:					
- Depreciation of plant, property and equipment	15	2,596,836	14.5	2,459,499	15.4
- Amortization of intangible assets	14	2,368	0.0	6,061	0.0
- Profit for the year from continued operations		<u>7,923,777</u>	44.1	<u>7,130,719</u>	44.6
Value added		<u>17,952,507</u>	100	<u>15,987,204</u>	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 2018

	2018 N'000	2017 N'000	2016 N'000	2015 N'000	2014 N'000
Assets employed					
Non-current assets	3,781,824	3,220,087	3,190,759	3,293,372	3,926,000
Current assets	28,153,120	25,226,941	17,237,709	11,207,106	16,795,889
Non-current liabilities	(2,844,054)	(2,654,508)	(2,173,002)	(871,539)	(662,667)
Current liabilities	(8,468,983)	(8,372,633)	(4,197,350)	(3,289,557)	(10,899,446)
Net assets	20,621,907	17,419,887	14,058,116	10,339,382	9,159,776
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	20,386,986	17,184,966	13,823,195	10,104,461	8,924,855
Total equity	20,621,907	17,419,887	14,058,116	10,339,382	9,159,776
	2018 N'000	2017 N'000	2016 N'000	2015 N'000	2014 N'000
Turnover	10,441,821	9,068,905	6,723,452	5,684,504	11,325,491
Profit before income tax	4,569,484	4,783,872	5,372,378	1,799,086	1,742,996
Income tax expense	(1,367,464)	(1,465,093)	(1,680,225)	(737,882)	(512,647)
Profit for the year	3,202,020	3,318,779	3,692,153	1,061,204	1,230,349
Total comprehensive income	3,202,020	3,315,201	3,718,734	1,179,606	1,230,349
Per share data					
Earnings per share (Naira)	7.32	7.59	8.45	2.43	2.81
Net assets per share (Naira)	47.17	39.85	32.16	23.65	20.95

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 2018

	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
Assets employed					
Non-current assets	19,524,492	13,311,405	11,937,899	13,182,608	11,742,596
Current assets	51,267,751	45,778,410	37,370,630	25,265,481	23,273,271
Non-current liabilities	(5,572,797)	(6,678,056)	(6,891,712)	(4,937,477)	(3,964,117)
Current liabilities	(16,705,280)	(11,582,072)	(8,619,055)	(7,328,414)	(7,692,479)
Net assets	48,514,166	40,829,687	33,797,762	26,182,198	23,358,271
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	34,567,630	28,591,873	22,959,019	16,816,554	15,896,450
Non controlling interest	11,281,673	9,572,951	8,173,880	6,700,781	4,796,958
Total equity	48,514,166	40,829,687	33,797,762	26,182,198	23,358,271
	2018	2017	2016	2015	2014
	N'000	N'000	N'000	N'000	N'000
Turnover	36,762,836	31,255,164	25,814,644	21,637,727	27,958,370
Profit before income tax	11,426,617	10,335,411	10,476,246	4,741,242	4,977,844
Income tax expense	(3,502,840)	(3,204,691)	(3,096,086)	(1,861,550)	(1,463,084)
Profit for the year	7,923,776	7,130,719	7,380,160	2,879,691	3,514,760
Total comprehensive income	7,923,777	7,172,122	7,380,160	2,879,691	3,514,760
Per share data					
Earnings per share (Naira)	18.12	16.31	16.88	6.59	8.04
Net assets per share (Naira)	110.97	93.39	77.31	59.89	53.43

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