

Beta Glass Plc
Unaudited Financial Statements
For the three months ended 31 March 2016

Beta Glass Plc

For three months period ended 31 March 2016

| Table of contents | Page |
|--|-------------|
| Compliance certificate | 1 |
| Statement of profit or loss and other comprehensive income | 2 |
| Statement of financial position | 3 |
| Statement of changes in equity | 4 |
| Statement of cash flows | 5 |
| Accounting Policies and Notes to the financial statements | 6 |

COMPLIANCE CERTIFICATE ON THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016.

We hereby certify that:

- a) We the undersigned, have reviewed the report and
- b) based on our knowledge the report does not contain
 - i. any untrue statement of a material fact, or
 - ii. omit to state a material, which would make the statement misleading in the light of the circumstances under which the statement was made;
- c) based on our knowledge the financial statement and other financial information included in the report fairly present in all material respects the financial conditions and results of operations of the Company as of, and for the period presented in the report.
- d) We, the undersigned -
 - i. are responsible for establishing and maintaining controls
 - ii. have designed such internal controls to ensure that material information relating to the Company is made known to us by others within those entities particularly during the period in which the periodic reports are being prepared.
 - iii. have evaluated the effectiveness of the Company's internal controls as of date.



MANAGING DIRECTOR
George Papachristous
FRC/2013/IODN/00000002337



FINANCIAL CONTROLLER
Sola Abodunrin
FRC/2013/ICAN/00000002132

Beta Glass Plc

Statement of profit or loss and other comprehensive income For three months period ended 31 March 2016

| | | For the period ended | |
|--|-------|----------------------|----------------|
| | | 3 months | 3 months |
| | | 31 March | 31 March |
| | | 2016 | 2015 |
| | Notes | N'000 | N'000 |
| Revenue | 6 | 3,078,943 | 4,045,294 |
| Cost of sales | 7 | (2,680,969) | (3,193,158) |
| Gross profit | | 397,974 | 852,136 |
| Selling and distribution expenses | 7 | (42,105) | (19,526) |
| Administrative expenses | 7 | (432,262) | (449,261) |
| Other income | 8 | 64,173 | 57,779 |
| Foreign exchange (loss)/gain | 9 | 17,721 | (13,642) |
| Operating profit | | 5,500 | 427,486 |
| Finance income | 10 | 94,738 | 226,145 |
| Finance cost | 10 | (7,911) | (59,446) |
| Finance (costs)/income - net | | 86,827 | 166,699 |
| Profit before income tax | | 92,327 | 594,185 |
| Income tax expense | 11 | (30,265) | (168,476) |
| Profit for the year | | 62,062 | 425,709 |
| Other Comprehensive Income: | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Remeasurement loss on employee benefit obligation | 20 | - | - |
| Deferred tax credit on remeasurement loss on employee benefit obligation | 21 | - | - |
| Other comprehensive Income (net of tax) | | 0 | 0 |
| Total comprehensive income | | 62,062 | 425,709 |
| Earnings per share for profit attributable to the equity holders of the company | | | |
| Basic and diluted EPS (Naira) | 12 | 0.12 | 0.85 |

Beta Glass Plc
Statement of financial position
At 31 March 2016

| | Notes | 31 March 2016 N'000 | 31 December 2015 N'000 |
|-------------------------------------|--------------|------------------------------------|---------------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 14 | 11,324,424 | 11,657,119 |
| Intangible assets | 15 | 17,119 | 18,249 |
| | | 11,341,543 | 11,675,368 |
| Current assets | | | |
| Inventories | 16 | 4,497,845 | 3,479,879 |
| Trade and other receivables | 17 | 7,420,804 | 8,014,021 |
| Cash and cash equivalents | 18 | 4,237,620 | 4,001,802 |
| | | 16,156,269 | 15,495,702 |
| Total assets | | 27,497,812 | 27,171,068 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Borrowings | 19 | - | - |
| Employee benefit obligation | 20 | 2,657,999 | 2,577,718 |
| Deferred taxation liabilities | 21 | 1,492,835 | 1,488,219 |
| | | 4,150,834 | 4,065,937 |
| Current liabilities | | | |
| Borrowings | 19 | - | 151,539 |
| Trade and other payables | 22 | 4,817,035 | 4,386,368 |
| Current income tax liabilities | 23 | 835,233 | 940,642 |
| Dividend payable | 24 | 54,522 | 48,457 |
| | | 5,706,790 | 5,527,006 |
| Total liabilities | | 9,857,624 | 9,592,943 |
| Equity | | | |
| Ordinary share capital | 25 | 249,986 | 249,986 |
| Share Premium | 25 | 312,847 | 312,847 |
| Other reserves | 26 | 2,429,942 | 2,429,942 |
| Retained earnings | 27 | 14,647,413 | 14,585,350 |
| Total equity | | 17,640,188 | 17,578,126 |
| Total equity and liabilities | | 27,497,812 | 27,171,068 |

The notes on pages 6 to 29 are an integral part of these financial statements.

Beta Glass Plc
Statement of changes in equity
Three months period ended 31 March 2016

| | Share Capital N'000 | Share Premium N'000 | Other Reserves N'000 | Retained Earnings N'000 | Total N'000 |
|--|------------------------------------|------------------------------------|-------------------------------------|--|------------------------|
| Balance at 1 January 2015 | 249,986 | 312,847 | 2,429,942 | 12,960,206 | 15,952,981 |
| Profit for the year | - | - | - | 1,991,127 | 1,991,127 |
| Other comprehensive income for the year - net of tax | - | - | - | (56,000) | (56,000) |
| Total comprehensive income for the year | - | - | - | 1,935,127 | 1,935,127 |
| Dividend relating to 2014 paid in the year | - | - | - | (309,983) | (309,983) |
| Balance at 31 December 2015 | 249,986 | 312,847 | 2,429,942 | 14,585,350 | 17,578,125 |
| Balance at 1 January 2016 | 249,986 | 312,847 | 2,429,942 | 14,585,350 | 17,578,125 |
| Profit for the period | | | | 62,062 | 62,062 |
| Other comprehensive income for the year: | | | | | |
| Other comprehensive income for the year - net of tax | | | | - | - |
| Total comprehensive income for the year | - | - | - | 62,062 | 62,062 |
| Dividend relating to 2015 paid in the year | | | | - | - |
| Balance at 31 March 2016 | 249,986 | 312,847 | 2,429,942 | 14,647,413 | 17,640,188 |

Beta Glass Plc

Statement of cash flows Three months period ended 31 March 2016

| | | 31 March 2016 | 31 December 2015 |
|--|-------|------------------|---------------------|
| | Notes | N'000 | N'000 |
| Cash flows from operating activities | | | |
| Cash generated from operations | 28 | 669,095 | 6,090,618 |
| Tax paid | 23 | (131,058) | (1,150,626) |
| Employee benefits paid | 20 | (41,892) | (97,551) |
| Net cash generated from operating activities | | 496,145 | 4,842,441 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 14 | (202,303) | (4,186,055) |
| Purchase of intangible assets | 15 | - | - |
| Proceeds from sale of property, plant and equipment | | 622 | 63,713 |
| Interest income | 10 | 94,738 | 454,162 |
| Net cash used in investing activities | | (106,942) | (3,668,179) |
| Cash flows from financing activities | | | |
| Repayment of term loan | | - | - |
| Interest paid | 10 | (7,911) | (68,980) |
| Dividend paid | 24 | - | (309,983) |
| Returned unclaimed dividend | 24 | 6,065 | 34,820 |
| Net cash from/(used in) financing activities | | (1,846) | (344,143) |
| Net (decrease)/increase in cash, cash equivalents and bank overdrafts | | 387,356 | 830,119 |
| Cash, cash equivalents and bank overdrafts at the beginning of the year | 18 | 3,850,263 | 3,020,145 |
| Cash, cash equivalents and bank overdrafts at the end of the period | 18 | <u>4,237,620</u> | <u>3,850,263</u> |

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

1. General information

Beta Glass Plc (the Company) manufactures, distributes and sells glass bottles and containers for the leading soft drinks, wine and spirit, pharmaceutical and cosmetics companies. The Company has manufacturing plants in Agbara Ogun state and in Ughelli Delta state. Beta Glass Plc exports to some African countries including: Benin, Burkina Faso, Cameroun, Gabon, Gambia, Ghana, Guinea, Liberia, Mauritius, Senegal, Sierra Leone and Togo.

The Company is a public limited company, which is listed on the Nigerian Stock Exchange and incorporated and domiciled in Nigeria. The address of its registered office is Iddo House, Iddo, Lagos State, Nigeria. P.O. Box 159.

Beta Glass Plc is a subsidiary of Frigoglass Industries Nigeria Limited (the parent company) which holds 61.9% of the ordinary shares of the company. The ultimate controlling party is Frigoinvest Holdings B.V. Netherlands.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

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

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

2.1.1 Going concern

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

Beta Glass Plc

Notes to the Financial Statements For the period ended 31 March 2016

2. Summary of significant accounting policies (continued)

2.1.2 Changes in accounting policy and disclosure

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

There followings are the new or amended accounting standards adopted for the first time by Beta Glass Plc during the period ended 31 March 2016.

Amendments to IAS 16, "Property plant and equipment" and IAS 38, "Intangible assets" to clarify when a method of depreciation or amortisation based on revenue may be appropriate. The amendment to IAS 16 clarifies that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate. The amendment to IAS 38 establishes a rebuttable presumption that amortisation of an intangible asset based on revenue generated by using the asset is inappropriate. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly Amendments to IAS 1, "Presentation of financial statements" gives clarification on materiality and aggregation, presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments form a part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statement. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below: IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The standard is effective for accounting periods beginning on or after reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Company is assessing the impact of IFRS 15.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

2. Summary of significant accounting policies (continued)

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Beta Glass Plc.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency and presentation currency of Beta Glass PLC is the Nigerian naira (₦).

(b) Transactions and balances

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

2.4 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. All other repairs and maintenance costs including costs of fixed assets below N50,000 are charged to profit or loss during the financial period in which they are incurred.

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

Buildings 3%

Plant and machinery:

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

Furnaces 14%

Motor vehicles 20%

Furniture, Fittings and equipment:

- Office and house equipment 15%
- Household furniture and fittings 20%
- Computer equipment 25%

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

Summary of significant accounting policies (continued)

2.4 Property, plant and equipment (Continued)

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

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

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

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

2.5 Intangible assets

Computer software

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

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

2.6 Impairment of non-financial assets

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).

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

Summary of significant accounting policies (continued)

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2.7 Financial assets

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

2.7.1 Classification

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

The Company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this

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

Loans and receivables

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

2.7.2 Recognition and measurement

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

2.7.3 Impairment of financial assets

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

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

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

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.

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

Summary of significant accounting policies (continued)

2.8 Financial liabilities

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

Recognition and measurement

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

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

2.9 Derecognition of financial instruments

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

2.9.1 Offsetting financial instruments

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

2.10 Inventories

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

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

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

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

2.11 Trade receivables

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

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

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

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

Summary of significant accounting policies (continued)

2.12 Cash, cash equivalents and bank overdrafts

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

2.13 (a) Borrowings

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

(b) Borrowing cost

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

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

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

2.14 Trade payables

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

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

2.15 Current and deferred income tax

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

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

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

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

Summary of significant accounting policies (continued)

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

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

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

2.16 Employee benefit obligation

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

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

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

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

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

Past-service costs are recognised immediately in income.

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

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

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

Summary of significant accounting policies (continued)

2.17 Export expansion grant

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

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

- The exporter must be registered with the Nigerian Export promotion Council (NEPC)
- An exporter must have a minimum annual export turnover of N5 million and evidence of repatriation of proceeds of
- An exporter-company shall submit its baseline data which includes audited Financial Statement and information on operational market

- Qualifying export transaction must have the proceeds fully repatriated within 180 days, calculated from the date of export and

2.18 Revenue recognition

Revenue comprises the fair value for the sale of goods and services net of value-added tax, rebates and discounts.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied stated net of discounts, returns and value added taxes.

Sales of goods

Sale of glass bottles arises from both domestic and foreign sales to third parties. Revenue from the sale of goods is recognized when the significant risks and rewards of owning the goods are transferred to the buyer. Where goods are picked up by customers, risk is transferred immediately. Where goods are delivered, Beta Glass bears the risk in transit and the risk transfers when the goods are delivered. For export sales risk and rewards transfer when goods are loaded.

2.19 Provisions

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

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.

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

3 Financial risk management

3.1 Financial risk factors

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

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

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

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

(a) Market risk

(i) Foreign exchange risk

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

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

(ii) Price risk

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

(iii) Interest rate risk

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

(b) Credit risk

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

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

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

(b) Credit risk (continued)

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

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

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

31 March 2016

| Financial assets: | Neither past due nor impaired | Up to 90 days | 91 - 150 days | Over 150 days |
|--|--|----------------------|----------------------|----------------------|
| Cash and cash equivalents (Note 18) | 4,237,620 | - | - | - |
| Trade receivables (Note 17) | 1,746,987 | 471,222 | 37,977 | 25,296 |
| Receivables from related parties (Note 17) | 2,370,508 | - | - | - |
| Staff advances (Note 17) | 111,093 | - | - | - |
| | 8,466,208 | 471,222 | 37,977 | 25,296 |

31 December 2015

| Financial assets: | Neither past due nor impaired | Up to 90 days | 91 - 150 days | Over 150 days |
|--|--|----------------------|----------------------|----------------------|
| Cash and cash equivalents (Note 18) | 4,001,802 | - | - | - |
| Trade receivables (Note 17) | - | 2,241,749 | 186,008 | 160,125 |
| Receivables from related parties (Note 17) | 2,760,143 | - | - | - |
| Staff advances (Note 17) | 119,659 | - | - | - |
| | 6,881,604 | 2,241,749 | 186,008 | 160,125 |

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

(c) Liquidity risk

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

Beta Glass Plc invests its surplus cash in interest bearing current accounts. At the reporting date the company had N3.8 billion in current accounts.

The table below analyses the Company's financial liabilities and 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.

| 31 March 2016 | Less than 1 year N'000 | Between 1 and 2 years N'000 | Between 2 and 5 years N'000 | Total N'000 |
|---|---------------------------------------|--|--|------------------------|
| Financial liabilities: | | | | |
| Trade and other payables excluding transaction taxes (Note 22) | 4,660,798 | - | - | 4,660,798 |
| Bank overdraft | - | - | - | - |
| | 4,660,798 | - | - | 4,660,798 |
| | | | | |
| 31 December 2015 | Less than 1 year N'000 | Between 1 and 2 years N'000 | Between 2 and 5 years N'000 | Total N'000 |
| Financial liabilities: | | | | |
| Trade and other payables excluding transaction taxes (Note 22) | 4,182,045 | - | - | 4,182,045 |
| Bank overdraft | 151,539 | - | - | 151,539 |
| | 4,333,583 | - | - | 4,333,583 |

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

3.2 Capital risk management

The objective in managing capital is to safeguard the Company's ability to continue as a going concern to in order to maximise returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued, or debt raised.

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

The gearing ratios at 31 March 2016 and 31 December 2015 are as follows:

| | 2016 N'000 | 2015 N'000 |
|----------------------|---------------|---------------|
| Total debt | - | 151,539 |
| Total equity | 17,640,188 | 17,578,125 |
| Gearing ratio | 0% | 1% |

3.3 Financial instruments which are carried at other than fair value

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

4 Critical accounting estimates and judgements

Critical accounting policies and key sources of estimation uncertainty

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

Plant and machinery

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

Deferred tax

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

5 Segment information

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

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

| | March 2016 | | March 2015 | |
|------------|------------|-----|------------|-----|
| | N'000 | % | N'000 | % |
| Customer 1 | 955,840 | 31% | 1,192,872 | 29% |
| Customer 2 | 400,667 | 13% | 685,514 | 17% |
| Customer 3 | 475,543 | 15% | 277,892 | 7% |

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

| | March 2016 N'000 | March 2015 N'000 |
|---------------|---------------------|---------------------|
| Local sales | 2,788,396 | 3,855,151 |
| Export sales | 290,547 | 190,143 |
| Total revenue | 3,078,943 | 4,045,294 |

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

| | March 2016 N'000 | March 2015 N'000 |
|------------------|---------------------|---------------------|
| Operating profit | 5,500 | 427,486 |

Beta Glass Plc

**Notes to the Financial Statements
For three months period ended 31 March 2016**

| 6 Turnover | 3 months 31 March 2016 | 3 months 31 March 2015 |
|---|-----------------------------------|-----------------------------------|
| | N'000 | N'000 |
| Sales of glassware and bottles in Nigeria | 2,787,340 | 3,855,151 |
| Export sales | 291,603 | 190,143 |
| | 3,078,943 | 4,045,294 |
| 7 Expenses by nature | 31 March 2016 | 31 March 2015 |
| | N'000 | N'000 |
| <i>Cost of sales</i> | | |
| Purchases (Material consumed) | (421,467) | (1,139,810) |
| Depreciation and amortisation charges (Note 14 & 15) | (529,274) | (538,862) |
| Technical assistance fees | (96,987) | (127,427) |
| Factory salaries and wages (Note 13) | (401,470) | (350,507) |
| Fuel, gas and electricity | (863,434) | (709,571) |
| Other factory overheads | (368,338) | (326,981) |
| | (2,680,969) | (3,193,158) |
| The Purchases represent Direct material consumed net off export incentive | | |
| <i>Administrative expenses</i> | | |
| Depreciation and amortisation charges (Note 14 & 15) | (6,852) | (6,317) |
| Auditors remuneration | (6,846) | (6,519) |
| Legal & professional fees | (23,810) | (29,689) |
| Salaries and wages (Note 13) | (115,616) | (105,972) |
| Pension costs - defined contribution plans (Note 13) | (24,902) | (20,612) |
| Interest on employee benefit obligation (Note 13) | (55,958) | (41,625) |
| Current service cost of employee benefit obligation (Note 13) | (66,216) | (60,198) |
| Directors' remuneration | (3,640) | (3,628) |
| Head office administrative charge (Note 30) | (80,130) | (122,651) |
| Travel and transportation and other administrative expenses | (12,777) | (15,473) |
| Donations | - | - |
| Other administrative expenses | (35,517) | (36,577) |
| | (432,262) | (449,261) |
| <i>Distribution costs</i> | | |
| Selling and distribution expense | (42,105) | (19,526) |
| | (42,105) | (19,526) |
| Total cost of cost of sales, administrative expenses and distribution costs | (3,155,336) | (3,661,945) |
| 8 Other income | 31 March 2016 | 31 March 2015 |
| | N'000 | N'000 |
| Profit / (Loss) on disposal of property plant and equipment | 622 | |
| Surplus on transport charges recovered from customers, insurance claims and others | 61,391 | 52,750 |
| Proceed from sale of scraps | 2,160 | 5,029 |
| | 64,173 | 57,779 |

Beta Glass Plc**Notes to the Financial Statements
For three months period ended 31 March 2016****9 Foreign exchange gain**

| | 31 March 2016 | 31 March 2015 |
|-------------------------------|----------------------|----------------------|
| | N'000 | N'000 |
| Foreign exchange (loss)/gains | 17,721 | (13,642) |
| | 17,721 | (13,642) |

10 Finance income and expenses

| | 31 March 2016 | 31 March 2015 |
|-----------------------------------|----------------------|----------------------|
| | N'000 | N'000 |
| Finance income | | |
| Bank Interest income | 94,738 | 226,145 |
| | 94,738 | 226,145 |
| Finance cost | | |
| Interest expense and bank charges | (7,911) | (59,446) |
| | 86,827 | 166,699 |

11 Income tax expense

| | 31 March 2016 | 31 March 2015 |
|---|----------------------|----------------------|
| | N'000 | N'000 |
| Income tax | 25,649 | 138,336 |
| Education tax | - | - |
| Prior year under provision | - | - |
| | 25,649 | 138,336 |
| Deferred tax provision/(write back) (Note 21) | 4,616 | 30,140 |
| | 30,265 | 168,476 |

Beta Glass Plc**Notes to the Financial Statements
For three months period ended 31 March 2016****12 Earnings per share**

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

| | 31 March 2016 | 31 March 2015 |
|---|----------------------|----------------------|
| | N'000 | N'000 |
| Profit attributable to shareholders of the Company | 62,062 | 425,709 |
| Weighted average number of ordinary shares in issue | 499,972 | 499,972 |
| Basic Earnings per share (Naira) | 0.12 | 0.85 |

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

13 Particulars of directors and staff

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

| | 31 March 2016 | 31 March 2015 |
|--------------------------|----------------------|----------------------|
| | Number | Number |
| Management | 299 | 294 |
| Factory | 352 | 348 |
| Sales and Administration | 9 | 10 |
| | 660 | 652 |

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

| | 31 March 2016 | 31 March 2015 |
|-------------------------|----------------------|----------------------|
| | Number | Number |
| N200,001 - N400,000 | - | - |
| N400,001 - N600,000 | - | - |
| N600,001 - N800,000 | 1 | 29 |
| N800,001 - N1,000,000 | 37 | 112 |
| N1,000,001 - N1,200,000 | 91 | 51 |
| N1,200,001 - N1,400,000 | 48 | 61 |
| N1,400,001 - N1,600,000 | 53 | 75 |
| N1,600,001 - N1,800,000 | 61 | 78 |
| N1,800,001 - N2,000,000 | 78 | 53 |
| N2,000,001 - N2,500,000 | 138 | 91 |
| N2,500,001 - N3,000,000 | 64 | 35 |
| Over N3,000,000 | 89 | 67 |
| | 660 | 652 |

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

| | 31 March 2016 | 31 March 2015 |
|---|----------------------|----------------------|
| | N'000 | N'000 |
| Wages and salaries | 517,086 | 456,479 |
| Pension costs - defined contribution plans | 24,902 | 20,612 |
| Interest on employee benefit obligation (Note 20) | 55,958 | 41,625 |
| Current service cost of employee benefit obligation (Note 20) | 66,216 | 60,198 |
| | 664,161 | 578,915 |

Beta Glass Plc

**Notes to the Financial Statements
For three months period ended 31 March 2016**

14 Property plant and equipment - see pages 26 and 27

15 Intangible Assets

| | Computer Software N'000 |
|---|----------------------------|
| Cost | |
| As at 1 January 2016 | 37,082 |
| Additions | - |
| As at 31 March 2016 | <u>37,082</u> |
| Accumulated amortisation and impairment: | |
| As at 1 January 2016 | (18,833) |
| Amortisation charge for the period | (1,130) |
| As at 31 March 2016 | <u>(19,963)</u> |
| Net book value | |
| As at 31 March 2016 | <u>17,119</u> |

The remaining amortization period of the intangible asset is between 2 and 3 years

16 Inventories

| | 31 March 2016 N'000 | 31 December 2015 N'000 |
|------------------------------------|------------------------|---------------------------|
| Raw materials - cost | 810,451 | 738,729 |
| Work in progress - cost | 27,017 | 17,611 |
| Finished goods - cost | 2,476,655 | 1,475,101 |
| Spare parts and consumables - cost | 1,183,723 | 1,148,418 |
| | <u>4,497,845</u> | <u>3,379,859</u> |
| Goods in transit - cost | - | 100,019 |
| | <u>4,497,845</u> | <u>3,479,879</u> |

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

| | 31 March 2016 N'000 | 31 December 2015 N'000 |
|---|------------------------|---------------------------|
| Cost of inventories included in cost of sales | <u>506,020</u> | <u>3,870,178</u> |

17 Trade and other receivables

| | 31 March 2016 N'000 | 31 December 2015 N'000 |
|--|------------------------|---------------------------|
| Trade receivables | 2,281,482 | 2,587,882 |
| Unutilised Negotiable Duty Credit Certificates (Note 29) | 1,067,598 | 1,067,598 |
| EEG receivable (Note 29) | 1,357,753 | 1,272,828 |
| Prepayments | 219,830 | 171,612 |
| Other receivables | 12,540 | 34,299 |
| Staff advances | 111,093 | 119,659 |
| Receivables from related parties | 2,370,508 | 2,760,143 |
| Total | <u>7,420,804</u> | <u>8,014,021</u> |

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

Beta Glass Plc

**Notes to the Financial Statements
For three months period ended 31 March 2016**

18 Cash and cash equivalents

| | 31 March 2016 | 31 December 2015 |
|---|----------------------|-------------------------|
| | N'000 | N'000 |
| Cash in hand | 1,452 | 564 |
| Cash at bank | 340,274 | - |
| Domiciliary account balance | 3,895,895 | 4,001,238 |
| Cash and cash equivalents | 4,237,620 | 4,001,802 |
| For the purpose of the cash flow statement, cash and cash equivalents comprise of: cash in hand, cash at bank, and bank overdraft. | | |
| Cash and cash equivalents | 4,237,620 | 4,001,802 |
| Bank overdrafts (Note 19) | 0 | (151,539) |
| | 4,237,620 | 3,850,263 |

19 Borrowings

| | 31 March 2016 | 31 December 2015 |
|----------------|----------------------|-------------------------|
| | N'000 | N'000 |
| Bank overdraft | - | 151,539 |
| Term loan | - | - |
| | - | 151,539 |

20 Employee benefit obligations

| | 31 March 2016 | 31 December 2015 |
|---|----------------------|-------------------------|
| | N'000 | N'000 |
| Balance at the beginning of the year | 2,577,718 | 2,165,977 |
| Charge during the year: | | |
| Current service cost of employee benefit obligation | 66,216 | 262,792 |
| Interest on employee benefit obligation | 55,958 | 166,500 |
| Actuarial (gain)/ loss | - | 80,000 |
| Payment during the year | -41,892 | -97,551 |
| As at 31 March 2016 | 2,657,999 | 2,577,718 |

21 Deferred tax liabilities

| | 31 March 2016 | 31 December 2015 |
|--|----------------------|-------------------------|
| | N'000 | N'000 |
| The analysis of deferred tax liabilities is as follows: | | |
| Deferred tax liability to be recovered after more than 12 months | 1,492,835 | 1,488,219 |
| Deferred tax liability to be recovered within 12 months | - | - |
| | 1,492,835 | 1,488,219 |

The movement in deferred tax is as follows:

Deferred tax liability

| | 31 March 2016 | 31 December 2015 |
|--|----------------------|-------------------------|
| | N'000 | N'000 |
| At start of year | 1,488,219 | 1,135,472 |
| Changes during the year: | | |
| - Credit on actuarial loss from other comprehensive income | - | -24,000 |
| - Charge/(credit) to profit or loss | 4,616 | 376,747 |
| As at 31 March 2016 | 1,492,835 | 1,488,219 |

Beta Glass Plc**Notes to the Financial Statements
For three months period ended 31 March 2016****22 Trade and other payables**

| | 31 March 2016 | 31 December 2015 |
|---------------------------------------|----------------------|-------------------------|
| | N'000 | N'000 |
| Trade payables | 2,547,693 | 2,338,765 |
| Social security and transaction taxes | 156,237 | 204,325 |
| Accrued expenses and other payables | 1,072,528 | 1,192,625 |
| Amounts due to related parties | 1,040,577 | 650,654 |
| | 4,817,035 | 4,386,368 |

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

23 Tax payable

| | 31 March 2016 | 31 December 2015 |
|--|----------------------|-------------------------|
| | N'000 | N'000 |
| The movement in tax payable is as follows: | | |
| At 1 January | 940,642 | 1,344,347 |
| Provision for the year (Note 11) | 25,649 | 746,921 |
| Payment during the year | -131,058 | -1,150,626 |
| | 835,233 | 940,642 |

24 Dividend payable

| | 31 March 2016 | 31 December 2015 |
|--|----------------------|-------------------------|
| | N'000 | N'000 |
| At 1 January | 48,457 | 13,637 |
| Dividend declared during the year | - | 309,983 |
| Non-statute barred unclaimed dividend | 6,065 | 34,820 |
| Dividend paid during the year relating to prior year (Note 27) | - | (309,983) |
| | 54,522 | 48,457 |
| Dividend per share (Naira) | - | 0.62 |

25 Share capital**a Authorised:**

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

| | 31 March 2016 | | 31 December 2015 | |
|--|----------------------|---------------|-------------------------|---------------|
| | Number of shares | Percentage | Number of shares | Percentage |
| Frigoglass Industries Nigeria Limited | 309,391,133 | 61.88 | 309,391,133 | 61.88 |
| Frigoinvest Holdings B.V | 40,833,131 | 8.17 | 40,833,131 | 8.17 |
| Delta State Ministry of Finance Incorporated | 28,008,549 | 5.60 | 28,008,549 | 5.60 |
| Others | 121,739,187 | 24.35 | 121,739,187 | 24.35 |
| | 499,972,000 | 100.00 | 499,972,000 | 100.00 |

b Share premium

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

Beta Glass Plc

**Notes to the Financial Statements
For three months period ended 31 March 2016**

26 Other reserves

| | N'000 |
|---------------------|------------------|
| At 1 January 2015 | <u>2,429,942</u> |
| As at December 2015 | <u>2,429,942</u> |
| As at 31 March 2016 | <u>2,429,942</u> |

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

27 Retained earnings

| | 31 March 2016 | 31 December 2015 |
|--|----------------------|-------------------------|
| | N'000 | N'000 |
| At start of year | 14,585,350 | 12,960,206 |
| Dividend paid during the year relating to prior year (note 24) | - | (309,983) |
| Profit for the year | 62,062 | 1,935,127 |
| Returned unclaimed dividend | - | - |
| At end of period | <u>14,647,413</u> | <u>14,585,350</u> |

28 Cash generated from operating activities

| | 31 March 2016 | 31 December 2015 |
|---|-----------------------|-------------------------|
| | N'000 | N'000 |
| Profit before tax | 92,327 | 3,114,795 |
| Adjustment for: | | |
| Depreciation of fixed assets (Note 14) | 534,997 | 2,103,368 |
| Amortisation of intangible assets (Note 15) | 1,130 | 4,521 |
| (Profit) /Loss on disposal of property, plant and equipment | (622) | (58,186) |
| Interest on employee benefit obligation (Note 20) | 55,958 | 166,500 |
| Current service cost of employee benefit obligation (Note 20) | 66,216 | 262,792 |
| Interest income (Note 10) | (94,738) | (454,162) |
| Interest expense (Note 10) | 7,911 | 68,980 |
| Changes in working capital: | | |
| (Increase)/decrease in trade and other receivables | 593,217 | 3,995,571 |
| (Increase)/Decrease in inventories | (1,017,966) | (1,183,956) |
| Increase/(decrease) in trade and other payables | 430,666 | (1,929,604) |
| Net cash generated from operations | <u>669,095</u> | <u>6,090,618</u> |

29 Export expansion grant

The export expansion grant (EEG) scheme is a government scheme for the stimulation and development of the non-oil export sector. EEG rates are applicable to exporters under three categories, one of these is Manufacturing: processed to finished products of Nigerian origin which Beta Glass Plc falls under.

To qualify under this scheme, the qualifying export transaction must have the proceeds fully repatriated within 180 days from the date of export and as approved by the EEG Implementation Committee.

The EEG is recognised as a credit to cost of sales and a receivable is booked when there is objective evidence that the export proceeds have been repatriated into Nigeria.

| | 31 March 2016 | 31 December 2015 |
|---|----------------------|-------------------------|
| | N'000 | N'000 |
| EEG receivable and unutilised Negotiable Duty Credit Certificates balance | <u>2,425,350</u> | <u>2,340,425</u> |

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

14 Property, plant and equipment - 31 March 2016

| | Land N'000 | Building N'000 | Plant and Machinery N' 000 | Furniture fittings and equipment N' 000 | Motor Vehicles N' 000 | Furnaces N' 000 | Assets under Construction N' 000 | Total N' 000 |
|----------------------------|----------------|-------------------|----------------------------------|--|--------------------------|--------------------|--|-------------------|
| Cost or valuation: | | | | | | | | |
| At 1 January 2016 | 168,540 | 1,721,777 | 17,962,196 | 374,288 | 563,569 | 6,517,105 | 766,247 | 28,073,722 |
| Additions | - | 8,453 | 303,447 | 1,223 | 17,195 | - | (128,015) | 202,303 |
| Disposals | - | - | - | - | (5,940) | - | - | (5,940) |
| Reclassifications | - | - | - | - | - | - | - | - |
| At 31 March 2016 | 168,540 | 1,730,230 | 18,265,643 | 375,511 | 574,824 | 6,517,105 | 638,232 | 28,270,085 |
| Depreciation: | | | | | | | | |
| At 1 January 2016 | - | 505,629 | 11,556,376 | 334,179 | 404,886 | 3,615,533 | - | 16,416,603 |
| Charge for the period | - | 12,869 | 383,444 | 5,722 | 19,649 | 113,313 | - | 534,997 |
| On disposals | - | - | - | - | (5,940) | - | - | (5,940) |
| Reclassifications | - | - | - | - | - | - | - | - |
| At 31 March 2016 | - | 518,498 | 11,939,820 | 339,901 | 418,595 | 3,728,846 | - | 16,945,660 |
| Net book value: | | | | | | | | |
| At 31 March 2016 | 168,540 | 1,211,732 | 6,325,823 | 35,610 | 156,229 | 2,788,259 | 638,232 | 11,324,424 |
| At 31 December 2015 | 168,540 | 1,216,148 | 6,405,820 | 40,109 | 158,683 | 2,901,572 | 766,247 | 11,657,119 |

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

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

14 Property, plant and equipment - 31 December 2015

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

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

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

30 Related parties

The company is a member of the Frigoglass group and is thus related to other subsidiaries of the Company through common shareholdings or common directorships. Transactions arising from dealings with related parties are as detailed below.

The Company is controlled by Frigoglass Industries Nigeria Limited which holds 61.9% (2014- 61.9%) of the company's issued ordinary shares. The remaining 38.1% of the shares are widely held. The ultimate holding company, Frigoglass S.A.I.C (incorporated in Greece).

The following companies are related parties of Beta Glass Plc:

Frigoglass S.A.I.C - Ultimate parent and ultimate controlling party

Frigoglass Industries (Nigeria) Limited - Parent company

Frigoinvest Holdings B.V - Intermediate parent company

Nigerian Bottling Company - Shareholder with power to participate in the operating and financial decisions of the parent company of Beta Glass Plc

a Transactions with related parties

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

a(i) Sales of goods and services

| | 31 March 2016 | 31 December 2015 |
|---------------------------|---------------|---------------------|
| | N'000 | N'000 |
| Sales of goods: | | |
| Nigerian Bottling Company | - | 3,747,910 |
| | <u>-</u> | <u>3,747,910</u> |

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

a(ii) Purchases of goods and services

| | 31 March 2016 | 31 December 2015 |
|--|----------------|---------------------|
| | N'000 | N'000 |
| Purchases of goods: | | |
| Frigoglass Kato Achaia - common ultimate parent and ultimate controlling party | - | 2,534 |
| Purchase of services: | | |
| Frigoglass Cyprus Limited | | 502,577 |
| Frigoglass Global Limited | 96,987 | - |
| Frigoglass Industries (Nigeria) Limited | - | 336,350 |
| Frigoglass Jebel Ali | 80,130 | 202,539 |
| | <u>177,116</u> | <u>1,041,466</u> |

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

Beta Glass Plc

Notes to the Financial Statements For three months period ended 31 March 2016

b Due to related companies

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

| | | 31 March 2016 | 31 December |
|---|---|------------------|----------------|
| | Description | N'000 | 2015 N'000 |
| Kato Achaia (Plant & SO Hellas) | Purchases of goods | - | 2,534 |
| Frigoglass Industries (Nigeria) Limited | Payments made on behalf of Beta Glass Plc | 445,680 | 14,324 |
| Frigoglass Cyprus Limited | Purchase of services | 225,999 | 225,999 |
| Frigoglass West Africa Limited | Receipt on behalf of Frigoglass West Africa | - | 190,698 |
| Frigoglass Jebel Ali (Plant & SO) | Purchase of services | 285,767 | 217,099 |
| Frigoglass Global Limited | Purchase of services | 83,131 | - |
| | | <u>1,040,577</u> | <u>650,654</u> |

c Due from related companies

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

| | | 31 March 2016 | 31 December |
|---|---|------------------|------------------|
| | Description | N'000 | 2015 N'000 |
| | Payments made by Beta Glass Plc on behalf of Frigoglass | | |
| Frigoglass West Africa Limited | West Africa Limited | 249,830 | - |
| Nigerian Bottling Company Plc | Sales of Bottles and purchase of cullet | 209,678 | 1,337,143 |
| Frigoglass Industries (Nigeria) Limited | Intercompany treasury balances | 1,911,000 | 1,423,000 |
| | | <u>2,370,508</u> | <u>2,760,143</u> |

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

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

31 Contingent liabilities

Legal proceedings:

The company is presently involved in three (2) litigation suits as at 31 March 2016. The claims against the company from the suits amount to N1.36 billion (31 December 2015: N2.45 billion) as of reporting date. No provision has been made for these claims because based on legal advice, the directors believe that no significant loss will eventuate .

32 Capital commitments

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

33 Subsequent events

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 March, 2015 and on the profit for the period ended on that date which have not been adequately provided for or recognised.

34 Compliance with regulatory bodies

There was no penalty for non-compliance matters with respect to regulatory bodies for the period 31 March 2016