Beta Glass Plc

Unaudited Financial Statements

For the third quarter and period ended 30 September 2017

Beta Glass Plc

For the third quarter and period ended 30 September 2017

Table of contents **Page**

COMPLIANCE CERTIFICATE ON THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017.

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	**CHIEF FINANCIAL OFFICER**
Darren Bennett-Voci	Dhanikonda Shanker
FRC/2016/IODN/00000015783	FRC/2013/ANAN/00000002336

Beta Glass Plc

Statement of profit or loss and other comprehensive income
For The Quarter Ended 30 September 2017

	Notes	For the period ended 3 months July-September 2017 N'000	9 months 30 September 2017 N'000	3 months July-September 2016 N'000	9 months 30 September 2016 N'000
Revenue	6	6,085,367	14,876,040	5,568,260	13,340,989
Cost of sales	7	(4,930,066)	(11,648,377)	(3,793,994)	(10,413,541)
Gross profit		1,155,301	3,227,663	1,774,266	2,927,448
Selling and distribution expenses	7	(26,094)	(82,702)	(1,056)	(69,616)
Administrative expenses	7	(364,995)	(994,206)	(270,816)	(976,653)
Other income	8	146,740	325,850	126,825	250,206
Operating profit		910,952	2,476,605	1,629,219	2,131,385
Foreign exchange (loss)/gain	9	(26,381)	(17,591)	398,630	1,870,829
Finance income	10	321,764	904,465	109,765	292,200
Finance cost	10	(27,972)	(74,213)	(19,811)	(38,269)
Finance (costs)/income - net		293,791	830,252	89,954	253,931
Profit before income tax		1,178,362	3,289,267	2,117,803	4,256,145
Income tax expense	11	(377,076)	(1,052,565)	(677,698)	(1,361,967)
Profit for the year		801,286	2,236,702	1,440,105	2,894,178
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	0	0
Total comprehensive income		801,286	2,236,702	1,440,105	2,894,178
Earnings per share for profit attributable to the equity holders of the company					
Basic and diluted EPS (Naira)	12	1.60	4.47	2.88	5.79

Beta Glass Plc
Statement of financial position
As at 30 September 2017

	Notes	30 September 2017 N'000	31 December 2016 N'000
Assets			
Non-current assets			
Property, plant and equipment	14	10,027,259	10,518,406
Intangible assets	15	13,217	14,869
		10,040,476	10,533,275
Current assets			
Inventories	16	4,904,902	4,210,669
Trade and other receivables	17	13,582,669	10,385,529
Cash and cash equivalents	18	5,123,814	8,054,658
		23,611,384	22,650,856
Total assets		33,651,861	33,184,130
Liabilities			
Non-current liabilities			
Borrowings	19	-	-
Employee benefit obligation	20	2,605,724	2,401,301
Deferred taxation liabilities	21	1,809,397	2,317,408
		4,415,121	4,718,709
Current liabilities			
Short term borrowings	19	41,715	181,018
Trade and other payables	22	4,147,916	5,341,684
Current income tax liabilities	23	1,773,732	1,422,569
Dividend payable	24	51,685	45,186
		6,015,047	6,990,457
Total liabilities		10,430,168	11,709,166
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	20,228,917	18,482,189
Total equity		23,221,693	21,474,964
Total equity and liabilities		33,651,861	33,184,130

The notes on pages 6 to 26 are an integral part of these financial statements.

The financial statements on pages 2 to 26 were approved and authorised for issue by the board of directors on 27 October 2017 and were signed on its behalf by:

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

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

Beta Glass Plc
Statement of changes in equity
Quarter ended 30 September 2017

	Share Capital N'000	Share Premium N'000	Other Reserves N'000	Retained Earnings N'000	Total N'000
Balance at 1 January 2017	**249,986**	**312,847**	**2,429,942**	**18,482,189**	**21,474,964**
Changes in Equity for 2017:					
Profit for the period				2,236,702	2,236,702
Other comprehensive income for the year:					
Other comprehensive income for the year - net of tax				-	-
Total comprehensive income for the year	-	-	-	2,236,702	2,236,702
Dividend relating to 2016 paid during the year				(489,973)	(489,973)
Statute barred dividend returned (Note 27)				-	-
Balance at 30 September 2017	**249,986**	**312,847**	**2,429,942**	**20,228,917**	**23,221,693**
Balance at 1 January 2016	**249,986**	**312,847**	**2,429,942**	14,585,350	**17,578,125**
Changes in Equity for 2016:					
Profit for the period	-	-	-	2,894,178	2,894,178
Other comprehensive income for the year:					
Other comprehensive income for the year - net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,894,178	2,894,178
Dividend relating to 2015 paid during the year	-	-	-	(199,989)	(199,989)
Balance at 30 September 2016	**249,986**	**312,847**	**2,429,942**	**17,279,539**	**20,272,315**

Beta Glass Plc

Statement of cash flows
Quarter ended 30 September 2017

	Notes	30 September 2017 N'000	30 September 2016 N'000
Cash flows from operating activities			
Cash generated from operations	28	2,155,991	4,147,260
Tax paid	23	(1,209,413)	(255,815)
Employee benefits paid	20	(135,018)	(98,720)
Net cash generated from operating activities		811,560	3,792,726
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(1,186,725)	(786,014)
Purchase of intangible assets	15	-	-
Proceeds from sale of property, plant and equipment		88,030	15,031
Loan granted to related parties		(2,851,181)	(535,000)
Interest income	10	904,465	292,200
Net cash used in investing activities		(3,045,410)	(1,013,782)
Cash flows from financing activities			
Repayment of term borrowings	19	(139,303)	-
Interest paid	10	(74,213)	(38,269)
Dividend paid	24	(489,973)	(185,289)
Statute barred dividend returned	27	-	
Non-statute barred dividend returned/(paid)	24	6,499	(3,271)
Net cash from/(used in) financing activities		(696,990)	(226,829)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(2,930,840)	2,552,114
Cash, cash equivalents and bank overdrafts at the beginning of the year	18	8,054,658	3,850,263
Cash, cash equivalents and bank overdradfts at the end of the period	18	5,123,814	6,402,377

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 two (2) countries during the period namely Ghana and Guinea.

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

Beta Glass Plc is a subsidiary of Frigoglass Industries Nigeria Limited (the parent company) which holds 61.9% of the ordinary shares of the company. The ultimate controlling party is Frigoglass S.A.I.C, Athens

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

The financial statements comprise the statement of Profit or loss and other 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.: Going concern

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

2.1.: Changes in accounting policy and disclosure

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

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

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

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

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

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

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Company is assessing the impact of IFRS 15.

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

2.2 Segment reporting

Operating 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%

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

2.4 Property, plant and equipment (Continued)

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

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

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

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

2.7 Financial assets

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

2.7.1 Classification

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

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

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

Loans and receivables

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

2.7.2 Recognition and measurement

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

2.7.3 Impairment of financial assets

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

Evidence of impairment may include indications that the debtor is experiencing financial difficulty, default in interest or principal payments, or the probability that they will enter bankruptcy and where there is an indication of a decrease in the estimated future cash flows.
For loans and receivables, the amount of the loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows. The carrying amount is reduced and the loss is recognised in profit or loss.

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

2.8 Financial liabilities

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

Recognition and measurement

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

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

2.9 *Derecognition of financial instruments*

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

2.9.1 Offsetting financial instruments

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

2.10 Inventories

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

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

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

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

2.11 Trade receivables

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

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

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

2.12 Cash, cash equivalents and bank overdrafts

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

2.13 (a) Borrowings

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

(b) Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, 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 as at March 2017 (2016: 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.

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

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

2.16 Employee benefit obligation

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

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

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

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

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

Employee benefit obligation (continued)

Past-service costs are recognised immediately in income statement.

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

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

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

2.17 Export expansion grant

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

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

- The Company must be registered with the Nigerian Export promotion Council (NEPC)
- The Company must have a minimum annual export turnover of N5 million and evidence of repatriation of proceeds of exports.
- The Company shall submit its baseline data which includes audited Financial Statement and information on operational capacity to NEPC.
- An eligible company shall be a manufacturer, producer or merchant of products of Nigerian origin for the export market (i.e. the products must be made in Nigeria).

- Qualifying export transaction must have the proceeds fully repatriated within 300 days (formerly 180 days), calculated from the date of export and as approved by the EEG Implementation Committee.

2.18 Revenue recognition

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

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

Sales of aoods

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

2.19 Provisions

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

2.20 Dividend distribution

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

3 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 foreign countries are in US dollars. The Company makes payments and collects receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in the US dollar.

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

(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 the second quarter ended 30 September 2017

(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.

30 September 2017

Financial assets:	**Neither past due nor impaired**	**Up to 90 days**	**91 - 150 days**	**Over 150 days**	**Total**
Cash and cash equivalents (Note 18)	5,123,814	-	-	-	**5,123,814**
Trade receivables (Note 17)	1,930,123	673,275	226,044	-	**2,829,442**
Receivables from related parties (Note 17)	7,358,052	177,660	-	-	**7,535,712**
Staff advances (Note 17)	144,122	-	-	-	**144,122**
	14,556,110	850,935	226,044	-	**15,633,089**

31 December 2016

Financial assets:	**Neither past due nor impaired**	**Up to 90 days**	**91 - 150 days**	**Over 150 days**	**Total**
Cash and cash equivalents (Note 18)	8,054,658	-	-	-	**8,054,658**
Trade receivables (Note 17)	2,195,976	921,055	45,814	-	**3,162,845**
Receivables from related parties (Note 17)	4,083,331	56,818		-	**4,140,149**
Staff advances (Note 17)	119,189	-	-	-	**119,189**
	14,453,154	977,873	45,814	-	**15,476,841**

(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 N3.0 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.

30 September 2017	**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)	3,947,859	-	-	3,947,859
Short term borrowings	41,715	-	-	41,715
	3,989,574	**-**	**-**	**3,989,574**

31 December 2016	**Less than 1 year N'000**	**Between 1 and 2 years N'000**	**Between 2 and 5 years N'000**	**Total N'000**
Financial liabilities:				
Trade and other payables excluding transaction taxes (Note 22)	5,099,906	-	-	5,099,906
Bank overdraft	181,018	-		181,018
	5,280,924	**-**	**-**	**5,280,924**

3.2 Capital risk management

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

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

The gearing ratios at 30 September 2017 and 31 December 2016 are as follows:

	2017 N'000	**2016 N'000**
Total debt	41,715	181,018
Total equity	23,221,693	21,474,964
Gearing ratio	**0.2%**	**0.8%**

3.3 Financial instruments which are carried at other than fair value

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

4 Critical accounting estimates and judgements

Critical accounting policies and key sources of estimation uncertainty

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

Plant and machinery

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

Export expansion grant and Negotiable duty credit certificate

Export Expansion Grant (EEG) is a very vital incentive of the Federal Government of Nigeria required for the stimulation of export oriented activities that will lead to significant growth of the non-oil export sector. Having met the eligibility criteria and registered under the scheme by the Nigerian Export Promotion Council (NEPC), the Company is entitled to an incentive on export sales in as much as it can demonstrate that the proceeds of the related sales have been repatriated to the country within 300 days (formerly 180 days) of such export sales.

The incentive 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 30 September 2017, EEG receivable stood at N 1.533 billion (31 December 2016: N1.55 billion) as disclosed in Note 17.

Export Credit Certificate (EEC) is the new instrument to replace **Negotiable Duty Credit Certificate (NDCC)** and will be use for settlement of all Federal Government taxes, purchase of Federal Government bond, settlement of credit liabilities by Bank of Industry; NEXIM Bank; CBN intervention facilities; and AMCON liabilities**. Negotiable Duty Credit Certificate (NDCC)** was the instrument of the Federal Government of Nigeria for settlement of EEG receivable. The NDCC was used for the payment of Import and Excise duties in lieu of cash. In the last three years, the Company and other industry players have not been able to use the NDCC for settlement of customs duties. No NDCC was received by the Company as at September 2017 (2016: Nil). As at 30 September 2017, Unutilized NDCC stood at N 1.07 billion (31 December 2016: N1.07 billion) as disclosed in Note 17.

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

Deferred tax

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

5 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:

	30 September 2017		30 September 2016	
	N'000	%	N'000	%
Customer 1	3,385,392	23%	2,878,485	22%
Customer 2	3,205,971	22%	2,388,951	18%
Customer 3	990,751	7%	2,325,405	17%

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

	30 September 2017	30 September 2016
	N'000	N'000
Local sales	14,086,797	11,713,406
Export sales	789,243	1,627,583
Total revenue	14,876,040	13,340,989

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

	30 September 2017	30 September 2016
	N'000	N'000

Operating profit	2,476,605	2,131,385

6 Turnover

	3 months July-September 2017	9 months 30 September 2017	3 months July-September 2016	9 months 30 September 2016
	N'000	N'000	N'000	N'000
Sales of glassware and bottles in Nigeria	5,677,077	14,086,797	4,660,194	11,713,406
Export sales	408,290	789,243	908,066	1,627,583
	6,085,367	**14,876,040**	**5,568,260**	**13,340,989**

7 Expenses by nature

	July-September 2017	30 September 2017	July-September 2016	30 September 2016
	N'000	N'000	N'000	N'000
Cost of sales				
Purchases (Material consumed)	(2,110,617)	(3,608,019)	(1,096,258)	(2,951,067)
Depreciation and amortisation charges (Note 14 & 15)	(535,237)	(1,582,875)	(539,907)	(1,599,221)
Technical assistance fees	(192,422)	(469,511)	(172,484)	(417,325)
Factory salaries and wages (Note 13)	(418,471)	(1,228,079)	(413,373)	(1,161,498)
Pension costs - defined contribution plans (Note 13)	(22,655)	(65,924)	(20,055)	(60,405)
Fuel, gas and electricity	(1,173,040)	(3,376,646)	(1,155,305)	(3,074,525)
Other factory overheads	(477,625)	(1,317,322)	(396,612)	(1,149,500)
	(4,930,066)	**(11,648,377)**	**(3,793,994)**	**(10,413,541)**

The Purchases represent Direct material consumed net off export incentive

	July-September 2017	30 September 2017	July-September 2016	30 September 2016
Administrative expenses				
Depreciation and amortisation charges (Note 14 & 15)	(5,802)	(18,242)	(5,523)	(19,037)
Auditors remuneration**	(6,012)	(18,036)	(4,332)	(18,024)
Legal & professional fees	(11,418)	(35,705)	(2,262)	(60,766)
Salaries and wages (Note 13)	(127,233)	(277,136)	(101,807)	(326,112)
Pension costs - defined contribution plans (Note 13)	(6,375)	(19,681)	33,955	(19,281)
Interest on employee benefit obligation (Note 13)	(47,250)	(141,750)	(47,250)	(150,458)
Current service cost of employee benefit obligation (Note 13)	(66,022)	(197,690)	(66,216)	(198,648)
Directors' remuneration	(2,042)	(8,689)	(1,197)	(6,531)
Head office administrative charge (Note 30)	-	-	862	20,340
Travel and transportation and other administrative expenses	(23,506)	(85,338)	(21,732)	(64,429)
Donations	-	-	-	(50)
Other administrative expenses	(69,335)	(191,939)	(55,314)	(133,659)
	(364,995)	**(994,206)**	**(270,816)**	**(976,653)**

Auditors remuneration** An amount of N8Mn is reclassified in the prior year comparative figure to Other administrative expenses

	July-September 2017	30 September 2017	July-September 2016	30 September 2016
Distribution costs				
Selling and distribution expense	(26,094)	(82,702)	(1,056)	(69,616)
	(26,094)	**(82,702)**	**(1,056)**	**(69,616)**
Total cost of cost of sales, administrative expenses and distribution costs	**(5,321,155)**	**(12,725,285)**	**(4,065,866)**	**(11,459,810)**

8 Other income

	July-September 2017	30 September 2017	July-September 2016	30 September 2016
	N'000	N'000	N'000	N'000
Profit / (Loss) on disposal of property plant and equipment	8,226	9,624	43	665
Surplus on transport charges recovered from customers, insurance claims and others	134,416	305,335	121,903	238,119
Proceed from sale of scraps	4,098	10,890	4,879	11,422
Provison no longer required				
	146,740	**325,850**	**126,825**	**250,206**

Provision no longer required represent prior year management service fees no longer required

9 Foreign exchange gain

	July-September 2017	30 September 2017	July-September 2016	30 September 2016
	N'000	N'000	N'000	N'000
Foreign exchange (loss)/gains	(26,381)	(17,591)	398,630	1,870,829
	(26,381)	**(17,591)**	**398,630**	**1,870,829**

10 Finance income and expenses

	July-September 2017	30 September 2017	July-September 2016	30 September 2016
	N'000	N'000	N'000	N'000
Finance income				
Interest income	321,764	904,465	109,765	292,200
	321,764	**904,465**	**109,765**	**292,200**
Finance cost				
Interest expense and bank charges	(27,972)	(74,213)	(19,811)	(38,269)
Net finance (cost)/income	**293,791**	**830,252**	**89,954**	**253,931**

11 Income tax expense

	July-September 2017	30 September 2017	July-September 2016	30 September 2016
	N'000	N'000	N'000	N'000
Income tax	377,076	1,560,576	478,320	1,230,741
Education tax	-		-	
Prior year under provision	-	-	-	23,412
	377,076	1,560,576	478,320	1,254,153
Deferred tax provision	-	(508,011)	199,378	107,814
Tax expense	**377,076**	**1,052,565**	**677,698**	**1,361,967**

12 Earnings per share

holders of the company by the weighted average number of ordinary shares outstanding

	July-September 2017	30 September 2017	July-September 2016	30 September 2016
		N'000		N'000
Profit attributable to shareholders of the Company	801,286	2,236,702	1,440,105	2,894,178
Weighted average number of ordinary shares in issue	499,972	499,972	499,972	499,972
Basic Earnings per share (Naira)	1.60	4.47	2.88	5.79

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:

	30 September 2017	30 September 2016
	Number	Number
Management	292	298
Factory	322	352
Sales and Administration	8	9
	622	**659**

b benefits within the bands stated below were:

	30 September 2017	30 September 2016
	Number	Number
N200,001 - N400,000	-	-
N400,001 - N600,000	-	-
N600,001 - N800,000	-	-
N800,001 - N1,000,000		11
N1,000,001 - N1,200,000	59	64
N1,200,001 - N1,400,000	55	59
N1,400,001 - N1,600,000	32	53
N1,600,001 - N1,800,000	36	64
N1,800,001 - N2,000,000	48	68
N2,000,001 - N2,500,000	145	178
N2,500,001 - N3,000,000	116	69
Over N3,000,000	131	93
	622	**659**

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

	30 September 2017 N'000	30 September 2016 N'000
Wages and salaries	1,505,215	1,487,610
Pension costs - defined contribution plans	85,605	79,686
Interest on employee benefit obligation (Note 20)	141,750	150,458
Current service cost of employee benefit obligation (Note 20)	197,690	198,648
	1,930,260	**1,916,401**

14 Property plant and equipment - see pages 23 and 24

15 Intangible Assets

	Computer Software N'000
Cost	
As at 1 January 2017	37,082
Additions	-
As at 30 September 2017	37,082
Accumulated amortisation and impairment:	
As at 1 January 2017	(22,213)
Amortisation charge for the period	(1,652)
As at 30 September 2017	(23,865)
Net book vaue	
As at 30 September 2017	13,217

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

16 Inventories

	30 September 2017 N'000	31 December 2016 N'000
Raw materials - cost	1,318,880	837,841
Work in progress - cost	20,100	31,512
Finished goods - cost	2,229,923	1,745,640
Spare parts and consumables - cost	1,329,365	1,253,017
	4,898,268	3,868,011
Goods in transit - cost	6,633	342,658
	4,904,902	**4,210,669**

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

	30 September 2017 N'000	30 September 2016 N'000
Cost of inventories included in cost of sales	3,588,189	3,170,321

17 Trade and other receivables

	30 September 2017 N'000	31 December 2016 N'000
Trade receivables	2,829,442	3,162,845
Unutilised Negotiable Duty Credit Certificates (Note 4)	1,067,598	1,067,598
EEG receivable (Note 4)	1,533,227	1,552,562
Prepayments	460,352	252,884
Other receivables	12,217	90,303
Staff advances	144,122	119,189
Receivables from related parties (Note 29)	7,535,712	4,140,149
Total	**13,582,669**	**10,385,529**

There is no impairment charge against trade receivables during the nine month period ended September 2017 (2016: Nil). All trade receivables are current.

18 Cash and cash equivalents

	30 September 2017 N'000	31 December 2016 N'000
Cash in hand	492	442
Cash at bank	2,554,257	2,421,313
Domiciliary account balance	2,569,065	5,632,903
Cash and cash equivalents	**5,123,814**	**8,054,658**

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	5,123,814	8,054,658
Bank overdrafts (Note 19)	-	-
	5,123,814	**8,054,658**

19 Borrowings

	30 September 2017 N'000	31 December 2016 N'000
Bank overdraft	-	
Short Term Borrowings	41,715	181,018
Long Term Borrowings	-	
	41,715	**181,018**

20 Employee benefit obligations

	30 September 2017 N'000	31 December 2016 N'000
The movement in the defined benefit obligation over the year is as follows:		
Balance at the beginning of the year	2,401,301	2,577,718
Charge during the year:		
Current service cost of employee benefit obligation	197,690	264,864
Interest on employee benefit obligation	141,750	197,656
Actuarial (gain)/ loss	-	(419,983)
Payment during the year	(135,018)	(218,954)
As at 30 September 2017	2,605,724	2,401,301

21 Deferred tax liabilities

	30 September 2017 N'000	31 December 2016 N'000
The analysis of deferred tax liabilities is as follows:		
Deferred tax liability to be recovered after more than 12 months	1,809,397	1,488,219
Deferred tax liability to be recovered within 12 months	-	-
	1,809,397	1,488,219

The movement in deferred tax is as follows:
Deferred tax liability

	30 September 2017 N'000	31 December 2016 N'000
At start of year	2,317,408	1,488,219
Changes during the year:		-
- Credit on actuarial loss from other comprehensive income	-	123,745
- Charge/(credit) to profit or loss	-508,011	705,444
-Prior year under provision	-	
As at 30 September 2017	1,809,397	2,317,408

22 Trade and other payables

	30 September 2017 N'000	31 December 2016 N'000
Trade payables	1,402,738	2,160,527
Social security and transaction taxes	200,056	241,777
Accrued expenses and other payables	2,366,604	1,849,991
Amounts due to related parties (Note 29)	178,518	1,089,389
	4,147,916	**5,341,684**

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

23 Tax payable

	30 September 2017 N'000	31 December 2016 N'000
The movement in tax payable is as follows:		
At 1 January	1,422,569	940,642
Provision for the year (Note 11)	1,560,576	710,416
Payment during the year	(1,209,413)	(228,489)
	1,773,732	**1,422,569**

24 Dividend payable

	30 September 2017 N'000	31 December 2016 N'000
At 1 January	45,186	48,457
Dividend declared during the year	489,973	199,989
Dividend paid during the year relating to prior year (Note 27)	(489,973)	(199,989)
Non-statute barred unclaimed dividend (paid) / returned	6,499	(3,271)
	51,685	**45,186**
Dividend per share (Naira)	0.98	0.40

Non- statute barred Unclaimed dividend is invested in interest yielding account

25 Share capital

a Authorised:

	30 September 2017 N'000	31 December 2016 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**

	30 September 2017		31 December 2016	
	Number of shares	Percentage	Number of shares	Percentage
Frigoglass Industries Nigeria Limited	309,391,133	61.88	309,391,133	61.88
Stanbic IBTC Nominees Nigeria Limited	41,366,554	8.27	39,788,149	7.96
Frigoinvest Holdings B.V	40,833,131	8.17	40,833,131	8.17
Delta State Ministry of Finance Incorporated	22,258,117	4.45	28,008,549	5.60
Others	86,123,065	17.23	81,951,038	16.39
	499,972,000	100.00	499,972,000	100.00

b **Share premium**

	30 September 2017 N'000	31 December 2016 N'000
Share premium	312,847	312,847

26 Other reserves

	N'000
At 1 January 2016	2,429,942
As at December 2016	2,429,942
As at 30 September 2017	2,429,942

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

27 Retained earnings

	30 September 2017 N'000	31 December 2016 N'000
At start of year	18,482,189	14,585,350
Dividend declared during the year relating to prior year (note 24)	(489,973)	(199,989)
Profit for the year	2,236,702	4,095,631
Statute barred dividend returned	-	1,197
At end of period	20,228,917	18,482,189

28 Cash generated from operating activities

	30 September 2017 N'000	30 September 2016 N'000
Profit before tax	3,289,267	4,256,145
Adjustment for:		
Depreciation of fixed assets (Note 14)	1,599,467	1,615,428
Amortisation of intangible assets (Note 15)	1,652	2,830
(Profit) /Loss on disposal of property, plant and equipment	(9,624)	(665)
Interest on employee benefit obligation (Note 20)	141,750	150,458
Current service cost of employee benefit obligation (Note 20)	197,690	198,648
Interest income (Note 10)	(904,465)	(292,200)
Interest expense (Note 10)	74,213	38,269
Changes in working capital:		
(Increase)/decrease in trade and other receivables**	(345,958)	(1,828,233)
(Increase)/Decrease in inventories	(694,232)	(1,790,276)
Increase/(decrease) in trade and other payables	(1,193,768)	1,796,857
Net cash generated from operations	**2,155,991**	**4,147,260**
**** Increase/Decrease in Trade and other receivables excludes loan to related parties**	**(2,851,181)**	**(535,000)**

Beta Glass Plc

Notes to the Financial Statements
For the second quarter ended 30 September 2017

14 Property, plant and equipment - 30 September 2017

	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 2017	168,540	1,758,556	19,321,101	399,064	621,834	6,556,723	69,666	28,895,484
Additions	-	4,528	634,449	7,061	51,026	56,973	432,688	1,186,725
Disposals	-	-	(109,803)	-	(14,064)	-	-	(123,867)
Reclassifications	-	-		-	-	-	-	-
At 30 September 2017	**168,540**	**1,763,084**	**19,845,747**	**406,125**	**658,796**	**6,613,696**	**502,354**	**29,958,342**
Depreciation:								
At 1 January 2017	-	557,467	12,923,364	350,251	475,812	4,070,184	-	18,377,078
Charge for the period	-	39,411	1,130,997	16,590	66,634	345,835	-	1,599,467
On disposals	-		(31,397)	-	(14,064)	-	-	(45,461)
Reclassifications	-		-	-	-	-	-	-
At 30 September 2017	**-**	**596,878**	**14,022,964**	**366,841**	**528,382**	**4,416,019**	**-**	**19,931,084**
Net book value:								
At 30 September 2017	**168,540**	**1,166,205**	**5,822,784**	**39,284**	**130,414**	**2,197,677**	**502,354**	**10,027,259**
At 31 December 2016	**168,540**	**1,201,088**	**6,397,738**	**48,813**	**146,022**	**2,486,539**	**69,666**	**10,518,406**

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

Depreciation expenses of N1.582 billion has been charged to Cost of sales and N16.589 million was charged to Administrative expenses

14 Property, plant and equipment - 31 December 2016

	Land N'000	Building N'000	Plant and Machinery N' 000	Furniture fittings and equipment N' 000	Motor Vehicles N' 000	Furnaces N' 000	Assets under Construction N' 000	Total N' 000
Cost or valuation:								
At 1 January 2016	168,540	1,721,777	17,962,196	374,288	563,569	6,517,105	766,247	28,073,722
Additions	-	36,779	858,937	30,335	68,379	39,618	-	1,034,048
Disposals	-	-	(196,613)	(5,559)	(10,114)	-	-	(212,286)
Reclassifications	-	-	696,581	-	-	-	(696,581)	-
At 31 December 2016	**168,540**	**1,758,556**	**19,321,100**	**399,062**	**621,833**	**6,556,723**	**69,666**	**28,895,484**
Depreciation:								
At 1 January 2016	-	505,629	11,556,376	334,179	404,886	3,615,533	-	16,416,604
Charge for the year	-	51,838	1,563,601	21,603	81,040	454,651	-	2,172,733
On disposals	-	-	(196,613)	(5,531)	(10,114)	-	-	(212,258)
At 31 December 2016	**-**	**557,468**	**12,923,365**	**350,251**	**475,812**	**4,070,184**	**-**	**18,377,079**
Net book value:								
At 31 December 2016	**168,540**	**1,201,087**	**6,397,736**	**48,811**	**146,021**	**2,486,539**	**69,666**	**10,518,406**
At 31 December 2015	**168,540**	**1,216,148**	**6,405,820**	**40,109**	**158,683**	**2,901,572**	**766,247**	**11,657,119**

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

Depreciation expenses of N2.070 billion has been charged to Cost of sales and N102.73 million was charged to Administrative expenses

29 Related parties

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

The Company is controlled by Frigoglass Industries Nigeria Limited which holds 61.9% (2016- 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., Athens (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
Frigoglass West Africa Limited
Frigoglass Global Limited
Frigoglass Jebel Ali FZE
A.G. Leventis PLC
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 took place between the Company and its related parties during the year:

a(i) Sales of goods and services

	30 September 2017 N'000	30 September 2016 N'000
Sales of goods:		
Nigerian Bottling Company (NBC) Limited	3,385,392	2,878,485
	3,385,392	**2,878,485**

Goods are sold based on the price lists in force and credit period ranging from 30 to 65 days

a(ii) Purchases of goods and services

	30 September 2017 N'000	30 September 2016 N'000
Purchase of services:		
Frigoglass Global Limited	469,511	244,841
	469,511	**244,841**

The transaction with Frigoglass Global Limited was for the supply of technical expertise to Beta Glass Plc. The technical service fee represents 3% of net sales as approved by the National Office for Technology Acquisition and Promotion (NOTAP) certificate number 005961 with maturity profile of three (3) years from 01 January 2016 to 31 December 2018. Also included in the technical service charge for the year is Value Added Tax (VAT) at 5% paid on the technical service fee.
Purchases of goods and services are at prices comparable to those obtainable from third parties. Accordingly, they are at arms length.

b Due to related companies

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

	Description	30 September 2017 N'000	31 December 2016 N'000
Frigoglass Industries (Nigeria) Limited	Payments made on behalf of Beta Glass Plc		694,890
Frigoglass Cyprus Limited	Purchase of services	-	285,084
Frigoglass Jebel Ali (Plant & SO)	Purchase of services	11,926	11,918
Frigoglass Global Limted	Purchase of services	166,592	97,497
		178,518	1,089,389

c Due from related companies

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

	Description	30 September 2017 N'000	31 December 2016 N'000
Frigoglass Industries (Nigeria) Limited	Payments made by Beta Glass Plc on behalf of Frigoglass Industries Nigeria Limited	79,163	-
Frigoglass West Africa Limited	Payments made by Beta Glass Plc on behalf of Frigoglass West Africa Limited	29,136	1,336,205
Nigerian Bottling Company Plc	Sales of Bottles and purchase of cullet	1,446,124	980,905
Frigoglass Industries (Nigeria) Limited	Intercompany treasury balances	5,981,289	1,823,039
		7,535,712	4,140,149

The receivables from related parties arise mainly from sale transactions which are due two months after the date of sales and intercompany treasury balances. The receivables are unsecured in nature. The intercompany balances bear interest at prevailing market rate. 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 intercompany treasury balance bears interest.

30 Contingent liabilities

Legal proceedings:

The company is presently involved in four (4) litigation suits as at 30 September 2017. The claims against the company from the suits amount to N2.33 billion (31 December 2016: N1.8 billion) as of reporting date. No provision has been made for these claims because based on legal advice, the company believes that no significant loss will eventuate .

Guarantee on behalf of Frigoglass Finance B.V.

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

31 Capital commitments

The company had no capital commitments as at 30 September 2017 (31 December 2016: Nil).

32 Subsequent events

Gross dividend of 98 kobo per ordinary share was declared during Annual General Meeting held on 6th July 2017. 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 30 September 2017 and on the profit for the period ended on that date which have not been adequately provided for or recognised.

33 Compliance with regulatory bodies

There was no penalty for non-compliance matters with respect to regulatory bodies for the period ended 30 September 2017.