BETA GLASS PLC

NIS ISO 9001:2008 CERTIFIED

(RC 13215)

HEAD OFFICE
Iddo House, Iddo, P. O. Box 159,
Lagos, Nigeria.
Tel: 234-01-9063200

DELTA PLANT
KM 17, Warri - Patani Road,
P.M.B. 48, Ughelli, Delta State, Nigeria
Tel: 234-01-9063208
234-01-9063209

GUINEA PLANT
KM 32, Lagos Badagry Express Road,
Agbara Industrial Estate, Ogun State
P. O. Box 2515, Lagos, Nigeria
Tel: 234-01-9063206
234-01-9063207

Beta Glass Plc

Unaudited Interim Financial Statements

For the Fourth quarter and period ended 31 December 2019

Beta Glass Plc
Unaudited Interim Financial Statements
For the Fourth quarter and period ended 31 December 2019

Table of contents

Beta Glass Plc

Compliance Certificate on the Company's Un-Audited Interim Financial Statements
For the Fourth Quarter ended 31 December 2019

We hereby certify that:

a) We the undersigned have reviewed the interim un-audited financial statements of Beta Glass Plc ("the Company) for the fourth quarter ended 31 December 2019.

b) Based on our knowledge as officers of the Company, the interim un-audited financial statements does not contain:

   i. any untrue statement of a material fact, or

   ii. omit to state a material fact, 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 statements and other financial information included in the report fairly represent in all material respect, 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;

D P Bennett-Voci

Mr. Darren Bennett-Voci
Managing Director
28 January 2020
FRC/2016/IODN/00000015783

Mr. Dhanikonda Shanker
Chief Financial Officer
28 January 2020
FRC/2013/ANAN/00000002336

Beta Glass Plc

Statement of profit or loss and other comprehensive income
For the quarter and period ended 31 December 2019

		For the period ended			
		3 months	**12 months**	**3 months**	**12 months**
		October-December 2019	**31 December 2019**	**October-December 2018**	**31 December 2018**
	Notes	**N'000**	**N'000**	**N'000**	**N'000**
Revenue from contracts with customers	6	7,418,532	29,412,252	7,133,745	26,321,014
Cost of sales	7	(4,730,234)	(21,677,518)	(5,413,456)	(19,940,375)
Gross profit		**2,688,298**	**7,734,734**	**1,720,289**	**6,380,639**
Selling and distribution expenses	7	(30,338)	(96,654)	(14,063)	(81,161)
Administrative expenses	7	(508,435)	(1,306,583)	(109,596)	(1,245,189)
Other income	8	(9,264)	667,645	119,607	839,368
Operating profit		**2,140,261**	**6,999,141**	**1,716,236**	**5,893,657**
Foreign exchange gain	9	(13,568)	204,223	(47,421)	132,727
Finance income	10	265,463	1,154,647	397,731	1,405,030
Finance cost	10	(70,099)	(285,574)	(86,541)	(243,233)
Finance income - net		195,364	869,072	311,190	1,161,797
Profit before taxation		**2,322,057**	**8,072,437**	**1,980,005**	**7,188,181**
Income tax expense	11	(743,058)	(2,583,180)	(473,042)	(2,135,376)
Profit for the year		**1,578,999**	**5,489,257**	**1,506,964**	**5,052,805**
Other comprehensive Income (net of tax)		-	-	-	-
Total comprehensive income for the period (net of tax)		1,578,999	**5,489,257**	**1,506,964**	**5,052,805**
Earnings per share for profit attributable to the equity holders of the company					
Basic and diluted EPS (Naira)	12	3.16	10.98	3.04	10.11

The notes on pages 6 to 35 are an integral part of these financial statements.

Beta Glass Plc
Statement of financial position
As at 31 December 2019

	Notes	31 December 2019 N'000	31 December 2018 N'000
Assets:			
Property, plant and equipment	14	21,243,188	17,518,004
Intangible assets	15	17,570	10,795
Non-current assets		21,260,758	17,528,799
Inventories	16	6,544,848	6,239,740
Trade and other receivables	17	13,885,732	13,438,292
Cash and cash equivalents	18	10,227,413	8,872,798
Current assets		30,657,993	28,550,830
Total assets		51,918,751	46,079,629
Liabilities:			
Deferred taxation liabilities	20	3,455,263	2,728,744
Non-current liabilities		3,455,263	2,728,744
Borrowings	19	2,910,765	1,098,584
Trade and other payables	21	8,952,901	11,598,037
Current income tax liabilities	22	2,070,230	964,137
Dividend payable	23	62,554	62,554
Current liabilities		13,996,450	13,723,312
Total liabilities		17,451,713	16,452,056
Equity			
Issued share capital	24	249,986	249,986
Share Premium	24	312,847	312,847
Other reserves	25	2,429,942	2,429,942
Retained earnings	26	31,474,263	26,634,798
Total equity		34,467,038	29,627,573
Total equity and liabilities		51,918,751	46,079,629

The notes on pages 6 to 35 are an integral part of these financial statements.

The financial statements on pages 2 to 35 were approved and authorised for issue by the board of directors on 28th January 2020 and were signed on its behalf by:

D P Bennett-Voci

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

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

Beta Glass Plc
Statement of changes in equity
For the period ended 31 December 2019

	Share Capital N'000	Share Premium N'000	Other Reserves N'000	Retained Earnings N'000	Total N'000
At 1 January 2019	**249,986**	**312,847**	**2,429,942**	**26,634,798**	**29,627,573**
Profit for the period				5,489,257	5,489,257
Total comprehensive income for the year	-	-	-	5,489,257	5,489,257
Transactions with Owners:					
Dividend relating to 2018 paid during the year				(649,964)	(649,964)
Statute barred dividend returned (Note 27)				172	172
Total Transactions with Owners				(649,792)	(649,792)
At 31 December 2019	**249,986**	**312,847**	**2,429,942**	**31,474,263**	**34,467,038**
At 1 January 2018	**249,986**	**312,847**	**2,429,942**	**22,152,339**	**25,145,114**
Profit for the period	-	-	-	5,052,805	5,052,805
Total comprehensive income for the year	-	-	-	5,052,805	5,052,805
Transactions with Owners:					
Dividend relating to 2017 paid during the year	-	-	-	(534,970)	(534,970)
Total Transactions with Owners	-	-	-	(534,970)	(534,970)
At 31 December 2018	**249,986**	**312,847**	**2,429,942**	**26,670,173**	**29,662,949**

The notes on pages 6 to 35 are an integral part of these financial statements.

Beta Glass Plc

Statement of cash flows
For the period ended 31 December 2019

	Notes	31 December 2019 N'000	31 December 2018 N'000
Cash flows from operating activities:			
Cash generated from operations	27	6,126,918	14,069,520
Tax paid	22	(750,568)	(2,715,220)
Employee benefits paid		-	(2,739,354)
Net cash generated from operating activities		5,376,350	8,614,946
Cash flows from investing activities:			
Purchase of property, plant and equipment	14	(6,288,283)	(7,904,671)
Purchase of intangible assets	15	(10,275)	(3,077)
Proceeds from sale of property, plant and equipment		93,125	14,989
Interest received	10	1,154,647	1,405,030
Net cash used in investing activities		(5,050,786)	(6,487,729)
Cash flows from financing activities:			
Repayment of term borrowings	19	(1,098,584)	(762,862)
Proceeds from term borrowings	19	2,910,765	1,098,584
Interest paid	10	(285,574)	(243,233)
Dividend paid	23	(649,964)	(534,970)
Statute barred dividend returned	26	172	140
Non-statute barred dividend returned	23	-	5,511
Net cash used in financing activities		876,815	(436,830)
Net increase in cash, cash equivalents and bank overdrafts		1,202,379	1,690,387
Effect of exchange rate changes on cash and cash equivalents		152,236	251,444
Cash, cash equivalents at 1 January	18	8,872,798	6,930,967
Cash, cash equivalents at 31 December	18	10,227,413	8,872,798

The notes on pages 6 to 35 are an integral part of these financial statements.

1. General information

Beta Glass Plc (the Company) manufactures, distributes and sells glass bottles and containers for the leading soft drinks, breweries, 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 five (5) countries during the period namely Ghana, Cameroun, Liberia, Sierra leone 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, Greece

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The Interim 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 interim 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.

2.1.1 Going concern

The company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements is continue to be prepared on the going concern basis.

2.1.: Changes in accounting policy and disclosure (continued)

(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 2019:

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

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

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

The company has short term lease of 12 months or less and will apply the exemption as provided by the standard.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

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

4. How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.
The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.
The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company has related party transactions, it assessed whether the Interpretation had an impact on its consolidated financial statements.
Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the Company's financial statements.

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

Amendments to IFRS 9: Prepayment Features with Negative Compensation

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

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

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

IAS 12 Income Taxes

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

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

IAS 23 Borrowing Costs:

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

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Company's current practice is in line with these amendments, they had no impact on the Company's financial statements.

IFRS 3

IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages

IFRS 11

IFRS 11 - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

Standards issued but not yet effective

Amendments to IAS 1 and IAS 8: Definition of Material
In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'
The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

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 and are stated at cost, net of impairment if any . 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:

	%
Building	10-3
Plant and machinery:	
- Factory equipment and tools	20-10
- Quarry equipment and machinery-	20- 10
- Glass moulds -	50-20
- Other plant and machinery-	20-1(
Furnaces-	14-10
Motor vehicles-	10- 20
Furniture, Fittings and equipment:	
- Office and house equipment-	15-10
- Household furniture and fittings-	20-10
- Computer equipment-	25-20

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)

Impairment of Property, Plant and Equipment

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

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

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

2.5 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 instruments

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

2.7.1 Financial assets

Initial recognition, classification and measurement

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

2.7.2 Classification

Financial assets are classified at initial recognition as, amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial instruments (continued)

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

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

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

2.7.3 Subsequent measurement

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

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

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

2.7.4 Financial assets at amortised cost (debt instruments)

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

a. The financial asset is held within a business model with The objective to hold financial assets in order to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

The Company's financial assets at amortised cost includes trade receivables, staff advances and receivables from related parties.

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

Financial instruments (continued)

2.7.5 Derecognition

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

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

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

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

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

2.7.6 Impairment of financial assets

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

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

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

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

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon.
EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account
LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given

When estimating the ECLs, the Company considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs, EADs and LGDs. In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Oil price
- Exchange rate
- Inflation rate

Financial instruments (continued)

2.7.7 Write-offs

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

2.8 Financial liabilities

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

2.8.1 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.

Loan and borrowings 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.

2.8.2 *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

2.8.3 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

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. Trade receivable is impaired using a provision matrix to calculate Expected Credit Loss (ECL). The company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit 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 the period in which they are incurred.

No borrowing costs were capitalised as at Dec 2019 (December 2018: 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.

Current and deferred income tax (continued)

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.

2.17 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 from Contract with customers*

The company is in the business of manufacturing and sales of glassware and glass bottles for soft drink, breweries, Pharmaceutical, cosmetic etc.

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

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

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received or receivable for goods supplied stated net of discounts, returns and value added taxes. Revenue from the sale of goods is recognised when all of the following conditions are satisfied:
• the Company has identified a sales contract with a customer;
• the performance obligations within this contract has been identified
• the transactions price has been determined;
• this transaction price has been allocated to the performance obligations in the contract; and
• revenue is recognised as or when each performance obligation is satisfied

The sale of bottles is based on Ex-works prices agreed with the customers. Haulage services are provided to the Customers through third party service providers as an option. The sale of bottles and haulage services for delivery of bottles are distinct and have no bearing on each other, and are negotiated separately. Further, the consideration to be paid in one contract does not depend on the price or performance of other contract. Goods or services promised in the separate contracts are not a single performance obligation. There are no other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

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

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

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

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

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

Variable consideration

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

Revenue recognition from Contract with customers (continued)

Significant financing component

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

Consideration payable to a customer: No consideration is payable to customer in respect of sales of glass bottles.

Contract balances:

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

Trade receivables

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

Contract liabilities

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

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 using expected credit loss in accordance with IFRS 9.

(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 December 2019

Financial assets:	Neither past due nor impaired	Up to 90 days	91 - 150 days	Over 150 days	Total
Cash and cash equivalents (Note 18)	10,227,413	-	-	-	**10,227,413**
Trade receivables (Note 17)	4,156,926	874,999	6,944	43	**5,038,911**
Receivables from related parties (Note 17)	5,087,003	81,690	3,513	-	**5,172,206**
Staff advances (Note 17)	169,571	-	-	-	**169,571**
	19,640,912	956,689	10,457	43	**20,608,100**

31 December 2018

Financial assets:	Neither past due nor impaired	Up to 90 days	91 - 150 days	Over 150 days	Total
Cash and cash equivalents (Note 18)	8,872,798	-	-	-	**8,872,798**
Trade receivables (Note 17)	2,490,224	1,516,543	90,456	8,149	**4,105,372**
Receivables from related parties (Note 17)	5,997,096	107,353	2,318	-	**6,106,767**
Staff advances (Note 17)	132,285	-	-	-	**132,285**
	17,492,403	1,623,896	92,774	8,149	**19,217,222**

(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. The company invested N8.7 billion in interest bearing current account as the reporting date.

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 December 2019	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 21)	8,544,592	-	-	8,544,592
Short term borrowings (Note 19)	2,910,765	-	-	2,910,765
	11,455,357	**-**	**-**	**11,455,357**

Liquidity risk (continued)

31 December 2018	Less than 1 year N'000	Between 1 and 2 years N'000	Between 2 and 5 years N'000	Total N'000
Financial liabilities:				
Trade and other payables excluding transaction taxes (Note 21)	10,872,429	-	-	10,872,429
Short term borrowings (Note 19)	1,098,584	-		1,098,584
	11,971,013	**-**	**-**	**11,971,013**

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), trade and other payables less cash in hand and at bank. Total capital is calculated as the sum of all equity components on the statement of financial position.

The gearing ratios at 30 December 2019 and 31 December 2018 are as follows:

	December 2019 N'000	31 December 2018 N'000
Borrowings	2,910,765	1,098,584
Trade and Other payables	8,952,901	11,598,037
Less: Cash in hand and at bank	(10,227,413)	(8,872,798)
Net Debt	**1,636,253**	**3,823,823**
Total equity	**34,467,038**	**29,627,573**
Gearing ratio	**5%**	**13%**

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.

4.0 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.

4.0 Critical accounting estimates and judgements (continued)

Export expansion grant and Negotiable duty credit certificate

Export Expansion Grant (EEG) is a very vital incentive of the Federal Government of Nigeria required for the stimulation of export oriented activities that will lead to significant growth of the non-oil export sector. Having met the eligibility criteria and registered under the scheme by the Nigerian Export Promotion Council (NEPC), the Company is entitled to 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 31 December 2019, EEG receivable stood at N 1.76 billion (31 December 2018: N1.74 billion) as disclosed in Note 17.

Export Credit Certificate (ECC) is the new instrument to replace **Negotiable Duty Credit Certificate (NDCC)** effective from 2017 EEG claims 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. All NDCC have been returned to NEPC for issuance of promisory notes in line with new regulations on settlement of Federal government local debts. As at 31 December 2019, Unutilized NDCC stood at N 1.02 billion (31 December 2018: N1.02 billion) as disclosed in Note 17.

Though, a significant component of the EEG receivable and unutilized NDCC have been outstanding for more than 3 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.

5.0 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:

	31 December 2019		31 December 2018	
	N'000	**%**	**N'000**	**%**
Customer 1	6,431,711	22%	5,010,791	19%
Customer 2	5,390,946	18%	4,425,865	17%
Customer 3	4,559,762	16%	3,895,614	15%
Customer 4	3,642,664	12%	4,467,661	17%

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

	31 December 2019	31 December 2018
	N'000	**N'000**
Local sales	26,942,357	24,697,809
Export sales	2,469,895	1,623,205
Total revenue	29,412,252	26,321,014

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

	31 December 2019	31 December 2018
	N'000	**N'000**
Operating profit	6,999,141	5,893,657

6 Revenue from contracts with customers

Disagregated revenue information

	3 months October-December 2019	12 months 31 December 2019	3 months October-December 2018	12 months 31 December 2018
	N'000	N'000	N'000	N'000
Type of goods:				
Sales of glassware and bottles	**7,418,532**	**29,412,252**	**7,133,745**	**26,321,014**
Geographical markets:				
Local	6,959,215	26,942,357	6,286,252	24,697,809
Export	459,317	2,469,895	847,493	1,623,205
	7,418,532	**29,412,252**	**7,133,745**	**26,321,014**

Revenue from the sale of bottles are recognised at a point in time, generally upon delivery of the bottles.

Included in sales of glassware and bottles are sales to related parties of N3.55bn (2018: N3.128bn). See Note 28 for further details.

7 Expenses by nature

		October-December 2019	31 December 2019	October-December 2018	31 December 2018
		N'000	N'000	N'000	N'000
7.1	*Cost of sales*				
	Material consumed	(1,586,806)	(8,690,004)	(2,431,823)	(7,880,704)
	Depreciation and amortisation charges (Note 14 & 15)	(504,663)	(2,372,733)	(501,182)	(2,120,178)
	Technical assistance fees	(232,215)	(926,486)	(225,313)	(829,712)
	Factory salaries and wages (Note 13)	(560,664)	(2,162,620)	(342,101)	(1,960,592)
	Pension costs - defined contribution plans (Note 13)	(36,138)	(140,792)	(24,729)	(92,741)
	Fuel, gas and electricity	(1,241,958)	(5,083,281)	(1,258,304)	(4,893,166)
	Other factory overheads	(567,791)	(2,301,603)	(630,003)	(2,163,281)
		(4,730,234)	**(21,677,518)**	**(5,413,456)**	**(19,940,375)**
	The Purchases represent Direct material consumed net off export incentive				
7.2	***Administrative expenses***				
	Depreciation and amortisation charges (Note 14 & 15)	(156,935)	(188,418)	(114,277)	(135,430)
	Auditors remuneration	(5,031)	(27,684)	(8,390)	(26,426)
	Legal & professional fees	(62,208)	(129,519)	(30,137)	(93,223)
	Salaries and wages (Note 13)	(142,973)	(596,988)	(173,598)	(592,350)
	Pension costs - defined contribution plans (Note 13)	(10,913)	(42,601)	(6,796)	(27,757)
	Interest on employee benefit obligation (Note 13)	-	-	(159,886)	(332,322)
	Current service cost of employee benefit obligation (Note 13)	-	-	66,978	(143,097)
	Net gain on settlement of employee benefit obligation *	-		410,788	410,788
	Directors' remuneration	(5,336)	(21,330)	(10,315)	(23,640)
	Travel and transportation and other administrative expenses	(47,395)	(111,720)	(53,610)	(123,220)
	Other administrative expenses	(77,643)	(188,323)	(33,239)	(161,398)
	Expected Credit loss on other receivables	-	-	2,886	2,886
		(508,435)	**(1,306,583)**	**(109,596)**	**(1,245,189)**
7.3	*Distribution costs*				
	Selling and distribution expense	(30,338)	(96,654)	(14,063)	(91,464)
	Expected Credit loss on trade receivable		-		10,303
		(30,338)	**(96,654)**	**(14,063)**	**(81,161)**
	Total cost of cost of sales, administrative expenses and distributi	**(5,269,007)**	**(23,080,756)**	**(5,537,115)**	**(21,266,726)**

8 Other income

	October-December 2019	31 December 2019	October-December 2018	31 December 2018
	N'000	N'000	N'000	N'000
Profit / (Loss) on disposal of property plant and equipment	1,018	93,123	4,459	14,201
Surplus on transport charges recovered from customers, insurance claims and others	(14,366)	558,778	110,008	804,754
Proceed from sale of scraps	4,083	15,744	5,140	20,413
	-9,264	**667,645**	**119,607**	**839,368**

9 Foreign exchange gain

	October-December 2019	31 December 2019	October-December 2018	31 December 2018
	N'000	N'000	N'000	N'000
Foreign exchange (loss)/gains	(13,568)	204,223	(47,421)	132,727
	(13,568)	**204,223**	**(47,421)**	**132,727**

10 Finance income and expenses

	October-December 2019	31 December 2019	October-December 2018	31 December 2018
	N'000	N'000	N'000	N'000
Finance income				
Interest income	265,463	1,154,647	397,731	1,405,030
	265,463	**1,154,647**	**397,731**	**1,405,030**
Finance cost				
Interest expense and bank charges	(70,099)	(285,574)	(86,541)	(243,233)
Net finance (cost)/income	**195,364**	**869,072**	**311,190**	**1,161,797**

11 Income tax expense

	October-December 2019	31 December 2019	October-December 2018	31 December 2018
	N'000	N'000	N'000	N'000
Income tax	(144,910)	1,695,212	(1,177,742)	604,070
Education tax	161,448.73	161,449	134,669	134,669
Net income and education tax for the year (Note 23)	**16,539**	**1,856,660**	**(1,043,073)**	**738,739**
Deferred tax provision	726,519	726,519	1,516,115	1,396,637
Net deferred tax for the year (Note 21)	726,519	726,519	1,516,115	1,396,637
Tax expense	**743,058**	**2,583,180**	**473,042**	**2,135,376**

12 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the

	October-December 2019	31 December 2019	October-December 2018	31 December 2018
		N'000		N'000
Profit attributable to shareholders of the Company	1,578,999	5,489,257	1,520,344	5,052,805
Weighted average number of ordinary shares in issue	499,972	499,972	499,972	499,972
Basic Earnings per share (Naira)	3.16	10.98	3.04	10.11

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 December 2019	31 December 2018
	Number	Number
Management	307	285
Factory	371	336
Sales and Administration	9	7
	687	**628**

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

	31 December 2019	31 December 2018
	Number	Number
N800,001 - N1,000,000	6	18
N1,000,001 - N1,200,000	75	42
N1,200,001 - N1,400,000	68	60
N1,400,001 - N1,600,000	22	28
N1,600,001 - N1,800,000	14	37
N1,800,001 - N2,000,000	59	44
N2,000,001 - N2,500,000	124	120
N2,500,001 - N3,000,000	133	122
Over N3,000,000	186	157
	687	**628**

Particulars of directors and staff (continued)

c Staff costs for the above persons (excluding executive

	October-December 2019	31 December 2019	October-December 2018	31 December 2018
		N'000	N'000	N'000
Wages and salaries	692,794	2,614,154	469,623	2,411,285
Pension costs - defined contribution plans	47,051	183,393	31,525	120,498
Interest on employee benefit obligation (Note 20)	-	-	159,886	332,322
Current service cost of employee benefit obligation (Note 20)	(25,894)	-	-66,978	143,097
Other employee benefit	36,737	145,455	46,076	141,657
	750,689	**2,943,001**	**640,133**	**3,148,859**

d **Directors' emoluments**

The remuneration paid to the Directors of the Company was:

	31 December 2019	31 December 2018
Fees for services as directors	21,330	23,640
Other emolument as management	-	-
	21,330	**23,640**

Fees for services as directors include fees, sitting allowance and travel expenses. The Managing Director is the only member of management team on the board and he earns no salary from the company. His salary is paid by Frigoglass Industries Nigeria Limited- Beta Glass Plc's parent company

Amount paid to the chairman	5,800	5,885
Amount paid to the highest paid director	5,800	5,885

This includes fees, board and committee's sitting allowance and travel expenses

The number of directors of the company (including the highest paid Director) whose remuneration, excluding pension contributions in respect of services to the company fell within the following ranges:

	Number	Number
N150,000 - N500,000	-	-
N500,001 - N6,000,000	6	8
	6	8
Directors with no emoluments	2	2

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

14 Property plant and equipment - see pages 31 and 32

15 Intangible Assets

	Computer Software	
	31 December 2019	31 December 2018
	N'000	N'000
Cost		
As at 1 January	40,159	37,082
Additions	10,275	3,077
As at Period end	50,434	40,159
Accumulated amortisation and impairment:		
As at 1 January	(29,364)	(26,996)
Amortisation charge for the period	(3,500)	(2,368)
As at Period end	(32,864)	(29,364)
Net book vaue		
As at Period end	17,570	10,795

The remaining amortization period of the intangible asset is between 3 and 5 years. Amortization of N3.5 million (2018: N2.36 million) has been charged to Administrative expenses

16 Inventories

	31 December 2019 N'000	31 December 2018 N'000
Raw materials - cost	1,213,129	1,350,655
Work in progress - cost	4,520	9,431
Finished goods - cost	2,675,482	2,107,991
Spare parts and consumables - cost	1,446,137	1,582,352
	5,339,268	5,050,429
Goods in transit - cost	1,205,580	1,189,311
	6,544,848	**6,239,740**

Write-downs of inventories to net realisable value as at September 2019 amounted to N547,221,000 (2018 – N486,597,000). The writedown is recognised as an expense in the period it occurred and included in 'cost of sales' in profit or loss.

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

	31 December N'000	31 December N'000
Cost of inventories included in cost of sales	8,759,080	1,917,504

17 Trade and other receivables

	31 December 2019 N'000	31 December 2018 N'000
Trade receivables	5,038,911	4,105,372
Unutilised Negotiable Duty Credit Certificates (Note 4)	1,017,817	1,017,817
EEG receivable (Note 4)	1,766,583	1,735,146
Prepayments	627,705	256,627
Withholding tax receivable	149,653	138,042
Other receivables	-	2,950
Staff advances	169,571	132,285
Receivables from related parties (Note 28)	5,172,206	6,106,767
Sub-total	**13,942,446**	**13,495,006**
Allowance for expected credit losses	(56,714)	(56,714)
Total	**13,885,732**	**13,438,292**

There is no impairment charge against receivables during the period ended December 2019 (December 2018: N56,714,000). All trade receivables are current.

18 Cash and cash equivalents

	31 December 2019 N'000	31 December 2018 N'000
Cash in hand	475	361
Cash at bank	10,226,938	8,872,437
Cash and cash equivalents	**10,227,413**	**8,872,798**

Cash and cash equivalent included 49,482,000 Naira Unclaimed dividend

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	10,227,413	8,872,798
Bank overdrafts (Note 19)	-	-
	10,227,413	**8,872,798**

19 Borrowings

	31 December 2019 N'000	31 December 2018 N'000
Bank overdraft	-	
Short Term Borrowings	2,910,765	1,098,584
Long Term Borrowings	-	
	2,910,765	**1,098,584**

	31 December 2019	31 December 2018
Reconciliation of Short term Borrowings:	**N'000**	**N'000**
At 1 January	1,098,584	762,862
Repayment of Borrowings during the period	(1,098,584)	(762,862)
Additional borrowings during the period	2,910,765	1,098,584
At 31 December	**2,910,765**	**1,098,584**

20 Deferred tax liabilities

	31 December 2019 N'000	31 December 2018 N'000
The analysis of deferred tax liabilities is as follows:		
Deferred tax liability to be recovered after more than 12 months	3,455,263	1,348,823
Deferred tax liability to be recovered within 12 months	-	-
	3,455,263	1,348,823

The movement in deferred tax is as follows:

Deferred tax liability

	31 December 2019 N'000	31 December 2018 N'000
At 1 January	2,728,744	1,348,823
Changes during the year:		-
- Credit on actuarial loss from other comprehensive income	-	-
- Charge/(credit) to profit or loss	726,519	1,396,637
- Credit to retained earnings (Note 26)	-	(16,716)
At period end	3,455,263	2,728,744

20 Deferred tax liabilities (continued)

	31 December 2019	31 December 2018
	N'000	**N'000**
Deferred Tax Assets	(276,293)	(276,293)
Deferred Tax Liabilities	3,005,037	3,005,037
Net Deferred Tax Liabilities	**2,728,744**	**2,728,744**

21 Trade and other payables

	31 December 2019	31 December 2018
	N'000	**N'000**
Trade payables	5,376,479	8,697,991
Contract Liabilities	109,721	202,110
Social security and transaction taxes	408,309	725,608
Accrued expenses and other payables	1,429,063	1,590,872
Amounts due to related parties (Note 28)	1,629,329	381,456
	8,952,901	**11,598,037**

21.1 Social security and transaction taxes includes VAT, Withholding taxes, Pay As You Earns taxes and Pension liabilities

21.2 Accrued expenses and other payables represent energy expenses accrued, transport income accrued, employee bonus accrued and raw material purchases accrual etc as at period end

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

21.3 Financial liabilities includes:

Trade payables	5,376,479	8,697,991
Amounts due to related parties (Note 28)	1,629,329	381,456
	7,005,808	**9,079,447**

22 Current income tax liabilities

	31 December 2019	31 December 2018
	N'000	**N'000**
The movement in tax payable is as follows:		
At 1 January	964,137	2,940,618
Provision for the year (Note 11)	1,856,660	738,739
Payment during the year	(750,568)	(2,695,219)
Withholding Tax Credit Utilised	-	(20,000)
At period end	**2,070,230**	**964,137**

23 Dividend payable

	31 December 2019	31 December 2018
	N'000	**N'000**
At 1 January	62,554	57,043
Dividend declared during the year	649,964	534,970
Dividend paid during the year relating to prior year (Note 26)	(649,964)	(534,970)
Non-statute barred unclaimed dividend (paid) / returned	-	5,511
At period end	**62,554**	**62,554**
Dividend per share (Naira)	1.30	1.07

Non-statute barred dividend (paid) /returned relates to dividend declared but not claimed for a period of 15 months and above. This has not become statute barred and still claimable by the beneficiaries hence, the non-recognition in retained earnings.

Unclaimed dividend is invested in interest yielding account and earned interest income of 3,929,388 for the nine month period ended 30th September 2019

24 Share capital

a Authorised:

	31 December 2019 N'000	31 December 2018 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**

Major Shareholders	**31 December 2019** Number of shares	Percentage	**31 December 2018** 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%
Stanbic IBTC Nominees Nigeria Limited	31,346,495	6.27%	28,518,616	5.70%
Delta State Ministry of Finance Incorporated	22,258,117	4.45%	22,258,117	4.45%
Others	96,143,124	19.23%	98,971,003	19.80%
	499,972,000	**100%**	**499,972,000**	**100%**

b **Share premium**

	31 December 2019 N'000	31 December 2018 N'000
Share premium	312,847	312,847

25 Other reserves

	N'000
At 1 January 2018	2,429,942
At 31 December 2018	2,429,942
At 31 December 2019	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.

26 Retained earnings

	31 December 2019	31 December 2018
	N'000	N'000
At start of year	26,634,798	22,152,339
Effect of adoption of IFRS	-	(35,516)
Dividend declared during the year relating to prior year (note 23)	(649,964)	(534,970)
Profit for the period	5,489,257	5,052,805
Statute barred dividend returned	172	140
At period end	**31,474,263**	**26,634,798**

27 Cash generated from operating activities

	31 December 2019	31 December 2018
	N'000	N'000
Profit before tax	8,072,437	7,188,181
Adjustment for:		
Depreciation of Property, Plant and Equipment (Note 14)	2,558,150	2,253,240
Amortisation of intangible assets (Note 15)	3,500	2,368
Write off of Property, Plant and Equipment (Note 14)	4,947	
(Profit) /Loss on disposal of property, plant and equipment	(93,123)	(14,201)
Interest on employee benefit obligation (Note 20)	-	332,322
Current service cost of employee benefit obligation	-	143,097
Gain on settlement of employee obligation		(410,788)
Interest income (Note 10)	(1,154,647)	(1,405,030)
Interest expense (Note 10)	285,574	243,233
Net foreign exchange difference	(152,236)	(251,444)
Allowance for expected credit loss		(13,189)
Changes in working capital:		
(Increase)/Derease in trade and other receivables	(447,440)	900,648
Decrease in inventories	(305,108)	(1,214,524)
(Decrease)/increase in trade and other payables	(2,645,137)	6,315,607
Net cash generated from / (used) in operations	**6,126,918**	**14,069,520**

14 Property, plant and equipment - 31 December 2019

	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 2019	168,540	1,851,993	23,028,530	465,793	803,024	7,905,583	5,813,799	40,037,261
Additions	-	232,440	1,490,574	163,345	182,539	101,978	4,117,407	6,288,283
Disposals	-	-	(670,358)	(19)	(135,809)	(865,824)	-	(1,672,010)
Reclassifications	-	-		-	-	-	-	-
Write off	-		(5,446)	-	-	-	-	(5,446)
At 31 December 2019	**168,540**	**2,084,433**	**23,843,300**	**629,119**	**849,754**	**7,141,737**	**9,931,206**	**44,648,088**
Depreciation:								
At 1 January 2019	-	664,292	15,908,321	397,644	487,136	5,061,864	-	22,519,257
Charge for the period	-	59,600	1,754,798	44,670	140,248	558,834	-	2,558,150
On disposals	-		(670,357)	(19)	(135,808)	(865,824)	-	(1,672,008)
Reclassifications	-		-	-	-	-	-	-
Write off			(499)					(499)
At 31 December 2019	**-**	**723,892**	**16,992,263**	**442,295**	**491,576**	**4,754,874**	**-**	**23,404,900**
Net book value:								
At 31 December 2019	**168,540**	**1,360,540**	**6,851,037**	**186,824**	**358,178**	**2,386,863**	**9,931,206**	**21,243,188**

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

Depreciation expenses of N2.37 billion and N140.24 million were charged to Cost of sales and Administrative expenses respectively

14 Property, plant and equipment - 31 December 2018

	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 2018	168,540	1,791,717	20,131,333	418,723	609,755	6,622,434	2,525,724	32,268,230
Additions	-	60,276	1,359,290	35,121	289,064	542,713	5,618,208	7,904,667
Disposals	-	-	(38,888)	(953)	(95,795)	-	-	(135,637)
Reclassifications	-		1,576,795	12,902		740,436	(2,330,133)	-
At 31 December 2018	**168,540**	**1,851,993**	**23,028,529**	**465,794**	**803,025**	**7,905,583**	**5,813,799**	**40,037,261**
Accumulated depreciation:								
At 1 January 2018	-	610,134	14,410,700	372,145	475,531	4,532,354	-	20,400,864
Charge for the year	-	54,158	1,536,510	26,436	106,626	529,510	-	2,253,240
On disposals	-	-	(38,888)	(938)	(95,021)	-	-	(134,848)
At 31 December 2018	**-**	**664,292**	**15,908,320**	**397,643**	**487,136**	**5,061,864**	**-**	**22,519,257**
Net book value:								
At 31 December 2018	**168,540**	**1,187,701**	**7,120,209**	**68,151**	**315,889**	**2,843,719**	**5,813,799**	**17,518,004**

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

Depreciation expenses of N2.12 billion was charged to Cost of sales and N133.06 million was charged to Administrative expenses

28 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 61.88% (2018- 61.88%) of the company's issued ordinary shares. Frigoinvest Holding BV also holds 8.17% and the remaining 29.95% 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., Netherland - Intermediate parent company

Frigoglass West Africa Limited- Common Shareholders with parent company

Frigoglass Global Limited - Common ultimate parent company

A.G. Leventis PLC- Common directorship

Nigerian Bottling Company limited- 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

	31 December 2019 N'000	31 December 2018 N'000
Sales of goods:		
Nigerian Bottling Company Limited - (NBC)	4,559,762	3,895,614
	4,559,762	**3,895,614**

Goods are sold based on the price lists in force and credit period for 65 days

a(ii) Purchases of goods and services

	31 December 2019 N'000	31 December 2018 N'000
Purchase of services/Technical Know How:		
Frigoglass Global Limited	926,486	829,712
A.G. Leventis PLC	310,711	243,112
	1,237,197	**1,072,824**

Related parties (continued)

The transaction with Frigoglass Global Limited was for the supply of technical khow how to Beta Glass Plc. The technical know how fee represents 3% of net sales as approved by the National Office for Technology Acquisition and Promotion (NOTAP) certificate number CR 006914 with maturity profile of three years from 1 January 2019 to 31 December 2021 . Also included in the technical know how charge for the year is Value Added Tax (VAT) at 5% paid on the technical know how fee. Transaction with A.G.Leventis are provisons of haulage, rental and secretariat services. 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:

	31 December 2019 N'000	31 December 2018 N'000
Frigoglass Industries (Nigeria) Limited	759,607	
Frigoglass Global Limted	829,697	357,725
Frigoglass SAIC - Kato Achaia	31,176	23,731
A.G. Leventis Nig PLC	8,849	-
	1,629,329	381,456

c Due from related companies

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

	31 December 2019 N'000	31 December 2018 N'000
Frigoglass West Africa Limted	-	151
Frigoglass Industries (Nigeria) Limited		289,238
A.G. Leventis Nig PLC		8,428
Nigerian Bottling Company Plc	1,043,856	661,993
Frigoglass Industries (Nigeria) Limited	4,128,350	5,110,623
	5,172,206	6,070,433

The receivables from related parties arise mainly from sale transactions which are due in about 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.

29 Contingent liabilities

Legal proceedings:

The company is presently involved in four (4) litigation suits as at 31 December 2019. The claims against the company from the suits amount to N2.33 billion (31 December 2018: N2.33 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 .

Contingent liabilities (continued)

Guarantee on behalf of Frigoglass Group.

In the year 2017 the Company guaranteed first lien indebtedness (comprised of loans and notes) incurred by other members of the Frigoglass Group of approximately €120.0 million, which matures on 31 December 2021 and second lien indebtedness (comprised of loans and notes) of approximately €141 million, which matures on 31 March 2022.

30 Capital commitments

The company had no capital commitments as at 31 December 2019 (31 December 2018: Nil).

31 Subsequent events

A dividend of N1.30k amounting to N649.964Mn was declared at the company's annual general meeting held on 4th July 2019. There were no other post balance sheet events which could have had a material effect on the state of affairs of the company as at 31 December 2019 and on the profit for the period ended on that date which have not been adequately provided for or recognised.

32 Compliance with regulatory bodies

There was no penalty for non-compliance matters with respect to regulatory bodies for the period ended 31 December 2019 (31 December 2018: Nil).

33 Comparative

Where necessary, comparative figure have being adjusted to conform with changes in presentation in the current year