



(RC13215)

# BETA GLASS PLC

NIS ISO 9001:2008 CERTIFIED

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## Beta Glass Plc

## Unaudited Interim Financial Statements

## For The First Quarter Ended 31 March 2020

**Directors:** Otunba Abimbola O. Ogunbanjo (**Chairman**), Darren Bennett-Voci (**British**) (**Managing Director**), Z. Wuraola Abiola, Olufunmilola Adefope, Haralambos (Harry) G. David (**Cypriot**), Nikolaos Mamoulis (**Greek**), John Mastoroudes (**British**), Oluwaseun A. Oni

BETA GLASS PLC, MEMBER OF FRIGOGLASS GROUP

**BETA GLASS PLC**  
**Beta Glass Plc**

**Unaudited Interim Financial Statements**  
**For the Three Month Ended 31 March 2020**

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## Beta Glass Plc

### Compliance Certificate on the Company's Unaudited Interim Financial Statements For the Three Month Ended 31 March 2020

We hereby certify that:

a) We the undersigned have reviewed the annual report, audited financial statements of Beta Glass Plc ("the Company") for the three month ended 31 March 2020 and other national disclosures.

Based on our knowledge as officers of the Company, the annual report, audited financial statements and other national disclosures do 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.
- b) Based on our knowledge, the financial statements and other financial information included in the annual 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.
- c) 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 within 90 days prior to the report.;
  - iv. have presented in the report our conclusions about the effectiveness of their internal controls based on their evaluation as of that date;
- d) We have disclosed to the external auditors of the Company and the audit committee:
- i. all significant deficiencies in the design or operation of the internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's Auditors any material weakness in internal controls, and
  - ii. any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls.
- e) We have identified in the report whether or not there were significant changes in internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

**Mr. Darren Bennett-Voci**  
**Managing Director**  
27 April 2020  
FRC/2016/IODN/00000015783

**Mr. Dhanikonda Shanker**  
**Chief Financial Officer**  
27 April 2020  
FRC/2013/ANAN/00000002336

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE MONTH ENDED 31 MARCH 2020**

		<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>Notes</b>	<b>N'000</b>	<b>N'000</b>
Revenue from contract with customers	6	7,067,943	7,152,616
Cost of sales	7.1	(5,124,729)	(5,517,405)
<b>Gross profit</b>		<b>1,943,214</b>	<b>1,635,211</b>
Selling and distribution expenses	7.3	(43,926)	(20,720)
Administrative expenses	7.2	(386,152)	(275,403)
Other income	8	89,215	113,026
<b>Operating profit</b>		<b>1,602,351</b>	<b>1,452,114</b>
Foreign exchange gain	9	388,332	131,856
Finance income	10.1	184,543	296,357
Finance cost	10.2	(77,658)	(54,490)
Finance income - net	10	106,885	241,867
<b>Profit before taxation</b>		<b>2,097,568</b>	<b>1,825,837</b>
Income tax expense	11	(671,222)	(584,268)
<b>Profit for the year</b>		<b>1,426,346</b>	<b>1,241,569</b>
<b>Other comprehensive income for the year-net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1,426,346</b>	<b>1,241,569</b>
<b>Earnings per share (EPS)</b>			
Basic and diluted EPS (Naira)	12	2.85	2.48

The notes on pages 8 to 52 are an integral part of these financial statements.

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March****STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020**

	Notes	31 March 2020 N'000	31 December 2019 N'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	19.1	21,813,127	21,569,823
Right-of-Use assets	20.2	3,379	29,530
Intangible assets	14	21,242	22,429
		21,837,748	21,621,782
<b>Current assets</b>			
Inventories	15	6,817,224	6,544,848
Trade and other receivables	16	12,350,339	13,729,988
Cash in hand and at bank	17	11,524,450	10,183,744
		30,692,013	30,458,580
<b>Total assets</b>		52,529,761	52,080,362
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	20	2,489,711	2,489,711
		2,489,711	2,489,711
<b>Current liabilities</b>			
Borrowings	18	3,033,436	2,967,453
Trade and other payables	21	7,372,558	9,086,710
Current income tax	22	3,556,137	2,884,915
Dividend payable	23	93,572	93,572
		14,055,703	15,032,650
<b>Total liabilities</b>		16,545,414	17,522,361
<b>Equity</b>			
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	32,991,571	31,565,226
<b>Total equity</b>		35,984,347	34,558,001
<b>Total equity and liabilities</b>		52,529,761	52,080,362

The notes on pages 8 to 54 are an integral part of these financial statements.

The Unaudited Interim financial statements on pages 4 to 54 were approved and authorised for issue by the Board of Directors on 27 April 2020 and were signed on its behalf by:



Mr. Darren Bennett-Voci  
Managing Director

FRC/2016/IODN/00000015783



Mr. Shanker Dhanikonda  
Chief Financial Officer

FRC/2013/ANAN/00000002336

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTH ENDED 31 MARCH 2020**

	<b>Issued Share capital N'000</b>	<b>Share premium N'000</b>	<b>Other reserves N'000</b>	<b>Retained earnings N'000</b>	<b>Total N'000</b>
<b>At 1 January 2020</b>	<b>249,986</b>	<b>312,847</b>	<b>2,429,942</b>	<b>31,565,226</b>	<b>34,558,001</b>
Profit for the year	-	-	-	1,426,346	1,426,346
Other comprehensive income for the year - net of tax	-	-	-	-	-
Total comprehensive income for the year - net of tax	-	-	-	1,426,346	1,426,345
<b>At 31 March 2020</b>	<b>249,986</b>	<b>312,847</b>	<b>2,429,942</b>	<b>32,991,572</b>	<b>35,984,347</b>
At 1 January 2019	249,986	312,847	2,429,942	26,634,798	29,627,573
Profit for the year	-	-	-	1,241,569	1,241,569
Other comprehensive income for the year - net of tax	-	-	-	-	-
Total comprehensive income for the year - net of tax	-	-	-	1,241,569	1,241,569
Transaction with owners:					
Dividend paid (Note 24)	-	-	-	-	-
Statute barred dividend returned (Note 24)	-	-	-	-	-
Total transaction with owners	-	-	-	-	-
<b>At 31 March 2019</b>	<b>249,986</b>	<b>312,847</b>	<b>2,429,942</b>	<b>27,876,367</b>	<b>30,869,142</b>

The notes on pages 8 to 52 are an integral part of these financial statements.

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****STATEMENT OF CASHFLOWS  
FOR THE THREE MONTH ENDED 31 MARCH 2020**

	<b>Notes</b>	<b>31 March 2020 N'000</b>	<b>31 March 2019 N'000</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	27	2,075,945	(106,573)
<b>Net cash generated from (used in) operating activities</b>		<b>2,075,945</b>	<b>(106,573)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	19.1	(910,317)	(402,347)
Proceeds from disposal of property, plant and equipment		2,210	-
Interest received	10.1	184,543	296,357
<b>Net cash used in investing activities</b>		<b>(723,564)</b>	<b>(105,990)</b>
<b>Cash flows from financing activities</b>			
Proceeds from short term borrowings	18	851,536	742,956
Repayment of term borrowing	18	(785,553)	(1,098,584)
Interest paid	10.2	(77,658)	(54,490)
<b>Net cash (used in) financing activities</b>		<b>(11,675)</b>	<b>(410,118)</b>
Net increase in cash and cash equivalents		1,340,706	(622,681)
Effect of exchange rate changes on cash and cash equivalents		-	127,214
Cash and cash equivalents at 1 January		10,183,744	8,872,798
<b>Cash and cash equivalents at 31 March</b>		<b>11,524,450</b>	<b>8,377,331</b>

The notes on pages 8 to 52 are an integral part of these financial statements.

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM 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, foods and cosmetics companies. The company has manufacturing plants in Agbara Ogun State and in Ughelli Delta State. Beta Glass Plc exports to five countries namely: Cameroun, Ghana, 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.

##### **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) issued by International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and in accordance with requirements of Financial Reporting Council of Nigeria (FRCN) Act No 6, 2011 and provisions of Companies and Allied Matters Act (CAMA) Cap C 20, Laws of the Federation of Nigeria 2004.

The financial statements have been prepared on a historical cost basis

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 financial position, the statement of Profit or Loss and other comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the Unaudited interim financial statements.

The financial statements have been prepared in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.



## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

#### **2.1 Basis of preparation - continued**

##### **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.

##### **2.1.2 Changes in accounting policies and disclosures**

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

Other amendments and interpretations apply for the first time in 2020, but do not have an impact on the company's financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

###### **Amendments to IFRS 3: Definition of a Business**

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Company will not be affected by these amendments on the date of transition.

###### **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.

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

##### **2.1.2 Changes in accounting policy and disclosure (continued)**

###### ***(b) New standards, amendments and interpretations not yet effective for adoption***

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020 and beyond, and have not been applied in preparing these financial statements. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below.

###### **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.

###### **IFRS 17 Insurance Contracts effective annual period beginning 1 January 2021**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

##### **2.1.2 Changes in accounting policy and disclosure (continued)**

###### ***(b) New standards, amendments and interpretations not yet effective for adoption - continued***

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

###### **Amendments to IFRS 3: Definition of a Business**

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Company will not be affected by these amendments on the date of transition.

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 segment is 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 segment, 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 (N).

###### ***(b) Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the reporting date 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.

Foreign exchange gain and losses are presented in the statement of profit or loss as foreign exchanges gain or loss.

##### **2.4 Property, plant and equipment**

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

## BETA GLASS PLC

### Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020

#### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED

#### 2.4 Property, plant and equipment - continued

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 property, plant and equipment below N50,000 are charged to profit or loss during the financial period in which they are incurred.

Property, Plant and Equipment 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:

	%
Building	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 and method of depreciation are reviewed and adjusted if appropriate, at the end of each reporting date.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss and other comprehensive income when the asset is derecognised.

#### **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.

There are few assets of Property, Plant and Equipment with nil value but still being used

#### 2.4.1 Leases

##### **Policy prior to 1 January 2019**

Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

##### **2.4.1 Leases - continued**

###### **Policy subsequent to 1 January 2019**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

###### **i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 1- 2 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

###### **ii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term lease for some warehouses and guest house (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company has a guest house leased to accommodate its workers at a proximate location to its plant, which it categorised as short-term leases asset. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

###### **iii) Lease liabilities**

At the commencement date of the lease, the Company does not have any lease liabilities measured at the present value of lease payments to be made over the lease term. The lease agreement does not contain/ include any exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease.

##### **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.

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

##### **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 – initial recognition and subsequent measurement**

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.

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the 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.

###### **2.7.2 Subsequent measurement**

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

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

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

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

##### **2.7.3 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.

##### **2.7.4 Derecognition**

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

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

##### **2.7.5 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).

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

##### **2.7.5 Impairment of financial assets - continued**

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 expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

##### **2.7.6 Write-offs**

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. These include trade and other payables and loan and borrowings.

##### ***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.



## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

##### **2.8 Financial liabilities - continued**

###### ***Recognition and measurement - continued***

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.

##### **2.8.1 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.

##### **2.9 Offsetting financial instruments**

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

##### **2.10 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. 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. The expected credit loss on receivables recognised in the current year is not material to the company and this has been disclosed as part of administrative expenses in Note 7.

**BETA GLASS PLC**

**Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

**2.11 Trade receivables - continued**

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

**2.12 Cash and cash equivalents**

Cash in hand and at bank 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 while Bank overdraft is included in Cash and Cash equivalents on the Statement of Cash flow.

**2.13 Borrowing cost**

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

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

No borrowing costs were capitalised as at reporting date (2019: Nil) as the company had no qualifying

**2.14.1 Current 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.

**2.14.2 Deferred tax**

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

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

##### **2.14.2 Deferred tax (continued)**

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

##### **2.15 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.

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.

Past-service costs are recognised immediately in profit or loss.

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 profit or loss.

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

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

However, following various discussions with the Employee Unions on managing the Gratuity Scheme, the Company entered into an Agreement with the Unions. The Agreement with the Unions confirmed that the Gratuity Scheme will be discontinued with effect from 31.12.2018, and all outstanding liabilities per employee as of 31.12.2018 will be settled in the month of December 2018.

As at 31 December 2018, all employee benefit obligation under the Defined Benefit (gratuity) scheme were fully settled and effective from 1 January, 2019, the gratuity scheme has been completely discontinued.

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

##### **2.16 Export expansion grant**

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

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 statements 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, calculated from the date of export and as approved by the EEG Implementation Committee.

##### **2.17 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 companies among others.

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 discounts.

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

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

The sale of bottles 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.

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

##### **2.17 Revenue recognition from Contract with customers - continued**

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 transferred immediately. Where goods are delivered, revenue is recognised when order by the customer is delivered to the customers with the evidence of the delivery note acknowledged/signed by the customers.

##### **Variable consideration**

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

##### **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).

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

##### **2.17 Revenue recognition from contract with customers (continued)**

###### **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.

##### **2.18 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.

##### **2.19 Dividend distribution**

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

##### **3.0 Financial instruments risk management**

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 Plc, 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, borrowings, cash in hand and at bank.

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****3.0 Financial instruments risk management - continued**

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Market Risk- Foreign exchange	Future commercial transactions, Recognised financial assets and liabilities not denominated in Naira units	Cash flow forecasting  Sensitivity analysis	Contractual agreements on exchange rates
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate negotiations
Credit risk	Cash and cash equivalents, trade receivables, and held-to-maturity investments	Aging analysis  Credit ratings	Diversification of bank deposits, credit limits and letters of credit. Investment guidelines for and held-to-maturity investments.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

**3.1 (a) Market risk**

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, price risk, such as equity price risk and commodity risk and interest rate risk. Financial instruments affected by market risk include deposits and loans and borrowings.

**(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 and Euro.

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

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****3.0 Financial instruments risk management - continued****3.1 (a) Market risk - continued****(i) Foreign exchange risk - continued**

The Company's exposure to US Dollar (USD) is as follows:

	<b>31</b>		<b>31</b>	
	<b>31 March</b>	<b>31 March</b>	<b>December</b>	<b>December</b>
	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Euro'000</b>	<b>USD'000</b>	<b>Euro'000</b>	<b>USD'000</b>
<b>Financial assets</b>				
Cash in hand and at bank	-	24,526	-	22,992
Trade receivables	-	712	-	2,051
	-	25,238	-	25,043
<b>Financial liabilities</b>				
Borrowings	-	7,983	3,562	4,241
Trade payables	1,621	255	6,543	586
Related parties payable	152	41	-	43
	1,773	8,279	10,105	4,871
<b>Net amount</b>	<b>(1,773)</b>	<b>16,959</b>	<b>(10,105)</b>	<b>20,173</b>

Effects in Naira on the Company's result:

	<b>31</b>		<b>31</b>	
	<b>31 March</b>	<b>31 March</b>	<b>December</b>	<b>December</b>
	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
	Effect on	Effect on	Effect on	Effect on
	profit	profit	profit	profit
	before	before	before	before
	tax	tax	tax	tax
	Euro	USD	Euro	USD
15 percent strengthening of the Naira to Euro /USD	110,706	(966,690)	612,986	(1,089,321)
15 percent weakning of the Naira to Euro / USD	(110,706)	966,690	(612,986)	1,089,321

	<b>31</b>		<b>31</b>	
	<b>31 March</b>	<b>31 March</b>	<b>December</b>	<b>December</b>
	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Euro</b>	<b>USD</b>	<b>Euro</b>	<b>USD</b>
Reporting date spot rate of 1 Euro or 1USD to Naira	416	380	404	360

The above analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period but it has no impact on equity. The analysis assumes that all other variables remain constant.

**(ii) Price risk**

The Company is not exposed to price risk as it does not hold any equity instruments or commodity trade at active exchange market.

**(iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from 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. The Company had short term borrowing as at 31st March 2020 and 31st December 2019 which have fixed interest rate.



**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****3.0 Financial instruments risk management - continued****3.1 Market Risk (Continued)****(iii) Interest rate risk - continued**

<b>Interest rate sensitivity</b>	<b>Increase/d ecrease in basis point</b>	<b>Effect on profit before tax</b>
<b>2020</b>		<b>N'000</b>
US Dollar	+1	4,030
Euro	+1	-
US Dollar	-1	(4,030)
Euro	-1	-
<b>2019</b>		
US Dollar	+1	4,327
Euro	+1	-1
US Dollar	-1	(4,327)
Euro	-1	1

**3.2 Credit risk**

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

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

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

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

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

**31 March 2020**

<b>Financial assets:</b>	<b>Neither past due nor impaired N'000</b>	<b>Up to 90 days N'000</b>	<b>91 - 150 days N'000</b>	<b>Over 150 days N'000</b>	<b>Total N'000</b>
Cash in hand and at bank (Note 17)	11,524,450	-	-	-	11,524,450
Trade receivables (Note 16)	2,481,400	905,713	37,871	61,473	3,486,456
Receivables from related parties (Note 16)	5,233,482	35,305	12,093	-	5,280,881
Staff advances (Note 16)	157,667	-	-	-	157,667
	<b>19,396,999</b>	<b>941,018</b>	<b>49,964</b>	<b>61,473</b>	<b>20,449,454</b>

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****3.0 Financial instruments risk management - continued****3.2 Credit risk - continued****31 December 2019**

<b>Financial assets:</b>	<b>Neither past due nor impaired N'000</b>	<b>Up to 90 days N'000</b>	<b>91 - 150 days N'000</b>	<b>Over 150 days N'000</b>	<b>Total N'000</b>
Cash in hand and at bank (Note 17)	10,183,744	-	-	-	10,183,744
Trade receivables (Note 16)	4,162,440	911,563	113,821	7,383	5,195,207
Receivables from related parties (Note 16)	4,951,318	67,955	3,513	-	5,022,786
Staff advances (Note 16)	169,572	-	-	-	169,572
	<b>19,467,074</b>	<b>979,518</b>	<b>117,334</b>	<b>7,383</b>	<b>20,571,309</b>

Receivables from related parties and Staff advances are from counterparties with no risk of default.

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

<b>i. Credit rating</b>	<b>2020 N'000</b>	<b>2019 N'000</b>
B/B	119,927	171,814
AAA	11,403,192	10,010,599
Aa	1,331	1,331
	<b>11,524,450</b>	<b>10,183,744</b>

The credit ratings is by Fitch and Augusto rating agencies and below are the interpretations of the ratings

**B/B** : The rating indicates a stable outlook in terms of financial and risk profile. Better asset quality and sound revenue generation.

**AAA**: A financial institution of very good condition and strong capacity to meet its obligations as and when due. Adverse changes in the environment (macro-economic, political and regulatory) will result in a slight increase in the risk attributable to an exposure to this financial institution. However, financial condition and ability to meet obligations as at when due remain strong.

In assessing the Company's internal rating process, the Company's customers and counter parties are assessed based on a credit scoring model that takes into account various historical, current and forward-looking information such as:

- Any publicly available information on the Company's customers and counter parties from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond or press releases and articles.
- Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.

**Security**

No security is obtained for trade receivables either in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. The company's sales transaction model is Business to Business model and major customers are multi-nationals while credit are granted on the strength of their credibility and past performance.

**BETA GLASS PLC**

**Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

**3.0 Financial instruments risk management - continued**

**3.3 Impairment of trade and related party receivables**

The company has trade receivable from sales of inventory and provision of haulages services, related party receivable and staff advances that are subject to expected credit loss model.

Cash and cash equivalents are also subject to impairment requirements of IFRS 9, the identified impairment loss was immaterial.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for different customers and the calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in table (maturity grouping) above.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

**Expected credit loss measurement - other financial assets**

The Company applied the general approach in computing expected credit losses (ECL) for intercompany receivables. 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.

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).

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****3.0 Financial instruments risk management - continued****3.3 Impairment of trade and related party receivables - continued**

The ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

**3.4 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 meet operational needs at all times so that the Company does not breach borrowing limit. 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 N8.6 (2019: N8.6) billion in interest bearing current accounts.

The table below summarised the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	<b>On Demand</b>	<b>Less than 3 months</b>	<b>3 months to 12 months</b>	<b>Total</b>
<b>At 31 March 2020</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Financial liabilities:</b>				
Trade and other payables exclude transaction taxes and accrued expenses (Note 22)	-	4,819,353	-	4,819,353
Borrowings	-	3,068,623	-	3,068,623
	<u>-</u>	<u>7,887,976</u>	<u>-</u>	<u>7,887,976</u>

## BETA GLASS PLC

### Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020

#### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED

### 3.0 Financial instruments risk management -continued

### 3.4 Liquidity risk - continued

	On Demand	Less than 3 months	3 months to 12 months	Total
At 31 December 2019	N'000	N'000	N'000	N'000
<b>Financial liabilities:</b>				
Trade and other payables exclude transaction taxes and accrued expenses (Note 22)	-	7,278,506	-	7,278,506
Borrowings	-	3,002,103	-	3,002,103
	-	<b>10,280,609</b>	-	<b>10,280,609</b>

### 3.5 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 equity. Net debt is calculated as borrowings plus trade and other payable less Cash in hand and at bank. Total equity is calculated as the sum of all equity components on the statement of financial position.

The gearing ratios at 31 March 2020 and 31 December 2019	2020	2019
	N'000	N'000
Borrowings	3,033,436	2,967,453
Trade and other payables	7,372,558	9,086,710
Less: Cash in hand and at bank	(11,524,450)	(10,183,744)
Net Debt	<b>(1,118,456)</b>	<b>1,870,419</b>
Total equity	35,984,347	34,558,001
Capital and net debt	<b>34,865,890</b>	<b>36,428,420</b>
<b>Gearing ratio</b>	<b>-3%</b>	<b>5%</b>

### 3.6 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.

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

#### **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 a rebate on export sales in as much as it can demonstrate that the proceeds of the related sales have been repatriated through an approved channels to the country within 300 (formerly 180) days of such export sales.

The rebate is recognised as a credit to cost of sales and as a receivable from the Federal Government of Nigeria (i.e. EEG receivable). As at 31 March 2020, EEG receivable stood at N 1.76 billion (31 December 2019: N1.76 billion) as disclosed in Note 16.

Negotiable Duty Credit Certificate (NDCC) is the instrument of the Federal Government of Nigeria (FGN) for settlement of EEG receivable. The NDCC was used for the payment of Import and Excise duties in lieu of cash. However, NEPC has stopped issuing NDCC in line with the new guidelines and all our NDCC has been returned for replacement with proposed promisory notes in line with the new guidelines. As at 31 March 2020, Unutilized NDCC stood at N 1.02 billion (31 December 2019: N1.02 billion) as disclosed in Note 16.

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.

## BETA GLASS PLC

### Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020

#### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED

#### 4 Critical accounting estimates and judgements

##### Deferred tax

Deferred tax is the tax expected to be payable on differences between the carrying amounts of assets / 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 and deferred tax asset 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 Plc is a one segment business.

Customer sales greater than 10% of sales of Beta Glass Plc:

	<b>2020</b>		<b>2019</b>	
	<b>N'000</b>	<b>%</b>	<b>N'000</b>	<b>%</b>
Customer 1	2,000,404	28%	1,434,453	20%
Customer 2	1,824,547	26%	1,121,145	16%
Customer 3	970,668	14%	1,233,123	17%
Customer 4	339,652	5%	907,656	13%

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

	<b>2020</b>	<b>2019</b>
	<b>N'000</b>	<b>N'000</b>
Local sales	6,887,952	6,713,755
Export sales	179,991	438,861
Total revenue	<b>7,067,943</b>	<b>7,152,616</b>

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

	<b>2020</b>	<b>2019</b>
	<b>N'000</b>	<b>N'000</b>
Operating profit	<b>1,602,351</b>	<b>1,452,114</b>

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****6 Revenue from contracts with customers  
Disagregated revenue information**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Type of goods:	<b>N'000</b>	<b>N'000</b>
Sales of glassware and bottles	7,067,943	7,152,616
Geographical markets:		
Local	6,882,837	6,713,755
Export	185,106	438,861
	<b>7,067,943</b>	<b>7,152,616</b>

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 N1.82billion (2019: N1.12billion).  
See Note 29 for further details.

**7 Expenses by function**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
<b>7.1 Cost of sales</b>		
Material consumed	1,561,188	2,221,973
Depreciation (Note 20.1)	616,615	570,991
Technical assistance fees (Note 29)	224,855	225,307
Factory salaries and wages (Note 7.5)	701,159	562,700
Fuel, gas and electricity	1,429,079	1,384,130
Other factory overheads	591,832	552,304
	<b>5,124,729</b>	<b>5,517,405</b>

The Purchases represent Direct material consumed net off export incentive

Other factory overheads represents repair and maintenance of plant and machinery, building and motor vehicle, insurance premium, staff canteen expenses and other factory overheads

**7.2 Administrative expenses**

Depreciation (Note 20.1)	50,398	36,809
Amortisation charges (Note 14)	1,187	832
Depreciation charges - Right-of- Use asset (Note 20.2)	26,151	-
Auditors remuneration	8,457	7,551
Legal and professional fees	30,794	13,215
Salaries and wages (Note 7.5)	189,388	161,162
Pension costs - defined contribution plans (Note 13c)	11,312	9,576
Directors' remuneration (Note 13d)	2,320	3,733
Travel and transportation	28,279	17,495
Other administrative expenses	37,866	25,029
	<b>386,152</b>	<b>275,403</b>

Other administrative expenses includes Information Technology expenses, Subscriptions, Printing and stationery and other expenses

**7 Expenses by function - continued****7.3 Selling and distribution expense**

Salaries and wages (Note 7.5)	25,386	13,952
Other distribution expense	18,541	6,768
	<b>43,926</b>	<b>20,720</b>
Total cost of sales, administrative expenses and distribution costs	<b>5,554,808</b>	<b>5,813,529</b>



**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****7.4 Expenses by Nature- Salary and wages**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
Wages and salaries includes	N'000	N'000
<i>Cost of sales (Note 7.1)</i>	701,159	562,700
<i>Administrative expenses (Note 7.2)</i>	189,388	161,162
<i>Selling and distribution expense (Note 7.3)</i>	25,386	13,952
	<b>915,933</b>	<b>737,814</b>

**8 Other income**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
Profit on disposal of property, plant and equipment	2,210	-
Surplus on transport and others **	84,618	109,531
Proceed from sale of scraps	2,387	3,496
	<b>89,215</b>	<b>113,026</b>

\*\* This represents surplus on transport charges recovered from customers, insurance claims and others.

**9 Foreign exchange gain**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
Foreign exchange gain	<b>388,332</b>	<b>131,856</b>

**10 Finance income and expenses**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
<b>10.1 Finance income</b>		
Interest income	184,543	296,357
<b>10.2 Finance cost</b>		
Interest expense	(77,658)	(54,490)
Net finance income	<b>106,885</b>	<b>241,867</b>

Interest are recognised using effective interest rate method (amortised cost).

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****11 Income tax expense**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
Income tax	629,271	584,268
Education tax	41,951	-
	<u>671,222</u>	<u>584,268</u>
Deferred tax (credit)/ charged for the year (Note 21)	-	-
Tax expense	<u><b>671,222</b></u>	<u><b>584,268</b></u>

The current tax charge has been computed at the applicable rate of 30% (31 December 2019: 30%) plus education levy of 2% (31 December 2019:2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes. Non-deductible expenses include items such as donations and certain provisions which are not allowed as a deduction by the tax authorities. Tax exempt income include income such as export profits and gain on disposal of assets which are not taxable.

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

**11.1 Effective tax reconciliation**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
Profit before tax	<u>2,097,568</u>	<u>1,825,837</u>
Tax at the Nigeria Corporation Tax rate of 30% (2019 :30%)	629,270	547,751
Tax effects of:		
Effect of education tax	41,951	36,517
Tax charge for the year	<u><b>671,222</b></u>	<u><b>584,268</b></u>

**12 Earnings per share**

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

	<b>31 March 2020</b>	<b>31 March 2019</b>
Profit attributable to shareholders of the Company (N' 000)	<u>1,426,346</u>	<u>1,241,569</u>
Weighted average number of ordinary shares in issue ('000)	<u>499,972</u>	<u>499,972</u>
Basic Earnings per share (Naira)	<u>2.85</u>	<u>2.48</u>

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

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****13 Particulars of the Directors and Employees**

**a** The average employees excluding Directors, employed by the Company during the year was as follows:

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>Number</b>	<b>Number</b>
Management	304	285
Factory	371	336
Sales and Administration	9	7
	<u><b>684</b></u>	<u><b>628</b></u>

**b Salary Range**

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

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>Number</b>	<b>Number</b>
N800,001 - N1,000,000	6	18
N1,000,001 - N1,200,000	73	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	185	157
	<u><b>684</b></u>	<u><b>628</b></u>

**c Staff Cost**

Staff costs for the above personel (excluding executive Directors):

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
Wages and salaries (Note 7.5)	915,933	737,814
Pension costs - defined contribution plans	11,312	9,576
	<u><b>927,244</b></u>	<u><b>747,389</b></u>

**d Directors' emoluments**

The remuneration paid to the Directors of the Company was:

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
Fees for services as Directors	2,320	3,733
Other emolument as management	-	-
	<u><b>2,320</b></u>	<u><b>3,733</b></u>

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****13 Particulars of directors and staff - continued****d Directors' emoluments - continued**

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

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
Amount paid to the Chairman	300	2,286
Amount paid to the highest paid Director	830	2,286

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:

	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>Number</b>	<b>Number</b>
N150,000 - N500,000	4	-
N500,001 - N6,000,000	1	6
	5	6
Directors with no emoluments	2	2

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

**14 Intangible Assets**

	<b>Computer software</b>	
	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>N'000</b>	<b>N'000</b>
<b>Cost</b>		
As at 1 January	60,708	40,159
Additions	-	20,549
As at 31 December	<b>60,708</b>	<b>60,708</b>
<b>Accumulated amortisation:</b>		
As at 1 January	(38,279)	(29,364)
Charge for the year	(1,187)	(8,915)
As at 31 December	<b>(39,466)</b>	<b>(38,279)</b>
<b>Net book value</b>		
As at 31 December	<b>21,242</b>	<b>22,429</b>

The remaining amortization period of the intangible asset is between 3 and 4 years. Amortization of N1.19 million (2019: N0.83 million) has been charged to Administrative expenses.

**BETA GLASS PLC**

**Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

**15 Inventories**

	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>N'000</b>	<b>N'000</b>
Raw materials - cost	1,614,625	1,213,129
Work in progress - cost	212,378	72,486
Finished goods - cost	3,204,363	2,607,516
Spare parts and consumables - cost	1,439,794	1,446,137
	<u>6,471,160</u>	<u>5,339,267</u>
Goods in transit - cost	346,064	1,205,580
	<u><b>6,817,224</b></u>	<u><b>6,544,848</b></u>

Write-downs of inventories to net realisable value as at March 2020 amounted to N487.58 million (December 2019 –N547.22 million). The write down 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:

	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>N'000</b>	<b>N'000</b>
Cost of inventories included in cost of sales	<u>1,561,188</u>	<u>8,693,521</u>

The amount represents cost of materials consumed less export grants and included in cost of sales per Note 7.1

**16 Trade and other receivables**

	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>N'000</b>	<b>N'000</b>
Trade receivables	3,463,341	5,195,207
Unutilised Negotiable Duty Credit Certificates (Note 4)	1,017,817	1,017,817
EEG receivable (Note 4)	1,763,065	1,763,065
Prepayments (Note 16.1)	353,641	248,571
Prepayment - Short term lease	29,823	29,823
Withholding tax receivable	359,601	358,645
Staff receivables	157,667	169,572
Related parties receivables(Note 29)	5,280,881	5,022,786
	<u>12,425,836</u>	<u>13,805,486</u>
Allowance for expected credit losses	(75,497)	(75,497)
<b>Total</b>	<u><b>12,350,339</b></u>	<u><b>13,729,988</b></u>

**Analysis of Expected credit losses- March 2020**

	Trade Receivable	Staff Receivable	Related Party Receivable	Total
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Gross	3,463,341	157,667	5,280,881	8,901,889
ECL	15,780	5,882	53,835	75,497
Net	<u><b>3,447,561</b></u>	<u><b>151,785</b></u>	<u><b>5,227,045</b></u>	<u><b>8,826,391</b></u>

**BETA GLASS PLC**

**Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

**16 Trade and other receivables - continued**

**Analysis of Expected credit losses- December 2019**

	Trade Receivable	Staff Receivable	Related Party Receivable	Total
	N'000	N'000	N'000	N'000
Gross	5,195,207	169,572	5,022,786	10,387,565
ECL	15,780	5,882	53,835	75,497
Net	<b>5,179,427</b>	<b>163,689</b>	<b>4,968,951</b>	<b>10,312,067</b>

Other receivable represents insurance claim receivables.

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

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

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

	31 March 2020	31 December 2019
	N'000	N'000
<b>16.2.1 Trade Receivable</b>		
Expected Credit Loss:		
<b>As at 1 January</b>	15,780	14,498
Additional Provision during the year	-	1,282
<b>As at 31 March</b>	<b>15,780</b>	<b>15,780</b>

	31 March 2020	31 December 2019
	N'000	N'000
<b>16.2.2 Staff Receivable</b>		
Expected Credit Loss:		
<b>As at 1 January</b>	5,882	5,882
Additional Provision during the year	-	-
<b>As at 31 March</b>	<b>5,882</b>	<b>5,882</b>

	31 March 2020	31 December 2019
	N'000	N'000
<b>16.2.3 Related Parties Receivable</b>		
Expected Credit Loss:		
<b>As at 1 January (IAS 39)</b>	-	-
Effect of adoption of IFRS 9 (Note 27.1)	-	39,724
<b>As at 1 January</b>	53,836	36,334
Additional Provision during the year	-	17,501
Reversal of provision during the year	-	-
<b>As at 31 March</b>	<b>53,835</b>	<b>53,836</b>

	31 March 2020	31 December 2019
	N'000	N'000
<b>16.3 Trade and other receivable for cashflow purpose</b>		
Trade and other receivables	12,350,339	13,729,988
Expected credit loss (ECL) debit /(credit) to income statement	-	-
	<b>12,350,339</b>	<b>13,729,988</b>

**17 Cash in hand and at bank**

	31 March 2020	31 December 2019
	N'000	N'000
Cash in hand	10,641	474
Cash at bank	11,513,809	10,183,270
<b>Cash in hand and at bank</b>	<b>11,524,450</b>	<b>10,183,744</b>

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****17 Cash in hand and at bank - continued**

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

	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
Cash in hand and at bank	11,524,450	10,183,744
Cash and cash equivalents	<u><b>11,524,450</b></u>	<u><b>10,183,744</b></u>

**18 Borrowings**

	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
Short term borrowings	3,033,436	2,967,453
	<u><b>3,033,436</b></u>	<u><b>2,967,453</b></u>

	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
<b>Reconciliation of Short term Borrowings:</b>		
Borrowing as at 1 January	2,967,453	2,967,453
Interest Charged	77,658	291,592
Repayment of Borrowings during the period	(785,553)	(9,785,553)
Interest Paid	(77,658)	(291,592)
Additional borrowings during the period	851,536	9,785,553
<b>Borrowing as at 31 March</b>	<u><b>3,033,436</b></u>	<u><b>2,967,453</b></u>

Short term borrowings represents Banker Acceptance from Stanbic IBTC Bank for the importation of raw materials at a variable interest rate ranges from 3.5% to 6.5% payable within 30 to 90 days.

**BETA GLASS PLC**

**Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

**19.1 Property, plant and equipment**

	<b>Land N'000</b>	<b>Building N'000</b>	<b>Plant and Machinery N' 000</b>	<b>Furniture fittings and N' 000</b>	<b>Motor Vehicles N' 000</b>	<b>Furnaces N' 000</b>	<b>Assets under Construction N' 000</b>	<b>Total N' 000</b>
<b>Cost</b>								
At 1 January 2020	168,540	2,098,580	22,905,097	640,499	1,091,635	7,783,076	10,240,972	44,928,399
Additions		19,817	59,201	11,160	9,000	-	811,139	910,317
Disposals	-	-	(114,376)	(1,264)	(3,355)	-	-	(118,995)
Transfers *								-
Reclassifications **								-
<b>At 31 March 2020</b>	<b>168,540</b>	<b>2,118,397</b>	<b>22,849,921</b>	<b>650,395</b>	<b>1,097,279</b>	<b>7,783,076</b>	<b>11,052,110</b>	<b>45,719,721</b>
<b>Accumulated depreciation:</b>								
At 1 January 2020	-	736,714	15,879,177	448,788	670,216	5,623,681	-	23,358,576
Charge for the year	-	15,993	459,206	15,800	34,598	141,416	-	667,012
On disposals	-	-	(114,376)	(1,264)	(3,355)	-	-	(118,995)
Reclassifications **	-							-
<b>At 31 March 2020</b>	<b>-</b>	<b>752,706</b>	<b>16,224,006</b>	<b>463,325</b>	<b>701,459</b>	<b>5,765,098</b>	<b>-</b>	<b>23,906,594</b>
<b>Net book value:</b>								
<b>At 31 March 2020</b>	<b>168,540</b>	<b>1,365,691</b>	<b>6,625,915</b>	<b>187,070</b>	<b>395,820</b>	<b>2,017,978</b>	<b>11,052,110</b>	<b>21,813,127</b>

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

None of the Property, Plant and Equipment are specifically pledged as security or collateral

\* Transfer represents asset that were capitalised from Asset under Construction during the year

\*\* Reclassification represents changes among asset categories for proper classifications

Depreciation expenses of N2.37 billion was charged to Cost of sales and N187. 65million was charged to Administrative expenses



**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****19.1 Property, plant and equipment**

	<b>Land N'000</b>	<b>Building N'000</b>	<b>Plant and Machinery N' 000</b>	<b>Furniture fittings and N' 000</b>	<b>Motor Vehicles N' 000</b>	<b>Furnaces N' 000</b>	<b>Assets under Constructio N' 000</b>	<b>Total N' 000</b>
<b>Cost:</b>								
At 1 January 2019	168,540	1,851,993	23,028,530	465,793	803,024	7,905,583	5,813,799	40,037,262
Additions	-	183,886	1,236,750	99,602	138,889	68,669	4,887,415	6,615,211
Disposals	-	-	(722,422)	(19)	(135,809)	(865,824)	-	(1,724,074)
Transfers *	-	48,554	270,986	63,743	43,650	33,309	(460,242)	0.00
Reclassifications **	-	14,147	(908,747)	11,380	241,881	641,339	-	-
<b>At 31 December 2019</b>	<b>168,540</b>	<b>2,098,580</b>	<b>22,905,097</b>	<b>640,499</b>	<b>1,091,635</b>	<b>7,783,076</b>	<b>10,240,972</b>	<b>44,928,399</b>
<b>Acumulated depreciation:</b>								
At 1 January 2019	-	664,292	15,908,321	397,644	487,136	5,061,864	-	22,519,258
Charge for the year	-	58,275	1,596,581	39,783	77,007	786,301	-	2,557,947
On disposals	-	-	(716,977)	(19)	(135,808)	(865,823)	-	(1,718,627)
Reclassifications **	-	14,147	(908,747)	11,380	241,881	641,339	-	-
<b>At 31 December 2019</b>	<b>-</b>	<b>736,714</b>	<b>15,879,177</b>	<b>448,788</b>	<b>670,216</b>	<b>5,623,681</b>	<b>-</b>	<b>23,358,576</b>
<b>Net book value:</b>								
<b>At 31 December 2019</b>	<b>168,540</b>	<b>1,361,866</b>	<b>7,025,920</b>	<b>191,710</b>	<b>421,419</b>	<b>2,159,395</b>	<b>10,240,972</b>	<b>21,569,823</b>

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

None of the Property, Plant and Equipment are specifically pledged as security or collateral

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

## BETA GLASS PLC

### Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020

#### NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED

##### 20.2 Right-of-Use asset

Company as a lessee

The Company has lease contracts for rented guesthouses. Leases of guesthouses generally have lease terms between 1 and 2 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options, which are further discussed below.

The Company has certain leases of warehouses and guesthouses with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings N'000	Total N'000
As at 1 January 2020	29,530	29,530
Additions	-	-
Depreciation expense	(26,151)	(26,151)
As at 31 March 2020	<u>3,379</u>	<u>3,379</u>

There were no lease liabilities during the period.

	2019 N'000
Depreciation expense of right-of-use assets	26,151
Expense relating to short-term leases ( included in other factory expenses)	<u>2,755</u>
Total amount recognised in profit or loss	<u>28,906</u>

The Company had total cash outflows for leases of N106,269,444 in 2019.

**BETA GLASS PLC**

**Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

**20 Deferred tax liabilities**

	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>N'000</b>	<b>N'000</b>
The movement in deferred tax is as follows:		
At 1 January	2,489,711	2,728,744
Effect of IFRS 9 adoption	-	-
At 1 January (restated)	<u>2,489,711</u>	<u>2,728,744</u>
Changes during the year:		
- (Credit) / Debit to profit or loss (Note 11)	-	(239,033)
At 31 March	<u><b>2,489,711</b></u>	<u><b>2,489,711</b></u>
	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>N'000</b>	<b>N'000</b>
Deferred Tax Assets	(250,906)	(250,906)
Deferred Tax Liabilities	2,740,617	2,740,617
<b>Net Deferred Tax Liabilities</b>	<u><b>2,489,711</b></u>	<u><b>2,489,711</b></u>

**Deferred tax relates to the followings:**

	<b>Statement of Financial Position</b>		<b>Statement of Profit or loss</b>	
	<b>31 March 2020</b>	<b>December 2019</b>	<b>31 March 2020</b>	<b>December 2019</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Accelerated depreciation for deferred tax purpose	(2,608,594)	(2,608,594)	-	(315,018)
Employee benefit obligation	-	-	-	-
Cash and Trade receivable - unrealised exchange gain	(132,023)	(132,023)	-	50,598
Trade and other payable - unrealised exchange gain and others	48,987	48,987	-	50,798
Trade and other receivables - impairment loss	26,809	26,809	-	(6,012)
Inventory - write down	175,110	175,110	-	(19,399)
<b>Total</b>	<u><b>(2,489,711)</b></u>	<u><b>(2,489,711)</b></u>	<u><b>-</b></u>	<u><b>(239,033)</b></u>

**21 Trade and other payables**

	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>N'000</b>	<b>N'000</b>
Trade payables	3,503,571	5,596,090
Social security and transaction taxes	504,595	377,292
Accrued expenses and other payables	2,048,610	1,430,912
Amounts due to related parties (Note 29d)	1,315,782	1,682,416
	<u><b>7,372,558</b></u>	<u><b>9,086,710</b></u>

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****21 Trade and other payables - continued**

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

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

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

	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>N'000</b>	<b>N'000</b>
<b>22.3 Financial liabilities includes:</b>		
Trade payables	3,503,571	5,596,090
Amounts due to related parties (Note 29)	1,315,782	1,682,416
	<u><b>4,819,353</b></u>	<u><b>7,278,506</b></u>

**22 Current income tax**

The movement in current income tax is as follows:

	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>N'000</b>	<b>N'000</b>
At 1 January	2,884,915	964,137
Provision for the year (Note 11)	671,222	2,671,346
Payment during the year	-	(750,568)
Withholding Tax Credit Utilised	-	-
<b>At 31 December</b>	<u><b>3,556,137</b></u>	<u><b>2,884,915</b></u>

**23 Dividend payable**

	<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>N'000</b>	<b>N'000</b>
At 1 January	93,572	62,554
Dividend declared during the year	-	649,964
Dividend paid during the year relating to prior year (Note 27)	-	(649,964)
Unclaimed dividend returned	-	31,190
Statute barred unclaimed dividend transferred to retained earnings	-	(172)
<b>At 31 March</b>	<u><b>93,572</b></u>	<u><b>93,572</b></u>
Dividend per share (Naira)	<u><b>0.00</b></u>	<u><b>1.30</b></u>

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.

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****24 Share capital****24.1 Authorised:**

	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
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	<b>249,986</b>	<b>249,986</b>
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	<b>31 March 2020</b>		<b>31 December 2019</b>	
	Number of shares	%	Number of shares	%
Frigoglass Industries Nigeria Limited	309,391,133	61.88%	309,391,133	61.88%
Friogoinvest Holdings B.V	40,833,131	8.17%	40,833,131	8.17%
Stanbic IBTC Nominees Nigeria Limited	31,310,274	6.26%	31,346,495	6.27%
Delta State Ministry of Finance Incorporated	22,258,117	4.45%	22,258,117	4.45%
Others	96,179,345	19.24%	96,143,124	19.23%
	<b>499,972,000</b>	<b>100%</b>	<b>499,972,000</b>	<b>100%</b>

**24.2 Share premium**

	<b>31 31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
Share premium	312,847	312,847

Share premium arose from share issue at a rate above the nominal value of ordinary shares.

**25 Other reserves**

	<b>N'000</b>
At 31 March 2020	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**

	<b>31 March 2020 N'000</b>	<b>31 December 2019 N'000</b>
At 1 January	31,565,226	26,634,798
Dividend declared & paid during the year relating to prior year (note 24)	-	(649,964)
Total comprehensive income	1,426,346	5,580,220
Statute barred dividend returned (Note 24)	-	172
At 31 December	<b>32,991,571</b>	<b>31,565,226</b>

Statute barred dividend is no longer available for collection by the beneficiaries hence, the recognition in retained earnings.

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

<b>27 Cash generated from operating activities</b>	<b>31 March 2020 N'000</b>	<b>31 March 2019 N'000</b>
<b>Profit before taxation</b>	<b>2,097,568</b>	<b>1,825,837</b>
<b>Adjustment for:</b>		
Depreciation of property, plant and equipment (Note 20.1)	667,012	607,800
Depreciation of Right-of-use asset (Note 20.2)	26,151	-
Amortisation of intangible assets (Note 14)	1,187	832
Profit on disposal of property, plant and equipment (Note 8)	(2,210)	
Interest income (Note 10.1)	(184,543)	(296,357)
Interest expense (Note 10.2)	77,658	54,490
Net Exchange Difference (Note 9)		(127,214)
Allowance for expected credit losses (Note 7.4)	-	
<b>Changes in working capital:</b>		
(Increase) /Decrease in trade and other receivables *	1,379,650	(1,045,654)
Increase in inventories	(272,376)	116,680
(Decrease) / Increase in trade and other payables	(1,714,151)	(1,242,988)
<b>Cash generated from operations</b>	<b><u>2,075,945</u></b>	<b><u>(106,573)</u></b>

## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

#### **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 61.9% (2018- 61.9%) of the Company's issued ordinary shares. The remaining 38.1% of the shares are widely held. The ultimate holding company is Frigoglass S.A.I.C (incorporated in Greece).

The following companies are related parties of Beta Glass Plc:

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

Frigoglass Industries (Nigeria) Limited - Parent company

Frigoinvest Holdings BV - Intermediate parent company

Frigoglass Global Limited

A.G. Leventis Plc- Two common Directors

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**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
Sales of goods:		
Nigerian Bottling Company Limited	1,824,547	1,121,145
	<u><b>1,824,547</b></u>	<u><b>1,121,145</b></u>

Goods are sold based on the price list in force and credit period ranges from 30 to 60 days. Accordingly, they are at arms' length.

**BETA GLASS PLC****Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020****NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED****28 Related parties - continued****a Transactions with related parties - continued****a(ii) Purchases of goods and services**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>N'000</b>	<b>N'000</b>
<b>Purchase of services:</b>		
Frigoglass Global Limited	224,855	225,307
A.G. Leventis PLC	41,037	45,500
	<b>265,892</b>	<b>270,807</b>

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 006914 with maturity profile of three (3) years from 01 January 2019 to 31 December 2021. Also included in the technical know-how fees for the year is Value Added Tax (VAT) at 7.5% paid on the technical know-how fee. The transaction with A.G. Leventis Plc was for supply of haulage services and secretariat services. Purchases of goods and services are at prices comparable to those obtainable from third parties.

**b Due to related companies**

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

		<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>Description</b>	<b>N'000</b>	<b>N'000</b>
Frigoglass Industries (Nigeria) Limited	Payments made by Frigoglass Ind.(Nig.) Limited on behalf of Beta Glass Plc	737,765	818,073
Frigoglass Cyprus Limited	Purchase of services	-	-
Frigoglass Global Limited	Purchase of services	520,015	829,697
Frigoglass SAIC - Kato Achaia	Purchase of services	31,176	31,176
A.G. Leventis Nig PLC	Purchase of services	26,826	3,470
		<b>1,315,782</b>	<b>1,682,416</b>

**c Due from related companies**

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

		<b>31 March 2020</b>	<b>31 December 2019</b>
	<b>Description</b>	<b>N'000</b>	<b>N'000</b>
Nigerian Bottling Company Limited	Sales of Bottles and purchase of cullet	2,258,238	1,043,856
Frigoglass Industries (Nigeria) Limited	Intercompany treasury balances	3,022,643	3,978,931
A.G. Leventis Nig Plc	Purchase of services	-	-
		<b>5,280,881</b>	<b>5,022,786</b>



## **BETA GLASS PLC**

### **Unaudited Interim Financial Statement for the Three Month Ended 31st March 2020**

#### **NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS - CONTINUED**

#### **28 Related parties - continued**

##### **c Due from related companies - continued**

The receivables from related parties arise mainly from sale transactions, intercompany treasury balances and payments on behalf of other related companies with short term settlement period. The receivables are unsecured in nature and bear no interest except for treasury balances. There is impairment provisions amounting to N53.84 million (2019: N53.84).

The payables to related parties arise mainly on purchases and services from related parties with short term settlement period/ or payable on demand. The payables bear no 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 N7.23 billion (31 December 2018: N2.33 billion) as of reporting date. No provision has been made for these claims. Based on legal advice, the company believes that no significant loss will eventuate .

##### ***Guarantee on behalf of Frigoglass Finance B.V.***

On February 12, 2020, Frigoglass Finance B.V. (the "Issuer") issued €260.0 million in aggregate principal amount of 6.875% senior secured notes due 2025 (the "Notes"). The Notes are guaranteed on a senior secured basis by Frigoglass S.A.I.C., Beta Glass, Frigoglass Industries Nigeria Limited and certain other subsidiaries of the Frigoglass Group (the "Guarantors") and secured by certain assets of the Issuer and certain of the Guarantors. The Notes mature on February 12, 2025. The Notes are secured by a pledge over the shares of Frigoglass Industries Nigeria Limited and Beta Glass held by Frigoinvest Holdings B.V. (the "Share Pledge"). The aggregate amount of the secured obligations in respect of the Share Pledge is limited to €175.0 million

#### **30 Capital commitments**

The company had no capital commitments as at 31 March 2020 (31 December 2019: Nil).

#### **31 Subsequent events**

Coronavirus (Covid-19) Pandemic

COVID 19 is a global pandemic as already declared by World Health Organisation (WHO) on 11th March 2020 and the crisis continues to impact all businesses beyond first quarter 2020, with the effect expected to be more pronounced in the future. The company has put in place Plan with the aim of minimizing the impact of COVID 19 on key stakeholders, as well as support the Government and its agencies as they work to reduce the impact of the outbreak. At this stage, it is not possible to determine the financial impact of Covid-19 on our Company given the lack of visibility on the end date of the pandemic or on how long it would continue to impact the Nigerian economy. The Company has a strong Financial Position and the Board with the Management are focusing on efforts to mitigate the impact on our business.

There were no after the reporting date events which could have had a material effect on the state of affairs of the Company as at 31 March 2020 and on the profit for the year ended on that date which have not been adequately provided for or recognised.

#### **32 Securities trading policy**

In compliance with Rule 17.15 of the Nigerian Stock Exchange Amended Rules, the Company has a Securities Trading Policy in place which serves to guide its Directors, Management, Officers and related persons in dealing with its shares. All concerned are obliged to observe the provisions of the Regulations when dealing in the Company's shares and securities. The Company is not aware of any infringement of the policy during the period.

#### **33 Compliance with regulatory bodies**

There was no penalty for non-compliance matters with respect to regulatory bodies for the year ended 31 March 2020 (31 December 2019: Nil).