

**Beta Glass Plc**  
**Unaudited Financial Statements**  
**For the Nine months ended 30 September 2014**

## Beta Glass Plc

**For the period ended 30 September 2014**

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COMPLIANCE CERTIFICATE ON THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014.

We hereby certify that:

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



**MANAGING DIRECTOR**  
George Papachristou  
FRC/2013/IODN/00000002337



**CHIEF FINANCIAL OFFICER**  
Dhanikonda Shanker  
FRC/2013/ICAN/00000002336

## Beta Glass Plc

### Income statement

For the period ended 30 September 2014

		For the period ended		
		30	30	31 December
		September	September	2013
		2014	2013	2013
	Notes	N'000	N'000	N'000
Revenue	6	12,031,617	9,886,351	14,096,124
Cost of sales	7	(8,915,824)	(7,417,519)	(10,870,208)
<b>Gross profit</b>		<b>3,115,793</b>	<b>2,468,832</b>	<b>3,225,916</b>
Selling and distribution expenses	7	(56,499)	(48,347)	(54,360)
Administrative expenses	7	(1,236,760)	(1,026,292)	(1,462,163)
Other income	8	137,536	57,754	42,631
Foreign exchange (loss)/gain	9	(97,860)	41,420	43,933
<b>Operating profit</b>		<b>1,862,210</b>	<b>1,493,367</b>	<b>1,795,958</b>
Finance income	10	399,544	389,885	428,771
Finance cost	10	(235,610)	(356,145)	(181,434)
Finance (costs)/income - net		163,934	33,740	247,337
<b>Profit before income tax</b>		<b>2,026,144</b>	<b>1,527,107</b>	<b>2,043,295</b>
Income tax expense	11	(575,624)	(479,050)	(575,949)
<b>Profit for the year</b>		<b>1,450,520</b>	<b>1,048,057</b>	<b>1,467,345</b>
<b>Earnings per share for profit attributable to the equity holders of the company</b>				
Basic and diluted EPS (Naira)	12	2.90	2.10	2.93

## Beta Glass Plc

### Statement of comprehensive income Period ended 30 September 2014

	Notes	For the period ended		
		30 September 2014 N'000	30 September 2013 N'000	31 December 2013 N'000
Profit for the year		1,450,520	1,048,057	1,467,345
<b>Other Comprehensive Income:</b>				
Actuarial gains and losses (net of tax)		-	-	-
<b>Other comprehensive Income (net of tax)</b>		-	-	-
<b>Total comprehensive income</b>		<b>1,450,520</b>	<b>1,048,057</b>	<b>1,467,345</b>

Items in the statement above are disclosed net of tax.

**Beta Glass Plc**  
**Statement of financial position**  
**At 30 September 2014**

		<b>30</b>	<b>31 December</b>
	<b>Notes</b>	<b>September</b>	<b>2013</b>
		<b>2014</b>	<b>2013</b>
		<b>N'000</b>	<b>N'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	9,667,450	9,666,496
Intangible assets	15	23,895	27,246
		9,691,345	9,693,742
<b>Current assets</b>			
Inventories	16	2,348,918	3,301,032
Trade and other receivables	17	12,804,730	12,114,349
Cash and cash equivalents	18	1,363,864	2,057,358
		16,517,512	17,472,739
<b>Total assets</b>		<b>26,208,857</b>	<b>27,166,481</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	19	-	703,606
Amount due to employees	20	1,779,961	1,552,997
Deferred taxation liabilities	21	1,515,484	1,346,087
Other long term employee benefits	22	376,855	387,321
		3,672,301	3,990,011
<b>Current liabilities</b>			
Short term borrowings	19	-	960,706
Trade and other payables	23	6,916,058	7,706,805
Current income tax liabilities	24	593,175	742,165
Dividend payable	25	13,637	13,637
		7,522,870	9,423,313
<b>Total liabilities</b>		<b>11,195,171</b>	<b>13,413,324</b>
<b>Equity</b>			
Ordinary share capital	26	249,986	249,986
Share Premium	26	312,847	312,847
Other reserves	27	2,429,942	2,429,942
Retained earnings	28	12,020,913	10,760,382
<b>Total equity</b>		<b>15,013,688</b>	<b>13,753,157</b>
<b>Total equity and liabilities</b>		<b>26,208,857</b>	<b>27,166,481</b>

The notes on pages 7 to 26 are an integral part of these financial statements.

## Beta Glass Plc

### Statement of changes in equity Period ended 30 September 2014

	Share Capital N'000	Share Premium N'000	Other Reserves N'000	Retained Earnings N'000	Total N'000
Balance at 1 January 2014	249,986	312,847	2,429,942	10,760,382	13,753,157
Profit for the period	-	-	-	1,450,520	1,450,520
<i>Other comprehensive income for the year:</i>					
Actuarial loss for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,450,520	1,450,520
Dividend relating to 2013 year end	-	-	-	(189,989)	(189,989)
Balance at 30 September 2014	249,986	312,847	2,429,942	12,020,913	15,013,688

	Share Capital N'000	Share Premium N'000	Other Reserves N'000	Retained Earnings N'000	Total N'000
Balance at 1 January 2013	249,986	312,847	2,429,942	9,463,028	12,455,803
Profit for the period	-	-	-	1,467,344	1,467,344
<i>Other comprehensive income for the year:</i>					
Actuarial loss for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,467,344	1,467,344
Dividend relating to 2012 year end	-	-	-	(169,990)	(169,990)
Balance at 31 December 2013	249,986	312,847	2,429,942	10,760,382	13,753,157

## Beta Glass Plc

### Statement of cash flows Period ended 30 September 2014

	Notes	30 September 2014 N'000	30 September 2013 N'000	31 December 2013 N'000
<b>Cash flows from operating activities</b>				
Cash generated from operations	29	2,960,714	827,204	3,591,234
Tax paid	24	(555,217)	(304,968)	(450,548)
Amount due to employees paid		(10,466)	-	(202,481)
Other long term employee benefit paid	22	(77,886)	(50,482)	(15,235)
<b>Net cash from operating activities</b>		<b>2,317,145</b>	<b>471,754</b>	<b>2,922,970</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	14	(1,492,181)	(511,337)	(1,758,919)
Purchase of intangible assets	15	-	(4,175)	(4,175)
Proceeds from sale of property, plant and equipment		-	-	1,350
Interest income	10	399,544	-	428,771
<b>Net cash used in investing activities</b>		<b>(1,092,636)</b>	<b>(515,511)</b>	<b>(1,332,972)</b>
<b>Cash flows from financing activities</b>				
Proceed from term loan		-	-	-
Repayment of term loan		(1,664,312)	5,032	(236,925)
Interest paid	10	(63,702)	(104,147)	(181,434)
Dividend paid	25	(189,989)	(169,990)	(169,990)
<b>Net cash from/(used in) financing activities</b>		<b>(1,918,003)</b>	<b>(269,105)</b>	<b>(588,349)</b>
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(693,494)	(312,862)	1,001,649
Cash, cash equivalents and bank overdrafts at the beginning of the year	18	2,057,357	1,055,708	1,055,708
<b>Cash, cash equivalents and bank overdrafts at the end of the period</b>	18	<b>1,363,864</b>	<b>742,846</b>	<b>2,057,357</b>

## **Beta Glass Plc**

### **Notes to the Financial Statements For the period ended 30 September 2014**

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#### **1. General information**

Beta Glass Plc (the Company) manufactures, distributes and sells glass bottles and containers for the leading soft drinks, wine and spirit, pharmaceutical and cosmetics companies. The Company has manufacturing plants in Agbara Ogun state and in Ughelli Delta state. Beta Glass Plc exports to 14 countries including: Angola, Benin, Burkina Faso, Cameroun, Gabon, Gambia, Ghana, Guinea, Liberia, Mauritius, Rwanda, Sierra Leone and Togo.

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

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

#### **2. Summary of significant accounting policies**

##### **2.1 Basis of preparation**

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

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

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

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

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

##### **2.1.1 Going concern**

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

##### **2.1.2 Changes in accounting policy and disclosure**

New standards and interpretations issued but not yet effective and not early adopted

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

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#### 2. Summary of significant accounting policies (continued)

##### 2.2 Segment reporting

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

##### 2.3 Foreign currency translation

###### *(a) Functional and presentation currency*

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency and presentation currency of 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 exchange rates of monetary assets and liabilities denominated in currencies other than an entities' functional currency are recognized in the foreign exchange gain in profit or loss.

##### 2.4 Property, plant and equipment

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

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

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

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

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

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

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

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

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

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#### Summary of significant accounting policies (continued)

##### 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 they incur.

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

##### 2.6 Impairment of non-financial assets

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

##### 2.7 Financial assets

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

###### 2.7.1 Classification

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

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

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

Loans and receivables

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

###### 2.7.2 Recognition and measurement

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

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

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#### Summary of significant accounting policies (continued)

##### 2.7.3 Impairment of financial assets

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

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

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

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

##### 2.8 Financial liabilities

Financial liabilities at amortized cost include trade and other payables, bank overdraft and long-term loan.

###### Recognition and measurement

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

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

##### 2.9 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.

##### 2.10 Inventories

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

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

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

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

##### 2.11 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment for trade receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable is impaired.

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

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

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

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#### Summary of significant accounting policies (continued)

##### 2.12 Cash, cash equivalents and bank overdrafts

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

##### 2.13 (a) Borrowings

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

##### (b) Borrowing cost

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

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

No borrowing costs were capitalised in 2012 as there were no qualifying assets.

##### 2.14 Trade payables

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

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

##### 2.15 Current and deferred income tax

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

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#### Summary of significant accounting policies (continued)

#### 2.16 Employee benefits

##### *Pension scheme*

##### *(a) Defined contribution scheme*

The company operates a defined contribution retirement benefit scheme for all its full time employees.

Under the defined contribution retirement benefit scheme, 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 company's contributions to the defined contribution schemes are charged to the profit or loss account in the year to which they relate.

##### *(b) Defined benefit gratuity scheme*

Effective from 2012, the company operates a post employment benefit scheme into which a fixed percentage of staffs' annual emolument is recognised. No contribution is made by the staff and interest of 8% per annum is given to staff on the liability held. The plan is unfunded.

In the previous period, the company operated a service gratuity scheme based on final salary and number of years of employment. This was calculated annually by independent actuaries using the projected unit credit method. The liability recognised in the statement of financial position in respect of the service gratuity scheme is the present value of the defined benefit obligation at the reporting date, together with adjustments for actuarial gains/losses and past service cost. The plan was unfunded.

Actuarial gains and losses were recognized in full in the period in which they occurred, in other comprehensive income and cumulated in other reserves without recycling to profit or loss in subsequent periods. Current service cost, the recognized element of any past service cost and the interest expense arising on the pension liability are included in the comparative period in the same line items in profit or loss as the related compensation cost.

#### 2.17 Export expansion grant

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

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

- The exporter must be registered with the Nigerian Export promotion Council (NEPC)
- An exporter must have a minimum annual export turnover of N5 million and evidence of repatriation of proceeds of exports.
- An exporter-company shall submit its baseline data which includes audited Financial Statement and information on operational capacity to NEPC.
- An eligible exporter 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 180 days, calculated from the date of export and as approved by the EEG Implementation Committee.

#### 2.18 Revenue recognition

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

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

##### **Sales of goods**

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

#### 2.19 Dividend distribution

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

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

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#### 3 Financial risk management

##### 3.1 Financial risk factors

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

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

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

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

##### *(a) Market risk*

###### *(i) Foreign exchange risk*

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

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

###### *(ii) Price risk*

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

###### *(iii) Interest rate risk*

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

##### *(b) Credit risk*

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

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

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

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#### (b) Credit risk (continued)

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

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

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

#### 30 September 2014

	Neither past due nor impaired	Up to 90 days	91 - 150 days	Over 150 days
<b>Financial assets:</b>				
Cash and cash equivalents (Note 18)	1,363,864	-	-	-
Trade receivables (Note 17)	-	3,012,946	93,477	186,669
Receivables from related parties (Note 17)	7,255,224	-	-	-
Staff advances (Note 17)	91,326	-	-	-
	<u>8,710,414</u>	<u>3,012,946</u>	<u>93,477</u>	<u>186,669</u>

#### 31 December 2013

	Neither past due nor impaired	Up to 90 days	91 - 150 days	Over 150 days
<b>Financial assets:</b>				
Cash and cash equivalents (Note 18)	2,057,358	-	-	-
Trade receivables (Note 17)	-	2,074,480	300,234	55,450
Receivables from related parties (Note 17)	7,561,190	-	-	-
Staff advances (Note 17)	98,635	-	-	-
	<u>9,717,183</u>	<u>2,074,480</u>	<u>300,234</u>	<u>55,450</u>

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

#### (c) Liquidity risk

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

Beta Glass Plc invests its surplus cash in interest bearing current accounts. At the reporting date the company had N2.3 billion in current accounts.

The table below analyses the Company's financial liabilities and into relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

<b>30 September 2014</b>	<b>Less than 1 year N'000</b>	<b>Between 1 and 2 years N'000</b>	<b>Between 2 and 5 years N'000</b>	<b>Total N'000</b>
<b>Financial liabilities:</b>				
Trade and other payables	6,916,058	-	-	6,916,058
Borrowings (principal and interest)	-	-	-	-
Amount due to staff			1,779,961	1,779,961
	<b>6,916,058</b>	<b>-</b>	<b>1,779,961</b>	<b>8,696,019</b>
<b>31 December 2013</b>				
<b>Financial liabilities:</b>				
Trade and other payables	7,706,805	-	-	7,706,805
Borrowings (principal and interest)	960,706	-	-	960,706
Bank overdraft	-	703,606	-	703,606
Amount due to staff			1,552,997	1,552,997
	<b>8,667,511</b>	<b>703,606</b>	<b>1,552,997</b>	<b>10,924,114</b>

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

#### 3.2 Capital risk management

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

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

The gearing ratios at 30 June 2014 and 31 Dec 2013 are as follows:

	<b>2014</b>	<b>2013</b>
	<b>N'000</b>	<b>N'000</b>
Net debt	1,536,136	256,954
Total equity	15,013,688	13,753,157
<b>Gearing ratio</b>	<b>10%</b>	<b>2%</b>

#### 3.3 Financial instruments which are carried at other than fair value

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

#### 4 Critical accounting estimates and judgements

##### Critical accounting policies and key sources of estimation uncertainty

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

##### *Plant and machinery*

Plant and machinery is depreciated over its useful life. Beta glass 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.

#### 5 Segment information

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

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

	<b>30 September 2014</b>		<b>30 September 2013</b>	
	<b>N'000</b>	<b>%</b>	<b>N'000</b>	<b>%</b>
Customer 1	4,933,911	41%	1,386,608	14%
Customer 2	2,509,430	21%	2,458,320	25%
Customer 3	1,173,464	10%	2,601,270	26%

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

	<b>30 September 2014</b>		<b>30 September 2013</b>	
	<b>N'000</b>		<b>N'000</b>	
Local sales	11,020,496		8,552,426	
Export sales	1,011,121		1,333,925	
Total revenue	12,031,617		9,886,351	

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

	<b>30 September 2014</b>		<b>30 September 2013</b>	
	<b>N'000</b>		<b>N'000</b>	
Operating profit	1,862,210		1,493,367	

**Beta Glass Plc**
**Notes to the Financial Statements  
For the period ended 30 September 2014**
**6 Turnover**

	<b>30 September 2014 N'000</b>	<b>30 September 2013 N'000</b>	<b>31 December 2013 N'000</b>
Sales of glassware and bottles in Nigeria	11,020,496	8,552,426	12,470,607
Export sales	1,011,121	1,333,925	1,625,517
	<b><u>12,031,617</u></b>	<b><u>9,886,351</u></b>	<b><u>14,096,124</u></b>

**7 Expenses by nature**

	<b>30 September 2014 N'000</b>	<b>30 September 2013 N'000</b>	<b>31 December 2013 N'000</b>
<i>Cost of sales</i>			
Purchases	(2,986,436)	(3,003,931)	(3,810,009)
Depreciation and amortisation charges (Note 14 & 15)	(1,477,072)	(1,437,153)	(1,883,209)
Technical assistance fees	(378,996)	(312,358)	(446,318)
Factory salaries and wages (Note 13)	(799,165)	(734,282)	(1,443,489)
Fuel, gas and electricity	(1,919,408)	(1,701,830)	(2,233,291)
Other factory overheads	(1,354,747)	(227,965)	(1,053,891)
	<b><u>(8,915,824)</u></b>	<b><u>(7,417,519)</u></b>	<b><u>(10,870,208)</u></b>
<i>Administrative expenses</i>			
Depreciation and amortisation charges (Note 14 & 15)	(17,507)	(17,950)	(76,415)
Auditors remuneration	(17,100)	(17,100)	(19,184)
Legal & professional fees	(55,259)	(54,964)	(90,903)
Advertising costs/sales promotion	-	-	(18,245)
Salaries and wages (Note 13)	(281,214)	(253,389)	(333,161)
Pension costs - defined contribution plans	(37,316)	(34,246)	(45,834)
Interest on amount due to employees	-	-	(151,074)
Current service cost of other long term employee benefit	(156,200)	(142,002)	(242,904)
Directors' remuneration (Note 13)	(18,443)	(16,026)	(7,559)
Head office administrative charge (Note 32)	(357,293)	(198,096)	(400,365)
Travel and transportation and other administrative expenses	(46,411)	(45,247)	(56,689)
Donations	-	(250)	(270)
Other administrative expenses	(250,017)	(247,022)	(19,560)
	<b><u>(1,236,760)</u></b>	<b><u>(1,026,292)</u></b>	<b><u>(1,462,163)</u></b>
<i>Distribution costs</i>			
Selling and distribution expense	(56,499)	(48,347)	(54,360)
	<b><u>(56,499)</u></b>	<b><u>(48,347)</u></b>	<b><u>(54,360)</u></b>
Total cost of cost of sales, administrative expenses and distribution costs	<b><u>(10,209,083)</u></b>	<b><u>(8,492,158)</u></b>	<b><u>(12,386,731)</u></b>

**8 Other income**

	<b>30 September 2014 N'000</b>	<b>30 September 2013 N'000</b>	<b>31 December 2013 N'000</b>
Profit / (Loss) on disposal of property plant and equipment	-	-	8,103
Other operating income	137,536	57,754	30,517
Proceed from sale of scraps	-	-	4,011
	<b><u>137,536</u></b>	<b><u>57,754</u></b>	<b><u>42,631</u></b>

**Beta Glass Plc****Notes to the Financial Statements  
For the period ended 30 September 2014****9 Foreign exchange gain**

	<b>30 September 2014 N'000</b>	<b>30 September 2013 N'000</b>	<b>31 December 2013 N'000</b>
Foreign exchange (loss)/gains	<u>(97,860)</u>	<u>41,420</u>	<u>43,933</u>
	<b><u>(97,860)</u></b>	<b><u>41,420</u></b>	<b><u>43,933</u></b>

**10 Finance income and expenses**

	<b>30 September 2014 N'000</b>	<b>30 September 2013 N'000</b>	<b>31 December 2013 N'000</b>
<b>Finance income</b>			
Bank Interest income	1,477	-	-
Interest income - Intercompany loan	<u>398,067</u>	<u>389,885</u>	<u>428,771</u>
	399,544	389,885	428,771
<b>Finance cost</b>			
Interest expense	<u>(235,610)</u>	<u>(356,145)</u>	<u>(181,434)</u>
Net finance cost	<b><u>163,934</u></b>	<b><u>33,740</u></b>	<b><u>247,337</u></b>

**11 Income tax expense**

	<b>30 September 2014 N'000</b>	<b>30 September 2013 N'000</b>	<b>31 December 2013 N'000</b>
Income tax	406,227	325,332	617,723
Education tax			79,331
Deferred tax	<u>169,397</u>	<u>153,718</u>	<u>107,714</u>
	575,624	479,050	804,767
Deferred tax provision/(write back) (Note 21)	<u>-</u>	<u>-</u>	<u>(228,818)</u>
Tax expense	<b><u>575,624</u></b>	<b><u>479,050</u></b>	<b><u>575,949</u></b>

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

#### 12 Earnings per share

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

	30 September 2014 N'000	30 September 2013 N'000	31 December 2013 N'000
Profit attributable to shareholders of the Company	<u>1,450,520</u>	<u>1,048,057</u>	<u>1,467,344</u>
Weighted average number of ordinary shares in issue	<u>499,972</u>	<u>499,972</u>	<u>499,972</u>
Basic Earnings per share (Naira)	<u>2.90</u>	<u>2.10</u>	<u>2.93</u>

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

#### 13 Particulars of directors and staff

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

	30 September 2014	31 December 2013
	Number	Number
Management	289	279
Factory	352	353
Sales and Administration	<u>10</u>	<u>10</u>
	<u>651</u>	<u>642</u>

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

	30 September 2014	31 December 2013
	Number	Number
N200,001 - N400,000	-	-
N400,001 - N600,000	-	-
N600,001 - N800,000	40	88
N800,001 - N1,000,000	108	74
N1,000,001 - N1,200,000	47	42
N1,200,001 - N1,400,000	56	75
N1,400,001 - N1,600,000	70	89
N1,600,001 - N1,800,000	78	74
N1,800,001 - N2,000,000	59	55
N2,000,001 - N2,500,000	86	60
N2,500,001 - N3,000,000	34	31
Over N3,000,000	<u>73</u>	<u>54</u>
	<u>651</u>	<u>642</u>

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

	30 September 2014 N'000	31 December 2013 N'000
Wages and salaries	1,080,379	1,776,651
Pension costs - defined contribution plans	246,996	45,834
Interest on amount due to employees		122,475
Interest on other long term employee benefits		28,599
Current service cost of other long term employee benefit	<u>37,316</u>	<u>242,904</u>
	<u>1,364,691</u>	<u>2,216,462</u>

**Beta Glass Plc**

**Notes to the Financial Statements  
For the period ended 30 September 2014**

**14 Property plant and equipment - see page 34**

**15 Intangible Assets**

	Computer Software N'000
<b>Cost</b>	
At 1 January 2014	37,082
Additions	-
As at 30 September 2014	<u>37,082</u>
<b>Accumulated amortisation and impairment:</b>	
At 1 January 2014	(9,836)
Amortisation charge for the year	(3,351)
As at 30 September 2014	<u>(13,187)</u>
As at 30 September 2014	<u>23,895</u>

The remaining amortization period of the intangible asset is between 3 and 4 years

**16 Inventories**

	30 September 2014 N'000	31 December 2013 N'000
Raw materials - cost	628,217	850,226
Work in progress - cost	42,424	4,590
Finished goods - cost	639,367	965,557
Spare parts and consumables - cost	1,002,051	1,126,809
	<u>2,312,059</u>	<u>2,947,182</u>
Goods in transit - cost	36,859	353,850
	<u>2,348,918</u>	<u>3,301,033</u>

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

	30 September 2014 N'000	31 December 2013 N'000
Cost of materials included in cost of sales	<u>2,986,436</u>	<u>8,822,129</u>

**17 Trade and other receivables**

	30 September 2014 N'000	31 December 2013 N'000
Trade receivables	3,293,093	2,430,164
Prepayments	2,165,087	2,024,360
Staff advances	91,326	98,635
Receivables from related parties	7,255,224	7,561,190
Total	<u>12,804,730</u>	<u>12,114,350</u>

All trade receivables are current.

**Beta Glass Plc**

**Notes to the Financial Statements  
For the period ended 30 September 2014**

**18 Cash and cash equivalents**

	<b>30 September 2014 N'000</b>	<b>31 December 2013 N'000</b>
Cash in hand	600	600
Cash at bank	322,377	1,692,791
Domiciliary account balance	1,040,887	363,966
	<u>1,363,864</u>	<u>2,057,358</u>

For the purpose of the cash flow statement, cash and cash equivalents comprise of: cash in hand, cash at bank, domiciliary account balance and bank overdraft.

Cash and cash equivalents	1,363,864	2,057,358
Bank overdrafts (Note 19)	0	0
	<u>1,363,864</u>	<u>2,057,358</u>

**19 Borrowings**

	<b>30 September 2014 N'000</b>	<b>31 December 2013 N'000</b>
Bank overdraft	-	-
Term loan	-	960,706
	<u>-</u>	<u>960,706</u>

*Short term loan*

Term loan	<u>-</u>	<u>703,606</u>
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**20 Amount due to employees**

	<b>30 September 2014 N'000</b>	<b>31 December 2013 N'000</b>
As at 1 January	1,552,997	1,633,003
Interest and provision for the year	304,850	122,475
Payment during the year	(77,886)	(202,481)
	<u>1,779,961</u>	<u>1,552,997</u>

**21 Deferred tax liabilities**

	<b>30 September 2014 N'000</b>	<b>31 December 2013 N'000</b>
The analysis of deferred tax liabilities is as follows:		
Deferred tax liability to be recovered after more than 12 months	1,515,484	1,346,087
Deferred tax liability to be recovered within 12 months	-	-
	<u>1,515,484</u>	<u>1,346,087</u>

The movement in deferred tax is as follows:

**Deferred tax liability**

	<b>30 September 2014 N'000</b>	<b>31 December 2013 N'000</b>
At start of year	1,346,087	1,574,905
Changes during the year:		
- Credit on actuarial loss /write off	-	0
- Charge/(credit) to profit or loss	169,397	-228,818
	<u>1,515,484</u>	<u>1,346,087</u>

As at 30 September 2014

**22 Other long term employee benefits**

	<b>30 September 2014 N'000</b>	<b>31 December 2013 N'000</b>
<b>At 1 January</b>	387,321	131,053
Current service charge	-	242,904
Interest cost	-	28,599
Benefits paid	(10,466)	(15,235)
Curtailements (gain)/loss	-	-
	<u>376,855</u>	<u>387,321</u>
Transfer to amount due to staff on termination of scheme (Note 20)	0	-
<b>At 30 September</b>	<u>376,855</u>	<u>387,321</u>

**Beta Glass Plc**

**Notes to the Financial Statements  
For the period ended 30 September 2014**

**23 Trade and other payables**

	<b>30 September 2014 N'000</b>	<b>31 December 2013 N'000</b>
Trade payables	2,289,216	2,448,810
Social security and transaction taxes	130,401	91,208
Accrued expenses and other payables	1,227,305	1,553,904
Amounts due to related parties	3,269,136	3,612,883
	<b><u>6,916,058</u></b>	<b><u>7,706,806</u></b>

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

**24 Tax payable**

	<b>30 September 2014 N'000</b>	<b>31 December 2013 N'000</b>
The movement in tax payable is as follows:		
At 1 January	742,165	387,946
Provision for the year (Note 11)	406,227	804,767
Payment during the year	(555,217)	(450,548)
	<b><u>593,175</u></b>	<b><u>742,165</u></b>

**25 Dividend payable**

	<b>30 September 2014 N'000</b>	<b>31 December 2013 N'000</b>
At 1 January	13,637	13,637
Dividend declared during the year	189,989	169,990
Prior years unclaimed dividend	-	-
Prior years unclaimed dividend paid during the year	-	-
Dividend paid during the year relating to prior year (Note 28)	(189,989)	-169,990
	<b><u>13,637</u></b>	<b><u>13,637</u></b>
At 30 September	<b><u>0.38</u></b>	<b><u>0.34</u></b>
Dividend per share (Naira)		

**26 Share capital**

**a Authorised:**

	<b>30 September 2014 N'000</b>	<b>31 December 2013 N'000</b>
600,000,000 ordinary shares of 50kobo each	<b><u>300,000</u></b>	<b><u>300,000</u></b>
Allotted, called up and fully paid: 499,972,000 ordinary shares of 50k each	<b><u>249,986</u></b>	<b><u>249,986</u></b>

	<b>30 September 2014</b>		<b>31 December 2013</b>	
	Number of shares	Percentage	Number of shares	Percentage
Frigoglass Industries Nigeria Limited	309,391,133	61.88	309,391,133	61.88
Frigoinvest Holdings B.V	40,833,131	8.17	40,833,131	8.17
Delta State Ministry of Finance Incorporated	28,008,549	5.60	28,008,549	5.60
Others	121,739,187	24.35	121,739,187	24.35
	<b><u>499,972,000</u></b>	<b><u>100.00</u></b>	<b><u>499,972,000</u></b>	<b><u>100.00</u></b>

**b Share premium**

	<b>30 September 2014 N'000</b>	<b>31 December 2013 N'000</b>
Share premium	<b><u>312,847</u></b>	<b><u>312,847</u></b>

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

#### 27 Other reserves

	N'000
At 1 January 2014	<u>2,429,942</u>
As at 30 September 2014	<u>2,429,942</u>
At 31 December 2013	<u>2,429,942</u>

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

#### 28 Retained earnings

	30 September 2014 N'000	31 December 2013 N'000
At start of year	10,760,382	9,463,028
Dividend paid during the year relating to prior year (note 25)	(189,989)	(169,990)
Profit for the year	1,450,520	1,467,344
	-	-
At end of period	<u>12,020,913</u>	<u>10,760,382</u>

#### 29 Cash generated from operating activities

	30 September 2014	30 September 2013 N'000	31 December 2013 N'000
Profit before tax	2,026,144	1,465,159	2,043,293
<b>Adjustment for:</b>			
Depreciation of fixed assets (Note 14)	1,491,227	1,462,675	1,955,289
Amortisation of intangible assets (Note 15)	3,351	3,218	4,335
Loss on disposal of property, plant and equipment	-	-	353
Interest on amount due to employees (Note 20)	-	-	122,475
Interest on other long term employee benefits (Note 22)	-	-	28,599
Current service cost of other long term employee benefit (Note 22)	304,850	94,760	242,904
Interest income (Note 10)	(399,544)	-	(428,771)
Interest expense	63,702	99,337	181,434
<b>Changes in working capital:</b>			
(Increase)/decrease in trade and other receivables	(690,381)	(2,836,126)	(3,272,498)
(Increase)/Decrease in inventories	952,114	(656,414)	(651,884)
Increase/(decrease) in trade and other payables	(790,747)	1,194,596	3,365,706
<b>Net cash generated from operations</b>	<u><u>2,960,714</u></u>	<u><u>827,204</u></u>	<u><u>3,591,234</u></u>

#### 30 Export expansion grant

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

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

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

	30 September 2014 N'000	31 December 2013 N'000
At 30 September	<u>1,958,092</u>	<u>1,786,885</u>

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

#### 14 Property, plant and equipment

	Land N'000	Building N'000	Plant and Machinery N' 000	Furniture fittings and equipment N' 000	Motor Vehicles N' 000	Furnaces N' 000	Assets under Construction N' 000	Total N' 000
<b>Cost or valuation:</b>								
At 1 January 2014	168,540	1,647,174	16,398,298	337,680	376,031	4,254,193	952,141	24,134,057
Additions	-	12,877	323,337	15,267	97,990	15,129	1,027,581	1,492,181
Disposals	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
<b>At 30 September 2014</b>	<b>168,540</b>	<b>1,660,051</b>	<b>16,721,635</b>	<b>352,947</b>	<b>474,021</b>	<b>4,269,322</b>	<b>1,979,722</b>	<b>25,626,238</b>
<b>Depreciation:</b>								
At 1 January 2014	-	405,146	10,408,223	287,171	289,539	3,077,482	-	14,467,561
Charge for the year	-	37,011	1,071,048	17,142	39,655	326,371	-	1,491,227
On disposals	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
<b>At 30 September 2014</b>	<b>-</b>	<b>442,157</b>	<b>11,479,271</b>	<b>304,313</b>	<b>329,194</b>	<b>3,403,853</b>	<b>-</b>	<b>15,958,788</b>
<b>Net book value:</b>								
<b>At 30 September 2014</b>	<b>168,540</b>	<b>1,217,894</b>	<b>5,242,364</b>	<b>48,634</b>	<b>144,827</b>	<b>865,469</b>	<b>1,979,722</b>	<b>9,667,450</b>

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

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

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#### 32 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% (2013- 61.9%) of the company's issued ordinary shares. The remaining 23% of the shares are widely held. The ultimate holding company, Frigoglass S.A.I.C (incorporated in Greece).

The following companies are related parties of Beta Glass Plc:

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

Frigoglass Industries (Nigeria) Limited - Parent company

Frigoinvest Holdings B V - Intermediate parent company

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

Frigoglass Jebel Alli - Common ultimate parent

Frigoglass Kato Achaia - Common ultimate parent

#### c Transactions with related parties

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

##### c(i) Sales of goods and services

	N'000 30 September 2014	N'000 31 December 2013
Sales of goods:		
Nigerian Bottling Company	2,509,430	3,519,142
	<b>2,509,430</b>	<b>3,519,142</b>

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

##### c(ii) Purchases of goods and services

	N'000 30 September 2014	N'000 31 December 2013
Purchases of goods:		
Frigoglass Kato Achaia - common ultimate parent and ultimate controlling party	-	1,974
Purchase of services:		
Frigoinvest Holdings B.V	378,996	446,318
Frigoglass Industries (Nigeria) Limited	245,666	400,365
Frigoglass Jebel Alli	111,627	117,975
	<b>736,289</b>	<b>966,632</b>

## Beta Glass Plc

### Notes to the Financial Statements For the period ended 30 September 2014

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#### d Due to related companies

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

		<b>30 September 2014</b>	<b>31 December 2013</b>
	<b>Description</b>	<b>N'000</b>	<b>N'000</b>
Kato Achaia ( Plant & SO Hellas )	Purchases of goods	-	3,468
Frigoglass Industries (Nigeria) Limited	Collections received on behalf of related company	-	2,452,959
Frigorex. Cyprus	Purchase of services	324,891	380,595
Frigoglass Industries (Nigeria) Limited	Intercompany payable	2,900,000	650,000
Nigerian Bottling Company Plc	Purchase of culllets	-	21,722
Frigoglass Jebel Alli	Purchase of services	43,789	104,139
		<u>3,268,680</u>	<u>3,612,883</u>

#### e Due from related companies

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

		<b>30 September 2014</b>	<b>31 December 2013</b>
	<b>Description</b>	<b>N'000</b>	<b>N'000</b>
Frigoglass Industries (Nigeria) Limited	Payments made by Beta Glass Plc on behalf of Frigoglass (Nigeria) Limited	255,225	1,011,190
Frigoglass Industries (Nigeria) Limited	Intercompany receivable	7,000,000	6,550,000
		<u>7,255,225</u>	<u>7,561,190</u>

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

The payables to related parties arise mainly from purchase transactions are due 30 to 60 days after the date of purchase. The payables bear no interest.

#### 33 Contingent liabilities

Legal proceedings

The company is presently involved in three (3) litigation suits as at 30 September 2014. The claims against the company from the suits amount to N1.157 billion as of reporting date. No provision has been made for these claims as based on legal advice, the directors believe that no significant loss will eventuate (December 2013: N1.157 billion).

#### 34 Capital commitments

The company had no capital commitments as at 30 September 2014 (31 December 2013: Nil).

#### 35 Subsequent events

There were no other post balance sheet events which could have had a material effect on the state of affairs of the company as at 30 September, 2014 and on the profit for the period ended on that date which have not been adequately provided for or recognised.