



**Champion
Breweries Plc.**

**EXTENDING
OUR FRONTIERS**

**Annual
Report**

2022

WE ARE **CHAMPION**

Since the launch of our brands in 1976, we have been guided by the sterling values of safety, quality, discipline, people development and team spirit to deliver to our consumers premium quality brands for responsible enjoyment.

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OUR PROFILE

CORPORATE INFORMATION

Date of Incorporation:	31 July 1974
Registration Number:	RC 13388
TIN:	00463544-0001
Company's Website:	www.championbreweries.com
Registered Office:	Industrial layout, Aka Offot, PMB 1106 Uyo Akwa Ibom State Nigeria

Directors:	Dr. Elijah Akpan – Chairman Mr. Georgios Polymenakos (Greek) – Managing Director Mr. Samson Aigbedo Mrs. Helen Umanah Mr. Thompson Owoka Alhaji Shuaibu Ottan Mr. Olufunminiyi Alabi Mr. Frederik Williem Kurt Linck (Dutch) Mr. Kevin James Albert Santry (British)
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Company Secretary: Chief Tosan Atle Aiboni

Independent Auditor: Deloitte & Touche Nigeria
Civic Towers
Plot G1, Ozumba Mbadiwe Avenue
Victoria Island, Lagos
www.deloitte.com.ng

Registrars: African Prudential Registrars Plc
220B, Ikorodu Road
Palmgrove, Lagos
Nigeria
info@africaprudentialregistrars.com

Bankers: Access Bank Plc
First Bank of Nigeria Ltd
First City Monument Bank Plc
Guaranty Trust Bank Plc
Stanbic IBTC Bank
United Bank for Africa Plc
Zenith Bank Plc

BRANDS *for* CHAMPIONS

PREMIUM QUALITY
...Perfected for you!



COMPANY PROFILE

Champion Breweries Plc the “Company” was incorporated as a private limited liability Company in Cross-River State in the year 1974 with the name Southeast Breweries Limited. This was changed to Cross River Breweries Limited and thereafter to Champion Breweries Limited.

The Company became a public limited liability company and was known as “Champion Breweries Plc” on the 1st of September 1992 and was listed on the Nigerian Stock Exchange on September 1, 1993.

In December 1976, “Champion Lager beer” was officially commissioned and successfully launched into the market. Production capacity was increased from 150,000 to 500,000 hectoliters which led to the official commissioning of the second production line in December 1979.

With high quality and good market performance, Champion Lager Beer and Champ Malta won several awards which was not limited to the Silver Medal at an international contest in Paris, International Medal for Quality at the 16th World Selection for Beers and non-alcoholic beverages in Luxemburg, Pearl highest Share Price Appreciation in the Nigerian Stock market in 2002, NIS Silver Award in 2005 and NIS Gold Award in 2006 and such other awards won till date.

The Company embarked on a third expansion plan which gulped substantial resources and could not be recouped by the business. The non-completion of the expansion projects with lack of working capital and inadequate maintenance of the Plants, forced the Company to close its doors for business for 11 years from 1990.

The re-activated Brewery was officially commissioned in October 2001. In addition, the Company successfully held an Extra-Ordinary General Meeting of its Shareholders during which Approval was given for the authorized Share Capital of the Company to be increased from N 26 million to N 450 million.

In January 2011, Heineken acquired an indirect interest in the Company through its acquisition of Messrs. Montgomery Ventures Incorporated (MVI) of Panama. On 28 December 2011, Consolidated Breweries acquired a 57% equity stake in Champion Breweries which was previously held by Montgomery Ventures Inc. (Panama). In December 2013, the Securities and Exchange Commission approved the sale of Consolidated Breweries holding in the Company to The Raysun Nigeria Limited “Raysun”, a wholly owned subsidiary of Heineken, via a Scheme of

Arrangement. The sale was concluded in December 2013. As a result, Raysun held a 57% equity stake in the Company. Raysun was incorporated in February 2010 as a holding company for Heineken’s Nigerian entities.

With the drive to re-capitalize the Company as well as pay-off her debts, the shareholders approved an increase in the Company’s authorized share capital to N 4.5 Billion in 2014. This provided the opportunity to embark on a Rights Issue for all shareholders and commence the process of a Private Placement for some identified shareholders (The Raysun Nigeria Limited and Akwa Ibom Investment Corporation) in 2014. The successful conclusion of the Rights Issue led to the Company raising the sum of Thirteen Billion, Seven Hundred Million Naira (N13,700,000,000.00) to pay her pending debts.

Champion Breweries has consistently operated with a blend of local content and international best practices and standards. This has resulted in the Company achieving an operational profit in her 2014 results. The Company has become debt-free, attractive to credit and positioned for sustainable growth forthwith.

In 2018, the Company embarked on a Capital Reduction scheme leading to the balance of 8.57 Billion in the Company’s Accumulated Loss account being transferred to the Company’s Share Premium Account as at December 31, 2019. This has paved the path of Company into achieving profitability within a short while.

Champion Breweries Plc still maintains its high-quality Champion Lager Beer brand (with her rebranded Bottle and Labels) and remains a pride to the people of Akwa Ibom and neighboring states within the South-South region of Nigeria. Champ Malta was also re-introduced into the market in 2015 to increase the Company’s brand portfolio and overall volumes.

In 2021, The Raysun Nigeria Limited acquired additional shares duly increasing her shareholding to 84.71%. In line with regulatory requirements, The Raysun Nigeria Limited undertook a Mandatory Takeover Bid for 1,196,799,164 ordinary shares representing the 15.3% equity stake in the Company. This resulted to an increase of The Raysun Nigeria Limited’s shareholding to 86.34% in the Company.

With a resilient Board, workforce, and business stakeholders, Champion Breweries Plc has successfully changed her narrative from loss to profitability in recent years.



CORPORATE GOVERNANCE

FINANCIAL HIGHLIGHTS

For The Year Ended 31st December 2022

	2022	Restated 2021
	N 000	N 000
Revenue	12,288,893	9,559,079
Operating Profit	2,271,277	1,827,474
Profit before tax	2,248,908	1,842,177
Income tax expense	(662,930)	(768,784)
Profit	1,585,978	1,073,393
Other comprehensive loss net of tax	(25,587)	192,416
Total comprehensive income for the year	1,560,391	1,265,809
Stock Exchange Information:		
Stock Exchange quotation in Naira per share	2.35	2.35
Number of shares issued (in millions)	7,830	7,830
Market capitalization (in millions)	43,062	18,399

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **47th Annual General Meeting** of **Champion Breweries PLC** will be held by proxy on **Wednesday, 12th July 2023** at **Oriental Hotel, 3 Lekki Road, Victoria Island, Lagos** at 12.00 noon to:

ORDINARY BUSINESS

1. Lay before members, the audited financial statements for the year ended December 31, 2022 and the Directors', Auditors' and Audit Committee's Reports thereon.
2. To elect and re-elect Directors including Mrs Helen Umanah, who will attain the age 70 years old in 2023, special notice to that effect having been received by the Company in accordance with Section 282 of the Companies and Allied Matters Act, 2020.
3. To authorize the Directors to fix the remuneration of the Auditors.
4. Elect/re-elect shareholders' representatives on the Audit Committee.

B SPECIAL BUSINESS

5. To approve the remuneration of Directors.
6. To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company;
"That a general mandate be and is hereby given to the Company to enter into recurrent transactions with related parties for the Company's day-to-day operations, including the procurement of goods and services, on normal commercial terms."

VOTING BY INTERESTED PERSONS:

In line with the provisions of Rule 20.8(h) Rules Governing Related Party Transaction of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives, or associates shall abstain from voting on resolution 6 above.

NOTE:

1. PROXIES

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on a show of hands. A Proxy need not be a member of the Company. A form for proxy is supplied with the notices circulated to members and if it is to be valid for the purpose of the meeting, it must be duly completed, stamped and deposited at the office of the Registrars to Champion Breweries Plc, Africa Prudential Registrars Plc, 220 B, Ikorodu Road, Palmgrove, Lagos not less than 48 hours before the time of the meeting.

A Shareholder entitled to attend and vote at the Meeting can appoint a proxy to attend and vote in his/her/its stead. The proxy needs not be a shareholder. Consequently, Members are required to appoint a proxy of their choice to represent them at the Meeting.

A form for proxy is supplied with the notices circulated to members and if it is to be valid for the purpose of the meeting, it must be duly completed, stamped and deposited at the office of the Registrars to Champion

Breweries Plc, Africa Prudential Registrars Plc, 220 B, Ikorodu Road, Palmgrove, Lagos or sent by e-mail to cxc@africaprudential.com not less than 48 hours before the time of the meeting. The Company shall bear the cost of the stamp duty payable on this Proxy Form.

2. NOMINATION OF MEMBERS OF THE AUDIT COMMITTEE

Any member of the Company may nominate a Shareholder as a member of the Audit Committee of the Company by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

3. CLOSURE OF REGISTER

The Register of Members shall be closed from Tuesday, June 13th, 2023 for the purpose of updating the Register.

4. RIGHT TO ASK QUESTIONS

In line with Rule 19.12, The Rule Book of The Exchange, 2015, Part 11, Issuers' Rules. Shareholders of the Company have the right to ask questions not only at the Annual General Meeting but also in writing prior to the meeting. Written questions must be submitted to the Company Secretary, at least 48 hours days before the Annual General Meeting at INDUSTRIAL LAYOUT, AKA OFFOT, UYO, AKWA IBOM STATE Nigeria or by email at info@championbreweries.com or info@victoriachmabers.com.ng

5. ELECTRONIC VERSION OF THE ANNUAL REPORT AND ACCOUNTS

Electronic versions of the 2022 Annual Report and Accounts are available online for viewing and download via the Company's website, www.championbreweries.com and that of the Registrar, www.africaprudential.com

6. LIVE STREAMING OF THE AGM

The AGM will be streamed live online. This will enable Shareholders and other relevant Stakeholders who will not be attending the meeting physically to also be part of the proceedings. The link for the live streaming will be made available on the Company's website: www.championbreweries.com and by the Registrar, in due course.

Dated 04th May 2023.

By Order of the Board

Chief Tosan Atle Aiboni

Company Secretary/Legal Adviser
FRC No: FRC/2014/NBA/00000006228
Registered Office:
Industrial Layout,
Aka Offot, Uyo, Akwa Ibom State.



CHAIRMAN'S STATEMENT



Dr. Elijah Akpan - Chairman

CHAIRMAN'S STATEMENT

My esteemed shareholders, members of the Board of Directors, invited guests, ladies and gentlemen. In gratitude to God Almighty, I welcome you to the 47th Annual General Meeting of our Company, Champion Breweries Plc. Indeed, this has been a challenging but successful journey for us all globally and locally thus far.

Let me start by taking you through a review of the year 2022 operating environment and its impact on businesses as well as a brief outlook for the year 2023.

Business Environment Review 2022

The global business environment in the year 2022 was characterized by a mix of challenges and opportunities for the brewing industry. As the world continued to recover from the effects of the global pandemic, the brewing sector demonstrated resilience and adaptability. Despite ongoing uncertainties, the industry experienced a gradual rebound as consumer confidence grew and restrictions were gradually lifted.

The Russian and Ukrainian War had geopolitical and economic implications globally. While the direct impact on the brewing industry in Nigeria was limited, we closely monitored the situation due to potential ripple effects on global supply chains, commodity prices, and geopolitical stability. Our proactive approach allowed us to mitigate any disruptions and maintain continuity in our operations.

The global purchase of raw materials and supply for the brewing industry in Nigeria remained a critical aspect of our operations in 2022. We actively managed our supply chains, and forged strong partnerships with suppliers, whilst exploring alternative sourcing options to ensure a reliable supply of high-quality raw materials. This allowed us to meet consumer demand and maintain the quality and consistency of our products.

The Company closely monitored global trends and adjusted its strategies accordingly to ensure we met the evolving demands of our target market. While the recovery was not uniform across all regions and countries, emerging markets within the sales territory showed promising growth potential, while some developed economies faced lingering uncertainties.

Within Nigeria, the brewing industry and manufacturing sector at large faced both challenges and opportunities in 2022. The industry witnessed a modest recovery as

key sectors of the Nigerian economy, such as agriculture, manufacturing, and services, showed signs of improvement. However, inflationary pressures, currency fluctuations, and infrastructure gaps posed significant challenges for businesses, including our dear Company.

In response to these challenges, we pursued operational efficiency initiatives, optimized our supply chain, and strengthened our distribution networks. Through these efforts, we mitigated the impact of these challenges and maintained our commitment to delivering value to our shareholders and stakeholders.

Throughout 2022, the Company navigated various tax implications, including changes in tax policies and regulations. We remained proactive in ensuring compliance with all tax obligations while optimizing our tax planning strategies to minimize any adverse effects on our business operations.

Insecurity concerns, including the activities of bandits and theft, as well as the 'sit at home order' enforced in the south eastern region continued to pose serious challenges towards business development and growth. These security challenges have disrupted supply chains, affected transportation, and heightened uncertainties for businesses.

The Company implemented robust security measures to safeguard our operations and assets. We have worked closely with relevant authorities and security agencies to address these challenges and ensure the safety of our employees and facilities. However, we recognize that sustained efforts are required from all stakeholders to create a secure and conducive business environment.

The Central Bank of Nigeria's (CBN) Forex policies and the introduction of new Nigerian Naira notes had an impact on our operations. We closely monitored and adapted to these policies to ensure the stability of our supply chain and manage currency risks effectively.

In the Nigerian Exchange Limited ("NGX") report for 2022, it is gratifying to note that the NGX All Share Index

“ *In response to these challenges, we pursued operational efficiency initiatives, optimized our supply chain, and strengthened our distribution networks. Through these efforts, we mitigated the impact of these challenges and maintained our commitment to delivering value to our shareholders and stakeholders.* **”**

CHAIRMAN'S STATEMENT

experienced substantial growth, increasing by 20% during the year. This growth is particularly commendable considering the challenges posed by foreign portfolio outflows. Despite this, the equities market capitalization exhibited significant growth, expanding by 25%, primarily driven by the addition of several new listings.

I am pleased to inform you that Champion Breweries experienced significant growth in market capitalization during 2022. At the end of the year, our market capitalization stood at N32.9 Billion, compared to 18.4 Billion at the end of the previous year. This represents a remarkable increase and underscores the market's recognition of our company's value and potential.

This achievement is a result of our focused efforts to drive growth, improve operational efficiency, and enhance shareholder value. We have continued to invest in our brands, expand our product portfolio, and strengthen our market presence. Additionally, our commitment to delivering high-quality products and excellent customer service has garnered the trust and loyalty of our valued customers.

As we move forward, we remain dedicated to capitalizing on market opportunities and pursuing strategies that will further enhance our market capitalization. We are determined to build on our success, drive sustainable growth, and continue to deliver value to our shareholders.

Operating Results and Performance.

I am delighted to report that Champion Breweries has continued its journey towards profitability during the reporting year. The company has shown positive performance across various financial indicators.

Firstly, there has been a notable increase in revenue, with an additional N2.7 billion compared to the previous year. This growth in revenue reflects the successful execution of business strategies, market demand, and potentially expanding customer base.

Additionally, the operating profit has experienced significant growth, rising to N2.3 billion. This indicates improved operational efficiency, effective cost management, or other favourable factors contributing to the company's profitability.

Furthermore, the profit after tax has shown a considerable increase, reaching N1.58 billion. This demonstrates the company's ability to generate sustainable profits and create value for its stakeholders.

It is particularly noteworthy to mention that the company has overcome the challenges of sustained losses that persisted for over the years. This achievement signifies a significant milestone for Champion Breweries PLC, highlighting the successful implementation of strategic initiatives and efforts to turn the business around.

The positive operating results and improved financial performance are indicative of the company's dedication and resilience. It also reflects the collective efforts of the management team, employees, and stakeholders in driving growth and profitability.

Board Matters

There were no changes in the Board within the year under review. I am pleased to inform you that all three Directors retiring by rotation have offered themselves for re-election. Each Director has made valuable contributions to the company, and their re-election would ensure continuity of their expertise, experience, and guidance on the Board.

Mr. Frederik Williem Kurt brings extensive knowledge of the brewing industry and has played a significant role in Champion Breweries' growth and development. His strategic insights and leadership have been instrumental in shaping our success.

Mr. Thompson S. B. Owoka has demonstrated exemplary leadership skills and a deep understanding of the Nigerian business landscape. His expertise in corporate governance and financial management has greatly contributed to Champion Breweries' governance framework.

Mrs Helen Umanah, has served as a representative of the minority shareholders and her contributions have played a crucial role in ensuring well-rounded decision-making and governance. In compliance with Section 282 of the Companies and Allied Matters Act 2020, special notice is hereby given to the effect that Mrs. Helen Umanah would be 70 years old in July 2023.

“Firstly, there has been a notable increase in revenue, with an additional N2.7 billion compared to the previous year. This growth in revenue reflects the successful execution of business strategies, market demand, and potentially expanding customer base.”

CHAIRMAN'S STATEMENT

The re-election of these Directors will be put forth for your approval at the upcoming Annual General Meeting. I urge you, as valued shareholders, to exercise your voting rights and support the re-election of these Directors, as their continued presence on the Board will contribute to the long-term success and sustainability of Champion Breweries.

2023 Future Outlook of the Business Environment

Looking ahead to 2023, we anticipate a dynamic and evolving business environment globally and within Nigeria. The world will continue to adapt to the post-pandemic reality, characterized by accelerated digitalization, evolving consumer behaviour, and the pursuit of sustainable practices.

With the just concluded presidential elections, the swearing-in and inaugural speech of the President regarding the subsidy on Premium Motor Spirit (PMS) indicates the government's determination to discontinue the subsidy after the first five months of the year. While this decision may help reduce the government's costs, it is likely to have an adverse effect on consumer purchasing power. As the subsidy is removed, the price of PMS may increase, putting additional pressure on consumers' budgets and potentially affecting their ability to spend on other goods and services.

We however expect the government to intensify efforts to address security challenges, create an enabling business environment, and promote economic growth. We will remain proactive in navigating any uncertainties and leveraging opportunities to drive sustainable growth and value for our shareholders.

Conclusion

On behalf of the Board of Directors, I would like to express our sincere appreciation to the management and employees of Champion Breweries PLC for their hard work, dedication, and resilience in driving the company's growth. It is through their efforts that we have achieved the successes we celebrate today.

I would also like to extend my gratitude to my esteemed colleagues on the Board for their invaluable contributions, unwavering support, and guidance. Our collective efforts have provided the necessary direction and support to the management team, enabling them to effectively navigate challenges and capitalize on opportunities.

I would also like to acknowledge and express our gratitude to The Raysun Nigeria Limited for their continuous deployment of managerial and technical support to our company. Their expertise and partnership have been instrumental in our growth and success. We are grateful for their ongoing commitment.

Furthermore, I would like to extend our appreciation to the Akwa Ibom State Government, our host government, for providing a peaceful and business-conducive environment for our operations. Their leadership and support have been integral to our ability to thrive and contribute to the local economy.

Last but not least, I want to express my heartfelt gratitude to you, our dear shareholders. Your unwavering faith, trust, and continuous support have been vital in driving our achievements thus far. Your commitment to the company is deeply valued, and we remain dedicated to delivering sustainable growth and value for your investments.

As we move forward, we will continue to prioritize your interests, uphold the highest standards of corporate governance, and work tirelessly to enhance shareholder value. Together, we will build upon our successes and seize new opportunities in the dynamic and competitive brewing industry.

Thank you once again for your trust, support, and belief in Champion Breweries PLC.



Dr. Elijah Akpan

“ *I would also like to extend my gratitude to my esteemed colleagues on the Board for their invaluable contributions, unwavering support, and guidance. Our collective efforts have provided the necessary direction and support to the management team, enabling them to effectively navigate challenges and capitalize on opportunities.* **”**

DIRECTORS' REPORT

For The Year Ended 31st December 2022

The Directors are pleased to present the annual report of Champion Breweries Plc ("the Company"), together with the independent auditor's report for the year ended 31 December 2022.

Legal Form and Principal Activity

The Company was incorporated in Nigeria as a limited liability company on 31 July 1974 and was later converted to a public limited liability company on 1 September 1992. The Company's principal activities continue to be brewing and packaging of Champion Lager Beer and Champ Malta as well as the provision of contract brewing services to Nigerian Breweries Plc, a related party within the Heineken group of the Netherlands, the ultimate parent. The immediate parent Company is The Raysun Nigeria Limited, a Company incorporated in Nigeria.

Operating Results

In 2022, the results of the Company were favorably impacted by increased sales volume during the period. A summary of the Company's operating results is shown below:

	2022	Restated 2021
	N'000	N'000
Revenue	12,288,893	9,559,079
Operating profit	2,271,277	1,827,474
Profit before tax	2,248,908	1,842,177
Income tax expense	(662,930)	(768,784)
Profit after income tax	1,585,978	1,073,393
Other comprehensive income/(loss), net of tax	(25,587)	192,416

Dividend

The Directors did not recommend any dividend during the year (2021: Nil).

Board of Directors

The Directors are responsible for oversight of the business, long-term strategy and objectives, and oversight of the Company's risks. The Directors are also responsible for evaluating and directing the implementation of the Company's controls and procedures including, in particular, maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets.

Directors and their Interests

The names of directors who held office during the year as well as their interest in the issued shares of the Company as recorded in the Register of Members and / or notified by the Directors in compliance with Section 301 of the Companies and Allied Matters Act, 2020 were as follows:

	2022	2021
	Number of Ordinary Shares	
Dr. Elijah Akpan (Chairman)**	-	-
Mr. Georgios Polymenakos (Greek) (Managing Director) *	-	-
Mr. Thompson Owoka**	500,000	500,000
Alhaji Shuaibu Ottan**	165,916	165,916
Mrs. Helen Umanah**	8,110	8,110
Mr. Olufunminiyi Alabi**	-	-
Mr. Samson Aigbedo**	-	-
Mr. Kevin James Albert Santry (British)**	-	-
Mr. Frederik Williem Kurt Linck (Dutch)**	-	-

*Executive Director

** Non-executive Director

DIRECTORS' REPORT

For The Year Ended 31st December 2022

In accordance with Section 303 of the Companies and Allied Matters Act, 2020, none of the Directors notified the Company of any declarable interest in any contract in which the Company was involved during the year under review (2021: Nil).

Analysis of Shareholding

As at prior and current reporting dates, the Company's ordinary shares were held as follows:

		2022			2021	
	%	Ordinary shares of 50k each Number '000	Share capital N '000	%	Ordinary shares of 50k each Number '000	Share capital N '000
The Raysun Nigeria Limited*	86.4	6,761,283	3,380,641	84.7	6,632,918	3,316,459
Akwa Ibom Investment Corporation	10.1	787,407	329,757	10.1	787,407	393,704
Other shareholders.	3.5	280,806	204,350	5.2	409,171	204,585
	100	7,829,496	3,914,748	100	7,829,496	3,914,748

On 2nd January 2022, The Securities and Exchange Commission (SEC) gave authority to The Raysun Nigeria Limited to proceed with the Mandatory Takeover Offer (MTO), for the 1,196,799,164 minority shares of the Company at N2.60 per share. Based on the MTO The Raysun Nigeria Limited acquired additional 128,365,129 ordinary shares from the minority shareholders.

Property, Plant and Equipment

Information relating to movement in property, plant and equipment during the year is disclosed in Note 11 to the financial statements.

Donations and sponsorship

The Company gave donations and provided sponsorship as follows:

	2022	2021
	N '000	N '000
Community Bursary Award	3,600	-
Donation to schools (Desks, Chairs and Books)	8,372	-
Donation of exercise books	2,922	-
Sponsorship of sports tournament	215	400
Sponsorship of beauty pageant	1,000	1,000
Donation to Manufacturers Association of Nigeria	200	100
	16,309	1,500

In accordance with Section 43(2) of the Companies and Allied Matters Act, 2020 ("CAMA"), the Company did not make any donation or give gifts to any political party, political association or for any political purpose during the year (2021: Nil).

Business Review and Future Development

The Company intends to continue the fulfilment of its objectives as indicated in its Memorandum and Articles of Association.

Corporate Governance

The Directors are committed to ensuring that best practices in corporate governance are adopted in all areas of the Company's business. The Company's policies on corporate governance are continually reviewed with focus on high ethical standards of transparency, integrity, accountability and honesty. The Board continues to formulate policies aimed at creating a well-positioned Company that is keen on constantly harmonizing the interests of various stakeholders to the business.

Code of Business Conduct

The Company has in place a Code of Business Conduct ('the Code') which provides guidance to all its users on the importance of high ethical values in sustainable business growth. The Code is subscribed to by all members of the Board of Directors and all employees of the Company.

Distribution of Company's Products

The Company's products are sold by distributors within the country. The list containing names of such distributors is available at the Commercial Department of the Company.

Employment and Employees

(a) *Employment of physically challenged persons*

It is the policy of the Company that there should be no discrimination in considering applications for employment, including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. There was no physically challenged person in employment as at reporting date (2021: Nil).

(b) *Employee training and consultation:*

The Company is committed to keeping employees fully informed as far as possible regarding the Company's performance and seeking employees' views when necessary.

In-house and external training and development programs are organized for employees to meet the Company's growth strategy.

The Company continues to place premium on its Human Capital Development arising from the fact that this would ensure improved efficiency of the business and maintain strategic advantage over competition.

(c) *Health, safety at work and welfare of employees*

The Company maintains a clinic within the brewery which provide medical services to employees. Severe medical conditions are referred to designated hospitals whose services are retained by the Company through its health management organization. Such hospitals are located in areas within the convenient reach of employees.

The Company ensures that safety standards, procedures and regulations are in place in all locations of the Company through clear policies and employees are well informed about compliance with and development of safety regulations.

The Company has a canteen where employees are served good and nutritious meals on a daily basis.

DIRECTORS' REPORT

For The Year Ended 31st December 2022

Independent Auditors

Deloitte & Touche Nigeria was appointed by the Board at the 2022 annual general meeting as the Company's Independent Auditors. The SEC Code of Corporate Governance requires that Independent Auditors be retained for ten years; thus, Deloitte & Touche will continue in office as the Company's Independent Auditors for the next 10 years.

By Order of the Board



Chief Tosan Atle Aiboni
Company Secretary
FRC/2014/NBA/00000006228
6 April 2023





Sustainability and Corporate Social Responsibility Report

At Champion Breweries Plc, we consider sustainability a key element of our business strategy. Our sustainability strategies are driven by the Heineken's Brewing a Better World (BaBW) agenda.

In 2022, we enhanced our efforts towards our commitment to protect the planet, through initiatives that reduces our carbon emissions and effectively managing our wastes.



We commenced the drastic reduction of our carbon footprint by heavily investing in electric forklift machines, curbing our carbon emission to a significant decrease.

At the end of 2022, our zero-waste-to-landfill plan ended at 90.87%. We partnered and educated farmers in Akwa Ibom state on the use and benefits of autolyzed yeast for livestock feeding and the production of compost from spent keiselghur for soil fertilization.

Additionally, to stern our commitment towards the promotion of diversity and inclusion in our workplace, we launched the maiden edition of the Champion Breweries Cultural Day Celebration in commemoration of Nigeria Independence Day. It was an event that brought everyone at Champion Breweries together in different native/cultural outfits to celebrate One Nation. We also ensured that our people managers were trained in diversity and inclusion leadership practices, while also cascading it down to other levels of the business to build a workforce that is resilient and have the feeling of being accepted in the team.



We also embarked on the campaign against drug abuse and moderate consumption of our brands.



As an organization that cares for its people, we also collaborated with Federal Road Safety Corps to provide intensive trainings on defensive driving, and several other focus areas, as part of our efforts to reduce road accidents and promote good use of the roads.

We impacted our communities positively through various initiatives and projects with focus on Education and Health. Some of which are;

- The donation of thousands of exercise books, desks and chairs for pupils and teachers across schools in Uyo, Akwa Ibom State
- Payment of bursary to students in tertiary institutions from our host community
- Collaboration with the OSHA UK, in an advocacy program to provide fire extinguishers to public schools in Akwa Ibom State
- Sponsorship of Spelling Bees competition
- As part of our social responsibility to our host community, we also sponsored the Annual Aka Youth Unity Cup Competition.



Donation of school materials to schools in Akwa Ibom State



Career talk show at the host community school



Donation of Fire Extinguishers to OSHA, UK, A'Ibom branch

As a responsible organization, we will build on these achievements and efforts to promote a more inclusive workforce and continue to show care for our communities, our consumers, and the planet. We are also introducing more creative ways to minimize environmental impacts and enhance our efforts against carbon footprints.

BOARD OF DIRECTORS



Dr. Elijah W. Akpan
CHAIRMAN

Dr. Elijah W. Akpan is the Chairman of Champion Breweries Plc. He holds a Pharm. D (Doctor of Pharmacy) degree from the University of Southern California (1993). He joined the Board of Champion Breweries in October 2015 sequel to his appointment as Chairman of Akwa Ibom Investment Corporation.

Dr. Akpan is in charge of all Investments and Businesses, wholly or partially owned by the Akwa Ibom State Government. He currently serves on several Boards representing the interest of the Akwa Ibom State Government.

He is a member/fellow of numerous professional and chartered bodies as well as a recipient of various Honours.

He joined the Board on 22nd October 2015.



Mr. Georgios Polymenakos
MANAGING DIRECTOR

Mr. Georgios Polymenakos is the Managing Director of Champion Breweries Plc. He has 22 years' experience in FMCGs mostly in Coca-Cola system but also in Snacks & Confectionery and Premium Spirits.

He started his career in Sales and Marketing and for the last 10 years, he held GM/MD positions in Russia and Nigeria. In Nigeria, he was the MD of NBC. He has a B.Sc. in Business Administration and an MBA from the University of Wales.

He joined the company on January 6, 2020.



Mr. Samson E. Aigbedo
DIRECTOR

Mr. Samson E. Aigbedo is a Non-Executive Director of Champion Breweries Plc. He holds a bachelor's degree in Biochemistry from the University of Ilorin, Nigeria (1981). He joined Heineken in 1982 in the Technological and Production Department, where he held several roles with increasing responsibility within the supply chain division until his retirement in 2019. He joined the Board of Champion Breweries Plc in December 2015.

BOARD OF DIRECTORS (cont'd)



Alhaji Shuaibu A. Ottan
DIRECTOR

Alhaji Shuaibu A. Ottan is an Independent Non-Executive Director of Champion Breweries Plc. He holds a bachelor's degree in Economics from Ahmadu Bello University, Zaria (1980). His work experiences include Commercial Officer, Kwara Ministry of Commerce and Industry, and the Nigerian Industrial Development Bank Limited (now Bank of Industry), where he worked for 31 years before his retirement in June 2013 as Head of Southern Operations of the Bank's SME Directorate.

Alhaji Ottan is currently engaged in the provision of business development and consulting services in the areas of Project Management, Fund S o u r c l n g, I n s o l v e n c y a n d Manpower Development as the Chief Executive Officer of First Fiducia Projects Limited. He also chairs the Board of Directors of Powersave Engineering Company Limited and Shaybis Nigeria Limited which are notable players in power conservation and renewable energy businesses in Nigeria.

He joined the Board of Champion Breweries Plc on 14 February 1998



Mr. Frederik Williem Kurt
DIRECTOR

Mr. Frederik Willem Kurt Linck is a Non-Executive Director of Champion Breweries Plc.

He possesses a Master's Degree in Business Economics from the Erasmus University, Rotterdam, Netherlands.

Mr. Linck has had a successful career in General Management and Leadership which has spanned for over 29 years. He joined the Heineken Group in 1995 and is currently the Managing Director Export Africa, Middle East and Central Asia.

His appointment as a Director of the Company is effective January 1, 2020.



Mr. Thompson S. B. Owoka
DIRECTOR

Mr. Thompson S. B. Owoka is a Non-Executive Director of Champion Breweries Plc. He holds a Higher National Diploma in Accountancy from Yaba College of Technology, Lagos (1986) and is a Fellow of the Institute of Chartered Accountants of Nigeria (ACA 1989 and FCA 1999).

Mr. Owoka retired as a Public Affairs Manager of Nigerian Breweries Plc in 2015. He was the Acting Managing Director of Champion Breweries Plc and Executive Director of Sona Breweries Plc and currently seats on numerous Boards which include SuperBru Ltd, Jos International Breweries Plc and West African Glass Industries Plc, Covenant University etc.

He joined the Board of Champion Breweries Plc in 2000.

BOARD OF DIRECTORS (cont'd)



Mr. Olufunmiyi Alabi
DIRECTOR

Mr. Olufunmiyi Alabi is a Non-Executive Director of Champion Breweries Plc. He possesses a Bachelor's degree in Food Technology from the University of Ibadan (1981).

Mr. Alabi has over 32 years of experience in Human Resources Management, mostly in multinational companies. He commenced his Human Resources career in 1982 at the Industrial Training Fund as a Training Development Officer, further worked in various capacities at FrieslandCampina WAMCO Nigeria Plc, and retired from Nigerian Breweries Plc.

He joined the Board of Champion Breweries Plc in 2016.



Mr. Kevin Albert Santry
DIRECTOR

Mr. Kevin Albert Santry is a Non-Executive Director of Champion Breweries Plc.

He is currently the Regional Legal Counsel Africa Middle East to Heineken Group. He has provided Legal Support to various operating companies of Heineken globally and joined the Heineken Group in 2008.

Mr. Santry commenced his legal career at a leading international law firm in New York (Linklaters). He grew as a M&A Legal Counsel in some global leading international law firms and beverage companies till his current role in Heineken.

His appointment as a Director is effective January 1, 2020.



Mrs. Helen A. Umanah
DIRECTOR

Mrs. Helen A. Umanah is a Non-Executive Director of Champion Breweries Plc. She has performed various roles in the Petroleum Industry and diplomatic community within Nigeria and abroad. She was a shareholder member of the Audit Committee of Champion Breweries till May 2015.

Mrs. Umanah joined the Board of Champion Breweries Plc in December 2015 duly representing minority shareholders.



Chief Tosan Atle Aiboni
SECRETARY

Chief Tosan Atle Aiboni was appointed as Company Secretary/ Legal Adviser on 13 June 2013. He was called to the Nigerian Bar in 2002.

He worked in the public sector as Senior Legal Officer (National Commission for Museums & Monuments). He later moved into private practice as a Partner of a private legal firm (Victoria Chambers). He also worked at the legacy Consolidated Breweries Plc as the Legal Manager, appointed as the Company Secretary/Legal Adviser of Benue Bottling Company Limited and became the Legal Manager – Operations of Nigerian Breweries Plc (sequel to the merger between Consolidated Breweries Plc and Nigerian Breweries Plc in 2015).

Chief Tosan Aiboni has gone back to private practice and rejoined Victoria Chambers as a Partner.

CORPORATE GOVERNANCE REPORT

Champion Breweries Plc adopts a responsible attitude towards corporate governance. The Board is in compliance with the Code of Corporate Governance for Public Companies in Nigeria (“the Code”) release by the Securities & Exchange Commission in 2011. The Board endeavors to ensure that the Company is in compliance with the provisions of the Code or disclose our inability to comply.

The Board is committed to implementing the corporate governance principles and guidelines contained in the Nigerian Code of Corporate Governance, 2018 (“NCCG”) released by the Financial Reporting Council of Nigeria, the Securities and Exchange Commission’s Corporate Governance Guidelines issued in October 2020 and the Companies and Allied Matters Act, 2020.

The Board convened the minimum required number of meetings as provided by the Code.

The Board of Directors

The Board comprises of Nine Non-Executive Directors, One Independent Non-Executive Director and One Executive Director. The Directors held four Board meetings in the year under review. Details of the meetings are as follows:

- a. February 24, 2022
- b. March 4, 2022
- c. July 28, 2022
- d. October 25, 2022
- e. December 8, 2022

The record of attendance of members at the meetings is set out below:

Name	No. of Meetings Held	No. of Meetings Attended
1. Dr. Elijah W. Akpan	5	5
2. Mr. Georgios Polygmenakos	5	5
3. Mr. Samson Aigbedo	5	5
4. Mr. Olufunminiyi Alabi	5	5
5. Mr. Frederik Williem Kurt	5	4
6. Mr. Thompson S. B. Owoka	5	5
7. Alhaji Shuaibu A. Ottan	5	5
8. Mr. Kevin Albert Santry	5	5
9. Mrs. Helen Umanah	5	5

Board Committees:

- i. Governance/Remuneration Committee: The Committee comprises of six Non-Executive Directors. The Governance/Remuneration Committee held three meetings in the year under review. Details of the meetings are as follows:
 - a) March 23, 2022
 - b) July 27, 2022
 - c) October 20, 2022
 - d) December 6, 2022

The record of attendance of members at the meeting is set out below:

Name	No. of Meetings Held	No. of Meetings Attended
a) Alhaji Shuaibu A. Ottan	4	3
b) Mr. Olufunminiyi Alabi	4	4
c) Mr. Samson Aigbedo	4	4
d) Mr. Kevin Albert Santry	4	4

CORPORATE GOVERNANCE REPORT (CONT'D)

- ii. **Risk Management Committee:** The Committee comprises of five Non-Executive Directors and one Executive Director.

The Risk Management Committee held three meetings in the year under review. Details of the meetings are as follows:

- a) March 23, 2022
- b) July 27, 2022
- c) October 20, 2022
- d) December 7, 2022

The record of attendance of members at the meeting is set out below:

Name	No. of Meetings Held	No. of Meetings Attended
a) Mr. Frederik Williem Kurt	3	3
b) Mr. Georgios Polygmenakos	3	3
c) Mr. Thompson S. B. Owoka	3	3
d) Alhaji Shuaibu A. Ottan	3	3
e) Mrs. Helen Umanah	3	3

REGULATIONS FOR DEALING IN SHARES

Champion Breweries Plc has in place Regulations to guide the Board and other employees when effecting transactions in the Company's shares. The Company's Regulations for Dealing in Shares and other Securities provide amongst others, the periods when transactions are not allowed to be effected on the Company's shares as well as disclosure requirements upon effecting such transactions. All concerned are obliged to observe the provisions of the Regulations when dealing in the Company's shares.

INCORPORATION AND SHARE CAPITAL HISTORY

Champion Breweries was incorporated as a limited liability company on 31 July 1974 with a share capital of N=1,900,000 and was converted to a public limited liability company on 01 May 1992. The Company currently has an authorized share capital of N=4,500,000,000 comprising 9,000,000,000 ordinary shares of 50 kobo each, and an issued share capital of N=360,000,000,000 comprising 7,200,000,000 ordinary shares of 50 kobo each. The changes in the share capital of Champion Breweries since inception are summarized below:

Year	Authorized (₦)		Issued & Fully Paid-up (₦)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1974	0	1,900,000	1,900,000	1,900,000	Cash
1976	550,000	2,450,000	220,007	2,120,007	Cash
1977	0	2,450,000	269,993	2,390,000	Cash
1978	4,050,000	6,500,000	2,392,344	4,782,344	Cash
1979	0	6,500,000	1,476,150	6,258,494	Cash
1981	8,500,000	15,000,000	13,129,247	19,387,741	Cash
1983	11,000,000	26,000,000	0	19,387,741	Cash
2001	424,000,00	450,000,000	0	19,387,741	Cash
2003	1,550,000,00	2,000,000,000	430,612,259	450,000,000	Cash
2014	2,500,000,00	4,500,000,000	0	450,000,000	Cash

CORPORATE GOVERNANCE REPORT (CONT'D)

DISCLOSURE OF REMUNERATION OF MANAGERS

As part of the requirement of section 257 of CAMA, included in the personnel cost (Note 9 b i) are remuneration of Managers who for this purpose are part of the Executive Management Team of the company as summarized below:

2022	2021
N.000	N'000
	215,749

We confirm that the Company has the following policies in place the following:

- i. Securities Trading Policy which is in compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule), which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares.
- ii. Complaints Management Policy Framework in compliance with the Securities & Exchange Commission's rule which became effective in February 2015. The guideline provides that all Capital Market Operators should develop a Complaints Policy Framework on how to resolve complaints arising from issues covered under the Investments and Securities Act, 2007 (ISA).

OWNERSHIP STRUCTURE

As at 31 December 2022, the 7,829,496,464 ordinary shares of 50 kobo each in the issued share capital of Champion Breweries were beneficially held as follows:

S/N	NAME	HOLDING N000	%
1	RAYSUN NIGERIA LIMITED	6,761,282,918	86.36
3	AKWA IBOM STATE GOVERNMENT	787,406,781	10.06
4	Other Shareholders	280,806,765	3.58

Aside from the names listed therein, no other person(s) hold(s) 5% and above of the issued and fully paid shares of the Company.

DISCLOSURE OF INTEREST

The interests of the Directors of Champion Breweries in the issued share capital of the Company as at 31, December 2022 were as follows:

Name	2022		2021	
	Direct	Indirect	Direct	Indirect
Dr. Elijah W. Akpan	-	-	-	-
Mr. Georgios Polymenakos	-	-	-	-
Mr. Samson Aigbedo	-	-	-	-
Mr. Olufunminiyi Alabi	-	-	-	-
Mr. Marinus J. A. Gabriels	-	-	-	-
Mr. Thompson S. B. Owoka	500,000	-	500,000	-
Alhaji Shuaibu A. Ottan	165,916	-	165,916	-
Mr. Hendrik van Rooijen	-	-	-	-
Mrs. Helen Umanah	8,110	-	8,110	-

CORPORATE GOVERNANCE REPORT (CONT'D)

SHAREHOLDING STRUCTURE/FREE FLOAT STATUS

Description	2021		2022	
	Units	Percentage	Units	Percentage
Issued Share Capital	7,829,496,464	100%	7,829,496,464	100%
Substantial Shareholdings (5% and above)				
Raysun Nigeria Limited	6,761,282,918	86.36%	6,632,697,300	84.71%
Akwa Ibom Investment Corporation	787,406,781	10.06%	659,513,396	8.42%
Total Substantial Shareholdings	7,548,689,699	96.41%	7,292,210,696	93.13%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Dr. Elijah Akpan	-	-	-	-
Mr. Georgios Polygmenakos	-	-	-	-
Mr. Olufunmiyi Alabi	-	-	-	-
Mr. Frederik Williem Kurt	-	-	-	-
Mr. Thompson S. B. Owoka (Direct)	500,000	0.01	500,000	0.01
Alhaji Shuaibu A. Ottan (Direct)	165,916	0.00	165,916	0.00%
Mr. Kevin Albert Santry	-	-	-	-
Mrs. Helen Umanah (Direct)	8,110	0.00%	8,110	0.00%
Total Directors' Shareholdings	674,026	0.01	674,026	0.01%
Other Influential Shareholdings				
				0.00%
Total Other Influential Shareholdings			0	0.00%
Free Float in Units and Percentage	280,132,739	3.58%	536,611,742	6.86%
Free Float in Value	N1,540,730,065		N 1,126,884,658.20	

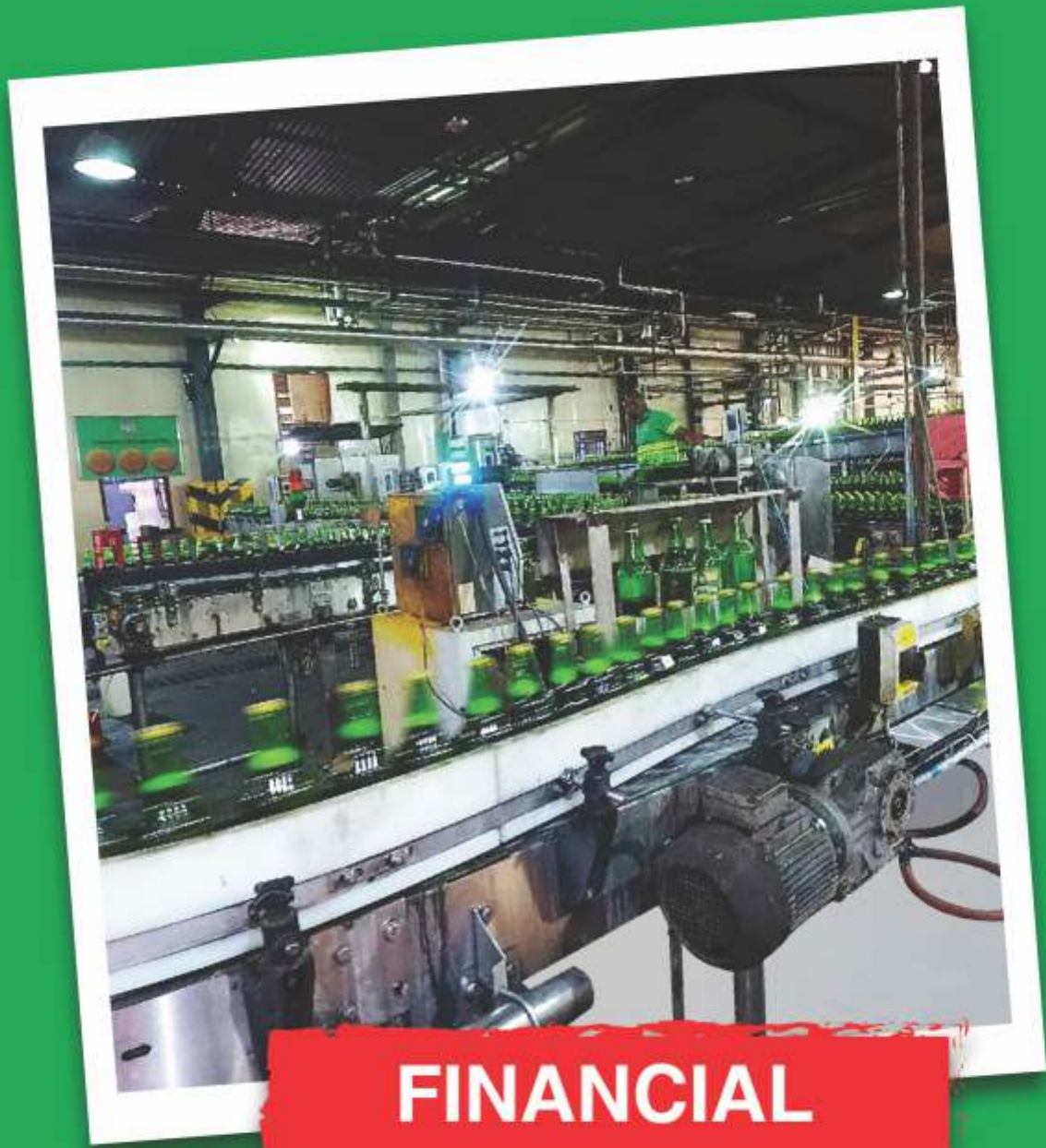
Declaration:

(A) Champion Breweries Plc with a free float percentage of **3.58%** as at 31 December 2022, is not compliant with The Exchange's free float requirements for companies listed on the Main Board.

(B) Champion Breweries Plc with a free float value of **N1,540,730,065** as at 31 December 2022, is not compliant with The Exchange's free float requirements for companies listed on the Main Board.

CONTRAVENTION/PENALTY

There was no contravention or penalty imposed on the Company within the reporting year.



FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the preparation and approval of the financial statements

The Directors of Champion Breweries plc accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Company as at 31 December 2022, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011

In preparing the financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance

Going Concern:

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead

Signed on behalf of the Board of Directors by:



Dr. Elijah Akpan (Chairman)
FRC/2017/IODN/00000016127



Georgios Polymenakos (Managing Director)
FRC/2021/003/00000023702



CERTIFICATION OF THE AUDITED FINANCIAL STATEMENTS

For The Year Ended 31st December 2022

In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

- (a) Audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- (b) Audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the audited financial statements

We state that management and directors:

- (a) Are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the officer by other officers of the Company, particularly during the period in which the audited financial statement report is being prepared
- (b) Has evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements, and
- (c) Certifies that the Company's internal controls are effective as of that date

We have disclosed:

- (a) All significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and
- (b) Whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal control; and
- (c) As indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses

The financial statements of the Company for the year ended 31 December 2022 were approved by the directors on 6 April 2023

Signed:



Georgios Polymenakos (Managing Director)
FRC/2021/003/00000023702



Nkechi Ojeyokan (Chief Finance Officer)
FRC/2021/001/00000022533

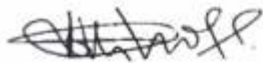
AUDIT COMMITTEE'S REPORT

For The Year Ended 31st December 2022

To the members of Champion Breweries Plc

- (a) The scope and planning of internal audit for the year ended 31 December 2022 are satisfactory. The internal audit programmes reinforce the Company's internal control system;
- (b) The scope and planning of statutory independent audit for the year ended 31 December 2022 are satisfactory;
- (c) Having reviewed the independent auditors' management letter on accounting procedures and internal controls, we are satisfied with management's responses thereon;
- (d) The accounting and reporting policies for the year ended 31 December 2022 are in accordance with International Financial Reporting Standards and applicable regulatory requirements.

The independent auditors confirmed that the scope of their work was not restricted in any way.



Mr. Thompson Owoka
FRC/2015/ICAN/00000012404

Dated this 5 April 2023

Members of the Audit Committee

Mr. Thompson Owoka
Mr. Kevin Santry
Mr. Olayemi Olatunde
Mr. Godwin A. Anono
Chief Peter Mgbeahuru

Chairman/Director
Member/Director
Member/Director
Member/Shareholder
Member/Shareholder



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Champion Breweries Plc

Deloitte.

P.O. Box 965
Marina
Lagos
Nigeria

Deloitte & Touche
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island
Lagos
Nigeria

Tel: +234 (1) 904 1700
www.deloitte.com.ng

Independent Auditor's report

To the Shareholders of Champions Breweries Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Champion Breweries Plc**, set out on pages 5 to 59 which comprise the statements of financial position as at 31 December 2022, the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of **Champion Breweries Plc** as at 31 December 2022, and its financial performance and statement of cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act and Financial Reporting Council Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of the Financial Statements in Nigeria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



List of partners and partner equivalents available in our office

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



Key Audit Matter	How the Matter was addressed in the audit
<p>Returnable packaging materials</p> <p>Indicated in Trade and other payables in Note 21c to the financial statement is Deposit for Returnable Packaging Materials ("RPM") of about N335,351,000 received as deposit from customers for breakable bottles and crates used to distribute product sold to them.</p> <p>The company provides RPM to its customers in which products are distributed for which in most instances the company collects deposits. The deposit is in turn refunded to the customer upon the return of these packaging materials to the company failing which the deposit is forfeited by the customer and released to the statement of profit and loss of the company. Judgement is required by the directors in assessing the carrying value of the outstanding customers' deposit liability for RPMs. Accordingly, for the purpose of our audit, we identified the assessment of outstanding customer deposit liability for RPMs as a key audit matter.</p> <p>The assumptions with the most significant impact in the assessment of outstanding liability for returnable packaging were.</p> <ul style="list-style-type: none"> ☒ The market loss rate which is subjective since it is based on the director's experience and expectations in addition to lack of readily available market data. The market loss rate is estimated for bottle crate sizes. ☒ The cycle times of RPMs i.e., the time it takes for RPM to be returned to the entity which is based on the Directors' estimates as RPMs are not tagged and are interchangeable which makes the calculation of the RPMs cycle times to be subjective 	<p>In evaluating the value of the outstanding deposit liability, our procedures incorporated a test of the design and implementation of the company's controls relating to the estimation of the deposit liability and the following substantive procedures.</p> <ul style="list-style-type: none"> ☒ Assess management's judgements applied in determining the relevant base month to perform annual reassessment of market loss and testing reasonability of data inputs (mainly market loss rates and cycle times) applied by management, in comparison to the company policy in respect of returnable packaging materials ☒ Recompute market loss rate and perform a retrospective assessment of market loss rate to assess the reasonableness of the assumptions and ensure consistency in the judgement applied by management ☒ Reassess the adequacy of closing balance of deposit liability reported at period end. ☒ Assess the adequacy of disclosures in the financial statements <p>The market loss rates used in the valuation were found to be appropriate. The rates used appeared to be reasonable in line with the supporting information provided. Overall, no material misstatements were identified.</p>

Emphasis of matter

We draw attention to Note 27 of the financial statements, which describes the effects of restatement of certain comparative figures in the financial statements. Our opinion is not qualified in respect of this matter.

Other matter

The financial statements of the Company for the year ended 31 December 2021 were audited by the predecessor Auditor who expressed an unqualified opinion on the financial statements on 28 February 2022.



Other Information

The directors are responsible for the other information. The other information comprises the Corporate information, Directors' Report, Statement of Directors Responsibilities, Certification of the audited financial statements and Report of the Statutory Audit Committee which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Deloitte.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth Schedule of Companies and Allied Matters Act, 2020 we expressly state that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. The Company has kept proper books of account, so far as appears from our examination of those books.
- iii. The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Ngozika Emeka-Eze, FCA
FRC/2013/ICAN/00000001817
For: Deloitte & Touche
Chartered Accountants
Abuja, Nigeria
14 April 2023



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	2022 N '000	Restated 2021 N '000
Revenue **	5	12,288,893	9,559,079
Cost of sales**	8(f)	(7,511,096)	(6,021,075)
Gross profit		4,777,797	3,538,004
Other income	6	183,529	108,518
Selling and distribution expenses	8(g)	(1,382,888)	(651,010)
Administrative expenses	8(h)	(1,301,374)	(1,170,057)
Impairment (loss)/gain	13(c)	(5,787)	2,019
Operating profit		2,271,277	1,827,474
Finance income	7(a)	94,334	75,871
Finance cost	7(b)	(116,703)	(61,168)
Net finance cost		(22,369)	14,703
Profit before income tax		2,248,908	1,842,177
Income tax expense	9(a)	(662,930)	(768,784)
Profit after tax		1,585,978	1,073,393
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement of defined benefit liability, net of tax	19(a)(i)	(25,587)	192,416
Other comprehensive income/(loss), net of tax		(25,587)	192,416
Total comprehensive income		1,560,391	1,265,809
Earnings per share			
Basic and diluted earnings per share (kobo)	10	20	14


**See Note 27 for disclosure on Restated balance

STATEMENT OF FINANCIAL POSITION

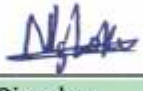
As at 31 December 2022

	Notes	At 31st Dec 2022 N '000	Restated At 31st Dec 2021 N '000	Restated At 1st Jan 2021 N '000
Assets				
Property, plant and equipment**	11(a)	10,298,837	8,894,854	8,242,165
Right of use asset	11(f)	482,335	511,873	556,473
Deferred tax assets	9(e)	-	13,721	762,541
Intangible assets		-	-	-
Non-current assets		10,781,172	9,420,448	9,561,179
Inventories	12	1,401,426	1,023,969	725,449
Trade and other receivables	13(a)	73,196	59,135	49,006
Contract assets	13(b)	947,029	50,994	3,057
Prepayments	14	61,957	60,245	4,595
Cash and cash equivalents	15	2,188,805	2,872,024	1,025,231
Current assets		4,672,413	4,066,367	1,807,338
Total assets		15,453,585	13,486,815	11,368,517
Equity				
Share capital	16	3,914,748	3,914,748	3,914,748
Share premium	17	519,100	519,100	519,100
Other reserve	18	3,701,612	3,701,612	3,701,612
Accumulated profit**		2,983,924	1,423,533	157,724
Total equity		11,119,384	9,558,993	8,293,184
Non-current liabilities				
Employee benefits	19(a)	479,047	362,815	587,617
Deferred tax liabilities	9(e)	483,117	-	-
Lease liabilities	25(b)	445,076	468,607	486,249
		1,407,240	831,422	1,073,866
Current liabilities				
Income tax liabilities	9(c)	178,699	80,378	21,658
Lease liabilities	25(b)	79,023	71,182	71,182
Trade and other payables	20(a)	1,951,516	2,563,571	1,481,803
Contract Liabilities	20(b)	227,676	13,503	165,569
Provisions	21	490,047	367,766	261,255
		2,926,961	3,096,400	2,001,467
Total liabilities		4,334,201	3,927,822	3,075,333
Total equity and liabilities		15,453,585	13,486,815	11,368,517

These financial statements on pages 5 to 59 were approved by the Board of Directors on 6 April 2023 and signed on its behalf by:


Dr. Elijah Akpan
 (Chairman)
 FRC/2017/IODN/00000016127


Georgios Polymenakos
 (Managing Director)
 FRC/2021/003/00000023702


Nkechi Ojeyokan
 (Chief Finance Officer)
 FRC/2021/001/00000022533

The accompanying notes and other national disclosures are integral parts of these financial statements.

**See Note 27 for disclosure on restated balance

STATEMENT OF CASH FLOWS

To the Shareholders of Champion Breweries Plc

	Share capital	Share premium	Restated Retained profit/ (accumulated loss)	Other reserve	Total equity
	–N '000	N '000	N '000	–N '000	N '000
1 January 2021	3,914,748	519,100	(92,466)	3,701,612	8,042,994
Prior year adjustment	-	-	250,190	-	250,190
Restated as at 1 January 2021	3,914,748	519,100	157,724	3,701,612	8,293,184
Total comprehensive income					
Profit for the year	-	-	1,073,393	-	1,073,393
Other comprehensive income	-	-	192,416	-	192,416
Total comprehensive income	-	-	1,265,809	-	1,265,809
31 December 2021	3,914,748	519,100	1,423,533	3,701,612	9,558,993
1 January 2022	3,914,748	519,100	1,423,533	3,701,612	9,558,992
Profit for the year	-	-	1,585,978	-	1,585,978
Other comprehensive loss	-	-	(25,587)	-	(25,587)
Total comprehensive income	-	-	1,560,391	-	1,560,391
31 December 2022	3,914,748	519,100	2,983,924	3,701,612	11,119,384

The accompanying notes and other national disclosures are integral parts of these financial statements

**See Note 27 for disclosure on restated balance

STATEMENT OF CASH FLOWS

To the Shareholders of Champion Breweries Plc

	Notes	2022 N '000	Restated 2021 N '000
Cash flows from operating activities			
Profit for the year		1,585,978	1,073,393
Adjustments for:			
Finance cost on lease liability	7(b)	116,703	61,168
Company income tax	9(a)	662,930	768,784
Remeasurement of long service award	19(a)(ii)	(5,825)	(6,463)
Impairment on trade receivables	13(c)	5,787	(2,019)
Profit on disposal of PPE	6	(37,439)	-
Loss on terminated leases	6	113	-
Defined benefit obligation movement	19(a)(i)	101,612	98,444
Long service award movement	19(a)(ii)	1,368	5,175
Transfer of WIP to PPE	11	5,451	-
Depreciation of PPE	11(a)	1,479,126	1,161,336
Depreciation of ROU asset	11(f)	46,211	44,599
Write-off of property, plant and equipment	8(d)	-	19,557
		3,962,015	3,223,974
Changes in:			
Inventories	12	(377,457)	(298,309)
Trade and other receivables	13(a)	(19,849)	(8,110)
Contract asset	13(b)	(896,035)	(47,936)
Prepayments	14	(1,712)	(55,650)
Trade and other payables	20(a)	(612,054)	1,052,275
Contract liability	20(b)	214,174	(152,065)
Provisions	21	122,280	106,512
Cash generated from operating activities		2,391,362	3,820,691
Defined benefit paid	19(a)(i)	(71,235)	(43,416)
Long service awards paid	19(a)(ii)	(4,500)	(2,166)
Income tax paid	9(c)	(55,453)	(15,713)
Net cash generated from operating activities		2,260,174	3,759,396
Cash flows from investing activities			
Proceeds from sale of PPE	6	37,439	-
Acquisition of property, plant and equipment	11(a)	(2,888,560)	(1,833,581)
Net cash utilised in investing activities		(2,851,121)	(1,833,581)
Cash flows from financing activities			
Lease payment	25(b)	(92,272)	(79,022)
Net cash utilised in financing activities		(92,272)	(79,022)
Net (decrease)/increase in cash and cash equivalents		(683,219)	1,846,793
Cash and cash equivalents at 1 January		2,872,024	1,025,231
Cash and cash equivalents at 31 December	15	2,188,805	2,872,024

The accompanying notes and other national disclosures are integral parts of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

1 Reporting entity

Champion Breweries Plc ('the Company') was incorporated in Nigeria as a limited liability company on 31 July 1974 and was later converted to a public limited liability Company on 1 September 1992. The address of the Company's registered office is Industrial Layout, Aka Uffot, Uyo, Akwa Ibom State, Nigeria.

The Company is involved in the brewing and marketing of Champion Lager Beer and Champ Malta. The Company also provides contract brewing and packaging services to Nigerian Breweries Plc, a sister Company within the Heineken group of the Netherlands, the Ultimate parent Company of Champion Breweries Plc. The immediate parent Company is The Raysun Nigeria Limited, a subsidiary of the Heineken Group.

2 Basis of preparation

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011. Details of the Company's accounting policies are included in Note 3. These financial statements were authorised for issue by the Board of Directors on March 2023.

(b) Basis of measurement

The financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items, which are measured on an alternative basis on each reporting date:

- defined benefit pension plans - plan assets measured at fair value
- inventory - lower of cost and net realisable value
- lease liabilities- measured at present value of future lease payments
- provisions - measured at present value of the obligations"

(c) Functional and presentation currency

These financial statements are presented in Naira (N), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousands, except when otherwise indicated.

(d) Use of judgement and estimates

In the preparation of these financial statements, management has made estimates and assumptions that affect the application of the Company's accounting policy and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

2 Basis of preparation (cont'd)**(d) Use of judgement and estimates (cont'd)****(i) Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 21 -- determining extent of disclosures made on provisions.

Note 3(f) - determining the methodology for incorporating forward looking information into the measurement of ECL and selection of appropriate model to measure ECL.

Note 25 – lease term: whether the Company is reasonably certain to exercise extension options.

(ii) Assumptions and estimation of uncertainties

Information about assumptions and estimation uncertainties at 31 December 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 3(g) - Measurement of employee benefits: key actuarial assumptions.

Note 3(h) - Recognition and measurement of provisions: Key assumptions about the likelihood and magnitude of an outflow of resources, and

Note 3 (k) - Uncertainty over income tax and deferred taxes: transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business

Note 3(k)(ii) - Recognition of deferred tax assets: availability of sufficient future taxable profit against which unutilised tax credits can be used.

Note 3(o) - Liability for returnable packaging material; key assumptions in determining market loss rate.

Note 23 - Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted average loss rate.

(e) Measurement of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Significant valuation issues are reported to the Risk Management Committees.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3 Significant accounting policies (cont'd)

(b) Financial instruments (cont'd)

(ii) Classification and Subsequent measurement

All financial assets and liabilities are initially recognized at fair value, which is usually the transaction price including, where appropriate, transaction costs, with the exception of trade receivables without a significant financing component, which are measured at their transaction price, determined in accordance with the Company's accounting policies for revenue. Subsequently, measurement depends on the financial assets/liabilities classification as follows:

Financial assets measured at fair value through profit or loss (FVTPL)

Non-equity financial assets are classified at fair value through profit or loss if they arise from contracts which do not give rise to cash flows which are solely principal and interest, or otherwise where they are held in a business model which mainly realizes them through sale. Such assets are re-measured to fair value at the end of each reporting period. Gains and losses arising from re-measurement are taken to profit or loss, as are transaction costs.

Financial assets measured at amortized cost (AC)

Financial assets are held at amortized cost when they arise from contracts which give rise to contractual cash flows which are solely principal and interest and are held in a business model which mainly holds the assets to collect contractual cash flows.

These assets are measured at amortized cost using the effective interest method and are also subject to impairment losses. Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated on the amortized cost (i.e. gross carrying amount less loss allowance). Interest income is included in finance income."

Financial assets – Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

3 Significant accounting policies (cont'd)

(b) Financial instruments (cont'd)

(ii) Classification and Subsequent measurement (cont'd)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3 Significant accounting policies (cont'd)**(b) Financial instruments (cont'd)****(ii) Classification and Subsequent measurement****Financial assets – Subsequent measurement; gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3 Significant accounting policies (cont'd)**(b) Financial instruments (cont'd)****(iv) Offsetting (cont'd)**

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment**(i) Recognition and measurement**

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. If significant part of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The cost of routine maintenance of property, plant and equipment is recognised in profit or loss when incurred.

(iii) Derecognition

The carrying number of disposed items of property, plant and equipment are derecognised. Any gain or loss on sale of an item of property, plant and equipment is recognised in profit or loss.

(iv) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values on a straight-line basis over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land and capital work-in-progress are not depreciated. "

3 Significant accounting policies (cont'd)

(d) Property, plant and equipment (cont'd)

(iv) Depreciation (cont'd)

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The estimated useful lives of property plant and equipment for current and comparative periods are as shown below:

Leasehold land	99 years
Buildings	15 to 40 years
Plant and machinery	5 to 30 years
Furniture and fittings:	3 to 5 years

Motor vehicles:

- Cars and trucks	5 years
- Forklifts	5 years

Returnable packaging materials:

- Bottles	5 years
- Crates	8 years

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventory includes expenditure incurred in acquiring the inventory, production or conversion costs incurred in bringing them to their existing location and condition. Cost incurred on each product is based on:

Raw and packaging materials	-	weighted average cost including transportation costs
Finished products and Products-in-process	-	weighted average cost of direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity
Engineering spares	-	purchase cost on a weighted average cost basis, including transportation and clearing costs

3 Significant accounting policies (cont'd)

(f) Provisions, Contingent liabilities and Contingent assets

(i) Non-derivative financial assets

Financial instrument

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs. The ECLs for trade and other receivables are estimated using a provision matrix based on the Company's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both current as well as the forecast direction of conditions at the reporting date.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3 Significant accounting policies (cont'd)

(f) Provisions, Contingent liabilities and Contingent assets

(i) Non-derivative financial assets (cont'd)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or another financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties."

Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of the other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss and are allocated to reduce the carrying amounts of assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 Significant accounting policies (cont'd)**(f) Provisions, Contingent liabilities and Contingent assets****Contingent assets:**

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset, and its recognition is appropriate.

A contingent asset is disclosed in the notes to the financial statements where an inflow of economic benefits is probable.

(g) Employee benefits**(i) Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its permanent staff. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is recognised in profit or loss as personnel expense in the periods during which services are rendered by employees.

Under this scheme, employees contribute 8% of their basic salary, transport and housing allowances to a fund on a monthly basis. The Company's contribution is 10% of each employee's basic salary, transport and housing allowances to the fund.

Obligations for contributions to defined contribution plans are recognised as personnel expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Defined benefit plans

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligations is performed annually by Alexander Forbes Consulting Actuaries Nigeria Limited using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

3 Significant accounting policies (cont'd)**(g) Employee benefits (cont'd)****(iii) Defined benefit plans (cont'd)**

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income.

The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits (Long service awards)

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise. The calculation of defined benefit obligations is performed annually by Alexander Forbes Consulting Actuaries Nigeria Limited using the projected unit credit method.

(h) Provisions and contingent liabilities**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.

In determining the number of provisions to be recognised, the Company takes into account the impact of exposures and whether additional fines and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing provisions; such changes to provisions will impact profit or loss in the period that such determination is made.

Contingent liabilities

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligations is neither a provision nor a contingent liability and no disclosure is made.

3 Significant accounting policies (cont'd)**(i) Revenue**

The Company principally generates revenue from the sale and delivery of its product as well as from contract brewing and packaging services. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

(a) Nature and timing of satisfaction of performance obligation

Customer gain control of goods when the goods have been delivered and accepted at their premises or when the goods are picked up by the customer. Invoices are generated at that point in time. Invoices are usually payable within 30 days. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(b) Contract brewing and packaging

The brewing and packaging of products are identified as one performance obligation and are not separately identifiable. The Company recognises revenue when the customer takes possession of the goods. This usually occurs when the customer picks it up from the Company's premises and signs the waybill.

(j) Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs or income taxes.

(k) Income Tax

Income tax expense comprises current tax (Company Income Tax, Tertiary Education Tax and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

3 Significant accounting policies (cont'd)**(b) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unutilised tax losses, unutilised tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if, and only if the Company:

- (i) has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

(l) Minimum tax

The Company is subject to the Finance Act of 2021 which amended the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act is determined based on the higher of two components; Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined based on 0.25% of qualifying Company's turnover less franked investment income).

3 Significant accounting policies (cont'd)**(l) Minimum tax (cont'd)**

Taxes based on taxable profit for the period are treated as income tax in line with IAS 12.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

(m) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

(n) Leases

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

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received."

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension

3 Significant accounting policies (cont'd)**(n) Leases (cont'd)**

or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets below N5m

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases, including its property rental for key management personnel. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company is not a lessor in any lease arrangement.

(o) Deposit for Returnable Packaging Material

The Company sells its products in returnable bottles and crates for which it collects a fixed amount as deposit from customers. The Company has an obligation to refund this deposit when the customers return the crates and bottles. In the current year, the Directors assessed the deposits to determine the estimates of breakages and other losses of returnable packaging materials in trade using an average market loss rate. The market loss rate of returnable packaging material is calculated using the historical loss rate and a reliable estimate of customer behaviour with sufficient data for a reliable estimation. Based on this estimate, an amount is released to the income statement to account for the losses and breakages. A yearly assessment of the RPM deposit liability account is also carried out and Deposit liability amount adjusted to the assessed amount

(p) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in items on the statement of financial position that have not resulted in actual cash flows are eliminated. Interest received is included in investing activities.

(q) 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 is responsible for monitoring, allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of Champion Breweries Plc.

4 Standards and interpretations

(a) New and amended IFRS Accounting Standards that are effective for the current year.

(i) Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use

The Company has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

(ii) Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract

The Company has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

(iii) Annual Improvement to IFRS 9 Financial Instruments.

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

(iv) Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and the business combination in which the parent acquired the subsidiary.

(v) Amendments to IFRS 3 Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

4 Standards and interpretations (cont'd)

(a) New and amended IFRS Accounting Standards that are effective for the current year (cont'd)

(vi) IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

(b) New and revised IFRS Standards in issue but not yet effective

(i) Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

(ii) Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

4 Standards and interpretations (cont'd)

(b) New and revised IFRS Standards in issue but not yet effective (cont'd)

(iii) Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted."

(iv) Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

4 Standards and interpretations (cont'd)

(b) New and revised IFRS Standards in issue but not yet effective (cont'd)

(iv) Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction (cont'd)

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

5 Revenue

The Company generates revenue primarily from the sale of the Company's products (Champion beer and Champ Malta). The Company also earns income from third party brewing and packaging agreement. See (Note 3(i))

	2022	2021
	N'000	N'000
Sale of goods	12,288,893	9,138,010
Contract brewing and packaging	-	421,069
	12,288,893	9,559,079

6 Other income

	2022	2021
	N'000	N'000
(a)(i) Sale of scrap materials	35,792	23,114
Sale of by-products	62,767	65,855
Sale of packaging materials	33,384	19,549
Gain on disposal of property, plant and equipment	37,439	-
Loss on disposal of ROU	(113)	-
Other income*	14,260	-
	183,529	108,518

* This balance represents recovery of VAT paid in May, June, July and August 2021.

NOTES TO THE FINANCIAL STATEMENTS

7 Net finance income/cost

	2022	2021
	N'000	N'000
(a) Finance income comprises:		
Interest income on short term deposits	94,334	75,871
(b) Finance cost comprises:		
Interest expense on Retirement Benefit 19(a)(i)	(52,345)	-
Interest expense on Long Service Award 19(a)(ii)	(4,562)	-
Interest expense on lease liability	(59,796)	(61,168)
	(116,703)	(61,168)
Net finance income/(cost) recognised in profit or loss	34,539	14,703

8 Profit before tax

	2022	2021
	N'000	N'000
(a) Profit before tax is stated after charging the following amounts:		
Depreciation of property, plant and equipment (Note 11a)	1,479,126	1,161,336
Write off of property, plant and equipment (Note 11a)	-	19,557
Personnel expenses (Note 8(b))	1,452,314	1,143,071
Auditor's remuneration	25,000	23,448
Directors' remuneration (Note 8(c))	35,415	34,150
(b) Personnel expenses		
(i) Personnel expenses comprise:		
Salaries and wages	1,007,585	808,037
Pension	33,056	35,153
Defined benefit obligation charge (Note 20(a)(i))	101,612	54,672
Long service awards charge/ (gain)(Note 20(a)(ii))	1,368	5,175
Other personnel related expenses	234,379	180,740
Medical fees	74,314	59,294
	1,452,314	1,143,071

8 Profit before tax

(ii) The number of full-time employees as at 31 December was as follows:

	2022	2021
	Number	Number
Production	71	81
Logistics	9	14
Sales and Marketing	34	33
Administration	29	22
	143	150

(iii) Employees of the Company, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) in the following ranges:

	2022	2021
	Number	Number
₦ 1,200,001 – ₦ 1,400,000	-	-
₦ 1,400,001 – ₦ 1,600,000	-	-
₦ 1,600,001 – ₦ 1,800,000	-	5
₦ 1,800,001 – ₦ 2,000,000	-	7
₦ 2,000,001 – ₦ 2,500,000	3	25
₦ 2,500,001 – ₦ 3,000,000	7	30
₦ 3,000,001 – ₦ 3,500,000	18	22
₦ 3,500,001 – ₦ 4,000,000	20	21
₦ 4,000,001 – ₦ 4,500,000	20	6
₦ 4,500,001 – ₦ 5,000,000	18	3
Above ₦5,000,000	57	31
	143	150

(c) Directors' remuneration

Directors' remuneration was as follows:

	2022	2021
	N'000	N'000
Directors' fees	14,020	14,650
Other remuneration	21,395	19,500
	35,415	34,150

Further analysed as follows:

	2022	2021
	N'000	N'000
Remuneration of non-executive directors	23,415	14,650
Remuneration of executive directors	12,000	19,500
	35,415	34,150

8 Profit before tax (cont'd)

(c) Directors' remuneration (cont'd)

The Directors' remuneration shown above includes amount paid or payable to:

	2022	2021
	N'000	N'000
Chairman	2,950	3,510
Highest paid director	12,000	12,000

Other directors received emoluments (excluding pension contributions) within the following ranges:

	2022	2021
	Number	Number
N1,000,001 - N2,000,000	5	6
N2,000,001 - N5,000,000	2	1
	7	7

(d) Analysis of expenses by nature

	2022	2021
	N'000	N'000
Raw materials and consumables	4,397,133	3,397,569
Advertising and promotion	214,596	38,513
Depreciation of property, plant and equipment	1,479,126	1,161,336
Depreciation of Right of use asset	46,211	44,599
Personnel expenses	1,452,314	1,190,048
Outsourced staff	333,282	265,828
Electricity	337,663	184,853
Gas for Boiler	546,824	392,894
Steam	60,713	61,482
Fuel - vehicle and equipment	149,190	90,173
Short term leases	2,650	5,477
Repairs and maintenance	717,288	619,457
Audit fee	25,000	23,448
Professional services	56,546	42,091
Security and IT infrastructure	144,841	140,952
Transportation and accommodation	120,835	103,659
Gifts and jubilation	-	2,791
Meetings and conferences	71,393	26,948
Insurance, rates and licenses	98,962	60,702
Donations	16,309	1,500
Write off of property, plant and equipment	-	19,557
Cleaning, catering and other administrative expenses	184,396	102,556
Subscriptions and publications	43,839	25,994
Provision	-	106,511
RPM deposit liability release	(303,753)	(266,796)
Total cost of sales, selling and administrative expenses	10,195,358	7,842,142

These expenses are further analysed as follows:

	2022	2021
Cost of sales	7,511,096	6,021,075
Selling and distribution expenses	1,382,888	651,010
Administrative expenses	1,301,374	1,170,057
	10,195,358	7,842,142

NOTES TO THE FINANCIAL STATEMENTS

8 Profit before tax (cont'd)

(e) The auditors did not perform any non-audit related services for Champion Breweries PLC in the year

	2022 N'000	2021 N'000
(f) Cost of Sales		
Raw materials and consumables	4,397,133	3,397,569
Personnel expenses	1,269,654	1,033,672
Depreciation- PPE	415,744	339,747
Depreciation ROU	46,212	44,599
Other production costs	1,382,353	1,205,488
	7,511,096	6,021,075

	2022 N'000	2021 N'000
(g) Selling and distribution expenses		
Personnel expenses	250,354	203,823
Depreciation- PPE	857,082	356,845
Selling and distribution expenses	214,596	38,513
Transportation and accommodation	60,856	51,829
	1,382,888	651,010

	2022	2021
(h) Administrative expenses		
Personnel expenses	268,237	218,381
Depreciation- PPE	206,300	170,265
Transportation and accommodation	60,855	51,830
Operating expenses	765,982	729,581
	1,301,374	1,170,057

9 Taxation

	2022 N'000	2021 N'000
(a) Income tax recognised.		
Amounts recognised in profit or loss:		
Current tax expense:		
Minimum Tax	67,732	26,757
Tertiary education tax	86,042	77,085
Nigeria Police Trust Fund Levy (NPTF)	-	82
	153,774	103,924
Deferred tax expenses:		
- Origination and reversal of temporary differences	509,156	664,860
Income tax Charged to Profit or Loss	662,930	768,784
<i>Items that will not be reclassified to profit or loss</i>		
- Amount recognised in other comprehensive income	(12,318)	83,960

9 Taxation (cont'd)

(b) Reconciliation of effective tax rate		2022		2021	
		%	N'000	%	N'000
Profit/(Loss) before tax			2,248,908		1,753,017
Tax using statutory tax rate	30		674,516	30	525,905
Tertiary education tax using statutory rate			86,042		43,825
Effect of NPTF Levy			-		82
Tax effect of:					
- tax incentives			(5,992)		(10,853)
- non-deductible expenses			55,901		45,060
- Under /(Over)provision for current tax in the prior years			6,366		(1,592)
- Change in estimate relating to prior years			(153,903)		166,357
Current Income Tax	29		662,930	42	768,784
(c) Income Tax Liabilities			2022		2021
			N'000		N'000
Balance beginning of the year			80,378		21,658
Minimum Tax			67,732		
Tertiary Education Tax for the year			86,042		77,079
Nigeria Police Trust Fund levy for the year					82
Payment during the year			(55,453)		(15,713)
			178,699		83,106
WHT utilized during the year			-		(2,728)
Balance end of the year			178,699		80,378

(d) Minimum tax

Minimum tax in current year has been computed based on 0.25% of turnover in line with the finance act of 2020 and this amounts to N67.7 million (2021: N26.8 million).

NOTES TO THE FINANCIAL STATEMENTS

9 Taxation (cont'd)

(e) Movement in deferred tax balances

	Balance as at 31 December					
	Net balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
	N'000	N'000	N'000	N'000	N'000	N'000
2022						
Property, plant and equipment	(197,040)	(751,260)		(948,300)	290,690	(1,238,990)
Employee benefits	123,729	63,394	12,318	199,441	199,441	
Trade and other receivables	54,966	40,444		95,410	95,410	
Inventories	32,066	138,266		170,332	170,332	
Tax assets (liabilities)	13,721	(509,156)	12,318	(483,117)	755,873	(1,238,990)
Set off of tax	-	-				

	Balance as at 31 December					
	Net balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
	N'000	N'000	N'000	N'000	N'000	N'000
2021						
Property, plant and equipment	519,737	(716,777)	-	(197,040)	646,088	(843,128)
Employee benefits	188,037	19,652	(83,960)	123,729	123,729	-
Trade and other receivables	54,767	199	-	54,966	54,966	-
Inventories	-	32,066	-	32,066	32,066	-
Tax assets (liabilities)	762,541	(664,860)	(83,960)	13,721	856,849	(843,128)

(f) Amounts recognised in OCI

	2022			2021		
	Before tax N'000	Tax N'000	N'000	Before tax N'000	Tax N'000	After tax N'000
<i>Items that will not be reclassified to profit or loss</i>						
Defined benefit obligation(note 20(a)(i))	37,905	(12,318)	25,587	(276,376)	83,960	(192,416)
Actuarial (loss)/ gain	37,905	(12,318)	25,587	(276,376)	83,960	(192,416)

10 Basic and diluted earnings per share

The calculation of basic and diluted earnings per share was based on the profit of N 1.59 billion (2021: profit of N1.07 million), attributable to ordinary shareholders and weighted average number of ordinary shares outstanding of 7,829,496,464 units (2021: 7,829,496,464) calculated as follows:

	2022 N'000	2021 N'000
Profit for the year	1,585,978	1,073,393
Weighted average number of ordinary shares <i>in thousands of shares</i>	2022 N'000	2021 000
Issued ordinary shares at 1 January	7,829,496	7,829,496
Weighted average number of ordinary shares at 31 December	7,829,496	7,829,496
Basic and diluted earnings per share (kobo)	20	14

There were no potential dilutive ordinary shares during the year.

NOTES TO THE FINANCIAL STATEMENTS

11 Property, plant and equipment

(a)	Land	Buildings	Plant and Machinery	Furniture and Fittings	Restated Motor vehicles	Returnable Packaging Materials	Capital Work in Progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost								
1 January 2021	1,223,210	2,609,107	5,852,233	461,860	688,081	3,023,857	525,451	14,383,799
Additions	-	55,376	81,338	13,758	84,379	769,350	829,380	1,833,581
Write Off	-	32,569	376,432	36,715	-	121,340	(586,613)	(19,557)
Prior period adjustment	(269,110)	-	-	-	-	-	-	(269,110)
Restated as at 31 December 2021	954,100	2,697,052	6,310,003	512,333	772,460	3,914,547	768,218	15,928,713
1 January 2022	954,100	2,697,052	6,310,003	512,333	772,460	3,914,547	768,218	15,928,713
Additions	-	170,398	132,794	191,457	240,250	1,929,267	224,394	2,888,560
Disposals	-	-	(46,904)	-	(3,413)	-	-	(50,317)
Reclassification	-	92,885	66,926	10,860	10,467	18,740	(199,878)	-
Transfer	-	-	-	-	-	-	(5,451)	(5,451)
31 December 2022	954,100	2,960,335	6,462,819	714,650	1,019,764	5,862,554	787,283	18,761,505
Accumulated Depreciation								
1 January 2021	269,110	1,116,060	3,010,487	351,830	365,592	1,028,554	-	6,141,633
Charge for the year	-	126,771	336,296	43,115	117,033	538,121	-	1,161,336
Prior period adjustment	(269,110)	-	-	-	-	-	-	(269,110)
Restated as at 31 December 2021	-	1,242,831	3,346,783	394,945	482,625	1,566,675	-	7,033,859
1 January 2022	-	1,242,831	3,346,783	394,945	482,625	1,566,675	-	7,033,859
Charge for the year	-	131,871	310,247	55,984	123,942	857,082	-	1,479,126
Disposals	-	-	(46,904)	-	(3,413)	-	-	(50,317)
31 December 2022	-	1,374,702	3,610,126	450,929	603,154	2,423,757	-	8,462,668
Carrying amounts								
1 January 2021	954,100	1,493,047	2,841,746	110,030	322,489	1,995,303	525,451	8,242,165
31 December 2021	954,100	1,454,221	2,963,220	117,388	289,835	2,347,872	768,218	8,894,854
31 December 2022	954,100	1,585,633	2,852,693	263,721	416,610	3,438,797	787,283	10,298,837

(b) The Company has N1.81billion authorised or contractual capital commitments as at the reporting date (2021: Nil).

(c) No borrowing costs were capitalised during the year (2021: Nil)

(d) None of the Company's assets are held as security pledge as at year end (2021: Nil)

(e) Transfers relates to non-capital item classified to expenses

11 Property, plant and equipment (cont'd)**(f) Right of use Assets**

	Property, Plant & Equipment
	N'000
Cost	
1 January 2021	574,897
31 December 2021	574,897
1 January 2022	574,897
Additions	23,786
Disposals	(16,526)
31 December 2022	582,157
Accumulated Depreciation	
1 January 2021	18,424
Charge for the year	44,599
31 December 2021	63,023
1 January 2022	63,023
Charge for the year	46,211
Disposals	(9,412)
31 December 2022	99,822
Carrying amounts	
1 January 2021	556,473
31 December 2021	511,874
31 December 2022	482,335

ROU relates to leased Gas generator equipment, a depot and properties for its key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

12 Inventories	2022	2021
	N '000	N '000
Raw materials	433,998	184,327
Finished products	65,417	24,909
Products-in-process	118,118	96,170
Non-returnable packaging materials	210,634	248,962
Engineering spares	633,609	633,687
	1,461,776	1,188,055
Provision for obsolete stock		
- raw materials	(23,253)	-
- engineering spares	(37,097)	(164,086)
	(60,350)	(164,086)
	1,401,426	1,023,969
Provision for Obsolete Stock		
At 1 January-	(164,086)	(65,419)
write off of provision	98,667	-
Provision during the year	-	(98,667)
Provision no longer required	5,069	-
	(60,350)	(164,086)
13 Trade and other receivables	2022	2021
	N '000	N '000
(a) Trade and other receivables comprise:		
Trade receivables	79,142	164,342
Impairment on trade receivables	(34,268)	(154,597)
	44,874	9,745
Withholding tax receivables	27,500	10,065
Other receivables	822	39,324
	73,196	59,134
(b) Contract assets	947,029	50,994

Amounts relating to contract assets are advances to vendors.

13 Trade and other receivables (cont'd)**(c) Movement in allowance for doubtful debt**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	2022	2021
	N'000	N'000
Balance at 1 January	(154,597)	(171,147)
Amount written off	126,116	14,531
Net remeasurement of loss allowance	(5,787)	2,019
Balance at 31 December	(34,268)	(154,597)

The Company's exposure to credit risks and impairment losses related to trade and other receivables is disclosed in Note 23.

14 Prepayments

Prepayments comprises:

	2022	2021
	N'000	N'000
Prepaid rent *	2,208	2,208
Prepaid insurance	31,776	29,930
Prepaid Employee medical expenses (HMO)	27,973	28,107
	61,957	60,245

* Prepaid rent represent leases for which management elected not to recognise right-of-use assets and lease liabilities as the leases are 1 year or below and management has assessed that it is not reasonably certain the tenor will be extended.

15 Cash and cash equivalent

	2022	2021
	N'000	N'000
Cash in bank	1,538,805	1,372,024
Short term deposits	650,000	1,500,000
	2,188,805	2,872,024

Short-term deposits represents investments in short term liquid deposits with a tenor of 60 days.

16 Share capital

	2022	2021
	N'000	N'000
Authorised share capital		
9,000,000,000 ordinary shares of 50k each	4,500,000	4,500,000

Request for an extension has been made to CAC to comply with requirements to align Authorised share capital to Issued share capital

16 Share capital (cont'd)

Allotted, called-up and fully paid

The movement in share capital during the year was as follows:

	2022 N'000	2021 N'000
<i>Number of ordinary shares of 50k each</i>		
<i>in thousands of shares</i>		
1 January	7,829,496	7,829,496
31 December	7,829,496	7,829,496
<i>Ordinary shares of 50k each</i>		
1 January	3,914,748	3,914,748
31 December	3,914,748	3,914,748

17 Share premium

The movement in share premium was as follows:

	2022 N'000	2021 N'000
Balance as at 1 January	519,100	519,100
Balance as at 31 December	519,100	519,100

18 Other reserve

On 1 January 2011 (date of transition to IFRS), the Company applied optional exemptions of deemed cost for measurement of property, plant and equipment. Other reserve was created to recognise differences between the carrying amounts and fair value of property, plant and equipment on the date of transition to IFRS.

19 Employee benefits

The Company has both a gratuity scheme and long service award for its employees. The Company operates an unfunded defined benefit scheme for its employees which is remeasured using the Projected Unit Credit method by an Actuarial Consultant, Wayne van Jaarsveld FRC/2021/002/00000024507 Alexander Forbes Consulting Actuaries Nigeria: FRC/2012/0000000000504

Gratuity benefit	Years of service
(i) Senior/Management staff	
7 weeks basic salary for each completed year of service	5<10 years
7 weeks of total emolument (Basic salary + Transport allowance + Housing allowance + Meal allowance) for each completed year of service.	10 years and above

19 Employee benefits (cont'd)

	2022	2021
(ii) Junior staff		
5 weeks basic salary for each completed year of service		Years of service 5<10 years
7 weeks of total emolument (Basic salary + Transport allowance + Housing allowance + Meal allowance) for each completed year of service.		10 years and above
Long service awards		
10 crates of Company's products and plaque		5 years
1-month basic salary, N150,000 in lieu of gift item, plaque and 15 crates of Company's products		10 years
1.5 months basic salary, N200,000 in lieu of gift item, plaque and 20 crates of Company's products		15 years
2 months basic salary, N250,000 in lieu of gift item, plaque and 25 crates of Company's products		20 years
(a) Long term employee benefit		
Present value of:		
- Defined benefit obligation (Note 19(a)(i))	448,260	327,633
- Long service award (Note 19(a)(ii))	30,787	35,182
	479,047	362,815
(i) Movement in the present value of the defined benefit obligation		
1 January		
Included in profit or loss		
Current service cost	36,878	54,672
Interest cost	52,345	43,772
Past service cost	64,734	
	153,957	98,444
Included in other comprehensive income		
Actuarial (gain)/ loss arising from changes in:		
- Financial assumptions	(21,200)	(213,517)
- Demographic assumptions	-	(1,617)
- Experience adjustments	59,105	(61,242)
	37,905	(276,376)
Related tax	(12,318)	83,960
	25,587	(192,416)
Payments	(71,235)	(43,416)
31 December	448,260	327,633

19 Employee benefits (cont'd)

(ii) Movement in the present value of long service awards

	2022	2021
	N'000	N'000
1 January	35,182	38,636
Included in profit or loss		
Current service cost	3,929	5,175
Past service cost	(2,561)	
Interest cost	4,562	3,205
	5,930	8,380
Actuarial (gain)/loss arising from changes in:		
- Financial assumptions	(1,153)	(5,935)
- Demographic assumptions	-	(322)
- Experience adjustments	(4,672)	(3,411)
	(5,825)	(9,668)
Payments	(4,500)	(2,166)
31 December	30,787	35,182

(b) Actuarial assumptions

Principal economic actuarial assumptions at the reporting date (expressed as weighted averages):

	2022	2021
Discount rate	14.4%	13.3%
Future salary increase rate	7.5%	7.5%

These assumptions depicts managements estimate of the likely future experience of the Company.

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 7 years (2021:7 years)

Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are based on the rates on A1967/70 tables published jointly by the Institute and Faculty of Actuaries in the UK.

It is assumed that all employees covered by the defined end of service benefit scheme would retire as follows:

- Junior staff- 55 years
- Senior staff- 60 years

19 Employee benefits (cont'd)

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions holding other assumptions constant would have affected the defined benefit obligation by the amounts shown below.

		Defined benefit obligation N'000	Long service award N'000
Base amount		327,633	35,182
Discount rate	+1%	(17,574)	(1,180)
	-1%	19,185	1,267
Future salary increase rate	+1%	21,484	-
	-1%	(19,926)	-
Mortality rate	+1%	93	(40)
	-1%	(83)	36
Benefit escalation rate	+1%	-	1,245
	-1%	-	(1,176)

Sensitivity to each actuarial assumption was determined while other assumptions were held constant. There has not been a change from the sensitivity approach adopted in prior years. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(d) Pension liabilities

Balance on the pension payable account represents the amount due to the Pension Fund Administrators which was yet to be remitted as at the year end. This is presented under trade and other payables (Note 20(a)). The movement on this account during the year was as follows:

	2022 N'000	2021 N'000
1 January	13,363	9,089
Charge for the year and staff deductions	105,507	59,966
Remittances	(118,870)	(55,692)
31 December (included in trade and other payables)	-	13,363

20 Trade and other payables (cont'd)

(a) Trade and other payables comprise:	2022	Restated 31 December 2021	Restated 1 January 2021
	N'000	N'000	N'000
Trade payables	592,186	782,965	144,188
Liabilities for Returnable packaging materials (Note 20(c))	335,351	246,136	214,436
Accrued expense	220,793	541,054	318,132
Non-income tax liabilities	234,619	249,444	210,787
Pension liabilities(note 19(d))	-	13,363	9,089
Minimum tax (Note 10)	-	26,757	17,882
Amounts due to related parties (Note 22(a))	568,567	703,852	567,289
	1,951,516	2,563,571	1,481,803
(b) Contract liabilities	227,676	13,503	165,569

Contract liabilities relates to the company's obligation to transfer goods to a customer for which the entity has received consideration.

(c) **Liabilities for returnable packaging materials**

Reconciliation of changes in returnable packaging materials liability.

	2022	Restated 2021
	N '000	N '000
Opening balance	246,136	214,436
Additional customer deposit during the year	5,849,853	5,804,353
Returns during the year	(5,456,885)	(5,505,857)
Release of liability	(303,753)	(266,796)
Closing balance	335,351	246,136

The Company has the legal or constructive obligation to take back the materials from the market. A deposit value is generally charged upon sale of the finished product, which is reimbursed when the empty returnable packaging material is returned. The company apply judgement to assess the carrying value of the outstanding customer's deposit liability. The most significant assumptions are on market loss rate, which is estimated based on measurements on a monthly basis, market possession and circulation times of the returnable packaging material. The measurements and estimates are monitored on a monthly basis and the deposit liability assessment is done annually.

21 Provisions, Contingent Liabilities and Contingent Assets**(a) Provisions**

Provisions represent the Directors' best estimate of the amount of resources embodying economic benefits that may be required to settle regulatory-related exposures.

The movement in provisions during the year is as follows:

	2022	2021
	N '000	N '000
Balance at 1 January	367,766	261,255
Additional provision	122,281	106,511
Balance at 31 December	490,047	367,766

Management expects the cash outflows relating to the provisions to occur within the next financial year based on expected timing of settlement of the related matters. Accordingly, the provision has not been discounted. Provision during the year have been recognised in respective expense head during the year

(b) Contingent Liabilities**(i) Pending litigation and claims**

The Company is a defendant in various lawsuits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation at year end amounted to N1.034 billion (2021:N731.3 million). In the opinion of the Directors, the Company's liability is not likely to be material, but the eventual amount cannot be determined with sufficient reliability as at the year end, thus no provision has been made in these financial statements.

(ii) Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the financial position of the Company, have been taken into consideration in the preparation of these financial statements.

22 Related parties**(a) Parent company and other related entities**

The Company's parent company is The Raysun Nigeria Limited which owns approximately 86% of the Company's share capital as at reporting date. Heineken N.V. is the ultimate parent company of Champion Breweries Plc.

The Company had transactions with its parent and other entities who are related to the Company by virtue of being members of the Heineken Group. The transaction value and amounts due from /(to) related parties by the nature of the transaction are shown below:

22 Related parties (cont'd)

(a) Parent company and other related entities (cont'd)

	Transaction value		Balance outstanding	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Sale of goods and services				
<i>Contract brewing and packaging:</i>				
-Nigerian Breweries Plc	-	421,068	-	-
Purchases of goods				
-Nigerian Breweries Plc	2,059,932	1,788,421	568,567	298,892
Management fee:				
-The Raysun Nigeria Limited	404,960	-	-	404,960
	2,464,892	2,209,489	568,567	703,852

Management fees relates to consideration paid to the parent company – The Raysun Nigeria Limited for the provision of finance, marketing and general management services to the Company's operation. This fee is a 2% charge of the Company's gross revenue.

However, with effect from 1 January 2021, Raysun Nigeria Limited discontinued charging the Company management fee. Following the termination of the management service agreement. Hence no management fee has been recognised in current year (2021: Nil)"

(b) Key management personnel

Key management personnel are the directors of the Company. They have the authority and responsibility for planning, directing and controlling the activities of the entity. The compensation paid or payable to key management personnel for employee services is shown below:

	2022	2021
	N'000	N'000
Remuneration of executive directors	12,000	19,500
	12,000	19,500

23 Financial instruments- financial risk management and fair values**Financial risk management**

The following risk exposures are inherent in the Company's use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company has a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies which are established to identify and analyse the risks faced by the Company, to set appropriate risk limit and controls, and monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee and Risk Management Committee.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and related parties.

The carrying amount of financial assets represents maximum credit exposure of the Company.

	2022	2021
	N'000	N'000
Trade and other receivables (Note 13a)	73,196	59,134
Contract Assets (Note 13b)	947,029	50,994
Cash and cash equivalents (Note 15)	2,188,805	2,872,024
	3,209,030	2,982,152

(b) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

23 Financial instruments- financial risk management and fair values (cont'd)

(b) Trade and other receivables (cont'd)

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit sales limits are established for each customer and are reviewed regularly. The concentration of credit risk is limited due to the large and unrelated customer base. The company has pledged no trade receivables during the year."

The Company reviews amounts due in respect of other receivables on a periodic basis taking into consideration factors such as continued employment relationship. All employee advances are recovered through payroll deductions and there has been no history of default. Accordingly management considers employee advances as recoverable.

(i) Expected credit loss assessment for receivables from customers

The Company uses an allowance matrix to measure the ECLs of trade receivables, which comprise a very large number of small balances. All trade receivables are measured at an amount equal to lifetime ECL.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers:

As at 31 December 2022	Weighted average loss rate	Gross carrying amount N'000	Loss allowance N'000	Credit Impaired
Current (not past due)	0.07%	27,923	20	No
1 - 30 days	0.14%	14,345	20	No
31 - 60 days	25.13%	729	183	No
61 - 90 days	50.09%	478	239	No
91 - 180 days	75.05%	3,625	2,721	Yes
More than 180 days	97.01%	32,044	31,084	Yes
		79,144	34,267	

As at 31 December 2021	Weighted average loss rate	Gross carrying amount N'000	Loss allowance N'000	Credit Impaired
Current (not past due)	0.44%	30,338	133	No
0 - 30 days	5.65%	14,351	811	No
30 - 90 days	25.22%	11,042	2,785	No
91 - 180 days	35.50%	13,547	4,810	No
More than 180 days	100.00%	146,058	146,058	Yes
		215,336	154,597	

23 Financial instruments- financial risk management and fair values (cont'd)**(b) Trade and other receivables (cont'd)**

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The Company's exposure to credit risk on its financial assets at the reporting date are concentrated in a geographical region; Southern Nigeria.

Loss rates are based on actual credit loss experience over the years. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The increase in loss allowance is mainly attributable to the increase in the gross carrying amounts of trade receivables that are aged above 180 days. The methodology for the calculation of ECL is the same as described in the last annual financial statements.

(c)(i) Cash and cash equivalents

The Company held cash and cash equivalents of N2.18 billion at 31 December 2022 (2021: N2.87 billion), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks. The Company manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performance.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment Nil in current year (2021; Nil) was immaterial. The assessment is based on various bank ratings

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for addressing its short-, medium- and long-term liquidity requirements and makes monthly cash flow projections which assists in monitoring cash flow requirements and optimizing cash return on investments."

23 Financial instruments- financial risk management and fair values (cont'd)**(c) (ii) Liquidity risk (cont'd)**

The following are the remaining contractual maturities of financial liabilities at the reporting date:

	Carrying amount N'000	Contractual cash flows			More than 5 years N'000
		Total N'000	Less than 1 year N'000	1-5 years N'000	
31 December 2022					
Non-derivative financial liabilities					
Lease liabilities	524,099	995,900	79,023	474,567	442,311
Contract liabilities	227,676				
Trade and other payables	1,944,574	1,944,574	1,944,574	-	-
	2,696,349	2,940,474	2,023,597	474,567	442,311
31 December 2021					
Non-derivative financial liabilities					
Lease liabilities	524,099	1,002,900	79,023	395,113	528,765
Contract liabilities	13,503				
Trade and other payables	1,716,897	2,626,860	2,626,860	-	-
	2,254,499	3,629,760	2,705,883	395,113	528,765

Non-financial liabilities such as non-income tax liabilities and pension liabilities have been excluded for the amounts indicated above.

It is not expected that the cash flows included in the maturity analysis could occur at significantly different amounts.

(iii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rate will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The Company manages market risk by keeping cost low through various cost optimisation programmes and also by regular monitoring of market developments.

The Company is not exposed to foreign exchange and interest rate risks, hence no sensitivity analysis are disclosed.

23 Financial instruments- financial risk management and fair values (cont'd)

(c) (ii) Liquidity risk (cont'd)

Furthermore, the Company's adjusted net debt to equity ratio at the end of the reporting period was as follows:

	2022	2021
	N'000	N'000
Total liabilities	4,305,055	3,927,822
Less: cash and cash equivalents	(2,188,805)	(2,872,024)
Net debt	2,116,250	1,055,798
Total equity	11,148,529	9,558,993
Adjusted net debt to equity ratio	1: 3.9	1: 5.2

(iv) Currency risk

The Company is not exposed to currency risk on sales, purchases or borrowing that are denominated in a currency other than its functional currency, which is the Naira as at the end of the year.

Accounting classification and fair values

The following table shows the carrying amounts, classification and fair values of financial assets and financial liabilities. It does not include the fair value of the financial assets and financial liabilities where the carrying amount are approximations of their fair values.

31 December 2022	Carrying amount	Fair value (Level 2)
	N'000	N'000
Financial assets at amortised cost		
Trade and other receivables	73,196	-
Contract Assets	947,029	-
Cash and cash equivalents	2,188,806	-
	3,209,031	-
Financial liabilities at amortised cost		
Lease liabilities	524,099	502,641
Contract Liabilities	227,676	-
Trade and other payables*	1,716,897	-
	2,468,672	502,641

23 Financial instruments- financial risk management and fair values (cont'd)**(iv) Currency risk (cont'd)**

31 December 2021	Carrying amount	Fair value (Level 2)
	N'000	N'000
<i>Financial assets at amortised cost</i>		
Trade and other receivables	59,135	-
Contract Assets	50,994	-
Cash and cash equivalents	2,872,024	-
	2,982,153	-
<i>Financial liabilities at amortised cost</i>		
Lease liabilities	539,789	541,266
Contract Liabilities	13,503	-
Trade and other payables*	2,274,007	-
	2,827,299	541,266

*Non-financial liabilities such as non-income tax liabilities and pension liabilities have been excluded for the amounts indicated above.

Trade and other receivables, cash and cash equivalents, and trade and other payables are the Company's short term financial instruments. Accordingly, management believes that their fair values are not expected to be materially different from their carrying values due to the immaterial impact of discounting.

The fair value of the lease liabilities has been determined using the discounted cash flow approach. The discount rates used ranges between 11.76% and 15.6%. There are no significant unobservable inputs. There has been no reclassification between fair value levels during the current and preceding years

24 Capital management

The Company considers total equity as its capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholders and to maintain an optimal capital structure.

In addition, the Company ensures appropriate capital management by monitoring returns on capital and net debt to equity ratio.

24 Capital management (cont'd)

The Company's return on capital as at the end of the reporting period was as follows:

	2022	2021
	N'000	N'000
Profit/(loss)	1,615,124	1,073,393
Total equity	11,119,384	9,558,993
Return on capital	14%	11%

25 Leases

See accounting policy in Note 3(n). The Company is not a lessor in any lease arrangement.

Leases as lessee (IFRS 16)

The Company leases a Gas generator equipment and properties for its key management personnel

a. Gas generator equipment

The management recognised right-of-use assets and lease liabilities with respect to a gas generator after assessing that the Company will continue to demand for power from the lessor of the gas generator for the foreseeable future.

b. Leased buildings

The Company leased properties for its key management personnel in 2022. Management elected not to recognise right-of-use assets and lease liabilities for leases of one year or below for which it is not reasonably certain the tenor will be extended. These have been classified as prepayments in the statement of financial position.

Information about leases for which the Company is a lessee is presented below:

Lease liabilities relate to the present value of future lease payment on the Company's rented gas generator and properties. The movement in the lease liability during the year is as follows:

	2022	2021
	N'000	N'000
Balance as at 1 January	539,789	557,431
Addition	23,786	-
Accrued lease interest	59,796	61,380
Payment of lease liabilities	(92,272)	(79,022)
Disposal	(7,000)	-
Balance as at 31 December	524,099	539,789
Analysed as:		
Current	79,023	71,182
Non-current	445,076	468,607
Balance as at 31 December	524,099	539,789

25 Leases (cont'd)**b. Amount recognised in profit or loss**

	2022	2021
	N'000	N'000
Interest on lease liabilities (Note 25b)	59,796	61,380
Expenses relating to short-term leases (Note 8(d))	2,650	5,477
Depreciation of right of use asset	46,211	44,599
	108,657	111,456

c. Extension options

The generator and building leases contain extension options exercisable by the Company at the end of the non-cancellable contract periods. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

26 Segment reporting

Nigeria is the Company's primary geographical segment as the Company's revenue is entirely earned from sales of similar product in Nigeria. The Company has two business operating segments namely: sale of goods and contract brewing and packaging. In 2022 no sales was generated from Contract brewing and packaging.

These operating segments have been combined as a single reportable segment as a result of the following instance:

- The aggregated information communicated to the chief operating decision makers (board of directors) provides information that allows them to evaluate the business and the environment in which it operates;
- they have similar economic characteristics; and
- they are similar in terms of the production and distribution process

Accordingly, no business or geographical segment information is reported.

27 Restatement of comparative information

The company reclassified and represented its revenue in a manner that reflects the nature of the transaction in line with the requirements of the applicable International Financial Reporting Standards (IFRS) Consequently, the presentation of the comparative figures and the prior year's balances have been restated in line with IAS 1 (Presentation of financial statements), IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), and other applicable financial reporting standards for meaningful comparism.

27 Restatement of comparative information s (cont'd)

i Effects of restatements on the statement of profit & loss

		31 December 2021		
	Notes	As previously reported N'000	Adjustment N'000	Amount as adjusted N'000
Revenue-restated	a	10,518,497	(959,418)	9,559,079
Cost of sales-restated	a	(6,980,493)	959,418	(6,021,075)
Gross profit		3,538,004	-	3,538,004
Other income-restated		108,518	-	108,518
Selling and distribution expenses		(651,010)	-	(651,010)
Administrative expenses	b	(1,259,217)	89,160	(1,170,057)
Impairment (loss)/gain		2,019	-	2,019
Operating profit		1,738,314	89,160	1,827,474
Finance income		75,871	-	75,871
Finance cost		(61,168)	-	(61,168)
Net finance cost		14,703	-	14,703
Profit before income tax		1,753,017	89,160	1,842,177
Income tax expense		(768,784)	-	(768,784)
Profit after tax		984,233	89,160	1,073,393
Other comprehensive income				
<i>Items that may be reclassified to profit or loss</i>				
Re-measurement of defined benefit liability, net of tax		192,416	-	192,416
Other comprehensive income/(loss), net of tax		192,416	-	192,416
Total comprehensive income		1,176,649	89,160	1,265,809

NOTES TO THE FINANCIAL STATEMENTS

27 Restatement of comparative information s (cont'd)

ii Effect of restatements on statement of financial position

Notes	31 December 2021			01 January 2021		
	As previously reported N'000	Adjustment N'000	Amount as adjusted N'000	As previously reported N'000	Adjustment N'000	Amount as adjusted N'000
Property Plant & Equipment-Cost	16,197,823	(269,110)	15,928,713	14,383,799	-	14,383,799
Property Plant & Equipment-Accumulated Depreciation	(7,302,969)	269,110	(7,033,859)	(6,141,634)	-	(6,141,634)
Property, Plant & Equipment-Carrying Amount	8,894,854	-	8,894,854	8,242,165	-	8,242,165
Right of use asset	511,873	-	511,873	556,473	-	556,473
Deferred tax assets	13,721	-	13,721	762,541	-	762,541
Intangible assets	-	-	-	-	-	-
Non-current assets	9,420,448	-	9,420,448	9,561,179	-	9,561,179
Inventories	1,023,969	-	1,023,969	725,449	-	725,449
Trade and other receivables	59,135	-	59,135	49,006	-	49,006
Contract assets	50,994	-	50,994	3,057	-	3,057
Prepayments	60,245	-	60,245	4,595	-	4,595
Cash and cash equivalents	2,872,024	-	2,872,024	1,025,231	-	1,025,231
Current assets	4,066,367	-	4,066,367	1,807,338	-	1,807,338
Total assets	13,486,815	-	13,486,815	11,368,517	-	11,368,517
Equity						
Share capital	3,914,748	-	3,914,748	3,914,748	-	3,914,748
Share premium	519,100	-	519,100	519,100	-	519,100
Other reserve	3,701,612	-	3,701,612	3,701,612	-	3,701,612
Accumulated profit	1,084,183	339,350	1,423,533	(92,466)	250,190	157,724
Total equity	9,219,643	339,350	9,558,993	8,042,994	250,190	8,293,184
Non-current liabilities						
Employee benefits	362,815	-	362,815	587,617	-	587,617
Lease liabilities	468,607	-	468,607	486,249	-	486,249
	831,422	-	831,422	1,073,866	-	1,073,866
Current liabilities						
Income tax liabilities	80,378	-	80,378	21,658	-	21,658
Lease liabilities	71,182	-	71,182	71,182	-	71,182
Trade and other payables	2,902,921	(339,350)	2,563,571	1,731,993	(250,190)	1,481,803
Contract Liabilities	13,503	-	13,503	165,569	-	165,569
Provisions	367,766	-	367,766	261,255	-	261,255
	3,435,750	(339,350)	3,096,400	2,251,657	(250,190)	2,001,467
Total liabilities	4,267,172	(339,350)	3,927,822	3,325,523	(250,190)	3,075,333
Total equity and liabilities	13,486,815	-	13,486,815	11,368,517	-	11,368,517

27 Restatement of comparative information s (cont'd)

	31 December 2021	January 1, 2021
	N'000	N'000
iii Effects of restatement on Equity		
Total Equity Previously stated	9,219,643	8,042,994
Restatement of Liabilities for Returnable Packaging Materials	339,350	250,190
Total restated Equity	9,558,993	8,293,184

The details of the items are as follows:

(a) **Restatement of revenue**

The company recognised Revenue as Gross Revenue less VAT and Discounts in prior year. Excise duties were recognised in cost of sales in prior year, this has been reclassified and net off revenue in the current year and prior restated at 31 December 2021.

(b) **Liabilities for returnable packaging materials**

The company carries out an assessment of reasonability of its RPM deposit liability yearly via an internal policy model based on market loss and circulation time. Model was not fully applied in prior year; this has fully applied in current year and prior years restated with adjustments to RPM deposit liability and Retained earnings

	31 December 2021	1 January 2021
	N'000	N'000
RPM deposit liability release as at 1st January 2021	250,190	250,190
RPM deposit liability release as at 31st December 2021	89,160	-
	339,350	250,190

(c) **Property Plant & Equipment**

In prior years, accumulated depreciation on Land was presented separately upon adoption of IFRS, this has now been netted off cost and comparative amounts restated for 31 December 2021. This however has no impact on the carrying amount of Land in the respective years.

28 Event after reporting date

There are no other events which could have had a material effect on the financial position of the Company as at 31 December 2022 and its financial performance for the year then ended that have not been adequately provided for or disclosed in these financial statements.



OTHER NATIONAL DISCLOSURES

VALUE ADDED STATEMENT

	2022		2021	
	N'000	%	Restated N'000	%
Revenue	12,288,893		9,559,079	
Locally procured materials and services	(5,865,688)		(4,248,790)	
	6,423,205		5,310,289	
Other income	183,529		108,518	
Value added	6,606,734	100	5,418,807	100
Distribution of Value Added				
To Government				
- Excise duties	1,093,104	17	959,418	18
- Income tax	662,930	10	768,784	15
To Employees:				
Personnel expenses	1,452,314	22	1,190,048	23
Outsource staff	333,282	5	265,828	2
Retained in the Business:				
For expansion and future growth				
- Depreciation of PPE	1,479,126	22	1,161,336	22
Retained profit	1,585,978	24	1,073,393	20
Value added	6,606,734	100	5,418,807	100

FIVE YEAR FINANCIAL SUMMARY

	2022	Restated 2021	2020	2019	2018
	N'000	Restated N'000	Restated N'000	N'000	N'000
Revenue	12,288,893	9,559,079	7,051,806	6,927,177	4,763,757
Operating profit/(loss)	2,271,277	1,874,474	461,358	241,480	(223,784)
Profit/(loss) before taxation	2,248,908	1,842,177	436,045	241,480	(209,591)
Profit/(loss)	1,585,978	1,073,393	158,793	168,508	(263,807)
Total comprehensive income/(loss)	1,560,391	1,265,809	11,198	96,264	(165,048)
Statement of financial position					
	2022	Restated 2021	Restated 2020	2019	2018
	N'000	Restated N'000	Restated N'000	N'000	N'000
Property, plant and equipment	10,298,837	8,894,854	8,242,165	7,742,400	7,533,632
Right of use asset	482,335	511,873	556,473	-	-
Deferred tax assets	-	13,721	762,541	901,470	898,809
Net current (liabilities)/assets	1,745,452	969,967	(194,129)	(226,943)	(250,922)
Lease liabilities	(445,076)	(468,607)	(486,249)	-	-
Deferred tax Liabilities	(483,117)	-	-	-	-
Employee benefits	(479,047)	(362,815)	(587,617)	(385,131)	(245,987)
Net assets	11,119,384	9,558,993	8,293,184	8,031,796	7,935,532
Funds Employed					
Share capital	3,914,748	3,914,748	3,914,748	3,914,748	3,914,748
Share premium	519,100	519,100	519,100	519,100	519,100
Other reserve	3,701,612	3,701,612	3,701,612	3,701,612	3,701,612
Accumulated profit/(loss)	2,983,924	1,423,533	157,724	(103,664)	(199,928)
Shareholders' fund	11,119,384	9,558,993	8,293,184	8,031,796	7,935,532

46th AGM in Pix



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9. *ADDRESS

10. OLD ADDRESS (if any)

11. *NATIONALITY 12. *OCCUPATION

13. *NEXT OF KIN NAME MOBILE

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15. BANK NAME 16. A/C NO.

17. A/C NAME 18. A/C OPENING DATE

19. BANK VERIFICATION NO. (BVN) 20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN) C

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"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

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Signature:

Company Seal (if applicable)

Please tick against the company(ies) where you have shareholdings

CUENTELE	
1. AFRICA PRUDENTIAL PLC	<input type="checkbox"/>
2. ABBEY MORTGAGE BANK PLC	<input type="checkbox"/>
3. AFRILAND PROPERTIES PLC	<input type="checkbox"/>
4. ALUMACO PLC	<input type="checkbox"/>
5. A & G INSURANCE PLC	<input type="checkbox"/>
6. A.R.M LIFE PLC	<input type="checkbox"/>
7. ADAMAWA STATE GOVERNMENT BOND	<input type="checkbox"/>
8. BECO PETROLEUM PRODUCTS PLC	<input type="checkbox"/>
9. BUA GROUP	<input type="checkbox"/>
10. BENUE STATE GOVERNMENT BOND	<input type="checkbox"/>
11. CAP PLC	<input type="checkbox"/>
12. CAPP AND D'ALBERTO PLC	<input type="checkbox"/>
13. CEMENT COY. OF NORTHERN NIG. PLC	<input type="checkbox"/>
14. CSCS PLC	<input type="checkbox"/>
15. CHAMPION BREWERIES PLC	<input type="checkbox"/>
16. CWG PLC	<input type="checkbox"/>
17. CORDROS MONEY MARKET FUND	<input type="checkbox"/>
18. EBONYI STATE GOVERNMENT BOND	<input type="checkbox"/>
19. GOLDEN CAPITAL PLC	<input type="checkbox"/>
20. INFINITY TRUST MORTGAGE BANK PLC	<input type="checkbox"/>
21. INVESTMENT & ALLIED ASSURANCE PLC	<input type="checkbox"/>
22. JAIZ BANK PLC	<input type="checkbox"/>
23. KADUNA STATE GOVERNMENT BOND	<input type="checkbox"/>
24. LAGOS BUILDING INVESTMENT CO. PLC	<input type="checkbox"/>
25. MED-VIEW AIRLINE PLC	<input type="checkbox"/>
26. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)	<input type="checkbox"/>
27. NEXANS KABLEMETAL NIG. PLC	<input type="checkbox"/>
28. OMOLUABI MORTGAGE BANK PLC	<input type="checkbox"/>
29. PERSONAL TRUST & SAVINGS LTD	<input type="checkbox"/>
30. P.S MANDRIDES PLC	<input type="checkbox"/>
31. PORTLAND PAINTS & PRODUCTS NIG. PLC	<input type="checkbox"/>
32. PREMIER BREWERIES PLC	<input type="checkbox"/>
33. RESORT SAVINGS & LOANS PLC	<input type="checkbox"/>
34. ROADS NIGERIA PLC	<input type="checkbox"/>
35. SCOA NIGERIA PLC	<input type="checkbox"/>
36. TRANSCORP HOTELS PLC	<input type="checkbox"/>
37. TRANSCORP PLC	<input type="checkbox"/>
38. TOWER BOND	<input type="checkbox"/>
39. THE LA CASERA CORPORATE BOND	<input type="checkbox"/>
40. UACN PLC	<input type="checkbox"/>
41. UNITED BANK FOR AFRICA PLC	<input type="checkbox"/>
42. UNITED CAPITAL PLC	<input type="checkbox"/>
43. UNITED CAPITAL BALANCED FUND	<input type="checkbox"/>
44. UNITED CAPITAL BOND FUND	<input type="checkbox"/>
45. UNITED CAPITAL EQUITY FUND	<input type="checkbox"/>
46. UNITED CAPITAL MONEY MARKET FUND	<input type="checkbox"/>
47. UNITED CAPITAL NIGERIAN EURO BOND FUND	<input type="checkbox"/>
48. UNITED CAPITAL WEALTH FOR WOMEN FUND	<input type="checkbox"/>
49. UNIC DIVERSIFIED HOLDINGS PLC	<input type="checkbox"/>
50. UNIC INSURANCE PLC	<input type="checkbox"/>
51. UAC PROPERTY DEVELOPMENT COMPANY PLC	<input type="checkbox"/>
52. UTC NIGERIA PLC	<input type="checkbox"/>
53. WEST AFRICAN GLASS IND PLC	<input type="checkbox"/>

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The Registrar

Africa Prudential Plc
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I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male Female

Surname/Company's Name First Name Other Name

Address

City State Country

Previous Address (if any)

Clearing House Number (CHN) (if any) Name of Stockbroking Firm

Mobile Telephone 1 Mobile Telephone 2

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Signature: Signature: Company Seal (if applicable)

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Please tick against the company(ies) where you have shareholdings

- | CUENTELE | <input checked="" type="checkbox"/> |
|---|-------------------------------------|
| 1. AFRICA PRUDENTIAL PLC | <input type="checkbox"/> |
| 2. ABBEY MORTGAGE BANK PLC | <input type="checkbox"/> |
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OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: 07080606400
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. Tel: 09-2900873
PORT-HARCOURT: Okien Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2. Tel: 084-303457
E-MAIL: cfc@aficaprudential.com | www.aficaprudential.com | @afiprud



E-SHARE REGISTRATION APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

***= Compulsory fields**

1. *SURNAME/COMPANY NAME:

2. *FIRST NAME:

3. OTHER NAME:

4. *E-MAIL:

5. ALTERNATE E-MAIL:

6. *MOBILE NO.: 7. SEX: MALE FEMALE

8. ALTERNATE MOBILE NO.:

9. *POSTAL ADDRESS:

10. CSCS CLEARING HOUSE NO.:

11. NAME OF STOCKBROKER:

DECLARATION

"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

Signature: Signature: Company Seal(if applicable)

AKR/Company's Signatures

DISCLAIMER

"In no event shall Africa Prudential Plc be liable for any damages, losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advise us of the possibility of such damages, losses or expenses, whether express or implied in respect of such information."

Please tick against the company(ies) where you have shareholdings

CLIENTELE	
1. AFRICA PRUDENTIAL PLC	<input type="checkbox"/>
2. ABBEY MORTGAGE BANK PLC	<input type="checkbox"/>
3. AFRILAND PROPERTIES PLC	<input type="checkbox"/>
4. ALUMACO PLC	<input type="checkbox"/>
5. A & G INSURANCE PLC	<input type="checkbox"/>
6. A.R.M LIFE PLC	<input type="checkbox"/>
7. ADAMAWA STATE GOVERNMENT BOND	<input type="checkbox"/>
8. BECO PETROLEUM PRODUCTS PLC	<input type="checkbox"/>
9. BUA GROUP	<input type="checkbox"/>
10. BENUE STATE GOVERNMENT BOND	<input type="checkbox"/>
11. CAP PLC	<input type="checkbox"/>
12. CAPPAL AND D'ALBERTO PLC	<input type="checkbox"/>
13. CEMENT COY. OF NORTHERN NIG. PLC	<input type="checkbox"/>
14. CSCS PLC	<input type="checkbox"/>
15. CHAMPION BREWERIES PLC	<input type="checkbox"/>
16. CWG PLC	<input type="checkbox"/>
17. CORDROS MONEY MARKET FUND	<input type="checkbox"/>
18. EBONYI STATE GOVERNMENT BOND	<input type="checkbox"/>
19. GOLDEN CAPITAL PLC	<input type="checkbox"/>
20. INFINITY TRUST MORTGAGE BANK PLC	<input type="checkbox"/>
21. INVESTMENT & ALLIED ASSURANCE PLC	<input type="checkbox"/>
22. JAIZ BANK PLC	<input type="checkbox"/>
23. KADUNA STATE GOVERNMENT BOND	<input type="checkbox"/>
24. LAGOS BUILDING INVESTMENT CO. PLC	<input type="checkbox"/>
25. MED-VIEW AIRLINE PLC	<input type="checkbox"/>
26. MIXTA REAL ESTATE PLC (formerly ARM Properties PLC)	<input type="checkbox"/>
27. NEXANS KABLEMETAL NIG. PLC	<input type="checkbox"/>
28. OMOLUABI MORTGAGE BANK PLC	<input type="checkbox"/>
29. PERSONAL TRUST & SAVINGS LTD	<input type="checkbox"/>
30. P.S MANDRIDES PLC	<input type="checkbox"/>
31. PORTLAND PAINTS & PRODUCTS NIG. PLC	<input type="checkbox"/>
32. PREMIER BREWERIES PLC	<input type="checkbox"/>
33. RESORT SAVINGS & LOANS PLC	<input type="checkbox"/>
34. ROADS NIGERIA PLC	<input type="checkbox"/>
35. SCSA NIGERIA PLC	<input type="checkbox"/>
36. TRANSCORP HOTELS PLC	<input type="checkbox"/>
37. TRANSCORP PLC	<input type="checkbox"/>
38. TOWER BOND	<input type="checkbox"/>
39. THE LA CASERA CORPORATE BOND	<input type="checkbox"/>
40. UACN PLC	<input type="checkbox"/>
41. UNITED BANK FOR AFRICA PLC	<input type="checkbox"/>
42. UNITED CAPITAL PLC	<input type="checkbox"/>
43. UNITED CAPITAL BALANCED FUND	<input type="checkbox"/>
44. UNITED CAPITAL BOND FUND	<input type="checkbox"/>
45. UNITED CAPITAL EQUITY FUND	<input type="checkbox"/>
46. UNITED CAPITAL MONEY MARKET FUND	<input type="checkbox"/>
47. UNITED CAPITAL NIGERIAN EURO BOND FUND	<input type="checkbox"/>
48. UNITED CAPITAL WEALTH FOR WOMEN FUND	<input type="checkbox"/>
49. UNIC DIVERSIFIED HOLDINGS PLC	<input type="checkbox"/>
50. UNIC INSURANCE PLC	<input type="checkbox"/>
51. UAC PROPERTY DEVELOPMENT COMPANY PLC	<input type="checkbox"/>
52. UTC NIGERIA PLC	<input type="checkbox"/>
53. WEST AFRICAN GLASS IND PLC	<input type="checkbox"/>
OTHERS: <input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="checkbox"/>

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FULL DEMATERIALIZATION FORM FOR MIGRATION

INSTRUCTION: Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in _____
 _____ "the company". I recognize this will invalidate any certificate(s) in my possession,
 or which might come into my possession in respect of my total holding(s) in this/this company.

Affix recent
passport
photograph

USE GUM ONLY

SECTION A:

SHAREHOLDER'S FULL NAMES

Surname First Name Middle Name

ADDRESS:

GSM NUMBER:

E-MAIL:

GENER:

Male

Female

CSCS INVESTOR'S A/C NO.:

C

REGISTRAR'S ID NO (RIN):

BANK DETAILS FOR DIRECT SETTLEMENT :

ACCOUNT NAME:

BANK

BANK A/C NUMBER:

Must be NUBAN

BVN:

Must be confirmed by bank

AGE OF A/C:

DD MM YYYY

Must be confirmed by bank

Authorized Signature (1)
(and stamp of Stockbroker)

Authorized Signature (2)
(and stamp of Stockbroker)

Shareholder's Signature & Date

Shareholder's Signature & Date (2)
(if applicable)

Thumb Print

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.		
2.		
3.		

S/N	CERTIFICATE NO. (IF ANY)	UNITS
4.		
5.		
6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request Africa Prudential Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above the holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and Africa Prudential Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and for Africa Prudential Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to Africa Prudential Plc or their successors or assigns without cost, fee or reward.

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.		
2.		
3.		

S/N	CERTIFICATE NO. (IF ANY)	UNITS
4.		
5.		
6.		

dated this _____ day of _____, 20____

Name: _____

Signature: _____

Joint (2) (if applicable): _____

Joint (3) (if applicable): _____

Company Seal

In the Presence of:

Name: _____ GSM NO: _____

Address: _____

Signature: _____

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S, BANKER OR INSURANCE COMPANY

On behalf of _____ Plc/Ltd, we hereby agree jointly and severally to keep the company and / or the Registrar or other persons acting on their behalf fully indemnified against all actions, proceedings, liabilities, claims, losses, damages, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom.

Authorised Signatory (1): _____

Authorised Signatory (2): _____

Company Seal

HEAD OFFICE: 2208, Ikorodu Road, Palmgrove, Lagos. Tel: 07080606400

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. Tel: 09-2900873

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THE 47th ANNUAL GENERAL MEETING TO BE HELD BY PROXY AT ORIENTAL HOTEL, 3 LEKKI ROAD, VICTORIA ISLAND, LAGOS ON WEDNESDAY, 12TH JULY 2023

I/We*.....of..... being member(s) of CHAMPION BREWERIES PLC hereby appoint**..... or failing him, DR ELIJAH W. AKPAN or failing her MR. GEORGIOS POLYGMENAKOS as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held by proxy on 12th July 2023 and any adjournment(s) thereof.

Signature Dated this day of 2023

Number of Shares held	For	Against	Abstain
RESOLUTION			
1. "That the Financial Statements for the year ended December 31, 2022, the Directors', Auditors' and Audit Committee's Reports thereon be and hereby received, considered and passed"			
2. "To re-elect Mr. Frederik Williem Kurt as a Director of the Company"			
3. "To re-elect Mr. Thompson S B. Owoka as a Director of the Company"			
4. "To re-elect Mrs. Helen Umanah as a Director of the Company"			
5. "To authorize the Directors to fix the remuneration of the Auditors."			
6. "To elect/re-elect shareholders' representatives on the Audit Committee."			
7. "To Disclosure the Remuneration of Managers in line with Section 257 of the Companies and Allied Matters Act, 2020"			
B. SPECIAL BUSINESS			
1. That the Directors be authorized to fix their remuneration in respect of the year ending December 31, 2022."			
2. To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company: "That a general mandate be and is hereby given to the Company to enter into recurrent transactions with related parties for the Company's day-to-day operations, including the procurement of goods and services, on normal commercial terms."			

Dated this day of 2023.

NOTES

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on a show of hands. A Proxy need not be a member of the Company. A form for proxy is supplied with the notices circulated to members and if it is to be valid for the purpose of the meeting, it must be duly completed, stamped and deposited at the office of the Registrars to Champion Breweries Plc, Africa Prudential Registrars Plc, 220 B, Ikorodu Road, Palmgrove, Lagos not less than 48 hours before the time of the meeting.

A Shareholder entitled to attend and vote at the Meeting can appoint a proxy to attend and vote in his/her/its stead. The proxy needs not be a shareholder. Consequently, Members are required to appoint a proxy of their choice to represent them at the Meeting.

A form for proxy is supplied with the notices circulated to members and if it is to be valid for the purpose of the meeting, it must be duly completed, stamped and deposited at the office of the Registrars to Champion Breweries Plc, Africa Prudential Registrars Plc, 220 B, Ikorodu Road, Palmgrove, Lagos or sent by e-mail to cxc@africaprudential.com not less than 48 hours before the time of the meeting. The Company shall bear the cost of the stamp duty payable on this Proxy Form.

BEFORE POSTING THE ABOVE FORM, PLEASE TEAR OFF THIS PART AND RETAIN IT FOR ADMISSION TO THIS MEETING

CHAMPION BREWERIES PLC

THE 47TH ANNUAL GENERAL MEETING TO BE HELD BY PROXY AT ORIENTAL HOTEL, 3 LEKKI ROAD, VICTORIA ISLAND, LAGOS ON WEDNESDAY, 12TH JULY 2023

PLEASE ADMIT

Name (of person attending) Admission Slip No. of Shares

The 47th Annual General Meeting to be held by proxy at Oriental Hotel, 3 Lekki Road, Victoria Island, Lagos on WEDNESDAY, 12TH JULY 2023

Signature of the person attending Name and Signature Of Shareholder

NOTE The Shareholder or his/her Proxy must produce this Admission Slip in order to be admitted at the meeting. Shareholders or other proxies are requested to sign the Admission Slip at the entrance (venue) of the AGM in the presence of the Registrar on the day of the Annual General Meeting

The Company Secretary
Champion Breweries Plc
Industrial Layout
Aka Offot Uyo
Akwa Ibom State

The Registrar
Africa Prudential
Registrars
220B, Ikorodu Road,
Palm Grove, Lagos

SECOND FOLD HERE

Please Affix Postage

FIRST FOLD HERE

AFRICA PRUDENTIAL PLC
220B, Ikorodu Road, Palmgrove, Lagos.
Tel: 01-4606460, Lagos.

THIRD FOLD HERE AND INSERT