Champion Breweries Plc.
RC 13388

2018
ANNUAL REPORT

GAINING MOMENTUM

INSIDE THIS YEAR'S REPORT

We Are CHAMPION

Champion Breweries Plc incorporated on 31st of July, 1974 strive to maintain and sustain rigorous production standards through the deployment of cutting edge technology and the application of human capital.

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.

While ownership structure has changed over the years, Champion Breweries Plc is today under the technical supervision of its controlling shareholders, a global beverage giant Heineken NV, and this has put the Company in a stead to even surpass every previous achievements on sales, consumer satisfaction and community engagement..

INSIDE THIS YEAR'S REPORT

Our Profile

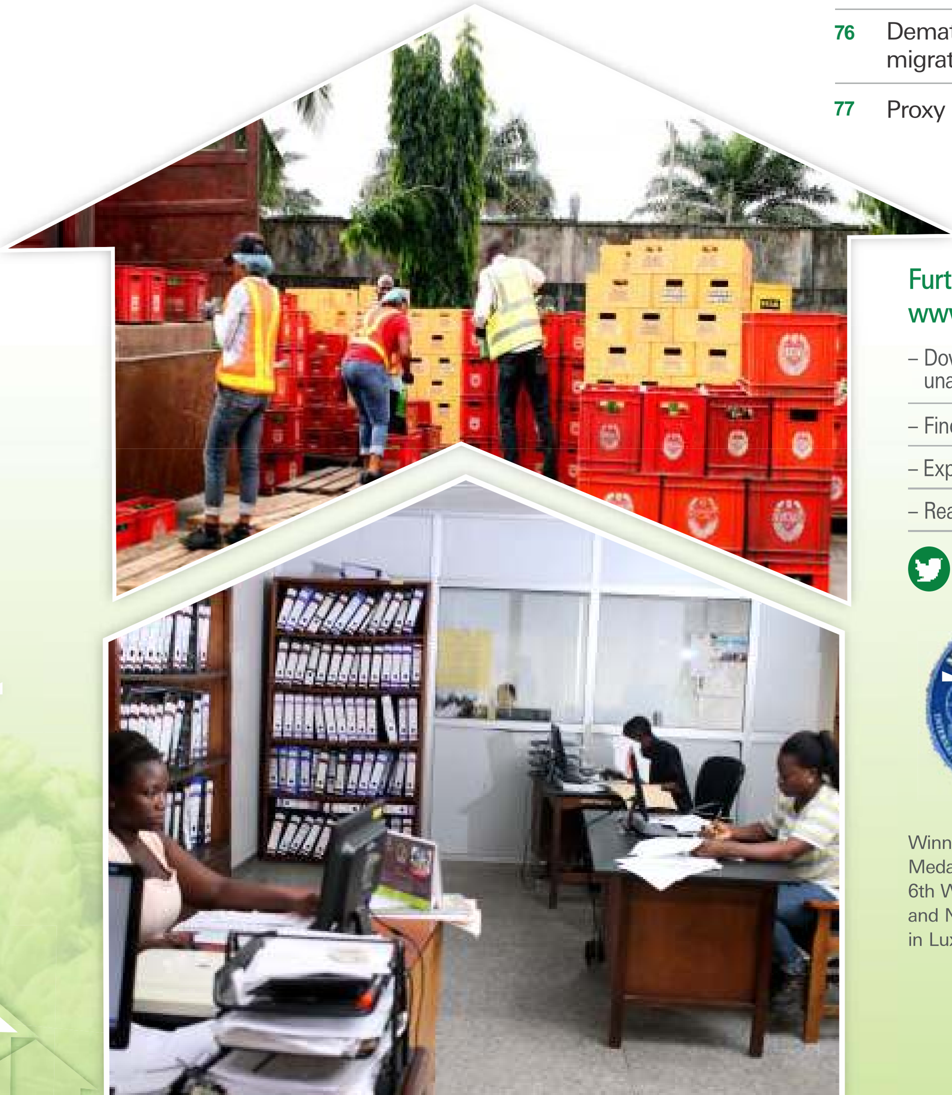
Corporate Governance

Brands in Action

Financial Statements

Champion Strides

Other Information



Further information online at: www. championbreweries.com

– Download the Annual Report & periodic unaudited Accounts
– Find out about CHAMPION's history
– Explore our brands
– Read more about our sustainability efforts

Follow us on Twitter for news and updates:@CHAMPION.NG

Winner Monde Selection Silver Medal for quality at the 6th World Selection for Beers and Non-Alcoholic Beverages in Luxemburg.

CORPORATE INFORMATION

Date of Incorporation:	31 July 1974
Registration Number:	RC 13388
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. Patrick Ejidoh – Managing Director Mr. Hendrik van Rooijen (Dutch) Mr. Marinus Gabriels (Dutch) Mr. Samson Aigbedo Mrs. Helen Umanah Mr. Thompson Owoka Alhaji Shuaibu Ottan Mr. Samuel Onukwue Mr. Adegbemi Adeboye (Resigned July 28, 2018) Mr. Olufunminiyi Alabi Mrs. Afolake Lawal (Appointed October 25, 2018)
Company Secretary:	Chief Tosan Atle Aiboni
Independent Auditor:	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street Victoria Island, Lagos www.kpmg.com/ng
Registrars:	African Prudential 220B, Ikorodu Road, Palmgrove, Lagos Nigeria cfc@africaprudential.com
Bankers:	First City Monument Bank Plc Guaranty Trust Bank Plc Stanbic IBTC Bank United Bank for Africa Plc Zenith Bank Plc

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 South East 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 hectolitres 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 Plc 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 now holds 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,

"Champion Breweries Plc still maintains its high quality Champion Lager Beer brand and remains a pride to the people of Akwa Ibom and neighboring states within the South-South region of Nigeria.

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.

Champion Breweries Plc still maintains its high quality Champion Lager Beer brand 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. With the relaunching of the Champion Lager Beer brand portfolio, it is expected that the volumes would increase substantially.

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2018

Our performance in 2018 reflects the successful execution of our strategy, as well as the relevance of our unique diversified footprint and premium brand portfolio, led by Champion Beer

Revenue

₦4,763m

2018	4,763m
2017	4,777m

Other comprehensive Income/(loss) net of tax

₦98.76m

2018	98.76m
2017	(52.96m)

Operating (loss)/profit

(₦223.78m)

2018	(223.78m)
2017	595.19m

Total comprehensive income/(loss) for the year

(₦165.05m)

2018	(165.05m)
2017	464.60m

(Loss)/profit before tax

(₦255.43m)

2018	(255.43m)
2017	603.17m

Stock Exchange Information:

Stock Exchange quotation in NAIRA per share

1.99

2018	1.99
2017	2.08

Income tax expense

₦8.37m

2018	8.37m
2017	85.61m

Number of shares issued

7,829m

2018	7,829m
2017	7,829m

(Loss)/profit for the year

(₦263.81m)

2017	(263.81m)
2016	517.56m

Market capitalization

₦10,335m

2018	10,335m
2017	19,184m

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting of Champion Breweries PLC will be held on Thursday, May 9, 2019 at the Lagoon Restaurants, 1C Ozumba Mbadiwe Street, Victoria Island, Lagos at 12.00 noon to:

A. ORDINARY BUSINESS

1. Lay before members, the audited financial statements for the year ended December 31, 2018 and the Directors', Auditor's and Audit Committee's Reports thereon.

2. Elect/re-elect Directors as maybe applicable.

3. Authorize the Directors to fix the remuneration of the Auditors.

4. Elect/re-elect shareholders' representatives on the Audit Committee.

B SPECIAL BUSINESS

To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company;

5. To approve the remuneration of Directors

6. "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."

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.

2. APPOINTMENT 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 Monday, April 22nd – Friday 26th, 2019 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 before the Annual General Meeting at Industrial Layout, Aka Offot, Uyo, Akwa Ibom State, Nigeria or by email at info@championbreweries.com

Dated March 27, 2019.

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 W. Akpan
Chairman

Distinguished shareholders, members of the Board of Directors, invited guests, ladies and gentlemen. It is with great delight that I welcome you to the 43rd Annual General Meeting of our Company, Champion Breweries Plc.

Whilst I review the business environment under our company has operated, we remain excited at the fact that Champion breweries has further gained momentum through deliberate steps taken towards achieving its long term growth.

The Business Environment in 2018

The Nigerian economy has continued to recover from the hard blow it suffered in 2016 and the early part of 2017. The economy has expanded by 1.93% in Full Year (FY) 2018, higher than 0.82% recorded in 2017. Real GDP growth was an estimated 1.9% in 2018, reflecting a recovery in services and industry— particularly mining, quarrying, and manufacturing sectors. The recovery benefited from availability of foreign exchange.

There were projections that key indicators to watch for Nigeria's economy between 2018 and 2019 will be the crude oil price level which was at $77 per barrel, the oil production level which was about 2million barrels per day, and the legislations and policy drive like the Petroleum Industry Governance Bill (PIGB) and Petroleum Industry Bill (PIB).

On the macroeconomic front, the delayed approval of the 2018 budget affected implementation and increased fiscal uncertainty. However due to oil revenues, a value added tax on luxury items, and a tax amnesty, the fiscal deficit was reduced in 2018, financed mainly by public debt. In the first quarter, the non-oil sector, agriculture (+3.0% YoY) and manufacturing (+3.4% YoY) sectors sustained growth to drive non-oil sector growth of 0.8% YoY in Q1 18.

The second quarter saw the economy experience a slow momentum with a 1.50% Q2, 2018 GDP growth level, declining from the previous 1.95% in Q1, 2018. Whilst the oil sector contributed 8.55% to total real GDP in Q2 2018, down from 9.61% in the preceding quarter of Q1, 2018, the Non-Oil sector in real terms contributed 91.45% to the nation's GDP, a 0.06% from the previous quarter which was 90.39%. The Services sector played a major role in driving the performance of the "Non-Oil Sector" for Q2, 2018.

According to the African Development Bank Group, by June 2018, the stock of public debt came to about $73.2 billion, up from $71.0 billion in 2017, representing 17.5% of GDP. Despite the increase, Nigeria remained at moderate risk of debt distress. In November 2018, the government issued a Eurobond of $2.9 billion, which reflects its new debt management strategy of prioritizing foreign debt to mitigate the high financing costs of domestic borrowing.

Operating Results and Performance

Whilst Revenue remained at ₦4.8Billion, operating profit dropped from ₦595 million to an operating loss of ₦224 million. The loss before Tax for the year was ₦255 million (previous year profit was ₦603 million).

Board Matters

The Board has continued to work together in ensuring compliance with the provisions of good Corporate Governance and such related statutory provisions.

There has been changes in the structure of the Board following the resignation of Mr. Adeboye Adegbemi and the appointment of Mrs. Afolake Lawal.

On your behalf the Board thanked Mr. Adeboye Adegbemi for his contribution and immense support to the Company and wished him well in his future endeavors.

The Directors retiring by rotation in accordance with the Company's Articles of Association and Section 259 of the Companies and Allied Matters Act Cap C 20 Laws of the Federation of Nigeria 2004 are Messrs. Samson Aigbedo, Olufunminiyi Alabi and my humble self who being eligible, have offered ourselves for re-election.

Capital Reduction

We are pleased to inform you that as part of the Company's steps to increase the stock's value and eventually leading to the payout of dividends, the Company has concluded the capital re-structuring exercise within the year under review. The effect as shall be seen under the financial highlights below is that the N8,574,679,000 in the Company's Accumulated Loss account as at December 31, 2017 was transferred to the Company's share premium account, thereby reducing it by same amount.

Future Outlook

While the economy has continued to recover, it has been projected that in 2019 one of the major factors that would influence the economy would be the build up to the elections and the outcome of the said election. The election was projected to subdue activities in Q1 and by possible extension in Q2. The outcome of the election is anticipated to come with possible reforms across key sectors of the economy, amid gaping infrastructural deficits, disturbing poverty statistics, sharp rising population growth, rising fiscal deficit, calls for minimum wage adjustment, sub-national government insolvency, and faltering revenue base.

Another projected factor was the possible change of leadership at the office of the CBN Governor as the Governor's first 5-Year tenor ends in June19.

It has been projected that Real GDP is to grow by 2.3 percent in 2019, down from 3.1 percent in 2018. It is expected that the headline inflation rate will stay elevated, well above CBN's single-digit target, but marginally below the current MPR of 14.0%. Conditions in the external sector may also remain volatile, but CBN may continue to support the naira at N360-N365/USD levels, buoyed by decent external reserves.

According to the International Monetary Fund (IMF) the 2019 global growth forecast to is to remain at 3.7% in 2019, same level achieved in 2017 on the back of rise in the downside risks to growth caused by continuing trade tensions and low potentials for growth in advanced economies. According to World Bank, Global growth is expected to edge down by 2.9% in 2019 as global growth prospects dissipates, trade and investment moderate, and financial conditions tightens.

However notwithstanding the almost gloomy projections, the Board and management have also taken steps towards ensuring that the Company remains profitable. Asides Management successfully launching the new Champion Beer bottles, it has also commenced major capital expenditure with respect to providing alternative energy solution for the Company. This is with a view to reducing significantly the production cost improving on the alternative Energy this is with a view to drastically reducing hence positioning itself favorably compete in the market. Relentless, we remain in achieving the growth, development and success of our Company in the incoming financial year.

Conclusion

Highly esteemed shareholders, the Board acknowledges your confidence, trust and unflinching support to the Board, Management and employees of the Company. With the giant strides being achieved by the Company, we are confident that your patience in your Investment will undoubtedly be positively rewarded in the nearest future.

The Board also expresses her appreciation to the management/technical partners, core/majority investors, for the deployment of improved technology, marketing standards and best practices in which the Company operates presently. We also thank our host Government, Akwa Ibom State, for the provision of a business-conducive environment to operate. We remain grateful to you our esteemed shareholders and other stakeholders for being there.

Thank you and God Bless.

Dr. Elijah Akpan
CHAIRMAN

DIRECTORS' REPORT

For the year ended 31 December 2018

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 2018.

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.

Operating Results

In 2018, the result of the Company, were adversely impacted by the increased excise duties rate which came into effect during the year, coupled with a challenging operating environment. A summary of the Company's operating results is shown below:

in thousands of naira	2018	2017
Revenue	4,763,757	4,777,313
Operating (loss)/profit	(223,784)	595,189
(Loss)/Profit before tax	(255,433)	603,173
Income tax expense	(8,374)	(85,611)
(Loss)/Profit for the year	(263,807)	517,562
Other comprehensive income, net of tax	98,759	(52,962)
Total comprehensive income	(165,048)	464,600

Dividend

The Directors did not recommend any dividend during the year (2017: 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 275 of the Companies and Allied Matters Act of Nigeria, Cap C.20, Laws of Federation of Nigeria, 2004 were as follows:

	2018	2017
	Number of Ordinary Shares	
Dr. Elijah Akpan (Chairman)**	-	-
Mr. Patrick Ejidoh (Managing Director)*	-	-
Mr. Marinus Gabriels (Dutch)**	-	-
Mr. Thompson Owoka**	500,000	500,000
Alhaji Shuaibu Ottan**	-	-
Mr. Adegbemi Adeboye **	-	-
Mr. Olufunminiyi Alabi**	-	-
Mr. Hendrik van Rooijen (Dutch)**	-	-
Mrs. Afolake Lawal**	-	-
Mr. Samuel Onukwue**	-	-
Mr. Samson Aigbedo**	-	-
Mrs. Helen Umanah**	8,110	8,110

*Executive Director
** Non-executive Director

In accordance with Section 277 of the Companies & Allied Matters Act Cap C.20 Laws of the Federation of Nigeria, 2004, 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 (2017: Nil).

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

Shareholders as at 31 December 2018 of N50k each	%	Ordinary Share Number	shares capital N '000
The Raysun Nigeria Limited	60.4	4,729,434	2,364,717
Assets Management Nominee	12.3	961,863	480,932
Akwa Ibom State Government	10.0	786,225	393,112
Other shareholders.	17.3	1,351,974	675,987
	100.0	7,829,496	3,914,748

Shareholders as at 31 December 2017 of N50k each	%	Ordinary Share Number	shares capital N '000
The Raysun Nigeria Limited	60.5	4,740,007	2,370,004
Assets Management Nominee	12.3	961,864	480,932
Akwa Ibom State Government	10.0	782,968	391,484
Other shareholders.	17.2	1,344,657	672,328
	100.0	7,829,496	3,914,748

In order to comply with the free float requirement of the Nigerian Stock Exchange, the Board of Directors have initiated necessary steps as at reporting date to ensure that a minimum of 20% of the Company's issued shares are held by public investors.

During the year, the Company embarked on a capital re-structuring scheme following the special resolution approved by the shareholders on 26 July 2018. Under the scheme, the balance of N8,574,679,000 in the Company's Accumulated Loss account as at December 31, 2017 was transferred to the Company's share premium account, thereby reducing it by same amount. The necessary approvals have been obtained including court approval on 23 October 2018, Corporate Affairs Commission (CAC) approval on 6 December 2018, and a letter of no objection from the Financial Reporting Council of Nigeria (FRCN) on 19 December 2018. In addition, the Securities and Exchange Commission (SEC) has been duly notified.

Property, Plant and Equipment
Information relating to movement in property, plant and equipment during the year is disclosed in Note 13 to the financial statements.

Donations and sponsorship
The Company gave donations and provided sponsorship during the year as follows:

in thousands of naira	2018	2017
Scholarship to indigenes of host community	1,875	2,400
Tournament sponsorship	1,500	-
	3,375	2,400

In accordance with Section 38(2) of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, the Company did not make any donation or give gifts to any political party, political association or for any political purpose during the year (2017: 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 (2017: 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 now have canteens where employees are served good and nutritious meals on a daily basis.

Independent Auditors
KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as independent auditors to the Company. In accordance with Section 357 (2) of the Companies and Allied Matters Act, CAP C.20, Laws of Federation of Nigeria, 2004 therefore, the independent auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

By Order of the Board

____
Chief Tosan Atle Aiboni
Company Secretary
FRC/2014/NBA/00000006228
20 March 2019

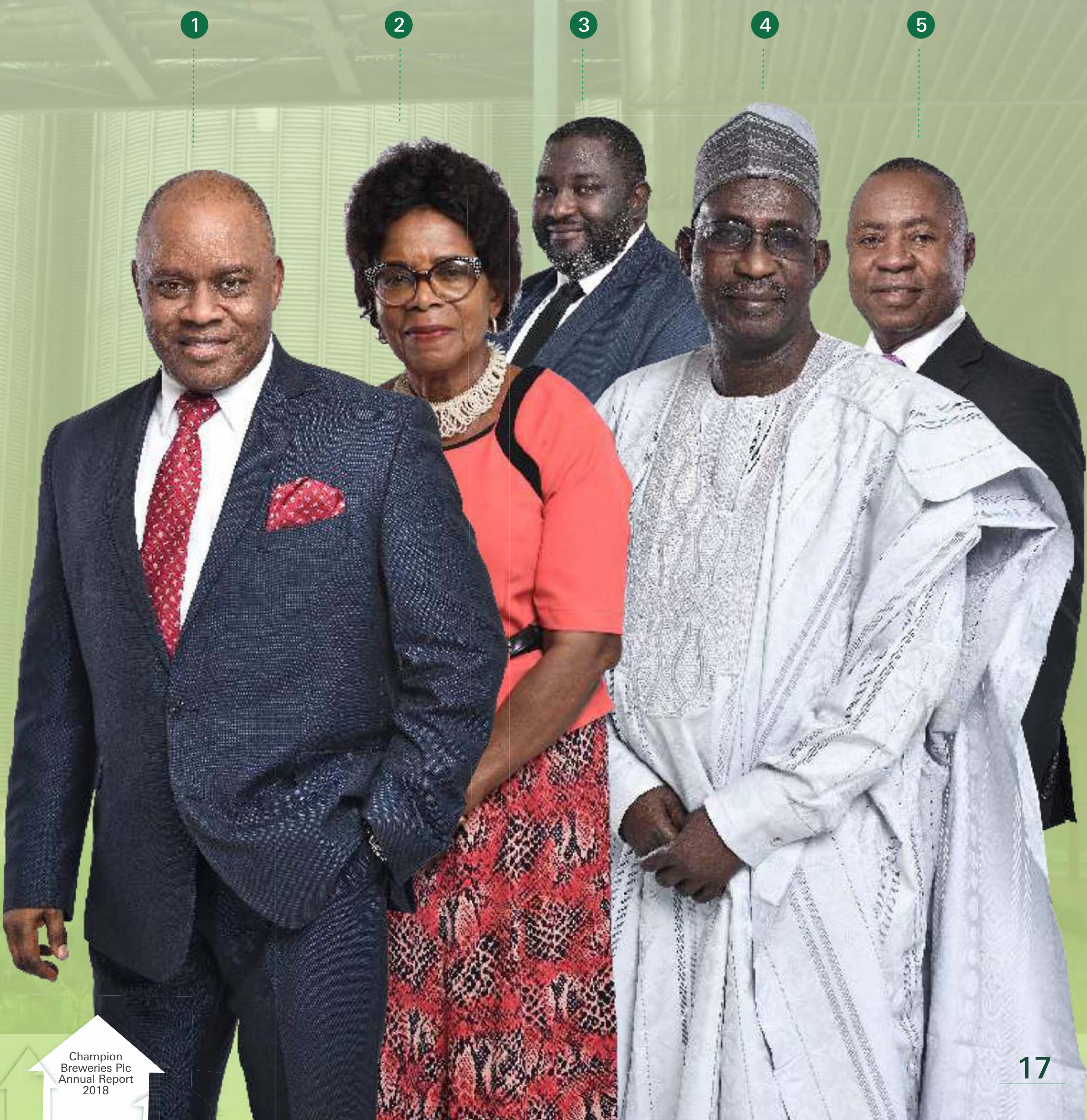
BOARD OF DIRECTORS

From right to left

1 Mr. Patrick A. Ejidoh - *Managing Director*
2 Mr. Olufunminiyi Alabi - *Director*
3 Mr. Samson E. Aigbedo - *Director*
4 Mr. M. J. A. Gabriels - *Director*
5 Mrs. Afolake Lawal - *Director*
6 Mr. Hendrik van Rooijen - *Director*
7 Mr. Thompson S. B. Owoka - *Director*

From left to right

1 Dr. Elijah W. Akpan - *Chairman*
2 Mrs Helen A. Umanah - *Director*
3 Mr. Tosan Atle Aiboni - *Secretary*
4 Alhaji Shuaibu A. Ottan - *Director*
5 Mr Samuel O. Onukwue - *Director*



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.

He currently serves on several Boards representing the interest of Akwa Ibom State Government.

Mr. Patrick A. Ejidoh

was appointed as a Director and the Managing Director of Champion Breweries Plc in 2016. He holds a Higher National Diploma in Marketing from The Federal Polytechnic, Auchi and a Master of Business Administration (MBA) from the University of Uyo (1984 and 2005 respectively). He joined Nigerian Breweries Plc in 1987 and has served in various capacities within the Sales and Corporate Affairs Departments of Nigerian Breweries Plc since 1987.

Prior to joining the Company, he was the Public Affairs Manager, East Nigerian Breweries Plc.

Mrs. Afolake Lawal

Is a Non-Executive Director of Champion Breweries Plc. She was awarded with a degree of Bachelor of Law with Honours, upper second class from Anglia Ruskin University, Cambridge U.K., She also holds a Master of Science degree in Corporate Governance and Finance from the Liverpool John Moores University, Liverpool U.K. and a Master's degree in International Law and Diplomacy from the University of Lagos.

An Alumnus of Obafemi Awolowo University with B.A. (Hons) in English, She is a member of the Nigerian Bar Association and the Institute of Directors, a fellow of the Institute of Capital Market Registrars, a Certified Pension Practitioner, Women Corporate Directors (Nigeria Chapter) and an associate member of the National Institute of Marketing of Nigeria (NIMN).

She is a member of numerous Boards Governance and Remuneration Committee in various public and private companies. She Joined the Board of Champion Breweries Plc in October 2018.

Mr. Olufunminiyi Alabi

is a Non- Executive Director of Champion Breweries Plc. He possesses a Bachelors degree in Food Technology from the University of Ibadan (1981).

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

He joined the Board of Champion Breweries Plc in 2016.

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 Accountant of Nigeria (ACA 1989 and FCA 1999).

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

He joined the Board of Champion Breweries Plc in 2000.

Mr. Marinus J. A. Gabriels

is a Non-Executive Director of Champion Breweries Plc. He holds a Bachelors degree in Accountancy (HEAO-RA) in 1985. He started his career in Finance & Procurement roles within the Shell Group and rose to the SAP Continuous Business Improvement Manager in Shell Petroleum Development Company – Nigeria (JV) in 2005. He joined the Heineken Group in 2010 and is presently the Strategic Business Controller in Nigerian Breweries Plc.

He joined the Board of Champion Breweries Plc in March 2015.

Alhaji Shuaibu A. Ottan

is a Non-Executive Director of Champion Breweries Plc. He holds a Bachelors degree in Economics from Ahmadu Bello University, Zaria (1980). His work experiences includes 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. Alhaji Ottan currently proffers the services of consulting in Project Management, Fund Sourcing and Advisory as the Chief Executive of First Fiducia Projects Limited.

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

He joined the Board of Champion Breweries Plc in 2016.

Mr. Henk van Rooijen

is a Non-Executive Director of Champion Breweries Plc. He holds a degree in Mechanical Engineering and Management Science from University of Twente, Enschede, The Netherlands in 1980 and a Master of Business Administration from the University of Rochester, New York, United States of America and Erasmus University, Rotterdam, The Netherlands in 1994. He started his working career as an Officer in the Dutch Army, Department of Transport, The Hague. He further progressed into various logistics positions, in the Netherlands and abroad within the Heineken Group and is currently the Director of Logistics of Nigeria Breweries Plc.

He joined the Board of Champion Breweries in March 2015.

BOARD OF DIRECTORS' PROFILE

Mr. Samson E. Aigbedo

is a Non-Executive Director of Champion Breweries Plc. He holds a Bachelors 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. He joined the Board of Champion Breweries Plc in December 2015.

Mr. Samuel O. Onukwue

is a Non-Executive Director of Champion Breweries Plc. He holds a Higher National Diploma in Accountancy from Yaba College of Technology, Lagos (1984), an MBA in Banking and Finance from the University of Lagos (1994) and an MSc in Corporate Governance from Leeds Metropolitan University, UK (2007). He is also a Fellow of the Institute of Chartered Accountant of Nigeria (2000).

Mr. Onukwue has extensive work experience in banking and financial services sectors where he served at senior and executive management positions. He is currently the Managing Director of Mega Equities Limited, a dealing member of the Nigerian Stock Exchange and serves on Boards of some listed and private companies. He is also the current Treasurer of Association of Stockbroking Houses of Nigeria. He joined the Board of Champion Breweries Plc in 2012.

Mrs. Helen A. Umanah

is a Non-Executive Director of Champion Breweries. 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.

He joined the Board of Champion Breweries Plc in 2016.

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 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 Nigeria Breweries Plc in 2015).

Chief Tosan has gone back into private practice and rejoined Victoria Chambers as the current Managing 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 convened the minimum required number of meetings as provided by the Code.

The Board of Directors

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

a) February 15, 2018
b) May 3, 2018
c) July 26, 2018
d) October 25, 2018
e) November 12, 2018

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

Name	No. of Meetings Held	No. of Meetings Attended
Dr. Elijah W. Akpan	5	5
Mr. Patrick A. Ejidoh	5	5
Mr. Samson Aigbedo	5	5
Mr. Olufunminiyi Alabi	5	5
Mr. Marinus J. A. Gabriels	5	4
Mrs. Afolake Lawal	5	0**
Mr. Samuel O. Onukwue	5	5
Mr. Thompson S. B. Owoka	5	5
Alhaji Shuaibu A. Ottan	5	5
Mr. Hendrik van Rooijen	5	5***
Mrs. Helen Umanah	5	5

** After he/she become a member of the Board
***Represented by his/her Alternate

Board Committees:

I. Governance/Remuneration Committee: The Committee comprises of five Non-Executive Directors
The Governance/Remuneration Committee held four meetings in the year under review. Details of the meetings are as follows:

a) May 3, 2018
b) July 26, 2018
c) October 25, 2018
d) November 12, 2018

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

Name	No. of Meetings Held	No. of Meetings Attended
Alhaji Shuaibu A. Ottan	4	4
Mr. Samson Aigbedo	4	4
Mr. Hendrik van Rooijen	4	4
Mr. Samuel O. Onukwue	4	4
Mr. Thompson S. B. Owoka	4	4

ii. Risk Management Committee: The Committee comprises of four Non-Executive Directors and one Executive Director.
The Risk Management Committee held four meetings in the year under review. Details of the meetings are as follows:

a) May 3, 2018
b) July 26, 2018
c) October 25, 2018
d) November 12, 2018

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

Name	No. of Meetings Held	No. of Meetings Attended
Mr. Samuel O. Onukwue	4	4
Mr. Patrick A. Ejidoh	4	4
Mr. Marinus J. A. Gabriels	4	3
Alhaji Shuaibu A. Ottan	4	4
Mrs. Helen Umanah	4	4

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 ₦1,900,000 and was converted to a public limited liability company on 1 September 1992. The Company currently has an authorized share capital of ₦4,500,000,000 comprising 9,000,000,000 ordinary shares of 50 kobo each, and an issued share capital of ₦3,914,748 comprising 7,829,496,464 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	424,000,000	450,000,000	0	19,387,741	Cash
2003	1,550,000,000	2,000,000,000	430,612,259	450,000,000	Cash
2014	2,500,000,000	4,500,000,000	0	450,000,000	Cash

OWNERSHIP STRUCTURE

As at 31 December 2018, 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 ₦000	%
1.	RAYSUN NIGERIA LIMITED	4,729,434,301	60.41
2.	ASSET MANAGEMENT NOMINEE A/C "Y"	961,863,600	12.29
3.	AKWA IBOM STATE GOVERNMENT	786,224,765	10.04
4.	OTHERS SHAREHOLDERS	1,351,973,798	17.26

5. DISCLOSURE OF INTEREST

The interests of the Directors of Champion Breweries in the issued share capital of the Company as at 31, December 2018 were as follows:

Name	2018	2017	2018	2017
Dr. Elijah W. Akpan	-	-	-	-
Mr. Patrick A. Ejidoh	-	-	-	-
Mr. Samson Aigbedo	-	-	-	-
Mr. Olufunminiyi Alabi	-	-	-	-
Mr. Marinus J. A. Gabriels	-	-	-	-
Mrs. Afolake Lawal **	-	-	-	-
Mr. Samuel O. Onukwue	-	-	-	-
Mr. Thompson S. B. Owoka	500,000	500,000	-	-
Alhaji Shuaibu A. Ottan	-	-	-	-
Mr. Hendrik van Rooijen	-	-	-	-
Mrs. Helen Umanah	8,110	8,110	-	-

** After he/she become a member of the Board

6. SHARE RANGE ANALYSIS

Range	No of Holders	Holder %	Holders Cum	Units	Units %	Units Cum
1 - 1,000	4,905	63.01%	4,905	2,167,498	0.03%	2,167,498
1,001 - 5,000	1,323	17.00%	6,228	3,922,775	0.05%	6,090,273
5,001 - 10,000	475	6.10%	6,703	3,946,661	0.05%	10,036,934
10,001 - 50,000	566	7.27%	7,269	15,056,552	0.19%	25,093,486
50,001 - 100,000	182	2.34%	7,451	15,198,671	0.19%	40,292,157
100,001 - 500,000	210	2.70%	7,661	48,950,710	0.63%	89,242,867
500,001 - 1,000,000	50	0.64%	7,711	37,966,077	0.48%	127,208,944
1,000,001 - ABOVE	73	0.94%	7,784	7,702,287,520	98.38%	7,829,496,464
	7,784	100%		7,829,496,464	100%	

BRANDS IN ACTION

Champion Beer:

Rich flavoured Champion beer is the inviting sun-rip golden beverage with an exciting aroma for the action oriented man.

Launched into the Nigerian market on the 11th of December, 1976, Champion beer has since then under gone several relaunches that has continued to make it the preferred beer in Cross River, Akwa Ibom and neigbouring states.

Champ Malta

Pleasant tasting Champ Malta is our non-alcoholic and deeply satisfying malt drink. Champ Malta aptly combines taste and nourishment for a feeling good experience always.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In relation to the financial statements for the year ended 31 December 2018

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, Cap C.20, Laws of Federation of Nigeria, 2004 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.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that 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
20 March 2019

Patrick Ejidoh (Managing Director)
FRC/2017/IMN/00000016109
20 March 2019

AUDIT COMMITTEE'S REPORT

For the year ended 31 December 2018

To the members of Champion Breweries Plc

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004 ("the Act"), we, the members of the Audit Committee of Champion Breweries Plc, having carried out our statutory functions under the Act, hereby report that:

(a) The scope and planning of internal audit for the year ended 31 December 2018 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 2018 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 2018 are in accordance with applicable regulatory requirements.

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

Mr. Samuel Onukwue
FRC/2013/ICAN/0000000412

Dated this 20 March 2019

Members of the Audit Committee

Mr. Samuel Onukwue	Chairman/Director
Mr. Thompson Owoka	Member/Director
Mr. Godwin Anono	Member/Shareholder
Mr. Olayemi Olatunde	Member/Shareholder

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234(1) 271 8955
234(1) 271 8599

Internet www.kpmg.com/ng

Independent Auditor's Report

To the Shareholders of Champion Breweries PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Champion Breweries PLC ('the Company'), which comprise the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes, comprising significant accounting policies and other explanatory information, as set out on pages 30 to 59.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

a. Provisions

Refer to accounting estimates and judgment (Note 2(b)), accounting policy on Provision (Note 3 (h)) and Provisions (Note 23) on Pages 35, 41 and 55 respectively of the financial statements

The Key audit matter	How the matter was addressed in our audit
The Directors are required to make judgments and estimates when accounting for provisions in the Company's financial statements. Judgment is also required to determine the extent of disclosure that would not have unfavorable impact on the Company's position in relation to the subject matter of the provision. This is considered a matter of significance to the audit due to the nature of the judgement required, the magnitude of the provision and the related estimation uncertainties.	Our audit procedures in this area included amongst others: - we updated our understanding of the nature of the provisions and accruals by reviewing relevant correspondences and held discussions with the directors and management. - we challenged the assumptions used in measuring the provisions and accruals based on our knowledge of relevant legislation and past experience from similar arrangements. - we involved relevant specialists to assess the adequacy and reasonability of the provision. - we also checked that the relevant disclosures relating to significant judgments and estimate made, were in line with the requirements of the relevant accounting standards

KPMG

b. Recognition of deferred taxes

Refer to accounting estimates and judgment (Note 2(b)), accounting policy on Deferred tax (Note 3 (k)(ii)) and Deferred tax asset and liabilities (Note 10(e)) on Pages 35, 42, and 49 respectively of the financial statements.

The Key audit matter	How the matter was addressed in our audit
The Company has recognized a deferred tax asset for deductible temporary differences and unused tax loss that it believes are recoverable. The recoverability of recognized deferred tax assets is in part dependent on the Company's ability to generate future taxable profits sufficient to utilize deductible temporary differences and tax losses. We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.	Our audit procedures in this area included amongst others: - we assessed the components that gave rise to the deferred tax asset to determine whether they were valid in line with the requirements of the accounting standards and tax laws. - we obtained and evaluated the Company's plans for profitability and realization of the deferred tax asset, including profit forecasts by checking the accuracy and underlying data used in preparing the forecasts. - we challenged the key assumptions in the forecast by evaluating historical forecasting accuracy and comparing the assumptions, such as projected growth rates, with our own expectations of those assumptions based on our knowledge of the industry and our understanding obtained during our audit, - we also checked that the relevant disclosures relating to significant judgments and estimates made, were in line with the requirements of the relevant accounting standards.

c. Recoverability of trade receivables

Refer to accounting estimates and judgment (Note 2(b)), accounting policy on Impairment (Note 3 (f)I and IFRS 9 Financial Instruments (Note 5 (b)) on Pages 35, 39 and 44 respectively of the financial statements.

The Key audit matter	How the matter was addressed in our audit
The Company adopted IFRS 9 -Financial Instruments which became effective 1 January 2018. The Directors are required to make judgements and assumptions in the application of an appropriate Expected Credit loss (ECL) methodology for the measurement of impairment allowances for receivables doubtful of recovery. This is considered a matter of significance to the audit due to the significance and first time application of these assumptions and the related estimation uncertainties.	Our audit procedures in this area included amongst others: - we obtained an understanding of the Company's revised processes, systems and controls designed and implemented over the measurement of impairment allowances on trade receivables. - we evaluated and challenged the reasonableness of the key assumptions, judgements, and other parameters used in the preparation of the ECl model, based on our understanding and knowledge of the business of the Company and agreeing parameters to source documents, external information and where applicable industry averages. - we checked the completeness, accuracy and relevance of data used as a basis for measurement decisions. - we also checked that relevant disclosures relating to significant judgments and estimate made, were in line with the requirements of the relevant accounting standards.

KPMG

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Directors' report, Statement of Directors' Responsibilities, Audit Committee's Report and Other National Disclosures (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. It also includes financial and non-financial information such as Chairman's Statement, Financial Highlights, amongst others, included in the Annual Report (together "Outstanding reports"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express 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, 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.

When we read the outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 Nigeria and the Financial Reporting Council of Nigeria Act, 2011, 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 has 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;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- Conclude on the appropriateness of Directors' 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 such disclosures are inadequate, to modify our opinion. Our conclusions are based on the 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 the Audit Committee 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 the Audit Committee 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 the Audit Committee, 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

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:

Goodluck C. Obi, FCA
FRC/2012/ICAN/00000000442
For: KPMG Professional Services
Chartered Accountants
20 March 2019
Lagos, Nigeria

STATEMENT OF FINANCIAL POSITION

As at 31 December

in thousands of naira	Notes	2018	2017
Assets			
Property, plant and equipment	13	7,533,632	6,981,724
Deferred tax assets	10(d)	898,809	945,284
Non-current assets		**8,432,441**	**7,927,008**
Inventories	14	739,277	592,767
Trade and other receivables	15	1,090,183	1,248,197
Tax assets	10(c)	26,251	-
Prepayments	16	12,979	9,608
Cash and cash equivalents	17	185,879	311,281
Current assets		**2,054,569**	**2,161,853**
Total assets		**10,487,010**	**10,088,861**
Equity			
Share capital	18	3,914,748	3,914,748
Share premium	19(a)	519,100	9,093,779
Other reserve	20	3,701,612	3,701,612
Accumulated loss		(199,928)	(8,574,679)
Total equity		**7,935,532**	**8,135,460**
Liabilities			
Employee benefits	21(a)	245,987	325,828
Non-current liabilities		**245,987**	**325,828**
Tax liabilities	10(c)	-	10,003
Trade and other payables	22	1,799,747	1,111,826
Provisions	23	505,744	505,744
Current liabilities		**2,305,491**	**1,627,573**
Total liabilities		**2,551,478**	**1,953,401**
Total equity and liabilities		**10,487,010**	**10,088,861**

These financial statements were approved by the Board of Directors on 18 March 2019 and signed on its behalf by:

___________________________________)

Dr. Elijah Akpan (Chairman)
FRC/2017/IODN/00000016127
20 March 2019

___________________________________)

Patrick Ejidoh (Managing Director)
FRC/2017/IMN/00000016109
20 March 2019

Additionally certified by:

___________________________________)

Adesina Liasu (Chief Finance Officer)
FRC/2015/ICAN/00000013237
20 March 2019

The notes on pages 34 to 59 are integral parts of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

in thousands of naira	Notes	2018	2017
Revenue	6	4,763,757	4,777,313
Cost of sales	9(d)	(3,572,665)	(3,390,692)
Gross profit		**1,191,092**	**1,386,621**
Other income	7	48,684	37,481
Selling and distribution expenses	9(d)	(529,076)	(416,730)
Administrative expenses	9(d)	(961,789)	(395,094)
Operating profit before credit impairment charges		**(251,089)**	**612,278**
Impairment loss on trade receivables	25(a)	27,305	(17,089)
Operating (loss)/profit		**(223,784)**	**595,189**
Finance income	8	14,193	53,054
Net finance income		**14,193**	**53,054**
(Loss)/Profit before minimum tax		**(209,591)**	**648,243**
Minimum tax	11	(45,842)	(45,070)
(Loss)/Profit before tax	9(a)	**(255,433)**	**603,173**
Income tax expense	10(a)	(8,374)	(85,611)
(Loss)/Profit for the year		**(263,807)**	**517,562**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability, net of tax	21(c)	98,759	(52,962)
Other comprehensive income/(loss), net of tax		**98,759**	**(52,962)**
Total comprehensive (loss)/income		**(165,048)**	**464,600**
Earnings per share			
Basic and diluted earnings per share (kobo)	12	(3)	7

The notes on pages 34 to 59 are integral parts of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

in thousands of naira	Share capital	Share premium	Accumulated loss	Other reserve	Total equity
1 January 2017	3,914,748	9,093,779	**(9,039,279**	3,701,612	**7,670,860**
Total comprehensive income					
Profit	-	-	517,562	-	**517,562**
Other comprehensive loss	-	-	(52,962)	-	**(52,962)**
Total comprehensive income	-	-	**464,600**	-	**464,600**
31 December 2017	**3,914,748**	**9,093,779**	**(8,574,679)**	**3,701,612**	**8,135,460**
Balance at 31 December 2017 as previously reported	**3,914,748**	**9,093,779**	**(8,574,679)**	**3,701,612**	**8,135,460**
Adjustment on initial application of IFRS 9, net of tax	**-**	**-**	(34,880)	**-**	**(34,880)**
Adjustment on initial application of IFRS 15, net of tax	**-**	**-**	**-**	**-**	**-**
Adjusted balance at 1 January 2018	**3,914,748**	**9,093,779**	**(8,609,559)**	**3,701,612**	**8,100,580**
Capital re-structuring*	**-**	**(8,574,679)**	**8,574,679**	**-**	**-**
Total comprehensive income					
Loss for the year	-	-	(263,807)	-	(263,807)
Other comprehensive income	-	-	98,759	-	98,759
Total comprehensive income	**-**	**-**	**(165,048)**	**-**	**(165,048)**
31 December 2018	**3,914,748**	**519,100**	**(199,928)**	**3,701,612**	**7,935,532**

*** See Note 19**

The notes on pages 34 to 59 are integral parts of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

in thousands of naira	Notes	2018	2017
Cash flows from operating activities			
(Loss)/Profit for the year		(263,807)	517,562
Adjustments for:			
Finance income	8	(14,193)	(53,054)
Company income tax	10(a)	8,374	85,611
Minimum tax	11	45,842	45,070
Defined benefit obligation charge	21(a)(I)	73,614	170,309
Long service award charge/ (credit)	21(a)(ii)	5,151	3,822
Depreciation of property, plant and equipment	13	710,705	627,820
Write-off of property, plant and equipment		19,436	66,542
Gain on sale of property, plant and equipment		-	(1,679)
		585,122	**1,462,003**
Changes in:			
Inventories		(146,510)	(62,357)
Trade and other receivables*		107,792	(953,977)
Prepayments		(3,371)	254,861
Trade and other payables**		790,464	(99,475)
Provisions		-	(404,836)
Cash generated from operating activities		**1,333,497**	**196,219**
Value added tax paid		(148,385)	(114,801)
Defined benefit obligation paid	21(a)(I)	(10,968)	(6,260)
Long service awards paid	21(a)(ii)	(2,404)	(2,135)
Tax paid	10(c)	(29,286)	(25,802)
Net cash generated from operating activities		**1,142,454**	**47,221**
Cash flows from investing activities			
Interest received	8	14,193	53,054
Proceeds from sale of property, plant and equipment		-	1,679
Acquisition of property, plant and equipment	13	(1,282,049)	(909,871)
Net cash utilised in investing activities		**(1,267,856)**	**(855,138)**
Cash flows from financing activities		-	-
Net cash generated from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(125,402)	(807,918)
Cash and cash equivalents at 1 January		311,281	1,119,199
Cash and cash equivalents at 31 December		**185,879**	**311,281**

*Transition adjustment on impairment and WHT credit notes advanced to the government (See Note 10 (c)) has been adjusted from "changes in trade and other receivables"

** Value added tax paid and minimum tax have been adjusted from "*changes in trade and other payables*"

The notes on pages 34 to 59 are integral parts of these financial statements.

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 related party within the Heineken group.

2 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements were authorised for issue by the Board of Directors on 18 March 2019.

(a) Functional and presentation currency

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

(b) 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.

(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 23- Measurement and disclosures of provisions:
- Likelihood and magnitude of an outflow of resources, and
- Extent of disclosures made on provisions.

Note 5(b)- application of an appropriate Expected Credit Loss (ECL) methodology

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2018 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 21- Measurement of employee benefits: key actuarial assumptions.
Note 25- measurement of ECL allowance for trade receivables: key assumptions in determining the weighted average loss rate.
Note 10- Recognition of deferred tax assets: availability of sufficient future taxable profit against which unutilised tax losses and unutilised capital allowance can be used.
Note 23 and 26 - Recognition and measurement of provisions:
- Key assumptions about the likelihood and magnitude of an outflow of resources, and
- Extent of disclosures made on provisions and contingencies.

(c) Measurement of fair values

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).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the charge has occurred.

Further information about the assumptions made in measuring fair values is included in the Note 25 - Financial instruments - Fair values and financial risk management

(d) Basis of measurement
The financial statements have been prepared on the historical cost basis except for the following.

Item	Basis of measurement
Non-derivative financial instrument at FVTPL	Fair value
Employee benefits	Present value of defined benefit obligations
Inventories	Lower of cost and net realizable value

3 Significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated:

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Naira at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Naira at the exchange rate at the reporting date.
Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Naira at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss.

(b) Financial instruments

The Company has adopted IFRS 9 Financial Instruments, with effect from 1 January 2018. As permitted by the standard, comparative figures have not been restated and these are presented in accordance with the Company's previous policies. Both the new and the old accounting policies are described below where appropriate.

(i) Recognition and initial measurement

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and Subsequent measurement

Policy applicable from 1 January 2018

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 (FVPL)*

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 FVOCI*

Non-equity financial assets are classified at fair value through other comprehensive income where they arise from contracts which give rise to cash flows which are solely principal and interest and which are held in a business model which realizes some through sale and some by holding them to maturity. They are recognized initially at fair value plus any directly attributable transaction costs, or in the case of trade receivables, at the transaction price.

At the end of each reporting period they are re-measured to fair value, with the cumulative gain or loss compared toothier amortized cost being recognized in other comprehensive income and in the fair value reserve, except for there cognition in profit and loss of expected credit losses, interest income (calculated using the effective interest method)and foreign exchange gain and losses.
When these assets are derecognized, the cumulative gain or loss is reclassified from equity to profit or loss.

- *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.

Policy applicable before 1 January 2018
All financial assets and liabilities are initially recognized at fair value, which is usually the transaction price including, where appropriate, transaction costs. Subsequently, measurement depends on their classification as follows:

- *Financial assets at fair value through profit or loss*
Financial assets are classified as at fair value through profit or loss if they are classified as held-for-trading or are designated as such on initial recognition, and are remeasured to fair value at the end of each reporting period. Gains and losses arising from remeasurement are taken to profit or loss, as are transaction costs.

- *Loans and receivables*
Loans and receivables including trade receivables are measured at amortized cost using the effective interest method including a reduction for any impairment losses (see note 6(A)). Interest income is included in finance income.

- *Financial liabilities at amortized cost*
Financial liabilities, except those designated as at FVPL, are stated at amortized cost using the effective interest method. Interest is included in finance expenses unless capitalized into property, plant and equipment.

- *Financial liabilities designated as at FVPL*
The Company has irrevocably designated certain financial liabilities as at FVPL on initial recognition because they are managed and their performance is evaluated on a fair value basis and information is provided internally on that basis to the Company's key management personnel.

Financial assets – Business model assessment: Policy applicable from 1 January 2018
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.

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: Policy applicable from 1 January 2018

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 paramount, 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

Financial assets – Subsequent measurement and gains and losses: Policy applicable from 1 January 2018

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 assets – Policy applicable before 1 January 2018
The Company classified its financial assets into one of the following categories:
- loans and receivables;
- at FVTPL, and within this category as designated as at FVTPL

Financial assets – Subsequent measurement and gains and losses: Policy applicable before 1 January 2018

Financial assets at FVTPL	Measured at fair value and changes therein, including any interest or dividend income, were recognised in profit or loss.
Loans and receivables	Measured at amortised cost using the effective interest method.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortisedcost or FVTPL. A financial liability is classified as at 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.

(iv) **Offsetting**

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.

(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 amount 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. Capital work-in-progress is not depreciated.

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 including transportation costs
Work-in-process	- weighted average of 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

(f) Impairment

(i) Non-derivative financial assets

Policy applicable from 1 January 2018

Financial instrument

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs.

The Expected credit losses 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 has identified the change in annual GDP to be the most relevant factors and accordingly adjusts the historical loss rates if a significant change in GDP is expected within the next 12 months.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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. 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 90 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 other 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. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. 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.

Policy applicable before 1 January 2018
(i) Non-derivative financial assets

A financial asset subsequently measured at amortized cost, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in profit or loss and reflected in an allowance account against trade and other receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets
The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

(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 an employee benefit 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 (FRC/2016/NAS/00000013781) 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.

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 then-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.

(v) Termination benefit

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within twelve months from the reporting date, then they are discounted.

(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 amount 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.

(I) Revenue
Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a goods or services to a customer

Nature and timing of satisfaction of performance obligation, including significant payment terms
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.

Revenue recognition under IFRS 15 (applicable from 1 January 2018)
Revenue is recognised when the goods are delivered and have been accepted by customers at their premises or when the goods are picked up by the customer.
For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.
Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

Revenue recognition under IAS 18 (applicable before 1 January 2018)
Revenue was recognised when the goods were delivered to the customers' premises or when the goods are picked up by the customer, which was taken to be the point in time at which the customer accepted the goods and the related risks and rewards of ownership transferred, provided that a reasonable estimate of the returns could be made. If a reasonable estimate could not be made, then revenue recognition was deferred until the return period lapsed or a reasonable estimate of returns could be made.

(j) Finance income
Finance income comprises interest income on bank deposits.Interest income is recognised using the effective interest method.

(k) Income tax
Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset if, and only if the Company:
- 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.

(ii) 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, based on the laws that have been enacted or substantively enacted at the reporting date. 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:
(a) has a legally enforceable right to set off current tax assets against current tax liabilities; and
(b) 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 Company Income Tax Act (CITA). Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined based on the sum of (i) the highest of; 0.25% of revenue of N500,000, 0.5% of gross profit, 0.25% of paid up share capital and 0.5% of net assets; and (ii) 0.125% of revenue in excess of N500,000). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

(i) Leased assets

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

(ii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(o) 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.

4 Standards and interpretations

(i) New standards and interpretations not yet effective.

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2019 and early application is permitted; however, the Company has not applied the new or amended standards in preparing these separate financial statements:

Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory.

NOTES TO THE FINANCIAL STATEMENTS

Standards not yet effective		Date issued by IASB	Effective date	Summary of the requirements and assessment of impact
IFRS 16	Leases	January 2016	1 January 2019 Early adoption is permitted only for entities that adopt IFRS 15 Revenue from Contracts with Customers, at or before the date of initial application of IFRS 16.	IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 includes a single model for lessees which will result in almost all leases being included in the Statement of Financial Position. No significant changes have been included for lessors . IFRS 16 also includes extensive new disclosure requirements for both lesees and lessors. The company has assessed the potential impact of IFRS 16 on the financial statements and the impact has been determined to be insignificant. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15.

(ii) Standards and interpretations effective during the year.

New IFRS Standards and amendments to existing standards that became effective for annual periods commencing on 1 January 2018 have been applied in preparing the financial statements and resulted in additional disclosures (where applicable) but had no significant impact on the amounts and disclosures on this financial statement. They are as listed below

- Financial Instruments (IFRS 9)
- Revenue from contract with customers (IFRS 15)

5 Changes in significant accounting policies

The Company has initially adopted IFRS 15 Revenue from Contracts with Customers (see (a) below) and IFRS 9 Financial Instruments (see (b) below) from 1 January 2018. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Company's financial statements.

The effect of initially applying these standards, especially IFRS 9, is mainly attributed to an increase in impairment losses recognised on financial assets.

(a) IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated- i.e it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

Under IAS 18, revenue was recognised when the goods were delivered to the customers' premises or when the goods are picked up by the customer, which was taken to be the point in time at which the customer accepted the goods and the related risks and rewards of ownership transferred. Revenue was recognised at that point provided that the revenue and costs could be measured reliably, the recovery of the consideration was probable and there was no continuing managerial involvement with the goods. Under IFRS 15, revenue is recognised over time – i.e. before the goods are delivered to the customers' premises. However since there is only one performance obligation for recognition of revenue under both policies, revenue is recognised at the same point in time under both IFRS 15 and IAS 18, hence there was no material impact on the Company's statement of financial position, statement of profit or loss and OCI and statements of cash flows for the year ended 31 December 2018.

(b) IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces *IAS 39 Financial Instruments: Recognition and Measurement.*

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Company's approach was to include the impairment of trade receivables in admin expenses. Consequently, the Company reclassified impairment losses amounting to ₦17 million, recognised under IAS 39, from 'admin expenses' to 'impairment loss on trade receivables' in the statement of profit or loss and OCI for the year ended 31 December 2017.

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but have not been generally applied to comparative information. The following table summarises the impact, net of tax, of transition to IFRS 9 on the opening balance of reserves and retained earnings.

In thousands of naira	Impact of adopting IFRS 9 on opening balance
Retained earnings	(8,574,679)
Recognition of expected credit losses under IFRS 9	(34,880)
Related tax	-
Impact at 1 January 2018	**(8,609,559)**

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements

In thousands of naira	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets:				
Trade and other receivables	Loans and receivables	Amortised cost	1,248,197	1,213,317
Cash and cash equivalent	Loans and receivables	Amortised cost	311,281	311,281
Total financial assets			**1,559,478**	**1,524,598**
Financial liabilities:				
Trade payables	Other financial liabilities	Other financial liabilities	1,111,826	1,111,826
Total financial liabilities			**1,111,826**	**1,111,826**

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on 1 January 2018.

In thousands of naira	IAS 39 carrying amount at 31 December 2017	Reclassification	Remeasurement	IFRS 9 carrying amount at 1 January 2018
Financial assets				
Amortised cost				
Trade and receivables:				
Brought forward: Trade receivables	1,248,197			
Remeasurement		-	(34,880)	
Carried forward: Amortised cost				1,213,317
Total amortised cost	1,248,197	-	(34,880)	1,213,317

(ii) Transition

The Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.

(iii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39 – see Note 25.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional allowance for impairment as follows

In thousands of naira		
Loss allowance at 31 December 2017 under IAS 39		(134,357)
Additional impairment recognised at 1 January 2018 on:		
Trade and other receivables as at 31 December 2017		(34,880)
Loss allowance at 1 January 2018 under IFRS 9		(169,237)

6 Revenue

In thousands of naira	2018	2017
Sale of goods	3,061,405	3,000,606
Contract brewing and packaging	1,702,352	1,776,707
	4,763,757	4,777,313

7 Other income

In thousands of naira	2018	2017
Sale of scrap materials	4,543	2,363
Sale of by-products	34,964	29,254
Sale of packaging materials	9,177	5,864
	48,684	37,481

8 Finance income

Finance income represents interest income on bank deposits. The Company earned interest on bank deposits at rates between 9% and 12% per annum

9 Profit before tax

(a) Profit before tax is stated after charging/ (crediting) the following amounts:

In thousands of naira	2018	2017
Depreciation of property, plant and equipment (Note 13)	710,705	627,820
Write off of property, plant and equipment	19,436	-
Personnel expenses (Note (9b))	999,787	1,023,401
Auditor's remuneration	13,625	12,500
Management fees (Note 24(a))	115,048	101,219
Directors' remuneration (Note 9(c))	53,010	63,262
Gain on sale of property, plant and equipment	-	(1,679)

(b) **Personnel expenses**

(i) Personnel expenses comprise:

In thousands of naira	2018	2017
Salaries and wages	663,376	656,966
Pension	28,116	22,647
Defined benefit obligation charge (Note 21(a)(i))	73,614	170,309
Long service awards charge /(credit) (Note 21(a)(ii))	5,151	3,822
Agency personnel expenses	87,329	71,246
Other personnel related expenses	91,569	66,539
Medical fees	50,632	31,357
Restructuring cost*	-	515
	999,787	1,023,401

*In furtherance of the Company's objectives for operational efficiency, a restructuring exercise was concluded in prior year, in which ₦0.5 million was paid to employees as termination benefits. In current year, no additional amount was incurred.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December

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

	2018 Number	2017 Number
Production	77	76
Logistics	16	14
Sales and Marketing	31	21
Administration	19	23
	143	**134**

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

	2018 Number	2017 Number
Below N1,200,000	-	-
N 1,200,001 – N 1,400,000	10	12
N 1,400,001 – N 1,600,000	40	35
N 1,600,001 – N 1,800,000	42	42
N 1,800,001 – N 2,000,000	19	13
N 2,000,001 – N 2,500,000	17	17
N 2,500,001 – N 3,000,000	9	9
N 3,000,001 – N 3,500,000	-	-
N 3,500,001 – N 4,000,000	3	3
N 4,000,001 – N 4,500,000	-	-
N 4,500,001 – N 5,000,000	1	1
Above N5,000,000	2	2
	143	**134**

(c) Directors remuneration

Directors' remuneration was as follows:

In thousands of naira	2018	2017
Directors' fees	6,585	5,075
Other remuneration	46,425	58,187
	53,010	**63,262**

Further analysed as follows:

In thousands of naira	2018	2017
Remuneration of non-executive directors	6,585	5,075
Remuneration of executive director	46,425	58,187
	53,010	63,262

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

In thousands of naira	2018	2017
Chairman	700	700
Highest paid director	**46,425**	**58,187**

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

	2018 Number	2017 Number
0 - N100,000	2	2
N100,001 - N200,000	2	2
N200,001 and above	5	5
	9	**9**

(d) Analysis of expenses by nature

In thousands of naira	2018	2017
Raw materials and consumables	1,161,290	990,049
Advertising and promotion	164,882	148,555
Depreciation of property, plant and equipment	710,705	627,820
Personnel expenses (Note 9(b)	999,787	1,023,401
Utilities	783,137	782,118
Repairs and maintenance	372,394	370,257
Management fee (Note 24(a))	115,048	101,219
Audit fee	16,125	14,500
Professional services	61,943	9,846
IT infrastructure	71,962	83,123
Transportation and accommodation	78,662	89,474
Excise duties	311,350	103,632
Security	26,501	25,658
Meetings and conferences	15,950	38,668
Insurance	17,312	14,141
PPE Write-off	19,436	66,542
Cleaning	26,430	11,735
Catering	65,890	11,741
Packer/Un-packer services	-	55,923
Reversal of provisions*	-	(404,836)
Other expenses	44,726	38,951
Total cost of sales, marketing, distribution and administrative expenses	**5,063,530**	**4,202,516**
These expenses are further analysed as follows:		
Cost of sales	3,572,665	3,390,692
Selling and distribution expenses	529,076	416,730
Administrative expenses	961,789	395,094
	5,063,530	**4,202,516**

* Amount represents the net impact of reversal of provisions no longer required based on assessment performed by the Directors and using information currently available to them. See Note 23.

10. Taxation

(a) Income tax recognised.

Amounts recognised in profit or loss:

In thousands of naira	2018	2017
Current tax expense:		
Tertiary education tax	8,374	19,244
	8,374	19,244
Deferred tax expenses:		
Origination and reversal of temporary differences	-	66,367
	8,374	**85,611 -**
Amount recognised in other comprehensive income	**46,475**	**(24,923)**

(b) Reconciliation of effective tax rate

In thousands of naira	%	2018	%	2017
(Loss)/Profit before tax		(255,433)		603,173
Tax using domestic tax rate	30.0	(76,630)	30.0	180,952
Effect of tertiary education tax	(3.3)	8,374	3.2	19,244
Effect of minimum tax	(5.4)	13,752	2.1	12,693
Tax effect of:				
- tax incentives	3.4	(8,561)	-	-
- non-deductible expenses	(4.3)	6,658	0.4	2,270
- tax-exempt credits	-	-	(21.5)	(129,548)
Current year temporary differences for which no deferred tax has been recognised	(7.1)	18,013	-	-
Impact of transition adjustment	(4.4)	11,161	-	-
Other temporary difference	(13.9)	35,607	-	-
	(5)	**8,374**	**14.2**	**85,611**

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December

(c) Movement in current tax liability

In thousands of naira	2018	2017
Balance beginning of the year	10,003	16,561
Charge for the year	8,374	19,244
Payment during the year	(29,286)	(25,802)
	(10,909)	**10,003**
Excess on withholding tax credit note utilized (Note 22)	**(15,342)**	-
Balance end of the year	**(26,251)**	**10,003**

(d) Deferred tax assets and liabilities

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Net balance at 31 December
2018				
Property, plant and equipment	441,481	-	-	441,481
Employee benefits	104,266	-	(46,475)	57,791
Trade and other receivables	42,994	-	-	42,994
Unutilised tax losses	356,543	-	-	356,543
Net	**945,284**	**-**	**(46,475)**	**898,809**

In thousands of naira	Net balance at 1 January	Recognised in profit or loss	Recognised in other comprehensive	Net balance at 31 December
2017				
Property, plant and equipment	277,184	164,297	-	441,481
Employee benefits	26,306	53,037	24,923	104,266
Trade and other receivables	37,527	5,467	-	42,994
Unutilised tax losses	645,711	(289,168)	-	356,543
Net	**986,728**	**(66,367)**	**24,923**	**945,284**

(e) **Unrecognised deferred tax asset**

The Company has unrecognised deferred tax asset of approximately ₦18.01 million (2017: Nil) arising mainly from unutilised tax deductible capital allowances on property, plant and equipment and unutilised tax losses. The deferred tax asset has not been recognised in current year in the financial statements due to the uncertainties relating to the amount and timing of future taxable profits.

This amount is available for offset against future income tax liabilities and can be carried forward indefinitely.

11 Minimum tax

Minimum tax has been computed based on 0.5% of net assets plus 0.125% revenue in excess of ₦500,000 and this amounts to ₦46 million(2017: ₦45million).

12 Basic and diluted earnings per share

The calculation of basic and diluted earnings per share was based on the loss of ₦264 million (2017: Profit of ₦518 million), attributable to ordinary shareholders and weighted average number of ordinary shares outstanding of 7,829,496,000 units (2017: 7,829,496,000 calculated as follows:

In thousands of naira	2018	2017
(Loss)/Profit for the year	(263,807)	517,562
Weighted average number of ordinary shares		
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)	(3)	7

There were no potential dilutive ordinary shares during the year.

13. Property, plant and equipment

In thousands of naira	Leasehold land	Buildings	Plant and Machinery	Furniture and Fittings	Motor Vehicles	Returnable Packaging Materials	Capital Work in Progress	Total
Cost								
1 January 2017	1,223,210	2,504,785	6,082,369	292,587	379,712	468,807	69,651	11,021,121
Reclassification	-	65,834	-	-	-	-	(65,834)	-
Additions	-	18,749	305,039	21,571	42,726	421,665	100,121	909,871
Write-off	-	-	(62,725)	-	-	-	(3,817)	(66,542)
Disposals	-	-	-	-	(12,710)	-	-	(12,710)
31 December 2017	**1,223,210**	**2,523,534**	**6,390,517**	**314,158**	**409,728**	**890,472**	**100,121**	**11,851,740**
1 January 2018	**1,223,210**	**2,523,534**	**6,390,517**	**314,158**	**409,728**	**890,472**	**100,121**	**11,851,740**
Reclassfication	-	(12,996)	-	-	-	3,355	(3,355)	(12,996)
Additions	-	4,924	285,379	24,254	203,047	702,364	75,077	1,295,045
Write-off	-	(8,454)	-	-	(102,574)	-	(111,028)	(111,028)
31 December 2018	**1,223,210**	**2,528,458**	**6,654,446**	**338,412**	**612,775**	**1,493,617**	**171,843**	**13,022,761**
Accumulated Depreciation								
1 January 2017	269,110	635,562	2,735,082	203,157	287,595	124,400	-	4,254,906
Depreciation for the year	-	120,330	356,615	43,460	27,252	80,163	-	627,820
Disposals	-	-	-	-	(12,710)	-	-	(12,710)
31 December 2017	**269,110**	**755,892**	**3,091,697**	**246,617**	**302,137**	**204,563**	**-**	**4,870,016**
1 January 2018	269,110	755,892	3,091,697	246,617	302,137	204,563	-	4,870,016
Depreciation for the year	-	120,679	321,880	43,871	37,092	187,183	-	710,705
Write off	-	-	-	-	-	(91,592)	-	(91,592)
31 December 2018	**269,110**	**876,571**	**3,413,577**	**290,488**	**339,229**	**300,154**	**-**	**5,489,129**
Carrying amounts								
1 January 2017	**954,100**	**1,869,223**	**3,347,287**	**89,430**	**92,117**	**344,407**	**69,651**	**6,766,215**
31 December 2017	**954,100**	**1,767,642**	**3,298,820**	**67,541**	**107,591**	**685,909**	**100,121**	**6,981,724**
31 December 2018	**954,100**	**1,651,887**	**3,240,869**	**47,924**	**273,546**	**1,193,463**	**171,843**	**7,533,632**

(a) The Company holds land under a finance lease arrangement. The maximum tenor of the lease arrangements is 99 years in line with the Land Use Act. The lease amounts were fully paid at the inception of the lease arrangements.
(b) The Company had no authorised or contractual capital commitments as at the reporting date (2017: Nil).
(c) No borrowing costs were capitalised during the year (2017:Nil)
(d) None of the Company's assets are held as security pledge as at year end (2017:Nil)
(e) Returnable packaging materials includes some quantity of crates, bottles, amounting to N94 million (2017: N94million) which was given to certain distributors without deposits.

(f) Reclassification of ₦12.9 million represent movement of spares from plant and machinery to inventories due to reassessment of the useful life

NOTES TO THE FINANCIAL STATEMENTS
As at 31 December

14 Inventories

In thousands of naira	2018	2017
Raw materials	92,441	103,086
Finished products	69,714	44,654
Work-in-progress	46,187	48,517
Packaging materials	106,537	44,875
Engineering spares	311,853	314,174
Consumables	112,545	37,461
	739,277	**592,767**

The amount of inventories recognised in cost of sales during the year was ₦1.16 billion (2017: ₦990 million).

15 Trade and other receivables

In thousands of naira	2018	2017
Trade receivables	284,425	415,763
Withholding tax receivables	58,385	24,330
Amounts due from related parties (Note(24(a))	741,443	807,177
Other receivables	5,930	927
	1,090,183	**1,248,197**

The Company's exposure to credit risks and impairment losses related to trade and other receivables is disclosed in Note 25.

16 Prepayments

Prepayments comprises:

In thousands of naira	2018	2017
Prepaid rent	2,559	6,059
Prepaid insurance	10,420	3,549
	12,979	**9,608**

17 Cash and cash equivalent

In thousands of naira	2018	2017
Cash in bank	185,879	311,281
	185,879	**311,281**

18 Share capital

In thousands of naira	2018	2017
Authorised share capital		
(9,000,000,000 ordinary shares of 50k each (2017: 9,000,000,000 ordinary shares of 50k each)	4,500,000	4,500,000

Allotted, called-up and fully paid

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

In thousands of naira	2018	2017
Number of ordinary shares of 50k each		
1 January	7,829,496	7,829,496
31 December	7,829,496	7,829,496
Ordinary shares of 50k each		
1 January	3,914,748	3,914,748
31 December	**3,914,748**	**3,914,748**

As at year end, the Company had increased its free float from 17.2% in 2017 to 17.3%. This was achieved by the Raysun Nigeria Limited's acceptance to sell some of its shares in the Company to minority shareholders through the Nigerian Stock Exchange (NSE) to gradually comply with the 20% free float requirment of NSE. The Directors are committed to achieving full compliance.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December

19 Share premium

In thousands of naira	2018	2017
(a) The movement in share premium reserve was as follows:		
Balance as at 1 January	9,093,779	9,093,779
Capital reorganization (Note 19(b))	(8,574,679)	-
Balance as at 31 December	**519,100**	**9,093,779**

(b) During the year, the company embarked on a capital re-structuring scheme. On 26 July 2018, the shareholders through a special resolution approved that the balance of ₦8,574,679,000 in the Company's Accumulated Loss account as at December 31, 2017 be transferred to the Company's Capital Reduction Account (CRA) and that the share premium account be reduced by the ₦8,574,679,000 in the CRA by writing off the losses of the Company in the CRA. Subsequently, the Company obtained court approval on 23 October 2018, Corporate Affairs Commission (CAC) approval on 6 December 2018, and a letter of no objection from the Financial Reporting Council of Nigeria (FRCN) on 19 December 2018. The Securities and Exchange Commission (SEC) was notified of the capital restructuring scheme.

Upon approval, the Company reduced its accumulated loss and share premium account by ₦8,574,679,000.

20 Other reserve

On 1 January 2011 (date of transition to IFRS), the Company appplied 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.

21 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 detailed below:

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
(ii) Junior staff	
5 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
(a) Long service awards	
1 month basic salary, N100,000 in lieu of gift item, plaque and 15 crates of Company's products	10 years
1.5 months basic salary, N120,000 in lieu of gift item, plaque and 20 crates of Company's products	15 years
2 months basic salary, N150,000 in lieu of gift item, plaque and 25 crates of Company's products	20 years

(a) Long term employee benefit

In thousands of naira	2018	2017
Present value of:		
- Defined benefit obligation (Note 21(a)(I))	208,266	290,854
- Long service award (Note 21(a)(ii))	37,721	34,974
	245,987	**325,828**

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December

(i) **Movement in the present value of the defined benefit obligation**

In thousands of naira	2018	2017
1 January	**290,854**	**48,920**
Included in profit or loss		
Current service cost	30,082	17,169
Past service cost	-	142,815
Interest cost	43,532	10,325
	73,614	**170,309**
Included in other comprehensive income		
Remeasurement gain		
Actuarial gain arising from changes in:		
- Economic assumptions	(160,405)	93,748
- Statistical data	-	-
- Data changes	(4,870)	488
- Grade changes	71	(375)
- New entrant	2,162	2,472
- Demographic experience	2,914	(884)
- Salary increase	14,894	(17,564)
	(145,234)	**77,885**
Other		
Payments	(10,968)	(6,260)
31 December	**208,266**	**290,854**

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

in thousands of naira	2018	2017
1 January	34,974	33,287
Included in profit or loss		
Current service cost	3,431	3,165
Past service cost	-	(9,475)
Interest cost	5,432	5,803
Remeasurment gain		
Actuarial gain arising from:		
- Change in economic assumptions	(1,095)	2,891
- Benefit increase	5,294	849
- Static Data	(2,521)	131
- Grade changes	-	(2)
- Salary increase	(300)	(944)
- Demographic assumptions	(5,090)	1,404
	5,151	3,822
Other		
Payments	(2,404)	(2,135)
31 December	**37,721**	**34,974**

NOTES TO THE FINANCIAL STATEMENTS
As at 31 December

(b) **The expense is recognised in the following line items in the statement of profit or loss:**

In thousands of naira	Cost of sales 2018	Cost of sales 2017	Administrative expenses 2018	Administrative expenses 2017	Total 2018	Total 2017
Defined benefit obligation	38,279	136,247	35,335	34,062	73,614	170,309
Long service awards	2,679	3,058	2,472	765	5,151	3,822
Pension	14,620	18,118	13,496	4,529	28,116	22,647
	55,578	**157,423**	**51,303**	**39,356**	**106,881**	**196,779**

(c) **Actuarial gain recognised in other comprehensive income is analysed as follows:**

In thousands of naira	2018 Before tax	2018 Tax	2018 After tax	2017 Before tax	2017 Tax	2017 After tax
Defined benefit obligation	(145,234)	46,475	(98,759)	77,885	(24,923)	52,962
Actuarial gain	**(145,234)**	**46,475**	**(98,759)**	**77,885**	**(24,923)**	**52,962**

Actuarial assumptions

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

	2018	2017
Discount rate	15.8%	13.8%
Future salary increase rate	10.0%	15.0%
Inflation rate	13.9%	12.5%

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

At 31 December 2018, the weighted-average duration of the defined benefit obligation was 7 years (2017: 9 years)

Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are based on the rates on A1949/52 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

(d) **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.

In thousands of naira		Defined benefit obligation	Long service award
Discount rate	+1%	13,526	(1,138)
	-1%	(15,222)	1,221
Future salary increase rate	+1%	(15,916)	687
	-1%	14,314	(651)
Mortality rate	+1%	342	(51)
	-1%	(310)	45
Gift Benefit	+1%	-	486
	-1%	-	(462)

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.

NOTES TO THE FINANCIAL STATEMENTS
As at 31 December

(e) **Short term employee benefits**

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. The movement on this account during the year was as follows:

In thousands of naira	2018	2017
1 January	5,474	1,660
Charge for the year	28,116	22,647
Remittances	(23,842)	(18,833)
31 December (included in trade and other payables)	**9,748**	**5,474**

22 **Trade and other payables**

Trade and other payables comprise:

In thousands of naira	2018	2017
Trade payables	851,911	487,770
Liabilities for Returnable packaging materials	244,078	212,671
Accrued expense*	239,840	131,072
Non-CIT liabilities	89,480	20,922
Amounts due to related parties (Note 24(a))	374,438	259,391
	1,799,747	**1,111,826**

* Included in accrued expenses are liabilities due to the Nigerian tax authorities in respect of minimum tax amounting to N46 million (2017: ₦45 million) (Note 11).

During the year the Company settled its minimum tax liability as at 31 December 2017 using its withholding tax credit note of N61 million. The excess of ₦15 million has been recognised as a tax asset (Note 10(C)).

23 **Provisions**

Provisions represent the Directors' best estimate of the amount of resources embodying economic benefits that may be required to settle regulatory-related exposures. Further disclosures are not provided in respect of these exposures because doing so may have unfavourable impacts on the Company's position.

There was no movement in the provisions during the year.

24 **Related parties**

(a) **Parent company and other related entities**

The Company's parent company is The Raysun Nigeria Limited which owns approximately 61% 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:

	Transaction value		Balance due from	
In thousands of naira	2018	2017	2018	2017
Amount due from related parties				
Contract Packaging:				
-Nigerian Breweries Plc	1,702,353	1,776,707	741,443	807,177
	1,702,353	**1,776,707**	**741,443**	**807,177**

	Transaction value		Balance due from	
In thousands of naira	2018	2017	2018	2017
Amount due to related parties				
Management fee:				
- The Raysun Nigeria Limited	115,048	101,219	(374,438)	(259,391)
Purchases:				
- Nigerian Breweries Plc	617,873	460,993	-	-
	732,921	**562,212**	**(374,438)**	**(259,391)**

Management fees relates to consideration paid to its parent company – 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.

(b) Key management personnel

Key management 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 for employee services is shown below:

In thousands of naira	2018	2017
Short-term employee benefits	46,425	58,187
Post-employment benefits	-	-
	46,425	**58,187**

25 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.

In thousands of naira	2018	2017
Trade and other receivables (Note 15)	1,090,183	1,278,197
Cash and cash equivalents (Note 17)	185,879	311,281
	1,276,062	**1,589,478**

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.

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 establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

There has been no history of default in respect of amounts due from related companies as such amounts are always settled in full. Accordingly management considers the amount due from related parties as recoverable.

Expected credit loss assessment for individual customers as at 1 January and 31 December 2018
The Company uses an allowance matrix to measure the ECLs of trade receivables, which comprise a very large number of small balances.

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 2018.

In thousands of naira **As at 1 January 2018**	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit Impaired
Current (not past due)	0.84%	186,189	1,571	No
0 - 30 days	5.72%	147,243	8,428	No
30 - 90 days	10.80%	20,019	2,163	No
91 - 180 days	11.79%	44,683	5,270	No
More than 180 days	100.00%	151,805	151,805	Yes
		549,939	**169,237**	

In thousands of naira **As at 1 January 2018**	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit Impaired
Current (not past due)	0.64%	245,088	1,571	No
0 - 30 days	5.12%	36,593	1,872	No
30 - 90 days	7.20%	-	-	No
91 - 180 days	21.23%	7,854	1,667	No
More than 180 days	100.00%	136,821	136,821	Yes
		426,356	**141,931**	

Loss rates are based on actual credit loss experience over the past three 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 Company has identified the country's GDP to be the most relevant macro economic indicator when adjusting the historical loss rate based on expected changes in GDP within the next 12 months.

Movement in allowance for doubtful debt

The movement in the allowance for impairment in respect of trade receivables during the year was as follows. Comparative amount for 2017 represent the allowance account for impairment losses under IAS 39.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December

In thousands of naira	2018	2017 Individual impairments	2017 Collective impairments
Balance at 1 January under IAS 39	(134,357)	(117,268)	-
Adjustment on initial application of IFRS 9	(34,880)	-	-
Balance at 1 January under IFRS 9	(169,237)	(117,268)	-
Amount written off	-	-	-
Net remeasurement of loss allowance	27,305	(17,089)	-
Balance at 31 December	**(141,932)**	**(134,357)**	-

Cash and cash equivalents

The Company held cash and cash equivalents of ₦185.9 million at 31 December 2018 (2017: ₦311.3 million), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks which are rated AA- to AA+, based on Standard & Poor's global ratings. 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 loss was immaterial.

(b) 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 optimising cash return on investments.

The following are the contractual maturities of financial liabilities:

In thousands of naira	Carrying amount	Contractual cash flows	Less than 6 months or less
2018			
Non-derivative financial liabilities			
Trade and other payables	1,710,267	1,710,267	1,710,267
	1,710,267	**1,710,267**	**1,710,267**
2017			
Non-derivative financial liabilities			
Trade and other payables	1,090,904	1,090,904	1,090,904
	1,090,904	**1,090,904**	**1,090,904**

Non-financial liabilities such as value added tax, withholding tax, pension and minimum tax have been excluded for the amounts indicated above.

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

(c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rate will effect 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 risks, hence no sensitivity analysis is disclosed.

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.

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

In thousands of naira	2018	2017
(Loss)/Profit	(263,807)	517,562
Total equity	7,935,532	8,135,460
Return on capital	-3%	6%

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

In thousands of naira	2018	2017
Total liabilities	2,551,478	1,953,401
Less: cash and cash equivalents	(185,879)	(311,281)
Net debt	2,365,599	1,642,120
Total equity	7,935,532	8,135,460
Adjusted net debt to equity ratio	**1:3.8**	**1:5.0**

As at year end the Company had increased her free float from 17.2% in 2017 to 17.3% . This was achieved by The Raysun Nigeria Limited's acceptance to sell some of her shares of the Company to minority shareholders at the NSE to gradually comply with the 20% free float requirement of the Nigerian Stock Exchange (NSE). Based on the listing rules, the Exchange may suspend trading in securities that fail to meet minimum float requirements. The Directors are committed to achieving full compliance of the Free Float requirement of the NSE.

Accounting classification and fair values

The fair values of financial assets and liabilities are not significantly different to their carrying amounts on the statement of financial position hence no disclosures have been made.

26 Contingencies

(a) Pending litigation and claims

The Company is a defendant in various law-suits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation at year end amounted to ₦816 million. (2017:₦1,010 million). In the opinion of the Directors and based on independent legal advice, the Company's liability is not likely to be significant, thus no provision has been made in these financial statements.

(b) 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.

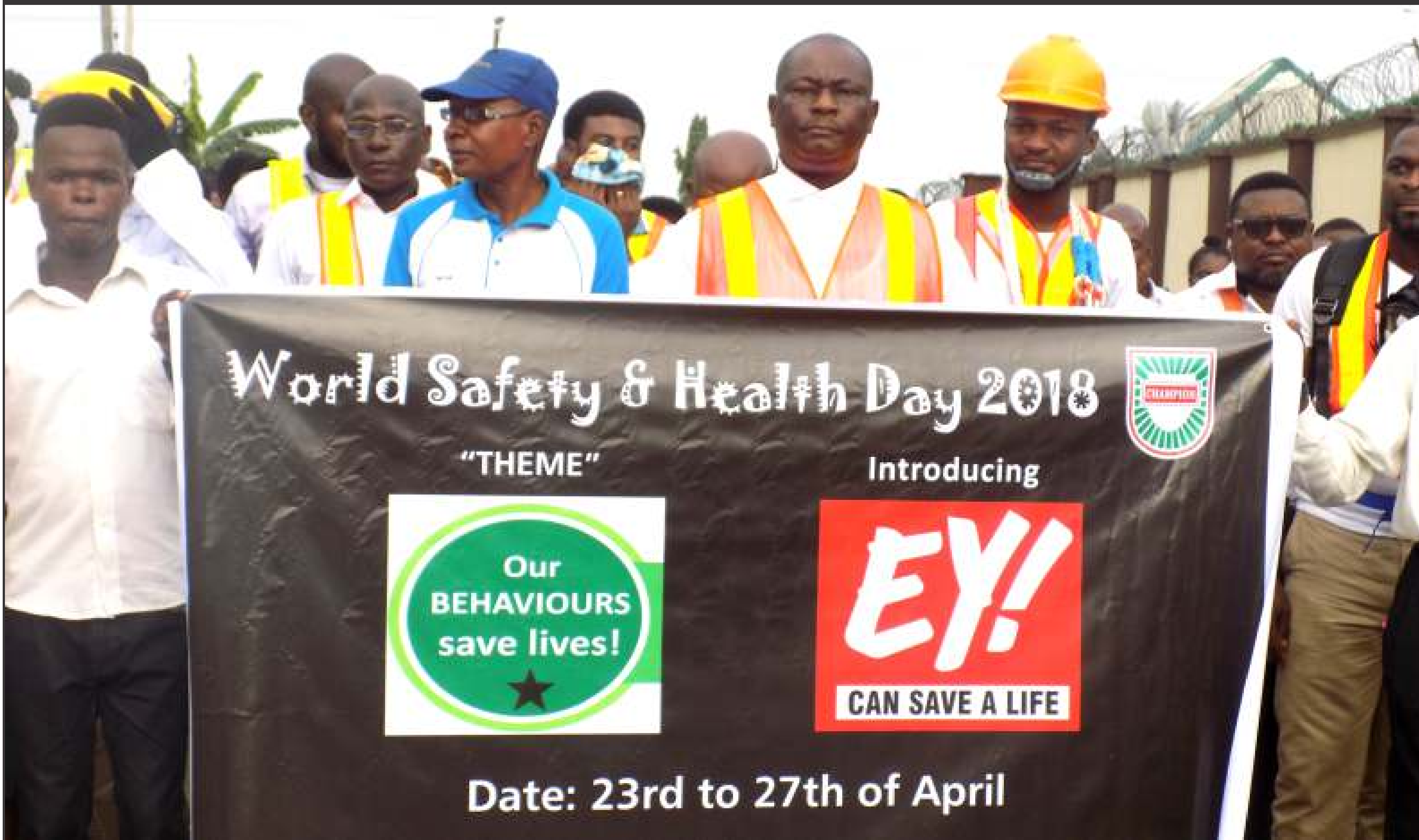
27 Subsequent events

There are no events which could have had a material effect on financial position of the Company as at 31 December 2018 and its financial performance for the year then ended that have not been adequately provided for or disclosed in these financial statements.

CHAMPION SAFETY

2018 Safety, Health & Environment Week

The 2018 Safety, Health & Environment (SHE) week was held from Monday 23rd to Friday 27th April, 2018. The week long event featured Awareness walk, Talks, Seminars and aerobics to keep every member of staff abreast of safety tips, and keep them fit. The resource person was the Safety manager Mr. Augustine Osuagwu. In the opening address, the Managing Director; Mr. Patrick Ejidoh stressed the importance for personal safety awareness for all, not just for the work place but also wherever they find themselves.



INFRASTRUCTURAL UPGRADE

In the year under review, one of the Strategic Priorities for Champion Breweries Plc was Improved Operational efficiency and Cost Management. In line with this strategic thrust, a project to install a Compressed Natural Gas (CNG) plant that will reduce diesel consumption thereby reducing cost was initiated and completed.

Other infrastructural upgrades include the installation of a new sugar dissolving plant and acquisition of new fork lifts.

CNG plant installation 1

CNG plant installation 2

Sugar dissolving plant

New forklifts

INFRASTRUCTURAL UPGRADE (CONT'D)

On-Site Clinic

To ensure immediate medical attention for employees round the clock, the company strengthened the on site clinic with enhanced facilities, well stocked pharmacy and new furnishing. The revamped clinic was commissioned by the Managing Director; Mr. Patrick Ejidoh on the 16th of July 2018.

Commissioning of new clinic

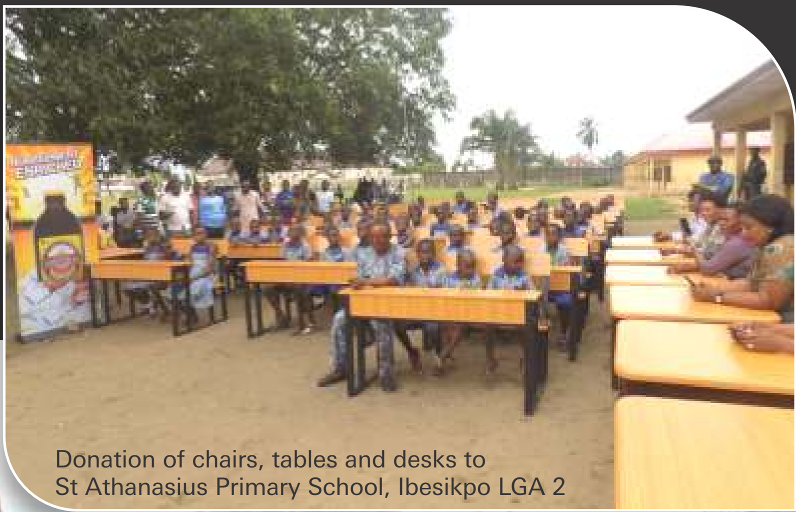
Nursing station

Reception

Clinic male ward

CHAMPION IN THE COMMUNITY

As a responsible company, Champion breweries plc offers more than champion brands, we have in our DNA the zeal to continuously better our host communities and environment.



Donation of chairs, tables and desks to St Athanasius Primary School, Ibesikpo LGA 2

Donation of chairs, tables and desks to Jubilee Primary School, Aka Offot, Uyo. Commissioned by Hon. Commission of Education, Akwa Ibom

Furniture donations to primary schools:

Champion breweries plc donated tables and chairs to three public primary schools namely; Jubilee Primary School, Aka Offot, St. Athanasius Primary School Ibesikpo LGA and Aka 1 Primary School in Akwa Ibom state. The ceremonies which were witnessed by government functionaries, community leaders and the general public were held on August 9,2018. At the launch in Jubilee Primary School Aka Offot, the Akwa Ibom state Commissioner of Education Prof Victor Inoka represented by the AKSUBEB Director praised Champion breweries for their continued efforts at bettering their host community. Other dignitaries in attendance were His Royal Highness Eteidung Francis Morgan Udo, Mr Nkereuwem Udo, Apostle Simon Edet, Mrs Esther Iyang Asanga, Headmaster/mistress of the schools and the Managing Director of Champion Breweries plc; Mr. Patrick Ejidoh.

CHAMPION IN THE COMMUNITY (CONT'D)

Recruitment and training of Akwa Ibom graduates

Mechatronic Training

Champion breweries plc sponsored the training of ten Akwa Ibom indigenes to the 2018 Nigeria breweries plc Technical Training workshop. The training which was held at Nigerian Breweries Plc Supply Chain Academy in Ibadan is for One year. The training is to equip the selected graduates with the latest knowledge and skill set required in the brewing industry.

Renovation of FRSC office

Champion breweries reasoned that an enhanced work environment will help the staff of Federal Road Safety Corps perform better, and in 2018 we renovated their office at Abak LGA to make our roads safer.

CUSTOMER ENGAGEMENT

Continuous customer engagement has been identified as one strong pillar for our growth and so in 2018, the company explored diverse channels to achieve this.

Distributors, bulk breakers & retailers visit to Champion Breweries Plc

The event which took place in February 2018 was attended by over 100 distributors, bulk breakers and retailers from Akwa Ibom, Cross Rivers, Abia, Imo and Enugu States. At the event, the customers were informed of the company's plans with special regard to their businesses, and how they can maximise profit pushing Champion brands.

Management interactive session with distributors

Management interactive session with bulk breakers

Bar men training

Bar men training

Bar Man Training

The two day Barmen training workshop was held in the company's premises. The training which took place on Nov 20 and Dec 4, 2018 had over 50 participants, and was coordinated by Mr. Andy Okwudu; Sales consultant to Champion Breweries plc.

CUSTOMER ENGAGEMENT (CONT'D)

2017 CUSTOMER AWARD NIGHT

Cross section of distributors from Left Maydaz Ventures, Sunatim Dolly and Inyene Joe.

Brand champion Runner Up Award presented to Mr. Emeka MD CEO Tobros Nigeria Ltd.

Cross section of distributors at the event

Cross Section of managers at the event

Brand Champion Winner Award presentation by Mr Solomon Ndimkaohato to Mr. Ini MD/CEO Ini Francois; winners of the tricycle.

EMPLOYEE ENGAGEMENT

Our people are our greatest assets. We strive to keep them happy and motivated to give their best at all times. In futherance of this, the company organizes annually an Award Service to reward employees who have served the company for long. The 2018 event was held on 1st of February 2019, and they are brought to you here in pictures.

Cutting of cake by the 2018 Long Service Awardees and the Managing Director Mr Patrick Ejidoh

LONG SERVICE AWARD

Long Year Service Awardees

15 Years Long Service Award presented to Mr. Kolawole Lamidi of Engineering Dept. by Managing Director Mr. Patrick Ejidoh

Cross section of 2018 Long Service Awardees with Management Team

END OF YEAR PARTY

Carol singers at 2018 End of The Year Party

The End of Year Party took place on the 19th of December, 2018 and was attended by every member of staff. It was a fun filled evening to wind down the year, and there were lots to eat, drink and bite.

BIRTHDAYS

December 2018 birthday celebrants

CHAMPION HOSTS VISITORS

Visit of MD Nigeria Breweries Plc, Mr. Jordi Borrut

Managing Director Nigerian Breweries Plc Visits Champion Breweries Plc

The Managing Director Nigerian Breweries Plc Mr Jordi Borrut Bel paid a one day working visit to Champion Breweries Plc on the 2nd of July, 2018. This is part of his familiarization visits to major stakeholders with Nigerian Breweries Plc. The aim of the visit is to see the progress of Champion Breweries Plc and improve the support and collaboration between the two companies.

Visit of Senator Obong Bassey Albert (OBA)

Visit of the Area Controller of Customs, Alh. Ahmed A. Azarema.

42ND ANNUAL GENERAL MEETING IN PICTURES

OTHER NATIONAL DISCLOSURES

VALUE ADDED STATEMENT

For the year ended 31 December 2018

In thousands of naira	2018	%	2017	%
Revenue	4,763,757		4,777,313	
Locally procured materials and services	(3,000,190)		(2,411,698)	
	1,763,567		2,365,615	
Other income	48,684		37,481	
Value added	**1,812,251**	**100**	**2,403,095**	**100**
Distribution of Value Added				
To Government				
- Excise duties	311,350	17	103,632	4
- Minimum tax	45,842	3	45,070	2
- Taxation	8,374	0	85,611	4
To Employees:				
Personnel expenses	999,787	54	1,023,401	42
Retained in the Business:				
To maintain and replace				
- property, plant and equipment	710,705	39	627,820	26
To (deplete)/augment reserves	(263,807)	(14)	517,562	22
Value added	**1,812,251**	**100**	**2,403,095**	**100**

FIVE YEAR FINANCIAL SUMMARY

Statement of profit or loss and other comprehensive income

In thousands of naira	2018	2017	2016	2015	2014
Revenue	4,763,757	4,777,313	3,864,943	3,501,845	3,302,383
Operating (loss)/profit	(223,784)	595,189	617,634	206,769	25,511
(Loss)/Profit before taxation	(209,591)	648,242	681,284	248,443	(1,061,783)
(Loss)/Profit	(263,807)	517,562	530,389	77,140	(754,523)
Total comprehensive income/(loss)	(165,048)	464,600	549,223	94,625	(793,945)

Statement of financial position

In thousands of naira	2018	2017	2016	2015	2014
Property, plant and equipment	7,533,632	6,981,724	6,766,215	6,917,604	6,844,330
Intangible asset	-	-	-	-	6,878
Trade and other receivables	-	-	42,043	42,043	-
Deferred tax assets	898,809	945,284	986,727	1,085,940	1,202,200
Net current (liabilities)/assets	(250,922)	534,280	(41,918)	(790,425)	(2,039,956)
Employee benefits	(245,987)	(325,828)	(82,207)	(133,525)	(143,021)
Net assets	**7,935,532**	**8,135,460**	**7,670,860**	**7,121,637**	**5,870,431**
Funds Employed					
Share capital	3,914,748	3,914,748	3,914,748	3,914,748	3,600,000
Share premium	519,100	9,093,779	9,093,779	9,093,779	8,251,946
Other reserve	3,701,612	3,701,612	3,701,612	3,701,612	3,701,612
Accumulated loss	(199,928)	(8,574,679)	(9,039,279)	(9,588,502)	(9,683,127)
Shareholders fund	**7,935,532**	**8,135,460**	**7,670,860**	**7,121,637**	**5,870,431**

Africa Prudential

E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME

2. *FIRST NAME
3. OTHER NAME

4. *GENDER M F
5. E-MAIL

6. ALTERNATE E-MAIL

7. *DATE OF BIRTH D D M M Y Y Y Y

8. *MOBILE (1) (2)

9. *ADDRESS

10. OLD ADDRESS*(if any)*

11. *NATIONALITY
12. *OCCUPATION

13. *NEXT OF KIN NAME MOBILE

14. *MOTHER'S MAIDEN NAME

15. BANK NAME
16. A/C NO.

17. A/C NAME
18. A/C OPENING DATE D D M M Y Y Y Y

19. BANK VERIFICATION NO. (BVN)

20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN) C

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:

Joint/Company's Signatories

Company Seal*(if applicable)*

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

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: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2. Tel: 084-303457
E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential
RC 649007

E-DIVIDEND MANDATE ACTIVATION FORM

Affix
Current
Passport

USE GUM ONLY
NO STAPLE PINS

(to be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

INSTRUCTION
Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar
Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

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) C

Name of Stockbroking Firm

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

Signature:

Signature:
Joint/Company's Signatories

Company Seal*(if applicable)*

DISCLAIMER
"In no event shall Africa Prudential Plc be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, inciden tal, 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 advice us of the possibility of such damages, losses of 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
2. ABBEY MORTGAGE BANK PLC
3. AFRILAND PROPERTIES PLC
4. ALUMACO PLC
5. A & G INSURANCE PLC
6. A.R.M LIFE PLC
7. ADAMAWA STATE GOVERNMENT BOND
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. MED-VIEW AIRLINE PLC
26. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
27. NEXANS KABLEMETAL NIG. PLC
28. OMOLUABI MORTGAGE BANK PLC
29. PERSONAL TRUST & SAVINGS LTD
30. P.S MANDRIDES PLC
31. PORTLAND PAINTS & PRODUCTS NIG. PLC
32. PREMIER BREWERIES PLC
33. RESORT SAVINGS & LOANS PLC
34. ROADS NIGERIA PLC
35. SCOA NIGERIA PLC
36. TRANSCORP HOTELS PLC
37. TRANSCORP PLC
38. TOWER BOND
39. THE LA CASERA CORPORATE BOND
40. UACN PLC
41. UNITED BANK FOR AFRICA PLC
42. UNITED CAPITAL PLC
43. UNITED CAPITAL BALANCED FUND
44. UNITED CAPITAL BOND FUND
45. UNITED CAPITAL EQUITY FUND
46. UNITED CAPITAL MONEY MARKET FUND
47. UNITED CAPITAL NIGERIAN EUROBOND FUND
48. UNITED CAPITAL WEALTH FOR WOMEN FUND
49. UNIC DIVERSIFIED HOLDINGS PLC
50. UNIC INSURANCE PLC
51. UAC PROPERTY DEVELOPMENT COMPANY PLC
52. UTC NIGERIA PLC
53. WEST AFRICAN GLASS IND PLC

OTHERS:

Africa Prudential
RC 649007

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.: C
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)*

Joint/Company's Signatories

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

OTHERS:

Africa Prudential

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.

Affix recent passport photograph

USE GUM ONLY

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.

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 whatsover. I 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: 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: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2. Tel: 084-303457
E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud

PROXY FORM

CHAMPION BREWERIES PLC

THE 43RD ANNUAL GENERAL MEETING TO BE HELD AT LAGOON RESTAURANTS, 1C OZUMBA MBADIWE STREET, VICTORIA ISLAND, LAGOS ON THURSDAY, 9TH MAY 2019.

I/We*..

of..

being member(s) of CHAMPION BREWERIES PLC hereby appoint**.. or failing him, DR ELIJAH W. AKPAN or failing her MR. PATRICK EJIDOH 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 on Thursday, May 9, 2019 and any adjournment(s) thereof.

Signature ....

Number of Shares held	

RESOLUTION	FOR	AGAINST
ORDINARY BUSINESS		
"That the Financial Statements for the year ended December 31, 2018, the Directors', Auditors' and Audit Committee's Reports thereon be and hereby received, considered and passed"		
To re-elect Dr. Elijah Akpan as a Director of the Company		
To re-elect Mr. Samson Aigbedo as a Director of the Company		
To re-elect Mr. Olufunminiyi Alabi as a Director of the Company		
"That the appointment of Mrs. Afolake Lawal as a Director in the Company, who was so appointed on October 27, 2018 in accordance with Section 249 (2) of the Companies and Allied Matters Act, Cap C20 LFN 2004 be and is hereby ratified and that the said Mrs. Afolake Lawal be and is hereby elected a Director of the Company".		

RESOLUTION	FOR	AGAINST
To elect/re-elect shareholders' representatives on the Audit Committee."		
B. SPECIAL BUSINESS		
i. That the Directors be authorized to fix their remuneration in respect of the year ending December 31, 2018."		
i. 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 ...., 2019.

NOTES

A member who is unable to attend an Annual General Meeting is allowed by law to attend and vote by proxy. This Proxy Form has been prepared to enable a member exercise his/her right to vote in case he/she cannot personally attend the meeting, The Proxy Form should not be completed if the member will be attending the meeting. If you will not be able to attend the meeting, then read and comply with the following instructions: (a) Write your name in CAPITALS on the proxy form where marked* (b) Write the name of your proxy (if any) where marked** date and sign the Proxy Form. The common seal of the Company should be affixed on the Proxy Form if executed by a Corporation. The Proxy Form must be posted as to reach any of the addresses shown below not later than 48 hours before the time of holding the meeting.

PLEASE ADMIT

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

CHAMPION BREWERIES PLC

THE 43RD ANNUAL GENERAL MEETING TO BE HELD AT LAGOON RESTAURANTS, 1C OZUMBA MBADIWE STREET, VICTORIA ISLAND, LAGOS ON THURSDAY, 9TH MAY 2019

Name (of person attending)		Admission Slip No. of Shares	
Signature of the person attending		Name and signature of shareholder	

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
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


Waooo!
NEW LOOK,
PREMIUM QUALITY LAGER...
OUR CHAMPION,
OUR BEER!
CHAMPION
...Perfected for you!
18+
Drink Responsibly

CHAMPION BREWERIES PLC
www.championbreweries.com

design+production: dbrig communications ltd +234 803 321 8022