



Champion Breweries Plc
RC: 13388

Unaudited Condensed Interim Financial Statements

As at 30th June, 2021

Contents	Page
Condensed interim income statement for the three months period ended 30th June	3
Condensed interim statement of other comprehensive income for the three Month period ended 30th June	4
Condensed interim income statement for the six month period ended 30th June	5
Condensed interim statement of other comprehensive income for the six Month period ended 30th June	6
Condensed interim statement of financial position	7
Condensed interim statement of changes in equity	8
Condensed interim statement of cash flows	9
Notes to the condensed interim financial statements	10

CONDENSED INTERIM INCOME STATEMENT

For the three-months period ended 30th June

	2021	2020
	N'000	N'000
Revenue	2,469,175	1,427,313
Cost of Sales	(1,418,752)	(942,550)
Gross Profit	1,050,423	484,763
Other Income	17,849	6,508
Selling and Distribution Expenses	(397,946)	(379,046)
Administrative Expenses	(333,170)	(138,314)
Results from operating activities	337,157	(26,088)
Finance income	12,650	-
Finance costs	(15,361)	-
Net Finance costs	(2,712)	-
Profit before tax	334,445	(26,088)
Income tax expenses	(101,147)	7,800
Profit after tax	233,298	(18,288)
Basic and diluted earnings per share (kobo)	2.98	(0.27)

**CONDENSED INTERIM STATEMENT OF
OTHER COMPREHENSIVE INCOME**

For the three months period ended 30th June 2021

	2021	2020
	N'000	N'000
Profit/(Loss) for the period	233,298	(18,288)
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	233,298	(18,288)

CONDENSED INTERIM INCOME STATEMENTFor the six-months period ended 30th June

	2021	2020
	N'000	N'000
Revenue	4,844,949	3,374,225
Cost of Sales	(2,890,616)	(2,152,841)
	<hr/>	<hr/>
Gross Profit	1,954,333	1,221,384
Other Income	39,254	27,124
Selling and Distribution Expenses	(822,702)	(742,493)
Administrative Expenses	(509,552)	(334,606)
	<hr/>	<hr/>
Results from operating activities	661,332	171,407
	<hr/>	<hr/>
Net Finance costs	(17,698)	-
Profit before tax	643,634	171,407
Income tax expenses	(198,400)	(51,300)
	<hr/>	<hr/>
Profit after tax	445,235	120,107
	<hr/> <hr/>	<hr/> <hr/>
Basic and diluted earnings per share (kobo)	5.69	1.53

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOMEFor the six months period ended 30th June

	2021 N'000	2020 N'000
Profit/(Loss) for the period	445,235	120,107
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	445,235	120,107

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

For the six months period ended 30th June, 2021

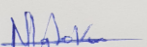
	2021 N'000	2020 N'000
ASSETS		
Property, plant and equipment	8,830,827	8,798,638
Intangible Asset and Goodwill	0	0
Deferred tax assets	762,541	762,541
Non-current assets	9,593,368	9,561,179
Inventories	915,372	725,449
Trade and other receivables	96,070	52,063
Prepayments	59,992	4,595
Cash and cash equivalents	2,541,987	1,025,231
Current assets	3,613,422	1,807,338
Total assets	13,206,790	11,368,517
EQUITY		
Share capital	3,914,748	3,914,748
Share premium	519,100	519,100
Other Reserves	3,701,612	3,701,612
Accumulated losses/gains	352,773	(92,466)
Total Equity	8,488,233	8,042,994
LIABILITIES		
Employee benefits	580,768	587,617
Lease Liability	477,684	486,249
Non-current liabilities	1,058,452	1,073,866
Current tax liabilities	183,794	21,658
Lease Liability	69,928	71,182
Trade and other payables	2,917,627	1,897,562
Provision	488,755	261,255
Current liabilities	3,660,104	2,251,657
Total liabilities	4,718,557	3,325,523
Total equity and liabilities	13,206,790	11,368,517

Approved by the Board of Directors in July 29, 2021 and signed on its behalf by:

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

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

Additionally certified by:

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

The notes on pages 7 to 9 are an integral part of these financial statements.

Condensed interim statement of changes in equity

For the six-months period ended
30th June, 2021

	Share capital N'000	Share premium N'000	Accumulated loss N'000	Other reserves N'000	Total N'000
Balance at 1st January 2021	3,914,748	519,100	(92,466)	3,701,612	8,042,994
Profit/(Loss) for the period	-	-	445,235	-	445,235
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	445,235	-	445,235
Balance as at 30th June, 2021	3,914,748	519,100	352,773	3,701,612	8,488,233

Condensed interim statement of changes in equity

For the six-months period ended
30th June 2020

	Share capital N'000	Share premium N'000	Accumulated loss N'000	Other reserves N'000	Total N'000
Balance at 1st January 2020	3,914,748	519,100	(103,664)	3,701,612	7,935,532
Profit/(Loss) for the period	-	-	158,793	-	158,793
Other comprehensive income for the period	-	-	-	-	-
			(147,595)		(147,595)
Total comprehensive income for the period	-	-	138,396	-	138,396
Balance as at 30th June, 2020	3,914,748	519,100	(92,466)	3,701,612	8,042,994

The notes on pages 9 to 11 are an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWSFor the six-months period ended 30th June

	2021	2020
	N'000	N'000
Cash flows from operating activities		
Profit/(Loss) for the period	445,235	120, 107
Adjustments for:		
Depreciation	558,960	493,933
Amortization (Intangible assets)	0.00	-
Finance income	0.00	-
Interest expenses	(12,650)	-
Gain or loss on disposal of property, plant and equipment	30,348	-
Income tax expense	-	7,133
Tax Provision	198,400	51,300
	0.00	-
	1,220,292	672,474
Changes in:		
Inventories	(189,923)	95,474
Trade and other receivables	(44,007)	(411,991)
Prepayments	(55,397)	(114,281)
Trade and other payables	1,237,747	717,109
Employee Benefits	(6,849)	(131,545)
Cash generated from operating activities	2,161,862	827,239
VAT paid*	(57,313)	(183,195)
Income Tax Paid	(41,077)	(21,002)
PAYE and WHT	(127,142)	-
Net cash from operating activities	1,936,330	623,042
Cash flows from investing activities		
Finance income	-	-
Acquisition of property, plant and equipment	(379,409)	(717,125)
Proceeds from sale of property, plant and equipment	-	1,350
Net cash used in investing activities	(379,409)	(715,775)
Cash flows from financing activities		
Payment of Lease liabilities	(40,166)	-
Net cash used in financing activities	(40,166)	-
Net (decrease)/increase in cash and cash equivalents	1,516,756	(92,733)
Cash and cash equivalents at 1st January	1,025,231	701,952

Cash and cash equivalents at 30th June**2,541,987****609,219**

The notes on pages 9 to 11 are an integral part of these financial statements.*

Value Added Tax (VAT) paid shown separately above has been adjusted for in deriving the change in trade and other payables.

Notes to the condensed interim 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.

The financial statements of Champion Breweries Plc as at and for the year ended 31st December 2020 are available upon request from the Company's registered website www.championbreweries.com

2. BASIS OF PREPARATION**a. Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of Champion Breweries Plc as at and for the year ended 31st December 2020.

These condensed interim financial statements were approved by a written resolution of the Board of Directors of the Company on April 10, 2021.

b. Functional and presentation currency

These condensed interim financial statement are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless stated.

c. Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimate and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31st December 2020.

3. SIGNIFICANT ACCOUNTING POLICIES**a. General**

The accounting policies applied in these condensed interim financial statements are the same as those applied in the

Company's financial statements as at and for the year ended 31st December 2020.

b. Income tax

Income tax expenses are recognised based on management's best estimate of the weighted average expected full year income tax rate.

4. SEASONALITY

The performance of the Company is subject to seasonal fluctuations as a result of weather conditions and festivities. The Company's full year results and volumes are depended on the performance in the peak-selling season, typically resulting in higher revenue and profitability in the last quarter of the year. The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

5. ANALYSIS OF EXPENSES BY NATURE

For the six-months period ended 30th June:

	2021	2020
	N'000	N'000
Raw materials & consumables	1,393,918	812,138
Advertising & sales expenses	470,714	448,315
Depreciation	531,046	492,871
Employee Benefits	678,538	645,485
Repairs & maintenance	285,961	165,848
Royalty & Technical fee	-	66,598
Energy & water	332,447	299,277
Other fixed expenses	370,442	198,064
Others	159,804	101,345
Total cost of sales, selling and distribution and administrative expenses	4,222,870	3,229,941

6. INCOME TAX EXPENSES

The Company's effective tax rate in respect of continuing operations for the six-months period ended 30th June 2021 was 30 per cent (for the six-months period ended 30th June 2020: 30 per cent).

7. PROPERTY PLANT AND EQUIPMENT

Acquisitions

During the six-months period ended 30th June 2021 the Company acquired, property, plant and equipment with a

cost of N814million (six-months period ended 30th June 2020: N717million).

Capital commitments

As at 30th June 2021, the Company's capital expenditure commitments for property, plant and equipment amounted to N1.210billion (30th June 2020: N1.355billion).

8. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk management

The aspect of the Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at end for the year ended 31st December 2020.

9. CONTINGENCIES

No material updates in comparison with 2020 year-end reporting were identified that need to be reported.

10. RELATED PARTY TRANSACTIONS

The Company has related party relationships with its parent company, Heineken N.V. and Heineken group entities. These transactions are conducted on terms comparable to transactions with third parties. The related party transactions in the first six-months period ended 30th June 2021 do in substance not deviate from the transactions as reflected in the financial statements as at and for the year 31st December 2020.

11. SUBSEQUENT EVENTS

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 30th June 2021 that have not been adequately provided for or disclosed in these condensed interim financial statements.

12. SECURITIES TRADING

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Champion Breweries Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.