

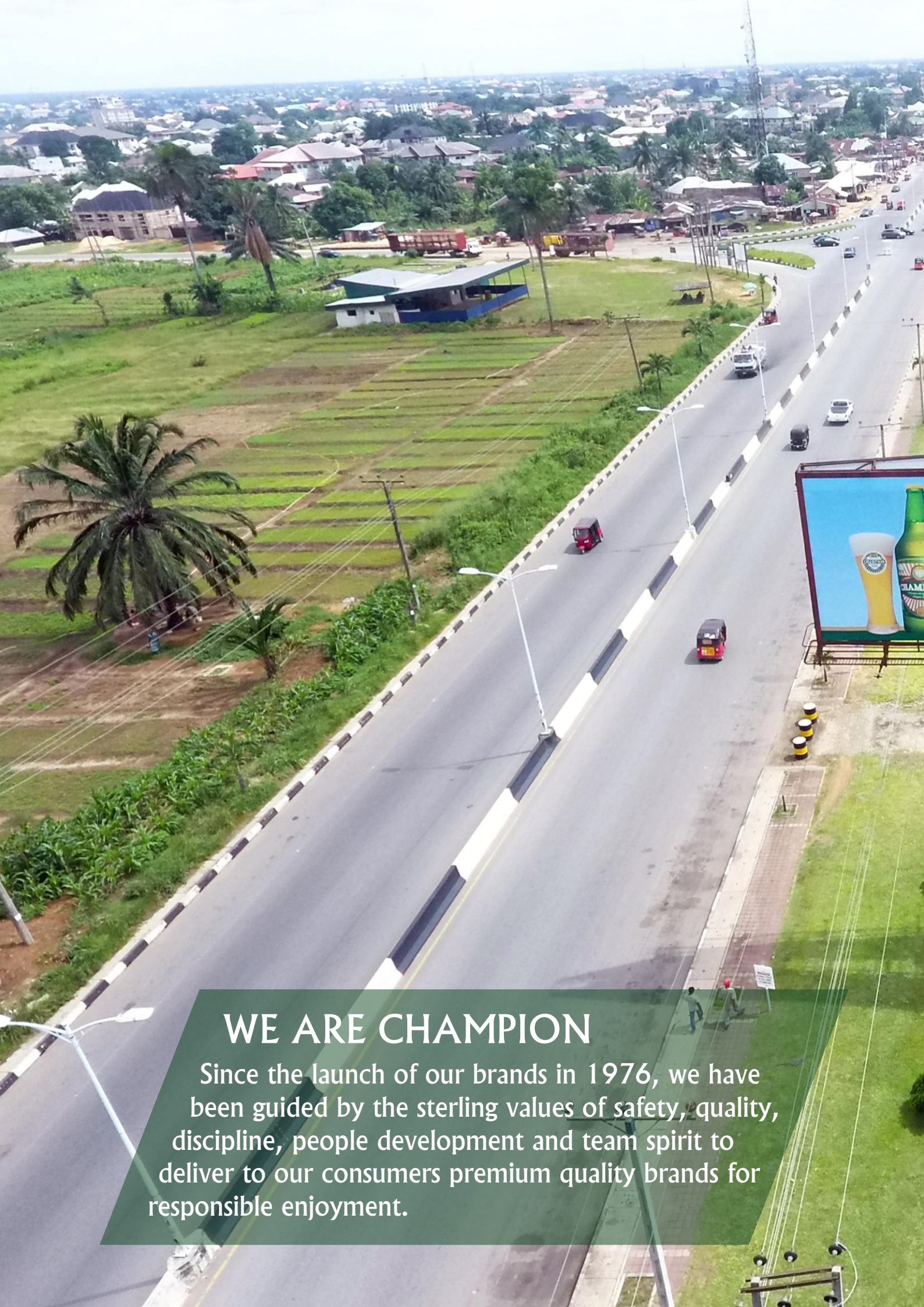


ANNUAL REPORT

Champion
Breweries Plc.



CONSOLIDATING
ON OUR STRENGTH



WE ARE CHAMPION

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



BRANDS
for
CHAMPIONS
PREMIUM QUALITY...
...Perfected for you!



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OUR PROFILE



CORPORATE INFORMATION

Date of Incorporation:	31 July 1974
Registration Number:	RC 13388
TIN:	00463544-0001
Company's Website:	www.championbreweries.com
Registered Office:	Industrial layout, Aka Offot, PMB 1106 Uyo Akwa Ibom State Nigeria
Directors:	Dr. Elijah Akpan – Chairman Mr. Georgios Polymenakos (Greek) – Managing Director Mrs. Helen Umanah Mr. Thompson Owoka Alhaji Shuaibu Ottan Mr. Samson Aigbedo Mr. Olufunminiyi Alabi Mr. Frederik Williem Kurt Linck (Dutch) Mr. Kevin James Albert Santry (British)
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 Registrars Plc 220B, Ikorodu Road Palmgrove, Lagos Nigeria info@africaprudentialregistrars.com
Bankers:	Access Bank Plc First Bank of Nigeria Ltd First City Monument Bank Plc Guaranty Trust Bank Plc Stanbic IBTC Bank United Bank for Africa Plc Zenith Bank Plc

BRANDS *for* CHAMPIONS

PREMIUM QUALITY

...Perfected for you!



18+
Drink Responsibly

COMPANY PROFILE

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

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

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

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

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

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

In January 2011, Heineken acquired an indirect interest in the Company through its acquisition of Messrs. Montgomery Ventures Incorporated (MVI) of Panama. On 28 December 2011, Consolidated Breweries acquired a 57% equity stake in Champion Breweries which was previously held by Montgomery Ventures Inc. (Panama). In December 2013, the Securities and Exchange Commission approved the sale of Consolidated Breweries holding in the Company to The Raysun Nigeria Limited "Raysun", a wholly owned subsidiary of Heineken, via a Scheme of Arrangement. The sale was concluded in December 2013. As a result, Raysun held a 57% equity stake in the Company. Raysun was incorporated in February 2010 as a holding company for Heineken's Nigerian entities.

With the drive to re-capitalize the Company as well as pay-off her debts, the shareholders approved an increase in the Company's authorized share capital to ₦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

(₦13,700,000,000.00) to pay her pending debts.

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

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

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

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



CORPORATE GOVERNANCE



FINANCIAL HIGHLIGHTS

For the year ended 31 December 2021

Revenue ▲ (₦000)



Operating Profit ▲ (₦000)



Profit Before Tax ▲ (₦000)



Income Tax Expense ▲ (₦000)



Profit ▲ (₦000)



Other Comprehensive Income/(Loss), net of tax ▲ (₦000)



Total Comprehensive Income For The Year ▲ (₦000)



Nigerian Exchange Limited Information

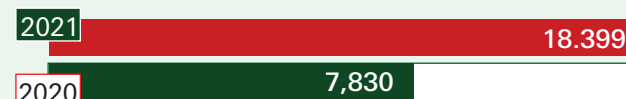
Nigerian Exchange Limited Quotation ▲ in Naira per share



Number of Shares Issued ▲ (in millions)



Market Capitalization ▲ (in millions)



Revenue
(₦000)

2021
10,518,497

2020
7,051,806

Profit
(₦000)

2021
984,233

2020
158,793



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of Champion Breweries PLC will be held by proxy on Thursday, 16th June 2022 at Lagoon Restaurants, 1C Ozumba Mbadiwe Street, Victoria Island, Lagos at 12.00 noon to:

ORDINARY BUSINESS

1. Lay before members, the audited financial statements for the year ended December 31, 2021 and the Directors', Auditors' and Audit Committee's Reports thereon.
2. Elect/re-elect Directors as maybe applicable.
3. To appoint Messrs. Deloitte & Touche as External Auditors to the Company effective June 17, 2022 to replace Messrs. KPMG Professional Services who have retired as External Auditors of the Company effective June 16, 2022;
4. To authorize the Directors to fix the remuneration of the Auditors.
5. Elect/re-elect shareholders' representatives on the Audit Committee.
6. To disclose the remuneration of the Managers.

B SPECIAL BUSINESS

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

NOTE:

1. PROXIES

Due to the Covid-19 pandemic and the attendant directives issued by relevant authorities on physical distancing and a limit on the maximum number of persons at a gathering (not more than 20 persons), Shareholders' attendance at this Annual General Meeting (AGM) shall be by Proxy only in accordance with the Corporate Affairs Commission's "Guidelines on Holding of Annual General Meetings (AGM) of Public Companies Using Proxies".

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

A Shareholder entitled to attend and vote at the Meeting can appoint a proxy to attend and vote in his/her/its stead. The proxy needs not be a shareholder. Consequently, Members are required to appoint a proxy of their choice from the following proxies to represent them at the Meeting: (a) Dr. Elijah Akpan (Chairman); (b) Mr. Georgios Polymenakos (Managing Director/CEO); Mrs. Helen Umanah (Non-Executive Director).

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

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

2. 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 Friday, June 6th, 2022, whilst the qualification date be June 3rd, 2022, for the purpose of updating the Register.

4. RIGHT TO ASK QUESTIONS

In line with Rule 19.12, The Rule Book of The Exchange, 2015, Part 11, Issuers' Rules. Shareholders of the Company have the right to ask questions not only at the Annual General Meeting but also in writing prior to the meeting. Written questions must be submitted to the Company Secretary, at least 48 hours days before the Annual General Meeting at LAGOON RESTAURANTS, 1C OZUMBA MBADIWE STREET, VICTORIA ISLAND, LAGOS, NIGERIA or by email at info@championbreweries.com or info@victoriachmabers.com.ng

5. ELECTRONIC VERSION OF THE ANNUAL REPORT AND ACCOUNTS

Electronic versions of the 2021 Annual Report and Accounts are available online for viewing and download via the Company's website, www.championbreweries.com and that of the Registrar, www.afriaprudential.com

6. LIVE STREAMING OF THE AGM

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

Dated 12th April 2022.

By Order of the Board

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



CHAIRMAN'S STATEMENT



Dr. Elijah Akpan - Chairman

CHAIRMAN'S STATEMENT

My dear shareholders, members of the Board of Directors, invited guests, ladies, and gentlemen. It is with gratitude to God Almighty that I welcome you to the 46th Annual General Meeting of our Company, Champion Breweries Plc, and grateful for sparing us during the traumatic saga of the COVID 19 pandemic.

I am also pleased to present to you our Company's performance in the previous year which stands out as a testimony of better times ahead. It remains a revelation to humanity, our country, and dear Company that only by collective efforts in the pursuit of our goals, can success be attained. We should always not fail to continuously pray for our lost brothers and sisters as a result of the pandemic and always comfort their families in this regard.

We shall now review the major developments in the environment under which we operated within the reporting year.

The Business Environment in 2021

The impact of Covid-19 in 2020 took the Nigerian economy into another recession reversing three years of recovery that followed the recession in 2016.

2021 experienced different waves and variants of the COVID 19 pandemic various governments put in all efforts and resources to achieve the global rollout of vaccines to tackle the dire situation and leading to the relaxation of the lockdown on the long run. Various economies and the manufacturing sector were affected with the interruption of the international and local supply chain leading to significantly high cost of raw materials, machinery, and increased pricing in goods.

Statistics from the Consumer Price Index report released by the National Bureau of Statistics (NBS) revealed that the Gross Domestic Product (GDP) increased by 3.4% in 2021 as compared to 1.9% in 2020. Inflation was reported to have risen to 18.17% in February and a fell to 15.4% in November. It is imperative to note that although the growth was low, it reflected the gradual return of economic activities following the easing of restricted movements and limited local and international commercial activities in the preceding quarters.

Despite the Central Bank of Nigeria ("CBN") intervention by the introduction of policies to tackle the challenges of Foreign Exchange, the cost on importation of raw materials, machinery, materials and return on foreign investments was significantly impacted on various sectors negatively.

Insecurity significantly increased with the persistent kidnappings and killings by various insurgent/militant groups within the six geopolitical zones as compared to previous years. This led to negative impact in the boost of agriculture, production of raw materials and social activities within the Country. We will always appreciate our gallant military and such related forces on their relentless efforts in tackling these challenges whilst counting on Government's continuous effort to support our security forces with a view to heighten their capacity to tackle the increasing security challenges in the Country.

Albeit the challenges experienced, our resilient Management, workforce, and stakeholders maintained our determination in growing the market and breaking into new markets thereby resulting to profitability. With new innovations, improved working in line best international standard practices, the Company achieved significant increase in production and sales of our Company's brand portfolio. Suffice to state that our Company has left the phase of reliance of contract production as the major source revenue within the reporting year.

Our investments on the maintenance of our machinery within and over the years, innovation of our brands, improved efficiency and cost saving measures have begun to pay-off on the long run. Our key shareholders' increased involvement with the provision of technical and managerial support has justified the effect of the confidence you have put in with us over the years. The Board has also remained resilient in working on strategies towards continuous growth and profitability for the benefit of its esteemed shareholders and stakeholders respectively.

Operating Results and Performance.

It's with pleasure I report that the Company sustained its path in attaining profitability within the reporting year. Revenue increased with ₦3.5 billion compared to last year whilst operating profit rose significantly to ₦1.74 Billion. Profit before Tax increased to ₦1.73 billion. Suffice to say that we are now out of the long path of loss our dear Company has been challenged with for over 40 years.

Board Matters

In 2021, The Securities & Exchange Commission approved for The Raysun Nigeria Limited mandatory takeover by the Raysun Nigeria Limited to acquire up to 1,196,799,164 ordinary shares from the other shareholders of the Company. This statutory obligations are duly fulfilled leading to Raysun's increase in her shareholding to 84.72%.

“ It's with pleasure I report that the Company sustained its path in attaining profitability within the reporting year. Revenue increased with ₦3.5 billion compared to last year whilst operating profit rose significantly to ₦1.74 Billion. Profit before Tax increased to ₦1.73 billion. Suffice to say that we are now out of the long path of loss our dear Company has been challenged with for over 40 years. ”



CHAIRMAN'S STATEMENT

The Directors retiring by rotation in accordance with the Company's Articles of Association and Section 285 of the Companies and Allied Matters Act Cap C 20 Laws of the Federation of Nigeria 2020 are Mr. Kevin Santry, Mr. Olufunmiyi Alabi and my humble self Dr. Elijah Akpan who being eligible, have offered themselves for re-election.

Future Outlook

According to the IMF's latest World Economic Outlook, the war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. Furthermore, global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022.

IMF has also revised upward its growth forecast for the Nigerian economy in 2022 to 3.4% from its earlier projection of 2.7% announced in January. It also projected the country's economy to grow by 3.1% by 2023 from the 2.7% it earlier projected. This however, reduced the global growth projection to 3.6% for 2022 and 2023, given the effect of the war.

The effect of the war demonstrates international commodity prices to surge, with mixed implications for Nigeria. Increase in the cost diesel and food prices may result to another year of high inflation in 2022. This is combined with mass unemployment and rampant insecurity across the various geo-political zones within the country. Economic growth may lag well behind potential, at marginally above the rate of population growth. As Nigeria imports and subsidizes petrol and produces relatively little crude, high global oil prices also suggest a deterioration in the fiscal balance. However, exports in value terms is expected to be robust and thereby supporting foreign-exchange stability after market turmoil in 2020-21 following the covid-19 outbreak.

The signing of the Electoral Act Amendment Bill into law has brought a glimpse of hope for forthcoming elections in

the Country. This laudable step would enable electoral process to lift the bar with that of other democratic countries all over the world. It is only expected that the provisions of this Act are judiciously implemented to enable Nigerians enjoy the exercise of their political franchise prior to and ahead of the 2023 general elections. We should not leave out the fact that these forecasts are grim, with protests, secessionist agitations and more value added tax controversies in the picture ahead of the elections. Some experts predict a low voter turnout due to the current security situation and possible logistic challenges may be faced by the Independent National Electoral Commission (INEC).

The Board and Management remains focused in maintaining the positive trajectory of our results and shall continue to implement the right strategies to attain sustainable growth.

Conclusion

My dear Shareholders, The Board and I would like to express our appreciation to the management and employees for their hard work and resilience in driving the Company's growth. I would also like to thank my colleagues on the Board for their efforts, support, and guidance in ensuring that proper direction support is provided to the Management to achieve our common goal.

We thank The Raysun Nigeria Limited, for continuous deployment of managerial and technical support to the Company and our host Government, Akwa Ibom State Government for its continuous provision of a peaceful and business-conducive environment to operate and leadership of the Company.

Our gratitude to you my dear Shareholders, for keeping the faith and your continuous support to the Board and Management towards achievements thus far.

Thank you and God Bless.



Dr. Elijah Akpan
CHAIRMAN

“ The signing of the Electoral Act Amendment Bill into law has brought a glimpse of hope for forthcoming elections in the Country. This laudable step would enable electoral process to lift the bar with that of other democratic countries all over the world. ”



DIRECTORS' REPORT

For the year ended 31 December 2021

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 2021.

Legal Form and Principal Activity

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

Operating Results

In 2021, the results of the Company were favourably impacted by increased sales volume during the period. A summary of the Company's operating results is shown below:

	2021	2020
	N'000	N'000
Revenue	10,518,497	7,051,806
Operating profit	1,738,314	461,358
Profit before tax	1,726,260	418,163
Income tax expense	(742,027)	(259,370)
Profit after income tax	984,233	158,793
Other comprehensive income, net of tax	192,416	(147,595)
Total comprehensive income	1,176,649	11,198

Dividend

The Directors did not recommend any dividend during the year (2020: Nil).

Board of Directors

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

Directors and their Interests

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

	2021	2020
	Number of Ordinary Shares	
Dr. Elijah Akpan (Chairman)**	-	-
Mr. Georgios Polymenakos (Greek) (Managing Director)*	-	-
Mr. Thompson Owoka**	500,000	500,000
Alhaji Shuaibu Ottan**	168,430	168,430
Mrs. Helen Umanah**	8,110	8110
Mr. Olufunminiyi Alabi**	-	-
Mrs. Afolake Lawal**	-	-
Mr. Samuel Onukwue**	-	-
Mr. Samson Aigbedo**	-	-
Mr. Kevin James Albert Santry (British)**	-	-
Mr. Frederik Williem Kurt Linck (Dutch)**	-	-

*Executive Director

** Non-executive Director



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

Analysis of Shareholding

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

	2021			2020		
	<u>Ordinary shares</u>	<u>Share capital</u>		<u>Ordinary shares</u>	<u>Share capital</u>	
	%	Number '000	₦ '000	%	Number '000	₦ '000
The Raysun Nigeria Limited*	84.7	6,632,918	3,316,459	84.72	4,729,308	2,364,654
Akwa Ibom Investment Corporation	10.1	787,407	393,704	10.06	787,157	393,579
Asset Management Nominee A/C "Y"	-	-	-	-	961,864	480,932
Other shareholders.	5.2	409,171	204,586	5.22	1,351,167	675,584
	100	7,829,49	3,914,74	100	7,829,496	3,914,748

*During the year, The Raysun Nigeria Limited acquired additional 24.3% stake in the Company, comprising 12.2% interest previously held by Asset Management Nominee and 12.1 % from other minority shareholders.

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

Property, Plant and Equipment

Information relating to movement in property, plant and equipment during the year is disclosed in Note 12 to the financial statements.

Donations and sponsorship

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

	2021	2020
	₦ '000	₦ '000
Sponsorship of beauty pageant	1,000	300
Sponsorships of sports and tournaments	400	200
Donation to Manufacturers Association of Nigeria	100	-
Other donations individually below ₦200,000	-	50
	1,500	550

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

(b) Employee training and consultation:

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

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

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

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

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

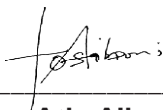
The Company ensures that safety standards, procedures and regulations are in place in all locations of the Company through clear policies and employees are well informed about compliance with and development of safety regulations.

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

Independent Auditors

KPMG Professional Services served as Independent Auditors during the year under review. KPMG Professional Services has served as the Company's Independent Auditors for ten years. The SEC Code of Corporate Governance requires that Independent Auditors be rotated after ten years; thus, KPMG Professional Services will not continue in office as the Company's Independent Auditors after the conclusion of the forthcoming Annual General Meeting.

By Order of the Board



Chief Tosan Atle Aiboni

Company Secretary
FRC/2014/NBA/00000006228
28 February 2022

BOARD OF DIRECTORS



Mr. Frederik Williem Kurt

DIRECTOR

is a Non-Executive Director of Champion Breweries Plc.

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

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

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

Dr. Elijah W. Akpan

CHAIRMAN

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

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

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

He joined the Board on 22nd October 2015.

Mr. Kevin Albert Santry

DIRECTOR

is a Non-Executive Director of Champion Breweries Plc.

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

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

BOARD OF DIRECTORS (cont'd)



Mr. Georgios Polymenakos

MANAGING DIRECTOR

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

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

He joined the company on January 6, 2020.

Alhaji Shuaibu A. Ottan

DIRECTOR

is an Independent Non-Executive Director of Champion Breweries Plc. He holds a Bachelors degree in Economics from Ahmadu Bello University, Zaria (1980). His work experiences include Commercial Officer, Kwara Ministry of Commerce and Industry and the Nigerian Industrial Development Bank Limited (now Bank of Industry), where he worked for 31 years before his retirement in June 2013 as Head of Southern Operations of the Bank's SME Directorate. Alhaji Ottan is currently engaged in the provision of business development and consulting services in the areas of Project Management, Fund Sourcing, Insolvency and Manpower Development as the Chief Executive Officer of First Fiducia Projects Limited. He also chairs the Board of Directors of Powersave Engineering Company Limited and Shaybis Nigeria Limited which are notable players in power conservation and renewable energy businesses in Nigeria.

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

Mrs. Helen A. Umanah

DIRECTOR

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

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

Mr. Olufunminiyi Alabi

DIRECTOR

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

Mr. Alabi has over 32 years' 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 retired from Nigerian Breweries Plc.

He joined the Board of Champion Breweries Plc in 2016.

BOARD OF DIRECTORS (cont'd)



Mr. Samson E. Aigbedo

DIRECTOR

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 until his retirement in 2019.

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

Mr. Thompson S. B. Owoka

DIRECTOR

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

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

He joined the Board of Champion Breweries Plc in 2000.

Chief Tosan Atle Aiboni

SECRETARY

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

The Board of Directors

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

- a. February 25, 2021
- b. April 22, 2021
- c. July 30, 2021
- d. October 27, 2021

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	4	4
Mr. Georgios Polygmenakos	4	4
Mr. Samson Aigbedo	4	4
Mr. Olufunminiyi Alabi	4	4
Mr. Frederik Williem Kurt	4	4
Mr. Thompson S. B. Owoka	4	4
Alhaji Shuaibu A. Ottan	4	4
Mr. Kevin Albert Santry	4	4
Mrs. Helen Umanah	4	4

Board Committees:

- i. **Governance/Remuneration Committee:** The Committee comprises of six Non-Executive Directors.

The Governance/Remuneration Committee held three meetings in the year under review. Details of the meetings are as follows:

- a) February 24 2021
- b) July 28, 2021
- c) October 27, 2021

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

Name	No. of Meetings Held	No. of Meetings Attended
a) Alhaji Shuaibu A. Ottan	3	3
b) Mr. Olufunminiyi Alabi	3	3
c) Mr. Samson Aigbedo	3	3
d) Mr. Kevin Albert Santry	3	2



CORPORATE GOVERNANCE REPORT (CONT'D)

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

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

- a) February 24, 2021
- b) July 28, 2021
- c) October 27, 2021

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

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

REGULATIONS FOR DEALING IN SHARES

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

INCORPORATION AND SHARE CAPITAL HISTORY

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

Year	Authorized (₦)		Issued & Fully Paid-up (₦)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1974	-	1,900,000	1,900,000	1,900,000	Cash
1976	550,000	2,450,000	220,007	2,120,007	Cash
1977	-	2,450,000	269,993	2,390,000	Cash
1978	4,050,000	6,500,000	2,392,344	4,782,344	Cash
1979	-	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	-	19,387,741	Cash
2001	424,00,000	450,000,000	-	19,387,741	Cash
2003	1,550,00,000	2,000,000,000	430,612,259	450,000,000	Cash
2014	2,500,00,000	4,500,000,000	-	450,000,000	Cash



CORPORATE GOVERNANCE REPORT (CONT'D)

DISCLOSURE OF REMUNERATION OF MANAGERS

As part of the requirement of section 257 of CAMA, included in the personnel cost (Note 8 b) are remuneration of Managers who for this purpose are part of the Executive Management Team of the company as summarized below:

	2021 N'000	2020 N'000
	215,749	139,635

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

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

OWNERSHIP STRUCTURE

As at 31 December 2021, 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 N'000	%
1	RAYSUN NIGERIA LIMITED	6,632,917,789	84.72
2	AKWA IBOM STATE GOVERNMENT	787,406,781	10.06
3	Other Shareholders	409,171,894	5.22
	Total	7,829,496,464	100.00

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

5. DISCLOSURE OF INTEREST

The interests of the Directors of Champion Breweries in the issued share capital of the Company as at 31, December 2021 were as follows:

Name	2021 Direct	Indirect	2020 Direct	Indirect
Dr. Elijah W. Akpan	-	-	-	-
Mr. Georgios Polymenakos	-	-	-	-
Mr. Samson Aigbedo	-	-	-	-
Mr. Olufunminiyi Alabi	-	-	-	-
Mr. Marinus J. A. Gabriels	-	-	-	-
Mr. Thompson S. B. Owoka	500,000	-	500,000	-
Alhaji Shuaibu A. Ottan	165,910	-	165,910	-
Mr. Hendrik van Rooijen	-	-	-	-
Mrs. Helen Umanah	8,110	-	8,110	-

FINANCIAL STATEMENTS



CERTIFICATION OF THE AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2021

Further to the provisions of section 405 of the Companies and Allied Matters Act, 2020 (CAMA), we the Managing Director and Chief Finance Officer of Champion Breweries Plc ("the Company") respectively hereby certify as follows:

- (a) We have reviewed the audited financial statements of the Company for the year ended 31 December, 2021.
- (b) The audited financial statements represents the true and correct financial position of our Company as at the said date of 31 December, 2021.
- (c) The audited financial statements does not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.
- (d) The audited financial statements fairly presents, in all material respects, the financial condition and results of operation of the company as of and for the year ended 31st December, 2021.
- (e) That we are responsible for establishing and maintaining internal controls and affirm that we have made an assessment of the Company's internal controls as at 31st December, 2021 and significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data have been disclosed to the Independent Auditors and the Audit Committee.
- (f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- (g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report.
 - (ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.

Signed:



Georgios Polymenakos (Managing Director)

FRC/2021/003/00000023702

28 February 2022



Nkechi Ojeyokan (Chief Finance Officer)

FRC/2021/001/00000022533

28 February 2022



STATEMENT OF DIRECTORS' RESPONSIBILITIES

In relation to the financial statements for the year ended 31 December 2021

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 (CAMA), 2020 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 (CAMA), 2020 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
28 February 2022



Georgios Polymenakos (Managing Director)
FRC/2021/003/00000023702
28 February 2022

AUDIT COMMITTEE'S REPORT

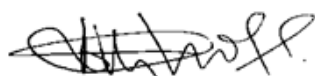
For the year ended 31 December 2021

To the members of Champion Breweries Plc

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020 ("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 2021 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 2021 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 2021 are in accordance with International Financial Reporting Standards and applicable regulatory requirements.

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



Mr. Thompson Owoka
FRC/2015/ICAN/00000012404

Dated this 28 February 2022

Members of the Audit Committee

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

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Champion Breweries Plc



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

Telephone 234 (1) 271 8955
234 (1) 271 8599
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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 2021;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 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 International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (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. Accounting for deposit for Returnable Packaging Materials

Refer to accounting estimates and judgements (Note 2(b)), accounting policy on returnable packaging material (Note 3(n)), and disclosure on trade and other payables (Note 21(b)).

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Registered in Nigeria No BN 986925

Partners:

Adegoke A. Oyelami
Adekunle A. Elebute
Adetola P. Adeyemi
Adewale K. Ajayi
Ajibola O. Olomola
Akinyemi Ashade
Ayobami L. Salami
Ayodele A. Soyinka

Ayodele H. Othihiwa
Bolanle S. Afolabi
Chibuzor N. Anyanechi
Chineme B. Nwigbo
Elijah O. Oladunmoye
Goodluck C. Obi
Ibitomi M. Adepoju
Ijeoma T. Emezie-Ezigbo

Joseph O. Tegbe
Kabir O. Okunlola
Lawrence C. Amadi
Martins I. Arogie
Mohammed M. Adama
Nneka C. Eluma
Olabimpe S. Afolabi
Oladimeji I. Salauden

Olanike I. James
Olufemi A. Babem
Olumide O. Olayinka
Olusegun A. Sowande
Olutoyin I. Ogunlowo
Oluwafemi O. Awotoye
Oluwatoyin A. Gbagi
Oseme J. Obalajo

Tayo I. Ogunbenro
Temitope A. Onitiri
Tolulope A. Odukale
Uzodinma G. Nwankwo
Victor U. Onyenkpa





<p>Periodically, the Directors determine the estimate of the potential breakages and other losses on the returnable packaging materials in trade to be released to the income statement based on certain key assumptions such as the market loss rate.</p>	<ul style="list-style-type: none"> - we evaluated the design and tested the operating effectiveness of the controls relevant to accounting for returnable packaging materials. - we evaluated the relevance and reliability of data inputs used by management in determining the estimate. - we re-computed the market loss rate to assess the reasonability of the assumptions used. - we developed an expectation of the quantity of returnable packaging materials expected to be in trade as at year end to derive the refundable deposit liability and compared with recorded deposits as at year end. - we checked that relevant disclosures relating to significant judgements and estimates made, were in line with the requirements of the relevant accounting standards.
<p>The refundable deposit liability including the related release is considered a key audit matter because of the significance of the carrying amount of the returnable packaging materials and the high level of judgment involved in determining the market loss rate used in estimating the amount that will not be claimed by customers in the future.</p>	

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 which we obtained prior to the date of the auditor’s report, but does not include the financial statements and our auditor’s report thereon. Other information also includes Financial highlights, Chairman’s statement, and Corporate governance report, together the “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 those charged with governance.

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 (CAMA), 2020 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 have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

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





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

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

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 5 of the Companies and Allied Matters Act (CAMA), 2020

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii. 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.

Mohammed M. Adama
FRC/2012/ICAN/00000000443
For: KPMG Professional Services
Chartered Accountants
28 February 2022
Lagos, Nigeria



STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	2021 N '000	2020 N '000
Assets			
Property, plant and equipment	12	9,406,727	8,798,638
Deferred tax assets	9(e)	13,721	762,541
Non-current assets		9,420,448	9,561,179
Inventories	13	1,023,969	725,449
Trade and other receivables	14(a)	110,129	52,063
Prepayments	15	60,245	4,595
Cash and cash equivalents	16	2,872,024	1,025,231
Current assets		4,066,367	1,807,338
Total assets		13,486,815	11,368,517
Equity			
Share capital	17	3,914,748	3,914,748
Share premium	18(a)	519,100	519,100
Other reserve	19	3,701,612	3,701,612
Accumulated profit/ (loss)		1,084,183	(92,466)
Total equity		9,219,643	8,042,994
Liabilities			
Employee benefits	20(a)	362,815	587,617
Lease liabilities	27 (ii)	468,607	486,249
Non-current liabilities		831,422	1,073,866
Income tax liabilities	9(c)	80,378	21,658
Lease liabilities	27 (ii)	71,182	71,182
Trade and other payables	21(a)	2,916,424	1,897,562
Provisions	22	367,766	261,255
Current liabilities		3,435,750	2,251,657
Total liabilities		4,267,172	3,325,523
Total equity and liabilities		13,486,815	11,368,517

These financial statements were approved by the Board of Directors on 28 February 2022 and signed on its behalf by:



Dr. Elijah Akpan (Chairman)
FRC/2017/IODN/00000016127
28 February 2022



Georgios Polymenakos (Managing Director)
FRC/2021/003/00000023702
28 February 2022

Additionally certified by:



Nkechi Ojeyokan (Chief Finance Officer)
FRC/2021/001/00000022533
28 February 2022

The accompanying notes are integral parts of these financial statements.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 N '000	2020 N '000
Revenue	5	10,518,497	7,051,806
Cost of sales	8(d)	(6,980,493)	(5,111,482)
Gross profit		3,538,004	1,940,324
Other income	6	108,518	101,193
Selling and distribution expenses	8(d)	(1,259,217)	(778,206)
Administrative expenses	8(d)	(651,010)	(799,603)
Impairment reversal/ (loss) on trade receivables	24(a)	2,019	(2,350)
Operating profit		1,738,314	461,358
Net finance cost	7	14,703	(25,313)
Profit before minimum tax		1,753,017	436,045
Minimum tax	10	(26,757)	(17,882)
Profit after minimum tax and before income tax		1,726,260	418,163
Income tax expense	9(a)	(742,027)	(259,370)
Profit for the year		984,233	158,793
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability, net of tax	9(f)	192,416	(147,595)
Other comprehensive income, net of tax		192,416	(147,595)
Total comprehensive income		1,176,649	11,198
Earnings per share			
Basic and diluted earnings per share (kobo)	11	13	2

The accompanying notes are integral parts of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Share capital	Share premium	Retained profit/ (accumulated loss)	Other reserve	Total equity
	₦ '000	₦ '000	₦ '000	₦ '000	₦ '000
1 January 2020	3,914,748	519,100	(103,664)	3,701,612	8,031,796
Total comprehensive income					
Profit for the year	-	-	158,793	-	158,793
Other comprehensive income	-	-	(147,595)	-	(147,595)
Total comprehensive income	-	-	11,198	-	11,198
31 December 2020	3,914,748	519,100	(92,466)	3,701,612	8,042,994
1 January 2021	3,914,748	519,100	(92,466)	3,701,612	8,042,994
Total comprehensive income					
Profit for the year	-	-	984,233	-	984,233
Other comprehensive income	-	-	192,416	-	192,416
Total comprehensive income	-	-	1,176,649	-	1,176,649
31 December 2021	3,914,748	519,100	1,084,183	3,701,612	9,219,643

The accompanying notes are integral parts of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December

	Notes	2021 N '000	2020 N '000
Cash flows from operating activities			
Profit for the year		984,233	158,793
Adjustments for:			
Finance cost	7	61,168	25,313
Company income tax	9(c)	-	27,762
Tertiary education tax	9(c)	77,079	23,202
Nigeria Police Trust Fund levy	9(c)	82	20
Deferred tax	9(e)	664,860	208,386
Minimum tax	10	26,757	17,882
Defined benefit obligation charge	20(a)(i)	98,444	77,715
Long service award (gain)/ charge	20(a)(ii)	(1,288)	2,689
Depreciation of property, plant and equipment	12	1,205,935	1,047,423
Write-off of property, plant and equipment	8(d)	19,557	81,242
		3,136,827	1,670,427
Changes in:			
Inventories		(298,520)	(22,640)
Trade and other receivables	14(b)	(60,582)	868,843
Prepayments		(55,650)	(1,075)
Trade and other payables	21(c)	992,105	(179,032)
Provisions	22	106,511	(244,489)
Payment of interest on lease liability	27 (iv)	(60,688)	-
Cash generated from operating activities		3,760,003	2,092,034
Defined benefit paid	20(a)(i)	(43,416)	(91,900)
Long service awards paid	20(a)(ii)	(2,166)	(3,069)
Income tax paid	9(c)	(15,713)	(21,001)
Net cash generated from operating activities		3,698,708	1,976,064
Cash flows from investing activities			
Acquisition of property, plant and equipment	12(f)	(1,833,581)	(1,620,959)
Net cash utilised in investing activities		(1,833,581)	(1,620,959)
Cash flows from financing activities			
Payment of principal on lease liabilities	27 (iv)	(18,334)	(31,826)
Net cash utilised in financing activities		(18,334)	(31,826)
Net increase in cash and cash equivalents		1,846,793	323,279
Cash and cash equivalents at 1 January		1,025,231	701,952
Cash and cash equivalents at 31 December	16	2,872,024	1,025,231

The accompanying notes are integral parts of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

1 Reporting entity

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

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

2 Basis of preparation

(a) Statement of Compliance

These financial statements have Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011. Details of the Company's accounting policies are included in Note 3. These financial statements were authorised for issue by the Board of Directors on 28 February 2022.

(b) Basis of measurement

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

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

(c) Functional and presentation currency

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

(d) Use of judgement and estimates

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

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

(1) 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 22 -- determining extent of disclosures made on provisions.

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

Note 27 – lease term: whether the Company is reasonably certain to exercise extension options.



NOTES TO THE FINANCIAL STATEMENTS

(ii) Assumptions and estimation of uncertainties

Information about assumptions and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

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

Note 24 (a) - Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted average loss rate.

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

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

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

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

(e) 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 24 - Financial instruments - Fair values and financial risk management.

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.

NOTES TO THE FINANCIAL STATEMENTS

(b) Financial instruments

(i) Recognition and initial measurement

Trade receivables 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

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

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



NOTES TO THE FINANCIAL STATEMENTS

Financial assets – Business model assessment:

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

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

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

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

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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

Reclassifications

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

Financial assets – Subsequent measurement; gains and losses

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

Financial liabilities – Classification, subsequent measurement and gains and losses

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

(iii) Derecognition

Financial assets

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

Financial liabilities

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

(c) Share capital and share premium

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

(d) Property, plant and equipment

(i) Recognition and measurement

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

(ii) Subsequent expenditure

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

(iii) Derecognition

The carrying 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. Land and capital work-in-progress are 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

NOTES TO THE FINANCIAL STATEMENTS

(e) Inventories

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

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

(f) Impairment

(i) Non-derivative financial assets

Financial instrument

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

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

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

- 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 180 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.

NOTES TO THE FINANCIAL STATEMENTS

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 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or 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. 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.

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.

(ii) Non-financial assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(g) Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans

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

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

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

(iii) Defined benefit plans

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

The calculation of defined benefit obligations is performed annually by Alexander Forbes Consulting Actuaries Nigeria Limited (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 net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise. The calculation of defined benefit obligations is performed annually by Alexander Forbes Consulting Actuaries Nigeria Limited (FRC/2016/NAS/00000013781) using the projected unit credit method.



NOTES TO THE FINANCIAL STATEMENTS

(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

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

Nature and timing of satisfaction of performance obligation

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

(a) Product Sales

The sale and delivery of products are identified as one performance obligation and are not separately identifiable. Revenue from product sales 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.

(b) Contract brewing and packaging

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

NOTES TO THE FINANCIAL STATEMENTS

(j) Operating profit

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

(k) Income tax

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

(i) Current tax

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

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

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

(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, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.



NOTES TO THE FINANCIAL STATEMENTS

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

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

(m) **Earnings per share**

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

(n) **Leases**

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

As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the

NOTES TO THE FINANCIAL STATEMENTS

underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

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

The Company is not a lessor in any lease arrangement.

Based on this assessment, the Company's leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(o) Deposit for Returnable Packaging Material

The Company collects deposits for returnable packaging materials (i.e. bottles and crates) from customers. A liability is then recognized in the financial statements with respect to these deposits. The deposit is refunded to the customer when the customer returns the packaging material.

Each year an amount is written into the Income statement. This amount represents the breakages in trade of which the customers would not come back to collect deposit made on the bottles or crates. Factors such as bottle turnover, bottle refill rate, amount of bottles with distributors, market trend and historical market loss rates are considered in the determination of the estimate to be written back into the income statement periodically.

(p) Statement of cash flows

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

(q) Segment reporting

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

4 Standards and interpretations (i) Standards issued but not yet effective.

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2021 and early application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

These include the following standards and interpretations that are applicable to the business of the Company but are not expected to have a significant impact on the Company's financial statements.

A. Onerous contracts: Cost of Fulfilling a Contract (Amendments to IAS 37) - Effective 1 January 2022

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Group has determined that all contracts existing at 31 December 2021 will be completed before the amendments become effective.

B. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

C. Amendments to IAS 16; Property, Plant and Equipment: Proceeds before intended use.

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before its intended use by management. As such, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs. Companies will therefore need to distinguish between: costs associated with producing and selling items before the item of property, plant and equipment is available for use; and costs associated with making the item of property, plant and equipment available for its intended use. Making this allocation of costs may require significant estimation and judgement. The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin. The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

D. Amendments to IAS 1; Classifications of liabilities as current and non-current

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation. The standard is effective for annual periods beginning on or after 1 January 2023.



NOTES TO THE FINANCIAL STATEMENTS

5 Revenue

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

	<u>Recognition policy</u>	<u>2021</u>	<u>2020</u>
		<u>N'000</u>	<u>N'000</u>
Sale of goods	At a point in time	10,097,428	5,891,900
Contract brewing and packaging	At a point in time	421,069	1,159,906
		10,518,497	7,051,806
6 Other income			
		<u>2021</u>	<u>2020</u>
		<u>N'000</u>	<u>N'000</u>
Sale of scrap materials		23,114	19,439
Sale of by-products		65,855	49,795
Sale of packaging materials		19,549	31,959
		108,518	101,193
7 Net finance income/cost			
(a) Finance income comprises:			
		<u>2021</u>	<u>2020</u>
		<u>N'000</u>	<u>N'000</u>
Interest income on short term deposits		75,870	-
		75,870	-
(b) Finance cost comprises:			
		<u>2021</u>	<u>2020</u>
		<u>N'000</u>	<u>N'000</u>
Interest expense on lease liability		(61,168)	(25,313)
		(61,168)	(25,313)
		14,702	(25,313)

Net finance income/(cost) recognised in profit or loss

8 Profit before tax

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

	<u>2021</u>	<u>2020</u>
	<u>N'000</u>	<u>N'000</u>
Depreciation of property, plant and equipment (Note 10d)	1,028,299	1,047,423
Write off of property, plant and equipment	19,557	81,242
Personnel expenses (Note (8(b)))	1,190,048	1,047,506
Auditor's remuneration	23,448	19,540
Management fees (Note 23(a))	-	168,579
Directors' remuneration (Note 8(c))	34,150	40,831

(b) Personnel expenses

(i) Personnel expenses comprise:

	<u>2021</u>	<u>2020</u>
	<u>N'000</u>	<u>N'000</u>
Salaries and wages	808,037	786,246
Pension	35,153	34,205
Defined benefit obligation charge (Note 22(a)(i))	98,444	77,715
Long service awards (gain)/ charge (Note 22(a)(ii))	(1,288)	2,689
Other personnel related expenses	190,409	97,494
Medical fees	59,294	49,157
	1,190,048	1,047,506

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

	<u>2021</u>	<u>2020</u>
	<u>Number</u>	<u>Number</u>
Production	81	79
Logistics	14	11
Sales and Marketing	33	34
Administration	22	18
	150	142



NOTES TO THE FINANCIAL STATEMENTS

(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:

	2021	2020
	Number	Number
₦ 1,200,001 – ₦ 1,400,000	-	1
₦ 1,400,001 – ₦ 1,600,000	-	4
₦ 1,600,001 – ₦ 1,800,000	5	5
₦ 1,800,001 – ₦ 2,000,000	7	9
₦ 2,000,001 – ₦ 2,500,000	25	46
₦ 2,500,001 – ₦ 3,000,000	30	22
₦ 3,000,001 – ₦ 3,500,000	22	14
₦ 3,500,001 – ₦ 4,000,000	21	15
₦ 4,000,001 – ₦ 4,500,000	6	4
₦ 4,500,001 – ₦ 5,000,000	3	7
Above ₦5,000,000	31	15
	150	142

(c) Directors remuneration

Directors' remuneration was as follows:

	2021	2020
	₦'000	₦'000
Directors' fees	14,650	21,681
Other remuneration	19,500	19,150
	34,150	40,831

Further analysed as follows:

	2021	2020
	₦'000	₦'000
Remuneration of non-executive directors	14,650	21,681
Remuneration of executive directors	19,500	19,150
	34,150	40,831

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

	2021	2020
	₦'000	₦'000
Chairman	3,510	3,510
Highest paid director	12,000	12,000

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

	2021	2020
	Number	Number
0 - ₦100,000	-	-
₦100,001 - ₦200,000	-	-
₦200,001 - ₦1,000,000	-	-
₦1,000,001 - ₦2,000,000	6	7
₦2,000,001 - ₦5,000,000	1	2
	7	9



NOTES TO THE FINANCIAL STATEMENTS

(d) Analysis of expenses by nature

	2021	2020
	N'000	N'000
Raw materials and consumables	3,397,569	1,886,654
Advertising and promotion	38,513	106,934
Depreciation of property, plant and equipment*	1,028,299	1,047,423
Personnel expenses (Note 8(b))	1,190,048	1,047,506
Outsourced staff	265,828	273,797
Utilities	723,900	605,864
Short term leases (Note 27 (iii))	5,477	3,138
Repairs and maintenance	619,457	493,109
Management fee (Note 23(a))	-	168,579
Audit fee	23,448	19,540
Professional services	42,091	27,817
Security and IT infrastructure	140,952	97,352
Transportation and accommodation	103,659	100,148
Excise duties	959,418	749,580
Gifts and jubilation	2,791	15,483
Meetings and conferences	28,448	29,012
Insurance, rates and licenses	60,329	48,155
Write off of property, plant and equipment	19,557	81,242
Cleaning, catering and other administrative expenses	102,556	92,477
Subscriptions and publications	25,994	24,632
Provision/ (Reversal) of provisions**	106,511	(244,489)
Other expenses	5,875	15,338
Total cost of sales, selling and administrative expenses	8,890,720	6,689,291
These expenses are further analysed as follows:		
Cost of sales	6,980,493	5,111,482
Administrative expenses	1,259,217	778,206
Selling and distribution expenses	651,010	799,603
	8,890,720	6,689,291

* Included in depreciation of property, plant and equipment is an amount of ₦ 178 million relating to the release of deposits for returnable packaging materials during the year (2020: Nil). Refer to (Note 21(b)) for more details.

** Amount represents the net impact of provisions made during the year (2020; write back of ₦ 244 million) based on assessment performed by the Directors and using information currently available. See Note 22.

9 Taxation

(a) Income tax recognised.

Amounts recognised in profit or loss:

Current tax expense:

	2021	2020
	N'000	N'000
Company income tax	-	-
Tertiary education tax	77,085	23,202
Nigeria Police Trust Fund Levy (NPTF)	82	20
Under provision for current tax in the prior years	-	27,762
	77,167	50,984

Deferred tax expenses:

- Origination and reversal of temporary differences	664,860	208,386
	742,027	259,370
- Amount recognised in other comprehensive income	83,960	(69,456)



NOTES TO THE FINANCIAL STATEMENTS

(b) Reconciliation of effective tax rate

		2021		2020
	%	N'000	%	N'000
Profit/(Loss) before tax		1,753,017		418,163
Tax using statutory tax rate	30.0	525,905	30.0	125,449
Tertiary education tax using statutory rate	2.5	43,825	2.0	8,363
Effect of NPTF Levy	0.0	82	0.0	13
Tax effect of:				
- tax incentives	(0.6)	(10,853)	(0.3)	(1,265)
- non-deductible expenses	2.6	45,060	4.5	18,967
- non-taxable income	-	-	(18.7)	(78,236)
- (Over)/Under provision for current tax in the prior years	(0.1)	(1,592)	6.6	27,762
- Change in estimate relating to prior years	8.0	139,600	37.9	158,317
	<u>42.4</u>	<u>742,027</u>	<u>62.0</u>	<u>259,370</u>

(c) Movement in current tax (assets) / liabilities

	2021	2020
	N'000	N'000
Balance beginning of the year	21,658	(3,512)
Tertiary Education Tax for the year	77,079	23,202
Nigeria Police Trust Fund levy for the year	82	20
Under provision for current tax in the prior years	-	27,762
Payment during the year	(15,713)	(21,001)
	<u>83,106</u>	<u>26,471</u>
Withholding tax credit notes carried forward (Note 9(d))	<u>(2,728)</u>	<u>(4,813)</u>
Balance end of the year	<u>80,378</u>	<u>21,658</u>

(d) Movement in withholding tax credit notes

	2021	2020
	N'000	N'000
Balance beginning of the year	4,813	39,730
WHT credit notes received during the year (Note 14 (c))	6,728	-
WHT credit notes utilized during the year	(8,813)	(34,917)
Balance end of the year*	<u>2,728</u>	<u>4,813</u>

* This represents withholding tax credit notes submitted to the Federal Inland Revenue Service but yet to be utilised.

NOTES TO THE FINANCIAL STATEMENTS

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* This represents withholding tax credit notes submitted to the Federal Inland Revenue Service but yet to be utilised.

(e) Movement in deferred tax balances

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

				Balance as at 31 December		
	Net balance at	Recognised in	Recognised in	Net	Deferred tax	Deferred tax
	1 January	profit or loss	comprehensive		assets	liabilities
	N'000	N'000	income	N'000	N'000	N'000
2020						
Property, plant and equipment	724,213	(204,476)	-	519,737	2,104,649	(1,584,912)
Employee benefits	123,242	(4,661)	69,456	188,037	188,037	-
Trade and other receivables	54,015	752	-	54,767	54,767	-
Tax assets (liabilities)	901,470	(208,385)	69,456	762,541	2,347,453	(1,584,912)

(f) Amounts recognised in OCI

	2021			2020		
	Before tax	Tax	After tax	Before tax	Tax	After tax
	N'000	N'000	N'000	N'000	N'000	N'000
Defined benefit obligation	(276,376)	83,960	(192,416)	217,051	(69,456)	147,595
Actuarial (gain)/ loss	(276,376)	83,960	(192,416)	217,051	(69,456)	147,595



NOTES TO THE FINANCIAL STATEMENTS

10 Minimum tax

Minimum tax in current year has been computed based on 0.25% of turnover in line with the finance act of 2020 and this amounts to ₦26.8 million (2020: ₦17.9 million).

11 Basic and diluted earnings per share

The calculation of basic and diluted earnings per share was based on the profit of ₦740 million (2020: profit of ₦159 million), attributable to ordinary shareholders and weighted average number of ordinary shares outstanding of 7,829,496,464 units (2020: 7,829,496,464) calculated as follows:

	2021	2020
	N'000	N'000
Profit for the year	984,233	158,793
Weighted average number of ordinary shares in thousands of 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)	13	2

There were no potential dilutive ordinary shares during the year.





12 Property, plant and equipment

(a)	Land	Buildings	Right-of-use assets	Plant and Machinery	Furniture and Fittings	Motor vehicles	Returnable Packaging	Capital Work in Progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost									
1 January 2020	1,223,210	2,612,154	-	6,992,826	382,506	645,301	2,285,332	-	14,141,329
Additions	-	5,863	574,897	119,566	81,269	216,720	738,525	448,063	2,184,903
Transfers	-	-	-	(77,388)	-	-	-	77,388	-
Disposals	-	(8,910)	-	(1,182,771)	(1,915)	(173,940)	-	-	(1,367,536)
31 December 2020	1,223,210	2,609,107	574,897	5,852,233	461,860	688,081	3,023,857	525,451	14,958,696
1 January 2021	1,223,210	2,609,107	574,897	5,852,233	461,860	688,081	3,023,857	525,451	14,958,696
Additions	-	55,376	-	81,338	13,758	84,379	769,350	829,380	1,833,581
Transfers	-	32,569	-	376,432	36,715	-	121,340	(567,056)	-
Write off	-	-	-	-	-	-	-	(19,557)	(19,557)
31 December 2021	1,223,210	2,697,052	574,897	6,310,003	512,333	772,460	3,914,547	768,218	16,772,720
Accumulated Depreciation									
1 January 2020	269,110	997,802	-	3,798,463	317,138	421,910	594,506	-	6,398,928
Charge for the year	-	122,864	18,424	331,317	36,272	104,498	434,048	-	1,047,423
Write off	-	(4,606)	-	(1,119,292)	(1,580)	(160,816)	-	-	(1,286,294)
31 December 2020	269,110	1,116,060	18,424	3,010,487	351,830	365,592	1,028,554	-	6,160,058
1 January 2021	269,110	1,116,060	18,424	3,010,487	351,830	365,592	1,028,554	-	6,160,057
Charge for the year	-	126,771	44,599	336,296	43,115	117,033	538,121	-	1,205,935
31 December 2021	269,110	1,242,831	63,023	3,346,783	394,945	482,625	1,566,675	-	7,365,992
Carrying amounts									
1 January 2020	954,100	1,614,352	-	3,194,363	65,368	223,391	1,690,826	-	7,742,401
31 December 2020	954,100	1,493,047	556,473	2,841,746	110,030	322,489	1,995,303	525,451	8,798,638
31 December 2021	954,100	1,454,221	511,874	2,963,220	117,388	289,835	2,347,872	768,218	9,406,727

(b) The Company had no authorised or contractual capital commitments as at the reporting date (2020: Nil).

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

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

(e) Property, plant and equipment includes right-of-use assets and depreciation of N574.9 million and N63.0 million respectively (2021: N574.9 million and N18.4 million respectively) related to leased gas generating plant, warehouse and residence for key management personnel that do not meet the definition of investment property (see Note 27(i)).

NOTES TO THE FINANCIAL STATEMENTS

(f) Reconciliation of acquisition of property, plant and equipment included in the statement of cash flows

	2021 N '000	2020 N '000
Acquisition of property, plant and equipment	1,833,581	2,173,949
Prepayment for right-of-use assets (Note 27(iv))	-	10,954
Additions to property, plant and equipment (Note 12(a))	1,833,581	2,184,903
Non-cash recognition of right-of-use assets (Note 27(ii))	-	(563,944)
Acquisition of property, plant and equipment per statement of cash flows	1,833,581	1,620,959

13 Inventories

	2021 N '000	2020 N '000
Raw materials	184,327	68,533
Finished products	24,909	27,150
Products-in-process	96,170	53,090
Non-returnable packaging materials	248,962	84,568
Engineering spares	469,601	492,108
	1,023,969	725,449

The amount of inventories recognised in cost of sales during the year was N3.3 billion (2020: N1.9 billion). Inventories amounting to N 104.3 million were written off during the year (2020; N18.2 million).

14 Trade and other receivables

(a) Trade and other receivables comprise:

	2021 N '000	2020 N '000
Trade receivables	60,739	29,562
Withholding tax receivables*	10,065	6,074
Other receivables	39,324	16,427
	110,129	52,063

*Withholding tax receivables supported by tax credit notes have been included in tax assets (see Note 9 (d))

The Company's exposure to credit risks and impairment losses related to trade and other receivables is disclosed in Note 24.

(b) Reconciliation of changes in trade and other receivables included in the statement of cash flows

	2021 N '000	2020 N '000
Changes in trade and other receivables in the statement of financial position	(58,066)	833,926
Changes in withholding tax credit note utilized	(2,516)	34,917
Changes in trade and other receivables per statement of cash flows	(60,582)	868,843

(c) Movement in withholding tax receivables

	2021 N '000	2020 N '000
Opening withholding tax receivables	6,074	4,636
Additional withholding tax recognised	10,719	1,438
Withholding tax credit note moved to tax assets (Note 9(d))	(6,728)	-
Closing withholding tax receivables	10,065	6,074

15 Prepayments

Prepayments comprises:

	2021 N'000	2020 N'000
Prepaid rent *	2,208	2,273
Prepaid insurance	29,930	2,322
Prepaid Employee medical expenses (HMO)	28,107	-
	60,245	4,595

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



NOTES TO THE FINANCIAL STATEMENTS

16 Cash and cash equivalent

	2021	2020
	N'000	N'000
Cash in bank	1,372,024	1,025,231
Short term deposits	1,500,000	-
	2,872,024	1,025,231

17 Share capital

	2021	2020
	N'000	N'000
Authorised share capital		
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:

	2021	2020
	N'000	N'000
Number of ordinary shares of 50k each in thousands of shares		
1 January	7,829,496	7,829,496
31 December	7,829,496	7,829,496
	2021	2020
	N'000	N'000
Ordinary shares of 50k each		
1 January	3,914,748	3,914,748
31 December	3,914,748	3,914,748

18 Share premium

(a) The movement in share premium was as follows:

	2021	2020
	N'000	N'000
Balance as at 1 January	519,100	519,100
Balance as at 31 December	519,100	519,100

19 Other reserve

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

20 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



NOTES TO THE FINANCIAL STATEMENTS

(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

Long service awards

1 month basic salary, ₦100,000 in lieu of gift item, plaque and 15 crates of Company's products 10 years

1.5 months basic salary, ₦120,000 in lieu of gift item, plaque and 20 crates of Company's products 15 years

2 months basic salary, ₦150,000 in lieu of gift item, plaque and 25 crates of Company's products 20 years

(a) Long term employee benefit

	2021	2020
	N'000	N'000
Present value of:		
- Defined benefit obligation (Note 22(a)(i))	327,633	548,981
- Long service award (Note 22(a)(ii))	35,182	38,636
	362,815	587,617

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

	2021	2020
	N'000	N'000
1 January	548,981	346,115
Included in profit or loss		
Current service cost	54,672	33,357
Interest cost	43,772	44,358
	98,444	77,715
Included in other comprehensive income		
Actuarial (gain)/ loss arising from changes in:		
- Financial assumptions	(213,517)	131,922
- Demographic assumptions	(1,617)	(618)
- Experience adjustments	(61,242)	85,747
	(276,376)	217,051
Payments	(43,416)	(91,900)
31 December	327,633	548,981



NOTES TO THE FINANCIAL STATEMENTS

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

	2021	2020
	N'000	N'000
1 January	38,636	39,016
Included in profit or loss		
Current service cost	5,175	1,456
Interest cost	3,205	1,514
Actuarial (gain)/loss arising from changes in:		
- Financial assumptions	(5,935)	3,408
- Demographic assumptions	(322)	122
- Experience adjustments	(3,411)	(3,811)
	(1,288)	2,689
Payments	(2,166)	(3,069)
31 December	35,182	38,636

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

	Cost of sales		Administrative		Total	
	2021	2020	2021	2020	2021	2020
	N'000	N'000	N'000	N'000	N'000	N'000
Defined benefit obligation	51,191	40,412	47,253	37,303	98,444	77,715
Long service awards	(670)	1,398	(618)	1,291	(1,288)	2,689
Pension	18,280	17,787	16,873	16,418	35,153	34,205
	68,801	59,597	63,508	55,012	132,309	114,609

Actuarial assumptions

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

	2021	2020
Discount rate	13.3%	7.5%
Future salary increase rate	7.5%	7.5%

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

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 7 years (2020:10 years)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(c) Sensitivity analysis

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

		Defined benefit obligation N'000	Long service award N'000
Base amount		327,633	35,182
Discount rate	+1%	(21,361)	(1,180)
	-1%	23,915	1,267
Future salary increase rate	+1%	26,067	-
	-1%	(23,545)	-
Mortality rate	+1%	347	(40)
	-1%	(311)	36
Benefit escalatation rate	+1%	-	1,245
	-1%	-	(1,176)

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

(d) 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. This is presented under trade and other payables (Note 21(a)). The movement on this account during the year was as follows:

	2021 N'000	2020 N'000
1 January	9,089	4,815
Charge for the year and staff deductions	59,966	59,966
Remittances	(55,692)	(55,692)
31 December (included in trade and other payables)	13,363	9,089

21. Trade and other payables

(a) Trade and other payables comprise:

	2021 N'000	2020 N'000
Trade payables	796,468	309,757
Liabilities for Returnable packaging materials (Note 21(b))	585,486	464,626
Accrued expense	541,054	318,132
Non-income tax liabilities	249,444	210,787
Pension liabilities	13,363	9,089
Minimum tax liabilities (Note 10)	26,757	17,882
Amounts due to related parties (Note 23(a))	703,852	567,289
	2,916,424	1,897,562

NOTES TO THE FINANCIAL STATEMENTS

(b) Reconciliation of changes in treturnable packaging materials liability.

	2021	2020
	N '000	N '000
Opening balance	464,626	285,291
Additional customer deposit during the year	5,804,353	3,967,845
Returns during the year	(5,505,857)	(3,788,510)
Release of liability	(177,636)	-
Closing balance	585,486	464,626

The Company sells its products in returnable bottles and crates for which it collects a fixed amount as deposit from customers. The Company has an obligation to refund this deposit when the customers return the crates and bottles. In the current year, the Directors assessed the deposits to determine the estimates of breakages and other losses of returnable packaging materials in trade using an average market loss rate. The market loss rate of returnable packaging material is calculated using the historical loss rate and a reliable estimate of customer behaviour with sufficient data for a reliable estimation. Based on this estimate, an amount is released to the income statement to account for the losses and breakages. An amount of N178 million was released to profit or loss during the year (2020: Nil). Amount is included as part of depreciation of property, plant and equipment in Note 8(d).

(c) Reconciliation of changes in trade and other payables included in the statement of cash flows

	2021	2020
	N '000	N '000
Movement in trade and other payables in the statement of financial position	1,018,862	(161,150)
Minimum tax for the period	(26,757)	(17,882)
Changes in trade and other payables per statement of cash flows	992,105	(179,032)

22 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.

The movement in provisions during the year is as follows:

	2021	2020
	N '000	N '000
Balance at 1 January	261,255	505,744
Additional provision/ (reversal of provision) (Note 8(d))	106,511	(244,489)
Balance at 31 December	367,766	261,255

Management expects the cash outflows relating to the provisions to occur within the next financial year based on expected timing of settlement of the related matters. Accordingly, the provision has not been discounted.

23 Related parties

(a) Parent company and other related entities

The Company's parent company is The Raysun Nigeria Limited which owns approximately 85% 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 outstanding	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Sale of goods and services				
-Nigerian Breweries Plc	421,068	1,159,906	-	-
Purchases of goods				
-Nigerian Breweries Plc	1,788,421	1,338,312	298,892	1,183
Management fee:				
-The Raysun Nigeria Limited	-	168,579	404,960	566,106



NOTES TO THE FINANCIAL STATEMENTS

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

However, with effect from 1 January 2021, Raysun Nigeria Limited discontinued charging the Company management fee. Following the termination of the management service agreement. Hence no management fee has been recognised in current year (2020: ₦169 million).

(b) Key management personnel

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

	2021	2020
	N'000	N'000
Short-term employee benefits	19,500	19,150
	19,500	19,150

24 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.

	2021	2020
	N'000	N'000
Trade and other receivables (Note 14)	110,129	52,063
Cash and cash equivalents (Note 16)	2,872,024	1,025,231
	2,982,153	1,077,294



NOTES TO THE FINANCIAL STATEMENTS

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

As at 31 December 2021	Weighted average loss rate	Gross carrying amount N'000	Loss allowance N'000	Credit Impaired
Current (not past due)	0.44%	30,338	133	No
0 - 30 days	5.65%	14,351	811	No
30 - 90 days	25.22%	11,042	2,785	No
91 - 180 days	35.50%	13,547	4,810	No
More than 180 days	100.00%	146,058	146,058	Yes
		<u>215,336</u>	<u>154,597</u>	
As at 31 December 2020	Weighted average loss rate	Gross carrying amount N'000	Loss allowance N'000	Credit Impaired
Current (not past due)	0.34%	20,673	70	No
0 - 30 days	3.64%	2,214	81	No
30 - 90 days	0.22%	4,472	10	No
91 - 180 days	20.50%	8,080	1,657	No
More than 180 days	100.00%	169,330	169,330	Yes
		<u>204,769</u>	<u>171,147</u>	

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

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



NOTES TO THE FINANCIAL STATEMENTS

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

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

Movement in allowance for doubtful debt

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

	2021	2020
	N'000	N'000
Balance at 1 January	(171,147)	(168,797)
Amount written off	14,531	-
Net remeasurement of loss allowance	2,019	(2,350)
Balance at 31 December	(154,597)	(171,147)

Cash and cash equivalents

The Company held cash and cash equivalents of ₦2.9 billion at 31 December 2021 (2020: ₦1.0 billion), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks. The Company manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performance.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment Nil in current year (2020; Nil) was immaterial. These were measured at an amount equal to 12 months ECL.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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

	Carrying amount N'000	Contractual cash flows			
		Total N'000	Less than 1 year N'000	1-5 years N'000	More than 5 years N'000
31 December 2021					
Non-derivative financial					
Lease liabilities	539,789	(1,002,900)	(79,023)	(395,113)	(528,765)
Trade and other payables	2,626,860	(2,626,860)	(2,626,860)	-	-
	3,166,649	(3,629,760)	(2,705,882)	(395,113)	(528,765)
31 December 2020					
Non-derivative financial					
Lease liabilities	557,431	(1,081,923)	(79,023)	(323,307)	(679,594)
Trade and other payables	1,659,804	(1,659,804)	(1,659,804)	-	-
	2,217,235	(2,741,727)	(1,738,827)	(323,307)	(679,594)

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

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

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 and interest rate risks, hence no sensitivity analysis are disclosed.

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

	2021 N'000	2020 N'000
Total liabilities	4,267,172	3,325,523
Less: cash and cash equivalents	(2,872,024)	(1,025,231)
Net debt	1,395,148	2,300,292
Total equity	9,219,643	8,042,994
Adjusted net debt to equity ratio	1 : 5.2	1 : 3.5



NOTES TO THE FINANCIAL STATEMENTS

Accounting classification and fair values

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

31 December 2021	Carrying amount N'000	Fair value (Level 2) N'000
Financial assets at amortised cost		
Trade and other receivables	110,129	-
Cash and cash equivalents	2,872,024	-
	2,982,153	-
Financial liabilities at amortised cost		
Lease liabilities	539,789	541,266
Trade and other payables*	2,626,860	-
	3,166,650	541,266
31 December 2020	Carrying amount N'000	Fair value (Level 2) N'000
Financial assets at amortised cost		
Trade and other receivables	52,063	-
Cash and cash equivalents	1,025,231	-
	1,077,294	-
Financial liabilities at amortised cost		
Lease liabilities	557,431	563,774
Trade and other payables*	1,659,804	-
	2,217,235	563,774

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

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

The fair value of the lease liabilities has been determined using the discounted cash flow approach. The discount rates used ranges between 11.76% and 12.1%. There are no significant unobservable inputs. There has been no reclassification between fair value levels during the current and preceding years

25 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:

	2021 N'000	2020 N'000
Profit/(loss)	984,233	158,793
Total equity	9,219,643	8,042,994
Return on capital	11%	2%



NOTES TO THE FINANCIAL STATEMENTS

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 ₦731.3 million (2020 : ₦796.1 million). In the opinion of the Directors, the Company's liability is not likely to be material but the eventual amount cannot be determined with sufficient reliability as at the year end, thus no provision has been made in these financial statements.

(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 Leases

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

Leases as lessee (IFRS 16)

The Company leases a gas generator equipment, a depot and properties for its key management personnel (KMP).

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

B. Leased buildings

The Company entered into a two-year lease of a warehouse in prior year, with an additional two-year renewal option. Also, the Company leased properties for its key management personnel in 2021. Management elected not to recognise right-of-use assets and lease liabilities for leases of one year or below for which it is not reasonably certain the tenor will be extended. These have been classified as prepayments in the statement of financial position.

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

i. Right-of-use assets

Right-of-use assets related to properties that do not meet the definition of investment property are presented as part of property, plant and equipment (see Note 12(e)).

	Buildings	Plant and Machinery	Total
31 December 2021	N'000	N'000	N'000
Balance as at 1 January	14,164	542,309	556,473
Depreciation charge for the year	(4,708)	(39,892)	(44,599)
Balance as at 31 December	<u>9,456</u>	<u>502,417</u>	<u>511,874</u>



NOTES TO THE FINANCIAL STATEMENTS

	Buildings	Plant and Machinery	Total
31 December 2020	N'000	N'000	N'000
Balance as at 1 January	-	-	-
Additions to right-of-use assets	16,524	558,373	574,897
Depreciation charge for the year	(2,360)	(16,064)	(18,424)
Balance as at 31 December	14,164	542,309	556,473

ii. Lease liabilities

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

	2021	2020
	N'000	N'000
Balance as at 1 January	557,431	-
New leases	-	563,944
Interest on lease liabilities	61,380	25,313
Payment of lease liabilities	(79,022)	(31,826)
Balance as at 31 December	539,789	557,431
Analysed as:		
Current	71,182	71,182
Non-current	468,607	486,249
Balance as at 31 December	539,789	557,431

iii. Amount recognised in profit or loss

	2021	2020
	N'000	N'000
Interest on lease liabilities (Note 27(ii))	61,380	25,313
Expenses relating to short-term leases (Note 8(d))	5,477	3,138
Depreciation of right of use asset	44,599	18,424
	111,456	46,875

iv. Amount recognised in statement of cashflows

	2021	2020
	N'000	N'000
Payment of lease principal	18,334	31,826
Payment of lease interest	60,688	-
Prepayment for right-of-use assets (Note 12(g))	-	10,954
Payment for short term leases	3,031	3,030
Total cash outflow for leases	82,053	45,810

v. Extension options

The generator and building leases contain extension options exercisable by the Company at the end of the non-cancellable contract periods. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the



NOTES TO THE FINANCIAL STATEMENTS

Company and not by the lessors. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

Segment reporting

Nigeria is the Company's primary geographical segment as the Company's revenue is entirely earned from sales of similar product in Nigeria. The Company has two business operating segments namely: sale of goods and contract brewing and packaging.

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

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

Accordingly, no business or geographical segment information is reported.

28 Subsequent events

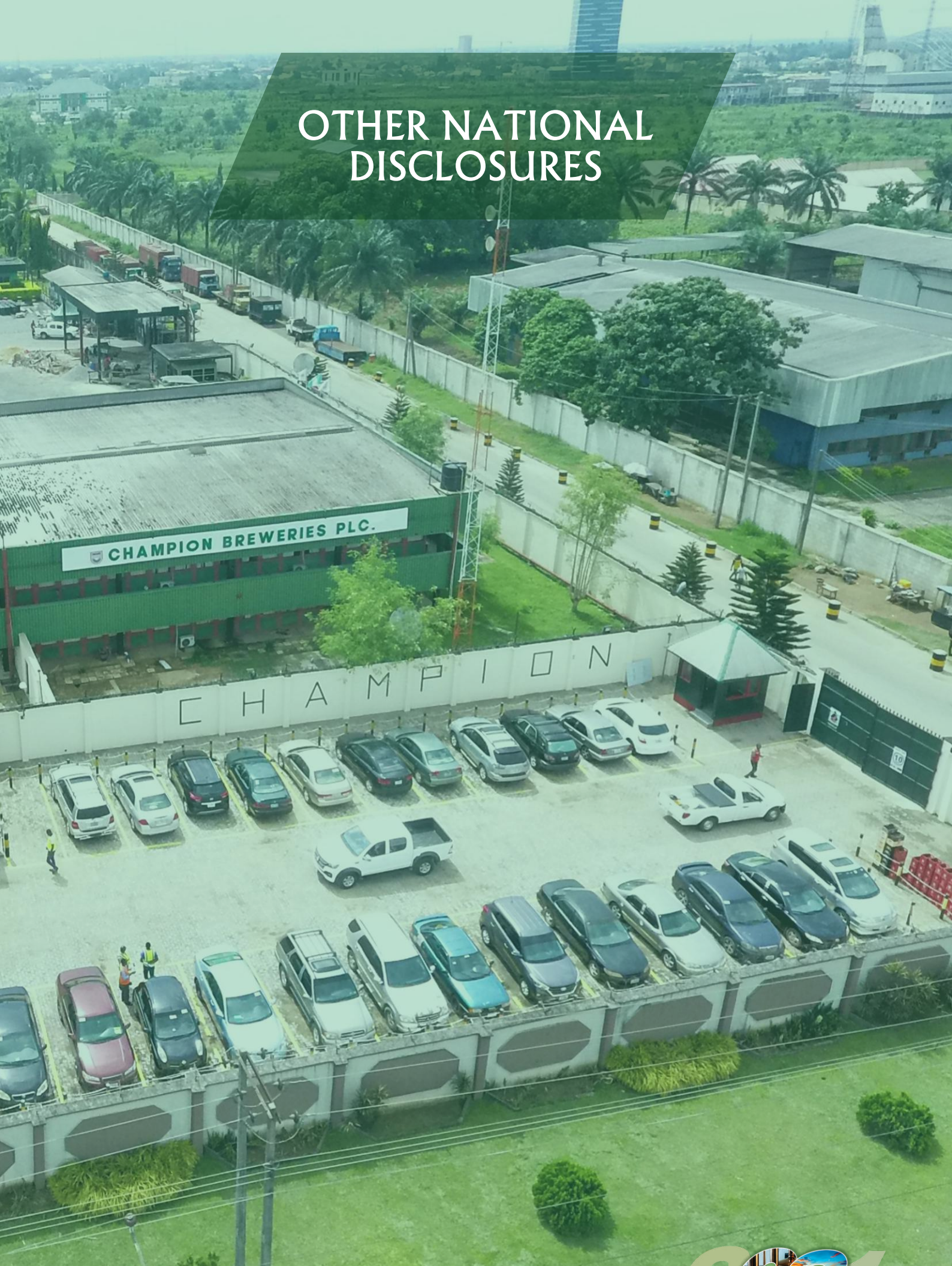
The Securities and Exchange Commission approved the Mandatory Takeover Offer by The Raysun Nigeria Limited with respect to the minority shareholdings subsequent to year end. The process has not been completed as at the date of the approval of the financial statements. Based on the MTO The Raysun Nigeria Limited acquired additional 128,365,129 ordinary shares representing 1.07% of the initial 15.3% minority equity stake in Champion Breweries Plc.

There are no other events which could have had a material effect on the financial position of the Company as at 31 December 2021 and its financial performance for the year then ended that have not been adequately provided for or disclosed in these financial statements.

OTHER INFORMATION



OTHER NATIONAL DISCLOSURES



VALUE ADDED STATEMENT

For the year ended 31 December

	2021		2020	
	N'000	%	N'000	%
Revenue	10,518,497		7,051,806	
Locally procured materials and services	(5,252,769)		(3,598,648)	
	5,265,728		3,453,158	
Other income	108,518		101,193	
Value added	5,374,246	100	3,554,351	100
Distribution of Value Added				
To Government				
- Excise duties	959,418	18	749,580	21
- Minimum tax	26,757	-	17,882	1
- Taxation	742,027	14	259,370	7
To Employees:				
Personnel expenses	1,190,048	22	1,047,506	29
Outsource staff	265,828	5	273,797	8
Retained in the Business:				
To maintain and replace				
- property, plant and equipment	1,205,935	23	1,047,423	30
To augment reserves	984,233	18	158,793	4
Value added	5,374,246	100	3,554,351	100

FIVE YEAR FINANCIAL SUMMARY

Statement of profit or loss and other comprehensive income

	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
Revenue	10,518,497	7,051,806	6,927,177	4,763,757	4,777,313
Operating profit/(loss)	1,738,314	461,358	241,480	(223,784)	595,189
Profit/(loss) before taxation	1,753,017	436,045	241,480	(209,591)	648,242
Profit/(loss)	984,233	158,793	168,508	(263,807)	517,562
Total comprehensive income/(loss)	1,176,649	11,198	96,264	(165,048)	464,600

Statement of financial position

	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	9,406,727	8,798,638	7,742,400	7,533,632	6,981,724
Deferred tax assets	13,721	762,541	901,470	898,809	945,284
Net current (liabilities)/assets	630,617	(444,319)	(226,943)	(250,922)	534,280
Lease liabilities	(468,607)	(486,249)	-	-	-
Employee benefits	(362,815)	(587,617)	(385,131)	(245,987)	(325,828)
Net assets	9,219,643	8,042,994	8,031,796	7,935,532	8,135,460
Funds Employed					
Share capital	3,914,748	3,914,748	3,914,748	3,914,748	3,914,748
Share premium	519,100	519,100	519,100	519,100	9,093,779
Other reserve	3,701,612	3,701,612	3,701,612	3,701,612	3,701,612
Accumulated profit/(loss)	1,084,183	(92,466)	(103,664)	(199,928)	(8,574,679)
Shareholders fund	9,219,643	8,042,994	8,031,796	7,935,532	8,135,460



OUR CHAMPION, OUR BEER!

PREMIUM QUALITY LAGER...

...Perfected for you!



18+

Drink Responsibly

PHOTOREEL



Global Safety Day, April 2022





Commissioning of 1-Star Laboratory



Board Chairman in Taste Test Session



Taste Test Session



Tree Planting By Board Chairman



Group Pix by Board Members



Board of Directors in Brewery Tour



Tour of Brewhouse



Board of Directors in Brewery Tour



Commissioning of New Electric Forklift



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

8. *MOBILE (1) (2) DD MM YY YY

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 DD MM YY YY

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)

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
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37. TRANSCORP PLC
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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:

DISCLAIMER

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





Africa Prudential

RC 649007

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

E-DIVIDEND MANDATE ACTIVATION FORM

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) Name of Stockbroking Firm

Mobile Telephone 1 Mobile Telephone 2

E-mail Address

Signature: Signature: 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 advise us of the possibility of such damages, losses or expenses, whether express or implied in respect of such information."

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

CLIENTELE

- | | |
|---|-------------------------------------|
| 1. AFRICA PRUDENTIAL PLC | <input checked="" type="checkbox"/> |
| 2. ABBEY MORTGAGE BANK PLC | <input type="checkbox"/> |
| 3. AFRILAND PROPERTIES PLC | <input type="checkbox"/> |
| 4. ALUMACO PLC | <input type="checkbox"/> |
| 5. A & G INSURANCE PLC | <input type="checkbox"/> |
| 6. A.R.M LIFE PLC | <input type="checkbox"/> |
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| 12. CAPP AND D'ALBERTO PLC | <input type="checkbox"/> |
| 13. CEMENT COY. OF NORTHERN NIG. PLC | <input type="checkbox"/> |
| 14. CSCS PLC | <input type="checkbox"/> |
| 15. CHAMPION BREWERIES PLC | <input type="checkbox"/> |
| 16. CWG PLC | <input type="checkbox"/> |
| 17. CORDROS MONEY MARKET FUND | <input type="checkbox"/> |
| 18. EBONYI STATE GOVERNMENT BOND | <input type="checkbox"/> |
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| 21. INVESTMENT & ALLIED ASSURANCE PLC | <input type="checkbox"/> |
| 22. JAIZ BANK PLC | <input type="checkbox"/> |
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| 25. MED-VIEW AIRLINE PLC | <input type="checkbox"/> |
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| 51. UAC PROPERTY DEVELOPMENT COMPANY PLC | <input type="checkbox"/> |
| 52. UTC NIGERIA PLC | <input type="checkbox"/> |
| 53. WEST AFRICAN GLASS IND PLC | <input type="checkbox"/> |

OTHERS:

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@afriprudential.com | www.afriprudential.com | @afriprud



E-SHARE REGISTRATION APPLICATION FORM

Dear Registrar,

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

***= Compulsory fields**

1. *SURNAME/COMPANY NAME:

2. *FIRST NAME:

3. OTHER NAME:

4. *E-MAIL:

5. ALTERNATE E-MAIL:

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

8. ALTERNATE MOBILE NO.:

9. *POSTAL ADDRESS:

10. CSCS CLEARING HOUSE NO.:

11. NAME OF STOCKBROKER:

DECLARATION

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

Signature: Signature: Company Seal(if applicable)

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 advise 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	<input type="checkbox"/>
2. ABBEY MORTGAGE BANK PLC	<input type="checkbox"/>
3. AFRILAND PROPERTIES PLC	<input type="checkbox"/>
4. ALUMACO PLC	<input type="checkbox"/>
5. A & G INSURANCE PLC	<input type="checkbox"/>
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50. UNIC INSURANCE PLC	<input type="checkbox"/>
51. UAC PROPERTY DEVELOPMENT COMPANY PLC	<input type="checkbox"/>
52. UTC NIGERIA PLC	<input type="checkbox"/>
53. WEST AFRICAN GLASS IND PLC	<input type="checkbox"/>
OTHERS: <input type="text"/>	
<input type="text"/>	
<input type="text"/>	

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
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 E-MAIL: cfc@afriprudential.com | www.afriprudential.com | @afriprud





THE 46th ANNUAL GENERAL MEETING TO BE HELD BY PROXY AT LAGOON RESTAURANTS, 1C OZUMBA MBADIWE STREET, VICTORIA ISLAND, LAGOS ON THURSDAY, 16TH JUNE 2022.

I/We* of being member(s) of CHAMPION BREWERIES PLC hereby appoint** or failing him, DR ELIJAH W. AKPAN or failing her MR. GEORGIOS POLYGMENAKOS as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held by proxy on 16th June 2022 and any adjournment(s) thereof.

Signature Dated this day of 2021

Number of Shares held	FOR	AGAINST	ABSTAIN
RESOLUTION			
1. Lay before members, the audited financial statements for the year ended December 31, 2021 and the Directors', Auditors' and Audit Committee's Reports thereon.			
2. Elect/re-elect Directors as maybe applicable.			
3. To appoint Messrs. Deloitte & Touche as External Auditors to the Company effective June 17, 2022 to replace Messrs. KPMG Professional Services who have retired as External Auditors of the Company effective June 16, 2022;			
4. To authorize the Directors to fix the remuneration of the Auditors.			
5. Elect/re-elect shareholders' representatives on the Audit Committee.			
6. To disclose the remuneration of the Managers.			
B SPECIAL BUSINESS			
1. To approve the remuneration of Directors.			
2. To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company; "That a general mandate be and is hereby given to the Company to enter into recurrent transactions with related parties for the Company's day-to-day operations, including the procurement of goods and services, on normal commercial terms."			

Dated this day of, 2022.

NOTES

Due to the Covid-19 pandemic and the attendant directives issued by relevant authorities on physical distancing and a limit on the maximum number of persons at a gathering (not more than 20 persons), Shareholders' attendance at this Annual General Meeting (AGM) shall be by Proxy only in accordance with the Corporate Affairs Commission's "Guidelines on Holding of Annual General Meetings (AGM) of Public Companies Using Proxies".

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

A Shareholder entitled to attend and vote at the Meeting can appoint a proxy to attend and vote in his/her/its stead. The proxy needs not be a shareholder. Consequently, Members are required to appoint a proxy of their choice from the following proxies to represent them at the Meeting: (a) Dr. Elijah Akpan (Chairman); (b) Mr. Georgios Polymenakos (Managing Director/CEO); Mrs. Helen Umanah (Non-Executive Director).

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

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

CHAMPION BREWERIES PLC

THE 46TH ANNUAL GENERAL MEETING TO BE HELD BY PROXY AT LAGOON RESTAURANTS, 1C OZUMBA MBADIWE STREET, VICTORIA ISLAND, LAGOS ON THURSDAY, 16TH JUNE 2022.

PLEASE ADMIT

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

The 46th Annual General Meeting to be held by proxy at Lagoon Restaurants, 1C Ozumba Mbadiwe Street, Victoria Island, Lagos on Thursday, 16th June 2022.

Signature of the person attending Name and signature of shareholder

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

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

The Registrar
Africa Prudential
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

CHAMP MALTA

OUR CHOICE, OUR PRIDE...



BREWED & BOTTLED BY CHAMPION BREWERIES PLC, INDUSTRIAL LAYOUT, UYO, AKWA IBOM STATE, NIGERIA
MAFDAC REG. NO: 01-0325

NON ALCOHOLIC MALT BEVERAGE

**CHAMP
MALTA**

NUTRITION INFORMATION / 100ml
VITAMIN A 65 (IU), VITAMIN B1 - 0.15mg, VITAMIN B3 - 2.0mg, VITAMIN B5 - 0.52mg, VITAMIN B6 - 0.21mg,
VITAMIN C - 2.25mg, ENERGY VALUE 213kJ, TOTAL CARBOHYDRATE - 12.1g, PROTEIN - 0.6g, FAT - 0.1g

33CL



5 025866 001461

INGREDIENTS: WATER, SORGHUM, MALTED BARLEY, SUCROSE, CARAMEL, HOPS, HONEY FLAVOUR
BEST BEFORE DETAILS: SEE BOTTLE NECK
CUSTOMER CARE: (+234) 8072290942 -3.
info.cbglc@championbreweries.com
STORE IN A COOL DRY PLACE AWAY FROM SUNLIGHT

NOURISHMENT ENRICHED



CHAMPION BREWERIES PLC.
www.championbreweries.com

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