



**Champion Breweries Plc**  
RC: 13388

# Unaudited Condensed Interim Financial Statements

As at 31<sup>st</sup> March, 2022

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## CONDENSED INTERIM INCOME STATEMENT

For the three-months period ended 31st  
March

	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
Revenue	3,320,260	2,375,773
Cost of Sales	(2,024,497)	(1,471,863)
<b>Gross Profit</b>	<b>1,295,763</b>	<b>903,910</b>
Other Income	32,029	21,405
Selling and Distribution Expenses	(355,425)	(424,756)
Administrative Expenses	(198,501)	(176,383)
<b>Results from operating activities</b>	<b>773,867</b>	<b>324,175</b>
Finance income	26,808	-
Finance costs	(14,315)	(14,986)
Net Finance costs	12,493	(14,986)
Profit before tax	786,360	309,189
Income tax expenses	(232,160)	(97,253)
<b>Profit after tax</b>	<b>554,200</b>	<b>211,936</b>
<b>Profit for the period</b>	<b>554,200</b>	<b>211,936</b>

**CONDENSED INTERIM STATEMENT OF  
OTHER COMPREHENSIVE INCOME**

For the 3 months period ended 31st March 2022

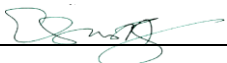
	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>Profit/(Loss) for the period</b>	<b>554,200</b>	<b>211,936</b>
Other comprehensive income, net of tax	-	-
<b>Total comprehensive income for the period</b>	<b>554,200</b>	<b>211,936</b>


## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

For the three month period ended 31st March, 2022

	<b>2022</b>	<b>2021</b>
	<b>N'000</b>	<b>N'000</b>
<b>ASSETS</b>		
Property, plant and equipment	9,971,052	9,406,727
Intangible assets and goodwill	0	0
Deferred tax assets	13,721	13,721
<b>Non-current assets</b>	<b>9,984,773</b>	<b>9,420,448</b>
Inventories	1,064,936	1,023,969
Trade and other receivables	48,412	110,129
Prepayments	172,519	60,245
Cash and cash equivalents	3,268,152	2,872,024
<b>Current assets</b>	<b>4,554,019</b>	<b>4,066,367</b>
<b>Total assets</b>	<b>14,538,793</b>	<b>13,486,815</b>
<b>EQUITY</b>		
Share capital	3,914,748	3,914,748
Share premium	519,100	519,100
Other Reserves	3,701,612	3,701,612
Accumulated losses/gains	1,642,526	1,084,183
<b>Total Equity</b>	<b>9,777,986</b>	<b>9,219,643</b>
<b>LIABILITIES</b>		
Employee benefits	362,816	362,815
Lease Liability	446,683	468,607
<b>Non-current liabilities</b>	<b>809,499</b>	<b>831,422</b>
Current tax liabilities	341,521	80,378
Lease Liability	82,164	71,182
Trade and other payables	2,974,247	2,916,424
Provision	553,376	367,766
<b>Current liabilities</b>	<b>3,951,308</b>	<b>3,435,750</b>
<b>Total liabilities</b>	<b>4,760,806</b>	<b>4,267,172</b>
<b>Total equity and liabilities</b>	<b>14,538,793</b>	<b>13,486,815</b>

Approved by a Written Resolution of the Board of Directors dated April 21, 2022, and signed on its behalf by:

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

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

Additionally certified by:

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

**Condensed interim statement of changes in equity**

For the 3 months period ended 31st March,2022

	Share capital N'000	Share premium N'000	Accumulated loss N'000	Other reserves N'000	Total N'000
<b>Balance at 1<sup>st</sup> January 2022</b>	<b>3,914,748</b>	<b>519,100</b>	<b>1,084,183</b>	<b>3,701,612</b>	<b>9,219,643</b>
Profit/(Loss) for the period	-	-	558,343	-	558,343
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>558,343</b>	<b>-</b>	<b>558,343</b>
<b>Balance as at 31st March, 2022</b>	<b>3,914,748</b>	<b>519,100</b>	<b>1,642,526</b>	<b>3,701,612</b>	<b>9,777,986</b>

**Condensed interim statement of changes in equity**

For the 3 months period ended 31st March 2021

	Share capital N'000	Share premium N'000	Accumulated loss N'000	Other reserves N'000	Total N'000
<b>Balance at 1<sup>st</sup> January 2021</b>	<b>3,914,748</b>	<b>519,100</b>	<b>(92,466)</b>	<b>3,701,612</b>	<b>8,042,994</b>
Profit/(Loss) for the period	-	-	211,937	-	211,937
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>211,937</b>	<b>-</b>	<b>211,937</b>
<b>Balance as at 31st March, 2021</b>	<b>3,914,748</b>	<b>519,100</b>	<b>119,471</b>	<b>3,701,612</b>	<b>8,254,931</b>

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

**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

For the 3 months period ended 31st March, 2022

	<b>2022</b> <b>N'000</b>	<b>2021</b> <b>N'000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) for the period	554,200	211,936
<b>Adjustments for:</b>		
Depreciation	309,833	14,986
Lease Repayment	10,982	-
Finance Cost	12,493	-
Income tax and other accruals	232,160	97,253
	<b>1,119,668</b>	<b>324,175</b>
<b>Changes in:</b>		
Inventories	(40,967)	(144,420)
Trade and other receivables	(158,540)	(248,347)
Prepayments	(112,274)	(86,240)
Trade and other payables	377,686	790,635
Provision	(292,121)	-
<b>Cash generated from operating activities</b>	<b>893,452</b>	<b>635,803</b>
VAT paid*	(61,285)	(57,313)
Income tax paid	-	-
PAYE and WHT	(7,933)	-
<b>Net cash from operating activities</b>	<b>824,234</b>	<b>578,491</b>
<b>Cash flows from investing activities</b>		
Finance income	26,808	-
Acquisition of property, plant and equipment	(440,599)	(235,588)
<b>Net cash used in investing activities</b>	<b>(413,791)</b>	<b>(235,588)</b>
<b>Cash flows from financing activities</b>		
Payment of Lease liabilities	(14,315)	(19,975)
Interest paid	-	-
<b>Net cash used in financing activities</b>	<b>(14,315)</b>	<b>(19,975)</b>
Net (decrease)/increase in cash and cash equivalents	396,128	588,958
<b>Cash and cash equivalents at 1<sup>st</sup> January</b>	<b>2,872,024</b>	<b>1,025,231</b>
<b>Cash and cash equivalents at 30th September</b>	<b>3,268,152</b>	<b>1,614,189</b>
<b>Represented by:</b>		
Cash balance	3,268,152	1,614,189
Bank Overdraft	-	-
	<b>3,268,152</b>	<b>1,614,189</b>

The notes on pages 8 to 10 are an integral part of these financial statements.

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



## Notes to the condensed interim financial statements

### 1. REPORTING ENTITY

Champion Breweries Plc ('the Company'), was incorporated in Nigeria as a limited liability Company on 31 July 1974 and was later converted to a public limited liability Company on 1 September 1992. The address of the Company's registered office is Industrial layout, Aka Uffot, Uyo, Akwa Ibom State, Nigeria. The Company is involved in the brewing and marketing of Champion lager beer and Champ Malta. The company also provides contract brewing and packaging services to Nigerian Breweries Plc, a related party within the Heineken group.

The financial statements of Champion Breweries Plc as at and for the year ended 31<sup>st</sup> December 2021 are available upon request from the Company's registered website [www.championbreweries.com](http://www.championbreweries.com)

### 2. BASIS OF PREPARATION

#### a. Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of Champion Breweries Plc as at and for the year ended 31<sup>st</sup> December 2021.

These condensed interim financial statements were approved by a written resolution of the Board of Directors of the Company on March 24, 2022.

#### b. Functional and presentation currency

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

#### c. Use of estimates and judgements

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31<sup>st</sup> December 2021.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### a. General

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31<sup>st</sup> December 2021.

#### b. Income tax

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

### 4. SEASONALITY

The performance of the Company is subject to seasonal fluctuations as a result of weather conditions and festivities. The Company's full year results and volumes are depended on the performance in the peak-selling

season, typically resulting in higher revenue and profitability in the last quarter of the year. The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

## 5. ANALYSIS OF EXPENSES BY NATURE

For the 3 months period ended 31<sup>st</sup> March:

	2022 N'000	2021 N'000
Raw materials & consumables	1,199,307	749,377
Advertising & sales expenses	134,396	252,343
Depreciation	309,833	266,027
Employee Benefits	396,830	350,552
Repairs & maintenance	191,691	129,971
Royalty & Technical fee		50,995
Energy & water	234,965	172,677
Other fixed expenses	114,655	110,923
<b>Total cost of sales, selling and distribution and administrative expenses</b>	<b>2,581,678</b>	<b>2,082,864</b>

## 6. INTEREST INCOME

### a. Finance Income

Interest income for the three month period ended 31<sup>st</sup> March 2022 amounted to ₦26,808,219.17 (3 months period ended 31<sup>st</sup> March 2021: Nil)

## 7. INCOME TAX EXPENSES

The Company's effective tax rate in respect of continuing operations for the three-months period ended 31<sup>st</sup> March 2022 was 30 per cent (for the three-months period ended 31<sup>st</sup> March 2022: 30 per cent).

## 8. PROPERTY PLANT AND EQUIPMENT

### Acquisitions

During the three-months period ended 31<sup>st</sup> March 2022 the Company acquired, property, plant and equipment with a cost of ₦854million (Three-months period ended 31<sup>st</sup> March 2021: N235million).

### Capital commitments

As at 31<sup>st</sup> March 2022, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦1.6billion (31<sup>th</sup> March 2021: ₦1.210billion).

## 9. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### Financial risk management

The aspect of the Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at end for the year ended 31<sup>st</sup> December 2021.

## 10. CONTINGENCIES

No material updates in comparison with 2021 year-end reporting were identified that need to be reported.

## 11. RELATED PARTY TRANSACTIONS

The Company has related party relationships with its parent company, Heineken N.V. and Heineken group entities. These transactions are conducted on terms comparable to transactions with third parties. The related party transactions in the first 3 months period ended 31<sup>st</sup> March 2022 do in substance not deviate from the transactions as reflected in the financial statements as at and for the year 31<sup>st</sup> December 2021.

## 12. SUBSEQUENT EVENTS

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 31<sup>st</sup> March 2022 that have not been adequately provided for or disclosed in these condensed interim financial statements.

## 12. SECURITIES TRADING

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