



Nigerian Breweries Plc

RC: 613

Unaudited Interim Financial Statements

As at 30th June, 2013

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Statement of condensed financial position as at 30th June, 2013

	Notes	30th June,2013 ₦'000	31st December,2012 ₦'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	144,446,088	142,348,420
Intangible assets and goodwill	12	53,709,840	53,987,573
Investments	14	150,000	150,000
Other receivables	15	339,280	148,700
Prepayments	16	192,569	132,309
Total non-current assets		198,837,777	196,767,002
Current assets			
Inventories	17	20,584,439	24,652,723
Trade and other receivables	18	24,966,639	19,929,893
Prepayments	16	1,890,899	902,910
Deposit for imports	19	206,618	1,866,896
Cash and cash equivalents	20	8,287,602	9,514,205
Total current assets		55,936,197	56,866,627
Total assets		254,773,974	253,633,629

The notes on pages 8 to 29 are an integral part of these interim financial statements.

Statement of condensed financial position as at 30th June, 2013 (continued)

		30th June 2013	31st December 2012
	Notes	N'000	N'000
EQUITY			
Share capital		3,781,353	3,781,353
Share premium		4,567,967	4,567,967
Share based payment reserve		116,091	152,536
Retained earnings		82,921,131	84,946,036
Total equity		91,386,542	93,447,892
LIABILITIES			
Non-current liabilities			
Loans and borrowings	23	39,000,000	45,000,000
Employee benefits		6,084,661	5,966,719
Deferred tax liabilities		22,500,407	22,384,550
Total non-current liabilities		67,585,068	73,351,269
Current liabilities			
Current tax liabilities	10(b)	27,849,908	19,493,550
Dividend payable	22(b)	8,477,618	5,648,226
Trade and other payables	24	59,474,838	61,692,692
Total current liabilities		95,802,364	86,834,468
Total liabilities		163,387,432	160,185,737
Total equity and liabilities		254,773,974	253,633,629

Approved by the Board of Directors on the 17th of July, 2013 and signed on its behalf by:

(SIGNED)

Nicolaas A. Vervelde (Managing Director/ CEO)
FRC/2013/IODN/00000002016

(SIGNED)

Jasper C. Hamaker (Finance Director)
FRC/2013/IODN/00000001002

The notes on pages 8 to 29 are an integral part of these interim financial statements.

Statement of condensed comprehensive income for the period ended 30th June, 2013

	Notes	30th June,2013 N'000	30th June, 2012 N'000
Revenue	5	133,815,515	124,621,648
Cost of sales		67,441,960	62,933,475
Gross profit		66,373,555	61,688,173
Other income	6	1,433,932	886,374
Marketing and distribution expenses		(21,035,624)	(19,442,217)
Administrative expenses		(13,721,109)	(10,819,526)
Results from operating activities		33,050,754	32,312,704
Finance income		376,105	472,948
Finance costs		(3,819,543)	(4,260,080)
Net finance (costs)/income	7	(3,443,438)	(3,787,132)
Profit before taxation	8	29,607,316	28,525,572
Taxation	10(a)	8,944,108	9,148,642
Profit after taxation		20,663,208	19,376,930
Other comprehensive income		-	-
Total comprehensive income		20,663,208	19,376,930
Profit attributable to:			
Owners of the Company		20,663,208	19,376,930
Non-controlling interest		-	-
Profit for the period		20,663,208	19,376,930
Total comprehensive income attributable to:			
Owners of the Company		20,663,208	19,376,930
Non-controlling interest		-	-
Total comprehensive income		20,663,208	19,376,930
Earnings per share			
Basic earnings per share (kobo)		273	256
Diluted earnings per share (kobo)		273	256

The notes on pages 8 to 29 are an integral part of these interim financial statements.

Statement of condensed changes in equity for the period ended 30th June, 2013

Notes	Share Capital N'000	Share premium N'000	Share based payment reserve N'000	Retained earnings N'000	Total equity N'000
Balance at 1st January 2013	3,781,353	4,567,967	152,536	84,946,036	93,447,892
Comprehensive income for the year					
Profit for the period	-	-	-	20,663,208	20,663,208
	-	-	-	20,663,208	20,663,208
Transaction with owners, recorded directly in equity					
Issue of ordinary shares	----	----	----	----	----
Share based payment charge					
Share based payment recharge			(36,445)		(36,445)
Dividends to equity holders				(22,688,113)	(22,688,113)
Unclaimed dividend written back					
Total transactions with owners	-	-	(36,445)	(22,688,113)	(22,724,558)
Balance at 30th June 2013	3,781,353	4,567,967	116,091	82,921,131	91,386,542

The notes on pages 8 to 29 are an integral part of these interim financial statements.

Statement of condensed cash flows for the period ended 30th June, 2013

	Notes	30 June, 2013 N'000	30th June, 2012 N'000
Cash flows from operating activities			
Profit for the year		20,663,208	19,376,930
Adjustments for:			
Depreciation and impairment loss	11	10,198,920	8,894,396
Amortisation of intangible assets	12	325,956	441,798
Net finance costs	7	3,443,438	3,787,132
(Gain)/loss on sale of property, plant and equipment		558,045	26,710
Share based payment		(36,445)	-
Income tax expense	10(a)	8,944,108	9,148,642
		44,097,230	41,675,608
Change in inventories		4,068,284	1,571,181
Change in trade and other receivables		(1,712,724)	(29,840,225)
Change in prepayments		(3,408,285)	(491,771)
Change in trade and other payables		(2,217,851)	8,212,387
Change in other receivables		(190,581)	(25,207)
Changes in employees benefits		117,942	(255,607)
Change in deposit for imports		696,292	1,133,415
Cash generated from operating activities		41,450,307	21,979,783
Income tax paid	10(b)	(471,895)	(4,023,342)
Net cash from operating activities		40,978,412	17,956,441
Cash flows from investing activities			
Finance income		376,105	472,948
Proceeds from sale of property, plant and equipment		32,236	97,710
Acquisition of property, plant and equipment		(12,886,869)	(18,192,544)
Acquisition of intangible assets		(48,223)	(114,935)
Net cash used in investing activities		(12,526,751)	(17,736,821)
Cash flows from financing activities			
Proceeds from loans and borrowings	23	-	4,000,000
Repayment of loans and borrowings	23	(6,000,000)	-
Interest paid		(3,819,543)	(4,260,080)
Dividends paid	22(b)	(19,858,721)	(19,092,771)
Net cash used in financing activities		(29,678,264)	(19,352,851)
Net decrease in cash and cash equivalents		(1,226,603)	(19,133,231)
Cash and cash equivalents at 1st January		9,514,205	21,768,286
Cash and cash equivalents at 30th June	20	8,287,602	2,635,055

The notes on pages 8 to 29 are an integral part of these interim financial statements.

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1. Reporting entity

Nigerian Breweries Plc, a public company quoted on the Nigerian Stock Exchange, was incorporated on the 16th November 1946, under the name, Nigerian Brewery Limited. The name was changed on the 7th January 1957, to Nigerian Breweries Limited and thereafter to Nigerian Breweries Plc in 1990 when the Companies and Allied Matters Act of that year came into effect. The Company is a subsidiary of Heineken N.V. of the Netherlands, the latter having a 54.09% interest in the equity of Nigerian Breweries Plc. The address of the Company's registered office is 1, Abebe Village Road, Iganmu, Lagos. The Company is primarily involved in the brewing, marketing and selling of lager, stout, non-alcoholic drinks and soft drinks.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Liabilities for equity-settled share-based payment arrangements
- Defined benefit obligations

The methods used to measure fair values are discussed further in note 4.

(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 unless stated otherwise.

(d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about assumptions and estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the appropriate notes:

3. Significant accounting policies

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

(a) Basis of consolidation

i. Business combinations

The Company measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The Company elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

ii. Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders; therefore no goodwill is recognized as a result of such transactions.

iii. Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are modified where necessary to align them with the policies adopted by the Company.

iv. Loss of control

On the loss of control, the Company derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or at cost less impairment losses depending on the level of influence retained.

(b) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the rates of exchange prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for qualifying cash flow hedges, which are recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) Financial instruments

i. Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash balances with banks and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

ii. Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

iii. Share capital

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. 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.

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of certain items of property, plant and equipment was determined by reference to the previous (Nigerian) GAAP revaluation on 30th June 1995 by Knight Frank (Nigeria) – Chartered Surveyors. The Company elected to apply the optional exemption to use the previous revaluation as deemed cost at 1st January 2011, the date of transition to IFRS.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized as profit or loss in the statement of comprehensive income.

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

iii. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. 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 in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative periods are as follows:

• Leasehold Land	–	Lease period
• Buildings	–	15 to 40 years
• Plant and Machinery	–	5 to 30 years
• Motor Vehicles	–	5 years
• Furniture and Equipment	–	3 to 5 years
• Returnable Packaging Materials	–	7 to 8 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. The useful life of motor vehicles was re-assessed from three (3) to five (5) years in 2012. The resultant reduction in depreciation charge for the current and future years is as analysed below:

	2012 N'000	2013 N'000	2014 N'000	2015 N'000	2016 N'000
Administrative expenses	108,808	64,627	60,162	33,349	9,159
Marketing and distribution expenses	27,202	16,157	15,040	8,337	2,290

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

(e) Intangible assets

i. Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For measurement of goodwill at initial recognition, see Note 3a (i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. Goodwill is not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

ii. Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after 1st January 2010. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

iii. Other Intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

The Company's intangible assets with finite useful lives comprise acquired software and a distribution network acquired as part of a business combination. The acquired distribution network provides the Company with opportunities for increased market penetration.

iv. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific Intangible asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

v. Amortisation of Intangible assets other than goodwill

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, except Goodwill from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life for the current and comparative period is as follows:

Computer software	-	7 years
Distribution network (acquired through merger)	-	15 years

(f) Leases

Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Company's statement of financial position.

Lease payments

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

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

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

Raw materials, non-returnable packaging materials, spare parts and purchased finished goods	Purchase cost on a weighted average basis including transportation and clearing costs.
Brewed finished products and products-in-process	Weighted average cost of direct materials, labour costs and a proportion of production overheads based on normal operating capacity.
Inventory-in-transit	Purchase cost incurred to date.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventory values are adjusted for obsolete, slow-moving or defective items.

(h) Impairment

i. Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an equity accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

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

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii. Non-financial assets

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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. For the purpose of impairment testing, assets that cannot be tested individually 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 other assets or groups of assets (the "cash-generating unit, or CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes. The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 recognized.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

(i) Employee benefits

i. Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the provisions of the Pension Reform Act 2004, 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 employee benefit expense in the periods during which services are rendered by employees. Employees contribute 6% each of their Basic salary, Transport and Housing Allowances to the Fund on a monthly basis. The Company's contribution is 11% and 9% of each employee's Basic salary, Transport & Housing Allowances for non-management and management employees respectively.

ii. Gratuity

The Company currently operates two gratuity schemes, a defined benefit scheme and a defined contribution scheme:

(a) Defined benefit gratuity scheme

The Company has a defined benefit gratuity scheme for certain employees. The Company's net obligation in respect of defined benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine its present value. In determining the liability for employee benefits under the defined benefit scheme, consideration is given to future increases in salary rates and the Company's experience with staff turnover.

The recognised liability is determined by an independent actuarial valuation every year using the projected unit credit method. HR Nigeria Limited was engaged as the independent actuary in the current and prior years. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognized fully in Other Comprehensive Income. The effect of any curtailment is recognised in full in the statement of comprehensive income immediately the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the Company's obligation. Although the scheme is not funded, the Company ensures that adequate arrangements are in place to meet its obligations under the scheme.

(b) Defined contribution gratuity scheme

The Company has a defined contribution scheme for certain employees which is funded through fixed contributions made by the Company over the service life of the employees and charged accordingly as employee benefit expense in profit or loss. The funds are managed and administered by Progress Trust (CPFA) Limited. Progress Trust (CPFA) Limited is a duly registered closed Pension Fund Administrator whose sole activity is the administration of the pension and gratuity (defined benefit contribution) schemes for employees and former employees of the Company. Nigerian Breweries Plc has no recourse to the funds, which is managed in accordance with the Pension Reform Act of 2004 and regulated by the Pension Commission.

iii. Other long-term employee benefits

The Company's other long-term employee benefits represents Long Service Awards scheme instituted for all permanent employees and post-employment medical benefit for pensioners and employees on the defined benefit gratuity scheme including their spouses. The Company's obligations in respect of these schemes are the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the Projected Unit Credit method. Any actuarial gains and losses are recognised in other comprehensive income.

iv. Termination benefits

Termination benefits are recognized as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

v. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus 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.

vi. Share-based payment transactions

Share-based payment arrangements in which the Company receives goods or services and has no obligation to settle the share-based payment transaction are accounted for as equity-settled share-based payment transactions. All other share based payment arrangements are accounted for as cash settled. As from 1st January 2006 Heineken N.V, the parent Company, established a share based payment plan for key management personnel, including certain senior management of Nigerian Breweries Plc. The grant date fair value of the share rights granted is recognised as personnel expenses with a corresponding increase in equity (equity-settled) as a capital contribution from Heineken N.V, over the period that the employees become unconditionally entitled to the share rights.

A recharge arrangement exists between Heineken N.V and Nigerian Breweries Plc whereby vested shares delivered to employees' by Heineken N.V are recharged to Nigerian Breweries Plc. The recharge transaction is recognised as an intercompany liability with a corresponding adjustment in equity for the capital contribution recognized in respect of the share-based payment.

At each reporting date, the estimate of the number of share rights that are expected to vest is revised for internal performance conditions. The impact of the revision of original estimates (only applicable for internal performance conditions), if any, is recognised in profit or loss, with a corresponding adjustment to equity. The fair value of the share plan is measured at grant date using the Monte Carlo model taking into account the terms and conditions of the plan.

(j) Provisions and contingent liabilities

Provisions

A provision is recognized 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 recognized as finance cost.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

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 obligation is neither a provision nor a contingent liability and no disclosure is made.

(k) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, excise duties, sales returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

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.

(l) Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss. Finance income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognized on financial assets except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets, are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(m) Income and deferred tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in profit or loss account except to the extent that it relates to a transaction that is recognised directly in equity. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized 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 is not recognized for the following temporary differences:

- i. the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- ii. differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future
- iii. temporary differences arising on the initial recognition of goodwill.

(n) Earnings per share (EPS)

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, adjusted for own shares held. 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 own shares held, for the effects of all dilutive potential ordinary shares.

(o) Segment reporting

An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments. The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

All operating segments' operating results are reviewed regularly by the Executive Committee, which is considered to be the chief operating decision maker for the Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Where applicable, segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(p) Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Loans and borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Loans and borrowings included in a fair value hedge are stated at fair value in respect of the risk being hedged.

Loans and borrowings, for which the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date, are classified as non-current liabilities.

(q) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, equity-settled share-based payments and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while finance income is included in investing activities.

(r) Dividends

Dividends are recognized as liability in the period they are declared.

Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 385 of the Companies and Allied Matters Act of Nigeria are written back to retained earnings.

(s) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are IFRS 13 *Fair Value Measurement* and IFRS 9 *Financial Instruments*, which is expected to impact the classification and measurement of financial assets. These standards will become mandatory for the Company's 2013 and 2015 financial statements. The Company does not plan to adopt these standards early.

4. Determination 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. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on the quoted market prices for similar items when available and replacement cost based on independent valuation when appropriate.

(ii) Intangible assets

The fair value of the distribution network acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(iv) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short term trade receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value.

(v) Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5. Revenue

	30th June, 2013 ₦'000	30th June, 2012 ₦'000
Nigeria	133,736,297	124,548,740
	79,218	72,908
Export	133,815,515	124,621,648

Nigeria is the Company's primary geographical segment as over 99% of the Company's sales are made in Nigeria. Additionally, all of the Company's sales comprise of brewed products with similar risks and returns. Accordingly, no further business or geographical segment information is reported.

6. Other income

	30th June, 2013 ₦'000	30th June, 2012 ₦'000
Sale of scrap	325,993	75,884
Contract brewing services	1,107,939	810,390
	1,433,932	886,274

7. Finance income and costs

	30th June 2013 ₦'000	30th June 2012 ₦'000
Interest income on bank deposits	(376,105)	(472,948)
Interest expense on loans and borrowings	2,902,126	3,446,708
Net loss on foreign exchange transactions	917,417	813,372
	3,443,438	3,787,132

8. Profit before taxation

Profit before taxation is stated after charging/ (crediting):

	Notes	30th June 2013 ₦'000	30th June 2012 ₦'000
Depreciation of property, plant and equipment	12	10,198,920	8,894,396
Amortization of intangible assets	13	325,956	441,798
Personnel expenses	9	13,950,163	12,219,360
(Gain)/loss on property, plant and equipment disposed		558,045	26,710

9. Personnel expenses

Staff costs including the provision for gratuity liabilities and other long term employee benefits:

	30th June, 2013 ₦'000	30th June, 2012 ₦'000
Salaries, wages and allowances	7,872,282	6,844,999
Contributions to defined contribution plans	1,451,547	1,068,404
Expenses related to defined benefit plans	30,113	393,892
Provisions for other long term employee benefits	292,797	139,651
Training, recruitment and canteen expenses	473,419	480,193
Medical expenses	298,263	321,229
Other personnel expenses	3,531,742	2,970,992
	13,950,163	12,219,360

10. Taxation

(a) Income tax expense

The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

	30th June 2013 ₦'000	30th June 2012 ₦'000
Current tax expense		
Income tax	8,074,103	7,762,287
Tertiary education tax	754,150	680,944
	8,828,253	8,443,231
Deferred tax expense		
Origination and reversal of temporary differences	115,855	705,411
	8,944,108	9,148,642

(b) Movement in current tax liability

	30th June 2013 ₦'000	31st December 2012 ₦'000
Balance at 1st January	19,493,550	19,922,977
Payments during the year	(471,895)	(17,626,681)
Charge for the year	8,828,253	17,197,254
At 30th June/31st December	27,849,908	19,493,550

11. Property, plant and equipment

(a) The movement on these accounts during the year was as follows:

Property, plant and equipment	Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor vehicles ₦'000	Furniture and equipment ₦'000	Returnable Packaging Materials ₦'000	Capital work- in- progress ₦'000	Total ₦'000
Cost or deemed cost								
Balance at January 1st, 2013	6,986,709	34,032,109	108,251,541	9,292,345	10,049,080	69,523,221	6,035,851	244,170,856
Additions	2,100	613,778	2,542,085	838,713	392,894	3,954,362	4,542,937	12,886,869
Disposals	-	-	(1,157,598)	(306,747)	(1,323)	-	-	(1,465,668)
Transfers	-	1,526,318	1,442,273	16,184	38,947	(166,199)	(2,857,523)	-
Balance at 30th June 2013	6,988,809	36,172,205	111,078,301	9,840,495	10,479,598	73,311,384	7,721,265	255,592,057
Depreciation and impairment losses								
Balance at January 1st, 2013	631,456	8,113,065	43,891,722	7,186,996	3,930,660	38,068,537	-	101,822,436
Depreciation/ amortization for the year	118,008	769,847	4,226,444	444,739	851,444	3,788,438	-	10,198,920
Impairment loss/reversal								-
Disposals	-	-	(600,324)	(273,930)	(1,133)	-	-	(875,387)
Balance at 30th June 2013	749,464	8,882,912	47,517,842	7,357,805	4,780,971	41,856,975	-	111,145,969
Carrying amount								
Balance at January 1st, 2013	6,355,253	25,919,044	64,359,819	2,105,349	6,118,420	31,454,684	6,035,851	142,348,420
Balance at 30th June 2013	6,239,345	27,289,293	63,560,459	2,482,690	5,698,627	31,454,409	7,721,265	144,446,088

(b) The Company holds various pieces of land under finance lease arrangements. The maximum tenor of the lease arrangements is 99 years in line with the Land Use Act. The lease amounts were fully paid at the inception of the lease arrangements.

12. Intangible assets and goodwill

(a) The movement on these accounts during the year was as follows:

	Goodwill	Software	Distribution Network	Total
	₦'000	₦'000	₦'000	₦'000
Cost				
Balance at 1st January, 2013	50,021,531	1,580,597	3,469,433	55,071,561
Other acquisitions - internally developed	-	48,223	-	48,223
Balance at 30th June, 2013	50,021,531	1,628,820	3,469,433	55,119,784
Amortization and impairment losses				
Balance at 1st January, 2013	-	689,719	394,269	1,083,988
Amortization for the year		210,300	115,656	325,956
Balance at 30th June, 2013	-	900,019	509,925	1,409,944
Carrying amount				
Balance at 1st January, 2013	50,021,531	890,878	3,075,164	53,987,573
Balance at 30th June 2013	50,021,531	728,801	2,959,508	53,709,840

(b) Effective 17th October 2011, Nigerian Breweries Plc acquired Sona Systems Associates Business Management Limited and Life Breweries Company Limited from Heineken International B.V. The goodwill arises from numerous synergies that can be harnessed from the breweries acquired to maximise value for the Company's shareholders and other stakeholders.

Goodwill arising from the combination in 2011 was computed as follows:

	17th October 2011
	₦'000
Purchase consideration	65,235,106
Net identifiable assets and liabilities attributable to Nigerian Breweries Plc as at 17 th October 2011	(15,213,575)
Goodwill	50,021,531

For the purpose of impairment testing, goodwill is allocated to the Company as the cash generating unit, which represents the lowest level at which the goodwill is monitored for internal management purpose which is not higher than the operating segment.

Goodwill is tested for impairment annually. The recoverable amount of the CGU is based on value in use calculations and was determined by discounting the future cash flows generated from the continuing use of the unit. The value in use in 2012 was determined on a similar basis. The calculation of the value in use was based on the following key assumptions:

- Cash flows were projected based on actual operating results and a three year business plan. Cash flows for a further seven year period were extrapolated using expected annual volume growth rates. Management believes that this forecast period is justified due to the long-term nature of the beer business and past experiences.
- The revenue growth per year after the first three year period is assumed to be at the expected annual long-term inflation, based on external sources.
- A pre-tax Weighted Average Cost of Capital (WACC) was applied in determining the recoverable amount of the unit.

The values assigned to the key assumptions used for the value in use calculations are as follows:

- Pre-tax WACC – 16.2%
- Terminal growth rate (2016 – 2022) – 7.2%
- Expected volume growth rates (2016 – 2022) – 4.9%

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources (historical data).

The useful life of Goodwill at the reporting date is assessed to be indefinite with no impairment losses.

13. Merger

During the year ended 31st December 2012, the Company sought and obtained shareholders' and regulatory approval to merge with both Sona Systems Associates Business Management Limited and Life Breweries Company Limited, which were acquired from Heineken N.V. in October 2011. The Merger was effected during the year and the financial and operational integration of the acquired entities has since been completed. The assets and liabilities acquired through the merger were as follows:

	₦'000
Property, plant and equipment	26,091,883
Intangible assets	3,220,181
Inventory	2,403,507
Receivables and prepayments	2,113,925
Amount due from related parties	2,948,458
Cash and cash equivalents	1,043,943
Total assets	<u>37,821,897</u>
Amounts due to related parties	(334,434)
Deferred tax liabilities	(5,901,144)
Employee benefits	(720,644)
Other liabilities	(15,365,566)
Total liabilities	<u>(22,321,788)</u>
Net assets	<u>15,500,109</u>

14. Investments

Investment of ₦150,000,000 represents the cost of the Company's 100% equity investment in Progress Trust (CPFA) Limited, incorporated in Nigeria. Progress Trust (CPFA) Limited is licensed by the National Pension Commission to conduct the business of a closed pension fund administrator and manages the pension and gratuity funds of employees and former employees of Nigerian Breweries. The activities of Progress Trust (CPFA) Limited are regulated by the National Pension Commission (Pencom) and the funds are managed in accordance with the Pencom guidelines. The benefits arising from the activities of Progress Trust (CPFA) Limited accrue principally to members of the pension and gratuity schemes and the Company has no exposure to variable returns arising from its involvement. The Company's residual interest in Progress Trust (CPFA) Limited is immaterial. The funds and assets of both the pension and defined contribution gratuity scheme are held by an Independent Licensed Pension Fund Custodian in line with the Pension Reform Act, 2004.

15. Other receivables

Non-current other receivables represent loans granted to the Company's employees, which are secured by the employees' retirement benefit obligations. The short term portion of the non-current other receivables previously stated was reclassified to trade and other receivables.

16. Prepayments

Non-current and current prepayments mainly represent rental expenses prepaid by the Company.

17. Inventories

	30th June 2013 ₦'000	31st December 2012 ₦'000
Raw materials	7,127,035	6,700,165
Product in process	1,699,349	2,025,254
Finished products	3,821,711	5,232,002
Non-returnable packaging materials	3,804,740	5,369,942
Spare parts	4,131,604	3,622,025
Goods in transit	-	1,703,335
	20,584,439	24,652,723

18. Trade and other receivables

	30th June, 2013 ₦'000	31st December, 2012 ₦'000
Trade receivables	15,930,355	12,518,318
Other receivables	6,951,328	3,669,318
Due from related parties	2,084,956	3,742,257
	24,966,639	19,929,893

19. Deposit for imports

Deposits for imports represent foreign currencies purchased for funding of letters of credit in respect of imported raw materials, spare parts and machinery.

20. Cash and cash equivalents

	30th June, 2013	31st December 2012
	₦'000	₦'000
Bank balances	7,933,409	6,473,608
Call deposits	347,539	3,034,947
Cash in hand	6,654	5,650
Cash and cash equivalents in the statement of cash flows	8,287,602	9,514,205

21. Share capital

(a) Authorised ordinary shares of 50k each

In number of shares	30th June, 2013	31st December, 2012
At 1st January	8,000,000,000	8,000,000,000
At 30 th June/31st December	8,000,000,000	8,000,000,000

(b) Issued and fully paid ordinary shares of 50k each

	30th June, 2013	31st December, 2012
At 1st January	7,562,704,432	7,562,562,340
Issued during the year	-	142,092
At 30th June/31st December	7,562,704,432	7,562,704,432

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

On 10th April 2012, the extra-ordinary general meeting of shareholders resolved to issue 142,092 ordinary shares to the minority shareholders of Life Breweries Company Limited at a price of 50k per share. The total value of the shares issued amounted to ₦71, 046 and were issued out of the Company's share premium account.

22. Dividends

(a) Declared dividends

The following dividends were declared and paid by the Company during the year:

	30th June, 2013	31st December, 2012
	N'000	N'000
300 kobo per qualifying ordinary share	22,688,113	22,687,687

After the respective reporting dates, the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

	30th June 2013	31st December 2012
	N'000	N'000
300 kobo per qualifying ordinary share	-	22,688,113

(b) Dividend payable

	30th June, 2013	31st December, 2012
	N'000	N'000
At 1st January	5,648,226	4,721,958
Declared dividend	22,688,113	22,687,687
Payments	(19,858,721)	(21,664,981)
Unclaimed dividend transferred to retained earnings	-	(96,438)
At 30th June/31st December	8,477,618	5,648,226

- i. Unclaimed dividend transferred to general reserve represents dividend which have remained unclaimed for over twelve (12) years and are therefore no longer recoverable or actionable by the shareholders in accordance with Section 385 of the Companies and Allied Matter Act, Cap. C20, Laws of the Federal Republic of Nigeria, 2004.

23. Loans and Borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. The borrowings are unsecured.

(a) Non-current liabilities

	30th June 2013	31st December 2012
	N'000	N'000
Opening balance	45,000,000	30,000,000
Loan Repayment	(6,000,000)	-
Bank loans obtained	-	7,000,000
Bank loans acquired through merger	-	8,000,000
	39,000,000	45,000,000

- (b) In 2011, the Company entered into loan agreements with six Nigerian banks to finance its working capital. The approved limit of the loan with each of the banks is ~~₦~~10 billion (total of ~~₦~~60 billion). Each of the loans has a one year revolving tenor for a maximum of five years. Based on the loan agreement, the Company has the option to roll over the loans by giving five days written notice to the banks prior to the anniversary of the final maturity date. The interest rate on the loans during the period ranged from 11.5 percent to 12.5 percent per annum. As at period end, the total amount drawn down on the facilities by the Company amounted to ~~₦~~39 billion (2012: – ~~₦~~45 billion). The facility is secured by a negative pledge on the assets of the Company.

24. Trade and other payables

	30th June, 2013 ₦'000	31st December, 2012 ₦'000
Trade payables and accrued expenses	43,619,759	44,619,713
Non-trade payables and accrued expenses	3,809,436	10,672,671
Amount due to related parties	12,045,643	6,400,308
	59,474,838	61,692,692

25. Subsequent events

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 30th June, 2013 that have not been adequately provided for or disclosed in the interim financial statements.