



Champion Breweries Plc
RC: 13388

Unaudited Condensed Interim Financial Statements

30th September, 2023

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CONDENSED INTERIM INCOME STATEMENT
For the nine month period ended 30th September

	Quarter to date 30th September 2023 N'000	Quarter to date 30th September Restated 2022 N'000	Year to date 30th September 2023 N'000	Year to date 30th September Re-stated 2022 N'000
Revenue	2,657,974	2,384,648	8,363,922	8,960,332
Cost of Sales	(1,355,766)	(970,285)	(5,788,687)	(5,179,199)
Gross Profit	1,302,208	1,414,363	2,575,235	3,781,133
Other Income	10,913	23,462	54,578	127,412
Selling and Distribution Expenses	(638,243)	(453,080)	(1,339,901)	(1,009,260)
Administrative Expenses	(797,540)	(733,285)	(1,336,657)	(1,135,917)
Results from operating activities	(122,661)	251,461	(46,743)	1,763,367
Finance income	1,036	22,164	11,289	75,184
Finance costs	(15,673)	(14,686)	(56,026)	(50,497)
Net Finance costs	(14,637)	7,478	(44,737)	24,686
Profit or Loss before tax	(137,298)	258,939	(91,480)	1,788,054
Income tax expenses	36,798	(75,032)	13,789	(528,412)
Profit or Loss after tax	(100,500)	183,907	(77,691)	1,259,642
Profit or Loss for the year attributable to:				
Owners of the Company	(100,500)	183,907	(77,691)	1,259,642
Non-controlling interest	-	-	-	-
Profit or Loss for the period	(100,500)	183,907	(77,691)	1,259,642
Basic and diluted earnings per share (kobo)	(1.28)	2.35	(0.99)	16.09

**CONDENSED INTERIM STATEMENT OF
OTHER COMPREHENSIVE INCOME**

For the nine months period ended 30th September 2023

	Quarter to date 30th September 2023 N'000	Quarter to date 30th September 2022 N'000	Year to date 30th September 2023 N'000	Year to date 30th September 2022 N'000
Profit/(Loss) for the period	(100,500)	183,907	(77,691)	1,259,642
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	(100,500)	183,907	(77,691)	1,259,642

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at:	30th September 2023 N'000	Restated 31st Dec 2022 N'000
ASSETS		
Property, plant and equipment	12,693,565	10,298,837
Right of use asset	673,557	482,335
Deferred tax assets	55,590	-
Non-current assets	13,422,712	10,781,172
Inventories	2,010,280	1,401,426
Trade and other receivables	101,758	73,196
Contract asset	736,866	947,029
Prepayments	72,640	61,957
Cash and cash equivalents	1,326,777	2,188,805
Current assets	4,248,321	4,672,413
Total assets	17,671,033	15,453,585
EQUITY		
Share capital	3,914,748	3,914,748
Share premium	519,100	519,100
Other Reserves	3,701,612	3,701,612
Accumulated losses/gains	2,906,233	2,983,924
Total Equity	11,041,693	11,119,384
LIABILITIES		
Employee benefits	531,066	479,047
Lease Liability	731,955	445,076
Deferred tax liability	509,231	483,117
Non-current liabilities	1,772,253	1,407,240
Income tax liabilities	37,270	178,699
Lease Liability	0	79,023
Trade and other payables	4,015,069	1,951,516
Contract liability	130,462	227,676
Provision	674,286	490,047
Current liabilities	4,857,087	2,926,961
Total liabilities	6,629,340	4,334,201
Total equity and liabilities	17,671,033	15,453,585

Approved by the Board of Directors in October 26th, 2023 and signed on its behalf by:



Imo- Abasi Jacob (Chairman) FRC/2018/ICAN/00000018401



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

Additionally certified by:



Rasheed Adebisi (Chief Finance Officer) FRC/2023/PRO/ICAN/001/423509

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

Condensed interim statement of changes in equity

For the nine-months period ended 30th September, 2023

	Share capital N'000	Share premium N'000	Accumulated loss N'000	Other reserves N'000	Total N'000
Balance at 1st January 2023	3,914,748	519,100	2,983,924	3,701,612	11,119,384
Profit/(Loss) for the period	-	-	(77,691)		(77,691)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(77,691)	-	(77,691)
Balance as at 30th September, 2023	3,914,748	519,100	2,906,233	3,701,612	11,041,693

**Condensed interim statement of changes in equity
(Re-stated)**

For the nine months period ended 30th September 2022

	Share capital N'000	Share premium N'000	Accumulated loss N'000	Other reserves N'000	Total N'000
Balance at 1st January 2022	3,914,748	519,100	1,084,183	3,701,612	9,219,643
Profit/(Loss) for the period	-	-	1,259,642	-	1,259,642
Total comprehensive income for the period	-	-	1,259,642	-	1,259,642
Balance as at 30th September, 2022	3,914,748	519,100	2,343,825	3,701,612	10,479,285

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the 9 months period ended 30th September, 2023

	2023 N'000	2022 N'000
Cash flows from operating activities		
Profit/(Loss) for the period	(77,691)	1,259,642
Adjustments for:		
Depreciation of PPE	1,288,121	930,515
Depreciation of ROU Assets	81,099	50,497
Finance Cost on lease liability	40,353	
Income tax and other accruals	(20,118)	528,412
	1,311,764	2,769,066
Changes in:		
Inventories	(608,854)	(302,514)
Trade and other receivables	(28,561)	48,249
Contract assets	736,866	-
Prepayments	(10,683)	(40,313)
Trade and other payables	2,063,553	(756,016)
Contract liability	(130,462)	-
Employee benefits	52,019	-
Provisions	184,239	1,430
Cash generated from operating activities	3,569,883	1,719,902
VAT paid*	(617,656)	(537,823)
Income tax paid	20,118	(104,225)
PAYE and WHT	(1,351,158)	(170,751)
Net cash from operating activities	1,621,187	907,103
Cash flows from Investing activities		
Finance income	11,289	(1,301,628)
Acquisition of property, plant and equipment	(2,394,729)	(75,184)
Net cash used in Investing activities	(2,383,440)	(1,376,812)
Cash flows from financing activities		
Payment of Lease liabilities	(99,776)	(30,199)
Net cash used in financing activities	(99,776)	(30,199)
Net (decrease)/increase in cash and cash equivalents	(862,028)	(499,908)
Cash and cash equivalents at 1st January	2,188,805	2,872,024
Cash and cash equivalents at 30th September	1,326,777	2,372,117
Represented by:		
Cash balance	1,326,777	2,372,117
Bank Overdraft	-	-
	1,326,777	2,372,117

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, Champion Ginger beer, Champ Malta & Champ Malt with Butter Cookies and Champ Malt with Tigernut. The company also provides contract brewing and packaging services to Nigerian Breweries Plc, a related party within the Heineken group.

The financial statements of Champion Breweries Plc as at and for the year ended 31st December 2022 are available on the Company's registered website www.championbreweries.com

2. BASIS OF PREPARATION

a. Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of Champion Breweries Plc as at and for the year ended 31st December 2022.

These condensed interim financial statements were approved by a written resolution of the Board of Directors of the Company on October 26th, 2023.

b. Functional and presentation currency

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

c. Use of estimates and judgements

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31st December 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

a. General

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31st December 2022.

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 nine-months period ended 30th September:

EXPENSES BY NATURE

	2023	Re-stated 2022
	N'000	N'000
Raw materials & consumables	2,689,414	2,915,079
Advertising & sales expenses	288,764	119,430
Depreciation	1,288,121	930,515
Employee Benefits	1,284,353	1,300,706
Repairs & maintenance	784,737	583,909
Energy & water	1,169,270	732,718
Other Fixed Expenses	455,385	348,164
Distribution	505,200	393,855
Total cost of sales, selling and distribution and administrative expenses	8,465,244	7,324,377

6. INCOME TAX EXPENSES

The Company's effective tax rate in respect of continuing operations for the nine-months period ended 30th September 2023 was 30 per cent (for the nine-months period ended 30th September 2022: 30 per cent).

7. PROPERTY PLANT AND EQUIPMENT

Acquisitions

During the six-months period ended 30th September 2023 the Company acquired, property, plant and equipment with a cost of ₦2.4Billion (nine-months period ended 30th September 2022: N1.3Billion).

Capital commitments

As at 30th September 2023, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦1.3Billion (30th September 2022: N1.62Billion).

8. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk management

The aspect of the Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at end for the year ended 31st December 2022.

9. CONTINGENCIES

No material updates in comparison with 2022 year-end reporting were identified that need to be reported.

10. RELATED PARTY TRANSACTIONS

The Company has related party relationships with its parent company, Heineken N.V. and Heineken group entities. These transactions are conducted on terms comparable to transactions with third parties. The related party transactions in the first nine-months period ended 30th September 2023 do in substance not deviate from the transactions as reflected in the financial statements as at and for the year 31st December 2022.

11. SUBSEQUENT EVENTS

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 30th September 2023 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.

13. RESTATEMENT

The company reclassified and represented its revenue in a manner that reflects the nature of the transaction in line with the requirements of the applicable International Financial Reporting Standards (IFRS) Consequently, the presentation of the comparative figures and the prior year's balances have been restated in line with IAS 1 (Presentation of financial statements), IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), and other applicable financial reporting standards for meaningful comparison.

14. CHAMPION BREWERIES PLC'S SHAREHOLDING STRUCTURE/ FREE FLOAT STATUS AS AT Q3 2023

Hypothetical Case on Free Float Computation				
Company Name:			CHAMPION BREWERIES PLC	
Board Listed:				
Tear End:				
Reporting Period:			Month Ended 30 September 2023	
Share Price at end of reporting period:			(2023: N5.38)/ (2023: N3.75)	
Shareholding Structure/Free Float Status				
Description	30-Jun-23		30-Sep-23	
	Units	Percentage	Units	Percentage
Issued Share Capital	7,829,496,464	100%	7,829,496,464	100%
Substantial Shareholdings (5% and above)				
Raysun Nigeria Limited	6,761,282,918	86.36%	6,761,282,918	86.36%
Akwa Ibom Investment Corporation	787,406,781	10.06%	787,406,781	10.06%
Total Substantial Shareholdings	7,548,689,699	96.41%	7,548,689,699	96.41%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Imo- Abasi Jacob	-	-		
Mr. Georgios Polygmenakos	-	-		
Mr. Olufunminiyi Alabi	-	-		
Mr. Frederik Williem Kurt	-	-		
Mr. Thompson S. B. Owoka (Direct)	500,000	74%	500,000	74%
Alhaji Shuaibu A. Ottan (Direct)	165,916	25%	165,916	25%
Mr. Kevin Albert Santry	-	-		
Mrs. Helen Umanah (Direct)	8,110	1%	8,110	1%
Total Directors' Shareholdings	674,026	100%	674,026	100%
Other Influential Shareholdings				
Total Other Influential Shareholdings				
Free Float in Units and Percentage	280,132,739	3.58%	280,132,739	3.58%
Free Float in Value	₦ 1,507,114,136		₦ 1,050,497,771	
Declaration:				
(A) Champion Breweries Plc with a free float percentage of 3.58% as at 30th September 2023, is not compliant with The Exchange's free float requirements for companies listed on the Main Board.				
(B) Champion Breweries Plc with a free float value of ₦1,050,497,771 as at 30th September 2023, is not compliant with The Exchange's free float requirements for companies listed on the Main Board.				