



Champion Breweries Plc
RC: 13388

Unaudited Condensed Interim Financial Statements
For the Six Months Ended 30th June 2024

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CONDENSED INTERIM INCOME STATEMENT
For the six month period ended 30th June

	Notes	Quarter to date 30th June	Quarter to date 30th June	Year to date 30th June	Year to date 30th June
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Revenue	5 & 14	5,166,801	3,121,005	9,544,943	5,706,029
Cost of Sales**		(2,885,971)	(1,802,690)	(5,755,750)	(3,463,121)
Gross Profit		2,280,830	1,318,315	3,789,194	2,242,909
Other Income		15,274	19,741	32,342	43,665
Selling and Distribution Expenses**	5 & 14	(1,030,974)	(736,139)	(2,001,664)	(1,385,681)
Administrative Expenses**	5 & 14	(625,578)	(406,391)	(1,227,935)	(824,975)
Results from operating activities		639,551	195,525	591,936	75,918
Finance income	6	-	3,366	-	10,253
Net Loss on Foreign Exchange Transactions	6	(167,459)	-	(910,738)	-
Finance costs	6	(6,683)	(15,835)	(14,200)	(40,353)
Net Finance costs		(174,143)	(12,469)	(924,938)	(30,100)
Profit or Loss before tax		465,409	183,057	(333,002)	45,818
Income tax expenses	7	(28,232)	(57,407)	(53,659)	(16,744)
Profit /(Loss) after tax		437,177	125,649	(386,661)	29,073
Profit or Loss for the year attributable to:					
Owners of the Company		437,177	125,649	(386,661)	29,073
Non-controlling interest		-	-	-	-
Profit/ (Loss) for the period		437,177	125,649	(386,661)	29,073
Basic and diluted earnings per share (kobo)		5.58	1.60	(4.94)	0.37

** See note 14 for disclosure on restatement

**CONDENSED INTERIM STATEMENT OF OTHER
 COMPREHENSIVE INCOME**

For the six months period ended 30th June

	Quarter to date 30th June 2024 N'000	Quarter to date 30th June 2023 N'000	Year to date 30th June 2024 N'000	Year to date 30th June 2023 N'000
Profit/(Loss) for the period	437,177	125,649	(386,661)	29,073
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	437,177	125,649	(386,661)	29,073
Basic and diluted earnings per share (kobo)	5.58	1.60	(4.94)	0.37

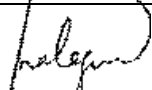
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at:	30th June 2024 N'000	31st December 2023 N'000
Assets		
Non-current assets		
Property, plant and equipment	14,420,941	15,117,284
Right-of-use assets	183,090	233,243
	<u>14,604,031</u>	<u>15,350,527</u>
Current assets		
Inventories	2,709,330	2,226,251
Trade and other receivables	369,384	384,066
Prepayments	197,499	92,885
Other assets	-	54,735
Cash and cash equivalents	883,250	2,444,615
	<u>4,159,463</u>	<u>5,202,552</u>
Total assets	<u>18,763,493</u>	<u>20,553,079</u>
Equity & Liabilities		
Equity		
Share capital	3,914,748	3,914,748
Share premium	519,100	519,100
Other Reserve	3,701,612	3,701,612
Retained earnings	2,673,177	3,059,838
	<u>10,808,638</u>	<u>11,195,298</u>
Liabilities		
Non-current liabilities		
Lease Liabilities	193,077	127,062
Retirement Benefit Obligation	746,708	629,808
Long Service Award	64,209	47,637
Deferred tax liabilities	584,867	584,867
	<u>1,588,862</u>	<u>1,389,374</u>
Current Liabilities		
Trade and other payables	5,095,474	5,553,164
Borrowings	304,212	1,346,065
Contract liabilities	306,964	308,355
Current tax payable	66,676	133,865
Provisions	592,668	508,873
Lease Liabilities		118,084
	<u>6,365,994</u>	<u>7,968,406</u>
Total liabilities	<u>7,954,856</u>	<u>9,357,781</u>
Total equity and liabilities	<u>18,763,493</u>	<u>20,553,079</u>

Approved by the Board of Directors on July 12th, 2024, and signed on its behalf by:



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



Dr Adoga Inalegwu (Managing Director) FRC/2023/PRO/IODN/002/264925

Additionally certified by:



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

The notes on pages 7 to 11 are an integral part of these financial statements.

Condensed Interim Statement of Changes in Equity

For the six-months period ended 30th June, 2024

	Share capital N'000	Share premium N'000	Accumulated loss N'000	Other reserves N'000	Total N'000
Balance at 1st January 2024	3,914,748	519,100	3,059,839	3,701,612	11,195,300
Profit/(Loss) for the period	-	-	(386,661)		(386,661)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(386,661)	-	(386,661)
Balance as at 30th June, 2024	3,914,748	519,100	2,673,178	3,701,612	10,808,639

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

For the three months period ended 30th June 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	-	-	29,073	-	29,073
Total comprehensive income for the period	-	-	29,073	-	29,073
Balance as at 30th June, 2023	3,914,748	519,100	3,012,997	3,701,612	11,148,457

The notes on pages 7 to 11 are an integral part of these financial statements.

Condensed Interim Statement of Cash Flows
For the 6 months period ended 30th June, 2024

	2024	2023
	N'000	N'000
Profit/(Loss) for the period	(386,661)	29,073
Adjustments for non- cash items:		
Depreciation of PPE	975,005	815,547
Depreciation of ROU Assets	56,728	60,259
Gain (loss) on disposal of property, plant and equipment	(1,192)	-
Finance Cost (Foreign Exchange Loss)	910,738	-
Interest on Lease Liability	14,200	40,353
Income tax and other accruals	-	16,744
	1,568,818	961,978
Changes in working capital:		
Inventories	(483,079)	(108,228)
Trade and other receivables	14,682	(204,314)
Prepayments	(104,614)	(67,941)
Other assets	54,735	1,184,313
Trade and other payables	657,796	593,027
Contract liability	(1,391)	(140,047)
Employee benefits	133,472	(13,914)
Provisions	83,795	15,424
Cash generated from operation	1,924,214	2,220,298
VAT paid	(799,560)	(267,321)
Income tax paid	(120,848)	(109,987)
PAYE and WHT & other taxes	(195,077)	(296,514)
Net cash from operating activities	808,728	1,546,477
Cash flows from investing activities		
Finance income	-	10,253
Acquisition of property, plant and equipment	(278,566)	(2,333,110)
Proceeds from sales of property, plant and equipment	(9,769)	-
Net cash used in investing activities	(288,336)	(2,322,857)
Cash flows from financing activities		
Payment of Lease liabilities		(61,776)
Repayment of loans and borrowings	(2,081,757)	
Net cash used in financing activities	(2,081,757)	(61,776)
Total Cash Movement for the period ended 30th June	(1,561,365)	(838,156)
Cash and cash equivalents at 1 st January	2,444,615	2,188,805
Cash and cash equivalents at 30th June	883,250	1,350,649
Represented by:		
Cash balance	883,250	1,350,649
Bank Overdraft	-	-
Cash and cash equivalents at 30th June	883,250	1,350,649

The notes on pages 7 to 11 are an integral part of these financial statements.

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 2023 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 2023.

These condensed interim financial statements were approved by a written resolution of the Board of Directors of the Company on July 12th, 2024.

b. Functional and presentation currency

These condensed interim 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.

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 2023.

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 2023.

b. Income tax

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

4. SEASONALITY

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

5. ANALYSIS OF EXPENSES BY NATURE

For the six-months period ended 30th June:

	Year to date	Year to date
	30th June	30th June
EXPENSES BY NATURE	2024	2023
	N'000	N'000
Raw materials & consumables	3,634,783	2,094,357
Advertising & sales expenses	201,517	163,740
Depreciation and amortization	1,025,163	815,547
Employee Benefits	1,199,144	761,232
Repairs & maintenance	477,177	395,445
Energy & water	1,500,445	803,431
Other Fixed Expenses	463,335	282,914
Distribution Expenses	483,786	357,111
Total cost of sales, selling and distribution and administration expenses	8,985,349	5,673,777

	Year to date	Year to date
	30th June	30th June
EXPENSES BY NATURE	2024	2023
	N'000	N'000
Cost of Sales	5,755,750	3,463,121
Selling & Distribution Expenses	2,001,664	1,385,681
Administrative Expenses	1,227,935	824,975
Total cost of sales, selling and distribution and administration expenses	8,985,349	5,673,777

6. NET FINANCE COST

Net finance cost for the six-month period ended 30th June 2024 amounted to ₦925million (Six-month period ended 30th June 2023: ₦30million).

- a. Finance income for the six-month period ended 30th June 2024 amounted to ₦Nil (six-month period ended 30th June 2023: ₦10.2million).
- b. Foreign exchange loss and interest on the loan amount for the six-month period ended 30th June 2024 amounted to ₦911million (six-month ended 30th June 2023 ₦Nil).
- c. Other net finance expenses for the six-months period ended 30th June 2024 amounted to ₦14.2million (six-month ended 30th June 2023 ₦40.3million).

7. INCOME TAX EXPENSES

Minimum tax in current period has been computed based on 0.5% of turnover in line with the finance act of 2020 and this amounts to ₦54million (2023: ₦17million).

8. PROPERTY PLANT AND EQUIPMENT

Acquisitions

During the six-months period ended 30th June 2024 the Company acquired, property, plant and equipment with a cost of ₦279million (six-months period ended 30th June 2023: ₦2billion).

Capital commitments.

The Company's capital expenditure commitments for property, plant and equipment for the six-months period ended 30th June 2024 amounted to ₦391million (six-months period ended 30th June 2023: ₦1.3billion).

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 31st December 2023.

10. CONTINGENCIES

No material updates in comparison with 2023 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 six-months period ended 30th June 2024 do in substance does not deviate from the transactions as reflected in the financial statements as at and for the year 31st December 2023.

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 30th June 2024 that have not been adequately provided for or disclosed in these condensed interim financial statements.

13. 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.

14. 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.

EXPENSES BY NATURE	As previously Reported 2023	Adjustment	Amount as Restated 2023
	N'000	N'000	N'000
Raw materials & consumables	2,094,357	-	2,094,357
Advertising & sales expenses	163,766	-	163,766
Depreciation and amortization	603,494	212,134	815,628
Employee Benefits	761,232	-	761,232
Repairs & maintenance	395,445	-	395,445
Energy & water	803,431	-	803,431
Other Fixed Expenses	282,807	-	282,807
Distribution Expenses	357,111	-	357,111
Total cost of sales, selling and distribution and administration expenses	5,461,642	212,134	5,673,776

EXPENSES BY NATURE	As previously Reported 2023	Adjustment	Amount as Restated 2023
	N'000	N'000	N'000
Cost of Sales	4,432,921	(969,882)	3,463,039
Selling & Distribution Expenses	701,658	684,023	1,385,681
Administrative Expenses	539,117	285,858	824,975
Total cost of sales, selling and distribution and administration expenses	5,673,695	(0)	5,673,695

14. CHAMPION BREWERIES PLC'S SHAREHOLDING STRUCTURE/ FREE FLOAT STATUS AS AT Q2 2024

Hypothetical Case on Free Float Computation				
Company Name:	CHAMPION BREWERIES PLC			
Board Listed:				
Tear End:				
Reporting Period:	Month Ended 31 March 2024		Month Ended 30 June 2024	
Share Price at end of reporting period:	(2024: N3.76)		(2024: N3.50)	
Shareholding Structure/Free Float Status				
Description	31-Mar-24		30-Jun-24	
	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				
Jacob Imo-Abasi	-	-	-	-
Mr. Adoga Inalegwu	-	-	-	-
Mr. Olufunminiyi Alabi	-	-	-	-
Mr. Frederik Williem Kurt	-	-	-	-
Mr. Thompson S. B. Owoka (Direct)	500,000	0.01	500,000	0.01
Alhaji Shuaibu A. Ottan (Direct)	165,916	0.00	165,916	0.00
Mr. Kevin Albert Santry				
Mrs. Helen Umanah (Direct)	8,110	0.00%	8,110	0.00
Total Directors' Shareholdings	674,026	0.01	674,026	0.01
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	N1,053,299,097		N980,464,587	
Declaration:				
(A) Champion Breweries Plc with a free float percentage of 3.58% as at 30th June 2024, 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 N980,464,587 as at 30 June, 2024, is not compliant with The Exchange's free float requirements for companies listed on the Main Board				