



Champion Breweries Plc
RC: 13388

Unaudited Condensed Interim Financial Statements

30th June, 2022

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CONDENSED INTERIM INCOME STATEMENT

For the three-months period ended 30th June

	2022	2021
	N'000	N'000
Revenue	3,541,582	2,469,175
Cost of Sales	(2,184,417)	(1,418,752)
Gross Profit	1,357,166	1,050,423
Other Income	71,921	17,848
Selling and Distribution Expenses	(486,915)	(397,945)
Administrative Expenses	(204,132)	(333,169)
Results from operating activities	738,040	337,157
Finance income	26,211	12,650
Finance costs	(21,496)	(15,362)
Net Finance costs	4,715	(2,712)
Profit before tax	742,755	334,445
Income tax expenses	(221,220)	(101,147)
Profit after tax	521,535	233,298
Profit for the period	521,535	233,298
Basic and diluted earnings per share (kobo)	6.66	2.98

**CONDENSED INTERIM STATEMENT OF
OTHER COMPREHENSIVE INCOME**

For the 3 months period ended 30th June 2022

	2022	2021
	N'000	N'000
Profit/(Loss) for the period	521,535	233,298
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	521,535	233,298

CONDENSED INTERIM INCOME STATEMENT

For the six-months period ended 30th June

	2022	2021
	N'000	N'000
Revenue	6,861,842	4,844,948
Cost of Sales	(4,208,914)	(2,890,616)
Gross Profit	2,652,928	1,954,332
Other Income	103,950	39,253
Selling and Distribution Expenses	(842,339)	(822,701)
Administrative Expenses	(402,632)	(509,552)
Results from operating activities	1,511,907	661,332
Finance income	53,019	12,650
Finance costs	(35,811)	(30,348)
Net Finance costs	17,208	(17,698)
Profit before tax	1,529,115	643,635
Income tax expenses	(453,380)	(198,400)
Profit after tax	1,075,735	445,235
Profit for the period	1,075,735	445,235
Basic and diluted earnings per share (kobo)	13.74	5.69

**CONDENSED INTERIM STATEMENT OF
OTHER COMPREHENSIVE INCOME**

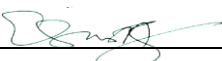
For the 6 months period ended 30th June 2022


	2022	2021
	N'000	N'000
Profit/(Loss) for the period	1,075,735	445,235
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	1,075,735	445,235

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITIONFor the six month period ended
30th June, 2022

	2022	2021
	N'000	N'000
ASSETS		
Property, plant and equipment	10,158,229	9,406,727
Intangible assets and goodwill	0	0
Deferred tax assets	13,721	13,721
Non-current assets	10,171,950	9,420,448
Inventories	1,013,405	1,023,969
Trade and other receivables	69,119	110,129
Prepayments	120,210	60,245
Cash and cash equivalents	2,810,542	2,872,024
Current assets	4,013,275	4,066,367
Total assets	14,185,225	13,486,815
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	2,159,918	1,084,183
Total Equity	10,295,378	9,219,643
LIABILITIES		
Employee benefits	330,684	362,815
Lease Liability	451,536	468,607
Non-current liabilities	782,220	831,422
Current tax liabilities	397,417	80,378
Lease Liability	49,356	71,182
Trade and other payables	2,218,423	2,916,424
Provision	442,431	367,766
Current liabilities	3,107,627	3,435,750
Total liabilities	3,889,848	4,267,172
Total equity and liabilities	14,185,225	13,486,815

Approved by a Written Resolution of the Board of Directors dated July 28, 2022, and signed on its behalf by:


 _____ Dr. Elijah Akpan (Chairman) FRC/2017/IODN/00000016127


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

Additionally certified by:


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

Condensed interim statement of changes in equity

For the six-months period ended 30th June,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	-	-	1,075,735	-	1,075,735
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,075,735	-	1,075,735
Balance as at 30th June, 2022	3,914,748	519,100	2,159,918	3,701,612	10,295,378

Condensed interim statement of changes in equity

For the 6 months period ended 30th June 2022

	Share capital N'000	Share premium N'000	Accumulated loss N'000	Other reserves N'000	Total N'000
Balance at 1st January 2021	3,914,748	519,100	(92,466)	3,701,612	8,042,994
Profit/(Loss) for the period	-	-	445,235	-	445,235
Total comprehensive income for the period	-	-	445,235	-	445,235
Balance as at 30th June, 2021	3,914,748	519,100	352,769	3,701,612	8,488,229

The notes on pages 10 to 12 are an integral part of these financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the 6 months period ended 30th June, 2022

	2022 N'000	2021 N'000
Cash flows from operating activities		
Profit/(Loss) for the period	1,075,735	445,235
Adjustments for:		
Depreciation	576,808	558,960
Finance Cost	35,811	61,168
Income tax and other accruals	453,380	198,400
	2,141,734	1,263,763
Changes in:		
Inventories	10,564	(189,923)
Trade and other receivables	41,010	(44,007)
Prepayments	(59,965)	(55,397)
Trade and other payables	(698,001)	1,237,747
Employee benefits	(32,131)	(6,849)
Cash generated from operating activities		
	1,403,213	2,205,333
VAT paid*	(440,075)	(57,313)
Income tax paid	(77,468)	(41,077)
PAYE and WHT	(158,274)	(127,142)
Net cash from operating activities	727,396	1,979,801
Cash flows from investing activities		
Finance income	53,019	75,870
Acquisition of property, plant and equipment	(751,502)	(379,409)

Net cash used in investing activities	(698,483)	(303,539)
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Cash flows from financing activities		
Payment of Lease liabilities	(90,395)	(40,166)
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Net cash used in financing activities	(90,395)	(40,166)
Net (decrease)/increase in cash and cash equivalents	(61,482)	1,516,756
Cash and cash equivalents at 1st January	2,872,024	1,025,231
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Cash and cash equivalents at 30th June	2,810,542	2,541,987
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Represented by:		
Cash balance	2,810,542	2,541,987
Bank Overdraft	-	-
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	2,810,542	2,541,987
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The notes on pages 10 to 12 are an integral part of these financial statements.*

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

Notes to the condensed interim financial statements

1. REPORTING ENTITY

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

The Company is involved in the brewing and marketing of Champion lager beer and Champ Malta. The company also provides contract brewing and packaging services to Nigerian Breweries Plc, a related party within the Heineken group.

The financial statements of Champion Breweries Plc as at and for the year ended 31st December 2021 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 2021.

These condensed interim financial statements were approved by a written resolution of the Board of Directors of the Company on July 28, 2022.

b. Functional and presentation currency

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

c. Use of estimates and judgements

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

a. General

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

b. Income tax

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

4. SEASONALITY

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

5. ANALYSIS OF EXPENSES BY NATURE

For the six-months period ended 30th June:

	2022	2021
	N'000	N'000
Raw materials & consumables	2,187,191	1,393,918
Advertising & sales expenses	347,038	470,714
Depreciation	576,808	531,046
Employee Benefits	996,223	678,538
Repairs & maintenance	371,121	285,961
Energy & water	467,494	332,447
Other Fixed Expenses	251,528	370,442
Distribution	256,483	159,804
Total cost of sales, selling and distribution and administrative	5,453,886	4,222,870

6. INCOME TAX EXPENSES

The Company's effective tax rate in respect of continuing operations for the six-months period ended 30th June 2022 was 30 per cent (for the six-months period ended 30th June 2021: 30 per cent).

7. PROPERTY PLANT AND EQUIPMENT

Acquisitions

During the six-months period ended 30th June 2022 the Company acquired, property, plant and equipment with a cost of N1.024Billion (six-months period ended 30th June 2021: N814million).

Capital commitments

As at 30th June 2022, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦787Million (30th June 2021: N1.21Billion).

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 2021.

9. CONTINGENCIES

No material updates in comparison with 2021 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 six-months period ended 30th June 2022 do in substance not deviate from the transactions as reflected in the financial statements as at and for the year 31st December 2021.

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 June 2022 that have not been adequately provided for or disclosed in these condensed interim financial statements.

12. SECURITIES TRADING

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