Champion Breweries Plc

Annual Report and Financial Statements
for the year ended 31 December 2025

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The reports and statements set out below comprise the annual report and financial statements presented to the shareholders:

Corporate Information

Country of incorporation and domicile	Nigeria
Date of Incorporation:	31 July 1974
Registration Number:	RC 13388
TIN:	00463544-0001
Company's Website:	www.championbreweries.com
Registered office	Industrial layout, Aka Offot, PMB 1106 Uyo Akwa Ibom State Nigeria

Directors	**Name**	**Position**	**Status**	**Appointment/Resignation date**
	Mr Jacob Imo-Abasi	- Chairman		
	Dr Adoga Inalegwu	- Managing Director		
	Mrs. Helen Umanah	- Director	Resigned	April 2025
	Mr. Olufunminiyi Alabi	- Director		
	Mr. Thompson Owoka	- Director		
	Alhaji Shuaibu Ottan	- Director		
	Mr. Samson Aigbedo	- Director		
	Mr. Idiahi Ehimare	- Director		
	Mr. Butler David	- Director		
	Mr. Ajayi Oladele	- Director	Appointed	April 2025
	Mrs Akpobome Mary	- Director	Appointed	April 2025
	Mrs Thompson-Shoboiki Jayne Abike	- Director	Appointed	April 2025
	Mr Adebiyi Rasheed	- Director	Appointed	April 2025

Company Secretary	Chief Tosan Atle Aiboni
Independent Auditor	Deloitte & Touche Chartered Accountants Civic Towers Plot G1, Ozumba Mbadiwe Avenue Victoria Island, Lagos
Registrars	African Prudential Registrars Plc 220B, Ikorodu Road Palmgrove, Lagos Nigeria info@africanprudentialregistrars.com

Corporate Information

Bankers	Access Bank Plc FBNQuest Merchant Bank First Bank of Nigeria Limited First City Monument Bank Plc Guaranty Trust Bank Plc Rand Merchant Bank Nigeria Stanbic IBTC Bank United Bank for Africa Plc Zenith Bank Plc

Directors' Report

The Directors are pleased to present the annual report of Champion Breweries Plc ("the Company"), together with the independent auditor's report for the year ended 31 December 2025.

1. Legal Form and Principal Activity

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 Company's principal activities continue to be brewing and packaging of Champion Lager Beer and Champ Malta. The immediate parent Company is The Raysun Nigeria Limited, a Company incorporated in Nigeria. The ultimate controlling entity is EnjoyCorp.

2. Operating Results

A summary of the Company’s operating results is shown below:

	2025	2024	% Change
	N'000	N'000	
Revenue	29,797,634	20,890,735	43 %
Operating profit	4,829,628	2,328,006	107 %
Profit before tax	2,651,805	1,274,053	108 %
Income tax expense	(861,924)	(457,058)	89 %
Profit after income tax	1,789,881	816,995	119 %
Other comprehensive (loss)/income net of tax	(231,991)	43,792	(630)%
Total comprehensive income for the year	1,557,890	860,787	81 %

3. Dividend

The Board of Directors has recommended a dividend of 7 kobo per share for the financial year ended 31st December 2025 (2024: 6 kobo per share). The Board of Director's recommendation will be subject to approval by the shareholders at the 2026 Annual General Meeting (AGM).

Subsequently, an approved dividend will be paid to shareholders whose names appear on the Register of Members as at the close of business on 8th May 2026.

4. Board of Directors

The Directors are responsible for oversight of the business, long-term strategy, objectives, and the Company’s risks. The Directors are also responsible for evaluating and directing the implementation of the Company’s controls and procedures including, in particular, maintaining a sound system of internal control to safeguard shareholders’ investments and the Company’s assets.

Directors' Report (Continued)

5. Directors and their Interests

The names of directors who held office during the year as well as their interest in the issued shares of the Company as recorded in the Register of Members and / or notified by the Directors in compliance with Section 301 of the Companies and Allied Matters Act (as amended) were as follows:

Directors	Position	Nationality	2025	2024
			Number of Ordinary Shares	
Mr Jacob Imo-Abasi**	Chairman	Nigerian	-	-
Dr Adoga Inalegwu*	Managing Director	Nigerian	-	-
Mr. Thompson Owoka**	Director	Nigerian	571,428	500,000
Alhaji Shuaibu Ottan***	Director	Nigerian	192,132	189,618
Mr. Olufunminiyi Alabi**	Director	Nigerian	-	-
Mr. Samson Aigbedo**	Director	Nigerian	-	-
Mr. Idiahi Ehimare**	Director	Nigerian	-	-
Mr. Butler David**	Director	South African	-	-
Mr. Ajayi Oladele**	Director	Nigerian	1,000,000	-
Mrs Akpobome Mary**	Director	Nigerian	1,000,000	-
Mrs Thompson-Shoboiki Jayne Abike**	Director	Nigerian	-	-
Mr Adebiyi Rasheed*	Finance Director	Nigerian	-	-

*Executive Director

** Non-executive Director

*** Independent Non-executive Director

In accordance with Section 303 of the Companies and Allied Matters Act, as amended, none of the Directors notified the Company of any declarable interest in any contract in which the Company was involved during the year under review (2024: Nil).

6. Analysis of Shareholding

As at prior and current reporting dates, the Company's ordinary shares were held as follows:

	2025 %	2025 Ordinary shares of 50K each Number '000	2025 Share capital N'000	2024 %	2024 Ordinary shares of 50K each Number '000	2024 Share capital N'000
Enjoycorp Nigeria Limited	73.0	6,527,330	3,413,665	80.2	7,177,330	3,588,665
Akwa Ibom Investment Corporation	10.1	899,893	449,947	10.1	899,893	449,947
Other shareholders	16.9	1,520,772	610,386	9.7	870,772	435,386
Subtotal	100	8,947,995	4,473,998	100	8,947,995	4,473,998

7. Property, plant and equipment

Information relating to movement in property, plant and equipment during the year is disclosed in Note 17 to the financial statements.

Directors' Report (Continued)

8. Donations and sponsorship

The Company gave donations and provided sponsorship as follows:

	2025	2024
	N'000	N'000
Awards & CSR Support	14,619	-
Donation to Book Launch	500	-
Community Bursary Award	2,682	1,920
Donation for Safety Book launch	-	150
Free Issues of company products	-	600
Scholarship of sports tournament	-	340
Donation to Manufacturers Association of Nigeria	125	400
Graduate trainee	-	600
Health Care Center facilities	11,012	17,627
ITF Vocational Training	-	20,850
	28,938	**42,487**

In accordance with Section 43(2) of the Companies and Allied Matters Act, 2020 ("CAMA"), the Company did not make any donation or give gifts to any political party, political association or for any political purpose during the year (2024: Nil).

9. Business Review and Future Development

The Company intends to continue the fulfilment of its objectives as indicated in its Memorandum and Articles of Association.

10. Corporate Governance

The Directors are committed to ensuring that best practices in corporate governance are adopted in all areas of the Company's business. The Company's policies on corporate governance are continually reviewed with focus on high ethical standards of transparency, integrity, accountability and honesty. The Board continues to formulate policies aimed at creating a well-positioned Company that is keen on constantly harmonizing the interests of various stakeholders to the business.

11. Code of Business Conduct

The Company has in place a Code of Business Conduct ('the Code') which provides guidance to all its users on the importance of high ethical values in sustainable business growth. The Code is subscribed to by all members of the Board of Directors and all employees of the Company.

12. Distribution of Company's Products

The Company's products are sold by distributors within the country. The list containing names of such distributors is available at the Commercial Department of the Company.

Directors' Report (Continued)

13. Employment and Employees

(a) Employment of physically challenged persons.

It is the policy of the Company that there should be no discrimination in considering applications for employment, including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. There was no physically challenged person in employment as at reporting date (2024: Nil).

(b) Employee training and consultation

The Company is committed to keeping employees fully informed as far as possible regarding the Company’s performance and seeking employees' views when necessary.

In-house and external training and development programs are organized for employees to meet the Company's growth strategy.

The Company continues to place premium on its Human Capital Development arising from the fact that this would ensure improved efficiency of the business and maintain strategic advantage over competition.

(c) Health, safety at work and welfare of employees

The Company maintains a clinic within the brewery which provide medical services to employees. Severe medical conditions are referred to designated hospitals whose services are retained by the Company through its health management organization. Such hospitals are located in areas within the convenient reach of employees.

The Company ensures that safety standards, procedures and regulations are in place in all locations of the Company through clear policies and employees are well informed about compliance with and development of safety regulations.

The Company has a canteen where employees are served good and nutritious meals on a daily basis.

14. Independent Auditors

Deloitte & Touche Nigeria was appointed by the Board at the 2022 annual general meeting as the Company's Independent Auditors. The SEC Code of Corporate Governance requires that Independent Auditors be retained for ten years; thus, Deloitte & Touche will continue in office as the Company's Independent Auditors for the next 6 years.

By Order of the Board

Chief Tosan Atle Aiboni
Company Secretary
FRC/2014/PRO/NBA/002/00000006228
27th February 2026

Sustainability and Corporate Social Responsibility Report

Sustainability and Corporate Social Responsibility Report

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Statement of Directors' Responsibilities

The Directors of Champion Breweries plc accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2025, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS® Accounting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria (as amended) and the Financial Reporting Council of Nigeria Act, 2011 (now amended 2023).

In preparing the financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance.

Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain as a going concern in the year ahead.

The annual financial statements for the year ended 31 December 2025 were approved by the Board of Directors on 26th February 2026.

Signed on behalf of the Board of Directors By:

Mr Jacob Imo-Abasi (Chairman)	**Dr Adoga Inalegwu (Managing Director)**
FRC/2018/PRO/FORM C07/00000018401	**FRC/2023/PRO/IODN/002/264925**
27th February 2026	**27th February 2026**

Certification of financial statements

In accordance with section 405 of the Companies and Allied Matters Act of Nigeria (as amended), the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

(a) Audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

(b) Audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the audited financial statements.

We state that management and directors:

(a) Are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the officer by other officers of the Company, particularly during the period in which the audited financial statement report is being prepared.

(b) Has evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements, and

(c) Certifies that the Company's internal controls are effective as of that date

We have disclosed:

(a) All significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and

(b) Whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal control; and

(c) As indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses

The financial statements of the Company for the year ended 31 December 2025 were approved by the directors on 27th February 2026

Dr Adoga Inalegwu (Managing Director)
FRC/2023/PRO/IODN/002/264925
27th February 2026

Mr Rasheed Adebiyi (Finance Director)
FRC/2023/PRO/ICAN/001/423509
27th February 2026

Audit Committee's Report

To the members of Champion Breweries Plc

In compliance with Section 404(7) of the Companies and Allied Matters Act (CAMA) as amended,we have reviewed the financial statements of the Company for the year ended 31 December 2025 and report as follows:

(a) The scope and planning of internal audit for the year ended 31 December 2025 are satisfactory. The internal audit programmes reinforce the Company's internal control system;

(b) The scope and planning of statutory independent audit for the year ended 31 December 2025 are satisfactory;

(c) Having reviewed the independent auditors' management letter on accounting procedures and internal controls, we are satisfied with management's responses thereon;

(d) The accounting and reporting policies for the year ended 31 December 2025 are in accordance with IFRS Accounting Standards and applicable regulatory requirements.

The independent auditors confirmed that the scope of their work was not restricted in any way.

Mr. Thompson Owoka
FRC/2015/PRO/ICAN/004/00000012404
25th February 2026

Members of the Audit Committee

Mr. Thompson Owoka	Chairman/Director
Mrs. Mary Atunyota Akpobome	Member/Director
Mr. Olayemi Olatunde	Member/Shareholder
Chief Peter Mgbeahuru	Member/Shareholder
Mr. Adebayo O. Abayomi	Member/Shareholder

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2025 N '000	2024 N '000
Revenue	5	29,797,634	20,890,735
Cost of sales	7.1	(14,427,515)	(12,172,437)
Gross profit		**15,370,119**	**8,718,298**
Other losses and gains	6	(24,360)	68,853
Impairment (loss)/gain on financial assets	8	(36,661)	12,393
Selling and distribution expenses	7.2	(6,518,909)	(4,067,842)
Administrative expenses	7.3	(3,960,561)	(2,403,696)
Operating profit		**4,829,628**	**2,328,006**
Finance income	9	437,944	15,589
Finance costs	10	(2,615,767)	(1,069,542)
Profit before taxation		**2,651,805**	**1,274,053**
Taxation	14	(861,924)	(457,058)
Profit for the year		**1,789,881**	**816,995**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of defined benefit liability, net of tax	25.2	(12,963)	43,792
Income tax relating to items that will not be reclassified	16	(219,028)	-
Total items that will not be reclassified to profit or loss		**(231,991)**	**43,792**
Other comprehensive income for the year net of taxation		**(231,991)**	**43,792**
Total comprehensive income for the year		**1,557,890**	**860,787**
Earnings per share			
Basic and diluted earnings per share (kobo)	13	20.0	9.1

The accompanying notes on pages 26 to 71 form an integral part of the annual report and financial statements.

Statement of Financial Position as at 31 December 2025

	Note(s)	2025 N '000	2024 N '000
Assets			
Non-Current Assets			
Property, plant and equipment	17	19,479,984	13,826,723
Right-of-use assets	18	15,320	194,645
Deposit for investment	23	9,743,596	-
Deferred tax assets	16	572,292	-
		29,811,192	**14,021,368**
Current Assets			
Inventories	21	4,156,861	2,855,624
Trade and other receivables	19	186,785	155,360
Prepayments	24	768,131	2,088
Contract asset	20	67,780	-
Cash and cash equivalents	22	47,347,828	4,310,757
		52,527,385	**7,323,829**
Total Assets		**82,338,577**	**21,345,197**
Equity and Liabilities			
Equity			
Share capital	28	4,473,998	4,473,998
Other reserve	29	3,482,584	3,701,612
Retained earnings		5,120,514	3,880,476
		13,077,096	**12,056,086**
Liabilities			
Non-Current Liabilities			
Borrowings	31	29,636,103	-
Lease liabilities	33	-	17,507
Retirement benefit obligation	25	438,437	-
Long service award	27	83,864	39,052
Deferred tax liabilities	16	-	14,696
		30,158,404	**71,255**
Current Liabilities			
Trade and other payables	34	6,186,430	6,278,823
Discontinued employee benefit	26	399,223	428,736
Borrowings	31	29,392,520	-
Lease liabilities	33	17,475	191,360
Retirement benefit obligation	25	30,271	380,995
Contract liabilities	32	1,107,844	439,484
Current tax payable	15	1,660,433	1,048,799
Provisions	30	296,278	449,659
Long service award	27	12,603	-
		39,103,077	**9,217,856**
Total Liabilities		**69,261,481**	**9,289,111**
Total Equity and Liabilities		**82,338,577**	**21,345,197**

The annual report and financial statements were approved by the board of directors on the 27th Feburary 2026 and were signed on its behalf by:

Mr Jacob Imo-Abasi	**Dr Adoga Inalegwu**	**Mr Rasheed Adebiyi**
Chairman	**Managing Director**	**Finance Director**
FRC/2018/PRO/FORM C07/00000018401	**FRC/2023/PRO/IODN/002/264925**	**FRC/2023/PRO/ICAN/001/423509**

The accompanying notes on pages 26 to 71 form an integral part of the annual report and financial statements.

Statement of Changes in Equity

	Share capital	Share premium	Other reserve	Retained earnings	Total equity
	N '000	N '000	N '000	N '000	N '000
Balance at 01 January 2024	**3,914,748**	**519,100**	**3,701,612**	**3,059,839**	**11,195,299**
Profit for the year	-	-	-	816,995	816,995
Other comprehensive income:					
Re-measurement of defined benefit liability, net of tax	-	-	-	43,792	43,792
Total comprehensive income for the year	**-**	**-**	**-**	**860,787**	**860,787**
Issue of bonus shares	559,250	(519,100)	-	(40,150)	-
Total contributions by and distributions to owners of company recognised directly in equity	**559,250**	**(519,100)**	**-**	**(40,150)**	**-**
Balance at 31 December 2024	**4,473,998**	**-**	**3,701,612**	**3,880,476**	**12,056,086**
Balance at 01 January 2025	**4,473,998**	**-**	**3,701,612**	**3,880,476**	**12,056,086**
Profit for the year	-	-	-	1,789,881	1,789,881
Other comprehensive income:					
Re-measurement of defined benefit liability, net of tax	-	-	-	(12,963)	(12,963)
Income tax relating to revaluations	-	-	(219,028)	-	(219,028)
Total comprehensive income for the year	**-**	**-**	**(219,028)**	**1,776,918**	**1,557,890**
Dividends	-	-	-	(536,880)	(536,880)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(536,880)**	**(536,880)**
Balance at 31 December 2025	**4,473,998**	**-**	**3,482,584**	**5,120,514**	**13,077,096**

The accompanying notes on pages 26 to 71 form an integral part of the annual report and financial statements.

Statement of Cash Flows

	Note(s)	2025 N '000	2024 N '000
Cash flows from operating activities			
Profit before taxation		2,651,805	1,274,053
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	17	2,400,615	2,058,922
Depreciation of right of use asset	18	179,324	180,457
Unrealized foreign exchange loss/(gain)	6	5,409	(706)
Impairment loss/(gain) on trade receivables	8	36,661	(12,393)
Movement in retirement benefit obligation	25	22,275	171,014
Long service award movement	27	54,021	8,883
Provision charge on inventories	21	34,476	6,545
Write off on trade receivables	19	(26,348)	-
Impairment on property, plant and equipment	17	-	55,346
Loss on disposal of Property, plant and equipment	6	-	728
Tax credit	15	(11,709)	(13,018)
Discontinued employee benefit		46,581	-
Adjust for items which are presented separately:			
Interest income	9	(437,944)	(15,589)
Finance costs	10	2,615,767	1,069,542
Changes in working capital:			
(Increase) in inventories		(1,335,713)	(635,918)
(Increase)/decrease in trade and other receivables	19.4	(41,738)	250,785
(Increase)/decrease in prepayments		(766,043)	90,797
(Increase) in contract assets		(67,780)	-
Increase in trade and other payables	34.3	3,719,611	725,663
Increase in contract liabilities		668,360	131,129
Decrease in provision		(153,381)	(68,900)
Decrease in other asset		-	54,735
Cash generated from operations		**9,594,249**	**5,332,075**
Discontinued employee benefit paid	26	(93,846)	-
Defined benefit paid	25	(29,067)	(3,583)
Tax paid	15	(1,037,090)	(120,847)
Long service awards paid	27	(5,735)	(23,834)
Net cash from operating activities		**8,428,511**	**5,183,808**
Cash flows from investing activities			
Purchase of property, plant and equipment	17	(7,285,216)	(833,087)
Proceeds from sale of property, plant and equipment		-	8,652
Deposit for investment	23	(9,743,596)	-
Interest received	9	437,944	15,589
Net cash used in investing activities		**(16,590,868)**	**(808,846)**
Cash flows from financing activities			
Repayment of Lease liabilities	33	(191,392)	(178,137)
Payment of interest on lease liabilities	33	(14,736)	(39,666)
Addition to borrowing	31	61,265,621	-
Repayment of borrowings- principal	31	(8,334,794)	(1,902,707)
Interest paid on borrowings	31	(982,982)	(389,016)
Dividends paid	41	(536,880)	-
Net cash generated from/(used) in financing activities		**51,204,837**	**(2,509,526)**

Statement of Cash Flows

	Note(s)	2025 N '000	2024 N '000
Total cash movement for the year		**43,042,480**	**1,865,436**
Cash and cash equivalents at the beginning of the year		4,310,757	2,444,615
Effect of foreign exchange rate changes on cash and cash equivalents		(5,409)	706
Cash and cash equivalents at the end of the year	22	**47,347,828**	**4,310,757**

The accompanying notes on pages 26 to 71 form an integral part of the annual report and financial statements.

Notes to the Financial Statements

1 Corporate information

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.

1.1 Principal activity

The Company is engaged in the brewing and marketing of alcoholic and non-alcoholic beverages, including Champion Lager Beer and Champ Malta, primarily within the Southern region of Nigeria. The ultimate holding company of Champion Breweries Plc is EnjoyCorp Limited, which was formerly known as Raysun Nigeria Limited.

1.2 Statement of compliance

These financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act (CAMA) as amended, 2020 and the Financial Reporting Council of Nigeria Act, 2011 (now amended 2023). Details of the Company's accounting policies are included in Note 2. These financial statements were authorised for issue by the Board of Directors on 28th February 2025.

1.3 Basis of preparation

The financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items, which are measured on an alternative basis on each reporting date:

- defined benefit obligations - measured at present value of obligation
- inventory - lower of cost and net realisable value
- lease liabilities- measured at present value of future lease payments
- provisions - measured at present value of the obligations

1.4 Functional and presentation currency

These financial statements are presented in Naira (N), which is the Company’s functional currency. All financial information presented in Naira has been rounded to the nearest thousand, except when otherwise indicated.

1.5 Financial period

These financial statements cover the financial year ended 31 December 2025, with comparative amounts for the financial year ended 31 December 2024.

1.6 Composition of financial statements

The financial statements of Champions Breweries Plc for the year ended 31 December 2025 comprise:

- Statement of profit or loss and other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

Notes to the Financial Statements

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 **Foreign currency transactions**

Transactions in foreign currencies are translated to Naira at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Naira at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Naira at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss.

2.2 **Financial instruments**

2.2.1 **Recognition and initial measurement**

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2.2.2 **Classification and subsequent measurement**

All financial assets and liabilities are initially recognized at fair value, which is usually the transaction price including, where appropriate, transaction costs, with the exception of trade receivables without a significant financing component, which are measured at their transaction price, determined in accordance with the Company's accounting policies for revenue. Subsequently, measurement depends on the financial assets are measured as follows:

– *Financial assets measured at amortized cost (AC)*

Financial assets are held at amortized cost when they arise from contracts which give rise to contractual cash flows which are solely principal and interest and are held in a business model which mainly holds the assets to collect contractual cash flows.

These assets are measured at amortized cost using the effective interest method and are also subject to impairment losses. Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated on the amortized cost (i.e. gross carrying amount less loss allowance). Interest income is included in finance income. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Notes to the Financial Statements

2. Accounting policies (continued)

2.2.3 **Derecognition**

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.2.4 **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.3 **Share capital and share premium**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. 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. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.4 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

2.5 Property, plant and equipment

2.5.1 **Recognition and measurement**

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. If significant part of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

2.5.2 **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The cost of routine maintenance of property, plant and equipment is recognised in profit or loss when incurred.

2.5.3 **Derecognition**

The carrying amount of disposed items of property, plant and equipment are derecognised. Any gain or loss on sale of an item of property, plant and equipment is recognised in profit or loss.

2.5.4 **Depreciation**

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values on a straight-line basis over their estimated useful lives and is generally recognised in profit or loss. 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. Land and capital work-in-progress are not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The estimated useful lives of property plant and equipment for current and comparative periods are as shown below:

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Item	Depreciation method	Average useful life
Buildings	Straight line	40 to 50 years
Plant and machinery	Straight line	5 to 30 years
Furniture and fittings	Straight line	3 to 5 years
Motor vehicles:		
- Cars and trucks	Straight line	5 years
- Forklifts	Straight line	5 years
Returnable packaging materials:		
- Bottles	Straight line	5 years
- Crates	Straight line	8 years

Notes to the Financial Statements

2.6 Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process. Inventories are measured at the lower of cost and net realisable value. The cost of inventory includes expenditure incurred in acquiring the inventory, production or conversion costs incurred in bringing them to their existing location and condition. Cost incurred on each product is based on:

Raw and packaging materials	–	weighted average cost including transportation costs
Finished products and Products-in-process	–	weighted average cost of direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity
Engineering spares	–	purchase cost on a weighted average cost basis, including transportation and clearing costs

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses.

Inventories are regularly assessed for obsolescence, or whether their carrying amount exceeds their net realizable value (sales price less costs to sell) and appropriate provisions are recognized. Inventory values are adjusted for obsolete, slow- moving or defective items.

After write-down has been made, net realizable value should be re-assessed in each subsequent period. If the circumstances that caused the write-down cease to exist, such that all or part of the write-down is no longer needed, it should be reversed to that extent. Similarly, if there is a clear evidence that the net realizable value has increased because of changed economic circumstances, the write-down is reversed. The new carrying value of the inventory would then be the lower of cost and the revised net realizable value.

2.7 Returnable Packaging Materials and Deposit Liability

Returnable packaging materials (RPM) may be classified as property, plant and equipment or inventory. The classification mainly depends on whether ownership is transferred and if the company has the legal or constructive obligation to buy back the materials. The assumptions to classify as property plant and equipment is that the Company have it included on our customer contracts, the ownership of the RPM is not transferred to the customer and the Company has a legal or constructive obligation to buy back, hence concluding that the RPM is treated as property plant and equipment. The recognition of deposit liabilities for RPM items occurs when the company becomes obligated, either contractually or constructively, to refund cash to the customer or issue a credit note upon the return of the RPM item. The initial measurement of the deposit liability is based on the nominal amount expected to be refunded to the customer upon return of the RPM item, without any discounting applied. Subsequent measurement of the RPM deposit liability involves accounting for market loss using reliable Supply Chain measurements spanning at least 12 months. This ensures a robust estimation of market loss, with adjustments made to account for seasonality.

The deposit liability is adjusted on a monthly basis to reflect changes in RPM market possession. Once sufficient and reliable data becomes available, the company evaluates the appropriateness of the deposit liability by assessing whether the underlying market loss percentage remains reasonable. This evaluation is performed at least annually, particularly during peak seasons when circulation time is measured.

Based on this assessment, the deposit liability is adjusted upward or downward as necessary. The review is carried out in collaboration with the Supply Chain department to ensure the reliability of the data and assumptions. Depending on local operating conditions, a threshold may be applied before any release is recognized to account for estimation uncertainty.

2.8 Impairment

2.8.1 Non-derivative financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs. The ECLs for trade and other receivables are estimated using a provision matrix based on the Company's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both current as well as the forecast direction of conditions at the reporting date.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the non derivative financial asset at the reporting date. Non derivative financial assets are then grouped in such a manner that they share similar credit risk characteristics.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

An impairment loss is recognized if the carrying amount of a financial asset exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

2.8 Impairment (continued)

2.8.2 Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets 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 the other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss and are allocated to reduce the carrying amounts of assets in the CGU on a pro rata basis.

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 recognised.

2.9 Borrowings and loans

Recognition and measurement

Borrowings and loans are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (Note 10.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to Note 36 for details of risk exposure and management thereof.

2.10 Employee benefits

2.10.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

2.10.2 Defined contribution plans

In line with the provisions of the Pension Reform Act 2014, 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 personnel expense in the periods during which services are rendered by employees. Under this scheme, employees contribute 8% of their basic salary, transport and housing allowances to a fund on a monthly basis. The Company's contribution is 10% of each employee's basic salary, transport and housing allowances to the fund.

Obligations for contributions to defined contribution plans are recognised as personnel expense in profit or loss in the periods during which related services are rendered by employees.

2.10 Employee benefits (continued)

2.10.3 Defined benefit plans

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligations is performed annually by Giant Consultants Limited using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income.

The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.10.4 Other long-term employee benefits (Long service awards)

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise. The calculation of defined benefit obligations is performed annually by Giant Consultants Limited using the projected unit credit method.

2.11 Provisions and contingent liabilities

Provision

A provision is recognised 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 recognised as finance cost.

In determining the amount of provisions to be recognised, the Company takes into account the impact of exposures and whether additional fines and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing provisions; such changes to provisions will impact profit or loss in the period that such determination is made.

Contingent liabilities

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

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

2.11 Provisions and contingent liabilities (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 39.

2.12 Revenue

The Company principally generates revenue from the sale and delivery of its products. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

Nature and timing of satisfaction of performance obligation

Customer gain control of goods when the goods have been delivered and accepted at their premises or when the goods are picked up by the customer. Invoices are generated at that point in time. Invoices for credit sales are usually payable within 30 days. 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.

Product Sales

The sale and delivery of products are identified as one performance obligation and are not separately identifiable. Revenue from product sales is recognised at a point in time when the goods are delivered and have been accepted by customers at their premises or when the goods are picked up by the customer.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

2.13 Operating profit

Foreign currency transactions

Operating profit is the result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs or income taxes.

Notes to the Financial Statements

2.14 Tax

Current tax assets and liabilities

Income tax expense comprises current tax (Company Income Tax, Tertiary Education Tax and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

Deferred tax

Deferred tax is recognised 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 assets are recognised for unutilised tax losses, unutilised tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets and liabilities are offset if, and only if the Company:

i. has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

- the same taxable entity; or
- different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

2.14 Tax (continued)

Minimum tax

The Company is subject to the Finance Act of 2021 which amended the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act is determined based on the higher of two components; Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined based on 0.5% of qualifying Company's turnover less franked investment income). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

2.15 Earnings per share

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. 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 the effects of all dilutive potential ordinary shares.

2.16 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term as this is the shorter of lease term and the estimated useful live of the assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets below N5m

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases, including its property rental for key management personnel. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company is not a lessor in any lease arrangement.

Notes to the Financial Statements

2.17 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized in profit or loss on a time proportion basis using the effective interest method.

Finance costs comprise interest expense on lease liabilities, unwinding of the discount on provisions, interest expense on defined benefit obligation, interest expense on factoring of trade receivables recognized on financial assets, except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalized as part of the related assets, are recognized in income statement using the effective interest method.

2.18 Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in items on the statement of financial position that have not resulted in actual cash flows are eliminated. Interest received is included in investing activities.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for monitoring, allocating resources and assessing performance of the operating segments and has been identified as the Managing Director.

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 Group/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. As the Company do not operate on different business segments, segmentation is not presented.

Nigeria is the Company's primary geographical segment as the revenue is entirely earned from sales of similar product in Nigeria. The Company has only one business operating segment namely- sale of goods.

Accordingly, no business or geographical segment information is reported.

2.20 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or

Notes to the Financial Statements

Financial instruments (continued)

- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 36 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

3. Significant judgements and sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3.1 Critical judgements in applying accounting policies

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Capitalisation of borrowing cost

The company capitalizes borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets. Management deems capitalization appropriate to the tune of incurred amount as at the date of capitalization. Borrowing costs incurred post capitalization date are expensed in the income statement.

Leases

Judgement is required to determine the lease term and the incremental borrowing rate. The assessment of whether the company is reasonably certain to exercise extension options or not to make use of termination options impacts the lease term, which as a result could affect the amount of lease liabilities recognised. The assumptions used in the determination of the incremental borrowing rate could impact the rate used in discounting future payments, which as a result could have an impact on the amount of lease liabilities recognised.

The Company applies the following practical expedients for the recognition of leases:

- The short-term lease exemption, meaning that leases with a duration of less than a year are expensed in the income statement on a straight-line basis.
- The low value lease exemption, meaning that leased assets with an individual value of N5m or less if bought new, are expensed in the income statement on a straight-line basis.

3.2 Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties at 31 December 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Retirement benefit plan

The defined benefit obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields, if the return on plan asset is below this rate, it will create a plan deficit. Currently the scheme does not have a plan asset.

The Company also sponsors a long service award plan for all its confirmed employees. Under the plan, the employees are entitled to cash award, service plaque as well as other non cash benefit on attainment of 5 years of service. The current number of employees covered under this plan is 150 (2024: 140) and there are no segregated fund assets as benefit payment are met on a pay-as-you go basis.

3. Significant judgements and sources of estimation uncertainty (continued)

Calculation of loss allowance

Management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Under the credit policies all customers requiring credit over a certain amount are reviewed and new customers analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's credit assessment process includes specified cash deposits by new customers. Credit limits are established for qualifying customers and these limits are reviewed regularly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Credit Committee reviews each customer's credit limit in line with the customers' performance in the preceding quarter and perceived risk factor assigned to the customer.

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Estimated useful lives of property, plant and equipment

Management reviews the useful lives of tangible and intangible assets on an annual basis. Estimates are based on historical experience and expectations of the manner in which assets are to be used, together with expected proceeds likely to be realized when assets are disposed of at the end of their useful lives. Changes in estimated useful lives are accounted for on a prospective basis.

Liability for returnable packaging material

The Company sells its products in returnable bottles and crates for which it collects a fixed amount as deposit from customers. The Company has an obligation to refund this deposit when the customers return the crates and bottles. In the current year, the management assessed the deposits to determine the estimates of breakages and other losses of returnable packaging materials in trade using an average market loss rate. The market loss rate of returnable packaging material is calculated using the historical loss rate and a reliable estimate of customer behaviour with sufficient data for a reliable estimation. Based on this estimate, an amount is released to Selling and distribution expense to account for the losses and breakages. A yearly assessment of the RPM deposit liability account is also carried out and Deposit liability amount adjusted to the assessed amount of goods net movement.

Provision

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received, and the amount of the receivable can be measured reliably.

4. New Standards and Interpretations

4.1 Standards and interpretations effective and adopted in the current year

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity’s ability to obtain the other currency and not on its intention or decision to do so. When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity’s objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

Notes to the Financial Statements

4. New Standards and Interpretations (continued)

• a spot exchange rate for a purpose other than that for which an entity assesses exchangeability

• the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented. In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The impact of this amendment is not material.

4.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2026 or later periods:

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

• present specified categories and defined subtotals in the statement of profit or loss

• provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements

• improve aggregation and disaggregation

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the company anticipate that the application of these amendments may have an impact on the company's financial statements in future periods.

Amendments to IFRS 9 and IFRS 7—Amendments to the Classification and Measurement of Financial Instruments

The amendments in Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are:

Derecognition of a financial liability settled through electronic transfer

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.

4. New Standards and Interpretations (continued)

Classification of financial assets

• Contractual terms that are consistent with a basic lending arrangement.

The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.

• Assets with non-recourse features.

The amendments enhance the description of the term 'non-recourse', in particular to specify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

• Contractually linked instruments.

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

Disclosures

• Investments in equity instruments designated at FVTOCI.

The requirements in IFRS 7 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

• Contractual terms that could change the timing or amount of contractual cash flows.

The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI and each class of financial liability measured at amortised cost.The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted. If an entity elects to apply these amendments for an earlier period, it is required to either:

• apply all the amendments at the same time and disclose that fact or

• apply only the amendments to the classification of financial assets for that earlier period and disclose that fact.

The amendments are required to be applied retrospectively, in accordance with IAS 8, with specific exceptions. The directors of the entity anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

Notes to the Financial Statements

	Notes(s)	2025 N '000	2024 N '000
5. Revenue			
Sale of goods		29,797,634	20,890,735

Nigeria is the Company's primary geographical segment as the revenue is entirely earned from sales of similar product in Nigeria. The Company has only one business operating segment namely- sale of goods.
Accordingly, no business or geographical segment information is reported.

6. Other losses and gains

		2025 N '000	2024 N '000
Sale of scrap materials		30,288	23,746
Sale of by-products		40,225	45,129
Loss on disposal of Property, plant and equipment		-	(728)
Unrealized foreign exchange (loss)/gain		(5,409)	706
Realized foreign exchange loss		(89,464)	-
		(24,360)	**68,853**

7. Analysis of expenses by nature

	Notes(s)	2025 N '000	2024 N '000
Raw materials and consumables		8,979,856	7,058,988
Provision charge on inventories	21	34,476	6,545
Advertising and promotion		1,459,496	469,673
Depreciation of property, plant and equipment	17	2,400,615	2,058,922
Depreciation of Right of use asset	18	179,324	180,457
Personnel expenses	12	2,243,622	1,901,608
Outsourced staff	12	250,097	209,723
Stationeries, rates and licences		40,856	48,886
Impairment on property, plant and equipment		-	55,346
Audit fee	7.i	113,773	44,000
Management fees		710,167	295,968
Professional fees	7.ii	439,093	175,465
Electricity		120,799	133,686
Gas for boiler		1,427,372	1,513,895
Utilities - Diesel fuel		637,286	630,069
Fuel - Vehicles and Equipment		706,002	705,569
Meetings and conferences		247,865	153,000
Donations		28,938	42,487
Cleaning, catering and other administrative expenses		273,306	199,870
Insurance, subscription and publication		126,678	84,230
Short term leases	7.iii	3,611	2,778
Repairs and maintenance		1,741,905	1,294,903
Security and IT infrastructure		669,869	354,489
Transportation and delivery		1,245,615	1,144,511
RPM deposit liability adjustment		826,364	(121,093)
Total cost of sales, selling and administrative expenses		**24,906,985**	**18,643,975**

7. i The 2025 audit fee comprises charges for both the half-year audit (N46 million) and the full-year audit (N67.7million) VAT inclusive which were conducted separately. There was no half-year audit conducted in 2024.

7. ii In 2025, the company's auditors Deloitte & Touche provided a non-audit service- ICFR review. The fee earned for this service is N20 million (2024: N15.5 million) and is included in professional fees.

7. iii Short term lease relates to lease expense on leases with a lease term of 12 months and below for which the recognition exemption in line with IFRS 16 has been applied.

Notes to the Financial Statements

	Notes(s)	2025 N '000	2024 N '000

7. Analysis of expenses by nature (continued)

These expenses are further analysed as follows:

	2025 N '000	2024 N '000
Cost of sales	14,427,515	12,172,437
Selling and distribution expenses	6,518,909	4,067,842
Administrative expenses	3,960,561	2,403,696
	24,906,985	**18,643,975**

7.1 Cost of Sales

	2025 N '000	2024 N '000
Raw materials and consumables	8,979,856	7,058,988
Provision charge on inventory (Note 21)	34,476	6,545
Personnel expenses	742,745	743,071
Outsourced staff	250,097	209,723
Depreciation- property, plant and equipment	569,624	559,851
Depreciation right of use asset	163,185	164,216
Utilities-electricity, gas and diesel fuel	2,185,457	1,647,581
Repair and Maintenance	1,499,387	1,094,547
Utilities - fuel motor vehicles	2,688	632,569
Impairment on property, plant and equipment	-	55,346
	14,427,515	**12,172,437**

7.2 Selling and distribution expenses

	2025 N '000	2024 N '000
Advertising and promotion	1,459,496	469,673
Personnel expenses	591,059	538,423
Depreciation- property, plant and equipment	1,748,731	1,418,327
Transportation and delivery	1,158,422	1,070,008
Utilities - fuel motor vehicles	492,319	492,148
Repair & maintenance	242,518	200,356
RPM deposit liability release	826,364	(121,093)
	6,518,909	**4,067,842**

	Notes(s)	2025 N '000	2024 N '000

7. Analysis of expenses by nature (continued)

7.3 Administrative expenses

	Notes(s)	2025 N '000	2024 N '000
Personnel expenses		909,818	620,114
Depreciation- property, plant and equipment		82,261	80,744
Depreciation- right of use assets		16,139	16,241
Audit fees		113,773	44,000
Professional fees		439,093	175,465
Utilities - electricity and fuel motor vehicles		210,994	210,921
Meetings and conferences		247,865	153,000
Stationeries, rates and licences		40,856	48,886
Short term leases		3,611	2,778
Transport & accommodation		87,193	74,503
Insurance, subscription and publication		126,678	84,230
Cleaning, catering and other expenses		273,306	199,870
Security and IT infrastructure		669,869	354,489
Donations		28,938	42,487
Management fees		710,167	295,968
		3,960,561	**2,403,696**

8. Impairment loss/(gain) on financial assets

	Notes(s)	2025 N '000	2024 N '000
Trade receivables	19.3	36,661	(12,393)

9. Finance income

	Notes(s)	2025 N '000	2024 N '000
Interest income on call deposits		437,944	15,589

The Company earned total interest income of N437.944 million during the year from various short term call and fixed term deposits placed with FBN Quest/RMB and Access Bank. The earnings comprised interest on a N1 billion call deposit at 19%, two short term fixed deposits with FBN Quest/RMB totaling N1.42 billion at rates between 19% and 20%, and a N10 billion one month fixed deposit with Access Bank at 20%.

10. Finance costs

	Notes(s)	2025 N '000	2024 N '000
Exchange difference on foreign currency	31	-	708,425
Interest expense on lease liabilities	33	14,736	39,666
Interest expense on Retirement Benefit	25	74,036	77,853
Interest expense on Long service award	27	9,129	6,365
Interest expense on discontinued employee benefit	26	17,752	-
Interest on loan	31	2,500,114	237,233
Total finance costs		**2,615,767**	**1,069,542**

Notes to the Financial Statements

	Notes(s)	2025 N '000	2024 N '000

11. Profit before taxation

Profit before taxation for the year is stated after charging (crediting) the following, amongst others:

	2025 N '000	2024 N '000
Audit fees	113,773	44,000
Employee costs		
Personnel expenses	2,243,622	1,901,608
Outsourced staff	250,097	209,723
Directors fees	63,774	35,460
Depreciation and amortisation		
Depreciation of property, plant and equipment	2,400,617	2,058,922
Depreciation of right-of-use assets	179,324	180,457
Movement in credit loss allowances		
Trade and other receivables	36,661	(12,393)
Other		
Finance cost	2,615,767	1,069,542
Impairment on property, plant and equipment	-	55,346

12. Employee costs

	2025 N '000	2024 N '000
Direct employee costs		
Salaries and wages	1,492,074	1,239,204
Pension	117,288	84,021
Defined benefit obligation charge	22,275	171,014
Long service award charge	54,021	8,883
Other personnel related expenses	385,286	298,167
Medical fees	126,097	100,319
Discontinued employee cost	46,581	-
	2,243,622	**1,901,608**
Indirect employee costs		
Outsourced staff	250,097	209,723
Total employee costs		
Direct employee costs	2,243,622	1,901,608
Indirect employee costs	250,097	209,723
	2,493,719	**2,111,331**

Notes to the Financial Statements

12. Employee costs (continued)

Average number of persons employed during the year		
Production	84	84
Logistics	14	13
Sales and marketing	41	37
Administration	32	29
	171	**163**

The table shows the number of employees (excluding directors) whose earnings during the year fell within the ranges shown below:

N1,400,001 - N1,600,000	-	-
N1,600,001 - N1,800,000	-	-
N1,800,001 - N2,000,000	-	-
N2,000,001 - N2,500,000	5	14
N2,500,001 - N3,000,000	11	12
N3,000,001 - N3,500,000	8	14
N3,500,001 - N4,000,000	11	18
N4,000,001 - N4,500,000	15	16
N4,500,001 - N5,000,000	11	11
N5,000,001 and above	110	78
	171	**163**

13. Earnings per share

Profit for the year (A)	1,789,881	816,995
Weighted number of shares at the end of the year (B)	8,947,995	8,947,995
Basic and diluted earnings per share (A/B)	20.0	9.1

Notes to the Financial Statements

	Notes(s)	2025 N '000	2024 N '000

14. Taxation

Major components of the tax expense

	2025 N '000	2024 N '000
Current		
Income tax	1,481,076	928,423
Tertiary education tax	179,225	120,312
Nigeria Police Trust Fund Levy (NPTF)	132	64
	1,660,433	**1,048,799**
Deferred		
Originating and reversing temporary differences	(798,509)	(591,741)
Income tax charged to Profit or Loss	**861,924**	**457,058**
Items that will not be reclassified to profit or loss		
- Amount recognised in other comprehensive income	(211,522)	21,569

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2025 N '000	2024 N '000
Accounting profit	2,651,805	1,274,053
Tax at the applicable tax rate of 30% (2024: 30%)	795,542	382,216
Nigerian Police Trust Fund Levy	132	64
Tertiary education tax	179,225	120,312
Tax effect of adjustments on taxable income		
Effect of income that is exempt from taxation	-	(36,328)
Effect of expenses that are not deductible in determining taxable profit	33,150	46,847
Effect of change in education tax rate i.e. from 3% to 4%	(48,567)	-
Adjustment recognised due to difference in tax rates	(97,558)	(56,053)
	861,924	**457,058**

15. Current tax payable

	2025 N '000	2024 N '000
Balance beginning of the year	1,048,799	133,865
Tax expense	1,660,433	1,048,799
Tax Credit	(11,709)	(13,018)
Payments during the year	(1,037,090)	(120,847)
	1,660,433	**1,048,799**

Notes to the Financial Statements

	2025 N '000	2024 N '000
16. Deferred tax		
Deferred tax asset/(liability)	572,292	(14,696)

Movement in deferred tax balances

2025	Net balance at 1 January N'000	Recognised in profit or loss N'000	Recognised in other comprehensive income N'000	Net N'000	Deferred tax assets N'000	Deferred tax liabilities N'000
Property, plant and equipment	(428,358)	569,804	-	141,446	141,446	-
Defined benefit	18,066	-	7,506	25,572	25,572	-
Provisions	436,418	289,617	-	726,036	726,036	-
Revaluations *	(109,514)	-	(219,028)	(328,542)	-	(328,542)
Exchange difference	(234)	2,072	-	1,838	1,838	-
Other deferred tax items/lease liabilities	68,926	(62,984)	-	5,942	5,942	-
	(14,696)	**798,509**	**(211,522)**	**572,292**	**900,834**	**(328,542)**

2024	Net balance at 1 January N'000	Recognised in profit or loss N'000	Recognised in other comprehensive income N'000	Net N'000	Deferred tax assets N'000	Deferred tax liabilities N'000
Property, plant and equipment	(800,394)	372,036	-	(428,358)	-	(428,358)
Defined benefit	39,635	-	(21,569)	18,066	18,066	-
Provisions	225,050	211,368	-	436,418	436,418	-
Revaluations	(109,514)	-	-	(109,514)	-	(109,514)
Exchange difference	18,426	(18,659)	-	(234)	-	(234)
Other Deferred tax items/Lease liabilities	41,930	26,996	-	68,926	68,926	-
	(584,867)	**591,741**	**(21,569)**	**(14,696)**	**523,410**	**(538,106)**

* The amount N219 million recognised in other comprehensive income reflects the impact of changes in deferred tax arising from amendments to tax legislation, specifically in relation to the gain on land revalued as at the date of adoption of IFRS.

Notes to the Financial Statements

17. Property, plant and equipment

	Land	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Returnable Packaging Materials	Capital - Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost								
At 01 January 2024	954,100	3,186,605	8,526,294	768,746	1,091,278	9,188,297	1,787,960	25,503,280
Additions	-	22,038	99,675	16,797	-	646,253	48,324	833,087
Disposals	-	-	(3,088)	(18,731)	(80,821)	-	-	(102,640)
Transfers	-	123,816	71,332	14,686	73,625	-	(283,459)	-
At 31 December 2024	**954,100**	**3,332,459**	**8,694,213**	**781,498**	**1,084,082**	**9,834,550**	**1,552,825**	**26,233,727**
At 01 January 2025	954,100	3,332,459	8,694,213	781,498	1,084,082	9,834,550	1,552,825	26,233,727
Additions	-	93,288	560,082	98,751	234,888	4,079,551	2,987,316	8,053,876
Disposal	-	-	(84,242)	-	-	-	-	(84,242)
Write off	-	-	-	-	-	(2,360,135)	-	(2,360,135)
At 31 December 2025	**954,100**	**3,425,747**	**9,170,053**	**880,249**	**1,318,970**	**11,553,966**	**4,540,141**	**31,843,226**
Accumulated Depreciation								
At 01 January 2024	-	(1,534,150)	(3,955,034)	(532,986)	(747,347)	(3,616,479)	-	(10,385,996)
Depreciation	-	(166,010)	(393,841)	(80,744)	(136,166)	(1,282,161)	-	(2,058,922)
Disposals	-	-	2,567	17,289	73,404	-	-	93,260
Impairment	-	-	(55,346)	-	-	-	-	(55,346)
At 31 December 2024	**-**	**(1,700,160)**	**(4,401,654)**	**(596,441)**	**(810,109)**	**(4,898,640)**	**-**	**(12,407,004)**
At 01 January 2025	-	(1,700,160)	(4,401,654)	(596,441)	(810,109)	(4,898,640)	-	(12,407,004)
Depreciation	-	(166,175)	(403,448)	(82,261)	(116,732)	(1,631,999)	-	(2,400,615)
Write off	-	-	-	-	-	2,360,135	-	2,360,135
Disposals	-	-	84,242	-	-	-	-	84,242
At 31 December 2025	**-**	**(1,866,335)**	**(4,720,860)**	**(678,702)**	**(926,841)**	**(4,170,504)**	**-**	**(12,363,242)**
Carrying amount								
Cost	954,100	3,332,459	8,694,213	781,498	1,084,082	9,834,550	1,552,825	26,233,727
Accumulated depreciation	-	(1,700,160)	(4,401,654)	(596,441)	(810,109)	(4,898,640)	-	(12,407,004)
At 31 December 2024	**954,100**	**1,632,299**	**4,292,559**	**185,057**	**273,973**	**4,935,910**	**1,552,825**	**13,826,723**
Cost	954,100	3,425,747	9,170,053	880,249	1,318,970	11,553,966	4,540,141	31,843,226
Accumulated depreciation	-	(1,866,335)	(4,720,860)	(678,702)	(926,841)	(4,170,504)	-	(12,363,242)
At 31 December 2025	**954,100**	**1,559,412**	**4,449,193**	**201,547**	**392,129**	**7,383,462**	**4,540,141**	**19,479,984**

Notes to the Financial Statements

17. Property, plant and equipment (continued)

Borrowing costs capitalised
During the year, no borrowing cost was capitalised to property, plant and equipment (2024: Nil)

Impairment loss during the year
There were no impairment losses on any class of property, plant and equipment during the year. (2024: N55 million).

Capital work-in-progress
Capital Work in Progress represents the accumulated costs of assets that are still under construction or development and not yet ready for use as at 31st December 2025. This includes ongoing capital projects such as the packer & unpacker machine, the canning line, enterprise resource applications, the full bottle inspection machine

Contractual commitments
The Company has contractual commitments of N1,506 million as at 31 December 2025 (2024: Nill).

Assets pledged as security
There were no lien or encumbrances on any asset (2024: Nill).

Reconciliation of cashflow statement for property, plant and equipment

	2025 N'000	2024 N'000
Cash addition	7,285,216	833,087
Non cash addition	768,660	-
	8,053,876	**833,087**

18. Right of Use Assets

	Buildings N '000	Plant and machinery N '000	Total N '000
Cost			
At 1 January 2024	23,786	315,951	339,737
Adjustment	(2,017)	143,876	141,859
At 31 December 2024	**21,769**	**459,827**	**481,596**
At 01 January 2025	21,768	459,827	481,595
Disposal	(7,322)	-	(7,322)
At 31 December 2025	**14,446**	**459,827**	**474,273**
Depreciation and impairment			
At 01 January 2024	(9,953)	(96,541)	(106,494)
Depreciation	(6,079)	(174,378)	(180,457)
At 31 December 2024	**(16,032)**	**(270,919)**	**(286,951)**
At 01 January 2025	(16,032)	(270,919)	(286,951)
Depreciation	(4,946)	(174,378)	(179,324)
Disposal	7,322	-	7,322
At 31 December 2025	**(13,656)**	**(445,297)**	**(458,953)**
Carrying amount			
Cost	21,769	459,827	481,596
Accumulated depreciation and impairment	(16,032)	(270,919)	(286,951)
At 31 December 2024	**5,737**	**188,908**	**194,645**
Cost	14,446	459,827	474,273
Accumulated depreciation and impairment	(13,656)	(445,297)	(458,953)
At 31 December 2025	**790**	**14,530**	**15,320**

Notes to the Financial Statements

	Notes(s)	2025 N '000	2024 N '000
19. Trade and other receivables			
Financial instruments:			
Trade receivables		64,966	167,719
Less: Impairment loss allowance on trade receivables	19.3	(52,557)	(42,244)
Trade receivables at amortised cost		12,409	125,475
		12,409	125,475
Non-financial instruments:			
Other receivables	19.1	174,376	29,885
Total trade and other receivables		**186,785**	**155,360**

19.1 Other receivables

	2025 N '000	2024 N '000
Staff car grant	9,016	15,899
Withholding tax on fixed deposit placement	165,360	13,986
	174,376	**29,885**

19.2 Exposure to credit risk for trade receivables

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due. Trade receivables are non-interest bearing and are generally on terms of 0 - 30 days.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

2025	**Not Past due** N'000	**30 days past due** N'000	**31 - 60 days past due** N'000	**61 - 90 days past due** N'000	**91 - 180 days past due** N'000	**More than 180 days past due** N'000	**Total** N'000
Estimated gross carrying amount at default	7,797	-	941	51	10,310	45,867	64,966
Loss allowance	3	-	236	26	7,796	44,496	52,557
Expected credit loss rate	0.04 %	- %	25.08 %	50.98 %	75.62 %	97.01 %	80.90 %

2024	**Not Past due** N'000	**30 days past due** N'000	**31 - 60 days past due** N'000	**61 - 90 days past due** N'000	**91 - 180 days past due** N'000	**More than 180 days past due** N'000	**Total** N'000
Estimated gross carrying amount at default	116,723	1,940	7,837	444	13	40,762	167,719
Loss allowance	379	24	2,045	226	9	39,561	42,244
Expected credit loss rate	0.32 %	1.24 %	26.09 %	50.90 %	69.23 %	97.05 %	25.19 %

Notes to the Financial Statements

	Notes(s)	2025 N '000	2024 N '000

19. Trade and other receivables (continued)

19.3 Movement in loss allowances on trade receivables

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(42,244)	(54,637)
Changes in loss allowance	(36,661)	12,393
Write off	26,348	-
Closing balance	**(52,557)**	**(42,244)**

19.4 Reconciliation of cashflow statement for trade and other receivables

	2025 N'000	2024 N'000
Opening trade and other receivables	155,360	393,752
Impairment on trade receivables	(36,661)	12,393
Write off on trade recievables	26,348	-
Closing trade and other receivables	(186,785)	(155,360)
Movement recognised in Cashflow	**(41,738)**	**250,785**

20. Contract asset

Other assets	67,780	-

Other asset relates to advances to vendors for supply of raw materials.

21. Inventories		
Raw materials	1,761,997	588,870
Work in progress	679,686	426,106
Finished goods	29,474	223,161
Packaging materials	660,991	605,205
Spares and consumables	1,095,727	1,048,820
	4,227,875	2,892,162
Provision for obsolete stock		
Spares and consumables	(71,014)	(36,538)
	4,156,861	**2,855,624**

Movement in provision for obsolete stock		
Opening balance	(36,538)	(29,993)
Provision during the year	(34,476)	(6,545)
Closing balance	**(71,014)**	**(36,538)**

22. Cash and cash equivalents		
Cash at bank	46,898,566	3,296,727
Cash call deposits	449,262	1,014,030
	47,347,828	**4,310,757**

Cash call deposit represent 30 days deposit with FBN Quest Merchant Bank maturing on 28th January 2026.

Notes to the Financial Statements

	2025 N '000	2024 N '000
23. Deposit for investment		
Deposit for investment	9,743,596	-

Champion Breweries Plc entered into an Asset Purchase Agreement on 19 August 2025 to acquire the Bullet brand assets and related intellectual property from Sun Mark Gulf DMCC, through a company which Champion will hold 80% stake. The acquisition remains subject to regulatory approval and other conditions precedent to transfer of control.

As part of the purchase consideration, the Company paid a 10% deposit and incurred directly attributable transaction costs such as legal, professional, and regulatory fees which have been included in the carrying amount of the deposit.

As at 31 December 2025, the outstanding 90% balance had not been settled, and control over the underlying brand assets had not transferred to the Company as all the condition precedent to the transfer of control has not been met.

Upon fulfilment of all conditions precedent and transfer of control, the full purchase consideration including the deposit will be recognised as an investment in the subsidiary and consolidated in accordance with IFRS 10

	2025 N '000	2024 N '000
24. Prepayments		
Prepaid rent	3,611	-
Prepaid insurance	3,843	1,240
Prepaid – Other*	187,066	-
Prepaid Housing	226	848
Prepayment for capital raise **	573,385	-
	768,131	**2,088**

* Prepaid – Other represents advance payments made for 12 month licence of the new accounting software implementation (S/4HANA), Cisco network switch subscription, internet service provider migration subscription, subscription for Human Resource Management System, and advance deposit for fuel.

**Prepayments relating to capital raise represent expenditures incurred for the issuance and processing of public offer, rights issues of the share of Champions breweries. These costs, which are incurred in advance of receiving the proceeds, are deductable from the gross proceeds of the respective capital raise in accordance with applicable financial reporting requirements. The proceeds from the capital raise were received in 2026.

25. Retirement benefit obligation

Defined benefit plan

The Company sponsors a retirement benefit obligation (defined benefit plan) and Long service award for its qualifying employees. The Company operates an unfunded defined benefit scheme for its employees which is remeasured using the Projected Unit Credit method by an Actuarial Consultant, Paul Monday Odofin FRC/2024/PRO/NAS/002/974208 of Giant Consultant Limited for the 31 December 2025 and Wayne van Jaarsveld FRC/2021/PRO/DIR/003/00000024507 of Alexander Forbes Consulting Actuaries Nigeria: FRC/2012/0000000000504 for 31 December 2024.

Gratuity benefit	Years of service
7 weeks basic salary for each completed year of service	5<10 years
7 weeks of total emolument (Basic salary + Transport allowance + Housing allowance + Meal allowance) for each completed year of service.	10 years and above

The plans typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the scheme does not have plan asset.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used in determining defined benefit obligations for the Company's plans are shown below:

	2025	2024
Discount rate (p.a)	17.50 %	21.10 %
Salary Increase Rate	17.50 %	12.00 %

The Movement in present value of defined benefit obligation are set out below:

	Note(s)	2025 N '000	2024 N '000
Opening defined benefit obligation		380,995	629,808
Current service cost	12	22,275	24,370
Past service cost	12	-	146,644
Interest cost	10	74,036	77,853
Transfer to short term employee benefits		-	(428,736)
Included in other comprehensive income:			
Actuarial gains arising from changes in financial assumptions		-	44,078
Remeasurements arising from demographic assumptions		20,469	(109,439)
Payment		(29,067)	(3,583)
		468,708	**380,995**

Split between non-current and current portions

	2025	2024
Current	30,271	380,995
Non current	438,437	-
	468,708	**380,995**

As at 31 December 2024, discussions with management employees regarding the discontinuation of the gratuity scheme had reached an advanced stage, and it was certain that management staff would sign off on their exit from the gratuity scheme in 2025. Consequently, the defined benefit obligation was classified as a current liability in 2024. However, as at 31 December 2025, an agreement had not been finalized on the cessation. Therefore, the liability is now classified as a non-current liability.

25. Retirement benefit obligation (continued)

25.1 Amounts recognised in profit or loss

	Note(s)	2025 N '000	2024 N '000
Current service cost	12	22,275	171,014
Interest expense	10	74,036	77,853
		96,311	**248,867**

25.2 Amounts recognised in other comprehensive income:

	Note(s)	2025 N '000	2024 N '000
Actuarial (gain)/loss arising from:			
Changes in financial assumptions		-	44,078
Changes in demographic assumptions		20,469	(109,439)
		20,469	(65,361)
Related tax	16	(7,506)	21,569
Remeasurement of the net defined benefit liability		**12,963**	**(43,792)**

Demographic assumptions

Mortality in service

The rates of mortality assumed for employees are the rates published in the A67/70 (two years select) Permanent Assurances, Males, Combined Table, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	Number of deaths per 1,000 lives
25	7
30	7
35	9
40	14
45	26

Withdrawal from Service

Age Group	Withdrawal Rate
Up to 29	15.0%
30 - 34	10.0%
35 - 39	7.0%
40 - 44	5.0%
45 - 49	4.0%
50 - 54	3.5%
55	3.0%
56	2.5%
57	2.0%
58	1.5%
59	1.0%
60	-

25. Retirement benefit obligation (continued)

25.3 Pension liabilities

Balance on the pension payable account represents the amount due to the Pension Fund Administrators which was yet to be remitted as at the year end. This is presented under trade and other payables (Note 34.1). The movement on this account during the year was as follows:

	2025 N'000	2024 N'000
1 January	3,779	-
Charge for the year & Staff deduction	210,658	149,882
Remittances	(212,955)	(146,103)
Included in trade and other payables	**1,482**	**3,779**

25.4 The gratuity scheme for non-management employees was discontinued in 2024. Accordingly, the related defined benefit obligations for this category of staff are no longer included within the gratuity scheme as at 31 December 2024. These liabilities have been reclassified to discontinued employee benefits in line with the date of cessation.

The removal of non-management employees from the scheme, effective 1 June 2024, resulted in a curtailment gain, which has been recognized in profit or loss for the year.

26. Discontinued employee benefit

	2025 N'000	2024 N'000
Current liabilities	399,223	428,736

With the discontinuation of the gratuity scheme for non management employee in 2024, the current obligation attributable for non-management staff have been recognized as discontinued employee benefit.

		2025 N '000	2024 N '000
Opening balance		428,736	-
Interest cost	10	17,752	-
Payment		(93,846)	-
Transfer from retirement benefit obligation	25	-	428,736
Employee cost	12	46,581	-
		399,223	**428,736**

27. Long service awards

The Company sponsors a long service award plan for all confirmed employees. Under the plan, the employees are entitled to the following based on the attainment of milestone years of service:

Long service awards	
N50,000 in lieu of gift item, 12 crates of Company's products and plaque	5 years
1-month basic salary, N200,000 in lieu of gift item, plaque and 17 crates of Company's products	10 years
1.5 months basic salary, N250,000 in lieu of gift item, plaque and 22 crates of Company's products	15 years
2 months basic salary, N300,000 in lieu of gift item, plaque and 27 crates of Company's products	20 years

The most recent actuarial valuations of the long service award were carried out at 31 December 2025 by an Actuarial Consultant, Paul Monday Odofin FRC/2024/PRO/NAS/002/974208 of Giant Consultant limited and Wayne van Jaarsveld FRC/2021/PRO/DIR/003/00000024507 of Alexander Forbes Consulting Actuaries Nigeria: FRC/2012/0000000000504 for 31 December 2024. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes to the Financial Statements

27. Long service awards (continued)

The principal assumptions used in determining long service obligations for the Company's plans are shown below: The assumptions used are financial and demographic assumptions.

	2025	2024
Financial assumptions		
Discount rate (p.a)	17.50 %	21.10 %
Salary Increase Rate Non-Management	17.50 %	14.00 %
Salary Increase Rate Management	17.50 %	10.00 %
Monetary Benefit Escalation Rate	7.50 %	7.50 %
Inflation	18.00 %	18.00 %

Demographic assumptions

Mortality in service

The rates of mortality assumed for employees are the rates published in the A67/70 (two years select) Permanent Assurances, Males, Combined Table, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	Number of deaths per 1,000 lives
25	7
30	7
35	9
40	14
45	26

Withdrawal from service

We have assumed a withdrawal rate for the current valuation at a rate of 15% for all ages up to age 29 years and reduces till nil at age 60.

Age Band (years)	Withdrawal Rate %
Up to 29	15.0%
30 - 34	10.0%
35 - 39	7.0%
40 - 44	5.0%
45 - 49	4.0%
50 - 54	3.5%
55	3.0%
56	2.5%
57	2.0%
58	1.5%
59	1.0%
60	-

Sensitivity analysis on long service awards:

Figures in Naira thousand	2025 N '000	2024 N '000
Base	**96,467**	**39,052**
Discount rate:	-	-
1% increase	(90,465)	(37,642)
1% decrease	(103,138)	(40,556)
Future salary increase:	-	-
1% increase	(98,863)	(40,606)
1% decrease	(94,252)	(37,578)
Mortality experience	-	-
Age rated up by 1 year	-	(38,999)
Age rated down by 1 year	-	(39,100)

Notes to the Financial Statements

27. Long service awards (continued)

The reconciliation of the changes in present value of long service award are set out below:

Figures in Naira thousand	Note(s)	2025 N '000	2024 N '000
Opening balance		39,052	47,637
Current service cost		6,086	6,710
Interest cost	10	9,129	6,365
Benefit Plan Amendment		55,154	-
Payment of Long service award		(5,735)	(23,834)
Remeasurements arising from demographic assumptions		(17,807)	13,395
Remeasurements arising from changes in economic assumptions		10,588	(11,221)
		96,467	**39,052**

Amount recognised in profit or loss in respect to long service awards are as follows:

Figures in Naira thousand		2025 N '000	2024 N '000
Current service cost		6,086	6,710
Benefit Plan Amendment		55,154	-
Actuarial losses/(gains) arising from changes in financial assumptions		10,588	(11,221)
Actuarial (gains)/losses arising from demographic assumptions		(17,807)	13,394
	12	54,021	8,883
Interest cost	10	9,129	6,365
		63,150	**15,248**

Long service award has been presented separately for fair presentation.

Split between non-current and current portions

	2025 N'000	2024 N'000
Current	12,603	-
Non current	83,864	39,052
	96,467	**39,052**

28. Share capital and share premium

Authorised		
8,947,995,892 (2024: 8,947,995,892) Ordinary shares at 50k each	4,473,998	4,473,998

In 2024, Champions Breweries reduced its authorised share capital to its issued share capital in accordance with the provisions of the CAMA 2020.

Reconciliation of number of shares issued:	**2025** **Number**	**2024** **Number**
Reported as at 01 January	8,947,995,892	7,829,496,464
Bonus issue (One for every seven ordinary shares in issue)	-	1,118,499,428
	8,947,995,892	**8,947,995,892**

Notes to the Financial Statements

	Notes(s)	2025 N '000	2024 N '000

28. Share capital and share premium (continued)

Issued	**N'000**	**N'000**
8,947,995,892 (2024: 8,947,995,892) ordinary shares of 50k each	4,473,998	4,473,998

The bonus share issue was financed mainly from the share premium account, with the residual amount of N40m sourced from retained earnings in 2024.

Reconciliation of number of shares issued:		
Reported as at 01 January	-	519,100
Bonus issue	-	(519,100)
	-	-

28(a) Dividend

The Board of Directors has recommended a dividend of 7 kobo per share for the financial year ended 31st December 2025 (2024: 6 kobo per share).The Board of Director's recommendation will be subject to approval by the shareholders at the 2026 Annual General Meeting (AGM).

Subsequently, an approved dividend will be paid to shareholders whose names appear on the Register of Members as at the close of business on 8th May 2026.

29. Other reserve

On 1 January 2011 (date of transition to IFRS Accounting Standards), the Company applied optional exemptions of deemed cost for measurement of property, plant and equipment. Other reserve was created to recognise differences between the carrying amounts and fair value of property, plant and equipment on the date of transition to IFRS Accounting Standards.

30. Provisions

Provisions represent the Directors' best estimate of the amount of resources embodying economic benefits that may be required to settle regulatory-related, staff related and other exposures.

	2025 N.'000	2024 N.'000
Opening balance	449,659	508,873
Additions	190,674	220,005
Provision paid	(344,055)	(279,219)
Closing balance	**296,278**	**449,659**

Management expects the cash outflows relating to the provisions to occur within the next financial year based on expected timing of settlement of the related matters. Accordingly, the provision has not been discounted. Provision during the year have been recognised in respective expense heads during the year

	2025 N.'000	2024 N.'000
Regulatory related	126,917	233,599
Staff related	169,361	126,872
Others	-	89,188
Closing balance	**296,278**	**449,659**

Notes to the Financial Statements

	Notes(s)	2025 N '000	2024 N '000
31. Borrowings			
Held at amortised cost			
Commercial paper		10,210,719	-
Loan		263,462	-
Bridge loan		18,918,339	-
Series 1 Bond		29,636,103	-
		59,028,623	**-**
Split between non-current and current portions			
Non-current liabilities		29,636,103	-
Current liabilities		29,392,520	-
		59,028,623	**-**

(a) Commercial Papers

Champion Breweries Plc issued Series 1 and Series 2 Commercial Papers (CPs) under its N15 billion CP Issuance Programme, raising N12.84 billion in discounted proceeds against a face value of N15 billion.

Series 1: N4.22 billion face value, issued at a discount of N427.32 million, with net proceeds of N3.79 billion. The tenor was 176 days, with an implied yield of 23.50%. Series 1 matured on 30 December 2025 and was fully settled at face value.

Series 2: N10.78 billion face value, issued at a discount of N1.73 billion, with net proceeds of N9.06 billion. The tenor was 268 days, with an implied yield of 26.00%. Series 2 is scheduled to mature on 01 April 2026, with settlement at face value.

The effective yields reflect the discount rates applied at issuance and are consistent with prevailing market conditions for short-term instruments.

(b) Bond

Champion Breweries Plc issued a N30 billion Series 1 Bond on 23 December 2025 under its N45 billion Bond Issuance Programme. The proceeds were received on 30 December 2025 and are intended to support capital expenditure and strategic investments. The Series 1 Bond is a 5-year 19.50% senior unsecured fixed-rate bond due 2030. The bond was issued at par with gross proceeds of N30 billion. Net proceeds after deducting issuance costs amounted to N29.51 billion. In line with IFRS 9, the bond is disclosed as a financial liability measured at amortized cost.

(c) Bank loan

Champion Breweries Plc entered into a bridge loan facility agreement with Rand Merchant Bank Nigeria Limited for a principal amount of up to N19 Billion. The facility is senior, ranks pari passu with other senior obligations, and is secured by a first-ranking fixed charge over the Issue Proceeds Account (“IPA”) domiciled with RMBN. The facility is fixed at 23% per annum, payable in full at maturity (bullet repayment)

(d) Loan

The loan relates to the amount due to Nigerian Breweries as at 31 December 2025. The payable balance to Nigerian Breweries Plc as of 2025 was converted into a loan, attracting interest at 30% per annum. This resulted in a reclassification from trade payables to borrowings. Due to the change in ultimate parent company from Heineken to EnjoyCorp in 2024, the related party relationship between Champion Breweries and Nigerian Breweries Plc ended.

Notes to the Financial Statements

	2025 N '000	2024 N '000
31. Borrowings (continued)		
31.1 Movements in Borrowings		
Opening balance	-	1,346,065
Addition	61,265,621	-
Reclassification from trade and other payables	4,580,664	-
Accrued interest	2,500,114	237,233
Repayment- principal	(8,334,794)	(1,902,707)
Effect of exchange difference	-	708,425
Interest paid	(982,982)	(389,016)
Closing balance	**59,028,623**	**-**

32. Contract liabilities

Summary of contract liabilities

Contract liabilities	1,107,844	439,484

Split between non-current and current portions

Non-current liabilities	-	-
Current liabilities	1,107,844	439,484
	1,107,844	**439,484**

Movement in contract liabilities

Opening balance	439,484	308,355
Additional deposit by customer	1,107,844	3,258,119
Utilization of deposit	(439,484)	(3,126,990)
Closing balance	**1,107,844**	**439,484**

As at year-end, the company has unutilized customer deposits totaling N1.1 billion. These comprise payments received for goods yet to be delivered and residual balances in customers' accounts post-delivery, recognized as contract liabilities.

Contract liabilities relates to the company's obligation to transfer goods to a customer for which the entity has received consideration.

33. Lease Liability

Lease liabilities relate to the present value of future lease payment on the Company's rented gas generator and properties.

The Company leases a Gas generator equipment and apartment (building) for its key management personnel for the purpose of accommodation.

Gas generator equipment

The management recognised right-of-use assets and lease liabilities with respect to a gas generator after assessing that the Company will continue to demand for power from the lessor of the gas generator for the foreseeable future.

The movement in the lease liability during the year is as follows:

	2025 N'000	2024 N'000
Balance as at 1 January	208,867	245,146
Accrued lease interest	14,736	39,666
Payment of lease liabilities	(191,392)	(178,137)
Payment of lease interest	(14,736)	(39,666)
Lease Modification	-	141,858
Balance as at 31 December	**17,475**	**208,867**

Notes to the Financial Statements

33. Lease Liability (continued)

	2025 N'000	2024 N'000
Maturity analysis:		
Less than 1 year	17,475	206,096
Between 1 - 2 years	-	17,507
Between 2 - 5 years	-	-
Less unearned interests	-	(14,736)
	17,475	208,867
Analysed as:		
Current	17,475	191,360
Non-current	-	17,507
Balance as at 31 December	17,475	208,867

Management elected not to recognise right-of-use assets and lease liabilities for leases of one year or below for which it is not reasonably certain the tenor will be extended. These have been classified as prepayments in the statement of financial position.

33.1 **Amounts recognised in profit or loss**

	2025 N'000	2024 N'000
Interest on lease liabilities	14,736	39,666
Expenses relating to short-term leases	3,611	2,778
Depreciation of right of use asset	179,324	180,457
	197,671	**222,901**

33.2 Extension options

The generator and building leases contain extension options exercisable by the Company at the end of the non-cancellable contract periods. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

34. Trade and other payables

Financial instruments:

		2025 N'000	2024 N'000
Trade payables		3,052,029	4,695,585
Amounts due to related parties	35	96,442	295,968
Unclaimed dividend		3,161	-
		3,151,632	**4,991,553**
Non-financial instruments:			
Liabilities for returnable packaging materials	34.2	1,741,337	336,666
Accrued expenses		818,680	527,577
Other payables	34.1	474,781	423,027
		6,186,430	**6,278,823**

34.1 Other payables

Value added taxes payable	299,072	226,585
Excise duties	106,366	121,810
Vendor withholding tax payable	34,611	70,853
Pension payable	1,482	3,779
Bond payable	33,250	-
	474,781	**423,027**

	Notes(s)	2025 N '000	2024 N '000

34. Trade and other payables (continued)

34.2 Liabilities for returnable packaging materials

Liabilities for returnable packaging materials	1,741,337	336,666

The Company has the legal or constructive obligation to take back the materials from the market. A deposit value is generally charged upon sale of the finished product, which is reimbursed when the empty returnable packaging material is returned. The company apply judgement to assess the carrying value of the outstanding customer's deposit liability. The most significant assumptions are on market loss rate, which is estimated based on measurements on a monthly basis, market possession and circulation times of the returnable packaging material. The measurements and estimates are monitored on a monthly basis and the deposit liability assessment is done annually.

34.3 Reconciliation of cashflow statement for trade and other payables

	2025 N'000	2024 N'000
Opening trade and other payables	(6,278,823)	(5,553,165)
Reclassification to borrowings	4,580,664	-
Non cash addition to property plant and equipment	(768,660)	-
Closing trade and other payables	6,186,430	6,278,828
Movement recognised in Cashflow	**3,719,611**	**725,663**

35. Related parties

	2025	**2024**
Relationships		
Ultimate holding company	EnjoyCorp	EnjoyCorp
Holding company	Enjoycorp Limited (Nigeria)formerly known as "TheRaysun Nigeria Limited"	Enjoycorp Limited (Nigeria)formerly known as "TheRaysun Nigeria Limited"

The company's parent company is Enjoycorp Limited(Nigeria) formerly known as "Raysun Nigeria Limited", which owns 80.21% of the company's share capital as of December 31, 2024. Enjoycorp Limited is the ultimate parent company of Champion Breweries Plc. The company has a related party transaction in the form of 2% of gross revenue as management fees payable to Raysun Nigeria Limited, net of all expenses not directly connected to board functions, such as travel, accommodation, and sitting fees for board or committee meetings. Raysun Nigeria Limited provides expertise, technical know-how, training, among other services to the company. These transactions are conducted on terms comparable to those with third parties.

Related party balances

	2025 N'000	**2024 N'000**
Amounts owed to related parties		
The Raysun Nigeria Limited	96,442	295,968
	96,442	**295,968**

Related party transactions

Management fee:		
Enjoycorp Limited	710,167	295,968

Compensation to directors and other key management		
Directors' fees	63,774	35,460
Key management remuneration	45,130	47,676
	108,904	**83,136**

Notes to the Financial Statements

36. Financial instruments and risk management

36.1 Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of its equity balance. The capital structure of the Company comprises issued share capital and retained earnings.

The capital structure and gearing ratio of the company at the reporting date was as follows:

	Note(s)	2025 N'000	2024 N'000
Borrowings	31	59,028,623	-
Cash and cash equivalents	22	(47,347,828)	(4,310,757)
Net borrowings		**11,680,795**	**(4,310,757)**
Equity		13,077,096	12,056,086
Gearing ratio		89 %	(36)%

36.2 Categories of financial instruments

2025

Financial assets	Note(s)	**Carrying value** Amortised cost	Total
Deposit for investment	23	9,743,596	9,743,596
Cash and cash equivalents	22	47,347,828	47,347,828
Trade receivables	19	12,409	12,409
		57,103,833	**57,103,833**

Financial liabilities			
Trade and other payables	34	3,151,632	3,151,632
Borrowings	31	59,028,623	59,028,623
Lease liabilities	33	17,475	17,475
		62,197,730	**62,197,730**

2024

Financial assets	Note(s)	Amortised cost	Total
Cash and cash equivalents	22	4,310,757	4,310,757
Trade receivables	19	155,360	155,360
		4,466,117	**4,466,117**

Financial liabilities			
Trade and other payables	34	4,991,553	4,991,553
Lease liabilities	33	208,867	208,867
		5,200,420	**5,200,420**

The carrying amounts of the financial assets and financial liabilities,which are calculated at amortized cost are approximate of the fair value of the financial instruments.

36. Financial instruments and risk management (continued)

36.3 Financial risk management

36.3.1 Overview

The company is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Company has a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies which are established to identify and analyse the risks faced by the Company, to set appropriate risk limit and controls, and monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee and Risk Management Committee.

36.3.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s receivables from customers and related parties.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting year represented below is the worst case scenario of credit risk exposure

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. Credit sales limits are established for each customer and are reviewed regularly. The concentration of credit risk is limited due to the large and unrelated customer base. The company has pledged no trade receivables during the year.

The Company reviews amounts due in respect of other receivables on a periodic basis taking into consideration factors such as continued employment relationship. All employee advances are recovered through payroll deductions and there has been no history of default. Accordingly management considers employee advances as recoverable.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The Company's exposure to credit risk on its financial assets at the reporting date are concentrated in a geographical region; Southern Nigeria.

Loss rates are based on actual credit loss experience over the years. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The increase in loss allowance is mainly attributable to the increase in the gross carrying amounts of trade receivables that are aged above 180 days. The methodology for the calculation of ECL is the same as described in the last annual financial statements.

Notes to the Financial Statements

36. Financial instruments and risk management (continued)

Cash and cash equivalents

The Company held cash and cash equivalents of N47.3 billion at 31 December 2025 (2024: N4.3 billion), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks. The Company manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performance.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment Nil in current year (2024; Nil) was immaterial. The assessment is based on various bank ratings

The maximum exposure to credit risk is presented in the table below:

		2025			2024		
	Note(s)	Gross carrying amount N'000	Credit loss allowance N'000	Amortised cost / fair value N'000	Gross carrying amount N'000	Credit loss allowance N'000	Amortised cost / fair value N'000
Deposit for investment	23	9,743,596	-	9,743,596	-	-	-
Trade and other receivables	19	64,966	(52,557)	12,409	197,604	(42,244)	155,360
Cash and cash equivalents	22	47,347,828	-	47,347,828	4,310,757	-	4,310,757
		57,156,390	**(52,557)**	**57,103,833**	**4,508,361**	**(42,244)**	**4,466,117**

36.3.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for addressing its short- , medium- and long-term liquidity requirements and makes monthly cash flow projections which assists in monitoring cash flow requirements and optimizing cash return on investments.

To ensure that the company continually meets its current and future operating cash flow obligations, the board has approved long-term security facilities from the Bank of Industry.

The maturity profile of contractual cash flows of non-derivative financial liabilities and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Notes to the Financial Statements

36. Financial instruments and risk management (continued)

2025

	Note(s)	Less than 3 months	3 to 12 months	1 to 2 years	Over 2 years	Total	Carrying amount
		N '000	N '000	N '000	N '000	N '000	N '000
Non-derivative financial assets							
Trade receivables	19	12,409	-	-	-	12,409	12,409
Cash and cash equivalents	22	47,347,828	-	-	-	47,347,828	47,347,828
		47,360,237	**-**	**-**	**-**	**47,360,237**	**47,360,237**
Non-derivative financial liabilities							
Trade and other payables	34	3,055,191	96,441	-	-	3,151,632	3,151,632
Borrowings	31	30,742,250	5,850,000	12,984,375	30,178,125	79,754,750	59,028,623
Lease liabilities	33	17,475	-	-	-	17,475	17,475
Contract liabilities	32	1,107,844	-	-	-	1,107,844	1,107,844
		34,922,760	**5,946,441**	**12,984,375**	**30,178,125**	**84,031,701**	**63,305,574**
		12,437,477	**(5,946,441)**	**(12,984,375)**	**(30,178,125)**	**(36,671,464)**	**(15,945,337)**

2024

		Less than3 months	3 to 12 months	1 to 2 years	Over 2 years	Total	Carrying amount
		N '000	N '000	N '000	N '000	N '000	N '000
Non-derivative financial assets							
Trade receivables	19	135,161	20,199	-	-	155,360	155,360
Cash and cash equivalents	22	4,310,757	-	-	-	4,310,757	4,310,757
		4,445,918	**20,199**	**-**	**-**	**4,466,117**	**4,466,117**
Non-derivative financial liabilities							
Trade and other payables	34	-	4,991,553	-	-	4,991,553	4,991,553
Lease liabilities	33	50,826	51,390	103,881	17,506	223,603	208,867
Contract liabilities	32	439,484	-	-	-	439,484	439,484
		490,310	**5,042,943**	**103,881**	**17,506**	**5,654,640**	**5,639,904**
		3,955,608	**(5,022,744)**	**(103,881)**	**(17,506)**	**(1,188,523)**	**(1,173,787)**

36.3.4 **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other prices.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimizing the return.

The Company manages market risks by keeping costs low through various cost optimization programmes. Moreover, market developments are monitored and discussed regularly and mitigating actions are taken where necessary.

Notes to the Financial Statements

36. Financial instruments and risk management (continued)

36.3.5 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.

The company is exposed to foreign currency risk as a result of borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily is US Dollars.

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

		2025	2024
US Dollar exposure:			
Current assets:			
Cash and cash equivalents	22	2,235,931	744
Net US Dollar exposure		**2,235,931**	**744**
Euro exposure:			
Current assets:			
Cash and cash equivalents	22	100	100
Net Euro exposure		**100**	**100**

Exchange rates

	2025	2024
US Dollar	1,435.26	1,535.32
Euro	1,594.50	1,687.28

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2025 N'000	2025 N'000	2024 N'000	2024 N'000
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
US Dollar 10% (2024: 10%)	320,914	(320,914)	114	(114)
Euro 10% (2024: 10%)	16	(16)	16	(16)
	320,930	**(320,930)**	**130**	**(130)**

Notes to the Financial Statements

36. Financial instruments and risk management (continued)

36.3.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Interest rate sensitivity analysis

The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis

compared to the previous reporting period.

	2025		2024	
	N'000	N'000	N'000	N'000
Increase or (decrease) in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Borrowings	(1,265,987)	1,265,987	-	-

37. Fair value information

Fair value hierarchy

The table in note 36.2 analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

38. Commitments

Authorised capital expenditure

The Company has capital expenditure commitments of N1.506 billion for fixed asset acquisitions and an additional commitment of N60.3 billion for the outstanding balance relating to the acquisition of the Bullet brand assets and associated intellectual property as at 31 December 2025 (2024: Nil).

39. Contingencies

The Company is a defendant in various lawsuits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigation at year end amounted to N2.605 billion (2024:N1.802 billion). In the opinion of the Directors, none of the lawsuits will result in a liability, thus no provision was made for them in these financial statements.

Notes to the Financial Statements

40. Events after the reporting period

There were no events, other than those disclosed below, that would have had a material effect on the financial position of the Company as at 31 December 2025.

Conclusion of Rights and Public Offer

Following the shareholders' resolution to proceed with the issuance of additional shares through a rights issue and a public offer to raise funds for the acquisition of the Bullet brands, the issuance process has been completed in February 2026. The Company has received the net proceeds and has applied the funds for the intended purpose.

Acquisition of Bullet Brands

Champion Breweries Plc entered into an Asset Purchase Agreement on 19 August 2025 to acquire all brand assets and intellectual property associated with the Bullet ready to drink alcoholic and energy beverage range from Sun Mark Gulf DMCC. A 10% deposit was paid in August 2025, and as at 25 February 2026, the remaining 90% balance has been settled.

41. Dividends paid

	2025 N '000	2024 N '000
Dividends	(536,880)	-

Other national disclosures

Statement of Value Added

	2025 N '000	2025 %	2024 N '000	2024 %
Value Added				
Value added by operating activities				
Revenue	29,797,634		20,890,735	
Cost of materials and services	(22,047,811)		(15,334,826)	
	7,749,823	**100.3 %**	**5,555,909**	**98.8 %**
Other losses and gains	(24,360)	-	68,853	
	(24,360)	**(0.3)%**	**68,853**	**1.2 %**
Value Added	**7,725,463**	**100 %**	**5,624,762**	**100 %**
Distribution of Value Added				
To Pay Government				
Income tax	1,660,433		1,048,799	
	1,660,433	**21.5 %**	**1,048,799**	**18.6 %**
To Pay Employees				
Personnel expenses	2,243,622		1,901,608	
Outsourced staff	250,097		209,723	
	2,493,719	**32.3 %**	**2,111,331**	**37.5 %**
To be retained in the business for expansion and future wealth creation:				
For expansion and future growth				
- Depreciation of Property, plant and equipment	2,400,615		2,058,922	
- Depreciation of right of use asset	179,324		180,457	
- Deferred tax	(798,509)		(591,741)	
	1,781,430	**23.1 %**	**1,647,638**	**29.3 %**
Value retained				
Retained profit	1,789,881		816,994	
	1,789,881	**23.2 %**	**816,994**	**14.5 %**
Value Distributed	**7,725,463**	**100 %**	**5,624,762**	**100 %**

Value added represents the additional wealth which the company has been able to create by its own and employees efforts.

Five Year Financial Summary

	2025 N '000	2024 N '000	2023 N '000	Restated 2022 N '000	Restated 2021 N '000
Statement of Financial Position					
Assets					
Non-current assets	29,811,192	14,021,368	15,350,527	10,781,172	9,406,727
Current assets	52,527,385	7,323,829	5,202,552	4,672,413	4,066,367
Total assets	**82,338,577**	**21,345,197**	**20,553,079**	**15,453,585**	**13,473,094**
Liabilities					
Non-current liabilities	30,158,404	71,255	1,389,374	1,612,164	844,310
Current liabilities	39,103,077	9,217,856	7,968,406	2,926,961	3,096,400
Total liabilities	**69,261,481**	**9,289,111**	**9,357,780**	**4,539,125**	**3,940,710**
Net assets	**13,077,096**	**12,056,086**	**11,195,299**	**10,914,460**	**9,532,384**
Equity					
Share capital	4,473,998	4,473,998	3,914,748	3,914,748	3,914,748
Share premium	-	-	519,100	519,100	519,100
Other Reserves	3,482,584	3,701,612	3,701,612	3,701,612	3,701,612
Retained earnings	5,120,514	3,880,476	3,059,839	2,779,000	1,396,924
Total equity	**13,077,096**	**12,056,086**	**11,195,299**	**10,914,460**	**9,532,384**
Total equity and liabilities	**82,338,577**	**21,345,197**	**20,553,079**	**15,453,585**	**13,473,094**
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	29,797,634	20,890,735	12,704,274	9,559,079	7,051,806
Operating profit	**4,829,628**	**2,328,006**	**2,271,277**	**1,874,474**	**481,358**
Profit before taxation	**2,651,805**	**1,274,053**	**2,248,908**	**1,842,177**	**436,045**
Profit for the year	**1,789,881**	**816,995**	**1,407,663**	**1,046,784**	**158,793**
Total comprehensive income for the year	**1,557,890**	**860,787**	**1,382,076**	**1,239,200**	**11,198**
Per share data					
Earnings per share (Basic)	20.00	9.10	5.00	18.00	13.37