



Annual report and financial statements  
for the year ended 31 December 2024

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## Corporate information

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### Company registration number

RC 9632

### Chairman

HRM Nnaemeka Alfred Achebe, CFR, MNI Nigerian Non-executive Director

### Directors

Mr. Carlos Coutino	Guatemalan	Managing Director	
Mr. Andrew Whiting	British	Non-executive Director	
Mr. Bruno Zambrano	Colombian American	Non-executive Director	
Mr. David Tomlinson	American	Executive Director	
Mr. Michael Ajukwu	Nigerian	Non-executive Director	
Mr. Olugbenga Awomolo	Nigerian	Non-executive Director	Resigned August 29, 2024
Mr. Richard Rivett-Carnac	South African	Non-executive Director	Resigned March 27 2024
Mr. Sunday Omole	Nigerian	Non-executive Director	
Ms. Olutoyin Odulate	Nigerian	Independent Non-executive Director	
Mr. Cherien Kurien	Indian	Non-executive Director	
Mrs Temitope Oguntokun	Nigerian	Executive Director	Appointed March 27, 2024
Mrs. Chijioke Nkechinyere Ugochukwu	Nigerian	Independent Non-executive Director	Appointed July 25, 2024

### Auditors

PricewaterhouseCoopers  
Landmark Towers  
5B, Water Corporation Road  
Victoria Island,  
Lagos, Nigeria.

### Corporate office

Plot 5A Abuja Street,  
Banana Island,  
Ikoyi, Lagos.

### Company Secretary/General Counsel

Dr. Marian Reginald-Ukwuoma  
Lagos, Nigeria.

### Bankers

Access Bank Plc.  
CitiBank Nigeria Limited  
United Bank for Africa Plc.  
First Bank of Nigeria Limited  
Guaranty Trust Bank Plc.  
Zenith Bank Plc.  
Stanbic IBTC Bank Limited  
Standard Chartered Bank Limited  
Rand Merchant Bank Limited  
Union Bank of Nigeria Plc  
FSDH Merchant Bank Limited

## Report of the directors

The directors submit their report together with the audited financial statements for the year ended 31 December 2024, to the members of International Breweries Plc ("the Company"). This report discloses the financial performance and state of affairs of the Company.

### 1 Incorporation and address

International Breweries Plc was incorporated as a private limited liability Company on 22 December, 1971 and became a public limited liability Company on 26 April, 1995. The Company's head office is situated at Plot 5A Abuja Street, Banana Island, Ikoyi Lagos, Nigeria.

### 2 Legal form

International Breweries Plc (The Company) was incorporated as a private limited liability Company on 22 December 1971 and became a public limited liability Company on 26 April, 1995. The Company is a part of the AB-InBev Group (the largest breweries in the world).

### 3 Principal activities

The principal activities of the Company are brewing, packaging and marketing of alcoholic and non-alcoholic beverages.

### 4 Operating summary

The Company's results for the year ended 31 December 2024 are set out on page 22. The loss for the year has been transferred to retained earnings. The summarised results are presented below:

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Revenue	488,955,682	260,598,228
Loss before tax	(111,820,512)	(97,267,294)
Tax credit	(1,794,388)	27,241,384
Loss for the year	<b>(113,614,900)</b>	<b>(70,025,910)</b>
Total comprehensive loss for the year	<b>(182,720,204)</b>	<b>(1,923,389)</b>

### 5 Dividend declaration

The Board maintains a dividend policy which guides its decision on dividend declaration. At this time, given the results of the company, no dividend pay out is possible. The board views this decision as appropriate in the short term and in the future interest of the Company owing to the current gearing ratio.

### 6 Board composition

The names of the directors as at year end and date of this report are as set out on the corporate information page. Within the period under review, Mrs Temitope Oguntokun was appointed to the Board as Executive Director effective 27 March, 2024. Mrs. Chijioke Nkechinyere Ugochukwu was also appointed to the Board as Independent Non-executive Director effective 25 July, 2024. Additionally, Mr. Olugbenga Awomolo and Mr. Richard Rivett-Carnac resigned effective August 29 2024 and 31 March, 2024 respectively.

Details of the Directors' interest in the Company's shares during the year under review as at the date of approval of this report and as recorded in the register of members and or notified by the Directors for the purpose of Section 275 of Companies and Allied Matters Act (CAMA), 2020 as well as the Listing Rules of the Nigerian Stock Exchange are set out below. Directors whose names did not appear here do not have any direct/indirect shareholding in the Company.

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
<b>Direct holding</b>		
HRM Igwe Nnaemeka Alfred Ugochukwu Achebe	40,732,127	40,732,127
Mr. Sunday Akintoye Omole	6,999,999	377,022
Michael Onochie Ajukwu	71,860,799	71,860,799
<b>Indirect holding</b>		
Mr. Olugbenga Awomolo (Through Newco Investment Company Limited)	334,075,394	334,075,394
Mr. Sunday Akintoye Omole (Through Cardinal Investment Nigeria Limited)	-	968,087

## Report of the directors (continued)

### 7 Directors' interest in contracts

All directors with interest in contracts are obligated to notify the company for the purpose of Section 303 of the Companies and Allied Matters Act (CAMA), 2020 of their direct or indirect interest in contracts or proposed contracts during the year. The directors do not have any interest required to be disclosed in the year under review as required under section 303 of the Companies and Allied Matters Act (CAMA), 2020.

### 8 Property, plant and equipment

Information relating to change in property, plant and equipment is given in note 14 to these financial statements. A total of ₦71.7 billion (2023: ₦45.8 billion) was expended on property, plant and equipment during the year.

### 9 Corporate governance

This report describes the directors' approach to corporate governance and how the Board applied the codes on corporate governance and other applicable regulations.

The directors are committed to maintaining the best standard, which they believe is pivotal to the discharge of their stewardship expectations. The Board is aware of the National Code on Corporate Governance 2018 and has commenced the application of the 28 principles as enshrined in the Code. The company's conviction is that good corporate governance practices should be accorded a more practical approach in enhancing company ideals and management performance.

As at the time of this report, the Board was composed of the chairman who is a non-executive director, two Independent non-executive directors, five non-executive directors and three executive directors. The Non-Executive: Executive ratio was thus 8:3, which guarantees independence and supervision over Management in line with best practices.

The Board considers itself sufficiently independent for the purpose of their contributions to the invaluable integrity, corporate wisdom and experience towards the Board and committees' deliberations and decisions. The Board is therefore satisfied with the performance and continued independence of judgment of each of the directors.

#### (i) The Board's Operation

##### Board meetings and attendance

The Board of directors met during the year under review. An individual director's attendance at these meetings is as set out in the table below. In the few instances where a director was unable to attend a Board or Committee meeting, his or her alternate attended in his stead and any comments which they had on matters set out in the agenda for consideration at such meeting was given in advance to the chairman of the meeting.

##### Analysis of attendance of meetings of Board members

Names of Directors	Dates of meetings											No. of Meetings Attended
	1/12/2024	1/16/2024	1/30/2024	02/12/2024 (EGM)	3/15/2024	3/27/2024	4/15/2024 (EGM)	4/30/2024	07/25/2024	08/29/2024 (AGM)	10/29/2024	
HIS MAJESTY NNAEMEKA ACHEBE CFR, MNL CHAIRMAN	P	P	P	P	P	P	P	P	P	P	P	11 of 11
MRS. CHIJIOKE UGOCHUKWU NKECHINYERE INDEPENDENT NON-EXECUTIVE DIRECTOR	NYM	NYM	NYM	NYM	NYM	NYM	NYM	NYM	NYM	P	P	2 of 11
MS. OLUTOYIN ODULATE INDEPENDENT NON-EXECUTIVE DIRECTOR	P	P	P	P	AP	P	P	P	P	P	P	10 of 11
MR. SUNDAY AKINTOYE OMOLE NON-EXECUTIVE DIRECTOR	P	P	P	P	P	P	P	P	P	P	P	11 of 11
MR. MICHAEL AJUKWU NON-EXECUTIVE DIRECTOR	P	P	P	P	P	P	P	P	P	AP	P	10 of 11
MR. OLUGBENGA AWOMOLO NON-EXECUTIVE DIRECTOR	P	P	P	P	P	P	P	P	P	AP	Retired	9 of 11
MR. BRUNO ZAMBRANO NON-EXECUTIVE DIRECTOR	P	P	AP	P	P	AP	P	P	AP	AP	P	7 of 11
MR. RICHARD RIVETT-CARNAC - NON-EXECUTIVE DIRECTOR	P	P	AP	AP	Resigned	Resigned	Resigned	Resigned	Resigned	Resigned	Resigned	2 of 11
MR. ANDREW WHITING NON-EXECUTIVE DIRECTOR	P	P	P	P	P	P	P	P	P	AP	P	10 of 11
MRS. TEMITOPE OGUNTOKUN EXECUTIVE DIRECTOR	NYM	NYM	NYM	NYM	NYM	NYM	P	P	P	p	P	5 of 11
MR. CHERIAN KURIEN NON-EXECUTIVE DIRECTOR	P	P	AP	P	P	AP	P	P	P	AP	P	8 of 11
MR CARLOS COUTINO-MANAGING DIRECTOR	P	P	P	P	P	P	P	P	P	P	P	11 of 11
MR DAVID TOMLINSON- FINANCE DIRECTOR	P	P	P	P	P	P	P	P	P	P	P	11 of 11

**Keys**  
P - Present  
AP - Absent  
NYM - Not Yet Member  
R - Resigned/Retired

## Report of the directors (continued)

### (i) The Board's Operation (continued)

#### Operation of the board

The Board sets the strategic objectives and delegates to Management the detailed planning and implementation of those policies. The board thereafter monitors compliance of the actualization of the set policies and objectives through quarterly reports to the board and its committees, enabling directors to explore and interrogate specific issues for feedback in greater detail.

The board and its committee meetings are held in an atmosphere of robust, constructive, and intellectual debate of issues with sincerity of purpose, integrity and mutual respect.

#### Matters of exclusive preserve

The board has a schedule of matters as contained in an approval grid which is dealt with exclusively by the board. This includes but not limited to the approval of financial statements; annual expenditure/budget plan; material investment or disposals and the Company's business strategy.

The board governs through its established committees with reporting systems. Each committee or standing committee has specific written terms of reference and committee charters. All committee reports to the board and their committee meeting reports are included in the board packs circularized to all the board members ahead of the full Board meetings.

#### Risk and the board of directors

The Company's Board of Directors is ultimately responsible for reviewing the effectiveness of the Company's risk management systems. The Company, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The risk management system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and there is an ongoing process in place for identifying, assessing, managing, monitoring, and reporting on the significant risks faced by the Company.

The Company's Audit 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. The Internal Audit function has been expanding in line with our global risk management structure. The activities and capabilities of the new initiative are far more improved than the traditional internal audit functions. The new structure will develop business insights, improve our operations, and manage risks in a smart and proactive way using analytical technics supported by a strong team.

This process has been established for the year under review up to the approval of the Annual Report and Accounts. The principal risks and uncertainties facing the Company are set out in note 4.

#### Conflict of interest

The directors are aware and advised to avoid situations where they have, or can have, a direct or indirect interest that conflicts with, or may possibly conflict with the Company's interests and encouraged to make full disclosures. In accordance with the Companies and Allied Matters Act 2020 as amended and the Company's articles of association, the Board can authorize potential conflicts of interest that may arise and impose such limit or conditions as it may deem fit. There were however, no actual or potential conflicts of interest which were required to be authorized by the Board during the year ended 31 December 2024.

#### The roles of executive and non-executive directors

The executive directors are responsible for proposing strategies and for making and implementing operational decisions. Non-executive directors complement the skills and experience of the executive directors, bringing independent judgment and making inputs through their knowledge and experience of other businesses and sectors.

#### Information dissemination and training

The Company Secretary is responsible for advising the Board, on issues of corporate governance. The secretariat supplies the Board and its committees with full and timely information through meeting packs and other resources to enable directors to prepare adequately for their meetings and take informed decisions.

The company is committed to the continuing development of directors in order that they can build on their expertise and develop an ever more detailed understanding of the business and the ever-changing legal and regulatory environment.

#### Other appointments

Non-executive directors may serve on the Boards of other companies to widen their experience and knowledge for the company's benefit. Directors ensure that their effectiveness on the Board is not compromised by their external commitments. The Board is pleased that the chairman and the non-executive directors commit enough time to their duties and the non-executive directors have confirmed that they have sufficient time to fulfil their respective obligations to the Company.

#### Board, committee and director performance evaluation

The Board subscribes to performance evaluation processes in line with best practice and as prescribed by the National Code on Corporate Governance. An in-house evaluation of the Board's performance was carried out for the year ended 31 December 2024. The Board considers its performance in the year under review as satisfactory and largely in compliance with prescribed codes of corporate governance. The Board will be due for an independent assessment by the next financial year.

#### The Company Secretary

Dr.(Mrs.) Marian Reginald-Ukwuoma acted as General Counsel and Secretary to the Board and its committees during the year under review.

### (ii) The Board Committees

#### The Statutory Audit Committee

The Audit Committee chaired by Mr. Oladepo Adesina met five times during the year under review. The members representing the shareholders are Mr. Oladepo Adesina, Mr. Moses Ijayekeunle, Mr. Chisom Nwamara William, Mr. Olalekan Layi Iyiola, Mr. Babajide Ajani Adetunji, and Mr. Taiwo Afinju, while Mr. Michael Ajukwu, Mr. Sunday A. Omole and Mr. Olugbenga Awomolo are the representatives of the Board for the 2024 financial year.

The Global Risks Management Manager, Internal Control Manager and the Finance Director attended the committee meetings by invitation while the External Auditors attended the meeting held on 25 March 2024 and 23 October 2024. The work of the committee during the period included Audit matters and internal audit reviews.

The audit committee reports all activities and makes recommendations to the board. During the year under review, the audit committee discharged its responsibilities as they are defined in the committee's terms of reference and has ensured that applicable standards of governance and compliance are adhered to.

The Internal Control/Global Risks functions have direct access to the committee, primarily through its chairman. The functions enjoy the benefit of adapting the workings and processes of approved International and best practice templates for improved efficiency.

**Report of the directors (continued)**

**(ii) The Board Committees (continued)**

**Analysis of attendance of meetings of Audit Committee members for the year**

Name of audit committee members	Membership type	Dates						Total
		1/26/2024	3/25/2024	4/25/2024	7/22/2024	10/23/2024		
Mr. Oladepo Adesina	Shareholder	P	P	P	P	R	4 of 5	
Mr. Moses Ijayekunle	Shareholder	P	P	P	P	R	4 of 5	
Mr. Sunday A. Omole (Elected in August 2024 AGM)	Director	NYM	NYM	NYM	NYM	P	1 of 5	
Mr. Michael Ajukwu	Director	P	P	P	P	P	5 of 5	
Mr Olugbenga Awomolo	Director	P	P	P	P	R	4 of 5	
Mr. Taiwo Afinju	Shareholder	P	P	P	P	R	4 of 5	
Mr. Chisom Nwamara William (Elected in August 2024 AGM)	Shareholder	NYM	NYM	NYM	NYM	P	1 of 5	
Mr. Olalekan Layi Iyiola (Elected in August 2024 AGM)	Shareholder	NYM	NYM	NYM	NYM	P	1 of 5	
Mr. Babajide Ajani Adetunji (Elected in August 2024 AGM)	Shareholder	NYM	NYM	NYM	NYM	P	1 of 5	
Keys	P- Present AP- Absent R - Resigned NYM- Not Yet Member							

**The Governance/Remuneration/Nomination Committee**

The Committee is charged with the overall responsibility of ensuring that all governance reviews and strategic plans on remuneration and nomination were complied with. For the 2024 financial year, the committee is composed of Mr. Michael Ajukwu, Mr. Akintoye Omole, Mr. Andrew Whiting and Ms. Olutoyin Odulate.

**Analysis of attendance of meetings of Governance Committee members for the year**

Names of Members	Designation	03/22/2024	07/12/2024	07/24/2024	08/01/2024	Total
Mr. Michael Ajukwu	Director/Chairman	P	P	P	P	4 of 4
Mr. Akintoye Omole	Director/Member	P	P	P	P	4 of 4
Ms. Olutoyin Odulate	Director/Member	P	P	P	P	4 of 4
Mr. Andrew Whiting	Director/Member	P	P	P	P	4 of 4

P - Present

AP - Absent

R - Resigned

NYM - Not a member as at the date

**The Risk Management/Sustainability Committee**

The Committee focuses on Risks and Sustainability, always taking into cognizance established best practices. The Committee in that wise assists the Board in its oversight of the risk profile, risk management framework, risk strategy and the Sustainability framework for the Company.

**Analysis of attendance of meetings of Risk Management/Remuneration Committee members**

Names of Members	Designation	4/29/2024	7/9/2024	10/23/2024	Total
Mr. Olugbenga Awomolo	Director/Chairman	P	P	R	2 of 3
Mr. Akintoye Omole	Director/Member	P	P	P	3 of 3
Mr. Michael Ajukwu	Director/Member	P	P	P	3 of 3
Mr. Cherian Kurien	Director/Member	P	P	P	3 of 3
Mrs. Temitope Oguntokun	Director/Member	NYM	NYM	P	1 of 3

P - Present

AP - Absent

R - Resigned

NYM - Not a member as at the date

**10 Share capital**

During the year, the number of the Company's issued ordinary share capital increased to 168,291,591,406 (2023: 26,862,065,850) ordinary shares.

Details of share capital are shown in the report

Range	No of shareholders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1 - 1000	19,552	45.3%	19,552	10,023,904	0.01%	10,023,904
1001 - 5000	14,749	34.2%	34,301	36,933,748	0.02%	46,957,652
5001 - 10000	4,734	11.0%	39,035	39,865,182	0.02%	86,822,834
10001 - 50000	2,775	6.4%	41,810	64,105,424	0.04%	150,928,258
50001 - 100000	505	1.2%	42,315	36,769,164	0.02%	187,697,422
100001 - 500000	570	1.3%	42,885	126,892,849	0.08%	314,590,271
500001 - 1000000	94	0.2%	42,979	69,002,688	0.04%	383,592,959
1000001 - 999999999	172	0.4%	43,151	6,327,527,175	3.76%	6,711,120,134
1000000000-200000000000	1	0.0%	43,152	161,580,471,272	96.01%	168,291,591,406
Grand total	43,152	100%		168,291,591,406	100%	

**Substantial Shareholding**

The particulars of the shareholders that held more than 5% of the issued and fully-paid share capital of the Company as at 31 December, 2024 are as follows:

Name	Shareholding	Percentage
AB Inbev Nigeria holdings BV	161,580,471,272	96.01

**Report of the directors (continued)**

**11 Shareholding by category**

Category of shareholder	No. of shareholder	Number Of Shares Held	Percentage holding (%)
<b>Individuals</b>	42,394	429,605,635	0.26
<b>Institutional Investors</b>			
Corporate	703	3,143,964,997	1.87
Tax Free	2	313,500	0.00
<b>State &amp; Local Govt</b>	5	755,126,968	0.45
<b>Foreign Shareholder</b>			
Corporate	2	163,958,050,285	97.42
Portfolio Investor	99	4,530,021	0.00
<b>Total</b>	<b>43,205</b>	<b>168,291,591,406</b>	<b>100</b>

**Purchase of own shares**

The Company did not purchase any of its own shares during the period under review.

**Share capital history**

Date Issued	No. of Shares	Nominal Value	Issue Type	Remark
		(₦)		
1971	9,000,000	-	Private Placement	Cash
1980	2,000,000	0.50	Private Placement	Cash
1981	2,600,000	0.50	Bonus	Reserves
1981	2,200,000	0.50	Private Placement	Cash
1982	200,000	0.50	Bonus	Reserves
1982	2,000,000	0.50	Bonus	Reserves
1983	2,000,000	0.50	Bonus	Reserves
1985	4,000,000	0.50	Bonus	Reserves
1986	6,000,000	0.50	Bonus	Reserves
1988	6,000,000	0.50	Bonus	Reserves
1989	4,000,000	0.50	Bonus	Reserves
1991	10,000,000	0.50	Bonus	Reserves
1992	31,683,540	0.50	Private Placement	Cash
1993	5,419,692	0.50	Private Placement	Cash
1995	4,992,000	0.50	Private Placement	Cash
1995	103,734,000	0.50	Public Offer	Cash
1996	408,000	0.50	Public Offer	Cash
1998	426,000	0.50	Public Offer	Cash
1999	103,216,000	0.50	Public Offer	Cash
2001	120,768	0.50	Rights Issue	Cash
2002	212,914,682	0.50	Rights Issue	Cash
2008	1,600,000,000	0.50	Public Offer	Cash
2012	1,149,611,748	0.50	Rights Issue	Cash
2014	31,722,850	0.50	Bonus	Reserves
2017	5,301,612,656	0.50	Merger	Consolidation
2018	8,595,861,936	0.50	Rights Issue	Cash
2020	26,862,065,850	0.50	Rights Issue	Cash
2024	168,291,591,406	0.50	Rights Issue	Cash

**12 Corporate social responsibility**

During the period under review, the Company's corporate social responsibility towards its immediate and surrounding communities, especially in education, the environment and other social welfare, was again demonstrated in the various projects executed during the year and other donations both in cash and in the Company's products to various institutions and community centers.

Over the course of 9 years, International Breweries Foundation has taken a keen interest in improving entrepreneurship in Nigeria. We have invested over 600 Million naira for this initiative. Over 2000 youths have benefited directly from the program through training or grants. We have covered 30 out of the 36 states in the country, and 425 businesses have received grants to either start or grow their businesses. In 2024, we awarded 50 youths with grants that ranged between N750,000 and 3Million Naira.

The Company scaled up the Retailer Development Programme, an initiative called Growing Retailers Innovatively Together (GRIT). The Programme was executed to empower retailers with essential skills and strategies to enhance their sales and business growth. The program spanned five locations — Port Harcourt, Onitsha, Ilesa, Gateway and Lagos — over an eight (8 day period, ensuring a broader reach and personalized interaction with participants, with the adoption of both in-person and in-app models. Over 1,050 Retailers were impacted through the programme.

Community projects and donations during the year included the following:

Description/projects	₦'000
Kickstart initiatives	103,389
Tourism sector support (Osun)	75,000
Responsible drinking campaign (Beer Sectorial Group)	68,301
Post-consumer waste management initiative (under the Food and Beverage Recycling Alliance (FBRA))	8,000
Retailers Development Program (GRIT)	33,741
Other Sponsorships	116,914
	<b>405,345</b>

## **Report of the directors (continued)**

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### **12 Corporate social responsibility (continued)**

It remains the Company's policy not to make donations to political organizations in the country and in compliance with section 43(2) of the Companies and Allied Matters Act (CAMA), 2020, the Company did not make any donation or gift to any charitable organization, political party, political association or for any political purpose during the year under review (2023: Nil).

### **13 Ethical business conduct**

The International Breweries Code of Business Conduct and Ethics as adopted from AB InBev, sets out high ethical standards with which all Company's employees are expected to comply, and forms part of the wider programme of policies and procedures throughout the Company. The Company's personnel are committed to conducting business in a way that is fair, ethical and within the framework of applicable laws and regulations. During the course of the year, the Company's policies and procedures were reviewed in light of related 'adequate procedures' guidance, and developing corporate best practice, and made a number of enhancements, including the roll out of a new Company-wide anti-bribery policy. Key aspects covered by the programme include, amongst other matters, our anti-bribery policy, due diligence and other forms of compliances in relation to business partners, training of employees and monitoring and reporting mechanisms. Independent confidential whistle blower hotlines have been re-introduced into the Company's operations so that employees and third parties can report any breach. The Company maintains a whistle blowing procedure to address issues that can negatively affect the Company's reputation before its stakeholders.

### **14 Employment, environmental and health safety policies**

The people team designed and continually reviewed employment policies which attract, retain and motivate the highest quality of staff. Management is committed to an active equal opportunities policy, from recruitment and selection, through training and development, appraisal and promotion to retirement. It is the Company's policy to ensure that everyone is treated equally, regardless of gender, colour, nationality, ethnic origin, race, disability, marital status, religion or trade union affiliation.

The Company is committed to its new policy on diversity as it understands the benefit of employing the right balance in people of different races, genders, creeds and backgrounds.

The Company is ever committed to sustaining its policies and programmes on occupational health and safety to ensure a safe working environment for all its employees, suppliers, consumers and visitors to our sites. We have revised our policies on health and safety to enshrine world class manufacturing practices.

### **15 Employment of disabled persons**

The Company has two disabled persons in its employment. Applicable infrastructure and work tools for the disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. Also, in the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with those of other employees.

### **16 Diversity and inclusion**

This top priority for the business was further strengthened in the year under review. Equity, fairness and transparency were some of the underlying principles of our ways of working.

The Company celebrated the International Women's Day as part of the Company's drive to increase female representation in the workplace. We celebrated on this day, our women who cut-across roles and functions as forklift drivers way up to Executive Management. The Company has a LEAN-IN CIRCLE program for female employees. This is a platform for cross-fertilization of ideas on women focused engagements.

### **17 Research and development**

To ensure improved overall operational effectiveness, considerable emphasis is placed on research and development in the Company's technical activities, through the AB InBev Group. This enables the Company to develop new products, packaging, processes and new manufacturing capabilities.

### **18 Going concern**

The financial statements have been prepared on a going concern basis. The directors have no doubt that the company will be in existence after 12 months from the reporting date. The directors do not intend to cease operations or stop any of the production lines.

The Company's business continuity plans continue to adapt to the dynamics of the operating environment hence, ensuring that the company remains a going concern. Part of these plans included safety of our employees, managing non-essential costs and protecting our cash flows. The business was able to recover and deliver a strong revenue growth to close the year. Our Board and Management are confident that the business will continue as a going concern.

The Company continues to generate positive operating cash flows 2024: N148.90 billion (2023: N78.60 billion) to cover its short-term obligations. We will continue to explore available options to settle foreign denominated liabilities and hedging instruments to mitigate foreign currency risks. The company is strategically positioned for success in the future.

### **19 Employee consultation and training**

The Company places considerable value on the involvement of its employees in its affairs and has continued with its practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Company. Employees are consulted regularly on a wide range of matters affecting their current and future interests. Employees receive both internal and external training as necessary.

## **Report of the directors (continued)**

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### **20 Donations and gifts**

In accordance with Section 43(2) of the Companies and Allied Matters Act (CAMA), 2020, the Company did not make any donations or gifts to any charitable organization, political party, political association or for any political purpose during the year under review (2023: Nil).

### **21 Financial risk**

Information on the Company's financial risk management objectives and policies and details of its exposure to price risk, credit risk, liquidity risk and cash flow risk are contained in note 4 to the financial statements.

The directors are responsible for the management of the business of the Company and may exercise all the powers vested on them by the Company subject to the articles of association and relevant statutes.

### **22 Events after the reporting period**

There were no significant events after the reporting period.

### **23 Stakeholders engagement**

As a Company, we understand that the continuing need for engagement is key to our success. We know our stakeholders and proactively engage with them regularly and manage the communications at required times to ensure shared value for all.

The effective engagement of a broad spectrum of shareholders was reflective of the cooperation enjoyed on the timely and successful resolution of all issues. The year under review witnessed different stakeholder engagements with the media, our host communities, and other key stakeholders.

### **24 Complaints management policy**

Complying with the rules of the Securities and Exchange Commission on framework for complaints management, the Company and its Registrars provide responses within its framework to shareholder issues and concerns.

This framework also provides the opportunity for shareholder feedbacks on matters that can affect its corporate existence through engagement with stakeholders and investor calls.

### **25 Auditors**

In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA), 2020, Messrs. PricewaterhouseCoopers have indicated their willingness to continue as auditors to the Company. A resolution will be proposed at the Annual General Meeting to authorize the directors to fix their remuneration.

### **26 Dealing policy**

International Breweries Plc has a Securities Trading Policy (The Policy) which guides the Board and Employees when attempting effecting transactions in the Company's shares. The Policy provides for periods for dealing in shares and other securities; established communication protocols on periods when transactions are not permitted to be effected on the Company's shares (Close Period) as well as disclosure requirements when effecting such transactions.

The Company complied with the Nigerian Exchange Limited's Rules regarding this Policy in the year under review.

### **By order of the board:**



Dr. (Mrs.) Mariam Reginald-Ukwuoma  
Company Secretary/General Counsel  
Plot 5A Abuja Street,  
Banana Island,  
Ikoyi, Lagos.  
FRC/2017/ICSAN/00000016798  
27 March 2025

## **Statement of directors' responsibilities**

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The Directors of International 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 2024, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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

- a) properly selecting and applying accounting policies;
- b) presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- c) providing additional disclosures when compliance with the specific requirements in IFRS 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.

We state that management and directors:

- a) have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements,
- b) 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 2024 were approved by the directors on 27 March 2025.



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HRM Nnaemeka Alfred Achebe, CFR, MNI  
Chairman  
FRC/2013/NIM/00000001568  
27 March 2025



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Mr. David Tomlinson  
Finance Director  
FRC/2023/PRO/DIR/003/147669  
27 March 2025



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Mr. Carlos Coutino  
Managing Director  
FRC/2023/PRO/DIR/003/877967  
27 March 2025


***Certification of the audited financial statements***

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Pursuant to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we the Managing Director/CEO, Finance Director and Head of Control of International Breweries Plc ("the Company") respectively hereby certify as follows:

- a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2024.
- b) That the audited financial statements represents the true and correct financial position of our Company as at the said date of 31 December 2024.
- c) That the audited financial statements does not contain any untrue statement of material fact or omit to state a material fact, which would make the statement misleading.
- d) That the audited financial statements fairly presents, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December, 2024.
- e) That we are responsible for establishing and maintaining internal controls and affirm that the Company's internal controls were effective as of 31 December, 2024.
- f) That there is no fraud that involves management or other employees who have significant role in the Company's internal control as of 31 December, 2024.
- g) That the Directors has evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements.
- h) That 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 have been disclosed to the independent Auditor and the Audit Committee.

**SIGNED**

  
\_\_\_\_\_  
Mr. Carlos Coutino  
**Managing Director**  
FRC/2023/PRO/DIR/003/877967

  
\_\_\_\_\_  
Mr. David Tomlinson  
**Finance Director**  
FRC/2023/PRO/DIR/003/147669

  
\_\_\_\_\_  
Ms. Chinyere Ezeugwu  
**Country Finance Manager**  
FRC/2013/ICAN/0000000781

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### **Audit committee's report**

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#### **To: The Members of International Breweries Plc**

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act (CAMA), 2020, we the members of the Audit Committee of International Breweries Plc having carried out our statutory functions under the Act, hereby report as follows: -

- (a) That the accounting and reporting policies of the Company are in accordance with legal requirements and acceptable ethical practices.
- (b) That the scope and planning of both the external and internal audit for the year ended 31 December, 2024 are satisfactory and reinforce the Company's internal control systems.
- (c) That having reviewed the External Auditors' findings and recommendations on management matters, we are satisfied with management responses thereon.

Finally, we acknowledge the co-operation of management and staff in the conduct of our duties.

Dated this 25 March, 2025

Mr. Babajide Ajani Adetunji  
FRC/2014/PRO/ICAN/004/00000010550

Members of the Audit Committee for the year under review were:

1. Mr. Babajide Ajani Adetunji\*\* (Shareholder's Representative)- Chairman
2. Mr. Olalekan Layi Iyiola\*\* (Shareholder's Representative) - Member
3. Mr. Chisom Nwamara William\*\* (Shareholder's Representative)
4. Mr. Michael Ajukwu (Director's Representative) - Member
5. Mr. Olugbenga Awomolo\* (Director's Representative) - Member
6. Mr. Taiwo Afinju\* (Shareholder's Representative) - Member
7. Mr. Oladepo Adesina\* (Shareholder's Representative) - Member
8. Mr. Moses Ijayekunle\* (Shareholder's Representative) - Member

\* Resigned effective 29 August 2024

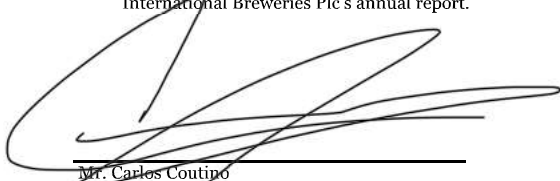
\*\* Elected member effective 29 August 2024

***Management annual assessment of, and report on International Breweries Plc internal control over financial reporting***

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In compliance with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of International Breweries Plc for the year ended 31 December 2024:

- (i) International Breweries Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- (ii) International Breweries Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.
- (iii) International Breweries Plc's management has assessed that the entity's ICFR as of the end of 31 December 2024 is effective.
  
- (iv) International Breweries Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting. The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of International Breweries Plc's annual report.



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Mr. Carlos Coutinho  
Managing Director  
FRC/2023/PRO/DIR/003/877967  
**27 March 2025**



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Mr. David Tomlinson  
Finance Director  
FRC/2023/PRO/DIR/003/147669  
**27 March 2025**

***Certification of management's assessment on internal control over financial reporting***

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In compliance with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of International Breweries Plc for the year ended 31 December 2024:

I, Carlos Coutino certify that;

- (i) I have reviewed this management assessment on internal control over financial reporting of International Breweries Plc;
- (ii) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (iii) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- (iv) The entity's other certifying officer and I:
  - a are responsible for establishing and maintaining internal controls;
  - b have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - c have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - d have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (v) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
  - a All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
  - b Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- (vi) The entity's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts 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.



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Mr. Carlos Coutino  
Managing Director  
FRC/2023/PRO/DIR/003/877967  
**27 March 2025**

## ***Certification of management's assessment on internal control over financial reporting***

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In compliance with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of International Breweries Plc for the year ended 31 December 2024:

I, David Tomlinson certify that;

- (i) I have reviewed this management assessment on internal control over financial reporting of International Breweries Plc;
- (ii) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (iii) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- (iv) The entity's other certifying officer and I:
  - a are responsible for establishing and maintaining internal controls;
  - b have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - c have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - d have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (v) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
  - a All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
  - b Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- (vi) The entity's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts 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.



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Mr. David Tomlinson

Finance Director

FRC/2023/PRO/DIR/003/147669

**27 March 2025**



## *Independent practitioner's report*

To the Members of International Breweries Plc

### *Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting*

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#### *Our opinion*

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of International Breweries Plc ("the company's") are not adequate as of 31 December 2024, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

#### **What we have performed**

We have performed an assurance engagement on International Breweries Plc's internal control over financial reporting as of December 31, 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's annual assessment of, and report on International Breweries Plc internal control over financial reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

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#### *Basis for opinion*

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

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#### *Definition and Limitations of Internal Control over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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*Other matter*

We also have audited, in accordance with the International Standards on Auditing, the financial statements of International Breweries Plc's and our report dated 2 April 2025 expressed an unqualified opinion.

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*Oser Alakhume*

For: **PricewaterhouseCoopers**  
Chartered Accountants  
Lagos, Nigeria  
FRC/2023/COY/176894



2 April 2025

Engagement Partner: Oser Alakhume  
FRC/2013/PRO/ICAN/004/00000000647



## *Independent auditor's report*

To the Members of International Breweries Plc

### *Report on the audit of the financial statements*

---

#### *Our opinion*

In our opinion, International Breweries Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with international financial reporting standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### **What we have audited**

International Breweries Plc's financial statements comprise:

- the statement of profit or loss for the year then ended 31 December 2024;
  - the statement of other comprehensive income for the year then ended;
  - the statement of financial position as at 31 December 2024;
  - the statement of changes in equity for the year then ended;
  - the statement of cash flows for the year then ended; and
  - the notes to the financial statements, which include a summary of material accounting policies.
- 

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.



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### *Other information*

The directors are responsible for the other information. The other information comprises Corporate information, Report of the directors, Statement of directors' responsibilities, Certification of the audited financial statements, Audit committee's report, Management's annual assessment of, and report on International Breweries Plc internal control over financial reporting, Certification of management's assessment on internal control over financial reporting, Statement of value added and Five-year financial summary (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the International Breweries Plc 2024 Annual Report, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the International Breweries Plc 2024 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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### *Responsibilities of the directors and those charged with governance for the financial statements*

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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## *Report on other legal and regulatory requirements*

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us;
- iii) the company's statement of financial position and statement of profit or loss and statement of other comprehensive income are in agreement with the books of account and returns.



In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of International Breweries Plc's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 2 April 2025.

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A handwritten signature in black ink, appearing to read 'Osere Alakhume', written in a cursive style.

For: **PricewaterhouseCoopers**  
Chartered Accountants  
Lagos, Nigeria

Engagement Partner: Osere Alakhume  
FRC/2013/PRO/ICAN/004/00000000647



2 April 2025

**Statement of profit or loss**

for the year ended 31 December 2024

<i>In thousands of naira</i>	<b>Note</b>	<b>2024</b>	<b>2023</b>
Revenue	5	488,955,682	260,598,228
Cost of sales	6	<u>(357,605,216)</u>	<u>(174,329,826)</u>
<b>Gross profit</b>		131,350,466	86,268,402
Administrative expenses	7	(31,733,314)	(33,153,430)
Marketing, promotion and distribution expenses	9	(76,736,433)	(54,817,685)
Other income	10	22,647,833	2,204,963
Other losses	11	(136,152,495)	(77,883,431)
Impairment charge on financial assets	8	<u>(453,978)</u>	<u>(1,333,836)</u>
		(91,077,921)	(78,715,017)
Finance income	12	14,011,589	11,172,168
Finance costs	12	<u>(34,754,180)</u>	<u>(29,724,445)</u>
Net finance costs		(20,742,591)	(18,552,277)
<b>Loss before tax</b>		<b>(111,820,512)</b>	<b>(97,267,294)</b>
Income tax (expense)/credit	13.1	<u>(1,794,388)</u>	<u>27,241,384</u>
<b>Loss for the year</b>		<b>(113,614,900)</b>	<b>(70,025,910)</b>
<b>Basic and diluted loss per share (Naira)</b>	30	<u>(1.16)</u>	<u>(2.61)</u>

The notes on pages 27 - 58 are an integral part of these financial statements.

**Statement of other comprehensive income**

for the year ended 31 December 2024

<i>In thousands of naira</i>	Note	2024	2023
<b>Loss for the year</b>		<b>(113,614,900)</b>	<b>(70,025,910)</b>
<b>Other comprehensive income:</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Change in fair value of hedging instrument recognised in OCI	4.2	-	69,110,017
Reclassified from OCI to profit or loss	11.1	(69,110,017)	(1,268,140)
<b>Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods</b>		<b>(69,110,017)</b>	<b>67,841,877</b>
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Remeasurements of post employment benefits obligations	23.1	(4,734)	252,366
Income tax relating to these items	13.1	9,447	8,278
Other comprehensive loss for the year		<b>(69,105,304)</b>	<b>68,102,521</b>
<b>Total comprehensive loss for the year</b>		<b>(182,720,204)</b>	<b>(1,923,389)</b>

The notes on pages 27 - 58 are an integral part of these financial statements.

## Statement of financial position

As at 31 December 2024


In thousands of naira


	Note	2024	2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	287,581,286	253,320,308
Right of use assets	15	29,264,685	18,629,570
Intangible assets	16	8,711,730	4,954,604
Deferred tax assets	13.4	63,736,315	61,984,389
		389,294,016	338,888,871
<b>Current assets</b>			
Inventories	18	89,704,444	48,503,249
Trade and other receivables	19.4	108,683,027	11,062,213
Derivative financial instruments	19.6	-	193,670,263
Investment securities	17	30,946,236	-
Restricted cash	21	206,267	8,880,441
Cash and cash equivalents	21	109,038,307	123,492,424
		338,578,281	385,608,590
<b>Total assets</b>		<b>727,872,297</b>	<b>724,497,461</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	25(b)	20,949,151	15,765,510
Employee benefit obligations	23.1	1,780,307	2,723,587
		22,729,458	18,489,097
<b>Current liabilities</b>			
Trade and other payables	22	241,144,452	209,177,420
Current tax liabilities	13.3	3,536,867	2,758,498
Borrowings	24(a)	-	374,339,382
Lease liabilities	25(b)	11,547,443	4,326,020
		256,228,762	590,601,320
<b>Total liabilities</b>		<b>278,958,220</b>	<b>609,090,417</b>
<b>Equity</b>			
Share capital	26	16,259,625	13,431,034
Share premium	27	673,192,574	159,803,396
Other reserves	28	1,360,756	1,360,756
Cash flow hedge reserve	4.2	-	69,110,017
Employee benefit reserves	29	47,544	33,363
Retained losses		(241,946,422)	(128,331,522)
<b>Total equity</b>		<b>448,914,077</b>	<b>115,407,044</b>
<b>Total equity and liabilities</b>		<b>727,872,297</b>	<b>724,497,461</b>

The notes on pages 27 - 58 are an integral part of these financial statements.

The financial statements on pages 22 to 61 were approved and authorised for issue by the board of Directors on 27 March 2025 and were signed on its behalf by:

  
HRM Nnaemeka Alfred Achebe, CFR, MNI (Chairman) FRC/2013/NIM/0000001568

  
Mr. David Tomlinson (Finance Director) FRC/2023/PRO/DIR/003/147669

  
Ms. Chinyere Ezeugwu (Country Finance Manager) FRC/2013/ICAN/0000000781

## Statement of changes in equity

As at 31 December 2024

In thousands of naira

Note	Share capital	Share premium	Other reserves**	Cash flow hedge reserve	Employee benefit reserves	Retained (losses)	Total equity
<b>At 1 January 2023</b>	<b>13,431,034</b>	<b>159,803,396</b>	<b>1,360,756</b>	<b>1,268,140</b>	<b>(227,281)</b>	<b>(58,305,612)</b>	<b>117,330,433</b>
Loss for the year	-	-	-	-	-	(70,025,910)	(70,025,910)
Other comprehensive income	-	-	-	67,841,877	252,366	-	68,094,243
Deferred tax	-	-	-	-	8,278	-	8,278
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,841,877</b>	<b>260,644</b>	<b>(70,025,910)</b>	<b>(1,923,389)</b>
<b>Balance at 31 December 2023</b>	<b>13,431,034</b>	<b>159,803,396</b>	<b>1,360,756</b>	<b>69,110,017</b>	<b>33,363</b>	<b>(128,331,522)</b>	<b>115,407,044</b>
<b>At 1 January 2024</b>	<b>13,431,034</b>	<b>159,803,396</b>	<b>1,360,756</b>	<b>69,110,017</b>	<b>33,363</b>	<b>(128,331,522)</b>	<b>115,407,044</b>
Issue of shares*	-	513,389,178	-	-	-	-	516,217,769
Loss for the year	2,828,591	-	-	-	-	(113,614,900)	(113,614,900)
Increase in employee benefit reserves	-	-	-	-	9,468	-	9,468
Other comprehensive income	-	-	-	(69,110,017)	(4,734)	-	(69,114,751)
Deferred tax	-	-	-	-	9,447	-	9,447
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,181</b>	<b>(113,614,900)</b>	<b>(182,710,736)</b>
<b>Balance at 31 December 2024</b>	<b>16,259,625</b>	<b>673,192,574</b>	<b>1,360,756</b>	<b>-</b>	<b>47,544</b>	<b>(241,946,422)</b>	<b>448,914,077</b>

The notes on pages 27 - 58 are an integral part of these financial statements.

\*Issue of shares relate to right issue of shares that was carried out during the year.

\*\*Other reserve relates to surplus from revaluation of tangible asset.

## Statement of cash flows

<i>In thousands of naira</i>	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	31.1	152,724,313	80,154,110
Income tax paid	13.3	(1,724,666)	(1,214,253)
Employee benefits paid	23.1	(2,073,858)	(345,634)
<b>Net cash generated from operating activities</b>		<b>148,925,789</b>	<b>78,594,223</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	14	(71,694,383)	(45,792,673)
Interest income received (note 19.6)	12	9,425,251	10,406,254
Initial direct cost	15	(445,628)	(1,214,950)
(Investment in)/proceeds from call deposits	17.1	(27,000,000)	86,213,956
<b>Net cash (used in)/generated from investing activities</b>		<b>(89,714,760)</b>	<b>49,612,587</b>
<b>Cash flows from financing activities</b>			
Proceed from borrowings	24(c)	62,000,000	41,617,660
Proceed from issue of new shares	26, 27	516,217,769	-
Repayment of principal on borrowings	24(c)	(598,682,787)	(56,627,291)
Lease rental payments	25(a)	(14,222,195)	(10,802,025)
Interest paid on borrowing	24(c)	(46,366,329)	(5,469,899)
<b>Net cash used in financing activities</b>		<b>(81,053,542)</b>	<b>(31,281,555)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year		(21,842,513)	96,925,256
Exchange loss on foreign currency cash and cash equivalent		132,372,865	36,025,067
		(1,285,778)	(577,458)
<b>Cash and cash equivalents at the end of the year</b>	21.1	<b>109,244,574</b>	<b>132,372,865</b>

The notes on pages 27 - 58 are an integral part of these financial statements.

## **Notes to the financial statements**

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### **1 General information**

These financial statements are the financial statements of International Breweries Plc ("the Company"). The Company was incorporated in Nigeria as a private limited liability Company on 22 December 1971 under the Companies and Allied Matters Act, and is domiciled in Nigeria. The Company became a public limited liability Company on 26 April, 1995. The address of its registered office is: Plot 5A Abuja Street, Banana Island, Ikoyi, Lagos.

The principal activities of the Company are brewing, packaging and marketing of beer, alcoholic flavoured/ non-alcoholic beverages and soft drinks.

The parent Company is AB InBev Nigeria Holdings BV, the ultimate parent Company is Anheuser-Busch InBev SA/NV.

### **2 Summary of accounting policies**

#### **2.1 Introduction to summary of material accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **2.2 Basis of preparation**

The financial statements for the year ended 31 December 2024 have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements. Additional information required by the Companies and Allied Matters Act (CAMA), 2020 is included.

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept except inventories measured at lower of cost and net realisable value, lease liabilities measured at present value of future lease payment, employee benefit obligation measured at present value of the obligation and financial instrument measured at fair value. The method used to measure the fair value are disclosed in Note 2.26.

All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Naira.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

#### **2.3 Going concern**

The financial statements have been prepared on a going concern basis. The directors have no doubt that the Company will be in existence after 12 months from the reporting date. The directors do not intend to cease operations or stop any of the production lines and are confident that the business will continue as a going concern.

While continually delivering strong revenue growth, our inability to source adequate foreign exchange (FX) due to market illiquidity impacted profitability, as we incurred significant FX losses on our foreign currency-denominated debt and liabilities. To address this, the company successfully raised fresh capital through a rights issue and settled the outstanding loan liability. Going into 2025, the company expects to return to profitability in the absence of any significant non-operating foreign currency exposure.

The Company generated positive operating cash flows in the current year 2024: N148.90 billion (2023: N78.60 billion) to cover its short-term obligations. The Company is strategically positioned for success in the future and continues to have the backing of its ultimate parent Company.

#### **2.4 Changes in accounting policy and disclosures**

##### **2.4.1 New standards and interpretations adopted by the Company**

The Company has applied the below standard and amendments for the first time for their annual reporting period commencing 1 January 2024:

##### **a. Amendment to IFRS 16 - Lease Liability in a Sales and Leaseback (Effective 1 January 2024)**

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The standard had no impact on the Company's financial statements.

## Notes to the financial statements

### 2.4.1 New standards and interpretations adopted by the Company (continued)

#### b. Amendments to IAS 7 and IFRS 7 - Supplier finance arrangements (Effective 1 January 2024)

The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures falls short of meeting user information needs.

The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:

The terms and conditions of SFAs.

- i. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
- ii. The carrying amount of the financial liabilities for which suppliers have already received payment from the finance providers.
- iii. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- iv. Non-cash changes in the carrying amounts of financial liabilities.
- v. Access to SFA facilities and concentration of liquidity risk with finance providers.

The standard had no impact on the Company's financial statements.

#### c. Amendments to IAS 1 – Non-current liabilities with covenants (Effective 1 January 2024)

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date.

The standard had no impact on the Company's financial statements.

### 2.4.2 New standards, amendments, interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations when they become effective. All other new standards and amendments do not apply to the Company.

#### a. Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture.

Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

#### b. Amendment to IAS 21 - Lack of exchangeability

The amendments include applying a consistent method in determining whether a currency is exchangeable and if so, an appropriate exchange rate, and providing related disclosures. The amendments are effective for years beginning on or after 1 January 2025 with earlier application permitted.

#### c. IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. This standard is effective 1 January 2027.

#### d. IFRS 19, Subsidiaries without Public Accountability: Disclosures

IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other IFRS. An eligible subsidiary applies the requirements in other IFRS except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19.

IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. This standard is effective 1 January 2027.

## **Notes to the financial statements**

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### **e IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments**

IFRS 9 and IFRS 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). This standard is effective 1 January 2026.

### **2.5 Revenue recognition**

#### **Sale of goods**

Revenue from the sale of the Company's products is recognised when control of the products is transferred, being at a point in time when the products leave the warehouse. Payment of the transaction price is due immediately.

Revenue is measured at the fair value of the consideration received or receivable, net of value added tax, excise duties, returns, customer discounts and other sales-related discounts. Value added tax is applied on the net purchase price after considering discount. Revenue from the sale of products is recognised in profit or loss when the contract has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance, and collectability has been ascertained as probable. Collectability of customer's payments is ascertained based on the customer's historical records, guarantees provided, the customer's industry and advance payments made if any.

The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Market conditions are evaluated using wholesaler and other third-party analysis, market research data and internally generated information.

The company gives retrospective discount to selected distributors once the quantity of products purchased during the period exceeds the threshold specified in the contract. Under the terms of the agreements, the amounts payable by the Company are offset against receivables from the distributors and only the net amounts are settled. The relevant amounts have therefore been presented net in the statement of financial position.

The Company issues credit note to customers for products that are damaged or lost in transit and the credit note will be used to reduce the customer receivable balance. No refund is granted for products that are received in good condition by the customer.

There were no refund liability during the year under review.

### **2.6 Other income**

Other income constitutes gains from the sale of assets, net of taxes; proceeds from the sale of by-products; and others. These various sources of income are recognised in profit or loss when ownership has been transferred to the buyer.

### **2.7 Segment reporting**

Performance of operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company has appointed a strategic steering committee which assesses the financial performance and position of the Company, and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the Chief Executive Officer, the Chief Financial Officer and the manager for Corporate Planning.

No business or geographical segment information is reported as the Company's primary geographical segment is Nigeria. Presently, 100 percent of the Company's sales are made in Nigeria. Also, identical risks and returns apply to all Company products.

### **2.8 Foreign currency translation**

#### **a Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency and presentation currency of the Company is the Nigerian Naira (₦).

#### **b Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognized in profit or loss within other gains/(losses) - net.

### **2.9 Income and deferred tax**

The tax for the period comprises income, education and deferred taxes. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Education tax is computed at 3% of the assessable profits.

## **Notes to the financial statements**

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### **2.9 Income and deferred tax (continued)**

The Company's liability for income and education taxes are calculated using tax rates that have been enacted or substantively enacted under the Companies Income Tax Act and the Education tax Act at the statement of financial position date.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **2.10 Derivatives and hedging activities**

#### *Initial recognition and subsequent measurement*

The Company uses derivative financial instruments to hedge its foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

#### **Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss

#### **Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other losses.

The Company designates the full fair value changes in the forward currency contract as a hedging instrument.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment.

## **Notes to the financial statements**

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### **2.11 Leases**

#### **The Company as lessee**

The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and lease of low value assets (defined as leases with a value less than ₦2 million). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, and payments for these leases are presented in cash flow from operating activities. Contracts may contain both lease and non-lease components and the Company has not elected to separate lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. The lease agreements do not impose any covenants, however, leased assets may not be used as securities.

#### **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 by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate specific to the country, term and currency of the contract. In addition, the Company considers its recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating the incremental borrowing rates.

Lease payments include fixed payments, less any lease incentives, variable lease payments that depend on an index or a rate known at the commencement date, payments of penalties for terminating a lease, if the lease term reflects the Company exercising that option and purchase options or extension option payments if the Company is reasonably certain to exercise these options. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and right-of-use asset and are recognized as an expense in the statement of profit or loss in the period in which the event or condition that triggers those payments occurs.

A lease liability is remeasured upon a change in the lease term, changes in an index or rate used to determine the lease payments or reassessment of exercise of a purchase option. The corresponding adjustment is made to the related right-of-use asset.

The Company has elected to present cash payments for the principal and interest portion of the lease liability within financing activities; and interest expense on lease liability within operating activities.

#### **Right of use assets**

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, restoration cost and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated starting at the commencement date over the shorter period of useful life of the underlying asset and lease term. The right-of-use assets are depreciated using a straight line method. The Company leases a number of warehouses, office and residential buildings for certain staff, which typically run for a period of two to three years.

#### **The Company as lessor**

Leases where the Company transfers substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Leases of assets under which all the risks and rewards of ownership are substantially retained by the Company are classified as operating leases. Rental income is recognized in other operating income on a straight-line basis over the term of the lease.

### **2.12 Financial instruments**

#### **(a) Financial assets**

##### *Financial assets and financial liabilities - Recognition and initial measurement*

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

A financial asset 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.

##### *Financial assets - classification and subsequent measurement*

Financial assets are not reclassified subsequent to their initial recognition unless the Company change 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.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (OCI) with recycling of cumulative gains and losses (debt)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity)
- Financial assets at fair value through profit or loss (FVTPL).

##### *Financial assets - Amortized cost*

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **Notes to the financial statements**

### **2.12 Financial instruments (continued)**

#### *Financial assets - FVOCI*

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Classification	Measurement	FSLI
Financial assets at FVTPL	These assets are subsequently measured at fair value in the statement of financial position. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.	Derivatives.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.	Trade and other receivable, restricted cash, cash and cash equivalents and investment securities.
Financial assets at FVOCI (debt instrument)	For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss. The remaining fair value changes are recognised in OCI.	The company has no financial assets within this category
Financial assets at FVOCI (equity instrument)	The assets are subsequently measured at fair value through OCI. Gains and losses on these financial assets are never recycled to profit or loss.	The company has no financial assets within this category

#### *Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

#### *Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

## **Notes to the financial statements**

### **2.12 Financial instruments (continued)**

#### *i) Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently the Company's debt instruments are measured at amortised cost. The Company's financial assets include trade receivables, intercompany receivables, lease receivable, other receivables, and cash and cash equivalents.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

#### *ii) Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost.

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach to determine impairment of its trade receivables. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the trade receivables. This involves determining the expected loss rates which is then applied to the gross carrying amount of the trade receivables to arrive at the loss allowance for the period. See note 4.3a for further details. The Company applies the general approach to determine impairment of its amount due from related parties, lease receivables, investment securities, other receivables and cash and cash equivalent. Under the general approach, a loss allowance for lifetime expected credit losses is recognised for a financial instrument if there has been a significant increase in credit risk which is measured using the lifetime probability of default since initial recognition of the financial asset. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, a loss allowance for 12-month expected credit losses is recognised. The general approach has two bases on which to measure expected credit losses; 12-month expected credit losses and lifetime expected credit losses.

### **(b) Financial liabilities**

The Company's policy on financial liabilities have been consistently applied to the each period.

#### *i) Recognition and derecognition*

The Company recognises a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

#### *ii) Classification*

Financial liabilities are classified as either financial liabilities at amortised cost of financial liabilities at fair value through profit or loss. The Company's financial liabilities are classified as financial liabilities at amortised cost. The Company has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

The Company's financial liabilities include trade and other payable and amount due to related parties. They are classified as current liabilities if payment is within one year or less. Otherwise, they are classified as non-current liabilities.

#### *iii) Measurement*

Financial liabilities are recognized initially at fair value, net of any transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

Classification	Measurement	FSLI
Financial liabilities at amortized cost	These liabilities are subsequently measured at amortized cost using the effective interest method. Any interest is recognised in the profit or loss.	Trade and other payable, intercompany payable and lease liabilities

### **(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right is not contingent on future events and is enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## **Notes to the financial statements**

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### **2.13 Trade receivables**

Trade receivables are amounts due from customers for products sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method less provision for impairment.

### **2.14 Cash and cash equivalents**

In the statement of cash flow, cash and cash equivalents includes cash in hand, bank deposits repayable on demand, other short-term highly liquid investment with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and bank overdraft. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### **2.15 Trade payables**

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

### **2.16 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

The Company accounts for substantial modification of terms of an existing borrowings or part of it as an extinguishment of the original borrowing and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original borrowings. If the modification is not substantial, the difference between the nominal amount of the borrowings before the modification; and the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses if otherwise, it is capitalised with the borrowings.

Commitment fees are expensed in the period in which they are incurred.

### **2.17 Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### **2.18 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### **2.19 Property, plant and equipment**

Property, plant and equipment are stated initially at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. Asset in the course of construction is stated at cost, net of accumulated impairment losses; asset in the course of construction is not depreciated. Property, plant and equipment is de-recognised on disposal or when no future economic benefit is expected from its use or disposal.

## **Notes to the financial statements**

### **2.19 Property, plant and equipment (continued)**

Depreciation of assets commences from the date they are available for use. Depreciation is charged on a straight line basis at annual rates which are expected to write off the cost of the assets over their anticipated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual rates used which are consistent with those of the previous years are:

<b>Asset category</b>	<b>Useful life</b>
Buildings	22 - 55 years
Plant and machinery	5 - 50 years
Vehicles, furniture & equipment	
-Marketing vehicles	4 - 8 years
-Vehicles	8 - 10 years
-Furniture and equipment	5 - 30 years
-Computer equipment	5 - 10 years
Land	Not depreciated
Asset under construction	Not depreciated

Gains and losses on disposal of property, plant and equipment are determined by comparing sales proceeds with the carrying amounts and taken into account in determining operating profit. These gains or losses are recognised within "other losses - net" in the profit or loss.

Land is not depreciated as it is deemed to have an indefinite life.

#### **Returnable containers**

Returnable containers are reflected at cost less accumulated depreciation and impairment losses. Provisions are made for breakages and losses in trade to write off the cost over the expected useful life of the container. This period is shortened where appropriate by reference to market dynamics.

The total landed cost of new bottles and crates are also recognised in returnable containers. Amortisation of containers is calculated on a straight line basis over the expected useful lives from the date that available for use. It is calculated to reflect the estimated pattern of consumption of the future economic benefits embodied in the asset and recognised in the profit or loss at the following rates:

Bottles	3 years
Crates	7 years
Pallet	5 years

### **2.20 Deposits by customers**

Returnable containers in circulation are recognised within property, plant and equipment. A corresponding liability is recognised in respect of the obligation to repay the customers deposits. Deposits paid by customers for branded returnable containers are reflected in the statement of financial position within trade and other payables.

### **2.21 Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

### **2.22 Intangible assets**

#### *Computer software*

Acquired computer software licenses are stated at cost less amortisation and any impairment losses. Costs includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred. Amortisation is calculated on the straight-line method to allocate the cost of the intangible assets over their estimated useful lives. The computer software has an estimated useful life of 5 years.

### **2.23 Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. The reversal is recognised in the profit or loss in the period in which it occurs and the carrying value of the asset is increased. The increase in the carrying value of the asset should not exceed the amount it would have been had the original impairment not occurred.

## **Notes to the financial statements**

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### **2.24 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined using weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs of disposal. The cost of inventories consist of purchase costs, conversion costs and all other costs incurred in bringing them to their present location and condition.

#### *i) Raw materials*

Raw materials and other bought-in components are measured using the purchase price, import duties, transport, dock charges and other costs directly attributable to its acquisition less trade discounts, rebates and other similar items.

#### *ii) Work in progress and finished goods*

Finished goods and work in progress are measured using actual costs based on weighted average and include cost of raw materials, direct costs and an appropriate portion of production overheads based on normal operating capacity.

#### *iii) Goods in transit*

Goods ordered, shipped and awaiting delivery are recognised as goods in transit and are stated at the purchase price plus other incidental costs incurred to date.

#### *iv) Spares, fuel and lubricants*

Spare parts and servicing equipment are usually carried as inventory and recognised in profit or loss as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the Company expects to use them during more than one period but only at the point of issue. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

### **2.25 Employee benefits**

#### *i) Short term employee benefits*

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. The Company recognises wages, salaries, social security contributions, bonuses and other allowances for current employees in the profit or loss as the employees render such services.

A liability is recognised for the amount expected to be paid under short-term benefits if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### *ii) Other long-term employee benefit obligations*

The Company's obligation in respect of long term employee benefits, other than pension plans, is the amount of future benefit the employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

The discount rate is the yield at the statement of financial position date on high quality rated corporate bonds that have maturity dates approximating the terms of the Company's obligations. The obligation is calculated using the projected credit unit method. Any actuarial gains and losses are recognised in the profit or loss in the period in which they arise.

The Company recognises a liability and an expense for long term service awards where cash is paid to the employee at certain milestone dates in the employee's career with the Company. No actuarial valuation is done on the long term service award because it is considered immaterial.

The Company also provides 1% of employees gross salary as disability/death in service insurance benefits under the Employee Compensation Act 2010. The charge represents the Company's obligations under the scheme. The charge is recognised in the profit or loss of the year of incidence.

#### *iii) Post employment obligations*

##### *- Defined contribution plan*

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. In line with the provisions of the Nigerian Pension Reform act 2004, the Company instituted a defined contribution scheme for its employees. The scheme is funded by fixed contributions from the employees and the Company at the rate of 8% and 10% of remunerations respectively. The funds are invested outside the Company through Pension Fund Administrators (PFAs) preferred by the employees. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The matching contributions made by the Company to the relevant PFAs are recognised as employee benefit expenses in the profit or loss when the costs become payable in the reporting periods during which the employees have rendered services in exchange for those contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## **Notes to the financial statements**

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### **2.25 Employee benefits (continued)**

#### *- Defined benefit plan*

A defined benefit plan is a pension plan that is not a defined contribution plan. The Company makes an unfunded provision for retirement benefit entitlements due to staff upon disengagement based on their years of service and current emoluments as contained in the staff conditions of service. No other post employment benefit arrangement exists between the Company and the current or past employees.

The liability or asset recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Where there is no deep market in such bonds, the market rates on government bonds are used. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other reserves in the statement of changes in equity and in the statement of financial position. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

### **2.26 Fair value measurement**

The Company measures financial assets and liabilities (including loans and borrowing, trade and other payables and trade and other receivables) at fair value on initial recognition. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset (e.g. as part of an asset's impairment review when required) takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### **2.27 Statement of cash flows**

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined using the indirect method. Profit before tax is therefore adjusted by non-cash items, such as depreciation of property, plant and equipment and amortisation of intangible assets. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

### **2.28 Share capital**

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded as share capital at their par value. Any amounts in excess of the par value is recognised in share premium within equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **2.29 Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

## **Notes to the financial statements**

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### **2.30 Dividend**

The Company recognises a liability to pay a dividend when the distribution is authorised.

Dividend which remained unclaimed or unutilised for a period of not less than six years from the date of declaring the dividend shall be transferred immediately to the unclaimed trust fund account in accordance Finance Act, 2020.

### **2.31 Finance income**

Finance income comprises interest income on bank balances. Finance income is recognised as it accrues in profit or loss, using the effective interest method.

### **2.32 Finance cost**

Finance cost comprises of interest expense on borrowings, and interest expense on lease liability. Finance cost is recognised as it accrues in profit or loss, using the effective interest method.

### **2.33 Cost of sales**

Cost of sales includes employee benefit expenses, technical management fees, amortisation of container, depreciation of plant and machinery and materials consumed. The Company recognises cost of sales in the period in which the related revenue is recognised.

### **2.34 Comparatives**

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

## **3 Critical accounting estimates, judgements and errors**

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed herein.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

#### *a) Impairment of financial assets*

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs are disclosed in note 4.3 (a) on impairment losses.

#### *b) Defined benefit obligation*

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of Federal Government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 23.

#### *c) Deferred taxation*

The Company is subject to income taxes within Nigeria, which does not require much judgment in terms of provision for income taxes but a certain level of judgment is required for recognition of the deferred tax assets. Management is required to assess the ability of the Company to generate future taxable economic earnings that will utilize the deferred tax assets. Assumptions over the generation of future taxable profits depends on management's estimates of future cash flows. This estimate of future taxable income is based on forecast cash flows from operations.

#### *d) Determining the lease terms*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are included in the Company's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Most of the extension options are subject to mutual agreement by the lessee and lessor and some of the termination options held are exercisable only by the Company.

## **Notes to the financial statements**

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### **3 Critical accounting estimates, judgements and errors (continued)**

#### **d) Determining the lease terms (continued)**

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).

- If any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain to extend (or not terminate).

- Otherwise, the Company considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the Company.

#### **e) Derivatives**

The Company enters into derivative financial instruments contracts with counterparties, principally financial institutions with investment grade credit ratings. Foreign currency forward or futures contracts are valued using forward pricing valuation technique, which employs the use of market observable inputs using present value calculations. The model incorporates various inputs including foreign exchange spot and forward rates, currency basis spreads between the respective currencies, interest rate curves and forward rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships. See note 4.2 for sensitivity analysis disclosure.

#### **f) Deposit liability and fixed assets quantity estimation for market losses**

The Company has applied judgement in estimating the value of deposit liabilities outstanding as at year end and the returnable containers with customers. A deposit liability is generated upon sale of finished goods to customers and refunded upon return of empty containers. Initial measurement is based on consideration received from customers upon sale to be refunded upon return. The deposit liability is subsequently measured by accounting for market losses on a quarterly basis using trade returns data to estimate days of coverage required multiplied by the average daily liability. The number of days coverage required, also known as Time in Market (TIM), is the time it takes for a container to be returned to us after a sale. The estimated container market loss/gain impact is written off or written back to the deposit liability.

The returnable containers is made up of actual quantity held and estimated quantity in market. The estimated quantity in market is determined using the average daily quantity and applicable TIM. The estimated container impact is written off or written back from property, plant and equipment.

#### **g) Net realisable value of inventory**

Net realisable value of inventory is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale. The Company estimate selling price of inventory based on current market condition, including supply and demand mechanism, pricing trends and macro-economics conditions that might affect the selling price of the inventory. The Company also evaluate historical sales data and patterns to understand the inventory performance in the past to provide insights to likely selling price in the future, adjusted for factors such as inventory damage, obsolescence, change in technology. The Company estimated selling cost include marketing expenses, commission on sales, shipping costs and other incidental cost directly related to the sale. If the inventory require further processing or manufacturing before it can be sold, estimated cost of completion will include material cost, labour cost and overhead necessary to complete the inventory.

#### **h) Estimated useful lives of property, plant and equipment**

Property, Plant and Equipment are depreciated over their useful lives. The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives are based on technical evaluations carried out by experts and those staff with knowledge of the assets and experience with similar assets. Estimates could change if expectations differ due to physical wear and tear and technical or commercial obsolescence. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the plant and machinery would increase expenses and decrease the value of property, plant and equipment.

## Notes to the financial statements

### 4 Financial risk management

#### 4.1 Financial risk factors

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance.

The Company's activities expose it to a variety of financial risks; market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company analyses each of these risks individually as well as on an interconnected basis and defines strategies to manage the economic impact on the Company's performance in line with its financial risk management policy. Management meets on a frequent basis and is responsible for reviewing the results of the risk assessment, approving recommended risk management strategies, monitoring compliance with the financial risk management policy and reporting to the board of directors.

#### 4.2 Derivatives

The Company has the following derivative financial instruments in the following line items in the statement of financial position:

<i>In thousands of naira</i>	<b>2024</b>	<b>2023</b>
<b>Current assets</b>		
Foreign currency forwards cash flow hedges (note 20)	-	193,670,263
<b>Total non-current derivative financial instrument assets</b>	<b>-</b>	<b>193,670,263</b>

##### (i) Classification of derivatives

Derivatives are used for hedging accounting purpose and foreign currency forwards. They are classified and measured at fair value through other comprehensive income and profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period and if otherwise they are classified as non-current.

##### (ii) Fair value measurement

For information about the method used in determining the fair value of derivatives refer to note 4.7

##### (iii) Hedging reserves

The Company's hedging reserves relates to the following hedging instruments:

<i>In thousands of naira</i>	<b>Cash flow hedge reserve movement</b>	
	<b>2024</b>	<b>2023</b>
Change in fair value of hedging instrument recognised in OCI	-	69,110,017
Less: reclassified from OCI to profit or loss	(69,110,017)	(1,268,140)
<b>Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods</b>	<b>(69,110,017)</b>	<b>67,841,877</b>

The cashflow hedge reserve of N69.1 billion represent 2023 closing balance now recognise in profit or loss.

##### Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Company therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty.

##### Sensitivity analysis

<i>In thousands of naira</i>	<b>2024</b>	<b>2023</b>
Impact on profit or loss		
10% increase in interest rates	-	19,367,026
10% decrease in interest rates	-	(19,367,026)

#### 4.3 Credit risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligations resulting in financial loss to the Company. The Company's credit risk arises from cash and cash equivalents, trade and other receivables, other receivables (non current), amount due from related parties and lease receivables.

The management of the Company has credit policies in place to monitor the exposure to credit risk on an ongoing basis. Under the credit policies all customers requiring credit over a certain amount are reviewed and prospective credit customers analysed individually for creditworthiness before the Company's payment and delivery terms and conditions are offered. Credit limits are established for qualifying customers and these limits are regularly reviewed. Customers that fail to meet the Company's creditworthiness standards are allowed to transact business with the Company only on a cash basis.

The estimates of deductible allowances for incurred losses on impairment in respect of trade and other receivables are established by the Company. The main components of this allowance are a specific loss component that relates to individually significant exposures and customers with outstanding amounts but who have not placed orders for a period of one year or more. The collective loss allowance is determined based on historical data of payment statistics.

In monitoring customer credit risk, customers are grouped according to their credit mappings, including whether they are individual or corporate entities, whether they are key distributors or retail distributors and the verification of the existence of previous financial difficulties.

## Notes to the financial statements

### 4.3 Credit risk (continued)

Below is a breakdown of the Company's financial assets that are exposed to credit risk and the maximum credit risk exposure.

In thousands of naira	Maximum Exposure	
	2024	2023
Cash and cash equivalents (note 21)	109,244,574	132,372,865
Trade receivables - gross (note 19.1)	3,367,446	6,621,322
Amount due from related parties - gross (note 19.2)	2,051,842	1,415,830
Staff receivables (note 19.2)	-	1,050
Receivables from 3rd party transporters (note 19.2)	2,005,140	1,410,665
Investment (note 17)	30,946,236	-
Lease receivable (note 19.3)	1,138,080	1,078,762
<b>Total assets bearing credit risk</b>	<b>148,753,318</b>	<b>142,900,494</b>

#### (a) Impairment losses

##### (i) Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. 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 Company has identified GDP growth rate and inflation rate in Nigeria to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors using statistical regression analysis.

The loss allowances of financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the input to the impairment calculation based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Set out below is the information about the credit risk exposure on the Company's trade receivables and amount due to related parties using a provision matrix:

Trade receivables	2024			2023		
	Trade receivables			Trade receivables		
	Actual Gross AR balance	Adjusted Loss rate	ECL	Actual Gross AR balance	Adjusted Loss rate	ECL
	₦'000		₦'000	₦'000		₦'000
<b>Current</b>	-	0.00%	-	3,194,540	0.46%	14,730
0-30 days	457,527	0.07%	28	27,001	5.11%	1,379
31-60 days	63,414	2.56%	1,506	(19,363)	16.42%	(3,179)
61-90 days	70,082	4.58%	2,981	4,512	24.22%	1,093
91-120 days	2,093	9.29%	181	4,000	32.24%	1,290
121-150 days	-	0.00%	-	22,643	40.74%	9,224
151-180 days	-	0.00%	-	6,256	48.12%	3,010
181-210 days	11,422	24.30%	2,774	2,891	57.31%	1,657
211-240 days	19,481	0.00%	5,880	8,874	62.22%	5,521
241-270 days	-	37.76%	-	4,535	69.87%	3,168
271-300 days	3,381	0.00%	1,975	31,586	80.90%	25,552
301-330 days	-	0.00%	-	5,575	99.99%	5,575
331+ days	2,740,046	88.49%	2,690,177	3,328,272	103.12%	3,432,153
<b>Total</b>	<b>3,367,446</b>		<b>2,705,502</b>	<b>6,621,322</b>		<b>3,501,173</b>

##### (ii) Other financial assets at amortised cost

As at 31 December 2024, other financial assets at amortised cost include cash and cash equivalents, amount due from related parties, lease receivables and other receivables. The Company expects the total amount to be recovered. The identified impairment loss on cash and cash equivalents, staff receivables, lease receivable, investment securities and other receivables are not material and have not been recognised.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The services of debt recovery agents has been employed to assist with the receivable deemed past due by the Company.

##### Amount due from related parties

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Life time ECL	Life time ECL	
	₦'000	₦'000	₦'000	₦'000
Gross EAD	2,051,842	-	-	2,051,842
Loss allowance as at 31 December 2024	(336,555)	-	-	(336,555)
<b>Net EAD</b>	<b>1,715,287</b>	<b>-</b>	<b>-</b>	<b>1,715,287</b>
	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Life time ECL	Life time ECL	
	₦'000	₦'000	₦'000	₦'000
Gross EAD	1,415,830	-	-	1,415,830
Loss allowance as at 31 December 2023	(100,654)	-	-	(100,654)
<b>Net EAD</b>	<b>1,315,176</b>	<b>-</b>	<b>-</b>	<b>1,315,176</b>

The impairment provision analysis can be seen in (note 19.5)

## Notes to the financial statements

### 4.3 Credit risk (continued)

The changes in expected credit loss can be attributed to a higher loss rates first five matrix band. The changes in expected credit loss for intercompany receivable can be attributed to a increase in balance in the period.

#### Sensitivity analysis

Inflation	15%	-15%
Trade receivables	505,117	(505,117)
Intercompany receivables	307,776	(307,776)
<b>Total</b>	<b>812,893</b>	<b>(812,893)</b>
GDP	15%	-15%
Trade receivables	171,740	(171,740)
Intercompany receivables	104,644	(104,644)
<b>Total</b>	<b>276,384</b>	<b>(276,384)</b>

### (b) Credit quality of financial assets

An analysis of the credit quality of cash and cash equivalents is presented as follows:

#### Credit quality of cash and cash equivalents

Credit Ratings	<u>2024</u>	<u>2023</u>
	N'000	N'000
AAA	25,242,134	7,855,433
AA	36,943	8,881,126
A	40,406,305	496,833
BBB	-	-
B	43,559,192	115,139,473
	<u>109,244,574</u>	<u>132,372,865</u>

#### Definitions of ratings

AAA	'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	A financial institution of good condition and strong capacity to meet its obligations with expectations of very low default risk. It indicates very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	A financial institution of good condition and strong capacity to meet its obligations. Adverse changes in the environment (macro-economic, political and regulatory) will result in a medium increase in the risk attributable to an exposure to this financial institution. However, financial condition and ability to meet obligations as and when due should remain largely unchanged.
BBB	'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.
BB	'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.
B	'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial condition is weak but obligations are still met as and when due. Has more than one major weakness and may require external support which may not be assured. Adverse changes in the environment (macro-economic, political and regulatory) will increase risk significantly.
Others	This indicates financial institutions or other counterparties with no available ratings and cash in hand.

The company does not have collateral for its financial assets.

### (c) Credit concentration

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

### 4.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's liquidity risk arises from derivative financial instruments and unclaimed dividend. 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 conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

#### (a) Management of liquidity risk

Cash flow forecasting is performed by treasury to monitor the Company's liquidity requirements and to ensure it has sufficient cash to meet operational needs. Such forecasts take into consideration the Company's committed plans and internal and administrative cash flow requirements.

The Company has incurred indebtedness in the form of trade payables, borrowings, lease liability, amount due to related parties, accrued expenses and unclaimed dividends. The Company evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Company devises strategies to manage its liquidity risk.

Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available through an adequate amount of committed credit facilities. Surplus cash held by the Company over and above the balance required for working capital management are transferred to the treasury unit and invested in short term fixed deposit accounts.

## Notes to the financial statements

### 4.4 Liquidity risk (continued)

#### (b) Maturities of financial liabilities

Below is the analysis of the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities At 31 December 2024	Less than 3 months N'000	3 months - 1 year N'000	Above 1 year N'000	Total N'000
<b>Non-derivatives</b>				
Trade payables (note 22)	-	73,607,493	-	73,607,493
Lease liability (note 25(b))	-	11,547,443	20,949,151	32,496,594
Accrued expenses (note 22)	-	37,956,902	-	37,956,902
Amount due to related parties (note 32(a))	-	99,521,795	-	99,521,795
Unclaimed dividends (note 22.3)	164,413	-	-	164,413
	<b>164,413</b>	<b>222,633,633</b>	<b>20,949,151</b>	<b>243,747,197</b>

Accrued expenses excludes liabilities for containers as this is a non financial instrument.

Contractual maturities of financial liabilities At 31 December 2023	Less than 3 months N'000	3 months - 1 year N'000	Above 1 year N'000	Total N'000
<b>Non-derivatives</b>				
Trade payables (note 22)	-	53,833,657	-	53,833,657
Borrowings (note 24(c))	-	374,339,382	-	374,339,382
Lease liability (note 25(b))	-	4,326,020	15,765,510	20,091,530
Accrued expenses (note 22)	-	16,039,948	-	16,039,948
Amount due to related parties (note 32(a))	-	127,321,294	-	127,321,294
Unclaimed dividends (note 22.3)	166,668	-	-	166,668
	<b>166,668</b>	<b>575,860,301</b>	<b>15,765,510</b>	<b>591,792,479</b>

Accrued expenses excludes liabilities for containers as this is a non-financial instrument.

### 4.5 Market risk

#### (i) Foreign exchange risk

Foreign exchange risk is the risk that the financial results of the Company will be adversely impacted by unfavourable changes in exchange rates to which the Company is exposed. The Company's foreign exchange risk arises from cash and cash equivalent, trade and other payables, amount due to related parties, borrowings and derivative financial instruments. The Company is exposed to risks resulting from fluctuations in foreign currency exchange rates. A change in the value of any such foreign currency could have an effect on the Company's cash flow and future profits. The Company is exposed to exchange rate risk to the extent of balances and transactions denominated in foreign currency.

The Company has entered into non deliverable forward contracts to mitigate the forex risk on the contractual interest and principal repayments of the foreign currency loan. This was extinguished in 2024

#### Foreign currency denominated balances

	2024 N'000	2023 N'000
Cash and cash equivalents	3,861,129	698,425
Trade and other payables	(8,020,369)	(423,960)
Amount due to related parties	(99,521,795)	(127,321,294)
Borrowings	-	(374,339,382)
Derivative financial instruments (cash flow hedge)	-	193,670,263
	<b>(103,681,035)</b>	<b>(307,715,948)</b>

#### Sensitivity analysis for foreign exchange risk

Foreign exchange risks arise from future commercial transactions and recognised assets. The Company makes payments and receipts primarily in Nigerian Naira. The Company is exposed to exchange rate risks to the extent of balances and transactions denominated in a currency other than the Naira. The Company's significant balances are denominated in US Dollars, however, the company has balances in South African Rand and Euro.

Financial instrument	Currency	Impact on profit or loss	2024	2023
			N'000	N'000
Amount due to related parties	USD	10% increase in exchange rates	(9,952,180)	(12,732,129)
	ZAR	5% increase in exchange rates	(4,976,090)	(6,366,065)
	EUR	10% increase in exchange rates	(9,952,180)	(12,732,129)
	GBP	10% increase in exchange rates	(9,952,180)	(12,732,129)
Trade and other payables	USD	10% increase in exchange rates	(802,037)	(42,396)
	ZAR	5% increase in exchange rates	(401,018)	(21,198)
	EUR	10% increase in exchange rates	(802,037)	(42,396)
Derivative financial instrument	GBP	5% increase in exchange rates	(400,980)	(21,196)
	USD	10% increase in exchange rates	-	19,367,026
	Foreign currency borrowing	10% increase in exchange rates	-	(37,433,938)
Foreign currency cash and cash equivalent	USD	10% increase in exchange rates	386,113	69,843
			<b>(36,852,588)</b>	<b>(62,686,707)</b>

A five and ten percent decrease in exchange rate would have had an equal but opposite effect on the basis that all other variables remain constant.

## Notes to the financial statements

### 4.5 Market risk (continued)

#### (i) Foreign exchange risk (continued)

The following exchange rates applied during the year

	31 December 2024		31 December 2023	
	Year end closing rate	Average rate	Year end closing rate	Average rate
USD	1535.22	1636.95	911.68	656.06
EUR	1,594.94	1,491.43	1,006.38	710.13
ZAR	81.30	80.55	49.33	35.71

#### Foreign currency forwards

	2024	2023
	N'000	N'000
Carry amount	-	374,339,382
Notional amount	-	374,339,382
Maturity date	Jun 2024 - May 2025 Dec.2024 - Dec.2025	Jun 2023 - May 2024 Dec.2023 - Dec.2024
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	-	131,795,611
Change in value of hedged item used to determine hedge ineffectiveness	-	131,795,611
Weighted average hedged rate for outstanding hedging instruments	-	USD 1 : 1,196.66

#### (ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company interest rate risk also arises from bank overdrafts. The borrowings are periodically contractually repriced and to that extent are exposed to the risk of future changes in market interest rates. The Company is exposed to interest rate risk to the extent of balances and transactions. The Company's policy is to achieve an optimal balance between the cost of funding and the volatility of financial results, while taking into account market conditions as well overall business strategy.

#### Sensitivity analysis for interest rate risk

Below is the likely impact of changes in the interest rates:

	2024	2023
	N'000	N'000
Impact on profit or loss		
10% increase in interest rates	2,898,554	2,968,265
10% decrease in interest rates	(2,898,554)	(2,968,265)

#### (iii) Price risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to price risk.

### 4.6 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure. The Company monitors capital on the basis of the gearing ratio and no covenants are tied to gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as the sum of all equity components on the statement of financial position.

The gearing ratios were as follows:

	2024	2023
	N'000	N'000
Borrowings (note 24(c))	-	374,339,382
Cash and cash equivalents (note 21.1)	(109,244,574)	(132,372,865)
Net debt	(109,244,574)	241,966,517
Total equity	448,914,077	115,407,044
<b>Total capital</b>	<b>339,669,503</b>	<b>357,373,561</b>
<b>Gearing ratio</b>	<b>-24%</b>	<b>210%</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2024.

## Notes to the financial statements

### 4.7 Fair value

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions.

The carrying amounts of all other assets and liabilities (excluding long term borrowings) at the reporting date approximate their fair values based on market observable data. The fair values of long term borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy.

#### (i) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards. There were no transfers between levels in the period (2023: nil). There were no valuation technique used in the valuation of the financial instruments. An explanation of each level follows underneath the table;

Recurring fair value measurements At 31 December 2024	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
<b>Financial assets</b>				
Derivatives financial assets (note 20)	-	-	-	-
<b>Total financial assets</b>	-	-	-	-
<b>Recurring fair value measurements At 31 December 2023</b>				
Derivatives financial assets (note 20)	-	193,670,263	-	193,670,263
<b>Total financial assets</b>	-	<b>193,670,263</b>	-	<b>193,670,263</b>

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### (ii) Cash flow hedges that qualify for hedge accounting

Fair value loss recognized within reserves is shown below:

	2024 N'000	2023 N'000
Fair value gain on cash flow hedge instrument	-	69,110,017

### 4.8 Offsetting financial assets and financial liabilities

There are no offsetting arrangements. Financial assets and liabilities are settled and disclosed on a gross basis.

## Notes to the financial statements

<b>5 Revenue</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Revenue from contracts with customers	488,955,682	260,598,228
The Company derives revenue from the sales of goods at a point in time.		
Disaggregation of revenue from contracts with customers	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Key accounts	2,661,332	4,094,619
Distributors	486,294,350	256,503,609
	<b>488,955,682</b>	<b>260,598,228</b>
Analysis of sales by location	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Local sales	488,955,682	260,598,228
	<b>488,955,682</b>	<b>260,598,228</b>
<b>6 Cost of sales</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Materials consumed and allocated overheads	305,589,858	136,804,587
Employee benefit expenses (note 9.2)	4,239,125	5,478,658
Technical management fees	9,856,887	3,244,097
Depreciation of container (note 7.1)	21,122,086	14,007,845
Depreciation - property, plant and equipment (note 7.1)	16,797,260	14,794,639
	<b>357,605,216</b>	<b>174,329,826</b>
<b>7 Administrative expenses</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Employee benefit expenses (note 9.2)	7,925,568	5,586,416
Other staff related costs**	4,371,399	2,789,771
Staff recruitment and training expenses	79,868	94,482
Audit fee	185,509	144,929
Corporate social responsibilities & donations	405,345	310,160
Business running costs*	6,691,996	11,977,372
Other operating expense	31,680	-
Depreciation - property, plant and equipment (note 7.1)	1,265,151	3,165,689
Depreciation-Right of use assets (note 7.2)	8,958,608	8,089,714
Amortisation of intangible asset (note 7.3)	1,818,190	994,897
	<b>31,733,314</b>	<b>33,153,430</b>
* Business running cost are administrative expenses incurred in running the business activities (e.g security, cleaning, maintenance, IT cost, insurance and travel).		
** Other staff related cost relates to expenses on employees that are not payroll cost. Example include recruitment expenses, staff transport cost, living expense for expatriate, etc.		
<b>7.1 Depreciation</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
<b>Reported in cost of sales:</b>		
Depreciation - property, plant and equipment (note 14)	37,919,346	28,802,484
	<b>37,919,346</b>	<b>28,802,484</b>
<b>Reported in administrative expenses:</b>		
Depreciation - property, plant and equipment (note 14)	1,265,151	3,165,689
	<b>1,265,151</b>	<b>3,165,689</b>
<b>Depreciation - property, plant and equipment (note 14)</b>	<b>39,184,497</b>	<b>31,968,173</b>
<b>7.2 Depreciation of Right of use</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Depreciation-Right of use assets (note 15)	8,958,608	8,089,714
	<b>8,958,608</b>	<b>8,089,714</b>
<b>7.3 Amortization</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Amortisation of intangible asset (note 16)	1,818,190	994,897
	<b>1,818,190</b>	<b>994,897</b>
<b>7.4 Depreciation and amortisation expense</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Reported in cost of sales	37,919,346	28,802,484
Reported in administrative expenses	12,041,949	12,250,300
	<b>49,961,295</b>	<b>41,052,784</b>

## Notes to the financial statements

	<b>2024</b>	<b>2023</b>
<b>8 Impairment charge on financial assets</b>		
<i>In thousands of naira</i>		
Impairment charge on financial assets (note 19.5a & b)	453,978	1,333,836
<b>9 Marketing, promotion and distribution expenses</b>		
<i>In thousands of naira</i>		
Employee benefit expenses (note 9.2)	7,267,592	5,256,338
Other staff related costs**	1,430,455	-
Distribution expense	51,498,888	34,804,150
Advertising and promotion	16,539,498	14,817,255
	<b>76,736,433</b>	<b>54,877,743</b>
** Other staff related cost relates to expenses on employees that are not payroll cost. Example include recruitment expenses, staff transport cost, living expense for expatriate, etc.		
<b>9.1 Employee benefits expenses</b>		
<i>In thousands of naira</i>		
Salaries and wages	17,374,490	14,952,403
Defined contribution	931,949	651,961
Defined benefit	1,125,846	717,048
Employee benefit expenses	<b>19,432,285</b>	<b>16,321,412</b>
<b>9.2 Reported in statement of profit or loss</b>		
<i>In thousands of naira</i>		
Reported in cost of sales	4,239,125	5,478,658
Reported in administrative expenses	7,925,568	5,586,416
Reported in marketing, promotion and distribution expenses	7,267,592	5,256,338
	<b>19,432,285</b>	<b>16,321,412</b>
<b>10 Other income</b>		
<i>In thousands of naira</i>		
Sundry income*	21,956,623	1,717,288
Royalty received**	512,128	195,662
Rental income (note 19.3)	179,082	292,013
	<b>22,647,833</b>	<b>2,204,963</b>
*Sundry income relates to credit note received for write-off of management service fee cost and recoverable of breakages in-transit.		
**Royalty received relates to royalty agreement with Accra Breweries Limited for production and sale of Beta Malt.		
<b>11 Other losses - net</b>		
<i>In thousands of naira</i>		
Net foreign exchange loss - realised (note 11.1)	(165,656,629)	(14,399,913)
Net foreign exchange gain/(loss) - unrealised (note 11.2)	22,177,727	(55,980,945)
Loss on disposal of asset (Note 31.4)	(1,727,350)	(821,579)
Write-off of deposit liabilities	-	1,551,186
Gain on change in estimate of returnable containers (note 31.2b)	9,053,757	-
Write-off of property, plant and equipment (note 31.2 a)	-	(8,232,180)
	<b>(136,152,495)</b>	<b>(77,883,431)</b>
<b>11.1 Net foreign exchange gain/(loss) - realised</b>		
<i>In thousands of naira</i>		
Foreign exchange gain - realised	128,489,072	-
Foreign exchange loss - realised	(294,145,701)	(14,399,913)
	<b>(165,656,629)</b>	<b>(14,399,913)</b>
The reclassification from OCI to profit or loss is included in the realized foreign exchange loss.		
<b>11.2 Net foreign exchange gain/(loss)- unrealised</b>		
<i>In thousands of naira</i>		
Foreign exchange gain - unrealised	32,104,329	14,955,977
Foreign exchange loss - unrealised	(9,926,602)	(54,697,136)
Fair value loss on cash flow hedge	-	(16,239,786)
	<b>22,177,727</b>	<b>(55,980,945)</b>
<b>12 Finance income and costs</b>		
<i>In thousands of naira</i>		
<b>Finance income</b>		
Interest income on call deposits (note 19.6)*	10,065,353	11,172,168
Interest income on treasury bill (note 17.1)*	3,946,236	-
	<b>14,011,589</b>	<b>11,172,168</b>
<b>Finance costs</b>		
Interest expense on borrowings (Note 24c)	(25,452,612)	(24,711,674)
Interest on overdraft	(1,822,404)	(41,795)
Interest expense on lease liabilities (Note 25a)	(7,479,164)	(4,970,976)
Total finance costs	<b>(34,754,180)</b>	<b>(29,724,445)</b>
<b>Net finance costs</b>	<b>(20,742,591)</b>	<b>(18,552,277)</b>
*The interest income includes all interest earned.		

## Notes to the financial statements

<b>13 Current income tax and deferred tax</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
<b>13.1 Current income tax</b>		
Company income tax	3,536,867	1,606,450
Education tax	-	1,152,048
Prior year over provision	-	(637,076)
Total current income tax	3,536,867	2,121,422
Deferred income tax charge/(credit) to profit or loss	(1,742,479)	(29,362,806)
Total tax expense/(credit) to profit or loss	<u>1,794,388</u>	<u>(27,241,384)</u>
<b>Deferred tax related to items recognised in OCI during the year:</b>		
Remeasurements of post employment benefits obligations	(9,447)	(8,278)
Total tax credit to comprehensive income	<u>(9,447)</u>	<u>(8,278)</u>
Provision for income tax is computed on the basis of minimum tax rate of 0.5% (2023: 0.5%) of gross turnover in accordance with the provisions of the Finance Act, 2021. Education tax represents 3% of assessable profit in accordance with the provisions of the Education Tax Act.		
<b>13.2 Reconciliation of effective tax rate</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
<b>Loss before tax</b>	(111,820,512)	(97,267,294)
Tax at Nigeria corporation tax rate of 30%	(33,546,154)	(29,180,188)
Education tax at 3% of assessable profit	-	1,152,048
Minimum tax at 0.5% of Gross turnover	3,536,867	1,606,450
Expenses/(income) giving rise to permanent difference	31,803,675	(819,694)
Total tax credit to profit or loss	<u>1,794,388</u>	<u>(27,241,384)</u>
<b>13.3 Current income tax liability</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
At 1 January	2,758,498	2,257,913
Current year tax expense	3,536,867	2,121,422
Payment during the year	(1,724,666)	(1,214,253)
Withholding tax credit	(1,033,832)	(406,584)
At 31 December	<u>3,536,867</u>	<u>2,758,498</u>

### 13.4 Deferred income tax

Deferred taxes are calculated on all temporary differences using the liability method and an effective tax rate of 30%. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The analysis of deferred tax assets and deferred tax liabilities is as follows:

	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
<b>Deferred tax assets:</b>		
-Deferred tax assets to be utilised after more than 12 months	63,736,315	61,984,389
	<u>63,736,315</u>	<u>61,984,389</u>

<b>Deferred tax assets</b>	<b>Right of use assets</b>	<b>Property, plant and equipment</b>	<b>Provisions</b>	<b>Unrealised exchange difference</b>	<b>Total</b>
<i>In thousands of naira</i>					
The gross movement on the deferred income tax account is as follows:					
At 31 December 2023	482,446	29,093,899	2,395,035	30,013,008	61,984,389
(Charged)/credited to profit or loss	(1,548,976)	(97,030,992)	(4,455,825)	(22,694,358)	(125,730,151)
Credit to OCI	-	-	9,447	-	9,447
At 31 December 2024	<u>(1,066,530)</u>	<u>(67,937,093)</u>	<u>(2,051,343)</u>	<u>7,318,650</u>	<u>(63,736,315)</u>

	<b>2024</b>	<b>2023</b>
The gross movement on the deferred income tax account is as follows:		
<i>In thousands of naira</i>		
At 1 January	61,984,389	32,613,306
(Charge)/Credit to profit or loss	(125,730,151)	29,362,805
Credit to OCI	9,447	8,278
At 31 December	<u>63,736,315</u>	<u>61,984,389</u>

A deferred tax asset of ₦60.02 billion (2023: ₦61.98 billion) arose as a result of unrealised exchange difference and unutilised capital allowances. The Company has incurred losses in recent financial years. The directors have concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the Company. The losses can be carried forward indefinitely and have no expiry date.

Notes to the financial statements

14 Property, plant and equipment

In thousands of naira

	Land	Buildings	Plant and machinery	Vehicles, furniture and equipment	Returnable containers	Assets in course of construction	Total
<b>Cost</b>							
<b>As at 1 January 2024</b>	4,628,108	67,933,369	199,469,611	25,990,016	43,466,475	29,175,930	370,663,509
Additions	-	-	-	-	-	71,694,383	71,694,383
Transfers	53,572	1,668,424	14,915,336	1,813,882	47,394,159	(71,420,689)	(5,575,316)
Change in estimate*	-	-	-	(1,974,702)	27,317,788	-	27,317,788
Disposals	-	-	(262,299)	-	(7,917,740)	-	(10,154,741)
<b>As at 31 December 2024</b>	<b>4,681,680</b>	<b>69,601,793</b>	<b>214,122,648</b>	<b>25,829,196</b>	<b>110,260,682</b>	<b>29,449,624</b>	<b>453,945,623</b>
<b>As at 1 January 2023</b>	4,630,349	59,998,115	192,080,855	28,848,739	51,900,165	23,248,492	360,706,715
Additions	-	-	-	-	-	45,790,432	45,790,432
Transfers	(2,241)	7,959,915	9,219,071	1,104,015	18,884,100	(39,862,994)	(2,698,134)
Disposals	-	(24,661)	(1,830,315)	(3,962,738)	-	-	(5,817,714)
**Write off	-	-	-	-	(27,317,790)	-	(27,317,790)
<b>As at 31 December 2023</b>	<b>4,628,108</b>	<b>67,933,369</b>	<b>199,469,611</b>	<b>25,990,016</b>	<b>43,466,475</b>	<b>29,175,930</b>	<b>370,663,509</b>
<b>Accumulated Depreciation</b>							
<b>As at 1 January 2024</b>	-	(10,516,299)	(74,453,891)	(20,879,650)	(11,493,360)	-	(117,343,200)
Depreciation for the year	-	(1,392,438)	(13,948,706)	(2,721,268)	(21,122,085)	-	(39,184,497)
Change in estimate*	-	-	-	-	(18,264,031)	-	(18,264,031)
Disposals	-	-	124,261	1,829,713	6,473,417	-	8,427,391
<b>As at 31 December 2024</b>	<b>-</b>	<b>(11,908,737)</b>	<b>(88,278,336)</b>	<b>(21,771,205)</b>	<b>(44,406,059)</b>	<b>-</b>	<b>(166,364,337)</b>
<b>As at 1 January 2023</b>	-	(9,271,245)	(62,568,538)	(21,045,865)	(15,749,546)	-	(108,635,194)
Depreciation for the year	-	(1,252,229)	(13,114,838)	(3,593,261)	(14,007,845)	-	(31,968,173)
Disposals	-	7,175	1,229,485	3,759,475	-	-	4,996,135
**Write off	-	-	-	-	18,264,031	-	18,264,031
<b>As at 31 December 2023</b>	<b>-</b>	<b>(10,516,299)</b>	<b>(74,453,891)</b>	<b>(20,879,651)</b>	<b>(11,493,360)</b>	<b>-</b>	<b>(117,343,201)</b>
<b>Carrying amount</b>							
<b>At 31 December 2024</b>	<b>4,681,680</b>	<b>57,693,056</b>	<b>125,844,312</b>	<b>4,057,991</b>	<b>65,854,623</b>	<b>29,449,624</b>	<b>287,581,286</b>
<b>At 31 December 2023</b>	<b>4,628,108</b>	<b>57,417,070</b>	<b>125,015,720</b>	<b>5,110,365</b>	<b>31,973,115</b>	<b>29,175,930</b>	<b>253,320,308</b>

\*Change in estimate relates to returnable containers estimated to be in the market based on changes in the measurement of returnable containers and container deposit liability as highlighted in note 3 (f).

\*\*Write off in prior year comprises of assets no longer in use by the Company.

N5.6 billion (2023: N2.7bn) was transferred to intangible assets in the year.

The total assets include fully depreciated assets that are still in use by the Company during the year.

**Notes to the financial statements**

		<u>2024</u>	<u>2023</u>
<b>15</b>	<b>Right of use assets</b>		
	<i>In thousands of naira</i>		
	<b>Cost</b>		
	Opening balance	37,984,021	27,254,161
	Additions	18,783,962	9,514,910
	Initial direct cost	445,628	1,214,950
	Modification (note 25 a)	<u>364,133</u>	<u>-</u>
	As at 31 December	<u>57,577,744</u>	<u>37,984,021</u>
	<b>Accumulated depreciation</b>		
	Opening balance	(19,354,451)	(11,264,736)
	Charge for the year	<u>(8,958,608)</u>	<u>(8,089,715)</u>
	As at 31 December	<u>(28,313,059)</u>	<u>(19,354,451)</u>
	<b>Carrying amount</b>	<u>29,264,685</u>	<u>18,629,570</u>
<b>15.1</b>	Amounts recognised in the statement of financial position		
	The statement of financial position shows the carrying amounts relating to leases:		
	<i>In thousands of naira</i>	<u>2024</u>	<u>2023</u>
	Land	-	13,560
	Vehicle	28,784,689	16,998,890
	Building	<u>479,996</u>	<u>1,617,120</u>
		<u>29,264,685</u>	<u>18,629,570</u>
<b>15.2</b>	Amounts recognised in the statement of profit or loss		
	Depreciation charge on right of use assets		
	Land	-	5,085
	Vehicle	8,093,057	6,067,142
	Buildings	<u>865,551</u>	<u>2,017,488</u>
		<u>8,958,608</u>	<u>8,089,715</u>
	Short term leases relate to leases of warehouses with contractual lease terms of less than or equal to 12 months. At the end of the reporting period, no rental expense (2023: Nil) was recognised within Administrative expenses (Note 7) for these leases. The Company does not have low-value leases and variable lease payments as lease payments are not increased during the life time of the asset.		
	The Company primarily leases land and buildings (used as office space, warehouse and residency) and vehicles (used for logistics purposes). The lease terms are typically for fixed periods ranging from 2 years to 3 years but may have extension options.		
<b>16</b>	<b>Intangible assets</b>	<u>2024</u>	<u>2023</u>
	<b>Computer software</b>		
	<i>In thousands of naira</i>		
	<b>Cost</b>		
	Opening balance	7,558,976	4,860,842
	Transfers from asset in course of construction (note 14)	<u>5,575,316</u>	<u>2,698,134</u>
	As at 31 December	<u>13,134,292</u>	<u>7,558,976</u>
	<b>Accumulated amortisation</b>		
	Opening balance	(2,604,372)	(1,609,475)
	Charge for the year	<u>(1,818,190)</u>	<u>(994,897)</u>
	As at 31 December	<u>(4,422,562)</u>	<u>(2,604,372)</u>
	<b>Carrying amount</b>	<u>8,711,730</u>	<u>4,954,604</u>
	Intangible assets relate to computer software programme licenses acquired by the Company. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives. The costs are amortised to "administrative expenses" in the profit or loss.		
<b>17</b>	<b>Investment securities</b>	<u>2024</u>	<u>2023</u>
	<i>In thousands of naira</i>		
	Investment securities (note 17.1)	<u>30,946,236</u>	<u>-</u>
		<u>30,946,236</u>	<u>-</u>
	Investment securities pertain to treasury bills held with Access Bank Plc, carrying an interest rate of 20% and maturing on May 22, 2025.		
<b>17.1</b>	<b>Movement in investment securities</b>	<u>2024</u>	<u>2023</u>
	Opening balance	-	86,213,956
	Addition	27,000,000	-
	Proceeds from call deposits	-	(86,213,956)
	Interest income (note 12)	<u>3,946,236</u>	<u>-</u>
		<u>30,946,236</u>	<u>-</u>
<b>18</b>	<b>Inventories</b>	<u>2024</u>	<u>2023</u>
	<i>In thousands of naira</i>		
	Raw materials (note 18.2)	58,016,228	25,532,990
	Spares parts, fuel and lubricants (note 18.1)	8,299,160	7,440,492
	Production in progress	9,223,000	4,221,987
	Consumables*	438,905	461,833
	Finished products	8,298,432	4,257,994
	Goods in transit	<u>5,428,719</u>	<u>6,587,953</u>
		<u>89,704,444</u>	<u>48,503,249</u>
	*Consumables are trade items used for brand activations and promotions.		
	During the year inventory expensed to cost of sales amounted to N305.8 billion (2023: N136.8 billion)		
	All inventories are carried at cost after assessing that the cost is lower than the net realizable value in line with IAS 2.		

**Notes to the financial statements**

	<b>2024</b>	<b>2023</b>
<b>18.1 Spares parts, fuel and lubricants</b>		
<i>In thousands of naira</i>		
Spares parts, fuel and lubricants	9,512,761	8,495,928
Provision for obsolete inventory	(1,213,601)	(1,055,436)
	<b>8,299,160</b>	<b>7,440,492</b>
<b>18.2 Raw materials</b>		
<i>In thousands of naira</i>		
Raw materials	58,144,922	25,613,102
Provision for obsolete inventory	(128,694)	(80,112)
	<b>58,016,228</b>	<b>25,532,990</b>
Provision for obsolete inventory is included as part of cost of materials consumed and allocated overheads and business running cost.		
<b>19 Trade and other receivables</b>		
<i>In thousands of naira</i>		
<b>19.1 Trade receivables (note 19.1 b)</b>	3,367,446	6,621,322
Impairment provision on trade receivables (note 19.5a)	(2,705,502)	(3,501,173)
Net trade receivables	<b>661,944</b>	<b>3,120,149</b>
<b>19.1 b Movement in gross trade receivable</b>		
<i>In thousands of naira</i>		
Opening balance	6,621,322	8,676,919
Addition	481,333,383	256,671,672
Receipt in the year	(483,573,511)	(257,801,993)
Write off during the year (note 19.5)	(1,013,748)	(925,276)
Balance at 31 December	<b>3,367,446</b>	<b>6,621,322</b>
<b>19.2 Other financial assets at amortised cost</b>		
Amount due from related parties (note 32b)	2,051,842	1,415,830
Impairment on amount due from related parties (note 19.5b)	(336,555)	(100,654)
Staff receivables	-	1,050
Lease receivables (note 19.3)	1,138,080	1,078,762
	<b>2,853,367</b>	<b>2,394,988</b>
The impairment on staff receivables and receivables from third party vendors are considered immaterial.		
<b>19.3</b> The Company has entered into operating leases with its distributors for trucks and fork lift usage. These leases have terms of between two to three years. Rental income is recognized in other operating income on a straight-line basis over the term of the lease under an operating lease agreement. Rental income recognized by the Company during the year was ₦179 million (2023: ₦292 million).		
The movement in lease receivable is as follow:		
<i>In thousands of naira</i>		
Opening balance	1,078,762	410,859
Addition	-	405,597
Repayment	(119,764)	(29,707)
Rental income	179,082	292,013
	<b>1,138,080</b>	<b>1,078,762</b>
<b>19.4 Non-financial assets</b>		
<i>In thousands of naira</i>		
Deposit for import*	98,039,016	921,074
Interest receivable	1,622,600	982,498
WHT receivable	787,491	659,513
Prepayments**	1,547,249	178,985
Receivables from 3rd party transporters and vendors	2,005,140	1,410,665
Rebate receivable	1,166,220	1,394,341
	<b>105,167,716</b>	<b>5,547,076</b>
<b>Total trade and other receivables</b>	<b>108,683,027</b>	<b>11,062,213</b>
*Deposit for import of ₦98.03 billion (2023: ₦0.921 billion) represents naira deposits for foreign currencies purchased for funding of letters of credits and forwards. All which relates to imported raw materials.		
**Prepayment relates to advance payment on insurance premium and outlets exclusivity.		
	<b>2024</b>	<b>2023</b>
Current	108,683,027	11,062,213
Non current	-	-
	<b>108,683,027</b>	<b>11,062,213</b>
<b>19.5 Impairment provision analysis</b>		
<b>a Trade receivable</b>		
<i>In thousands of naira</i>		
Opening balance	3,501,173	3,152,671
Write off during the year*	(1,013,748)	(925,276)
Impairment Allowance**	218,077	1,273,778
Balance at 31 December	<b>2,705,502</b>	<b>3,501,173</b>
*Write off relates to irrecoverable customers balances which have been provided for in prior year		
**Impairment recognised on trade receivable represent the loss allowance measured at an amount equal to lifetime expected credit losses.		

**Notes to the financial statements**

<b>19.5 Impairment provision analysis (continued)</b>		
<b>b Intercompany receivable</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Opening balance	100,654	40,596
Impairment on intercompany receivables	235,901	60,058
Balance at 31 December	<u>336,555</u>	<u>100,654</u>
Impairment recognised on intercompany receivable represent the loss allowance measured at an amount equal to 12-month expected credit losses.		
<b>19.6 Interest receivable movement</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Opening balance	982,498	216,584
Interest income on call deposits (note 12)	10,065,353	11,172,168
Interest received	(9,425,251)	(10,406,254)
	<u>1,622,600</u>	<u>982,498</u>
<b>20 Derivative financial instruments</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
<b>Current assets</b>		
Foreign currency forwards cash flow hedges	-	193,670,263
<b>Total current derivative financial instrument assets</b>	<u>-</u>	<u>193,670,263</u>
Loans were repaid during the year and as such no more hedging on the borrowings.		
<b>21 Cash and cash equivalents</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Cash at bank	24,669,455	19,887,004
Restricted cash*	206,267	8,880,441
Short-term investment	84,368,852	103,605,420
	<u>109,244,574</u>	<u>132,372,865</u>
Cash and cash equivalents comprise cash on hand and demand deposits together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.		
*Restricted cash is collateral deposit held by the bank till the maturity date of forward contracts.		
<b>21.1 Reconciliation to cash flow</b>		
The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:		
<i>In thousands of naira</i>	<b>2024</b>	<b>2023</b>
Balances as above	109,244,574	132,372,865
Balances per statement of cash flows	<u>109,244,574</u>	<u>132,372,865</u>
<b>22 Trade and other payables</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Trade payables	73,607,493	53,833,657
Accrued expenses	37,956,902	16,039,948
Amount due to related parties (note 32b)	99,521,795	127,321,294
Contract liabilities (note 22.2)	23,773,676	7,622,299
Unclaimed dividends (note 22.3)	164,413	166,668
Other payables (note 22.1)	6,120,173	4,193,554
	<u>241,144,452</u>	<u>209,177,420</u>
<b>22.1 Other payables</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Other provisions	61,000	24,000
Excise duty	3,323,707	2,496,188
VAT payable	2,465,088	1,445,037
WHT payable	270,378	228,329
	<u>6,120,173</u>	<u>4,193,554</u>
Trade payables are unsecured and are usually due within 30 - 90 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.		
* Other provisions relate to ongoing litigations against the Company in various Courts which are being handled by a combination of external and in-house counsel. In the opinion of the Directors and based on sound legal advice, the impact of these cases is not material as at date.		
The Company has no non-financial liabilities during the year.		
<b>22.2 Contract liabilities</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Customer deposits	23,773,676	7,622,299
<b>Total contract liabilities</b>	<u>23,773,676</u>	<u>7,622,299</u>
<b>Reconciliation of contract liabilities</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
<b>At 1 January</b>	7,622,299	3,926,556
Receipt from customers	23,773,676	7,622,299
Transfer to revenue	(7,622,299)	(3,926,556)
<b>At 31 December</b>	<u>23,773,676</u>	<u>7,622,299</u>

**Notes to the financial statements**

<b>22.3 Unclaimed dividends</b>		<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>			
<b>At 1 January</b>		166,668	163,566
Addition		-	3,102
Payment		(2,255)	-
<b>At 31 December</b>		<b>164,413</b>	<b>166,668</b>

**23 Employee benefits obligations**

i) Defined contribution plan

International Breweries Plc operates contributory pension scheme under the Nigerian Pension Reform Act, 2014. Contributions are through appointed Pension Fund Administrators that provide pension benefits for employees upon retirement.

ii) Defined benefit gratuity scheme

Provision is made for gratuities due to staff upon disengagement based on their years of service and current emoluments as contained in the staff conditions of service. The Company makes provisions for gratuity for employees that have spent at least 5 years continuing service in the Company. The mandatory retirement age for all staff is 60 years. For pension, the Company's legal or constructive obligation for these plans is limited to the contributions. Contribution is based on total emoluments (basic salary, transport, housing and meal allowances).

Expected increase to post-employment benefit plans for the year ended 31 December 2024 is ₦398.4 million (2023: ₦382.6 million). There are no plan assets set aside to meet gratuity payments when they fall due. Gratuity benefits are met by the Company on a pay-as-you-go basis.

**23.1 Amount recognised in the statement of financial position**

<b>Movement in the present value of</b>		<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>			
Defined benefit obligation at 1 January		2,723,587	2,604,539
Current service costs		398,431	382,572
Past service cost (due to settlement)		301,028	-
Interest cost		426,387	334,476
Amount recognised in the profit or loss		<b>1,125,846</b>	<b>717,048</b>
Loss/(gain) on liability due to changes in financial assumptions		68,774	(225,434)
Gain liability due to experience adjustment		(64,040)	(26,932)
Net actuarial loss/(gain) recognised in OCI		<b>4,734</b>	<b>(252,366)</b>
Benefits paid by the plan		(157,443)	(345,634)
Settlement*		(1,916,415)	-
<b>Defined benefit obligations at 31 December</b>		<b>1,780,307</b>	<b>2,723,587</b>

\*Settlement relates to total amount paid for the settlement of accrued gratuity liabilities for the Junior staff and management staff as at 31st December 2024.

**23.2 Actuarial assumption and sensitivity analysis**

**a Actuarial assumption**

		<b>2024</b>	<b>2023</b>
*Discount Rate		17%	17%
Average Long-term Rate of Future Salary Increases (p.a.)		15%	14%
Average Long-term Rate of Interest Credit (p.a.)		5%	5%
Average Future Long-term Rate of Inflation (p.a.)		N/A	N/A
**Mortality in service		A67/70 Table	A67/70 Table
**Mortality in retirement		N/A	N/A

Turnover Rates

7.5% up to 29yrs  
10% from 30 to 39yrs  
10% from 40 to 44yrs  
10% from 45 to 54yrs  
5% above 54 yrs.

Actuarial cost method

Projected Unit Credit

\*The liability duration of the Gratuity Plan is estimated at 7.20 years (2023: 9.96 years). We have compared this with the modified duration of the closest FGN bond as at 31st December 2024 which was 6.32 years with a gross redemption yield of about 16.98 %. We have therefore adopted a discount rate of 17.0% (2023: 16.5%).

**Competency of the valuer**

The expert values International Breweries Plc's obligation to the staff gratuity benefit plan it operates for its employees.

The actuarial valuation was performed by Chidiebere Orji with FRC registration number FRC/2021/004/0000022718 with applicable fees of ₦4.8 million (2023: ₦4.8 million).

**b Sensitivity analysis**

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

		<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>			
Basic assumptions		1,780,308	2,723,587
Discount rate	+1%	1,658,157	2,547,112
	-1%	1,918,108	2,922,390
Salary Increase	+1%	1,923,332	2,912,085
	-1%	1,652,057	2,555,021
Mortality	Age Rated Up by 1 year	1,780,073	2,723,848
	Age Rated Down by 1 year	1,780,510	2,732,340

**Notes to the financial statements**

**23.2 Actuarial assumption and sensitivity analysis (continued)**

**b Sensitivity analysis (continued)**

The sensitivity analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the assumptions shown. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**c Maturity profile of the defined benefit obligation**

*In thousands of naira*

	<b>2024</b>	<b>2023</b>
Within the next 12 months (next annual reporting period)	155,502	278,850
Between 2 and 5 years	1,125,093	1,733,437
Between 6 and 10 years	3,308,915	4,452,959
Beyond 10 years	50,287,329	59,798,587
<b>Total</b>	<b>54,876,839</b>	<b>66,263,833</b>

**d Risk exposure**

Through its defined benefit, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Inflation risks** Some of the Company's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

**Life expectancy** The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant in the Company's plan, where inflationary increases result in higher sensitivity to changes in life expectancy.

**24 Borrowings**

The overdraft facilities from the various banks are all secured by corporate guarantee of the Company. Interest on the bank overdrafts is payable at rates ranging from 25% to 30% (2023:18.5% to 19%).

The \$424 million loan obtained from Citi Bank in 2018, which had an outstanding balance of \$342 million as at maturity in May 2024, has been settled in full.

Interest rates on the Company's loans range from 5% to 6.5%. The Company's borrowings were within the period from one year to three years.

*In thousands of naira*

	<b>2024</b>	<b>2023</b>
<b>(a) Current</b>		
Term bank loan	-	374,339,382
	-	<b>374,339,382</b>

**(b) Non current**

*In thousands of naira*

	<b>2024</b>	<b>2023</b>
Term bank loan	-	-
	-	-

**(c) Movement in borrowings**

*In thousands of naira*

	<b>2024</b>	<b>2023</b>
At 1 January	374,339,382	194,084,203
Additions	62,000,000	41,617,660
Interest	25,452,612	24,711,674
Principal repayments	(598,682,787)	(56,627,291)
Interest repayments	(46,366,330)	(5,469,899)
Exchange loss	183,257,123	176,023,035
	-	<b>374,339,382</b>

**25 Leases**

The total cashflow for all leases for 2024 amounted to ₦14.2 billion (2022: ₦10.8 billion)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

**(a) Lease liabilities**

*In thousands of naira*

	<b>2024</b>	<b>2023</b>
Opening balance	20,091,530	16,407,669
Addition	18,783,962	9,514,910
Interest expense	7,479,164	4,970,976
Repayments	(14,222,195)	(10,802,025)
Modification*	364,133	-
Closing balance	<b>32,496,594</b>	<b>20,091,530</b>

\*Modification relates to changes in the contract terms of some leases.

**(b) Current**

Non-current	11,547,443	4,326,020
	20,949,151	15,765,510
	<b>32,496,594</b>	<b>20,091,530</b>

**26 Share capital**

*In thousands of naira*

**Issued and fully paid:**

Ordinary shares	16,259,625	13,431,034
Balance as at 31 December	<b>16,259,625</b>	<b>13,431,034</b>

The Company concluded its right issue exercise of 141,429,522 shares during the year which increased the number of shares from 26,862,065,850 at 50 kobo per share to 168,291,591,406 at 9.7 kobo per share on 10 June, 2024.

**Notes to the financial statements**

<b>(a) Movement in share capital</b>	<b>2024</b>	<b>2023</b>
As at 1st January	13,431,034	13,431,034
Issue of shares	2,828,591	-
As at 31st December	<b>16,259,625</b>	<b>13,431,034</b>
<b>27 Share premium</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Opening balance	159,803,396	159,803,396
Addition	513,389,178	-
Balance as at 31 December	<b>673,192,574</b>	<b>159,803,396</b>
The increase in share premium is as a result of the right issue that was concluded during the year.		
<b>28 Other reserve</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Balance at 1 January and 31 December	1,360,756	1,360,756
Other reserve relates to surplus from revaluation of tangible asset.		
<b>29 Employee benefit reserves</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Opening balance	33,363	(227,281)
Net Actuarial gain recognised in OCI	(4,734)	252,366
Deferred tax	9,447	8,278
Increase in employee benefit reserve	9,468	-
Balance as at 31 December	<b>47,544</b>	<b>33,363</b>
<b>30 Loss per share</b>		
Basic loss per share (LPS) is calculated by dividing the loss after taxation by the weighted average number of ordinary shares in issue at the end of the reporting period.		
	<b>2024</b>	<b>2023</b>
Loss attributable to shareholders (N'000)	(113,614,900)	(70,025,910)
Weighted average number of ordinary shares in issue (N'000)	97,576,829	26,862,069
Basic and diluted loss per share (Naira)	<b>(1.16)</b>	<b>(2.61)</b>
Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive shares at the reporting date (2023: Nil), hence the basic and diluted loss per share have the same value.		
The Company concluded its right issue exercise of 141,429,522 shares at 9.7 kobo per share during the year.		
<b>31 Cash generated from operating activities</b>		
<b>31.1 Reconciliation of cash generated from operations</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Loss before tax	(111,820,512)	(97,267,294)
<b>Adjustment for non cash items:</b>		
Depreciation of property, plant and equipment (note 14)	39,184,497	31,968,173
Depreciation - Right of use assets (note 15)	8,958,608	8,089,715
Amortisation of intangible assets (note 16)	1,818,190	994,897
Fair value changes on foreign currency forwards	193,670,263	(184,986,669)
Increase in employee benefit reserve	9,468	-
Rental income (note 19.3)	(179,082)	(292,013)
Interest income (note 12)	(14,011,589)	(11,172,168)
Interest expense on borrowings (note 24(c))	25,452,612	24,711,674
Interest expense on lease liabilities (note 25a)	7,479,164	4,970,976
Employee benefit expense (note 23.1)	1,125,846	717,048
Write off of property plant and equipment (note 31.2a)	-	9,053,759
Gain on estimation of returnable container in market for PPE (note 31.2b)	(9,053,757)	-
Loss on disposal of property plant and equipment (note 31.4)	1,727,350	821,579
Exchange loss on foreign currency cash and cash equivalent	1,285,778	577,458
Impairment charge on financial assets	453,978	1,333,835
Fair value change on foreign currency forwards cash flow hedges (note 4.2)	(69,110,017)	67,841,877
Unrealised exchange loss (note 24)	183,257,123	176,023,035
<b>Changes in working capital:</b>		
(Increase)/decrease in trade and other receivables (note 31.3)	(98,289,439)	10,749,742
Increase in inventories (note 31.3)	(41,201,195)	(21,588,848)
Increase in trade and other payables (note 31.3)	31,967,027	57,607,334
<b>Net cash generated from operations</b>	<b>152,724,313</b>	<b>80,154,110</b>

**Notes to the financial statements**

**31.2 Analysis of write off property, plant and equipment is shown below:**

<b>a.</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Cost (note 14)	-	(27,317,790)
Accumulated depreciation (Note 14)	-	18,264,031
		(9,053,759)
Loss on disposal (note 31.4)	-	821,579
	-	(8,232,180)

**31.2 Gain on change in estimate of returnable containers is shown below:**

<b>b.</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Cost (note 14)	27,317,788	-
Accumulated depreciation (Note 14)	(18,264,031)	-
	9,053,757	-

**31.3 Reconciliation to cashflows: changes in working capital**

	<b>Trade receivables N'000</b>	<b>Inventories N'000</b>	<b>Trade payables N'000</b>
<b>2023</b>			
Movement per the statement of financial position	9,415,907	(21,588,848)	57,607,334
Impairment of financial assets	1,333,835	-	-
Movement per statement of cash flows	<b>10,749,742</b>	<b>(21,588,848)</b>	<b>57,607,334</b>
<b>2024</b>			
Movement per the statement of financial position	(98,743,417)	(41,201,195)	31,967,027
Impairment of financial assets	453,978	-	-
Movement per statement of cash flows	<b>(98,289,439)</b>	<b>(41,201,195)</b>	<b>31,967,027</b>

**31.4 Analysis of gain/(loss) on disposal of property, plants and equipment**

	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Cost (Note 14)	(10,154,741)	(5,817,714)
Accumulated depreciation (Note 14)	8,427,391	4,996,135
	(1,727,350)	(821,579)
Proceeds from disposal	-	-
Loss on disposal	(1,727,350)	(821,579)

**32 Related parties**

The Company's related parties include the ultimate parent Company, AB InBev, SAB-Miller Finance BV and SAB-Miller Plc a subsidiary of AB InBev; its group entities; the directors, their close family members and employees who are able to exert a significant influence on the Company's operating policies. These may also include key management personnel having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Brauhaase International Management GMBH and its ultimate holding company (AB InBev Nigeria Holding BV) as at 31 December, 2024 held an equity interest of 97.4% in International Breweries Plc. The nature of transactions with related parties relates to purchases of raw materials for production, management fees and expense recharge.

During the year, transactions with companies related to the ultimate parent Company were in respect of the following:

<b>(a) Rendering of services</b>	<b>2024</b>	<b>2023</b>
<i>In thousands of naira</i>		
Amount due from fellow subsidiaries	2,051,842	1,415,830
<b>Total receivables from related parties</b>	<b>2,051,842</b>	<b>1,415,830</b>
Amount due to parent	2,153,663	1,272,527
Amount due to fellow subsidiaries	97,368,132	126,048,767
<b>Total payables to related parties</b>	<b>99,521,795</b>	<b>127,321,294</b>

All outstanding balances with these related parties are priced on arm's length basis and are to be settled within the agreed periods. None of the balances are secured and do not bear interest.

**Notes to the financial statements**

**32 Related parties (continued)**  
**(b) Balances with related parties (Gross)**

Entity Name	Nature of Relationship	2024		2023	
		Amount due from related parties N'000	Amount due to related parties N'000	Amount due from related parties N'000	Amount due to related parties N'000
ABInBev Africa Pty Ltd	Fellow subsidiary	225,288	(3,756,190)	6,749	(22,952,530)
Ab InBev UK Ltd	Fellow subsidiary	-	(4,163,403)	-	(1,856,769)
BAVARIA & CIA S.CA	Fellow subsidiary	-	(663,931)	-	(309,313)
Anheuser-Busch InBev NV SA	Fellow subsidiary	-	(1,590,574)	-	(542,049)
Anheuser-Busch InBev NV SA - SBP	Fellow subsidiary	-	-	-	(159,246)
Industrias del Atlantico SA	Fellow subsidiary	-	(158,673)	-	(66,498)
Accra Breweries Ltd	Fellow subsidiary	58,595	(553,802)	191,472	(303,318)
South African Breweries Pty Ltd	Fellow subsidiary	1,086,998	(13,265,913)	458,081	(6,655,419)
AB InBev Nigeria Holdings BV	Parent Company	-	(2,153,663)	-	(1,272,527)
ANHEUSER-BUSCH INT'L INC.	Fellow subsidiary	-	(647,808)	-	(43,157)
TANZANIA BREWERIES LTD	Fellow subsidiary	-	(94,885)	-	(56,064)
AB INBEV SERVICES LLC	Fellow subsidiary	74,675	(485,381)	41,026	(286,795)
Mubex Company	Fellow subsidiary	-	(71,942,759)	-	(92,813,242)
AB Mexico Holdings SRL ICP	Fellow subsidiary	-	-	-	-
Union De Cervecerias Peruanas Backus	Fellow subsidiary	-	-	-	-
ABI GCC	Fellow subsidiary	-	(44,813)	-	(4,367)
Beverages Management Solution	Fellow subsidiary	564,165	-	564,165	-
Cerveceria Modelo de México, S	Fellow subsidiary	39,381	-	140,415	-
Nile Brewery	Fellow subsidiary	2,740	-	1,627	-
Kgalagadi Breweries	Fellow subsidiary	-	-	12,295	-
<b>Total</b>		<b>2,051,842</b>	<b>(99,521,795)</b>	<b>1,415,830</b>	<b>(127,321,294)</b>

**c) Related parties transactions during the year**

Entity Name	Nature of relationship	Nature of transaction	2024	2023
			N'000	N'000
ABInBev Africa Pty Ltd	Fellow subsidiary	Management Fee/Recharges for Expat cost	(3,756,190)	(22,952,530)
Ab InBev UK Ltd	Fellow subsidiary	Recharges for Expat cost	(4,163,403)	(1,856,769)
BAVARIA & CIA S.CA	Fellow subsidiary	Recharges for Expat cost	(663,931)	(309,313)
Anheuser-Busch InBev NV SA	Fellow subsidiary	Recharges for Share based payment	(1,590,574)	(542,049)
Anheuser-Busch InBev NV SA - SBP	Fellow subsidiary	Recharges for Share based payment	-	(159,246)
Industrias del Atlantico SA	Fellow subsidiary	Recharges for Expatriate cost	(158,673)	(66,498)
Accra Breweries Ltd	Fellow subsidiary	Recharges for Expatriate cost, travel etc	(553,802)	(303,318)
South African Breweries Pty Ltd	Fellow subsidiary	Tech Purchases/ Recharges for Projects, expat cost, travel etc	(13,265,913)	(6,655,419)
AB InBev Nigeria Holdings BV	Parent Company	Recharges for Expat cost	(2,153,663)	(1,272,527)
ANHEUSER-BUSCH INT'L INC.	Fellow subsidiary	Recharges for Expat cost	(647,808)	(43,157)
TANZANIA BREWERIES LTD	Fellow subsidiary	Recharges for Expat cost	(94,885)	(56,064)
AB INBEV SERVICES LLC	Fellow subsidiary	Recharges for Marketing & Expat cost	(485,381)	(286,795)
Mubex	Fellow subsidiary	Purchases of Goods	(71,942,759)	(92,813,242)
ABI GCC	Fellow subsidiary	Recharges for Services	(44,813)	(4,367)
			<b>(99,521,795)</b>	<b>(127,321,294)</b>

**d) Key management compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. These persons make up the board of directors. The compensation paid or payable to key management for employee services is shown below:

	2024	2023
<i>In thousands of naira</i>		
The emoluments of the highest paid director	130,231	125,710
Salaries and other short term employee benefits	130,231	125,710
	<b>130,231</b>	<b>125,710</b>
<i>In thousands of naira</i>		
Emolument of the chairman	15,400	15,071
	<b>15,400</b>	<b>15,071</b>
<i>In thousands of naira</i>		
Total directors emoluments	655,353	581,397
	<b>655,353</b>	<b>581,397</b>
<i>In thousands of naira</i>		
Total emoluments of management	7,358,991	5,844,612
	<b>7,358,991</b>	<b>5,844,612</b>

**Notes to the financial statements**

**32 Related parties (continued)**

**d) Key management compensation (continued)**

The emoluments of the directors were within the bands stated below:

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
₦5,000,001 - ₦15,000,000	-	4
Above ₦15,000,000	11	7
	<b>11</b>	<b>11</b>

During the year, 4 directors who did not earn emolument waived their right to receive emolument (2023: 2).

**33 Employees**

i) The average number of persons (excluding directors) employed by the Company during the year was as follows:

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
Management	421	429
Non-management	1,086	1,123
	<b>1,507</b>	<b>1,552</b>

ii) The table below shows the number of employees (excluding directors), who earned over ₦400,000 as emoluments in the year and were within the bands stated.

	<b>2024</b>	<b>2023</b>
₦	<b>Number</b>	<b>Number</b>
400,000 - 1,500,000	-	1
1,500,000 - 3,000,000	197	303
3,000,001 - 4,500,000	250	590
Above 4,500,000	1,060	658
	<b>1,507</b>	<b>1,552</b>

The total employee emolument is disclosed in (note 9.1)

**34 Contingent liabilities, commitments and guarantees**

At the statement of financial position reporting date, there were legal claims of ₦10.39 billion (2023 : ₦10.34 billion) against International Breweries Plc for which the law suits have not been concluded as at year end. The Company solicitors are of the opinion that the legal claims are not likely to crystallize up to the amount assessed. There is a provision of ₦61 million for contingent liabilities expected to crystallize (2023: ₦24 million).

The Company has no commitments at the end of the period.

**35 Events after the reporting period**

The directors are of the opinion that there were no post statement of financial position events that could have material effect on the state of affairs of the Company at December 31, 2024 and on the profit for the year ended on the date that have not been taken into accounts in these financial statements.

**36 Dealing policy**

International Breweries Plc has a Securities Trading Policy "The Policy" which guides the Board and Employees when attempting effecting transactions in the Company's shares. The Policy provides for periods for Dealing in Shares and other Securities; established communication protocols on periods when transactions are not permitted to be effected on the Company's shares (Close Period) as well as disclosure requirements when effecting such transactions.

The Company complied with the Nigerian Stock Exchange Rules regarding this Policy in the year under review.

**37 Non-audit services**

During the year, tax service was performed by PricewaterhouseCoopers which was led by the Engagement partner Tiwalade Otufale with FRC registration number FRC/2022/PRO/CITN/002/519865. The service was a continuation of the prior years tax review for which provisions had been made in 2022, therefore no additional service charge was incurred in 2024.

Actuarial valuation was performed by Chidiebere Orji with FRC registration number FRC/2021/004/0000022718 from Logic Professional Services with FRC registration number FRC/2025/COY/562144.

**Other National Disclosures**

### **Statement of Value added**

<i>In thousands of naira</i>	<b>2024</b>	<b>%</b>	<b>2023</b>	<b>%</b>
Revenue	488,955,682		260,598,228	
Bought in materials and services - Local	(243,493,037)		(90,737,426)	
Bought in materials and services - Foreign	(336,252,290)		(125,304,064)	
Other income	-		1,912,950	
<b>Value added</b>	<b>(90,789,645)</b>	<b>100</b>	<b>46,469,688</b>	<b>100</b>
Applied as follows:				
<b>To pay employees:</b>				
Wages, salaries and other benefits	19,432,285	(21)	16,321,412	35
<b>To pay government:</b>				
Tax credit	1,794,388	(2)	(27,241,384)	(59)
<b>To pay providers of capital:</b>				
Net interest	20,742,591	(23)	18,260,264	39
<b>To provide for enhancement of assets and growth:</b>				
Depreciation of plant, property and equipment	39,184,497	(43)	31,968,173	69
Depreciation right of use assets	8,958,608	(10)	8,089,715	17
Amortisation of intangible assets	1,818,190	(2)	994,897	2
<b>Retained in the business:</b>				
Loss for the year	(182,720,204)	201	(1,923,389)	(4)
<b>Value added</b>	<b>(90,789,645)</b>	<b>100</b>	<b>46,469,688</b>	<b>100</b>

*This statement represents the distribution of the wealth created through the use of the Company's assets by its own and employees' efforts.*

### **Five-year financial summary**

<b>Financial position</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<i>In thousands of naira</i>					
<b>Capital employed:</b>					
Ordinary share capital	16,259,625	13,431,034	13,431,034	13,431,034	13,431,034
Share premium	673,192,574	159,803,396	159,803,396	159,803,396	159,803,396
Cash flow hedge	-	69,110,017	1,268,140	(2,280,207)	(2,587,344)
Retained losses	(241,946,422)	(128,331,522)	(58,305,612)	(36,679,322)	(19,022,812)
Other reserves	1,360,756	1,360,756	1,360,756	1,360,756	1,360,756
Employee benefit reserves	47,544	33,363	(227,281)	(531,756)	(1,251,173)
<b>Total equity</b>	<b>448,914,077</b>	<b>115,407,044</b>	<b>117,330,433</b>	<b>135,103,901</b>	<b>151,733,857</b>
<b>Represented by:</b>					
Non-current assets	389,294,016	338,888,871	303,925,621	281,425,196	279,959,081
Current assets	338,578,281	385,608,590	180,326,119	188,528,019	92,687,325
Current liabilities	(256,228,762)	(590,601,320)	(210,841,321)	(325,679,434)	(217,921,521)
Non-current liabilities	(22,729,458)	(18,489,097)	(156,079,986)	(8,969,880)	(2,991,028)
<b>Net assets</b>	<b>448,914,077</b>	<b>115,407,044</b>	<b>117,330,433</b>	<b>135,303,901</b>	<b>151,733,857</b>
<b>Net assets per share (Naira)</b>	<b>13.80</b>	<b>4.30</b>	<b>4.37</b>	<b>5.04</b>	<b>5.65</b>

Net assets per share is calculated by dividing net assets of the Company by the number of ordinary shares outstanding at the end of the reporting period.

<b>Financial result</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<i>In thousands of naira</i>					
Revenue	488,955,682	260,598,228	218,650,267	182,298,045	136,790,573
Gross profit	131,350,466	86,268,402	73,574,857	46,304,643	30,474,731
Net operating expenses	(222,428,387)	(164,983,419)	(94,907,330)	(64,347,313)	(57,388,194)
Operating loss	(91,077,921)	(78,715,017)	(21,332,473)	(18,042,670)	(26,913,463)
Net finance costs	(20,742,591)	(18,552,277)	(5,511,991)	(1,793,608)	(1,676,856)
Loss before taxation	(111,820,512)	(97,267,294)	(26,844,464)	(19,836,278)	(28,590,319)
Income tax credit	(1,794,388)	27,241,384	5,218,174	2,179,768	12,507,983
<b>Loss for the year</b>	<b>(113,614,900)</b>	<b>(70,025,910)</b>	<b>(21,626,290)</b>	<b>(17,656,510)</b>	<b>(16,082,336)</b>
<b>Basic loss per share</b>	<b>(1.16)</b>	<b>(2.61)</b>	<b>(0.81)</b>	<b>(0.66)</b>	<b>(0.61)</b>

Loss per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.