



Champion Breweries Plc
RC: 13388

Unaudited Condensed Interim Financial Statements
For the Nine Months Ended 30th September 2024

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CONDENSED INTERIM INCOME STATEMENT

For the nine month period ended 30th September

	Notes	Quarter to date 30th September	Quarter to date 30th September	Year to date 30th September	Year to date 30th September
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Revenue	5 & 14	4,475,642	2,657,893	14,020,586	8,363,922
Cost of Sales**		(2,519,566)	(1,458,418)	(8,275,316)	(4,921,538)
Gross Profit		1,956,076	1,199,475	5,745,270	3,442,384
Other Income		27,509	10,913	59,851	54,578
Selling and Distribution Expenses**	5 & 14	(1,247,771)	(821,367)	(3,249,435)	(2,207,048)
Administrative Expenses**	5 & 14	(183,867)	(511,681)	(1,411,802)	(1,336,657)
Results from operating activities		551,948	(122,660)	1,143,884	(46,743)
Finance income	6	-	1,036	-	11,289
Net Loss on Foreign Exchange Transactions	6	(34,920)	-	(945,658)	-
Finance costs	6	(5,825)	(15,673)	(20,025)	(56,026)
Net Finance costs		(40,744)	(14,637)	(965,683)	(44,737)
Profit or Loss before tax		511,204	(137,297)	178,201	(91,480)
Income tax expenses	7	(103,047)	30,534	(156,706)	13,789
Profit /(Loss) after tax		408,156	(106,764)	21,495	(77,690)
Profit or Loss for the year attributable to:					
Owners of the Company		408,156	(106,764)	21,495	(77,691)
Non-controlling interest		-	-	-	-
Profit/ (Loss) for the period		408,156	(106,764)	21,495	(77,691)
Basic and diluted earnings per share (kobo)	13	4.56	(1.36)	0.24	(0.99)

** See note 14 for disclosure on restatement

**CONDENSED INTERIM STATEMENT OF OTHER
 COMPREHENSIVE INCOME**

For the nine months period ended 30th September

	Quarter to date 30th September 2024 N'000	Quarter to date 30th September 2023 N'000	Year to date 30th September 2024 N'000	Year to date 30th September 2023 N'000
Profit/(Loss) for the period	408,156	(106,764)	21,495	(77,691)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	408,156	(106,764)	21,495	(77,691)
Basic and diluted earnings per share (kobo)	4.56	(1.36)	0.24	(0.99)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at:	30th September 2024 N'000	31st December 2023 N'000
Assets		
Non-current assets		
Property, plant and equipment	13,996,294	15,117,284
Right-of-use assets	150,541	233,243
	14,146,835	15,350,527
Current assets		
Inventories	2,843,267	2,226,251
Trade and other receivables	130,499	384,066
Prepayments	122,209	92,885
Other assets	92,778	54,735
Cash and cash equivalents	1,317,443	2,444,615
	4,506,195	5,202,552
Total assets	18,653,030	20,553,079
Equity & Liabilities		
Equity		
Share capital	4,473,998	3,914,748
Share premium	0	519,100
Other Reserve	3,701,612	3,701,612
Retained earnings	3,041,184	3,059,838
	11,216,794	11,195,298
Liabilities		
Non-current liabilities		
Lease Liabilities	72,495	127,062
Retirement Benefit Obligation	759,033	629,808
Long Service Award	161,430	47,637
Deferred tax liabilities	284,274	584,867
	1,277,232	1,389,374
Current Liabilities		
Trade and other payables	5,132,557	5,553,164
Borrowings		1,346,065
Contract liabilities	237,620	308,355
Current tax payable	360,802	133,865
Provisions	428,026	508,873
Lease Liabilities	0	118,084
	6,159,005	7,968,406
Total liabilities	7,436,237	9,357,781
Total equity and liabilities	18,653,030	20,553,079

Approved by the Board of Directors on September 14th, 2024, and signed on its behalf by:

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

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

Additionally certified by:

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

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

Condensed Interim Statement of Changes in Equity

For the nine-months period ended 30th September, 2024

	Share capital N'000	Share premium N'000	Accumulated loss N'000	Other reserves N'000	Total N'000
Balance at 1st January 2024	3,914,748	519,100	3,059,839	3,701,612	11,195,300
Profit/(Loss) for the period	-	-	21,495		21,495
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	21,495	-	21,495
Balance as at 30th September, 2024	3,914,748	519,100	3,081,335	3,701,612	11,216,795

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

For the nine months period ended 30th September 2023

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

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

Condensed Interim Statement of Cash Flows
For the 9 months period ended 30th September, 2024

	2024 N'000	2023 N'000
Profit/(Loss) for the period	21,495	29,073
Adjustments for non- cash items:		
Depreciation of PPE	1,552,431	815,547
Depreciation of ROU Assets	84,993	60,259
Gain (loss) on disposal of property, plant and equipment	(1,192)	-
Finance Cost (Foreign Exchange Loss)	945,658	-
Interest on Lease Liability	20,025	40,353
Income tax and other accruals	-	16,744
	2,623,411	961,978
Changes in working capital:		
Inventories	(617,015)	(108,228)
Trade and other receivables	253,567	(204,314)
Prepayments	107	(67,941)
Other assets	(67,474)	1,184,313
Trade and other payables	418,695	593,027
Contract liability	(70,735)	(140,047)
Employee benefits	243,017	(13,914)
Provisions	(80,847)	15,424
Cash generated from operation	2,702,724	2,220,298
VAT paid	(799,560)	(267,321)
Income tax paid	(120,848)	(109,987)
PAYE and WHT & other taxes	(195,077)	(296,514)
Net cash from operating activities	1,587,239	1,546,477
Cash flows from investing activities		
Finance income	-	10,253
Acquisition of property, plant and equipment	(431,347)	(2,333,110)
Proceeds from sales of property, plant and equipment	8,658	-
Net cash used in investing activities	(422,689)	(2,322,857)
Cash flows from financing activities		
Payment of Lease liabilities		(61,776)
Repayment of loans and borrowings	(2,291,723)	
Net cash used in financing activities	(2,291,723)	(61,776)
Total Cash Movement for the period ended 30th September	(1,127,172)	(838,156)
Cash and cash equivalents at 1 st January	2,444,615	2,188,805
Cash and cash equivalents at 30th September	1,317,443	1,350,649
Represented by:		
Cash balance	1,317,443	1,350,649
Bank Overdraft	-	-
Cash and cash equivalents at 30th September	1,317,443	1,350,649

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

Notes to the condensed interim financial statements

1. REPORTING ENTITY

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

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

The financial statements of Champion Breweries Plc as at and for the year ended 31st December 2023 are available on the Company's registered website www.championbreweries.com

2. BASIS OF PREPARATION

a. Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of Champion Breweries Plc as at and for the year ended 31st December 2023.

These condensed interim financial statements were approved by a written resolution of the Board of Directors of the Company on September 14th, 2024.

b. Functional and presentation currency

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

c. Use of estimates and judgements

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31st December 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

a. General

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31st December 2023.

b. Income tax

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

4. SEASONALITY

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

5. ANALYSIS OF EXPENSES BY NATURE

For the nine-months period ended 30th September:

	Year to date 30th September 2024	Year to date 30th September 2023
EXPENSES BY NATURE	N'000	N'000
Raw materials & consumables	4,862,902	2,689,307
Advertising & sales expenses	313,116	288,764
Depreciation and amortization	1,631,966	1,288,121
Employee Benefits	1,674,041	1,284,353
Repairs & maintenance	802,966	784,737
Energy & water	2,177,426	1,169,270
Other Fixed Expenses	671,855	455,492
Distribution Expenses	802,281	505,200
Total cost of sales, selling and distribution and administration expenses	12,936,553	8,465,244

	Year to date 30th September 2024	Year to date 30th September 2023
EXPENSES BY NATURE	N'000	N'000
Cost of Sales	8,275,316	4,921,538
Selling & Distribution Expenses	3,249,435	2,207,049
Administrative Expenses	1,411,802	1,336,657
Total cost of sales, selling and distribution and administration expenses	12,936,553	8,465,244

6. NET FINANCE COST

Net finance cost for the nine-month period ended 30th September 2024 amounted to ~~₦~~965million (nine-month period ended 30th September 2023: ~~₦~~45million).

- a. Finance income for the nine-month period ended 30th September 2024 amounted to ~~₦~~Nil (nine-month period ended 30th September 2023: ~~₦~~11.3million).
- b. Foreign exchange loss and interest on the loan amount for the nine-month period ended 30th September 2024 amounted to ~~₦~~945million (nine-month ended 30th September 2023: ~~₦~~Nil).
- c. Other net finance expenses for the nine-months period ended 30th September 2024 amounted to ~~₦~~20million (nine-month ended 30th September 2023: ~~₦~~56million).

7. INCOME TAX EXPENSES

Tax computation in current period amounts to N157million (2023: ~~₦~~14million).

8. PROPERTY PLANT AND EQUIPMENT

Acquisitions

During the nine-months period ended 30th September 2024 the Company acquired, property, plant and equipment with a cost of ~~₦~~431million (nine-months period ended 30th September 2023: ~~₦~~2.4billion).

Capital commitments.

The Company's capital expenditure commitments for property, plant and equipment for the nine-months period ended 30th September 2024 amounted to ~~₦~~ill (nine-months period ended 30th September 2023: ~~₦~~1.3billion).

9. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk management

The aspect of the Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at end for the year ended 31st December 2023.

10. CONTINGENCIES

No material updates in comparison with 2023 year-end reporting were identified that need to be reported.

11. RELATED PARTY TRANSACTIONS

Acquisition of Heineken's 86.4% Shares in Champion Breweries Plc by Enjoycorp Limited (via Raysun Nigeria Limited) has been fully completed. However, the Company still have related party transactions with Heineken company as part of the transition agreement. These transactions are conducted on terms comparable to transactions with third parties. The related party transactions in the first nine-month period ended 30th September 2024 in substance does not deviate from the transactions as reflected in the financial statements as at the year 31st December 2023.

12. SUBSEQUENT EVENTS

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 30th September 2024 that have not been adequately provided for or disclosed in these condensed interim financial statements.

13. ISSUE OF SHARE

The shareholders of the Company, by an ordinary resolution passed at the Extraordinary General Meeting held on 21st May 2024, approved the bonus issue of 1,118,499,495 new ordinary shares on the basis of one (1) bonus share for every seven (7) existing ordinary shares held. The issued and fully paid-up ordinary share capital of the Company was increased from 7,829,496,464 to 8,947,995,892. The bonus shares were issued as fully paid, at nil consideration. This transaction has been reflected in the financial statement for the nine-month period ended 30th September 2024

14. SECURITIES TRADING

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

15. RESTATEMENT

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

EXPENSES BY NATURE	As previously Reported 2023	Adjustment	Amount as Restated 2023
	N'000	N'000	N'000
Raw materials & consumables	2,689,414		2,689,414
Advertising & sales expenses	288,764	-	288,764
Depreciation and amortization	1,288,121		1,288,121
Employee Benefits	1,284,353		1,284,353
Repairs & maintenance	784,737		784,737
Energy & water	1,169,270	-	1,169,270
Other Fixed Expenses	455,385	-	455,385
Distribution Expenses	505,200	-	505,200
Total cost of sales, selling and distribution and administration expenses	8,465,244	-	8,465,244

EXPENSES BY NATURE	As previously Reported 2023	Adjustment	Amount as Restated 2023
	N'000		N'000
Cost of Sales	5,788,686	(867,230)	4,921,456
Selling & Distribution Expenses	1,339,901	867,230	2,207,131
Administrative Expenses	1,336,657		1,336,657
Total cost of sales, selling and distribution and administration expenses	8,465,244	-	8,465,244

14. CHAMPION BREWERIES PLC'S SHAREHOLDING STRUCTURE/ FREE FLOAT STATUS AS AT Q3 2024

Hypothetical Case on Free Float Computation				
Company Name:	CHAMPION BREWERIES PLC			
Board Listed:				
Tear End:				
Reporting Period:	Month Ended 30 June 2024		Month Ended 30 SEPTEMBER 2024	
Share Price at end of reporting period:	(2024: N3.50)		(2024: N3.11)	
Shareholding Structure/Free Float Status				
Description	30-Jun-24		30-Sep-24	
	Units	Percentage	Units	Percentage
Issued Share Capital	7,829,496,464	100%	8,947,995,892	100%
Substantial Shareholdings (5% and above)				
Raysun Nigeria Limited	6,761,282,918	86.36%	7,727,180,477	86.36%
Akwa Ibom Investment Corporation	787,406,781	10.06%	899,893,463	10.06%
Total Substantial Shareholdings	7,548,689,699	96.41%	8,627,073,940	96.41%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr. Jacob Imo-Abasi				
Mr. Adoga Inalegwu				
Mr. Olufunminiyi Alabi				
Mr. Butler David				
Mr. Thompson S. B. Owoka (Direct)	500,000	0.01	571,428	0.01
Alhaji Shuaibu A. Ottan (Direct)	165,916	0.00	189,618	0.00
Mr. Idiahi Ehimare				
Mr. Samson Aigbebo				
Mrs. Helen Umanah (Direct)	8,110	0.00%	9,268	0.00%
Total Directors' Shareholdings	674,026	0.01	770,314	0.01
Other Influential Shareholdings				
Total Other Influential Shareholdings				
Free Float in Units and Percentage	280,132,739	3.58%	320,151,638	3.58%
Free Float in Value	N980,464,586.50		N995,671,594.18	
Declaration:				
(A) Champion Breweries Plc with a free float percentage of 3.58% as at 30 September 2024, is not compliant with The Exchange's free float requirements for companies listed on the Main Board.				
(B) Champion Breweries Plc with a free float value of N995.671,594.18 as at 30 September, 2024, is not compliant with The Exchange's free float requirements for companies listed on the Main Board				