

Nigerian Breweries Plc



Unaudited Condensed Interim Financial Statements
For the nine months ended 30th September, 2023

[Table of Contents](#)

Condensed interim income statement.....	1
Condensed interim statement of other comprehensive income	3
Condensed interim statement of financial position	5
Condensed interim statement of changes in equity.....	6
Condensed interim statement of cash flows	100
Notes to the condensed interim financial statements	111

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the nine months ended 30th September 2023

Condensed interim income statement

		GROUP			
		Quarter to date 30 th September 2023 N'000	Year to date 30 th September 2023 N'000	Quarter to date 30 th September 2022 N'000	Year to date 30 th September 2022 N'000
	Notes				
Net Revenue		124,382,017	401,801,300	119,364,354	393,449,148
Cost of Sales	6	(84,146,683)	(249,241,058)	(83,570,227)	(238,919,404)
Gross Profit		40,235,334	152,560,242	35,794,127	154,529,744
Other Income		599,633	1,953,615	506,084	2,506,063
Selling and Distribution Expenses	6	(33,094,031)	(101,553,111)	(31,106,546)	(100,910,363)
Administrative Expenses	6	(8,788,837)	(25,055,554)	(6,158,412)	(20,638,649)
Net (release)/charge of expected credit loss on financial assets		(71,058)	(645,707)	512,453	(99,501)
Results from operating activities		(1,118,959)	27,259,485	(452,294)	35,387,294
Finance income	7	106,998	292,564	29,922	258,666
Net loss on foreign exchange transactions		(1,566,560)	(86,826,983)	(3,082,035)	(10,362,990)
Finance costs	7b	(7,740,260)	(18,888,289)	(3,099,942)	(6,190,259)
Net Finance costs		(9,199,822)	(105,422,708)	(6,152,055)	(16,294,583)
Profit (loss) before tax		(10,318,781)	(78,163,223)	(6,604,349)	19,092,711
Income tax expenses	8	723,269	20,968,535	2,616,927	(4,337,488)
Profit/(loss) after tax		(9,595,512)	(57,194,688)	(3,987,422)	14,755,223
Profit/(Loss) for the year attributable to:					
Owners of the Company		(9,595,512)	(57,194,688)	(3,969,898)	14,750,673
Non-controlling interest		-	-	(17,524)	4,550
Profit/(loss) for the period		(9,595,512)	(57,194,688)	(3,987,422)	14,755,223
Earnings per share					
Basic Earnings per share (kobo)		(116)	(689)	(49)	182
Diluted earnings per share (kobo)		(116)	(689)	(49)	182

The notes on pages 11 to 15 are an integral part of these interim financial statements.

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the nine months ended 30th September 2023

Condensed interim income statement

	Notes	COMPANY			
		Quarter to date 30 th September 2023	Year to date 30 th September 2023	Quarter to date 30 th September 2022	Year to date 30 th September 2022
		N'000	N'000	N'000	N'000
Net Revenue		124,354,387	401,692,691	119,305,065	393,336,322
Cost of Sales	6	(84,146,683)	(249,241,058)	(83,570,227)	(238,919,404)
Gross Profit		40,207,704	152,451,633	35,734,838	154,416,918
Other Income		599,520	1,953,502	483,983	2,483,962
Selling and Distribution Expenses	6	(33,094,031)	(101,553,111)	(31,106,546)	(100,910,363)
Administrative Expenses	6	(8,647,512)	(24,576,308)	(5,910,806)	(19,941,056)
Net release of expected credit loss on financial assets		(71,058)	(645,707)	512,453	(99,501)
Results from operating activities		(1,005,377)	27,630,009	(286,078)	35,949,960
Finance income	7	106,998	292,564	29,922	258,666
Net loss on foreign exchange transactions		(1,566,560)	(86,826,983)	(3,082,035)	(10,362,990)
Finance costs	7b	(7,740,260)	(18,888,289)	(3,099,942)	(6,237,493)
Net Finance costs		(9,199,822)	(105,422,708)	(6,152,055)	(16,341,817)
Profit (loss) before tax		(10,205,199)	(77,792,699)	(6,438,133)	19,608,143
Income tax expenses	8	723,269	20,968,535	2,614,490	(4,350,420)
Profit/(loss) after tax		(9,481,930)	(56,824,164)	(3,823,643)	15,257,723
Profit/(loss) for the year attributable to:					
Owners of the Company		(9,481,930)	(56,824,164)	(3,823,643)	15,257,723
Non-controlling interest		-	-	-	-
Profit/(loss) for the period		(9,481,930)	(56,824,164)	(3,823,643)	15,257,723
Earnings per share					
Basic Earnings per share (kobo)		(114)	(685)	(47)	189
Diluted earnings per share (kobo)		(114)	(685)	(47)	189

The notes on pages 11 to 15 are an integral part of these interim financial statements.

Condensed interim statement of other comprehensive income

	GROUP			
	Quarter to date	Year to date	Quarter to date	Year to date
	30 th September	30 th September	30 th September	30 th September
	2023	2023	2022	2022
Notes	₦'000	₦'000	₦'000	₦'000
Profit/(loss) for the period	(9,595,512)	(57,194,688)	(3,969,898)	14,750,673
Other comprehensive income, net of tax				
Total comprehensive income for the period	(9,595,512)	(57,194,688)	(3,969,898)	14,750,673
Total comprehensive income for the year attributable to:				
Owners of the Company	(9,595,512)	(57,194,688)	(3,969,898)	14,750,673
Non-controlling interest	-	-	(17,524)	4,550
Total comprehensive income for the period	(9,595,512)	(57,194,688)	(3,987,422)	14,755,223

The notes on pages 11 to 15 are an integral part of these interim financial statements

Condensed interim statement of other comprehensive income

	COMPANY			
	Quarter to date	Year to date	Quarter to date	Year to date
	30 th September	30 th September	30 th September	30 th September
	2023	2023	2022	2022
Notes	₦'000	₦'000	₦'000	₦'000
Profit/(loss) for the period	(9,481,930)	(56,824,164)	(3,823,643)	15,257,723
Other comprehensive income, net of tax				
Total comprehensive income for the period	(9,481,930)	(56,824,164)	(3,823,643)	15,257,723
Total comprehensive income for the year attributable to:				
Owners of the Company	(9,481,930)	(56,824,164)	(3,823,643)	15,257,723
Total comprehensive income for the period	(9,481,930)	(56,824,164)	(3,823,643)	15,257,723

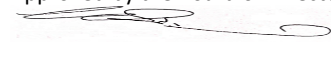
The notes on pages 11 to 15 are an integral part of these interim financial statements.

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the nine months ended 30th September 2023

Condensed interim statement of financial position
As at 30th September, 2023.

	Notes	30 th September 2023 Group N'000	30 th September 2023 Company N'000	31st December 2022 Group N'000	31st December 2022 Company N'000
ASSETS					
Property, plant and equipment	9	387,855,200	387,067,982	358,967,704	357,922,963
Intangible assets and goodwill		92,274,672	92,274,672	93,425,102	93,425,102
Right of Use Asset (ROUA)		9,022,738	9,006,333	9,901,779	9,828,656
Investments		150,000	929,625	150,000	929,625
Deferred tax Asset		6,525,359	6,525,359	-	-
Other receivables		4,431,643	4,431,643	2,022,169	2,022,169
Non-current assets		500,259,612	500,235,614	464,466,754	464,128,515
Inventories		102,137,339	101,979,764	83,517,310	83,344,213
Trade and other receivables		70,959,582	73,222,436	40,709,753	42,837,156
Prepayments		2,428,790	2,428,790	1,958,201	1,958,201
Deposit for imports		12,765,311	12,765,311	6,898,323	6,898,323
Cash and cash equivalents		21,134,994	21,018,591	22,180,841	22,151,846
Assets held for sale		157,500	-	157,500	-
Current assets		209,583,516	211,414,892	155,421,928	157,189,739
Total assets		709,843,128	711,650,506	619,888,682	621,318,254
EQUITY					
Share capital		5,138,066	5,138,066	5,138,066	5,138,066
Share premium		82,943,935	82,943,935	82,943,935	82,943,935
Share based payment reserve		1,270,560	1,270,560	944,383	944,383
Retained earnings		22,994,790	24,444,115	90,773,894	91,852,695
Equity attributable to owners of the company	11	112,347,351	113,796,676	179,800,278	180,879,079
Non-controlling interest		113,437	-	113,437	-
Total Equity		112,460,788	113,796,676	179,913,715	180,879,079
LIABILITIES					
Loans and borrowings		60,183,599	60,183,599	2,425,875	2,425,875
Lease liabilities		1,297	1,297	14,622	14,622
Employee benefits		11,961,542	11,961,542	11,422,347	11,422,347
Deferred tax liabilities		-	-	18,407,463	18,407,463
Non-current liabilities		72,146,438	72,146,438	32,270,307	32,270,307
Loans and borrowings		247,811,527	247,811,527	119,824,926	119,824,926
Lease liabilities		22,771	22,771	17,313	17,313
Current tax liabilities		10,260,815	10,260,815	13,002,683	13,002,683
Dividend payable		14,464,260	14,464,260	9,007,012	9,007,012
Trade and other payables		249,605,790	250,077,280	264,089,648	264,553,856
Provisions		3,070,739	3,070,739	1,763,078	1,763,078
Current liabilities		525,235,902	525,707,392	407,704,660	408,168,868
Total liabilities		597,382,340	597,853,830	439,974,967	440,439,175
Total equity and liabilities		709,843,128	711,650,506	619,888,682	621,318,254

Approved by the Board of Directors on 26th October, 2023 and signed on its behalf by:



Mr. Hans Essaadi
Managing Director/CEO
FRC/2022/PRO/DIR/003/195502



Mr. Ben Wessels Boer
Finance Director

**Mr. Boer has a waiver from the Financial Reporting Council of Nigeria ("FRCN") to sign the Financial Statements while processing his FRCN registration with the Council.*

The notes on pages 11 to 15 are an integral part of these interim financial statements.

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the nine months ended 30th September 2023

Condensed interim statement of changes in equity

Group		Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total	Non- Controlling Interest	Total Equity
	Notes	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Balance as at 1 st January 2023		5,138,066	82,943,935	944,383	90,773,894	179,800,278	113,437	179,913,715
Loss for the period		-	-	-	(57,194,688)	(57,194,688)	-	(57,194,688)
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	(57,194,688)	(57,194,688)	-	(57,194,688)
Transaction with owners, recorded directly in equity		-	-	-	-	-	-	-
Contributions and distributions								
Issue of ordinary shares		-	-	-	-	-	-	-
Share based payment charge		-	-	556,839	-	556,839	-	556,839
Share based payment recharge		-	-	(230,662)	-	(230,662)	-	(230,662)
Dividends		-	-	-	(10,584,416)	(10,584,416)	-	(10,584,416)
Unclaimed dividends written back		-	-	-	-	-	-	-
Total contributions and distributions		-	-	326,177	(10,584,416)	(10,258,239)	-	(10,258,239)
Changes in ownership interest								
Total transactions with owners of the company		-	-	326,177	(67,779,104)	(67,452,927)	-	(67,452,927)
Balance as at 30th September, 2023		5,138,066	82,943,935	1,270,560	22,994,790	112,347,351	113,437	112,460,788

The notes on pages 11 to 15 are an integral part of these interim financial statements.

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the nine months ended 30th September 2023

Condensed interim statement of changes in equity

Company	Notes	Share Capital N'000	Share Premium N'000	Share Based Payment Reserve N'000	Retained Earnings N'000	Total Equity N'000
Balance as at 1 st January 2023		5,138,066	82,943,935	944,383	91,852,695	180,879,079
Loss for the period		-	-	-	(56,824,164)	(56,824,164)
Other comprehensive income for the period		-	-	-	-	-
Total Comprehensive income for the period		-	-	-	(56,824,164)	(56,824,164)
Transaction with owners, recorded directly in equity		-	-	-	-	-
Contributions and distributions						
Issue of ordinary shares		-	-	-	-	-
Share based payment charge		-	-	556,839	-	556,839
Share based payment recharge		-	-	(230,662)	-	(230,662)
Dividends		-	-	-	(10,584,416)	(10,584,416)
Unclaimed dividends written back		-	-	-	-	-
Total contributions and distributions		-	-	326,177	(10,584,416)	(10,258,239)
Changes in ownership interest						
Total transactions with owners of the company		-	-	326,177	(67,408,580)	(67,082,403)
Balance as at 30th September, 2023		5,138,066	82,943,935	1,270,560	24,444,115	113,796,676

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Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the nine months ended 30th September 2023

Condensed interim statement of changes in equity

Group		Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total	Non- Controlling Interest	Total Equity
	Notes	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Balance as at 1 st January 2022		4,037,916	77,499,797	170,753	90,094,911	171,803,377	108,887	171,912,264
Profit for the period		-	-	-	14,750,673	14,750,673	4,550	14,755,223
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	14,750,673	14,750,673	4,550	14,755,223
Transaction with owners, recorded directly in equity		-	-	-	-	-	-	-
Contributions and distributions								
Issue of ordinary shares		72,537	6,471,751	-	-	6,544,288	-	6,544,288
Share based payment charge		-	-	647,237	-	647,237	-	647,237
Share based payment recharge		-	-	(164,404)	-	(164,404)	-	(164,404)
Dividends		-	-	-	(9,690,998)	(9,690,998)	-	(9,690,998)
Unclaimed dividends written back		-	-	-	420,561	420,561	-	420,561
Total contributions and distributions		72,537	6,471,751	482,833	(9,270,437)	(2,243,316)	-	(2,243,316)
Changes in ownership interest								
Total transactions with owners of the company		72,537	6,471,751	482,833	5,480,236	12,507,357	4,550	12,511,907
Balance as at 30th September, 2022		4,110,453	83,971,548	653,586	95,575,147	184,310,734	113,437	184,424,171

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Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the nine months ended 30th September 2023

Condensed interim statement of changes in equity

Company	Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total Equity
Notes	₦'000	₦'000	₦'000	₦'000	₦'000
Balance as at 1 st January 2022	4,037,916	77,499,797	170,753	90,430,837	172,139,303
Profit for the period	-	-	-	15,257,723	15,257,723
Other comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	15,257,723	15,257,723
Transaction with owners, recorded directly in equity	-	-	-	-	-
Contributions and distributions					
Issue of ordinary shares	72,537	6,471,751	-	-	6,544,288
Share based payment charge	-	-	647,237	-	647,237
Share based payment recharge	-	-	(164,404)	-	(164,404)
Dividends	-	-	-	(9,690,998)	(9,690,998)
Unclaimed dividends written back	-	-	-	420,561	420,561
Total contributions and distributions	72,537	6,471,751	482,833	(9,270,437)	(2,243,316)
Changes in ownership interest					
Total transactions with owners of the company	72,537	6,471,751	482,833	5,987,286	13,014,407
Balance as at 30th September, 2022	4,110,453	83,971,548	653,586	96,418,123	185,153,710

The notes on pages 11 to 15 are an integral part of these interim financial statements.

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the nine months ended 30th September 2023

Condensed interim statement of cash flows

	Notes	Group 2023 N'000	Company 2023 N'000	Group 2022 N'000	Company 2022 N'000
Profit for the period		(57,194,688)	(56,824,164)	14,755,223	15,257,723
Adjustments for:					
Depreciation		34,256,421	33,944,867	27,145,323	26,842,355
Amortization of intangible assets		1,223,404	1,223,404	1,160,315	1,160,315
Finance income		(292,564)	(292,564)	(258,666)	(258,666)
Interest expenses		18,888,289	18,888,289	6,190,259	6,237,493
Gratuity, employee benefit and share based payment charges		1,780,030	1,780,030	1,547,237	1,547,237
Loss on sale of property, plant and equipment		(93,370)	(93,370)	(638,710)	(638,710)
Changes in provisions		1,307,661	1,307,661	-	-
Income tax expense		(20,968,535)	(20,968,535)	7,625,560	4,350,420
		(16,843,523)	(16,784,553)	57,526,541	54,498,167
Changes in:					
Inventories		(18,620,029)	(18,635,551)	(32,154,863)	(32,042,379)
Trade and other receivables		(32,659,303)	(32,794,754)	(13,856,265)	(13,178,106)
Prepayments		(470,589)	(470,589)	(222,940)	(222,940)
Trade and other payables		5,675,832	5,683,114	(13,289,948)	(14,290,826)
Deposit for imports		(5,866,988)	(5,866,988)	4,690,059	4,690,059
Cash generated from operating activities		(68,784,600)	(68,869,321)	2,692,584	(546,025)
Income tax paid		(6,706,155)	(6,706,155)	(8,306,225)	(4,964,357)
Gratuity paid		(607,808)	(607,808)	(570,067)	(570,067)
Other long term employee benefits paid		(1,052,417)	(1,052,417)	(1,090,755)	(1,090,755)
Share based payment		(230,662)	(230,662)	(164,404)	(164,404)
VAT paid*		(25,065,667)	(25,065,667)	(19,413,136)	(19,413,136)
Net cash from operating activities		(102,447,309)	(102,532,030)	(26,852,003)	(26,748,744)
Cash flows from investing activities					
Finance income		292,564	292,564	258,666	258,666
Proceeds from sale of property, plant and equipment		109,159	106,471	370,891	370,891
Acquisition of property, plant and equipment		(64,798,248)	(64,798,247)	(51,939,448)	(51,939,025)
Acquisition of right-of-use asset		(102,446)	(102,446)	(788,914)	(840,784)
Acquisition of intangible assets		(72,974)	(72,974)	(200,980)	(200,980)
Net cash used in investing activities		(64,571,945)	(64,574,945)	(52,299,785)	(52,351,231)
Cash flows from financing activities					
Proceeds from loans and borrowings		448,660,435	448,660,435	114,380,609	114,380,609
Repayment of loans and borrowings		(267,158,848)	(267,158,848)	(28,698,659)	(28,698,659)
Interest paid		(10,384,531)	(10,384,531)	(2,431,901)	(2,479,135)
Lease Liability paid		(16,481)	(16,481)	(113,540)	(113,540)
Deposit at registrars related to prior years unclaimed dividends		330,080	330,080	132,110	132,110
Dividends paid		(5,457,248)	(5,457,248)	(6,153,423)	(6,153,423)
Net cash used in financing activities		165,973,407	165,973,407	77,115,196	77,067,962
Net increase/(decrease) in cash and cash equivalents		(1,045,847)	(1,133,255)	(2,036,592)	(2,032,013)
Cash and cash equivalents as at 1 st January		22,180,841	22,151,846	16,730,029	16,720,040
Cash and cash equivalents as at 30th September		21,134,994	21,018,591	14,693,437	14,688,027
Represented by:					
Cash balance		21,134,994	21,018,591	14,693,437	14,688,027
		21,134,994	21,018,591	14,693,437	14,688,027

The notes on pages 11 to 15 are an integral part of these interim financial statements.

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

Notes to the condensed interim financial statements

1. REPORTING ENTITY

Nigerian Breweries Plc, a public Company quoted on The Nigerian Stock Exchange, was incorporated in Nigeria on the 16th November 1946, under the name, Nigerian Brewery Limited. The name was changed on 7th January 1957, to Nigerian Breweries Limited and thereafter to Nigerian Breweries Plc in 1990 when the Companies and Allied Matters Act of that year came into effect. The Company is a subsidiary of Heineken N.V. a company domiciled in the Netherlands, the latter having a 56.69% interest in the equity of Nigerian Breweries Plc. The address of the Company's registered office is 1, Abebe Village Road, Iganmu, Lagos. The condensed interim financial statements of the Company as at and for the six-month period ended 30th September 2023 comprise the Company and its subsidiaries.

The financial statements of Nigerian Breweries Plc as at and for the year ended 31st December 2022 are available from the Company's registered website www.nbplc.com/investor-relations.html

2. REGULATIONS FOR DEALING IN NB PLC'S SHARES AND SECURITIES

In compliance with The Nigerian Exchange Limited's Rules, Nigerian Breweries Plc has in place Regulations to guide the Board, employees and other persons classified as insiders when effecting transactions in the Company's shares and securities. The Company's Regulations for Dealing in Shares and other Securities provide amongst others, the period when transactions are not allowed to be effected on the Company's shares and securities ("Closed Period") as well as disclosure requirements when effecting such transactions. All concerned are obliged to observe the provisions of the Regulations when dealing in the Company's shares and securities. The Company has made inquiries of all affected persons and is not aware of any infringement of the policy during the period.

3. 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 a full annual financial statements and should be read in conjunction with the financial statements of Nigerian Breweries Plc as at and for the year ended 31st December 2022.

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 otherwise.

c. Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect 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 judgments 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 2022.

Notes to the condensed interim financial statements

4. 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 2022.

b. Income tax

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

5. 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 dependent on the performance in the peak-selling season, typically resulting in higher revenue and profitability in the last quarter of the year. The impact of this seasonality is also noticeable in several working capital related items such as inventory, trade receivables, and payables.

6. ANALYSIS OF EXPENSES BY NATURE

For the nine-month period ended 30th September:

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Raw materials and consumables	177,427,635	177,427,635	171,669,194	171,669,194
Advertising and sales expenses	36,691,313	36,691,313	44,442,067	44,442,067
Depreciation	34,256,421	33,944,867	27,145,323	26,842,355
Amortization	1,223,404	1,223,404	1,160,315	1,160,315
Employee benefits	44,164,288	44,064,599	38,588,894	38,588,894
Distribution	44,855,984	44,855,984	39,736,272	39,736,272
Repairs and Maintenance	14,539,573	14,539,573	13,142,186	13,142,186
Royalty and technical service fees	9,286,372	9,286,372	9,119,727	9,119,727
Others	13,404,733	13,336,730	15,563,939	15,169,314
Total cost of sales, selling & distribution and administration expenses	375,849,723	375,370,477	360,567,917	359,870,324

7. INTEREST INCOME, INTEREST EXPENSES AND OTHER NET FINANCE EXPENSES

Net finance income and expenses for the nine-month period ended 30th September 2023 amounted to ₦105 billion (nine-month period ended 30th September 2022: ₦16 billion).

a. Finance income

Interest income for the nine-month period ended 30th September 2023 amounted to ₦293 million (nine-month period ended 30th September 2022: ₦259 million).

b. Finance expense

Interest expenses for the nine-month period ended 30th September 2023 amounted to ₦19 billion (nine-month ended 30th September 2022: ₦6.2 billion expenses).

Other net finance expenses for the nine-month period ended 30th September 2023 amounted to ₦87 billion (nine-month ended 30th September 2022: ₦10 billion).

Notes to the condensed interim financial statements.

The interest expenses on the net pension liability for the period ended 30th September 2023 amounted to ₦976 Million (nine-month period ended 30th September 2022: ₦604 million)

8. INCOME TAX EXPENSES

The Company's effective tax rate in respect of continuing operations for the nine-month period ended 30th September 2023 was 26.95 percent (for the nine-month period ended 30th September 2022: 22.18 percent).

9. PROPERTY PLANT AND EQUIPMENT

Acquisitions

During the nine-month period ended 30th September 2023, the Company acquired, plant and equipment with a cost of ₦65 billion (nine-month period ended 30th September 2022: ₦52 billion).

Capital commitments

As at 30th September 2023, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦89 billion (30th September 2022: ₦93.4 billion).

10. 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 and for the year ended 31st December 2022.

11. EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Reserves

The reserves consist of share premium, share-based payment, equity contribution reserves and retained earnings.

Weighted average number of shares (basic and diluted)

For the nine-month period ended 30th September
In shares

	2023	2022
1 st January		
Weighted average number of shares	8,298,839,837	8,042,944,463
Scrip issues	-	24,179,000
30th September		
Weighted average number of shares	8,298,839,837	8,067,123,463

Notes to the condensed interim financial statements.

12. NET CASH COVERAGE /INTEREST BEARING DEBT POSITION

For the nine-month period ended 30th September:

	Group 2023 N'000	Company 2023 N'000	Group 2022 N'000	Company 2022 N'000
Loans and borrowings	247,811,527	247,811,527	108,128,787	108,128,787
Cash, cash equivalents and current	-21,134,994	-21,018,591	(14,693,437)	(14,688,027)
(Net cash coverage position)/interest bearing debt position	226,676,533	226,792,936	93,435,350	93,440,760

13. CONTINGENCIES

No material updates in comparison with 2022 year-end reporting were identified that need to be reported.

14. RELATED PARTY TRANSACTIONS

The Company has related party relationships with its parent company, Heineken N.V. and Heineken group entities. These transactions are conducted on terms comparable to transactions with third parties. The related party transactions in the first nine-month period ended 30th September 2023 do not in substance deviate from the transactions as reflected in the financial statements as at and for the year ended 31st December, 2022.

	Transaction value		Balance due (to)/from	
	Sept-23 N'000	Sept-22 N'000	Sept-23 N'000	Sept-22 N'000
Purchases and others	(90,667,916)	(68,021,047)	(8,715,615)	(28,183,706)
Contract brewing services with:				
- Other related parties	-	-	1,491,866	652,085
Technical Service fees & royalties				
- Parent	(1,803,315)	(1,644,402)	(7,017,396)	(2,467,459)
- Other related parties	(7,483,057)	(7,475,325)	(33,870,499)	(11,616,710)
Total Technical Service Fees and Royalties	(9,286,372)	(9,119,727)	(40,887,895)	(14,084,168)
Sales and others				
- Other related parties	6,141,855	2,221,587	(2,199,577)	(17,804,195)

Notes to the condensed interim financial statements.

15. 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 2023 that have not been adequately provided for or disclosed in these condensed interim financial statements.