



Nigerian Breweries Plc
RC: 613



2021 ANNUAL
REPORT &
ACCOUNTS

Winning with Nigeria

THE CHAIRMAN



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VISION

**Wow Nigerians with our
great brands, passionate people
and world class performance.**

MISSION STATEMENT

**To be the leading beverage company
in Nigeria, marketing high quality
brands to deliver superior customer
satisfaction in an environmentally
friendly way.**

CORE VALUES

**Respect; Passion for Quality;
Enjoyment and Performance.**

Corporate Profile

Nigerian Breweries Plc, the pioneer and largest brewing Company in Nigeria was incorporated in 1946 as "Nigerian Brewery Limited". In June 1949, the Company recorded a landmark when the first bottle of STAR lager beer rolled out of its Lagos Brewery bottling lines.

In 1957, the Company commissioned its second brewery in Aba and the name became "Nigerian Breweries Limited". This was followed by Kaduna Brewery in 1963 and Ibadan Brewery in 1982. Following the coming into effect of the now repealed Companies and Allied Matters Act in 1990, the name of the company was changed to "Nigerian Breweries Plc" to reflect its public limited liability status.

In 1993, the Company acquired its fifth brewery in Enugu and in 2003, a sixth brewery (Ama Brewery), sited at Amaeke Ngwo in Enugu State was commissioned. Operations in the old Enugu Brewery were discontinued in 2004 following the completion of Ama Brewery. An ultra-modern malting plant was acquired in Aba in 2008.

In October 2011, the Company acquired majority equity interests in two companies, Sona Systems Associates Business Management Limited ("Sona Systems"), with two breweries in Ota and Kudenda, Kaduna, and Life Breweries Company Limited ("Life Breweries") with a brewery in Onitsha. Another malting plant (located in Kudenda Brewery) was acquired as part of the Sona Systems acquisition. Sona Systems and Life Breweries were merged with the Company in the middle of 2012. At the end of 2014, an enlarged Nigerian Breweries Plc emerged from a merger with Consolidated Breweries Plc. Three breweries at Imagbon, near Ijebu Ode, Awo-Omamma, near Owerri and Makurdi were added to the existing eight breweries as a result of the merger. The Onitsha and Makurdi locations were subsequently developed into Distribution Centres.

Thus, from a humble beginning in 1946, the Company now has nine fully operational breweries from which its high quality products are produced and distributed to all parts of Nigeria, in addition to the two malting plants in Aba and Kudenda. It also has Sales Offices and Distribution Centres across the country.

Nigerian Breweries Plc has a rich portfolio of high quality brands: Star lager beer was launched in 1949, followed by Gulder lager beer in 1970. Maltina, the nourishing malt drink, was introduced in 1976, followed by Legend Extra Stout in 1992 and another malt drink, Amstel Malta in 1994. Heineken lager beer was re-launched into the Nigerian market in 1998. Fayrouz, the premium non-alcoholic soft drink, was launched in 2006 while Climax herbal energy drink was launched in 2010. Following the acquisition of Sona Systems and Life Breweries in 2011, Goldberg lager, Malta Gold malt drink and Life Continental lager, were added to the brand portfolio. The Company increased its portfolio of brands in 2014 with the addition of two line extensions of the Star brand - Star Lite and Star Radler. Also in 2014, as a result of the merger with Consolidated Breweries Plc, "33" Export lager beer, Williams dark ale, Turbo King dark ale, More lager beer and a malt drink, Hi Malt, became part of the Company's product offering. The Ace brand in the Ready-to-Drink (RtD) category was launched

in 2015 while Tiger lager beer, an international premium brand was added to the portfolio of brands in 2018. In 2020, the Company further expanded its rich portfolio of brands with the launch of two variants of the Maltina brand, Maltina Pineapple and Maltina Vanilla. Other brands launched in 2020 were Amstel Malta Ultra, an extension of the Amstel Malta brand, Star Radler Red Fruits, a variant of the Star Radler brand, and Desperados, an international premium beer brand with a distinctive tequila flavour.

The Company has an export business which dates back to 1986. The current export destinations are the United Kingdom, The Netherlands, United States of America, Canada, parts of Africa, the Middle East and Asia.

As a major brewing company, Nigerian Breweries Plc encourages, and continues to play major roles in, the establishment of ancillary businesses. These include manufacturers of bottles, cans, crown corks, labels, cartons and plastic crates as well as service providers including those in the hospitality sector, distribution, transport, event management, advertising and marketing communication.

The Company was listed on the floor of The Nigerian Stock Exchange "NSE" (now Nigerian Exchange Limited – "NGX") in 1973. As at 31st December, 2021, it had a market capitalisation of approximately ₦404 billion, making it one of the largest companies in Nigeria by market capitalisation. It has received several awards in the capital market including, The NSE President's Merit Award in the Brewery Sector, The NSE Quoted Company of the Year Award, The NSE CEO's Distinguished Award for Compliance and The NSE CEO's award as the Most Compliant Listed Company on The Nigerian Stock Exchange. Nigerian Breweries Plc has also been a recipient of awards for excellence in corporate governance matters including the Institute of Chartered Secretaries and Administrators (ICSA) Award for Excellence in Corporate Governance (Corporate Category) and the Institute of Directors' Nigeria Corporate Governance Award.

Nigerian Breweries is also a recipient of several awards and recognitions in other areas of its operations including product quality, marketing excellence, productivity and innovation, health and safety, public relations, corporate social responsibility and sustainability.



Nationwide Presence

Headquarters

Iganmu House
Abebe Village Road, Iganmu
P.O. Box 545, Lagos
Tel: (01) 2717400-20 Ext. 1804

Brewery/Malting Plant Locations

Lagos Brewery

Abebe Village Road, Iganmu
P.O. Box 86, Apapa -Lagos
Tel: (01) 2717400 Ext. 2734

Ibadan Brewery

Ibadan/Ife Road
P.O. Box 12176, Ibadan
Tel: (01) 2717400 Ext. 5718

Kudenda Brewery/Malting Plant

1A, Kudenda Industrial Area
Plot A4-C2, P.O. Box 6010
Kaduna South
Tel: (01) 2717400 Ext. 87719

Aba Malting Plant

Ohuru Village
Ogbor Hill Industrial
Obingwa, Aba
Tel: (01) 2717400 Ext. 6499

Aba Brewery

Industry Road
P.O. Box 497, Aba
Tel: (01) 2717400 Ext. 3995

Ama Brewery

Amaeke Ngwo. 9th Mile Corner
P.M.B. 01781, Enugu
Tel: (01) 2717400 Ext. 7136

Awo-Omamma Brewery

Km 24, Owerri/Onitsha Road
Awo-Omamma, Imo State
Tel: (01) 2717400 Ext. 83711

Kakuri Brewery

Industrial Layout, Kakuri
P.M.B. 2116, Kaduna
Tel: (01) 2717404 Ext. 4717

Ota Brewery

Km 38 Lagos/Abeokuta Expressway
Sango Ota
Tel: (01) 271400 Ext.86734

Ijebu – Ode Brewery

Epe Road,
Imagbon Village, Ogun State
Tel: (01) 2717400 Ext. 84711

Sales Offices and Distribution Centres

Lagos Sales Office

Headquarters Annex
Abebe Village Road, Iganmu
P.O. Box 86, Apapa, Lagos
Tel: (01) 2717400 Ext. 2816

Ibadan Sales Office

KM 3, Ibadan-Ife Road
P.O. Box 813, Ibadan
Tel: (01) 2717400 Ext. 5801

Benin Sales Office

1 Jalo Close
Off Aiguobansinmwini Road
GRA, Benin City
Tel: (01) 2717400 Ext. 6504

Jos Sales Office

1B, Gold and Base Junction
Rayfield, Jos

Uyo Sales Office

Plot 4, De Line
Ewet Housing Estate
Uyo

Abuja Sales Office

Plot 413, Idu Industrial Layout
Abuja
FCT
Tel: (01) 271400 Ext. 6201

Kaduna Sales Office

Industrial Layout, Kakuri
Kaduna
Tel: (01) 2717400 Ext. 4801

Port Harcourt Sales Office

Plot 130, Woji Road
G.R.A Phase 2
Port Harcourt

Onitsha Distribution Centre

87/89 Port Harcourt Road
P.O. Box 5417, Onitsha
Tel: (01) 2717400 Ext. 88732

Akure Sales Office

KM 4, Ondo Road
Adjacent Ondo Garage
Akure, Ondo State

Enugu Sales Office

Old Enugu Brewery
9th Mile Corner
Nsude, Enugu
Tel : (01) 2717400 Ext. 6319

Aba Sales Office

Industry Road
P.O. Box 496, Aba
Tel: (01) 2717400 Ext. 3801

Warri Sales Office

Kilometre 6, NPA Expressway
Ekpan, Effurun,
Warri

Makurdi Distribution Centre

Km 5, Gboko Road
Makurdi, Benue State



Directors and Other Corporate Information

Directors:	Chief Kolawole B. Jamodu , CFR	- Chairman
	Mr. Hans Essaadi (Dutch) (appointed wef 31/07/21)	- Managing Director/CEO
	Mrs. Juliet Anammah (appointed wef 01/01/22)	- Independent Non-Executive
	Mrs. Adeyinka O. Aroyewun	- Independent Non-Executive
	Mr. Sijbe (Siep) Hiemstra (Dutch)	- Non-Executive
	Mr. Asue Ighodalo (appointed wef 01/01/22)	- Non-Executive
	Mr. Rob Kleinjan (Dutch)	- Finance Director
	Mrs. Ndidi O. Nwuneli , MFR	- Independent Non-Executive
	Mrs. Ifueko M. Omoigui Okauru , MFR	- Non-Executive
	Mr. Roland Pirmez (Belgian)	- Non-Executive
	Mr. Steven L.M. Siemer (Dutch)	- Non-Executive
	Mr. Jordi Borrut Bel (Spanish) (resigned wef 30/07/21)	- Managing Director/CEO

Company Secretary: Uaboi G. **Agbebaku**, Esq.

Registered Office: 1, Abebe Village Road
Iganmu
P. O. Box 545, Lagos
Tel: (01) 2717400-20
www.nbplc.com

Registration No: RC: 613

Independent Auditor: Deloitte & Touche
Civic Towers
Ozumba Mbadiwe Avenue
Victoria Island
Lagos
Tel: (01) 9041700
www.deloitte.com.ng

Registrars: First Registrars and Investor Services Limited
No 2, Abebe Village Road
Iganmu
P.M.B. 12692
Marina, Lagos
Tel (01) 2701079; 2799880
www.firstregistrarsnigeria.com



Company Results at a Glance

	2021	2020	% Change
<i>In millions of Naira</i>			
Revenue	437,196	337,006	29.7
Results from operating activities	41,812	29,818	40.2
Profit for the year	12,927	7,526	71.8
Declared dividend*	8,748	14,075	(37.8)
Share capital	4,038	3,998	1.0
Total equity	172,139	161,151	6.8
<i>Data per 50 kobo share in Kobo</i>			
Earnings	161	94	71.3
Declared dividend*	109	176	(38.1)
Net Assets	2,140	2,015	6.2
<i>Dividend per 50 kobo share in respect of current year results only (in kobo)</i>			
Interim dividend declared	40	25	60.0
Final dividend proposed**	120	69	73.9
<i>Stock Exchange Information</i>			
Stock Exchange quotation in Naira per share	50	56	(10.7)
Number of shares issued	8,075,832	7,996,902	1.0
Market capitalisation in N: million	403,796	447,827	(9.8)
<i>Number of employees</i>			
	2,740	2,990	(8.4)
<i>Ratios</i>			
Declared dividend coverage (Earnings per share / declared dividends per share)	1.48	0.53	179.2
Current assets/current liabilities	0.44	0.44	0.0
<i>Interest coverage Interest coverage (Results from operating activities/interest expense)</i>			
	2.30	1.62	41.8

NOTE: * Declared dividend represents the final dividend per share proposed in the preceding year (69 kobo) but declared in the current year and the interim dividend per share declared during the year (40 kobo).

**The Directors propose a final dividend of 120 kobo per share (2020: 69 kobo per share) based on the issued share capital of 8,075,831,900 ordinary shares of 50 kobo each subject to approval by the shareholders at the Annual General Meeting fixed for 22nd April, 2022.



THE NEW GULDER

EVERY TASTE, AN ADVENTURE.

The new Gulder is now crafted with carefully selected 100% premium Malted Barley for a crisp new taste, aromatic Hops sourced from the Spalter region of Bavaria in Germany that gives it a distinct bold new aroma, and then brewed for an extra 3 days for a full-bodied sense-stimulating taste.

**CRAFTED
WITH PASSION**

Board of Directors



Back Row (L-R): Mr. Rob Kleinjan (Finance Director); Mrs. Ifueko M. Omoigui Okauru, MFR (Non-Executive); Mr. Sijbe Hiemstra (Non-Executive); Uaboi G. Agbebaku, Esq. (Company Secretary); Mrs. Ndidi O. Nwuneli, MFR (Non-Executive); Mr. Asue Ighodalo (Non-Executive); Mr. Steven L.M. Siemer (Non-Executive); Mrs. Juliet Anammah (Non-Executive)

Front Row (L-R): Mrs. Adeyinka O. Aroyewun (Non-Executive); Mr. Hans Essaadi (Managing Director/CEO); Chief Kolawole B. Jamodu, CFR (Chairman); Mr. Roland Pirmez (Non-Executive)

Board of Directors' Profile



Chief Kolawole B. Jamodu, CFR
Non –Executive Chairman

Chief Jamodu was appointed to the Board of Directors as a Non-Executive Director effective the 1st of March, 2006 and became the Chairman of the Board effective the 1st of January, 2008.

An alumnus of the Harvard Business School, Chief Jamodu is a Fellow of the Institute of Chartered Accountants, Nigeria, a Fellow of the Chartered Institute of Taxation, Nigeria, a Fellow of the Chartered Institute of Management Accountants, London, and a Fellow of the Institute of Chartered Secretaries & Administrators. He is also a Distinguished Fellow of the Institute of Directors, Nigeria.

Chief Jamodu had a stint with UAC/Unilever Nigeria Plc where he acquired varied production, commercial and financial experience before joining PZ Cussons Group where he rose to become the Chairman/Chief Executive and later, Non-Executive Chairman until he was appointed Minister of Industry of the Federal Republic of Nigeria. He returned to PZ as the Non-Executive Chairman in 2014 and served in that capacity until his retirement in December, 2020. He is a former Chairman of Universal Trust Bank Plc and former Non-Executive Director of United Bank for Africa Plc. He is also a past President of both the Harvard Business School Alumni Association of Nigeria and the Manufacturers' Association of Nigeria (MAN).

Chief Jamodu is currently the Chairman of British American Tobacco Nigeria Foundation and a Member of the Board of Trustees of Bells University of Technology, Ota where he had previously served as the Pro-Chancellor & Chairman of the Governing Council. He is also a Consultant to and has affiliations with other reputable companies in Nigeria.



Mr. Hans Essaadi
Managing Director/CEO

Mr. Hans Essaadi was appointed the Managing Director/CEO and a member of the Board of Directors effective the 31st of July, 2021.

Mr. Essaadi joined the Heineken N.V. Group in 1991 as a Sales Representative and subsequently took up increasingly senior roles in Sales, Export and Marketing. He commenced his international career with Heineken Puerto Rico as the Country Manager, and thereafter became the General Manager, Brau Union International (the Heineken operating company in Austria) before becoming the General Manager, Sirocco (the Heineken Joint Venture with the Emirates in Dubai). After his stint at Sirocco, he was appointed Managing Director, HEINEKEN Malaysia Berhad, a listed Company in Malaysia.

Mr. Essaadi was, until his appointment to his current position in NB, the Managing Director of Al Ahram Beverages, the Heineken Operating Company in Egypt.



Mrs. Juliet Anammah
Independent Non-Executive Director

Mrs. Juliet Anammah became a member of the Board of Directors effective 1st January, 2022.

Mrs. Anammah has over 30 years of professional experience covering Consulting, Consumer Goods, Sales, Marketing, E-Commerce and Sustainability. She is currently the Chair Nigeria and Chief Group Sustainability Officer, Jumia, having previously held the role of Chief Executive Officer, Jumia. She was also the Managing Director, Accenture LLC in charge of the firm's Consumer Goods, Retail and Transportation Practice in West Africa. She serves on the Boards of several local and international organisations, including Flour Mills of Nigeria Plc and Imperial Logistics, South Africa.



Mrs. Adeyinka O. Aroyewun
Independent Non-Executive Director

Mrs. Aroyewun joined the Board of Directors effective the 1st of January, 2019.

Mrs. Aroyewun is a lawyer with over 35 years legal experience spanning various aspects of business and law. She is an internationally accredited mediator of the Centre for Effective Dispute Resolution (CEDR), UK, a member of the Chartered Institute of Arbitrators, UK, and an IMI Certified Mediator. She is currently the Director of the Lagos Multi-Door Courthouse. She is an experienced trainer in Alternative Dispute Resolution (ADR) techniques and was part of a team of certified trainers on the World Bank project for the expansion of ADR mechanisms and institutions in Nigeria.

Mrs. Aroyewun sits on the Governing Council of the University of Lagos, Negotiation and Conflict Management Group (NCMG) College of Negotiation, and the Edo State Multi-Door Courthouse. She is on the panel of Neutrals of the Nigerian Communications Commission.



Mr. Sijbe ('Siep') Hiemstra
Non-Executive Director

Mr. Hiemstra joined the Board of Directors effective the 1st of August, 2011. He served as Regional President for Africa and Middle East of the Heineken N.V. Group between August 2011 and August 2015; he had also occupied the position of Regional President for the Asia Pacific Region of Heineken N.V. between 2005 and 2011. Mr. Hiemstra started his Heineken career in January 1978 and held commercial, general management and technical positions in different parts of Europe, Africa and Asia/Pacific. He retired as an Executive from the Heineken N.V. Group on 17th August, 2015 but has remained with the group in other capacities.

Board of Directors' Profile (Cont'd)



Mr. Asue Ighodalo
Non –Executive Director

Mr. Ighodalo became a member of the Board of Directors effective 1st January, 2022.

He is a lawyer with over 35 years of experience and a founding partner of Banwo & Ighodalo, a leading full service law firm in Nigeria. His core areas of practice are Corporate Finance, Project Finance, Securities and Capital Markets, Energy & Natural Resources, Mergers & Acquisitions and Corporate Governance. He is recognised as a leading figure in Corporate Nigeria and sits on the Boards of reputable organisations including the Nigerian Economic Summit Group, which he chairs and Sterling Bank Plc, which he also chairs.



Mr. Rob Kleinjan
Finance Director

Mr. Kleinjan was appointed the Finance Director and a member of the Board of Directors effective the 28th of July, 2018.

Prior to his appointment to the Board, Mr. Kleinjan was the Finance Director of the Brau Union Group, General Manager Brau Union Export and Ammersin in Austria, all part of the Heineken Group. He joined Heineken in 1996 as Financial Controller and thereafter held senior management positions in finance, control and accounting functions in Heineken operating companies in the Netherlands, Poland, Germany, Belgium and Finland.



Mrs. Ndidi Nwuneli, MFR
Independent Non-Executive Director

Mrs. Nwuneli joined the Board of Directors effective the 5th of December, 2014.

Mrs. Nwuneli is an alumnus of the Wharton School, University of Pennsylvania (First Degree) and the Harvard University Graduate School of Business Administration (Master's Degree).

Mrs. Nwuneli is the Founder of LEAP Africa and Co-Founder of AACE Food Processing & Distribution, an indigenous agro-processing company. She is the Managing Partner of Sahel Consulting which works across Africa, unlocking the agricultural and nutrition potential of the region. She has over two decades of private sector and international development experience. She is on the Boards of the Rockefeller Foundation, Godrej Consumer Products, India, Fairfax Africa Holdings Corp., Canada, Alliance for a Green Revolution in Africa, and the Nigerian Economic Summit Group.



Mrs. Ifueko M. Omoigui Okauru, MFR
Non-Executive Director

Mrs. Omoigui Okauru was appointed to the Board of Directors effective the 20th of February, 2013.

Mrs. Omoigui Okauru has over three decades of work experience with proven leadership ability at board and executive management levels in both private and public sectors. She was the Executive Chairman of the Federal Inland Revenue Service (FIRS) which she led meritoriously for two consecutive terms. Ifueko also served as member of the National Economic Management Team headed by the President of the Federal Republic of Nigeria. She is currently the Managing Partner of Compliance Professionals Plc, a consultancy company and also sits on the Boards of ReStraL Ltd, MTN Nigeria Communications Plc and PZ Cussons Nigeria Plc.

Mrs. Omoigui Okauru is a Commissioner of a non-partisan body, the Independent Commission for the Reform of International Corporate Taxation (ICRICT). She is also the immediate past Chairperson of the Board of Trustees of the Lagos State Employment Trust Fund. In January 2019, she was appointed a Member of the Technical Committee (representing the private sector) constituted by the Federal Government of Nigeria to work on the details and implementation of the new Minimum Wage for Nigerian workers.



Mr. Roland Pirmez
Non-Executive Director

Mr. Pirmez joined the Board of Directors effective the 1st of September, 2015 shortly after becoming the Heineken Regional President for Africa, Middle East and Eastern Europe. He started his Heineken career in 1995 and has held general management positions within the Group in Africa, Asia and Europe, including the position of the Regional President for Asia Pacific.



Mr. Steven L.M. Siemer
Non-Executive Director

Mr. Siemer became a member of the Board of Directors effective the 25th of October, 2018. He is currently the Senior Director, Revenue Management and Margin Growth at Heineken N.V.

Mr. Siemer joined the Heineken N.V. Group in 1990 as Marketing Controller in Heineken Netherlands and thereafter held senior management positions within finance, distribution, business development and marketing in Spain, Austria, Ireland and The Netherlands.



Uaboi G. Agbebaku, Esq.
Company Secretary

Mr. Agbebaku was appointed as Secretary to the Board of Directors and the Legal Adviser effective the 1st of January, 2008. He joined the Company in January, 2003 as the Legal Affairs Manager. Before then, he was in private practice with the law firm of David Garrick & Co. He is a Fellow of the Institute of Chartered Secretaries & Administrators of Nigeria. Mr. Agbebaku is also the Company's Legal Director.

Executive Committee

Mr. Hans Essaadi
Managing Director/ CEO



Mrs. Grace Omo-Lamai
Human Resource Director



Uaboi G. Agbekaku Esq.
Company Secretary / Legal Director



Mr. Martin Kochl
Supply Chain Director



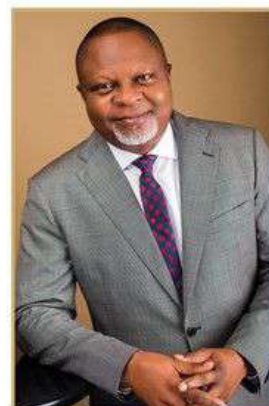
Mrs. Sade Morgan
Corporate Affairs Director



Mr. Rob Kleinjan
Finance Director



Mrs. Philomena Aneke
Digital and Technology Director



Mr. Uche Unigwe
Sales Director



Mr. Emmanuel Oriakhi
Marketing Director



Let's Go

Naija

#RoadToQatar2022



OFFICIAL BEER OF
THE SUPER EAGLES

ENJOY RESPONSIBLY. NOT FOR SALE TO PERSONS UNDER THE AGE OF 18.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 76th Annual General Meeting of Nigerian Breweries Plc (**"the Company"**) will be held in the Grand Banquet Hall, Civic Centre, Ozumba Mbadiwe Road, Victoria Island, Lagos State on **Friday, 22nd April 2022** at 10:00 a.m. for the following purposes:

A. ORDINARY BUSINESS

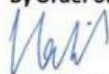
- 1 To lay before the Meeting, the Financial Statements for the year ended the 31st of December, 2021 and the Reports of the Directors, the Independent Auditor and the Audit Committee.
- 2 To declare a dividend.
- 3 To elect and re-elect Directors including Chief Kolawole B. Jamodu, who is over 70 years old, special notice to that effect having been received by the Company in accordance with Section 282 of the Companies and Allied Matters Act, 2020.
- 4 To authorise the Directors to fix the remuneration of the Independent Auditor.
- 5 To elect members of the Audit Committee.
- 6 To disclose the remuneration of the Managers.

B. SPECIAL BUSINESS

- 7 To fix the remuneration of the Directors.
- 8 To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:
"That the general mandate given to the Company to enter into recurrent transactions with related parties for the Company's day to day operations, including amongst others the procurement of goods and services, on normal commercial terms be and is hereby renewed."
- 9 To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:
 - a. "That the following proposals by the Directors, be and they are hereby approved:
 - i. That Shareholders entitled to receive cash dividends in respect of the financial year ended 31st December 2021, be offered a right of election to receive ordinary shares in the Company ("New Ordinary Shares") instead of cash dividends, and that such New Ordinary Shares be credited as fully paid, which, when issued, shall rank paripassu in all respects with the Company's existing ordinary shares;
 - ii. That the election to receive ordinary shares instead of cash dividends shall have been exercised on or before the 12th of April, 2022;
 - iii. That the New Ordinary Shares to be received by Shareholders shall be determined by their cash dividend entitlements divided by a Reference Share Price, which Reference Share Price shall be the ten (10) day average of the Company's closing share price on the floor of The Nigerian Exchange Limited (starting on the 10th of March, 2022)."
 - b. "That further to the above approval, the Directors be and they are hereby authorised to allot to Shareholders who elected to receive ordinary shares in the Company in lieu of cash dividends, such number of New Ordinary Shares as shall be determined by the Directors in the manner aforesaid."
 - c. "That the Directors be and they are hereby authorised to take all necessary steps to give effect to the above resolutions and That all steps already taken by the Directors in that regard be and they are hereby ratified."

Dated the 16th of February, 2022.

By Order of the Board.



Uaboi G. AGBEBAKU, Esq.
Company Secretary
FRC/2013/NBA/00000001003

Iganmu House,
Abebe Village Road
Iganmu
Lagos
Nigeria



NOTES:

(a) PROXIES

In view of the Covid-19 pandemic and the need to ensure public health and safety, the Corporate Affairs Commission has approved that attendance at this Annual General Meeting (AGM) shall be by Proxy only. This approval was given in accordance with the Commission's "Guidelines on Holding of Annual General Meetings (AGM) of Public Companies Using Proxies".

Shareholders are thus required to appoint a proxy of their choice from the list of proxies contained in the blank Proxy Form included in the 2021 Annual Report and Accounts. To be valid for the AGM, a duly completed Proxy Form must be received in the office of the Registrar, First Registrars and Investor Services Limited, No. 2, Abebe Village Road, Iganmu, Lagos State or sent by e-mail to info@firstregistrarsnigeria.com or ebusiness@firstregistrarsnigeria.com, not later than Wednesday, the 20th of April, 2022. The Company has made arrangements for Stamp Duty to be paid on the proxy forms at its expense.

(b) LIVE STREAMING OF THE AGM

The AGM will be streamed live online. This will enable Shareholders and other relevant Stakeholders who will not be attending the meeting physically to be part of the proceedings. The link for the live streaming will be made available on the Company's website: www.nbplc.com and by the Registrar, in due course.

(c) AUDIT COMMITTEE MEMBERS

In accordance with Section 404 (6) of the Companies and Allied Matters Act 2020 (CAMA), a Shareholder may nominate another Shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary, not later than twenty one (21) days before the date of the AGM.

(d) DIVIDEND & CLOSURE OF REGISTER

The total dividend is ₦12,921,331,039 (twelve billion, nine hundred and twenty one million, three hundred and thirty one thousand, thirty nine naira only) that is, 160 (one hundred and sixty) Kobo only per ordinary share of 50 (fifty) Kobo each. The total dividend is comprised of an interim dividend of ₦3,230,332,760 (three billion, two hundred and thirty million, three hundred and thirty two thousand, seven hundred and sixty Naira only), that is, 40 (forty) Kobo per share which had earlier been paid and a final dividend of ₦9,690,998,280 (nine billion, six hundred and ninety million, nine hundred and ninety eight thousand, two hundred and eighty Naira only), that is, 120 (One hundred and twenty) Kobo per share.

If the proposed final dividend of ₦9,690,998,280 (nine billion, six hundred and ninety million, nine hundred and ninety eight thousand, two hundred and eighty Naira only); that is, 120 (one hundred and twenty) Kobo per share is approved, it will be subject to deduction of withholding tax at the appropriate rate and the dividend will become payable on the 22nd of April, 2022, to Shareholders whose names appear on the Company's Register of Members at the close of business on the 9th of March, 2022. The Register will be closed from Thursday, 10th March 2022 to Wednesday, 16th March, 2022 (both dates inclusive) for the purpose of updating the Register.

(e) GENERAL MANDATE

In line with The Nigerian Exchange Limited ("NGX") Rules on Transactions with Related Parties, the Company is required to seek a renewal of the general mandate from Shareholders as per item 8 of the agenda above. Members had given the general mandate to the Company at prior AGMs to enable it enter into related party transactions for the Company's day-to-day operations.

(f) SHAREHOLDERS' RIGHT TO ASK QUESTIONS

A Shareholder has the right to ask questions prior to the AGM. Such questions should be submitted in writing to the Company Secretary not less than a week before the date of the AGM via the email address: mynbshares@heineken.com.

(g) ELECTRONIC VERSION OF THE ANNUAL REPORT AND ACCOUNTS

Electronic version (e-copy) of the 2021 Annual Report and Accounts will be available online for viewing and download via the Company's website, www.nbplc.com and that of the Registrar, www.firstregistrarsnigeria.com. Shareholders who have updated their records with their email address will also receive the e-copy of the document.

(h) E-DIVIDEND MANDATE

Shareholders who are yet to complete the e-Dividend Form or who need to update their records and relevant bank accounts are urged to complete the e-Dividend Form which can be detached/downloaded from the Annual Report and Accounts as well as from the website of the Company, www.nbplc.com, or that of the Registrar, www.firstregistrarsnigeria.com. The duly completed form should be returned to First Registrars and Investor Services Limited at No 2, Abebe Village Road, Iganmu, Lagos State.

(i) UNCLAIMED DIVIDEND

Shareholders are hereby informed that some dividends have remained unclaimed and returned to the Registrar. The list of all unclaimed dividends will be circulated to all affected Shareholders and they are advised to contact the Registrar, First Registrars and Investor Services Limited, No 2, Abebe Village Road, Iganmu, Lagos State or via the e-mail address, info@firstregistrarsnigeria.com or ebusiness@firstregistrarsnigeria.com to resolve any issue they may have with claiming the dividends.

(j) ELECTION TO RECEIVE SHARES INSTEAD OF CASH

The Directors are proposing to Shareholders, a right to elect to receive new shares in the Company instead of cash dividends. The proposed resolution in that regard is contained in item 9 of the Agenda above. Explanatory Notes on the election scheme will be sent to Shareholders alongside the Annual Report and Accounts.

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Chairman's Address

My dear fellow Shareholders, distinguished ladies and gentlemen, on behalf of the Board of Directors ("the Board"), I welcome you all to another Annual General Meeting ("AGM") of our great Company, Nigerian Breweries Plc, holding on the 22nd of April, 2022. I am excited to present to you my Address as well as the 2021 Annual Report and Accounts.

I will start by taking you through a short review of the 2021 operating environment and its impact on businesses, touch on some aspects of our operations and end with a brief outlook for the year 2022.

The Operating Environment in 2021

2021 started and ended with different waves of the Covid-19 pandemic. While the Delta variant ushered the world into 2021, the Omicron variant came at the end of the year. In addition to coping with the pandemic, we were faced with its offshoots including disruptions in the supply chain, massive increase in commodity prices, surge in inflation and supply struggling to meet demand. World economies were yet to fully adjust to the pre-pandemic paths.

The global roll out of Covid-19 vaccines led to the relaxation of some of the restrictions put in place by various Governments to tackle the pandemic. Although there were intermittent outbreaks of the pandemic in parts of the world leading to re-introduction of lockdowns in certain cases, vaccinations helped to reduce the death rates as well as the number of serious cases of hospitalisation. It also allowed Governments to introduce flexible travel requirements on international flights. While there was no further lockdown in Nigeria, the Covid-19 measures put in place by the Government continued to apply including limited levels of occupancy in offices and in public places as well as the requirement for vaccination to access Government offices in some cases.

Information from the National Bureau of Statistics showed that the Gross Domestic Product (GDP) grew by 3.4% in 2021 compared to a deficit of 1.92% recorded in 2020. This showed that the recovery which started in the fourth quarter of 2020 was sustained in 2021. The non-oil sector drove the growth, contributing 92.8% to the GDP while the oil sector contributed 7.2%. The food, beverage and tobacco sub-sector grew by 5.7% compared to 1.5% in 2020.

While we saw rising inflation in the rest of the world, with the United Kingdom recording a ten-year high of 5.1%, it was the opposite in Nigeria. The official monthly inflation figures, although still at a very high level, showed a downward trend in 2021. However, market realities showed that commodity prices rose by about 95% compared to 2020.

To tackle the lingering Foreign Exchange ("Forex") challenges, the Central Bank of Nigeria ("CBN") introduced varied policies including the adoption of NAFEX as the official rate, halting the sale of Forex to Bureau de Change operators and rationing of Forex. Despite all of these measures, availability of Forex remained one of the biggest challenges businesses faced in 2021 with impact on transactions with overseas partners and suppliers especially for imported raw and packaging materials; it also affected investors' confidence as foreign investors were unable to easily repatriate their dividends. Non-availability of input materials contributed largely to the difficulty faced by manufacturers in maintaining an uninterrupted supply of finished products to the market.

Insecurity remained heightened with negative impact on agriculture, movement of goods and people across the country and on business and social activities generally. In some places, business and other activities were forced to shut down totally on certain days for safety purpose. Insecurity has become a continuing challenging situation for everyone in the country.

Information from The Nigerian Exchange Limited ("NGX") showed that the NGX All Share Index ended the year with a growth of 6% driven by recovering corporate earnings and improved investor sentiments. The equity market capitalisation grew by 5.9% with an additional ₦1.24 trillion to close the year at ₦22.3 trillion. Our Company remained one of the Top Ten Most Capitalised companies on the NGX with a market capitalisation of ₦404 billion at the end of 2021.



Chief Kolawole B. Jamodu, CFR
Chairman, Board of Directors

Chairman's Address (Cont'd)

The Brewed Product Market

The brewed product market witnessed some resurgence in the course of the year under review with increased demand due in part to the reopening of the economy particularly the hospitality sector. Nevertheless, the offshoots of the pandemic referred to in the opening of my address greatly affected the brewed product market leading to massive increase in costs. Unlike previous years, our Company was able to review prices thereby helping to mitigate some of the increased costs and build value for the business and our Shareholders. Although the competition remained stiff, we were able to maintain our market leadership position as well as ensure good return on investment for our investors.

Review of Operations

2021 was a landmark year for our Company. On the 16th of November 2021, our Company turned 75. Due to the prevailing Covid-19 condition particularly the Omicron variant that led to the fourth wave of the pandemic, we had to adopt a cautious approach in marking the occasion. It has been 75 years of refreshing lives. We are the pioneer brewing company in Nigeria and have remained the market leader with a history of non-stop investment in the country, innovation in all aspect of our operations, people development, marketing excellence and positively impacting our various communities. Starting with one brewery in Lagos, we have nine (9) operational breweries, eighteen (18) Sales Regions, nineteen (19) brands spread across Lager, Stout, Malt, Soft Drink, Energy Drink and Bitters, two thousand seven hundred and forty (2,740) employees and of course, you, our wonderful Shareholders. We appreciate our more than one hundred thousand (100,000+) Shareholders for the continuing belief and support; we could not have achieved this remarkable milestone without your support.

The impact of the supply chain disruptions caused by Covid-19 and associated actions including intermittent lockdowns made it an extremely tough year, both in terms of costs and running a smooth operation. Sourcing for commodities abroad and increase in the global price of commodities, the blockade of the Suez Canal, the challenges with clearing of goods at our ports, the increase in global shipping and transportation costs as well as access to Forex were issues that we had to face daily during the year under review. We had to regularly revise upwards our operating and capital expenditures to cope with the constantly increasing costs. Our outstanding foreign payables rose by 76% between the start and end of the year. The support of HEINEKEN N.V. and related companies cannot be over-emphasised here; without them, it would have been almost impossible to keep our operations going. We would not have been able to source and procure imported raw and packaging materials as well as spares required for our operations. Security challenges across the country impacted operations including the delivery of products to the market.

Despite the extremely difficult business climate that we had to deal with in 2021, we sustained some of our consumer-facing brand activities as well as initiated new ones. The **Heineken**® Champions League Live viewing experience was activated in several cities while the **Heineken**® support for the fashion industry was sustained with the **Heineken**® Lagos Fashion Week and the **Heineken**® Design Africa Showcase. The **Tiger** Street Food Festival, a fusion of food, music and art entered its second year just as **Desperados**, **Fayrouz** and **Star Radler** supported the Lagos Cocktail Week. Our brand support for the entertainment industry included **Legend X** made in support of the Felabration Celebrations, **Williams** Comedy Nite, **Goldberg Ariya Repete**, **Goldberg** Takeover Parties, **Tiger** & The Headies Award, **Amstel Malta** support for stage plays and movie premiere and the Dettty December end-of-year musical concerts featuring the top Nigerian artistes.

The **Star** Live Arena, an engagement platform that provides unique

viewing experience for football lovers returned across several cities. As part of our partnership with the Nigeria Olympic Committee, the **Star X** NOC and the **Amstel Malta X** NOC were activated to support and celebrate Team Nigeria at the Tokyo Olympics Games. Still on sports, the Maltina School Games, aimed at discovering and nurturing sporting talents at the secondary school level entered its second year. A collaboration with the National School Sports Federation and the Ministry of Sports, the 2021 event had 1,580 schools and 15,000 students participating, with the Honourable Minister of Youth and Sports, Mr. Sunday Dare hosting the winners to a breakfast session in Lagos. We strengthened our partnership with the Nigeria Football Federation via the "33" Export support for the Super Eagles in the Qatar 2022 World Cup Qualifiers and their participation at the 2021 Africa Cup of Nations.

With our **Goldberg Isedowo** and **Life** Progress Booster initiatives, as well as the skills acquisition programmes for indigent women and youths in communities around our brewery locations, we sustained our programmes to empower Nigerians. In similar vein, we brought back the widely-popular **Gulder** Ultimate Search (GUS) reality TV show that has not only helped to discover and expose many talented young Nigerians but has equally empowered many. Odudu Otu emerged the winner of the 2021 GUS.

Our renovation and innovation agenda resulted in brand addition and extension as we continued to meet the evolving needs of our consumers. We relaunched **Gulder** Lager with a smoother tasting recipe made with special aroma hops and 100% barley, thereby repositioning the brand as a craft beer. We also introduced the 45cl bottle and 44cl can for the brand thereby increasing the availability in more formats. We launched **Star Radler** in an attractive and trendy sleek can to drive consumer affinity. We also renovated the **Maltina** and **Amstel Malta** PET design to meet consumer needs. Others included the special edition **Heineken**® UEFA Champions League and **Heineken**® Festive packs, as well as the special export packs for **Star Lager**, **Goldberg Lager** and **Life Lager**.

We also launched exciting and market driven campaigns for our Mainstream brands, **Goldberg Lager** and **Life Lager**. We developed the Bring Home the Glory campaign, riding on the Igbo adage of **Turu Ugo Lota** for **Life Lager** while for **Goldberg Lager**, it was the **Ekus campaign** which coincided with the launch of the **Goldberg Omoluabi** Day that was kicked off by His Royal Majesty, Oba Adeyeye Enitan Ogunwusi, the Ooni of Ife.

We consolidated on our new Route-to-Market approach and Customer Centricity programme to ensure a future-fit route to consumer and address our customers pain points thereby meeting their expectations. Our omni-channel initiatives have increased our agility in the market place. Our digital journey is aligned with our objective to be the best-connected brewery; we are expanding our digital initiatives to support our route-to-market and other aspects of our business.

Consistently investing in all aspects of our operations and facilities have allowed us to remain modern and up to date even after seventy-five years; 2021 was no exception. As part of our renewable energy initiatives aimed at reducing energy cost and carbon footprint, we commissioned the Ibadan Brewery solar power project, with the Executive Governor of Oyo State, His Excellency, Engr. Oluseyi A. Makinde, doing the commissioning. We also commenced another solar power project in Ama Brewery. We initiated and completed a Liquefied Natural Gas (LNG) conversion project. Other projects included two new wastewater treatment plants, installation of a new CO2 recovery system, and the commencement of the Ama Brewery capacity expansion project aimed at helping us to readily meet the growing demand for our products.

Chairman's Address (Cont'd)

We remained committed to our people development agenda with focus on Learn, Share and Re-apply. With technology, more training opportunities were made available to all employees on functional, leadership and other soft skills. Still on capacity building, we had thirty-seven of our employees engaged in assignments abroad under the HEINEKEN N.V. expatriation programme. Impressively, three of such employees occupied Managing Director positions in HEINEKEN operations abroad during the year under review. The expatriation opportunities provided by HEINEKEN N.V. continue to be of immense benefit to our business and the country, in terms of developing both Nigerians abroad as well as the expatriates that are seconded to our Company.

In continuation of the collaborative manpower development programme started in 2010 involving our Company, the Industrial Training Fund and the Nigeria Employers' Consultative Association, twenty eight (28) Mechatronics Technicians graduated from our Training School while another set of sixty nine (69) trainees were admitted during the year under review. The programme continues to provide technical work force to the industrial sector in the areas of computer technology, mechanical engineering and automation.

Our strive for excellence and quality in all aspects of our operations was again recognized in the year under review. Awards and recognitions received included the 2021 Advertisers Association of Nigeria (ADVAN) Awards in the following categories: Experiential Campaign of the Year and Legacy Brand of The Year (*Star Lager*), New Brand/Revitalization/Extension (*Maltina*) and Industry Builders Award (the Company). *Heineken® Lager* received the Outstanding Premium Lager Beer of the Decade Award (Marketing Edge 2021 Awards) and the African Brand Leadership Merit Award (2021 African Brand Congress).

Other recognitions and awards were: People First Organization and People First CEO Awards by the Chartered Institute of Personnel Management; Best in Maximizing Human Potential, Best in Building a Culture of Innovation, and Best in Demonstrating Fearless Leadership by the Great Place to Work Awards; Best Company in Environmental Stewardship and Best Company in Climate Action (for the Ibadan Solar Project) by the SERAS Africa Award; and the Distinguished Role Model Award (Mrs. Philomena Aneke, our Digital and Technology Director) and Hyper Helper Award by the Association of Professional Women Engineers in Nigeria (APWEN) Awards.

For our other social intervention and sustainability activities in 2021, refer to pages 45 and 46 of the Annual Report and Accounts.

Company Results

As mentioned earlier, the brewed product market made a recovery in 2021. Having put in place the right strategies and structure, we were able to take advantage of the upswing in the market to grow both the top line and the bottom line. We ended the year with a 30% growth in Net Revenue, from **₦337 billion** in 2020 to **₦437 billion** in 2021. Despite the steep rise in operating cost due to factors already mentioned, we were able to grow value for the business with a 40% growth in the Results from Operating Activities (Operating Profit), from **₦30 billion** in 2020 to **₦42 billion** in 2021. Our cost and value initiatives contributed to this. Even more impressive is that we grew value for our Shareholders with a 70% increase in the Profit After Tax which rose to **₦13 billion** from **₦7.5 billion** in 2020.

Dividend & Election for Shares Instead of Cash Dividend

My dear fellow Shareholders, it is with pleasure that the Board is recommending for your approval, a total dividend of **₦12.9 billion**, that is, **160 (one hundred and sixty) kobo** per share for the 2021 financial year. In October 2020, the Board approved an interim dividend payment of **₦3.2 billion** that is, **40 (forty) kobo** per share.

The final dividend will therefore be **₦9.7 billion**, that is, **120 (one hundred and twenty) kobo** per share. If approved, the final dividend will become payable on the **22nd of April 2022** and it will be subject to deduction of withholding tax at the appropriate rates. Shareholders entitled to the final dividend are those recorded in the Register of Members as at close of business on the **9th of March 2022**.

Still on the final dividend, the Board is recommending for Shareholders' approval at the AGM, a right for interested Shareholders to elect to receive new ordinary shares in the Company instead of the final dividend in cash – a Share for Cash Dividend Election Scheme. This will give such Shareholders the opportunity to reinvest the money in the Company and increase their shareholding without incurring capital market transaction cost. The Company equally stands to benefit from the share option as the cash, which would otherwise be paid out as dividends, would be retained by the Company for working capital purpose. That will contribute to the continuing efforts to reduce high financing cost which would have positive impact on our Profit After Tax. More details on the Share for Cash Dividend Election Scheme are contained in the Explanatory Notes sent as part of the Annual Report and Accounts.

Dear Shareholders, Unclaimed Dividends continue to be an issue for the capital market. I want to use this opportunity to once again encourage every Shareholder who is yet to join the e-dividend platform to do so. This will help to reduce in the short term and eliminate in the long term, the issue of unclaimed dividends. The e-dividend scheme also makes it easier and faster for you to receive your dividend in your bank account, no matter where you are. An e-dividend form for your use is included in the Annual Report and Accounts. Please complete and return it to the Registrar (First Registrars & Investor Services Limited). The form is also available for download on our website (www.nbplc.com) and that of the Registrar (www.firstregistrarsnigeria.com).

Board of Directors

We had changes in the Board after the last AGM. **Mr. Jordi Borrut Bel**, who was our Managing Director/CEO, completed his expatriation assignment with us at the end of July 2021 and subsequently took up another assignment within the HEINEKEN Group. **Mr. Borrut Bel** joined us at a challenging time and contributed greatly to our being able to weather the storm and putting the Company back on the growth path. We cannot thank him enough for his immense contributions to the growth and development of our Company. Also, **Mr. Steven L.M. Siemer**, a Non-Executive Director and the HEINEKEN Regional Finance Director for the Africa, Middle East and Eastern Europe Region, resigned from the Board at the end of March 2022 following his promotion into a new role within the HEINEKEN Group. We also thank **Mr. Siemer** for his invaluable contributions to the Company in his dual capacity as the Regional Finance Director and as a Non-Executive Director.

Following from the above resignations and in order to fill vacancies on the Board, the following Directors were appointed to the Board in accordance with the provisions of our Articles of Association: **Mr. Hans Essaadi**, Managing Director/CEO effective 31st July, 2021; **Mrs. Juliet Anammah**, Independent Non-Executive Director effective 1st January, 2022; **Mr. Asue Ighodalo**, Non-Executive Director effective 1st January, 2022; and **Mrs. Yeliz Yedikardesler**, Non-Executive Director, effective 1st April, 2022. The appointed Directors will be presented to Shareholders at the AGM for the approval of their appointments.

In line with the provisions of our Articles of Association, the three Directors due for retirement and re-election at the forthcoming AGM and who, being eligible, have offered themselves for re-election are **Mrs. Ifeuko Omoigui Okauru**, **MFR**, **Mr. Roland Pirmez** and my humble self, **Chief Kolawole B. Jamodu**, **CFR**.

Chairman's Address (Cont'd)

Looking Ahead: 2022 Operating Environment

In line with recent trends, the Federal Government's ₦17.13 trillion 2022 budget was approved and passed into law at the end of 2021. The Government announced plans to raise electricity tariffs as well as stop subsidising the cost of Premium Motor Spirit (PMS). While the subsidy stoppage is meant to lead to substantial cost savings for the Government and free up money for other purposes, it will nevertheless lead to a worsening of the economic challenges being faced by the populace. As at the time of putting together this address, the Government had put on hold the withdrawal of the subsidy.

While the world was still battling to get economies back to the 2019 levels (pre Covid-19), the conflict between Russia and Ukraine escalated into a war with Ukraine at the receiving end. The effect of the conflict has led to a steep rise in the price of crude oil and grains – the oil price has so far risen above \$100 per barrel. While the higher oil price will lead to increased income for the Government in view of the 2022 budget being benchmarked at \$62 per barrel, it equally means additional cost for the Government in view of the continuation of the petroleum subsidy regime. As a result, the Federal Government has presented a supplementary budget proposal of ₦2.6 trillion to the National Assembly for approval. The extra amount is meant to take care of the short fall in the subsidy amount initially provided for.

The increased oil price has further worsened the cost profile of businesses with the price of AGO (diesel), the main source of power for businesses having doubled in some places. The increase in the price of aviation fuel is affecting the aviation industry and the cost of travelling. The price of domestic gas is equally on the rise. Insecurity continues to have impacts on agriculture, transportation, and other business and social activities.

The challenges in the ports for importers, access to Forex, high unemployment, increasing levels of poverty and growing inequality remain major challenges that will impact businesses in 2022. The deteriorating Forex situation has led to foreign suppliers running out of patience with their Nigerian partners, mostly manufacturers, who are finding it increasingly difficult to settle their rising foreign payables. Due to lack of access to Forex, it has become an arduous task procuring input materials from abroad and this is affecting the operations of manufacturers and other businesses that rely on imports. With a view to solving the Forex crisis and boosting Forex supply, the CBN has targeted \$200 billion inflow from non-oil revenue over the next three years. We look forward to the full implementation of the actions that will drive the CBN initiative.

With rising interest rates in the advanced economies, Nigeria's debt servicing obligations are expected to rise thereby also impacting the money available to the Government for the much needed capital expenditure to improve social infrastructures.

The Federal Government has announced the re-introduction of excise duty on non-alcoholic beverages and increase in the current excise duty rate for alcoholic beverages. These additional costs will lead to increase in the price of finished product with a view to mitigating costs. The brewed product sector is therefore set for another challenging year ahead. Nevertheless, with our Cost and Value agenda, we are poised to maintain our leadership in the market as well as drive profitability. Our experience in the last seventy-five years will come in handy as we navigate the challenges and aim to deliver sustainable value to our Shareholders.

Conclusion

On behalf of the Board, Management and other employees, I want to once again thank you, our esteemed Shareholders for your support and encouragement not just in the year gone by, but for the past seventy-five years. We look forward to more of your support as we face the next seventy-five years.

Our parent company, HEINEKEN N.V., deserves huge applause for the vision that led to the formation of our Company over seventy five years ago. That belief in Nigeria that drove the confidence to invest in the country in 1946 has not waned all through the years; it is hard to imagine where we would have been as a Company without the immeasurable support from HEINEKEN.

To all our other stakeholders, including our distributors/customers, transporters, consumers, suppliers, professional advisers, the Government at all levels and our host communities, we say a BIG Thank You! I was particularly pleased to meet our distributors and transporters at the Customer Business Meeting and Awards that took place at the start of 2022. We look forward to a continuation of the mutually beneficial partnerships as we grow together.

I use this opportunity to once again thank my fellow Board Members, the Management Team and employees at all levels for all the hard work and sacrifices that resulted in the very good results of 2021; it was a case of winning against all odds. I look forward to even more of such support in the years ahead.

Above all, I give glory to God.

Thank you and God bless you.

Chief Kolawole B. JAMODU, CFR
Chairman, Board of Directors.



NEW Stylish Bottle Same Enjoyable Taste



Also available in **Vanilla & Pineapple**

Directors' Report



Mr. Hans Essaadi
Managing Director/CEO

The Directors are pleased to present their annual report together with the audited financial statements of the Group and Company for the year ended 31st December, 2021.

1. Legal Status

Nigerian Breweries Plc, a public company quoted on The Nigerian Exchange Limited ("The NGX"), was incorporated on the 16th of November, 1946, under the name, Nigerian Brewery Limited. The name was changed on the 7th of January, 1957, to Nigerian Breweries Limited and thereafter to Nigerian Breweries Plc in 1990. The Company is a subsidiary of Heineken N.V. of the Netherlands, which held approximately 56% interest in the equity of Nigerian Breweries Plc as at 31st December, 2021.

2. Principal Activities

During the year under review, the principal activities of the Company remained brewing, marketing and selling of lager, stout, non-alcoholic malt drinks and soft drinks.

3. Progress Trust (CPFA) Limited

Progress Trust (CPFA) Limited was incorporated by the Company and is a duly registered Closed Pension Fund Administrator. Its sole activity is the administration of the pension and the defined (employer's contribution) gratuity scheme for employees and former employees of Nigerian Breweries Plc.

4. The Nigerian Breweries-Felix Ohiwerei Education Trust Fund

The Nigerian Breweries-Felix Ohiwerei Education Trust Fund was incorporated by the Company and is a sponsored charitable Trust. The proceeds from its investments are disbursed solely for the promotion of education.

5. Benue Bottling Company Limited

Following the merger with Consolidated Breweries Plc, the enlarged Company acquired an 89.3% majority equity interest in Benue Bottling Company Limited (BBCL). The subsidiary, BBCL, is an entity with no business activities that holds land, buildings and some idle production assets. The financial position of the subsidiary has been consolidated in these financial statements. At the time of the acquisition, all productive assets were impaired.

6. 234 Stores Limited

234 Stores Limited is a subsidiary of the Company established to explore opportunities in the route-to-market. Its financial position has been consolidated in these financial statements.

7. Review of Operations

A summary of the results for the year is shown below:

	2021	2020	% Change
	N' millions	N' millions	
Revenue	437,196	337,006	29.73
Results From Operating Activities	41,812	29,818	40.22
Profit Before Taxation	23,930	11,708	104.39
Taxation	(11,003)	(4,182)	163.10
Profit After Tax	12,927	7,526	71.77

Directors' Report (Cont'd)

8. Dividend

The Board is pleased to recommend to Shareholders at the forthcoming Annual General Meeting (AGM), the declaration of a total dividend of ₦12,921,331,039 (twelve billion, nine hundred and twenty one million, three hundred and thirty one thousand, thirty nine naira only), that is, 160 (one hundred and sixty) Kobo only per ordinary share of 50 (fifty) kobo each.

The total dividend is comprised of an interim dividend of ₦3,230,332,760 (three billion, two hundred and thirty million, three hundred and thirty two thousand, seven hundred and sixty naira only) that is, 40 (forty) Kobo per share which had earlier been paid and a final dividend of ₦9,690,998,280 (nine billion, six hundred and ninety million, nine hundred and ninety eight thousand, two hundred and eighty naira only) that is, 120 (one hundred and twenty) Kobo per share.

If the proposed final dividend of ₦9,690,998,280 (nine billion, six hundred and ninety million, nine hundred and ninety eight thousand, two hundred and eighty naira only) is approved, it will be subject to deduction of withholding tax at the appropriate rates. The dividend will become payable on the 22nd of April, 2022, to Shareholders ("Qualifying Shareholders") whose names appear on the Company's Register of Members at the close of business on the 9th of March, 2022.

The Directors are also recommending to Shareholders for their approval at the forthcoming AGM, a right of election for Qualifying Shareholders to receive new ordinary shares in the Company instead of the final dividend in cash. The election is required to be made on or before the 12th of April, 2022. The Reference Share Price for the purpose of determining the number of shares due to Qualifying Shareholders who elect for the share option will be a ten-day trading average of the Company's share price on the floor of The NGX, starting on the 10th of March, 2022.

9. Shareholding, Substantial Shareholders and Free Float Declaration

The issued and fully paid-up Share Capital of the Company as at 31st December, 2021 was 8,075,831,900 Ordinary Shares of 50 kobo each. The Register of Members shows that three companies: Heineken Brouwerijen B.V. holding 38.07%, Distilled Trading International B.V. holding 15.53% and Stanbic Nominees Nigeria Limited holding 11.97% held more than 10% of the Company's issued share capital as at the said date. The remaining 34.43 % of the issued shares were held by other individuals and institutions. Aside the aforementioned three companies, no other shareholder held more than 5% of the issued share capital of the Company as at 31st December, 2021. Heineken Brouwerijen B.V. and Distilled Trading International B.V. are part of the Heineken N.V. Group.

The Company complied with the free float requirement of The NGX for companies listed on the Main Board. The Company had a free float value of ₦172.14 billion as at 31st December, 2021. The details of the Free Float are on page 133 of this Annual Report and Accounts.

10. Distributors

The Company delivers most of its products nationwide through an extensive network of key distributors, wholesalers, bulk breakers and major retail stores. The names of the major customers are listed on page 133 of this Annual Report and Accounts.

11. Board of Directors

The composition of the Board of Directors since after the last AGM is as shown on page 5 hereof. The Board is at present made up of nine (9) Non-Executive Directors (including the Chairman) and two (2) Executive Directors.

There were changes on the Board since after the last AGM. Following his picking up another appointment in the Heineken N.V. Group outside Nigeria, Mr. Jordi Borrut Bel resigned from the Board and as the Managing Director/CEO effective 30th of July, 2021. Consequently, Mr. Hans Essaadi was appointed to the Board and as the Company's Managing Director/CEO effective the 31st of July, 2021. On behalf of Shareholders, the Board thanked Mr. Borrut Bel for his significant contribution to the growth of Company during his tenure as Managing Director/CEO and a member of the Board. Also, Mr. Asue Ighodalo and Mrs. Juliet Anammah were appointed to fill vacancies on the Board, effective 1st January, 2022 in line with Article 95 of our Articles of Association. As required under Section 274 (2) of the Companies and Allied Matters Act, 2020, Mr. Essaadi, Mr. Ighodalo and Mrs. Anammah, will be presented to Shareholders at the forthcoming AGM for the approval of the appointments.

The Directors to retire by rotation at the forthcoming AGM in conformity with the Articles of Association, and who, being eligible, have offered themselves for re-election at the meeting are: Chief Kolawole B. Jamodu, CFR; Mrs. Ifueko Omoigui Okauru, MFR and Mr. Roland Pirmez.

Directors' Report (Cont'd)

12. Statement of Directors' Responsibilities

The Directors accept responsibility for the preparation of the annual financial statements set out on pages 53 to 125 that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, 2020 (CAMA) as well as the Financial Reporting Council of Nigeria Act, 2011.

The Directors further accept responsibility for maintaining adequate accounting records as required by the CAMA 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.

The Directors have assessed the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the years ahead.

13. Record of Directors' Attendance

Further to the provisions of Section 284(2) of CAMA, the Record of Directors' Attendance at Board Meetings during the year under review will be available at the Annual General Meeting for inspection. See also, item 21(a) below for further information in that regard.

14. Directors' Interest in Shares

(a) Direct Holding

The interest of each current Director in the issued share capital of the Company, as recorded in the Register of Members and/or notified by the Directors for the purpose of Section 301 of CAMA and disclosed in accordance with Section 385 also of CAMA as well as the Listing Rules of The NGX, is as follows:

	As at 16 th February, 2022	As at 31 st December, 2021	As at 31 st December, 2020
Chief Kolawole B. Jamodu, CFR	874,065	874,065	796,704
Mr. Hans Essaadi	Nil	Nil	N/A
Mrs. Juliet Anammah	Nil	N/A	N/A
Mrs. Adeyinka O. Aroyewun	1,687	1,687	1,666
Mr. Sijbe (Siep) Hiemstra	Nil	Nil	Nil
Mr. Asue Ighodalo	Nil	N/A	N/A
Mr. Rob Kleinjan	19,302	19,302	19,302
Mrs. Ndidi O. Nwuneli, MFR	Nil	Nil	Nil
Mrs. Ifueko M. Omoigui Okauru, MFR	35,992	35,992	35,992
Mr. Roland Pirmez	Nil	Nil	Nil
Mr. Steven L.M. Siemer	Nil	Nil	Nil

*N/A. - Not applicable as the Director was not on the Board as at that date.

(b) Indirect Holding

There was no indirect holding by any of the Directors.

15. Agricultural/Raw Materials Improvements

Nigerian Breweries Plc recognises the importance of sustainable local sourcing of its agricultural raw materials and continues to invest resources into the development and commercialisation of local raw materials. The Company collaborates with relevant local and international research institutes to further improve the performance and adaptability of its existing registered sorghum varieties and to develop new sorghum varieties and other local raw materials that are suitable for brewing. To extend the positive impact (of local sourcing of its raw materials) to more communities in Nigeria, Nigerian Breweries Plc is also working on continuously expanding its sorghum sourcing areas to new communities.

16. Property, Plant and Equipment

Information relating to changes in property, plant and equipment is given in Note 13 to the financial statements.

Directors' Report (Cont'd)

17. Gifts and Donations

In 2021, the Company made gifts and donations amounting to ₦262,003,401 (2020: ₦634,547,452) as follows:

<u>Beneficiary/Project</u>	<u>Naira</u>
Youth and Women Empowerment Programme	70,000,000
World Food Programme Zero Hunger Sprint	21,000,000
SMASHED - Beer Sectoral Group	84,653,401
Olokemeji Reforestation Project	60,000,000
Ama Brewery Host Community (Umuezeani Community) Scholarship and Bursary Scheme	6,000,000
Solar Powered Streetlight - Umuezeani Community	6,000,000
Provision of Waste Collection Bins to the Abia State Environmental Protection Agency (ASEPA)	6,000,000
Annual Scholarship program - Imagbon, Ijebu-Ode	1,000,000
Orange Corners Innovation Fund	7,350,000
	262,003,401

In accordance with Section 43(2) of CAMA, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review.

18. Employees and Employment

(a) Employment of Physically Challenged Persons

Nigerian Breweries Plc is an equal opportunity employer and does not discriminate on any grounds. Thus, we provide employment opportunities to physically challenged persons. However, this actually goes beyond the need to ensure that there is no discrimination against such persons, but driven by a deep conviction that even in disability, there could be immense ability. At present, we have thirteen (13) physically challenged persons in our employment.

(b) Employee Involvement and Training

In today's competitive business landscape, human capability has been found to be a key factor for corporate success. The critical challenge towards continuous performance improvement remains the capability and speed of response to changes in the business environment through people development. Thus, a drive in the right direction for employees' development is imperative for sustainable superior company performance. In Nigerian Breweries Plc, we believe strongly that we must win with our people. We must not only enable employees to perform in their day-to-day jobs, but must unlock their potentials and make it possible for them to unleash energy to achieve business goals.

Continuous training and upgrading of skills at all levels of the Company is therefore the key to achieving a meaningful competitive advantage and long-term business success.

We provide our employees both operational and leadership training within and outside Nigeria to expose them to best practices and improve knowledge transfer at international level.

(c) Health, Safety and Welfare

The Company takes the health, safety and welfare of its employees very seriously, with a strong conviction that a healthy workforce will always be highly productive and will deliver superior performances at all times. Consequently, there are on-site clinics manned by qualified medical personnel in all our brewery locations that provide primary health care and some degree of secondary health care round the clock for employees at work. Furthermore, top health care providers have been carefully selected under a managed care scheme to look after the health care needs of employees and their dependants. We comply with relevant statutory provisions and regulations on health, safety and welfare matters as well as providing the education required to enable compliance by employees. As a good corporate citizen, we recognise the threat of HIV/AIDS in sub-Saharan Africa. Hence, as an extension of our medical policy, Nigerian Breweries Plc operates a comprehensive workplace HIV/AIDS programme spanning the continuum of policy to treatment.

In the wake of the COVID-19 pandemic, Nigerian Breweries Plc demonstrated its commitment towards stemming the tide of the virus through its corporate social responsibility. Internally, emergency preparedness and response activities were strengthened under the steering of the COVID-19 Crises Management Team, a work from home program leveraging on technology was adopted along with a segmented work on site program and the in house medical centres were upgraded with facilities for COVID-19 testing across its brewery locations. The Company also ensured ease of access to COVID-19 vaccines through onsite vaccinations at the various brewery locations.

Directors' Report (Cont'd)

19. Integrated (QFHSE) Policy Statement

Nigerian Breweries Plc is a responsible corporate citizen and operating company of Heineken N.V., with a mission to be the leading beverage company in Nigeria marketing high quality brands to deliver superior customer satisfaction in a safe and environmentally friendly way. The Management of Nigerian Breweries Plc, through an Integrated Management System that meets internationally recognised standard for Quality, Food Safety, Environment and Occupational Health and Safety is committed to:

- Produce and market high quality beverages that are safe for consumption, consistently meet customer requirements and deliver consumer satisfaction.
- Protecting the environment and preventing pollution in all areas of our environmental impact.
- Preventing injuries and ill health of all our employees and those affected by our operations through the elimination of hazards and reduction of occupational health and safety risks.
- Fulfilling all legal and other compliance obligations for the Integrated Management System.
- Continually improving our systems through regular consultations and participation of employees, improving employees' competencies and the use of Total Productive Management and other relevant tools to enhance performance.

20. Business Conduct

Our business is conducted with integrity and due regard to the legitimate interest of all stakeholders. As part of this, we have adopted policies such as the Code of Business Conduct which provide amongst others for:

(a) Respect for Law

Nigerian Breweries Plc ensures that its existence and operations remain within the ambit of all applicable laws. Our employees are expected to comply with the laws and regulations of Nigeria.

(b) Business Integrity

We believe that corruption is evil in the business environment as it is in the society generally. We maintain appropriate anti-corruption policies and programmes in our business. Accordingly, Nigerian Breweries Plc does not give or receive, whether directly or indirectly, bribes or any other incentive to obtain improper advantages for business or financial gain.

(c) Corporate Social Responsibility

As an integral part of the Nigerian society playing varied roles as an employer, supplier, customer, partner, tax payer and competitor all at the same time, the Company impacts the society. Where possible, we aim to establish sustainable partnerships with our stakeholders within our policy guidelines on community involvement. A Corporate Social Responsibility and Sustainability Report detailing some of the ways we partnered with our various stakeholders during the year under review is on page 44 and 45.

(d) Conflict of Interests

Nigerian Breweries Plc recognises and respects the right of its employees to engage in external activities so long as these activities do not impair, interfere or conflict with the conscientious performance of their duties and do not involve damage to or misuse of the Company's name, trademarks, products, property, reputation, goodwill, confidential information or other resources.

When an employee is engaged in carrying out a task on behalf of the Company and that employee has a factual or potential private interest in the outcome of the task, which is contrary to the best interests of the Company or is substantial enough to affect the employee's unbiased judgment, the Company expects the employee to disclose this as appropriate. Failure to comply with this policy will have serious career consequences for the employee. Nigerian Breweries Plc maintains policies (for instance, on purchasing) that severely reduce the risk of harm to the Company due to a conflict of interest.

21. Corporate Governance

Nigerian Breweries Plc adopts a responsible attitude towards corporate governance. The Board continues to ensure that the Company complies with relevant corporate governance provisions and principles as well as adopt best corporate governance practices. The Board is committed to implementing the corporate governance principles and guidelines contained in the Nigerian Code of Corporate Governance, 2018 ("NCCG") released by the Financial Reporting Council of Nigeria, the Securities and Exchange Commission's Corporate Governance Guidelines issued in October, 2020 and CAMA.

Directors' Report (Cont'd)

(a) The Board of Directors

The Board of Directors is made up of nine (9) Non-Executive Directors, including the Chairman, and two (2) Executive Directors. Three (3) of the Non-Executive Directors qualify as Independent Directors. They are: Mrs. Juliet Anammah; Mrs. Adeyinka O. Aroyewun; and Mrs. Ndidi O. Nwuneli; MFR. The Board has a formal guideline and process for appointment of Directors.

The Board is inter alia, responsible for supervising the conduct of business by Management as well as the general course of affairs in the Company; assessing the Company's corporate strategy and general policy; the development of the Company's financial position, risk management systems and other systems; the Company's organisational structure; and the Company's social policy.

The Board has a formal schedule of meetings each year and met five (5) times in the course of the year under review in line with that schedule in addition to a Special Board Meeting. The record of attendance at those meetings by the current Directors who served during the year under review is set out below:

	10/02/21	22/04/21	11/05/21	30/07/21	28/10/21	08/12/21
Chief Kolawole B. Jamodu, CFR	P	P	P	P	P	P
Mr. Hans Essaadi	N.A.	N.A.	N.A.	N.A.	P	P
Mrs. Adeyinka O. Aroyewun	P	P	P	P	P	P
Mr. Sijbe (Siep) Hiemstra	P	P	P	P	P	P
Mr. Rob Kleinjan	P	P	P	A	P	P
Mrs. Ndidi O. Nwuneli, MFR	P	P	P	P	P	P
Mrs. Ifueko M. Omoigui Okauru, MFR	P	P	A	P	P	P
Mr. Roland Pirmez	P	P	P	P	P	P
Mr. Steven L.M. Siemer	P	P	P	P	P	P

P – Present

A – Absent with Apology

N.A. – Not a member of the Board of Directors as at that date.

(b) Governance Committee

The responsibilities of the Committee include, making recommendations to the Board on candidates for appointment as Directors based on the guidelines set by the Board as well as reviewing executive remuneration and determining specific remuneration packages for Directors. Also, the Committee is responsible for ensuring the development of corporate governance policies and procedures in the Company in accordance with national and international best practices.

The composition of the Governance Committee as well as the record of attendance at the Committee's meetings during the year in review were as follows:

		08/02/21	13/04/21	20/10/21	02/12/21
Mrs. Ndidi O. Nwuneli MFR	Chair	P	P	P	P
Mr. Sijbe (Siep) Hiemstra	Member	P	P	P	P

P – Present

(c) Risk Management and Ethics Committee

The Committee determines the risk management and ethics standards, policies, procedures and processes of the Company (including the Code of Business Conduct) and is also responsible for assessing the adequacy and effectiveness of the Company's management of the risk and compliance function of the Company.

Members of the Executive Committee as well as the Head of Process & Control Improvement Department (responsible for internal audit), attend the meetings of the Committee that are dedicated to issues of Risk Management.

The composition of the Committee as well as record of attendance at its meetings, during the year, were as follows:

		21/04/21	29/07/21	27/10/21	06/12/21
Mr. Roland Pirmez	Chairman	P	P	P	P
Mrs. Adeyinka O. Aroyewun	Member	P	P	P	P
Mrs. Ifueko M. Omoigui Okauru, MFR	Member	P	P	P	P

P – Present

Directors' Report (Cont'd)

(d) Audit Committee

The Committee, as part of its functions, reviews the Company's overall control systems, financial reporting arrangements and standards of business conduct. Members of the Audit Committee have direct access to the Process & Control Improvement Department and the Independent Auditor. The statutory functions of the Committee are provided for in Section 404(7) of CAMA.

The Audit Committee was composed of three (3) Shareholders' representatives and two (2) Directors' representatives. See page 48 for membership of the Committee.

The record of attendance at those meetings by the current Members of the Committee who served during the year under review is set out below :

	09/02/21	21/04/21	29/07/21	06/12/21
Chief Timothy A. Adesiyan	P	P	P	P
Mazi Samuel C. Mpamango	P	P	P	P
Mr. David O. Oguntoye	P	P	P	P
Mrs. Ifueko M. Omoigui Okauru, MFR	P	P	P	A
Mr. Steven L.M. Siemer	P	P	P	P

P – Present

A – Absent with Apology

(e) Executive Committee

The Executive Committee ("ExCo") is the Management Team and is responsible for agreeing priorities, allocating resources, setting overall corporate targets, agreeing and monitoring divisional strategies and plans. It has responsibilities for superintending the affairs of the business on a day-to-day basis. It is chaired by the Managing Director/Chief Executive Officer of the Company. The record of attendance of the Current ExCo members at the formal ExCo meetings during the year under review is set out below:

Name	Role	No. of Meetings	No. Attended
Mr. Hans Essaadi	Managing Director/ CEO	13*	13
Mrs. Philomena Aneke	Digital and Technology Director	23	21
Mr. Rob Kleinjan	Finance Director	23	23
Mr. Martin Kochl	Supply Chain Director	23	23
Mrs. Grace Omo-Lamai	Human Resource Director	N/A**	N/A
Mrs. Sade Morgan	Corporate Affairs Director	23	22
Mr. Emmanuel Oriakhi	Marketing Director	23	22
Mr. Uche Unigwe	Sales Director	23	19
Uaboi G. Agbebaku, Esq.	Company Secretary/Legal Director	23	21

* After he became a member of the Committee

**Away on international assignment

(f) 2021 Board Evaluation

The Board undertook a Board Evaluation exercise for the year 2021. The results of the exercise revealed that the Directors were satisfied with the effectiveness, composition, organisation, structure and performance of the Board and its Committees in the course of the year.

The Board also identified key focus areas to be addressed and is fully committed to the prompt consideration of these matters in the best interest of the Company and all its stakeholders.

(g) Regulations for Dealing in Shares

In compliance with the Listing Rules of The NGX, Nigerian Breweries Plc has in place regulations to guide the Board and other employees when effecting transactions in the Company's shares and other securities. The Company's Regulations for Dealing in Shares and other Securities ("the Regulations") provide amongst others, the period when transactions are not allowed to be effected on the Company's shares and other 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 regularly notifies The NGX of its Closed Periods.

The Company made inquiries from all affected persons and is not aware of any non-conformity with the Listing Rules or the Regulations during the year under review.

Directors' Report (Cont'd)

(h) Complaints Management Policy

Nigerian Breweries Plc has in place a Complaints Management Policy ("the Policy") in accordance with the requirements of the Securities and Exchange Commission. The Policy sets out the broad framework for handling shareholder complaints in a fair, impartial, efficient and timely manner. The Policy can be accessed via the Company's website.

(i) Communications Policy

Nigerian Breweries Plc has in place a Communication Policy ("the Policy") in accordance with the requirements of the Securities and Exchange Commission. The Policy is available on the Company's website.

The Board recognises the need to communicate and disseminate information regarding the operations and management of the Company to all relevant stakeholders (including Shareholders, regulatory authorities, media, analysts and the general public).

(j) Inclusion & Diversity Policy

Our Ambition is to develop and embed Inclusion and leverage Diversity to create value in a fast-changing and complex environment, which positively impact our employees, customers and consumers. Wherever we operate and across every part of our business, we are passionate about creating an inclusive environment which caters to differences and fosters inclusion and equity through our core values of Respect, Passion for Quality, Enjoyment and Performance.

(k) Whistle Blowing Framework

The Company has a whistleblowing system in place called, "Speak Up". This provides an avenue for employees and third parties dealing with the Company to report concerns about any suspected misconduct which may arise from the violation of laws and regulations, the Company's Code of Business Conduct or the various policies, rules, standards and procedures under which the Company operates. By creating the Speak Up channel (a safe, secured and confidential channel of communication) and an effective reporting system, the Company believes that it can promote a positive work environment.

22. Independent Auditor

The firm of Deloitte & Touche served as the Independent Auditor during the year under review.

In accordance with Section 401(2) of CAMA, the firm has indicated its willingness to continue in office as the Independent Auditor to the Company.

Dated the 16th day of February, 2022.

By Order of the Board.

Uaboi G. Agbeba, Esq.
Company Secretary
FRC/2013/NBA/00000001003

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Abebe Village Road
Iganmu, Lagos, Nigeria



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The Managing Director/CEO, Hans Essaadi (5th left) led the Management Team on a courtesy visit to the Executive Governor of Lagos State, Babajide Sanwo-Olu (5th right) and members of his Cabinet.



The Vice President, Federal Republic of Nigeria, Prof. Yemi Osinbajo, SAN, (middle) receiving the winner, 2020 Maltina Teacher of the Year, Oluwabunmi Anani alongside the Head of Public, External and Government Affairs, NB Plc, Uzodinma Odenigbo at the Presidential Villa, Abuja in celebration of the World Teachers' Day.



The Honourable Minister for Education, Chukwuemeka Nwajiuba (middle), supported by the Chairman, NB Plc, Chief Kola Jamodu (right), the Managing Director/CEO, Hans Essaadi (2nd left) and Sade Morgan (left), presenting a cheque to Abanika Taye, the winner of the 2021 Maltina Teacher of the Year Award.



NB Plc's Management Team led by the Managing Director / CEO, Hans Essaadi (3rd right); the representative of the Speaker, House of Representatives, Magaji Aliyu (2nd right) during the special recognition award for Chief Kola Jamodu at the Manufacturers Association of Nigeria (MAN)'s 50th anniversary celebration dinner held in Abuja.



The Chairman, Chief Kola Jamodu (3rd right), the Managing Director/CEO, Hans Essaadi (3rd left) and others, cutting the cake at the Special Media Parley to commemorate the 75th anniversary of NB.



Elder Felix Ohiwerei (middle); Vice-Chancellor, Pan-Atlantic University, Prof. Juan Elegido (2nd right); Chief Kola Jamodu (3rd left) with NB Plc's Management Team at the commissioning of Felix Ohiwerei Building, School of Science and Technology at the Pan African University.



Ambassador of the European Union to the Federal Republic of Nigeria and to the ECOWAS, Samuela Isopi (3rd right) led the European Union delegation on a courtesy visit to NB Plc in Lagos.



Presentation of Most Inspiration leader award to Regional Business Manager, NB Plc, (Abeokuta), Hannah Coker by the Sales Director, NB Plc, Uche Unigwe (left); Human Resource Director, Grace Omo-Lamai (2nd right); and Marketing Director, Emmanuel Oriakhi (right) at the commercial conference held in Abuja.



Executive Governor of Oyo State, Engineer Oluseyi Makinde (3rd right); Chief Kola Jamodu (3rd left) with NB Plc's Management Team at the commissioning of the 663.6KWP Solar Power Plant of the NB Plc, Ibadan Brewery in Ibadan.



Promoter/Founder, Bells University of Technology, Chief Olusegun Obasanjo (left); Mrs. Funmi Jamodu (2nd left); Sade Morgan (2nd right) and the Ota Brewery Manager, Rotimi Odukudu (right) at the conferment of Honorary Degree on NB's Chairman, Chief Kola Jamodu at the 12th convocation ceremony of the Bells University of Technology in Ogun State.



NB Management Team led by Managing Director/CEO, NB Plc, Hans Essaadi (2nd right) during a courtesy visit to the Executive Governor of Enugu State, Ifeanyi Ugwuanyi (middle).



The Chairman, Chief Kola Jamodu and Shareholders' representatives at the Company's 75th Annual General Meeting.



The Chairman, Chief Kola Jamodu and Board/Management Team Members at the Company's 75th Annual General Meeting.



NB's Digital and Technology Director, Phil Aneke (2nd left) receiving the award presented to NB Plc by the Association of Professional Women Engineers of Nigeria (APWEN) at the association's AGM and International Conference.



Corporate Affairs Director, NB Plc, Sade Morgan (2nd right), alongside Representative of the Minister of State for FCT, Chinwendu Amba (right) at the Graduation Ceremony of the NB's Women and Youth Empowerment Programme.



The Crown Prince of Ijora and Iganmu Kingdom, Chief Kunle Aromire (2nd right); the Managing Director/CEO, Hans Essaadi (middle); and others at the official launch of the NB Recycles Project in Lagos.



(left to right) Sales Director, NB Plc, Uche Unigwe; Managing Director/CEO, Hans Essaadi; J. Ogungbola and Sons Limited; Ken Maduakor (Ken Maduakor Group Limited); Odiaka Christian (Chrisemua Sons & Limited); Chairman, NB Plc, Chief Kola Jamodu, and Marketing Director, NB Plc, Emmanuel Oriakhi.



(left to right) Supply Chain Director, NB Plc, Martin Kochi; MD, NB Plc, Hans Essaadi; MD, MDS Logistics Andre Bresler; his wife, Neander Bresler; and Company Secretary / Legal Director, NB Plc, Uaboi Agbekaku.



Presentation of the Integrity Award to MaGulf Global Enterprise Limited by the MD/CEO, CFAO Motors, Patrice Porte (2nd right) and Sales Director, NB Plc, Uche Unigwe (right).



Honourable Minister for Youths and Sports, Sunday Dare (middle); President, Nigerian School Sports Federation, Olabisi Joseph (2nd left); Overall Best Winner, Maltina School Games 2021, Oluwadamilade Ajayi (2nd right) and NB Team at the Maltina School Games Breakfast With Champions Event.



His Royal Highness, The Gangwari of Ganye II, Alh. Umar Adamu Sanda; Commissioner for Education and Human Capital Development, Adamawa State, Hon. Wulbina Jackson (2nd left); the 2020 Maltina Teacher of the Year, Olubunmi Anani (right); and the NB Team at the commissioning of the auditorium built for the school in honour of the 2020 MTOTY, in Yola.



The Ciroma of Zazzau and District Head of Makera/Kakuri, HRH Alhaji Shehu Tijani; Interim Human Resource Director, NB Plc, Eric Olaleye (left); Beneficiary, Abdulazeed Rafiu; and the Brewery Manager (Kaduna), NB Plc, Osasu Oviawe (right) during the Graduation and Handover ceremony of the Nigerian Breweries Women and Youth Empowerment Programme held in Kaduna.



Deputy Vice-Chancellor, University of Lagos, Prof. Obinna Chukwu (left); Chairperson, Nigerian Institute of Public Relations (NIPR), Lagos Chapter, Comfort Nwankwo (2nd left); and the Corporate Affairs Team, NB Plc during the 2021 SERAS Awards.







Goldberg Lager Launches its First Ever TVC in Ile-Ife with the Flag off of Goldberg Omoluabi Day



Football Fans Cheering to their Favorite Teams at the Heineken Match Viewing Event for the UEFA Euro 2020 Finale



Presentation of Prizes to Top Athletes in the 2021 Edition of Maltina School Games by Company Secretary/Legal Director of NB Plc, Uaboi Agbebaaku



Star Live Arena Consumer Experience – Abeokuta Edition



Desperados Sampling Bar at Lagos Cocktail Week



Excited Consumers at the Star Radler Sleek Can Packaging Launch



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2021 Corporate Social Responsibility and Sustainability Report

At Nigerian Breweries, we strive to embed sustainability in our business strategy. Our sustainability strategies are driven by our recently revamped Brew a Better World (BaBW) agenda with three pillars namely - Environmental, Social and Responsible; and nine ambition areas that cover carbon neutrality, circularity, watershed protection, inclusion and diversity, safety, community impact, addressing the harmful use of alcohol, promoting moderation, and providing non-alcoholic options for our consumers. These focus areas are aligned with specific United Nations Sustainable Development Goals (SDGs) and their targets, with a dedicated and long-term approach to creating shared and sustainable value for our stakeholders, business and the planet at large.



Brew A Better World: A strategy that fits on a coaster

In 2021, we built on the wins of 2020 and we made significant strides in our environmental and social initiatives, as well as in our advocacy for responsible consumption, which are in line with the pillars and ambition areas of our Brew a Better World agenda.

ENVIRONMENTAL

We strengthened our efforts towards environmental conservation and protection through various initiatives and projects aimed at reducing our carbon footprint, promoting circularity and effectively managing our watersheds.

In April 2021, we commissioned a 663.6 kWp solar plant that powers our Ibadan Brewery, installed in partnership with CrossBoundary. This solar plant positioned us as the first brewery in Nigeria whose products are “brewed by the sun”, and will supply approximately 800MWh of solar power to the brewery annually while reducing CO₂ emissions at the brewery by over 10,000 tonnes throughout the lifespan of the plant.



Brewed by the Sun: 663.3 kWp Solar panels on the roof of Ibadan Brewery

We concluded the year by achieving zero-waste-to-landfill at five of our production locations – Awo-Omamma, Ijebu-Ode, Lagos, Kakuri & Kudenda, which contributed to our overall performance of 95.6% waste diversion to landfill. This is an improvement from our performance of 94% in 2020.

Through our collaboration with the Food and Beverage Recycling Alliance (FBRA), we supported the activities of the alliance to recover 10,550MT of plastic waste from the environment in 2021. We also launched NB Recycles, our internal plastic drive that complements our efforts through FBRA, promotes employee engagement and encourages our employees to recycle.

We commenced a reforestation project in the Olokemeji Forest Reserve in Abeokuta in partnership with the International Institute for Tropical Agriculture (IITA) and the Ogun State Ministry of Forestry. With this project, we aim to balance the water used in four of our breweries that are located in water-stressed regions. We planted 30,500 trees on 25.4 hectares in 2021 and the project will run until 2030 by which time we will have planted 600,000 trees on 500 hectares within the forest reserve. In further demonstration of our commitment to responsible use of water resources, our average water consumption reduced from 3.80hl to 3.70 hl for every hectolitre of beer produced.



Teachers from the Olokemeji Community at the International Institute of Tropical Agriculture (IITA) during a Conservation Educators Training program, assessing seedlings for the Olokemeji Forest Reserve

2021 Corporate Social Responsibility and Sustainability Report (Cont'd)

SOCIAL

To reiterate our commitment to providing a safe and enabling workplace for our employees, we launched The Sunshine Crèche in 2021. This promotes diversity and inclusion and provides an enabling environment for employees to thrive at work and at parenting too. We also ensured that 100% of our people managers received training in inclusive leadership practices to build a more resilient workforce.



L-R: Akpana Ahukannah-Human Resource Business Partner Supply Chain, Niyi Adeyanju-Executive Secretary NECA's Network of Entrepreneurial Women, Uaboi Agbebaku-Company Secretary and Legal Director, Sola Ismail-Revenue Manager and Inclusion & Diversity Lead, and Rene Jansen-National Engineering Manager, at the Commissioning of The Sunshine Crèche in Lagos HQ.

We fulfilled all the principles of SMART Outsourcing in 2021 by implementing new payment terms for our labour providers with new contracts, detailing clear obligations on our part and the part of the outsourced employee.

We impacted our communities positively through various initiatives and projects. We collaborated with our Heineken Africa Foundation to launch Phase 2 of Water and Sanitation Hygiene (WASH) project working with our globally reputed implementation partners, WaterAid Nigeria. We empowered communities with hygiene behavior-change promotion tools that were context-specific, as well as materials, designed to help them protect themselves from infectious diseases, especially COVID-19. We set up handwashing facilities, potable water and targeted hygiene infrastructure in key strategic locations in vulnerable communities, and expanded advocacy strategies to key government stakeholders in Bauchi, Oyo, and Enugu States.

We also implemented our N70 Million NB Empowerment Program targeted at promoting entrepreneurship for women and youth groups in our host communities. This initiative directly supported over 400 beneficiaries through co-operative funds, vocational skills trainings and business support.

Through the Nigerian Breweries – Felix Ohiwerei Education Trust Fund, we sustained our support for the development of the Nigerian educational sector at all levels. We organised the

seventh edition of our Maltina Teacher of the Year (MTOTY) event. In total, we celebrated 33 state champions -- the highest since the inception of the programme in 2015. Maltina Teacher of the Year initiative has so far recognised and rewarded a total of 181 teachers and 7 National Winners across Nigeria. Following our donation of \$1million to the Pan-Atlantic University in 2014, we commissioned the School of Science and Technology in 2021, which was renamed the Felix Ohiwerei Building.

RESPONSIBLE

We sustained our advocacy for responsible consumption through our partnership with the Beer Sectoral Group (BSG) of the Manufacturers Association of Nigeria (MAN). THESPIAN Family Theatre and Productions carried out the SMASHED Campaign, which is a global theatre in education program against alcohol abuse. In 2021, the SMASHED Campaign reached 15,914 under-18 students with messages discouraging and educating on the dangers of alcohol abuse.

We re-introduced the use of non-contact breathalysers on all truck drivers operating from our premises to contribute to ensuring safety on the road and deter drivers from driving under the influence.

CONCLUSION

Building on the past 10 years of Brew a Better World, we are raising the bar on our support for the SDGs as we look ahead to a decade in which more ambitious collective action is the only way forward. Our revised strategy will raise our ambitions on climate action. We will accelerate our efforts to support the social agenda and be even more ambitious and bold in promoting moderate consumption of alcohol. Building brands that deliver on our sustainability ambitions will become a fundamental priority for the decade ahead.

We want to thank all our employees and partners for their continued passion for doing what is right for our business and for society. Together, we are raising the bar and we will brew a better world.

Certification of the audited financial statements

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

- a) That we have reviewed the Audited Financial Statements (AFS) of the Company for the year ended 31st December, 2021.
- b) That the AFS represents the true and correct financial position of our Company as at the said date of 31st December, 2021.
- c) That the AFS does not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.
- d) That the AFS fairly presents, in all material respects, the financial condition and results of operation of the company as of and for the year ended 31st December, 2021.
- e) That we are responsible for establishing and maintaining internal controls and affirm that the company's internal controls were effective as of 31st December, 2021.
- f) 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. Hans Essaadi*
Managing Director/CEO



Mr. Rob Kleinjan
Finance Director
FRC/2019/ANAN/ 00000019433

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



PREMIERE

STARRING
NEW LOOK
AMSTEL MALTA &

NEW AMSTEL MALTA
ULTRA

Stepping into the spotlight means
being camera ready at all times.
That's why we've upgraded to a
stylish new look and introduced a
no added sugar malt for team fit-fam!



Audit Committee's report

To: The members of Nigerian Breweries Plc

In accordance with the provisions of section 404(7) of the Companies and Allied Matters Act, 2020, the Members of the Audit Committee of Nigerian Breweries Plc having carried out our statutory functions under the Act, hereby report that:

- a) the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- b) the scope and planning of both the external and internal audit for the year ended 31st December, 2021 are satisfactory. The internal audit programmes reinforce the Company's internal control system; and
- c) having reviewed the Independent Auditor's memorandum of recommendations on accounting procedures and internal controls, we are satisfied with management responses thereon.

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

Members of the Audit Committee are:

1)	Chief Timothy A. Adesiyon	(Shareholders' Representative)	Chairman
2)	Mazi Samuel C. Mpamaugo	(Shareholders' Representative)	Member
3)	Mr. David O. Oguntoye	(Shareholders' Representative)	Member
4)	Mrs. Ifueko M. Omoigui Okauru, MFR	(Directors' Representative)	Member
5)	Mr. Steven L.M. Siemer	(Directors' Representative)	Member

The Company Secretary served as the Secretary to the Committee.

Dated the 15th of February, 2022.

Chief Timothy A. Adesiyon
FRC/2013/IODN/00000003745



Back Row: L-R: Mr. David O. Oguntoye; Mrs. Ifueko Omoigui Okauru, MFR; Mazi Samuel C. Mpamaugo and Mr. Steven L.M. Siemer.
Front Row: Chief Timothy A. Adesiyon

Refresh **IN** style

NEW SLEEK CAN, SAME GREAT TASTE



Independent Auditor's Report

To the Shareholders of Nigerian Breweries Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Nigerian Breweries Plc and its subsidiaries (the Group and Company) set out on pages 53 to 125, which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Nigerian Breweries Plc as at 31 December 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act and Financial Reporting Council Act.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated Financial Statements in Nigeria.

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

Key Audit Matters

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

Key Audit Matter	How the matter was addressed in the audit
<p>Returnable Packaging Materials</p> <p>Included in the Trade and Other Payables as disclosed in Note 28 to the consolidated and separate financial statements is Deposit for Returnable Packaging Materials (RPMs) of about N2.7billion received as deposits from customers for breakable bottles and crates used to distribute products sold to them.</p> <p>The Company provides RPMs to its customers in which products are distributed for which in most instances the Company collects deposits. The deposit is in turn refunded to the customer upon returning of these packaging materials to the company failing which the deposit is forfeited by the customer and released to the statement of profit or loss of the company.</p> <p>Judgement is required by the Directors in assessing the carrying value of the outstanding customers' deposit liability for RPMs. Accordingly, for the purposes of our audit, we identified the assessment of outstanding customers' deposit liability for RPMs as a key audit matter.</p> <p>The assumptions with the most significant impact in the assessment of outstanding liability for returnable packaging were:</p> <ul style="list-style-type: none"> □ The market loss rate, which is subjective since it is based on the Directors' experience and expectations in addition to lack of readily available market data. The market loss rates are estimated for bottle/crate sizes. □ The cycle times of RPMs, i.e. the time it takes for RPM to be returned to the entity which is based on the Directors' estimates as RPMs are not tagged and are interchangeable which makes the calculation of the RPMs cycle times to be subjective. 	<p>In evaluating the value of the outstanding deposit liability our procedures incorporated a combination of test of the company's controls relating to the estimation of the deposit liability and the following substantive procedures:</p> <ul style="list-style-type: none"> □ Assess management judgements applied in determining the relevant base month to perform annual re-assessment of market loss and testing reasonability of data inputs (mainly market loss rates and cycle times) applied by management, in comparison to the company's policy in respect of the returnable packaging material. □ Re-compute market loss rate and perform a retrospective assessment of market loss rate to assess the reasonableness of the assumptions and ensure consistency in the judgements applied by management □ Reassess the adequacy of closing balance of deposit liability reported at period end. □ Assess the adequacy of disclosures in the financial statements. <p>The market loss rates used in the valuation were found to be appropriate. The rates used appeared to be reasonable in line with the supporting information provided. Overall, no material misstatement was noted.</p>

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Audit Committee's Report, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 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.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and / or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- 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 Group's and 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 consolidated and separate 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 Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated and separate 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies and Allied Matters Act we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group has kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Chigozie Okoro, FCA - FRC/2013/ICAN/00000004457
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
17th February, 2022



Consolidated and separate statement of profit or loss

		Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
	Notes				
Revenue	6	437,285,189	437,195,534	337,046,213	337,006,267
Cost of sales	9c	(276,871,996)	(276,871,996)	(218,355,350)	(218,355,350)
Gross profit		160,413,193	160,323,538	118,690,863	118,650,917
Other income	7	4,626,570	4,626,570	828,055	828,055
Marketing and distribution expenses	9c	(97,304,194)	(97,304,194)	(70,701,538)	(70,701,538)
Administrative expenses	9c	(26,241,295)	(25,833,927)	(19,212,379)	(18,959,649)
Profit from operating activities		41,494,274	41,811,987	29,605,001	29,817,785
Finance income	8(a)	313,523	313,523	246,283	246,283
Net loss on foreign exchange transactions ¹	8(c)	(7,041,448)	(7,041,448)	(4,770,390)	(4,770,390)
Finance costs	8(b)	(11,065,209)	(11,154,266)	(13,504,349)	(13,585,933)
Net finance costs		(17,793,134)	(17,882,191)	(18,028,456)	(18,110,040)
Profit before tax	9	23,701,140	23,929,796	11,576,545	11,707,745
Income tax expense	11(a)	(11,029,181)	(11,002,633)	(4,208,176)	(4,182,124)
Profit after tax		12,671,959	12,927,163	7,368,369	7,525,621
Profit for the year attributable to:					
Owners of the Company		12,665,701	12,927,163	7,362,989	7,525,621
Non-controlling interest		6,258	-	5,380	-
Profit for the year		12,671,959	12,927,163	7,368,369	7,525,621
Earnings per share					
Basic earnings per share (kobo)	12(a)	157	161	92	94
Diluted earnings per share (kobo)	12(b)	157	161	92	94

The notes on pages 62 to 121 are an integral part of these financial statements.

¹ In the prior year, Net loss on foreign exchange transactions was disclosed on a net basis with Finance Costs. In the current year, the Net loss on foreign exchange transactions has been disclosed separately on the face of the statement of profit or loss.

Consolidated and separate statement of other comprehensive income

	Notes	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Profit for the year		12,671,959	12,927,163	7,368,369	7,525,621
Items that may be reclassified subsequently to profit or loss:					
Actuarial gains/(losses)	25(f)	3,084,305	3,084,305	(643,180)	(643,180)
Other comprehensive income/(loss), net of tax		3,084,305	3,084,305	(643,180)	(643,180)
Total comprehensive income for the year		<u>15,756,264</u>	<u>16,011,468</u>	<u>6,725,189</u>	<u>6,882,441</u>
Total comprehensive income for the year attributable to:					
Owners of the Company		15,750,006	16,011,468	6,719,809	6,882,441
Non-controlling interest		6,258	-	5,380	-
Total comprehensive income for the year		<u>15,756,264</u>	<u>16,011,468</u>	<u>6,725,189</u>	<u>6,882,441</u>

The notes on pages 62 to 121 are an integral part of these financial statements.





Consolidated and separate statements of financial position


As at 31 December 2021

		Group 2021	Company 2021	Group 2020	Company 2020
	Notes	N'000	N'000	N'000	N'000
ASSETS					
Property, plant and equipment	13(a-b)	257,216,814	255,630,534	213,412,133	212,369,121
Right-of-use assets	13c	12,520,277	12,364,126	42,915,964	42,834,781
Intangible assets and goodwill	14	94,334,332	94,334,332	95,272,318	95,272,318
Investments	15	150,000	929,625	150,000	929,625
Other receivables	16	1,134,459	1,134,459	911,375	911,375
Non-current assets		<u>365,355,882</u>	<u>364,393,076</u>	<u>352,661,790</u>	<u>352,317,220</u>
Inventories	18	62,191,510	62,067,403	36,087,210	35,992,172
Trade and other receivables	19	26,500,516	24,714,756	11,417,423	10,457,436
Prepayments	17	2,852,868	2,852,868	3,745,422	3,745,422
Deposit for imports	20	11,891,422	11,891,422	11,575,510	11,575,510
Cash and cash equivalents	21	16,730,029	16,720,040	30,369,847	30,349,614
Current assets		<u>120,166,345</u>	<u>118,246,489</u>	<u>93,195,412</u>	<u>92,120,154</u>
Total assets		<u>485,522,227</u>	<u>482,639,565</u>	<u>445,857,202</u>	<u>444,437,374</u>
EQUITY					
Share capital	22	4,037,916	4,037,916	3,998,451	3,998,451
Share premium		77,499,797	77,499,797	73,770,356	73,770,356
Share based payment reserve		170,753	170,753	214,506	214,506
Retained earnings		<u>90,094,911</u>	<u>90,430,837</u>	<u>83,093,100</u>	<u>83,167,564</u>
Equity attributable to owners of the Company		171,803,377	172,139,303	161,076,413	161,150,877
Non-controlling interest		108,887	-	102,629	-
Total equity		<u>171,912,264</u>	<u>172,139,303</u>	<u>161,179,042</u>	<u>161,150,877</u>
LIABILITIES					
Loans and borrowings	24(a)	6,831,273	6,831,273	39,636,707	39,636,707
Employee benefits	25	10,964,102	10,964,102	16,719,748	16,719,748
Deferred tax liabilities	27	23,281,997	23,281,997	17,854,115	17,854,115
Non-current liabilities		<u>41,077,372</u>	<u>41,077,372</u>	<u>74,210,570</u>	<u>74,210,570</u>
Loans and borrowings	24(a)	24,542,067	24,542,067	51,810,629	51,810,629
Current tax liabilities	11(c)	10,623,647	10,547,531	11,713,346	11,663,778
Dividend payable	23(b)	10,437,847	10,437,847	7,707,091	7,707,091
Trade and other payables	28(a)	226,418,019	223,384,434	139,200,670	137,858,575
Provisions	30	511,011	511,011	35,854	35,854
Current liabilities		<u>272,532,591</u>	<u>269,422,890</u>	<u>210,467,590</u>	<u>209,075,927</u>
Total liabilities		<u>313,609,963</u>	<u>310,500,262</u>	<u>284,678,160</u>	<u>283,286,497</u>
Total equity and liabilities		<u>485,522,227</u>	<u>482,639,565</u>	<u>445,857,202</u>	<u>444,437,374</u>

Approved by the Board of Directors on the 16th of February 2022 and signed on its behalf by:


Chief Kolawole B. Jamodu
 Chairman
 FRC/2013/ICAN/00000001617


Mr. Hans Essaadi*
 Managing Director/CEO


Mr. Rob Kleinjan
 Finance Director
 FRC/2019/ANAN/ 00000019433

*Mr. Essaadi has a waiver from the Financial Reporting Council of Nigeria ("FRCN") to sign the Financial Statements while processing his FRCN[001] registration with the Council.

The notes on pages 62 to 121 are an integral part of these financial statements.

Consolidated and separated statements of changes in equity

Group		Share Capital N'000	Share Premium N'000	Share Based Payment Reserve N'000	Retained Earnings N'000	Total N'000	Non- Controlling Interest N'000	Total Equity N'000
	Notes							
Balance at 1 st January 2021		3,998,451	73,770,356	214,506	83,093,100	161,076,413	102,629	161,179,042
Profit for the year		-	-	-	12,665,701	12,665,701	6,258	12,671,959
Other comprehensive income for the year		-	-	-	3,084,305	3,084,305	-	3,084,305
Total comprehensive income for the year		-	-	-	15,750,006	15,750,006	6,258	15,756,264
Transaction with owners, recorded directly in equity								
<i>Contributions and distributions</i>								
Issue of ordinary shares	26	39,465	3,729,441	-	-	3,768,906	-	3,768,906
Share based payment charge	26	-	-	(387,156)	-	(387,156)	-	(387,156)
Share based payment recharge		-	-	343,403	-	343,403	-	343,403
Dividends	23(b)	-	-	-	(8,748,195)	(8,748,195)	-	(8,748,195)
Total contributions and distributions		39,465	3,729,441	(43,753)	(8,748,195)	(5,023,042)	-	(5,023,042)
Total transactions with owners of the Company		39,465	3,729,441	(43,753)	7,001,811	10,726,964	6,258	10,733,222
Balance at 31 st December, 2021		4,037,916	77,499,797	170,753	90,094,911	171,803,377	108,887	171,912,264

The notes on pages 62 to 121 are an integral part of these financial statements.



Consolidated and separated statements 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 at 1 st January 2021		3,998,451	73,770,356	214,506	83,167,564	161,150,877
Profit for the year		-	-	-	12,927,163	12,927,163
Other comprehensive income for the year		-	-	-	3,084,305	3,084,305
Total Comprehensive income for the year		-	-	-	16,011,468	16,011,468
Transaction with owners, recorded directly in equity						
<i>Contributions and distributions</i>						
Issue of ordinary shares		39,465	3,729,441	-	-	3,768,906
Share based payment charge	26	-	-	(387,156)	-	(387,156)
Share based payment recharge	26	-	-	343,403	-	343,403
Dividends	23(a)	-	-	-	(8,748,195)	(8,748,195)
Total contributions and distributions		39,465	3,729,441	(43,753)	(8,748,195)	(5,023,042)
Total transactions with owners of the Company		39,465	3,729,441	(43,753)	7,263,273	10,988,426
Balance at 31 st December, 2021		4,037,916	77,499,797	170,753	90,430,837	172,139,303

The notes on pages 62 to 121 are an integral part of these financial statements.

Consolidated statement of changes in equity

Group		Share Capital N'000	Share Premium N'000	Share Based Payment Reserve N'000	Retained Earnings N'000	Total N'000	Non- Controlling Interest N'000	Total Equity N'000
	Notes							
Balance at 1 st January 2020		3,998,451	73,770,356	501,557	89,382,366	167,652,730	97,249	167,749,979
Profit for the year		-	-	-	7,362,989	7,362,989	5,380	7,365,369
Other comprehensive loss for the year		-	-	-	(643,180)	(643,180)	-	(643,180)
Total comprehensive income for the year		-	-	-	6,719,809	6,719,809	5,380	6,725,189
Transaction with owners, recorded directly in equity								
<i>Contributions and distributions</i>								
Share based payment charge	26	-	-	17,066	-	17,066	-	17,066
Share based payment recharge		-	-	(304,117)	-	(304,117)	-	(304,117)
Dividends	23(a)	-	-	-	(14,074,548)	(14,074,548)	-	(14,074,548)
Unclaimed dividends written back	23(b)	-	-	-	1,065,473	1,065,473	-	1,065,473
Total contributions and distributions		-	-	(287,051)	(13,009,075)	(13,296,126)	-	(13,296,126)
Changes in ownership interest								
Total transactions with owners of the Company		-	-	(287,051)	(6,289,266)	(6,576,317)	5,380	(6,570,936)
Balance at 31 st December, 2020		3,998,451	73,770,356	214,506	83,093,100	161,076,413	102,629	161,179,042

The notes on pages 62 to 121 are an integral part of these financial statements.



Consolidated 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 at 1 st January 2020		3,998,451	73,770,356	501,557	89,294,198	167,564,562
Profit for the year		-	-	-	7,525,621	7,525,621
Other comprehensive loss for the year		-	-	-	(643,180)	(643,180)
Total comprehensive income for the year		-	-	-	6,882,441	6,882,441
Transaction with owners, recorded directly in equity						
<i>Contributions and distributions</i>						
Share based payment charge	26	-	-	17,066	-	17,066
Share based payment recharge		-	-	(304,117)	-	(304,117)
Dividends	23(a)	-	-	-	(14,074,548)	(14,074,548)
Unclaimed dividends written back	23(b)	-	-	-	1,065,473	1,065,473
Total contributions and distributions		-	-	(287,051)	(13,009,075)	(13,296,126)
Total transactions with owners of the Company		-	-	(287,051)	(6,126,634)	(6,413,685)
Balance at 31 st December, 2020		3,998,451	73,770,356	214,506	83,167,564	161,150,877

The notes on pages 62 to 121 are an integral part of these financial statements.



Consolidated and separate statement of cash flows

	Notes	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Profit for the year		12,671,959	12,927,163	7,368,369	7,525,621
Adjustments for:					
Depreciation	13	39,777,442	39,528,146	36,830,139	36,714,893
Amortisation of intangible assets	14	1,522,215	1,522,215	1,439,338	1,439,338
Finance income	8(a)	(313,523)	(313,523)	(246,283)	(246,283)
Interest expenses	8(c)	11,065,209	11,154,266	13,504,349	13,585,933
Gratuity, employee benefit and share-based recharge		254,729	254,729	3,927,958	3,927,959
Gain on sale of property, plant and equipment	9(a)	(2,982,451)	(2,982,451)	(10,163)	(10,163)
Income tax expense	11(a)	11,029,181	11,002,633	4,208,176	4,182,124
		73,024,761	73,093,178	67,021,883	67,119,422
Changes in:					
Inventories		(26,104,300)	(26,075,231)	2,433,120	2,500,617
Trade and other receivables		(15,306,177)	(14,480,404)	9,630,203	10,193,417
Prepayments		892,554	892,554	(186,913)	(186,913)
Trade and other payables	28(b)	96,538,921	94,847,431	50,309,401	49,032,081
Provisions	30	475,157	475,157	35,854	35,854
Deposit for imports		(315,912)	(315,912)	(8,735,296)	(8,735,296)
Cash generated from operating activities		129,205,004	128,436,773	120,508,252	119,959,182
Income tax paid	11(c)	(8,142,435)	(8,142,435)	(10,306,628)	(10,306,628)
Gratuity paid	25(a)	(823,757)	(823,757)	(800,129)	(800,129)
Other long term employee benefits paid	25(b)	(694,629)	(694,629)	(775,656)	(775,656)
Provisions paid	30	-	-	(1,379,063)	(1,379,063)
Share-based payment		-	-	(304,117)	(304,117)
VAT paid ¹		(27,975,295)	(27,975,295)	(21,600,140)	(21,600,140)
Net cash from operating activities		91,568,888	90,800,657	85,342,519	84,793,449
Cash flows from investing activities					
Finance income	8	313,523	313,523	246,283	246,283
Proceeds from sale of property, plant and equipment		54,576	54,576	18,960	18,960
Acquisition of property, plant and equipment	13(e)	(59,406,797)	(58,614,233)	(37,214,604)	(36,602,061)
Acquisition of right-of-use asset ³	13(f)	(1,390,308)	(1,315,340)	(1,327,132)	(1,327,132)
Acquisition of intangible assets	14	(584,229)	(584,229)	(246,014)	(246,014)
Net cash used in investing activities		(61,013,235)	(60,145,703)	(38,522,507)	(37,909,964)
Cash flows from financing activities					
Repayment of loans and borrowings ²	24	(95,449,588)	(95,449,588)	(106,951,098)	(106,951,098)
Proceeds from loans and borrowings ²	24	67,601,949	67,601,949	109,864,990	109,864,990
Repayment of lease liabilities ³	24	(8,638,138)	(8,638,138)	(6,310,987)	(6,310,987)
Interest paid		(5,461,161)	(5,550,218)	(8,370,060)	(8,451,315)
Cash received from Registrars	23(b)	2,730,756	2,730,756	3,030,480	3,030,480
Dividends paid	23(b)	(4,979,289)	(4,979,289)	(14,074,548)	(14,074,548)
Net cash used in financing activities		(44,195,471)	(44,284,528)	(22,811,222)	(22,892,477)
Net decrease/(increase) in cash and cash equivalents		(13,639,818)	(13,629,574)	24,008,790	23,991,008
Cash and cash equivalents at 1 st January		30,369,847	30,349,614	6,361,057	6,358,606
Cash and cash equivalents at 31st December	21	16,730,029	16,720,040	30,369,847	30,349,614

The notes on pages 62 to 121 are an integral part of these financial statements.

¹ Value Added Tax (VAT) paid shown separately above has been adjusted for in deriving the change in trade and other payables

² In the prior year, proceeds from and repayments of loans and borrowings were disclosed on a net basis. This has been restated and corrected in the current year to present on a gross basis as proceeds from and repayments of loans and borrowings separately on the face of statement of cash flows.

³ In the prior year, the non-cash element of right-of-use asset and lease liabilities were included as part of financing activities in the statement of cash flow. This has been restated and corrected in the current year to present the acquisition of right-of-use assets that happened at or before commencement of the lease under investing activities and repayment of lease liabilities under financing activities in the face of statement of cash flows. Also, the non-cash element of the right-of-use asset was adjusted against the non-cash element of lease liabilities, presented as Proceeds from/(repayment) of Loans and Borrowings on the face of the statement of cash flows, which has been restated and corrected in the current year.

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Notes to the consolidated and separate financial statements

1. Reporting entity

Nigerian Breweries Plc (the 'Company'), a public company quoted on the Nigerian Exchange Limited, was incorporated in Nigeria on the 16th November 1946, under the name, Nigerian Brewery Limited. The name was changed on the 7th January 1957, to Nigerian Breweries Limited and thereafter to Nigerian Breweries Plc in 1990 when the Companies and Allied Matters Act (now repealed) of that year came into effect. The Company is a subsidiary of Heineken N.V. of the Netherlands, the latter having approximately 56% interest in the equity of Nigerian Breweries Plc. The address of the Company's registered office is Abebe Village Road, Iganmu, Lagos. The Company is primarily involved in the brewing, marketing and selling of lager, stout, non-alcoholic drinks and soft drinks.

As a consequence of the merger with Consolidated Breweries Plc in 2014, the Group comprises of the Company and its 89.3% majority equity interest in Benue Bottling Company Limited (BBCL). The subsidiary, BBCL, is an entity with no business activities that holds land, buildings and some idle production assets. The financial position of the subsidiary has been consolidated in these financial statements.

234 Stores Limited is also a subsidiary of the Company which was incorporated on 7th November 2018 to explore opportunities in the route-to-market. The subsidiary became fully operational in 2020 and its financial position has been consolidated in these financial statements.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements were authorised for issue by the Board of Directors on 16th February 2022 and will be presented at the Annual General Meeting of Shareholders on 22nd April 2022.

(a) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Liabilities for equity-settled share-based payment arrangements – stated at fair value
- Defined benefit obligations – stated at present value of the obligation
- Inventory – stated at lower of cost or net realisable value
- The methods used to measure fair values are discussed further in note 4

(b) Functional and presentation currency

These financial statements are presented in Naira, which is the Group/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 judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about assumptions and estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

Note 14 – Intangible assets and goodwill – key assumptions underlying recoverable amount of CGU

Note 25 – Measurements of defined benefit obligations – key actuarial assumptions

Note 28 – Deposit for Returnable Package Material – key assumptions to assess the carrying value of the outstanding customer's deposit liability

Notes to the consolidated and separate financial statements (Cont'd)

(d) Measurement of fair values

A number of the Group/Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- ☐ 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).

In some cases, if the inputs used to measure the fair value of an asset or a liability is categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group/Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Financial Instruments – Financial risk management and fair values (note 30).

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements:

(a) Basis of consolidation

(i) Business combinations

The Company measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Company elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

The Company has applied IFRS 3 on business combinations involving entities under common control.

Notes to the consolidated and separate financial statements (Cont'd)

(ii) Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders; therefore, no goodwill is recognised as a result of such transactions.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are modified where necessary to align them with the policies adopted by the Company. Separate disclosure is made for non-controlling interest.

(iv) Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Structured entities

Structured entities are entities in which the Company is involved and which are designed so that their activities are not governed by way of voting rights. The Company either holds an interest or does not hold an interest but is a sponsor. The Company considers itself a sponsor of a structured entity when it facilitates the establishment of that structured entity. In assessing whether the Company has power over such entities in which it has an interest, the Company considers factors such as the purpose and design of the investee; its practical ability to direct the relevant activities of the investee; the nature of its relationship with the investee; and the size of its exposure to the variability of returns of the investee.

For additional disclosures on the Company's involvement in unconsolidated structured entities, see notes 15 and 35.

(vi) Loss of control

On the loss of control, the Company derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or at cost less impairment losses depending on the level of influence retained.

(b) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined.

Foreign currency differences arising on translation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Notes to the consolidated and separate financial statements (Cont'd)

(c) Financial instruments

(i) Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss or deferred and amortised over the period of the transaction, in specific cases.

Financial assets

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

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income:

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

By default, all other financial assets are measured subsequently at fair value through profit or loss.

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and the Company may irrevocably designate a debt investment that meets the amortised cost or criteria as measured at fair value through the statement of profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

Notes to the consolidated and separate financial statements (Cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash balances with banks and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group/Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

(ii) Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through the statement of profit or loss.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at fair value through profit or loss and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

(iii) 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 in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. The use of the share premium account is governed by S.145(4) of CAMA. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.



Notes to the consolidated and separate financial statements (Cont'd)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised as profit or loss in the statement of comprehensive income. De-recognition of assets is performed at time of disposal.

(ii) Subsequent costs

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group/Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation is not charged until the assets are brought into use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings and Infrastructure	-	15 to 40 years
• Plant and Machinery	-	5 to 30 years
• Motor Vehicles	-	5 years
• Furniture and Equipment	-	3 to 5 years
• Returnable Packaging Materials	-	7 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Notes to the consolidated and separate financial statements (Cont'd)

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group/Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

(e) Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For measurement of goodwill at initial recognition, see Note 3a(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses, see Note 3i (ii). In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. Goodwill is not amortised but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria beforementioned. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Other Intangible assets

Other intangible assets that are acquired by the Group/Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

The Group/Company's intangible assets with finite useful lives comprise acquired software and a distribution network acquired as part of a business combination. The acquired distribution network provides the Company with opportunities for increased market penetration.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific Intangible asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Notes to the consolidated and separate financial statements (Cont'd)

(v) Amortisation of Intangible assets other than goodwill

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Goodwill is not amortised. The estimated useful life for the current and comparative period is as follows:

Computer software - 3 to 7 years
Distribution network - 15 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

Raw materials, non-returnable packaging materials - purchase cost on a weighted average basis including spare parts and purchased finished goods transportation and clearing costs.

Brewed finished products and products-in-process – weighted average cost of direct materials, labour costs and a proportion of production overheads based on normal operating capacity.

Inventory-in-transit - purchase cost incurred to date.

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

(h) Returnable packaging materials

Returnable packaging materials may be classified as property, plant and equipment or inventory. The classification mainly depends on whether ownership is transferred and if we have the legal or constructive obligation to buy back the materials.

Notes to the consolidated and separate financial statements (Cont'd)

(i) **Assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Group/Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(j) **Impairment**

(i) **Financial assets**

A financial asset subsequently measured at amortised cost, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group/Company on terms that the Group/Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Definition of default

The Group/Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off-policy

The Group/Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off are not subject to enforcement activities under the Group's/Company recovery procedures. Any recoveries made are recognised in profit or loss.

Notes to the consolidated and separate financial statements (Cont'd)

Measurement and recognition of expected credit losses

The Group/Company has adopted the provision matrix expected credit loss, see Note 29.

In assessing collective impairment the Group/Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group/Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

To determine fair value the company adopts level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.



Notes to the consolidated and separate financial statements (Cont'd)

(k) Employee benefits

(i) Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Group/Company pays fixed contributions into a separate entity. The Group/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.

In line with the provisions of the Pension Reform Act 2014, the Group/Company has instituted a defined contribution pension scheme for its permanent staff. Staff contributions to the scheme are funded through payroll deductions while the Group/Company's contribution is recognised in profit or loss as employee benefit expense in the periods during which services are rendered by employees.

Employees (non-management and management respectively) contribute 7% and 8% of their Basic salary, Transport and Housing Allowances to the Fund on a monthly basis. The Group/Company's contribution is 12% and 10% of each employee's Basic salary, Transport & Housing Allowances for non-management and management employees respectively.

(ii) Gratuity

The Group/Company currently operates two gratuity schemes, a defined benefit scheme and a defined contribution scheme:

(a) Defined benefit gratuity scheme

The Company has a defined benefit gratuity scheme for certain employees. The Company's net obligation in respect of defined benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine its present value. In determining the liability for employee benefits under the defined benefit scheme, consideration is given to future increases in salary rates and the Company's experience with staff turnover.

The recognised liability is determined by an independent actuarial valuation every year using the projected unit credit method. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognised fully in Other Comprehensive Income. The effect of any curtailment is recognised in full in the profit or loss immediately the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the Company's obligation. Although the scheme is not funded, the Company ensures that adequate arrangements are in place to meet its obligations under the scheme.

Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related recognised cost or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

Service cost, which includes current service cost, past services cost and gain and losses on curtailments and settlements;

- Net interest expense or income; and
- Remeasurements.

Notes to the consolidated and separate financial statements (Cont'd)

The Group/Company recognise service cost within profit or loss as cost of sales and administration expenses (see note 25a)

Net interest expense or income is recognised within finance costs (see note 25a).

The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(b) Defined contribution gratuity scheme

The Company has a defined contribution scheme for certain employees which is funded through fixed contributions made by the Company over the service life of the employees and charged accordingly as employee benefit expense in profit or loss. The funds are managed and administered by Progress Trust (CPFA) Limited. Progress Trust (CPFA) Limited is a duly registered closed Pension Fund Administrator whose sole activity is the administration of the pension and gratuity (defined benefit contribution) schemes for employees and former employees of the Company. Nigerian Breweries Plc has no recourse to the funds, which is managed in accordance with the Pension Reform Act of 2014 and regulated by the Pension Commission.

(c) Post-retirement medical benefit scheme

The Company has a post-employment medical benefits scheme for its pensioners and employees, including their spouses.

The recognised liability is determined by an independent actuarial valuation every year using the projected unit credit method. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognised fully in Other Comprehensive Income. The effect of any curtailment is recognised in full in the profit or loss immediately the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximating the terms of the Company's obligation. Although the scheme is not funded, the Company ensures that adequate arrangements are in place to meet its obligations under the scheme.

(iii) Other long-term employee benefits

The Company's other long-term employee benefits represents Long Service Awards scheme instituted for all permanent employees and post-employment medical benefit for pensioners and employees on the defined benefit gratuity scheme including their spouses. The Company's obligations in respect of these schemes are the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the Projected Unit Credit method. Any actuarial gains and losses are recognised in profit or loss.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(v) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

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

(vi) Share-based payment transactions

Share-based payment arrangements in which the Company receives goods or services and has no obligation to settle the share-based payment transaction are accounted for as equity-settled share-based payment transactions. All other share-based payment arrangements are accounted for as cash settled. As from 1st January 2006 Heineken N.V, the parent Company, established a share-based payment plan for key management personnel, including certain senior management of Nigerian Breweries Plc. The grant date fair value of the share rights granted is recognised as personnel expenses with a corresponding increase in equity (Share-based payment reserve) as a capital contribution from Heineken N.V, over the period that the employees become unconditionally entitled to the share rights.

A recharge arrangement exists between Heineken N.V and Nigerian Breweries Plc whereby vested shares delivered to employees by Heineken N.V are recharged to Nigerian Breweries Plc. The recharge transaction is recognised as an intercompany liability with a corresponding adjustment in equity (Share-based payment reserve) for the capital contribution recognised in respect of the share-based payment.

At each reporting date, the estimate of the number of share rights that are expected to vest is revised for internal performance conditions. The impact of the revision of original estimates (only applicable for internal performance conditions), if any, is recognised in profit or loss, with a corresponding adjustment to equity. The fair value of the share plan is measured at grant date taking into account the terms and conditions of the plan.



Notes to the consolidated and separate financial statements (Cont'd)

(l) Provisions and contingent liabilities

Provisions

A provision is recognised if, as a result of a past event, the Group/Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as Provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a Provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for restructuring is recognised when the Group/Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract and taking into consideration any reasonably obtainable sub-leases for onerous lease contracts. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(m) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, excise duties, sales returns, trade discounts and volume rebates. Revenue is recognised by identifying the contract with the customer, identifying the performance obligations in the contract, determining the transaction price and when the performance obligation is satisfied. The Company's main performance obligation is to ensure the products are dispatched to the Customer upon acceptance of the dispatch order from the customer. The revenue is recognised at the moment the respective product is dispatched in accordance to the Company's performance obligation.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised. As the customers have a right to return goods under specific conditions agreed on contract, an estimation of probable returns is recognised as the sales are recognised, based on historic ratios, management information and the return clause included in the customer's contracts.

Notes to the consolidated and separate financial statements (Cont'd)

(n) Other Income

Income other than sale of goods is recognised as 'Other Income' when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

(o) Finance income and finance costs

Finance income comprises interest income on funds invested, gains on the disposal assets, changes in the fair value of financial assets at fair value through profit or loss. Finance income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on employee benefits, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets, are recognised in profit or loss using the effective interest method.

Net Loss on Foreign Exchange Transactions is disclosed separately than Finance income and finance costs on the Statement of Profit or Loss, as these are not part of our normal daily operating activities.

(p) Income and deferred tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in profit or loss account except to the extent that it relates to a transaction that is recognised directly in equity. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- i. the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- ii. differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.
- ii. temporary differences arising on the initial recognition of goodwill.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest maybe due. The assessment relies on estimates and assumptions and may involve a series of judgements about future event. New information may become available that causes the company to adjust its judgements regarding the adequacy of existing tax liabilities; such changes to the tax liabilities will impact tax expenses in the period that such a determination is made.

Notes to the consolidated and separate financial statements (Cont'd)

(q) Earnings per share (EPS)

The Group/Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(r) Segment reporting

An operating segment is a distinguishable component of the Group/Company that earns revenue and incurs expenditure from providing related products or services (business segment) or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

The Group/Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Group/Company's internal reporting structure.

All operating segments' operating results are reviewed regularly by the Executive Committee, which is considered to be the chief operating decision maker for the Group/Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Where applicable, Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. As the Company does not operate on different business segments and its products utilise the same production lines, processes and resources, segmentation is not presented.

(s) Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Loans and borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Loans and borrowings included in a fair value hedge are stated at fair value in respect of the risk being hedged.

Loans obtained at below market rate are treated as government grants, if the Company has reasonable assurance that it will comply with the conditions attached and grants will be received. These loans are recorded at fair value at inception and the benefits, if any, are included in deferred income.

Loans and borrowings, for which the Group/Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date, are classified as non-current liabilities.

In 2021, Proceed and Repayments of Loans and Borrowings have been disclosed on a gross basis, previously disclosed on net basis, on the Statement of Cash Flow.

(t) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, equity-settled share-based payments and other non-cash items have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while finance income is included in investing activities.

Notes to the consolidated and separate financial statements (Cont'd)

(u) Dividends

Dividends are recognised as liability in the period they are declared.

Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 432 of CAMA are written back to retained earnings.

(v) Dividends

(i) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (lower than EUR 5 thousand). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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 or incremental borrowing rate where rate cannot be readily determined.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

4.a Determination of fair values

A number of the Group/Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. See note 28 (g) for basis of determination of fair value for financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short term Trade receivables, as the Company/Group do not have a significant finance component in accordance to its contracts with customers, the initial measurement is at transaction price.

Notes to the consolidated and separate financial statements (Cont'd)

(ii) **Share-based payment transactions**

The fair value of the share-based payment plan is measured at the grant date taking into account the terms and conditions of the plan.

(iii) **Non-derivative financial instruments**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4.b. Fair value as a result of business combinations

(i) **Property, plant and equipment**

The fair value of property, plant and equipment recognised as a result of a business combination is based on the quoted market prices for similar items when available and depreciated replacement cost based on independent valuation when appropriate.

(ii) **Intangible assets**

The fair value of the distribution network acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) **Inventories**

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

5. New and amended IFRS standards

(a) **New and amended IFRS standards in 2021**

The new and amended IFRS Standards that are effective for the current year:

Amendments to IAS 1 and IAS 8: Definition of material

The Group and Company have adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material.

Other changes below, had no material impact in the Company:

- Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7
- Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16
- Amendments to IFRS 3 Definition of a business

Notes to the consolidated and separate financial statements (Cont'd)

(b) New and revised IFRS Standards in issue but not yet effective

The following changes are not likely to have a material impact for the company:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 10 and IAS 28
- Amendments to IAS 1
- Amendments to IFRS 3
- Amendments to IAS 16
- Amendments to IAS 37

6. Revenue

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Nigeria	437,157,072	437,067,417	336,902,307	336,862,361
Export	128,117	128,117	143,906	143,906
Revenue	<u>437,285,189</u>	<u>437,195,534</u>	<u>337,046,213</u>	<u>337,006,267</u>

6.1 Operating Segment

(a) General Overview

Refer to the accounting policy on note 3(r).

(b) Operating performance

Nigeria is the Group/Company's primary geographical segment as over 99% of the Group/Company's sales are made in Nigeria. Additionally, all of the Group/Company's sales comprise of brewed products with similar risks and returns. Accordingly, no further business or geographical segment information is reported.

(c) Information about major customers

No single customer either within or outside Nigeria contributed up to 10% of the revenue for the year. Therefore, information on major customers is not presented.

7. Other income

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Sale of scrap	1,452,884	1,452,884	720,443	720,443
Management services	135,068	135,068	49,609	49,609
Gain on disposal of property, plant and equipment	32,203	32,203	10,163	10,163
Gain on right-of-use derecognition	2,950,248	2,950,248	-	-
Income from insurance claim	56,167	56,167	47,840	47,840
	<u>4,626,570</u>	<u>4,626,570</u>	<u>828,055</u>	<u>828,055</u>

Notes to the consolidated and separate financial statements (Cont'd)

8. Finance income and finance costs

(a) Finance income represents interest income earned on bank deposits.

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Interest income on bank deposits	<u>313,523</u>	<u>313,523</u>	<u>246,283</u>	<u>246,283</u>

(b) Finance cost represents charges during the year as shown below.

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Interest expense on loans and borrowings	1,121,330	1,210,387	5,548,297	5,629,881
Interest expense on overdraft	3,582,696	3,582,696	1,775,020	1,775,020
Unwinding of discount on employee benefits	873,335	873,335	2,010,138	2,010,138
Interest expense on lease liabilities	<u>5,487,848</u>	<u>5,487,848</u>	<u>4,170,894</u>	<u>4,170,894</u>
Finance cost	<u>11,065,209</u>	<u>11,154,266</u>	<u>13,504,349</u>	<u>13,585,933</u>

(c) Net losses on foreign exchange amounts to ₦7.0 billion (2020: ₦4.8 billion).

9. Profit before taxation

(a) Profit before taxation is stated after charging/(crediting):

	Notes	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Depreciation of property, plant and equipment	13	34,117,266	33,867,970	32,449,527	32,334,612
Depreciation of right-of-use asset	13	5,660,176	5,660,176	4,380,612	4,380,281
Amortisation of intangible assets	14	1,522,215	1,522,215	1,439,338	1,439,338
Auditors' remuneration*		70,589	70,589	65,500	65,500
Personnel expenses	10	49,605,575	49,605,575	40,983,264	40,983,264
Directors' remuneration	9(b)	520,879	520,879	702,537	702,537
Gain on disposal of property, plant and equipment		(32,203)	(32,203)	(10,163)	(10,163)
Gain on right-of-use derecognition		(2,950,248)	(2,950,248)	-	-
Royalty and technical assistance fees	9(c)	9,623,865	9,623,865	7,631,126	7,631,126

* Apart from the statutory fee, Deloitte received ₦82.1 million (2020: ₦76.2 million) for the audit of group reporting and ₦5.0 million (2020: ₦5 million) for quarterly certification of National Office for Technology Acquisition and Promotion (NOTAP) related payments.

Notes to the consolidated and separate financial statements (Cont'd)

(b) Remuneration, excluding certain benefits of Directors of the Company, who discharged their duties mainly in Nigeria, is as follows:

	Company 2021 N'000	Company 2020 N'000
Fees:		
Chairman (Non-Executive)*	4,700	4,700
Other Non-Executive Directors	21,250	24,480
	25,950	29,180
Other emoluments:		
Chairman (Non-executive)	13,726	13,472
Other Non-Executive Directors	70,973	83,051
	84,699	96,523
Remuneration as Executive Directors	501,473	576,834
	612,122	702,537

*Sitting allowances and other reimbursable expenses for the Non-Executive Directors were N18.7 million in 2021 (2020: N17.7 million).

The emolument (excluding pension contributions) of the highest paid Director was N243,088,621 (2020: N379,386,389).

The number of other Directors (excluding the Chairman and highest paid Director) who received emoluments excluding pension were within the following ranges:

	Group 2021 Number	Company 2021 Number	Group 2020 Number	Company 2020 Number
N 4,000,001 - N30,000,000	8	8	8	8
N 30,000,001 and above	3	3	3	3
	11	11	11	11

(c) Analysis of expenses by nature

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Raw materials and consumables	197,821,763	197,821,763	143,390,789	143,390,789
Advertising and sales promotion	39,475,853	39,475,853	24,858,334	24,858,334
Depreciation of property, plant and equipment*	34,117,266	33,867,970	32,449,527	32,334,612
Depreciation of right-of-use asset	5,660,176	5,660,176	4,380,612	4,380,281
Amortisation	1,522,215	1,522,215	1,439,338	1,439,338
Employee benefits (see note 10)	49,605,575	49,605,575	40,983,265	40,983,265
Transportation	19,802,355	19,802,355	19,185,451	19,185,451
Repairs and maintenance	17,316,474	17,316,474	14,588,931	14,588,931
Royalty and technical service fees	9,623,865	9,623,865	7,631,126	7,631,126
Variable lease expenses	7,614,891	7,614,891	5,402,161	5,402,161
Others**	17,857,052	17,698,980	13,959,733	13,822,249
Total cost of sales, marketing & distribution and administration expenses	400,417,485	400,010,117	308,269,267	308,016,537
Cost of sales	276,871,996	276,871,996	218,355,350	218,355,350
Marketing and distribution expenses	97,304,194	97,304,194	70,701,538	70,701,538
Administrative expenses	26,241,295	25,833,927	19,212,379	18,959,649
Total cost of sales, marketing & distribution and administration expenses	400,417,485	400,010,117	308,269,267	308,016,537

* A market loss of Returnable Packaging Material (RPM) is calculated with sufficient data for a reliable estimation and the respective release of deposit liability is recognised as a reduction of depreciation expenses.

** Others includes a number of expenses by nature like third party contractors, utilities (water, electricity, telecom, etc), consultants, office expenses, donation amongst others.

Notes to the consolidated and separate financial statements (Cont'd)

10. Personnel expenses

(a) Staff costs including the provision for gratuity liabilities and other long term employee benefits:

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Salaries, wages and allowance	40,346,162	40,346,162	29,865,753	29,865,753
Pension and gratuity	5,825,479	5,825,479	5,123,583	5,123,583
(Release)/expenses related to defined benefit plans	(89,340)	(89,340)	12,180	12,180
Training, recruitment and canteen expenses	1,376,756	1,376,756	1,032,301	1,032,301
Share based payments (release)/expense	(387,156)	(387,156)	17,064	17,064
Medical expenses	1,202,638	1,202,638	984,422	984,422
Other personnel expenses*	1,331,036	1,331,036	3,947,962	3,947,962
	<u>49,605,575</u>	<u>49,605,575</u>	<u>40,983,265</u>	<u>40,983,265</u>

* Other personnel expenses relate to transportation benefits, cars, uniforms, relocation, etc.

(b) The number of persons employed as at 31st December are:

	Group/ Company 2021 Number	Group/ Company 2020 Number
Production	1,461	1,449
Distribution	254	257
Commercial	665	828
General administration	360	456
	<u>2,740</u>	<u>2,990</u>



Notes to the consolidated and separate financial statements (Cont'd)

- (a) Number of employees of the Company as at 31st December, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration (excluding pension contributions and certain benefits) in the following ranges:

	Group/ Company 2021 Number	Group/ Company 2020 Number
N500,000 and below	12	3
N500,001 - N600,000	5	-
N600,001 - N700,000	-	-
N700,001 - N800,000	62	-
N800,001 - N900,000	-	-
N900,001 - N1,000,000	1	-
N1,000,001 - N1,100,000	1	5
N1,100,001 - N1,200,000	1	3
N1,200,001 - N1,300,000	-	4
N1,300,001 - N1,400,000	6	-
N1,400,001 - N1,500,000	-	-
N1,500,001 - N1,600,000	-	2
N1,600,001 - N1,700,000	-	1
N1,700,001 - N1,800,000	2	-
N1,800,001 - N1,900,000	1	-
N1,900,001 - N2,000,000	-	-
N2,000,001 - N2,250,000	16	4
N2,250,001 - N2,500,000	-	30
N2,500,001 - N2,750,000	25	26
N2,750,001 - N3,000,000	6	49
N3,000,001 - N3,500,000	77	37
N3,500,001 - N4,000,000	28	146
N4,000,001 - N5,000,000	449	526
N5,000,001 - N6,000,000	503	610
N6,000,001 - N8,000,000	619	587
N8,000,001 - N10,000,000	270	250
N10,000,001- N15,000,000	336	366
N15,000,001- N20,000,000	160	169
N20,000,001- N30,000,000	88	112
N30,000,001 and above	72	60
	2,740	2,990

Notes to the consolidated and separate financial statements (Cont'd)

11. Taxation

(a) Income tax expense

The tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Current tax expense				
Income tax	5,863,175	5,836,627	8,213,325	8,187,273
Tertiary education tax	1,189,561	1,189,561	1,007,645	1,007,645
	<u>7,052,736</u>	<u>7,026,188</u>	<u>9,220,970</u>	<u>9,194,918</u>
Deferred tax expense				
Origination and reversal of temporary differences	3,976,445	3,976,445	(5,012,794)	(5,012,794)
	<u>11,029,181</u>	<u>11,002,633</u>	<u>4,208,176</u>	<u>4,182,124</u>

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
(b) Reconciliation of effective tax rate				
Profit before income tax	23,701,140	23,929,796	11,576,545	11,707,745
Income tax using the statutory tax rate	7,205,487	7,178,939	3,472,964	3,512,323
Impact of tertiary education tax	1,189,561	1,189,561	1,007,645	1,007,645
Effect of tax incentives and exempted Income	(654,572)	(654,572)	(558,130)	(558,130)
Non-deductible expenses	(969,294)	(969,294)	18,721	18,721
Effect of derecognition of deferred tax on ROUA*	4,379,273	4,379,273	-	-
Other items**	(121,274)	(121,274)	266,976	201,565
	<u>11,029,181</u>	<u>11,002,633</u>	<u>4,208,176</u>	<u>4,182,124</u>

*Right-of-use Asset

**Other items relate mainly to additional deferred tax asset on Returnable Packaging Material (RPM) and Police Trust Fund Tax.

(c) Movement in current tax liability

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Balance at 1 st January	11,713,346	11,663,778	12,799,004	12,775,488
Payments during the year	(8,142,435)	(8,142,435)	(10,306,628)	(10,306,628)
Charge for the year	<u>7,052,736</u>	<u>7,026,188</u>	<u>9,220,970</u>	<u>9,194,918</u>
Balance at 31 st December	<u>10,623,647</u>	<u>10,547,531</u>	<u>11,713,346</u>	<u>11,663,778</u>

Notes to the consolidated and separate financial statements (Cont'd)

12. Earnings per share

(a) Basic earnings per share

Basic earnings per share of 161 kobo (2020: 94 kobo), for Group is 157 kobo (2020: 92 kobo), is based on the profit attributable to ordinary shareholders of ₦12,927,163 (2020: ₦7,525,621,000), and on the 8,042,944,463 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue (2020: 7,996,902,051):

	Group 2021	Company 2021	Group 2020	Company 2020
Issued ordinary shares at 1 st January	7,996,902,051	7,996,902,051	7,996,902,051	7,996,902,051
Scrip issues*	46,042,412	46,042,412	-	-
Weighted average number of ordinary shares at 31 st December	<u>8,042,944,463</u>	<u>8,042,944,463</u>	<u>7,996,902,051</u>	<u>7,996,902,051</u>

*On 8th June 2021, the Company issued 78,929,849 ordinary shares to shareholders as scrip dividend.

(b) Diluted earnings per share

Diluted earnings per share of 161 kobo (2020: 94 kobo), for Group is 157 kobo (2020: 92 kobo), is based on the profit attributable to ordinary shareholders of ₦12,927,163 (2020: ₦7,525,621,000), and on the 8,042,944,463 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue (2020: 7,996,902,051) after adjustment for the effects of all dilutive potential ordinary shares:

	Group 2021	Company 2021	Group 2020	Company 2020
Weighted average number of ordinary shares				
Issued ordinary shares at 1 st January	7,996,902,051	7,996,902,051	7,996,902,051	7,996,902,051
Scrip issues	46,042,412	46,042,412	-	-
Weighted average number of ordinary shares at 31 st December	<u>8,042,944,463</u>	<u>8,042,944,463</u>	<u>7,996,902,051</u>	<u>7,996,902,051</u>

(c) Dividend declared per share

Dividend declared per share of 109 kobo (2020: 176 kobo) is based on total declared dividend of ₦8,748,195,175 (2020: ₦14,074,547,610) and on 8,075,831,900 ordinary shares of 50 kobo each, being the ordinary shares in issue (2020: 7,996,902,051).

Notes to the consolidated and separate financial statements (Cont'd)

13. Property, plant and equipment

(a) The movement on these accounts during the year 2021 and 2020 was as follows:

Group	Freehold Land N'000	Buildings N'000	Plant and Machinery N'000	Motor Vehicles N'000	Furniture and Equipment N'000	Returning Packaging materials N'000	Capital Work- in-Progress N'000	Total N'000
Cost								
Balance at 1 st January 2020	3,891,117	64,854,288	183,916,139	25,590,539	31,039,314	125,453,821	11,569,474	446,314,692
Additions	-	4,401,069	6,694,662	4,031,391	3,673,825	11,226,343	13,935,835	43,963,125
Disposals	-	(44,122)	(1,401,863)	(311,168)	(167,234)	-	-	(1,924,387)
Transfers from capital work-in-progress*	-	877,046	7,578,040	44,373	434,736	227,866	(9,162,061)	-
Balance at 31 st December 2020	3,891,117	70,088,281	196,786,978	29,355,135	34,980,641	136,908,030	16,343,248	488,353,430
Additions	-	2,124,562	10,806,721	3,007,970	4,177,943	11,611,464	46,215,660	77,944,320
Disposals	-	(135,135)	(2,186,698)	(641,885)	(4,759,439)	-	-	(7,723,157)
Transfers from capital work-in-progress*	-	910,890	5,276,983	118,067	3,992,367	1,184,739	(11,483,046)	-
Balance at 31 st December 2021	3,891,117	72,988,598	210,683,984	31,839,287	38,391,512	149,704,233	51,075,862	558,574,593
Accumulated depreciation and impairment								
Balance at 1 st January 2020	2,341,041	26,788,362	107,130,479	14,644,537	21,658,305	71,844,636	-	244,407,360
Depreciation for the year	-	2,247,713	9,142,483	4,028,993	3,542,619	13,487,719	-	32,449,527
Disposals	-	(43,743)	(1,400,967)	(303,646)	(167,234)	-	-	(1,915,590)
Balance at 31 st December 2020	2,341,041	28,992,332	114,871,995	18,369,884	25,033,690	85,332,355	-	274,941,297
Depreciation for the year	-	2,421,037	9,756,609	4,137,923	4,108,662	13,693,035	-	34,117,266
Disposals	-	(135,135)	(2,186,692)	(619,524)	(4,759,433)	-	-	(7,700,784)
Balance at 31 st December 2021	2,341,041	31,278,234	122,441,912	21,888,283	24,382,919	99,025,390	-	301,357,779
Carrying amount								
At 31 st December 2021	1,550,076	41,710,364	88,242,072	9,951,004	14,008,593	50,678,843	51,075,862	257,216,814
At 31 st December 2020	1,550,076	41,095,949	81,914,983	10,985,251	9,946,951	51,575,675	16,343,248	213,412,133



Notes to the consolidated and separate financial statements (Cont'd)

(a) The movement on these accounts during the year 2021 and 2020 was as follows:

Company	Freehold Land N'000	Buildings N'000	Plant and Machinery N'000	Motor Vehicles N'000	Furniture and Equipment N'000	Returning Packaging materials N'000	Capital Work- in-Progress N'000	Total N'000
Cost								
Balance at 1 st January 2020	3,891,117	64,506,413	183,845,749	25,470,580	30,937,148	125,453,822	11,569,473	445,674,302
Additions	-	4,254,781	6,608,091	3,973,952	3,576,825	11,226,343	13,710,258	43,350,250
Disposals	-	(44,122)	(1,401,863)	(311,168)	(167,234)	-	-	(1,924,387)
Transfers from capital work-in-progress*	-	877,046	7,578,040	44,373	434,736	227,866	(9,162,061)	-
Balance at 31 st December 2020	3,891,117	69,594,118	196,630,017	29,177,737	34,781,475	136,908,031	16,117,670	487,100,165
Additions	-	2,083,513	10,806,722	3,007,970	4,124,498	11,611,464	45,517,589	77,151,756
Disposals	-	(135,135)	(2,186,698)	(641,885)	(4,759,439)	-	-	(7,723,157)
Transfers from capital work-in-progress*	-	672,779	5,193,893	35,169	3,683,303	1,184,739	(10,769,883)	-
Balance at 31 st December 2021	3,891,117	72,215,275	210,443,934	31,578,991	37,829,837	149,704,234	50,865,376	556,528,764
Accumulated depreciation and impairment								
Balance at 1 st January 2020	2,341,041	26,719,114	107,114,821	14,639,006	21,653,403	71,844,637	-	244,312,022
Depreciation for the year	-	2,215,214	9,112,332	4,003,899	3,515,448	13,487,719	-	32,334,612
Disposals	-	(43,743)	(1,400,967)	(303,646)	(167,234)	-	-	(1,915,590)
Balance at 31 st December 2020	2,341,041	28,890,585	114,826,186	18,339,259	25,001,617	85,332,356	-	274,731,044
Depreciation for the year	-	2,346,918	9,695,119	4,093,832	4,039,066	13,693,035	-	33,867,970
Disposals	-	(135,135)	(2,186,692)	(619,524)	(4,759,433)	-	-	(7,700,784)
Balance at 31 st December 2021	2,341,041	31,102,368	122,334,613	21,813,567	24,281,250	99,025,391	-	300,898,230
Carrying amount								
At 31 st December 2021	1,550,076	41,112,907	88,109,321	9,765,424	13,548,587	50,678,843	50,865,376	255,630,534
At 31 st December 2020	1,550,076	40,703,533	81,803,831	10,838,478	9,779,858	51,575,675	16,117,670	212,369,121



Notes to the consolidated and separate financial statements (Cont'd)

(b) Right-of-use assets

Group

	Leasehold Land N'000	Buildings N'000	Plant and Machinery N'000	Motor Vehicles N'000	Total N'000
Cost					
Balance at 1 st January 2020	8,862,375	998,912	118,513	1,685,174	11,664,974
Transfers and reclassification		(39,825)	(18,517)	-	(58,342)
Additions	-	338,683	-	35,942,453	36,281,136
Balance at 31 st December 2020	8,862,375	1,297,770	99,996	37,627,627	47,887,768
Additions	-	1,390,307	-	2,840,742	4,231,049
Derecognition	(25,333)	(694,009)	-	(36,043,144)	(36,762,486)
Balance at 31 st December 2021	8,837,042	1,994,068	99,996	4,425,225	15,356,331
Accumulated Depreciation and impairment					
Balance at 1 st January 2020	244,299	314,696	19,189	13,008	591,192
Depreciation for the year	264,754	431,944	16,103	3,667,811	4,380,612
Balance at 31 st December 2020	509,053	746,640	35,292	3,680,819	4,971,804
Depreciation for the year	228,299	521,089	15,486	4,895,302	5,660,176
Derecognition	(25,333)	(674,967)	-	(7,095,626)	(7,795,926)
Balance at 31 st December 2021	712,019	592,762	50,778	1,480,495	2,836,054
Carrying amount					
At 31 st December 2021	<u>8,125,023</u>	<u>1,401,306</u>	<u>49,218</u>	<u>2,944,730</u>	<u>12,520,277</u>
At 31 st December 2020	<u>8,353,322</u>	<u>551,130</u>	<u>64,704</u>	<u>33,946,808</u>	<u>42,915,964</u>



Notes to the consolidated and separate financial statements (Cont'd)

(b) Right-of-use Assets

Company

	Leasehold Land N'000	Buildings N'000	Plant and Machinery N'000	Motor Vehicles N'000	Total N'000
Gross Book Value					
Balance at					
1 st January 2020	8,835,254	928,241	118,513	1,685,174	11,567,181
Transfers/reclassifications	-	(39,825)	(18,517)	-	(58,342)
Additions	-	338,683	-	35,942,454	36,281,137
Balance at 31 st December 2020	8,835,254	1,227,099	99,996	37,627,627	47,789,976
Additions	-	1,315,339	-	2,840,742	4,156,081
Derecognition*	(25,333)	(694,009)	-	(36,043,144)	(36,762,486)
Balance at 31 st December 2021	8,809,921	1,848,429	99,996	4,425,225	15,183,571
Accumulated Depreciation and impairment					
Balance at 1 st January 2020	244,299	298,418	19,189	13,008	574,914
Depreciation for the year	237,633	458,734	16,103	3,667,811	4,380,281
Balance at 1 st January 2021	481,932	757,152	35,292	3,680,819	4,955,195
Depreciation for the year	228,299	521,089	15,486	4,895,302	5,660,176
Derecognition	(25,333)	(674,967)	-	(7,095,626)	(7,795,926)
Balance at 31 st December 2021	684,898	603,274	50,778	1,480,495	2,819,445
Carrying amount					
At 31 st December 2021	8,125,023	1,245,155	49,218	2,944,730	12,364,126
At 31 st December 2020	8,353,322	469,947	64,704	33,946,809	42,834,781

*In 2021, the company has re-negotiate the terms of the contracts with a number of its transportation suppliers that were previously classified as lease. The change in the terms of the contracts resulted in the assessment of Lease under IFRS 16 no longer be classified as lease, hence the company has de-recognised the right-of-use Asset and corresponding Lease Liability related to these contracts which resulted in a net impact of ₦ 2.95 billion in 2021.

(c) Capital Work-in-Progress

Closing balance of Capital Work-in-Progress is analysed as follows:

	Company 2021 N'000	Company 2020 N'000
Plant and Machinery	45,578,664	1,191,599
Buildings	838,869	13,244,959
Others	4,447,843	1,681,111
	50,865,376	16,117,669

Notes to the consolidated and separate financial statements (Cont'd)

(d) Capital commitments

Capital expenditure commitments at the year-end authorised by the Board of Directors comprise:

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Approved and contracted	12,637,858	12,637,858	8,589,686	8,589,686
Approved but not contracted	68,757,514	68,757,514	36,652,036	36,652,036
	81,395,372	81,395,372	45,241,722	45,241,722

(e) Additions in statement of cash flows for property, plant and equipment

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Additions per note 13(a)	77,944,320	77,151,756	43,962,793	43,350,250
property plant and equipment in transit*	(18,537,523)	(18,537,523)	(6,748,189)	(6,748,189)
Acquisition of property plant and equipment per statement of cash flows	59,406,797	58,614,233	37,214,604	36,602,061

*Property plant and equipment in transit relates to purchase which the Company has control but not yet available for use. These are mainly related to FOB purchases in which the goods have already being shipped, the risk and rewards have been transferred to the Company, but are still in transit

(f) Additions in statement of cash flows for right-of-use assets

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Additions per note 13(c)	4,231,049	4,156,081	36,281,136	36,281,137
Addition lease liability (non-cash)	(2,840,742)	(2,840,742)	(34,954,004)	(34,954,005)
Acquisition of right-of-use asset per statement of cash flows	1,390,307	1,315,339	1,327,132	1,327,132

14. Intangible assets and goodwill

(a) The movement on these accounts during the year 2021 and 2020 was as follows:

Group/ Company

	Goodwill N'000	Software N'000	Distribution Network N'000	Work-in- Progress N'000	Total N'000
Cost					
Balance at 1 st January 2020	84,722,719	2,645,237	17,381,436	690,711	105,440,103
Additions	-	178,499	-	67,515	246,014
Transfers from capital work-in-progress	-	729,281	-	(729,281)	-
Balance at 31 st December 2020	84,722,719	3,553,017	17,381,436	28,945	105,686,117
Additions	-	584,229	-	-	584,229
Transfers from capital work-in-progress	-	28,945	-	(28,945)	-
Balance at 31 st December 2021	84,722,719	4,166,191	17,381,436	-	106,270,346
Accumulated amortisation					
Balance at 1 st January 2020	-	2,323,665	6,650,796	-	8,974,461
Amortisation for the year	-	280,558	1,158,780	-	1,439,338
Balance at 31 st December 2020	-	2,604,223	7,809,576	-	10,413,799
Amortisation for the year	-	295,342	1,226,873	-	1,522,215
Balance at 31 st December 2021	-	2,899,565	9,036,449	-	11,936,014
Carrying amount					
At 31 st December 2021	84,722,719	1,266,626	8,344,987	-	94,334,332
At 31 st December 2020	84,722,719	948,794	9,571,860	28,945	95,272,318

Notes to the consolidated and separate financial statements (Cont'd)

- (b) The amortisation charge of all intangible assets is included in administrative expenses in the statement of profit or loss.
- (c) Effective 31st December 2014, Nigerian Breweries Plc acquired all the shares of Consolidated Breweries Plc through an effected Scheme of Merger. The goodwill arising from this transaction represents synergies that can be derived from increased economies of scale, deepened brand portfolio, access to new markets and enhanced operating and administrative efficiencies.

Effective 17th October 2011, Nigerian Breweries Plc acquired Sona Systems Associates Business Management Limited and Life Breweries Company Limited from Heineken International B.V.. The goodwill arises from numerous synergies that can be harnessed from the breweries acquired to maximise value for the Company's shareholders and other stakeholders.

To determine fair value, the Company adopted level 1 inputs: its own quoted prices (unadjusted) in active markets.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

The useful life of Goodwill at the reporting date is assessed to be indefinite with no impairment losses.

15. Investments

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Progress Trust (CPFA) Limited	150,000	150,000	150,000	150,000
Benue Bottling Company Limited	-	679,625	-	679,625
234 Stores Limited	-	100,000	-	100,000
Investments	<u>150,000</u>	<u>929,625</u>	<u>150,000</u>	<u>929,625</u>

Notes to the consolidated and separate financial statements (Cont'd)

(a) Progress Trust (CPFA) Limited

Investment of ₦150 million represents the cost of the Group/Company's 100% equity investment in Progress Trust (CPFA) Limited, incorporated in Nigeria. Progress Trust (CPFA) Limited is an unconsolidated structured entity licensed by the National Pension Commission to conduct the business of a closed pension fund administrator and manages the pension and gratuity funds of employees and former employees of Nigerian Breweries. The activities of Progress Trust (CPFA) Limited are regulated by the National Pension Commission (Pencom) rather than by voting rights and the funds are managed in accordance with the Pencom guidelines. The benefits arising from the activities of Progress Trust (CPFA) Limited accrue principally to members of the pension and gratuity schemes and the Group/Company has no exposure to variable returns arising from its involvement.

The Group/Company's residual interest in Progress Trust (CPFA) Limited is immaterial. The funds and assets of both the pension and defined contribution gratuity scheme are held by an Independent Licensed Pension Fund Custodian in line with the Pension Reform Act, 2014. As a result of the above, Progress Trust (CPFA) Limited has not been consolidated.

The Company supports the sourcing of resources to Progress Trust (CPFA) Limited at cost and intends to continue to provide support into the future.

(b) Benue Bottling Company Limited

Through the effected merger with Consolidated Breweries on 31st December 2014 the Company obtained an 89.3% shareholding in Benue Bottling Company Limited, an entity with no business activities. The Investment of ₦679.6 million represents the Company's historical cost of the 89.3% share in the equity of Benue Bottling Company Limited as at 31st December 2021 (2020: ₦679.6 million).

(c) 234 Stores Limited

234 Stores Limited is a subsidiary of the Company established to explore opportunities in the route-to-market. Its financial position has been consolidated in these financial statements.

16. Other receivables

Non-current other receivables of ₦1.1 billion (2020: ₦911 million) represent the long-term portion of car grants, and loans granted to the Company's employees, which are secured by the employees' retirement benefit obligations.

17. Prepayments

Prepayments of ₦2.9 billion (2020: ₦3.7 billion) refer mainly to insurance expenses, prepaid excise and short-term rentals.

18. Inventories

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Raw materials	15,271,058	15,271,058	7,976,104	7,976,104
Products in process	6,018,004	6,018,004	3,707,210	3,707,210
Finished products	4,578,277	4,454,170	5,639,417	5,544,379
Non-returnable packaging materials	12,395,908	12,395,908	6,792,308	6,792,308
Spare parts	16,397,846	16,397,846	11,117,043	11,117,043
Goods-in-transit	10,460,268	10,460,268	3,080,324	3,080,324
Provisions for impairment	(2,929,851)	(2,929,851)	(2,225,196)	(2,225,196)
	62,191,510	62,067,403	36,087,210	35,992,172

Notes to the consolidated and separate financial statements (Cont'd)

19. Trade and other receivables

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Trade receivables	2,865,288	2,865,288	3,983,145	3,983,145
Advances	17,212,728	17,212,728	3,522,110	3,522,110
Other receivables	2,898,245	1,112,485	2,557,205	1,597,218
Due from related parties (Note 32a)	3,524,255	3,524,255	1,354,963	1,354,963
	26,500,516	24,714,756	11,417,423	10,457,436

Advances mainly relate to advance to suppliers.

Other receivables mainly relate to employee and payroll advances and the reclassification of payables with debit balances.

The Company's exposure to credit risks and expected credit losses related to trade and other receivables is disclosed in Note 29 (a).

20. Deposit for imports

Deposits for imports of ₦11.9 billion (2020: ₦11.6 billion) represent naira deposits for foreign currencies purchased for funding of letters of credit and forwards, as well as futures. All related to imported raw materials, spare parts and machinery.

21. Cash and cash equivalents

	Group 2020 N'000	Company 2020 N'000	Group 2020 N'000	Company 2020 N'000
Bank balances	13,487,090	13,477,101	29,709,142	29,688,909
Call deposits	3,242,459	3,242,459	660,498	660,498
Cash in hand	480	480	207	207
Cash and cash equivalent	16,730,029	16,720,040	30,369,847	30,349,614

Cash and cash equivalents in the statement of cash flows

	16,730,029	16,720,040	30,369,847	30,349,614
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22. Share capital

Issued and fully paid ordinary shares of 50k each

	Company 2021	Company 2020
<i>In number of shares</i>		
At 1 st January	7,996,902,051	7,996,902,051
Share issuance	78,929,849	-
At 31 st December	8,075,831,900	7,996,902,051
<i>In Naira</i>		
At 1 st January	3,998,451	3,998,451
Share issuance	39,465	-
Share Value in Naira	4,037,916	3,998,451

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

Notes to the consolidated and separate financial statements (Cont'd)

23. Dividends

(a) Declared dividends

The following dividends were declared and paid by the Company during the year:

	Company 2021 N'000	Company 2020 N'000
40 kobo Interim dividend declared (2020: 25 kobo)	3,230,333	1,999,226
69 kobo per qualifying ordinary share in 2020 (2020: 151 kobo)	5,517,862	12,075,322
	8,748,195	14,074,548

After the respective reporting dates, the following dividends were proposed by the Directors. The dividends have not been provided for and there are no income tax consequences.

	Company 2021 N'000	Company 2020 N'000
120 kobo per qualifying ordinary share (2020: 69 kobo)	9,690,998	5,517,862

(b) Dividend payable

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
At 1 st January	7,707,091	7,707,091	5,742,085	5,742,085
Declared dividend (note 23 a)	8,748,195	8,748,195	14,074,548	14,074,548
Payments (Cash)	(2,248,533)	(2,248,533)	(11,044,069)	(11,044,069)
Payments (Scrip issue)	(3,768,906)	(3,768,906)		
Unclaimed dividend transferred to retained earnings	-	-	(1,065,473)	(1,065,473)
At 31 st December	10,437,847	10,437,847	7,707,091	7,707,091

(i) Unclaimed dividend transferred to general reserve represents dividend which have remained unclaimed for over twelve (12) years and are therefore no longer recoverable or actionable by the shareholders in accordance with Section 432 of CAMA.

(ii) As at 31st December 2021, ₦1.3 billion (2020: ₦0.9 billion) of the total dividend payable is held with the Company's registrar, First Registrars and Investor Services Limited. The remaining dividend payable of ₦ 9.1 billion (2020: ₦6.8 billion) holds ₦4.5 billion (2020: ₦2.4 billion) due to foreign shareholders. The total remaining balance of ₦4.6 billion represents unclaimed dividends, which have been returned to the Company by the Registrar over the years.

Cash paid to registrar	(4,979,289)	(4,979,289)	(14,074,548)	(14,074,548)
Cash received from registrar	2,730,756	2,730,756	3,030,480	3,030,480
Payments (Cash)	<u>(2,248,533)</u>	<u>(2,248,533)</u>	<u>(11,044,068)</u>	<u>(11,044,068)</u>

Notes to the consolidated and separate financial statements (Cont'd)

24. Loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. The borrowings are unsecured. For more information about the Company's exposure to interest rate, foreign currency and liquidity risks, see Note 29.

(a)

	1 January	Additions to Leases	Proceeds	Repayment	Interest	Lease derecognition	31 December
	2021						2021
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Bank Loans	4,614,040	-	63,058,500	(45,497,840)	-	-	22,174,700
Loans from Government	8,069,924	-	-	(2,259,493)	-	-	5,810,431
Commercial Paper	43,148,806	-	4,543,449	(47,692,255)	-	-	-
	55,832,770	-	67,601,949	(95,449,588)	-	-	27,985,131
Lease liabilities	35,614,566	2,840,742	-	(8,638,138)	5,487,848	(31,916,808)	3,388,210
Total	91,447,336	2,840,742	67,601,949	(104,087,726)	5,487,848	(31,916,808)	31,373,341
Non-current	39,636,707						6,831,273
Current	51,810,629						24,542,068
	91,447,336						31,373,341
	1 January	Additions to Leases	Proceeds	Repayment	Interest	Lease derecognition	31 December
	2020						2020
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Bank Loans	43,102,167	-	46,150,315	(84,638,442)	-	-	4,614,040
Loans from Government	9,816,710	-	-	(1,746,786)	-	-	8,069,924
Commercial Paper	-	-	63,714,675	(20,565,869)	-	-	43,148,806
	52,918,877	-	109,864,990	(106,951,097)	-	-	55,832,770
Lease liabilities	2,800,655	34,954,005	-	(6,310,987)	4,170,893	-	35,614,566
Total	55,719,532	34,954,005	109,864,990	(113,262,084)	4,170,893	-	91,447,336
Non-current	50,893,918						39,636,707
Current	4,825,613						51,810,629
	55,719,531						91,447,336

(b) The Company has revolving credit facilities with two Nigerian banks to finance its working capital. The approved limit of the loan with each of the banks are ₦6 billion to ₦15 billion (total of ₦21 billion).

(c) The Bank of Industry (BoI), a Government Parastatal, provides mid to long-term financing for establishment, expansion or diversification of large, medium and small projects which may be new or existing. The Company obtained capital and working capital finance from the BoI in 2019. The loan has been recognised at fair value in line with the provisions of IAS 20. Included in Bank Loan obtained/(repaid) during the year is related deferred income amounting to ₦0.9 billion (2020: ₦1.8 billion), of which ₦0.9 billion has been released to income statement in 2021 (2020: ₦278m), and no new capitalisation in 2021 (2020: Nil) in accordance to the Company's accounting policies on Note 3(p).

(d) On repayment of lease liabilities, it includes the full contractual amount paid to the suppliers, which includes both principal and interest, as disclosed on the statement of cash flows.

Notes to the consolidated and separate financial statements (Cont'd)

25. Employee benefits

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Recognised liability for defined benefit obligation (Note 25 a)	6,867,415	6,867,415	11,709,191	11,709,191
Recognised liability for other long-term employee benefits (Note 25 b)	4,096,687	4,096,687	5,010,557	5,010,557
Total employee benefit liabilities	<u>10,964,102</u>	<u>10,964,102</u>	<u>16,719,748</u>	<u>16,719,748</u>

(a) Movement in the present value of the defined benefit obligation

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Defined benefit obligations at 1 st January	11,709,191	11,709,191	9,939,029	9,939,029
Benefits paid by the plan	(823,757)	(823,757)	(800,129)	(800,129)
Current service costs and interest (see below)	517,723	517,723	1,619,925	1,619,925
Actuarial (gains) and losses recognised in other comprehensive income (see note (f))	(4,535,742)	(4,535,742)	950,366	950,366
Defined benefit obligations at 31 st December	<u>6,867,415</u>	<u>6,867,415</u>	<u>11,709,191</u>	<u>11,709,191</u>

In 2011, the Company introduced a post-employment medical benefit for pensioners and employees on the defined benefit gratuity scheme including their spouses. The liability for this scheme in the current year amounted to ₦3 billion (2020: ₦4.9 billion). Defined benefit expense recognized in income statement for defined benefit obligation.

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Current service costs	31,264	31,264	107,598	107,598
Interest on obligation	486,459	486,459	1,512,327	1,512,327
	<u>517,723</u>	<u>517,723</u>	<u>1,619,925</u>	<u>1,619,925</u>

(b) Movement in other long-term employee benefits

The movement on the long service awards benefit plan liability during the year was as follows:

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Obligation at 1 st January	5,010,557	5,010,557	3,495,242	3,495,242
Charge for the year	(219,241)	(219,241)	2,290,969	2,290,969
Payments	(694,629)	(694,629)	(775,655)	(775,655)
Obligation at 31 st December	<u>4,096,687</u>	<u>4,096,687</u>	<u>5,010,556</u>	<u>5,010,556</u>

Notes to the consolidated and separate financial statements (Cont'd)

Defined benefit (income)/expense recognised in the income statement for long service awards obligation.

	Group 2021	Company 2021	Group 2020	Company 2020
	N'000	N'000	N'000	N'000
Current and past service costs	611,775	611,775	351,580	351,580
Interest on obligation	386,876	386,876	380,192	380,192
Actuarial (gains)/losses	(1,217,892)	(1,217,892)	1,559,197	1,559,197
	(219,241)	(219,241)	2,290,969	2,290,969

(c) Pension payable

The balance on the pension payable account, included in trade and other payables, represents the amount due to the Pension Fund Administrators which is yet to be remitted at the year end. The movement on this account during the year was as follows:

	Group 2021	Company 2021	Group 2020	Company 2020
	N'000	N'000	N'000	N'000
Obligation at 1 st January	405,644	405,644	371,178	371,178
Charge for the year	2,345,082	2,345,082	2,286,254	2,286,254
Payments	(2,305,937)	(2,305,937)	(2,251,788)	(2,251,788)
Obligation at 31 st December	444,789	444,789	405,644	405,644

(d) The movement on the defined contribution plan obligation during the year was as follows:

	Group 2021	Company 2021	Group 2020	Company 2020
	N'000	N'000	N'000	N'000
Obligation at 1 st January	(16,372)	(16,372)	-	-
Charge for the year	3,194,661	3,194,661	2,636,975	2,636,975
Payments	(2,892,407)	(2,892,407)	(2,653,347)	(2,653,347)
Obligation at 31 st December	285,882	285,882	(16,372)	(16,372)

The obligation represents the amount yet to be remitted at the year end to the defined benefit contribution plan and has been included in non-trade and accrued expenses (note 29 a).

Notes to the consolidated and separate financial statements (Cont'd)

- (e) The employee benefits related expense are recognized in the following line items in the profit or loss:

	Cost of sales		Marketing		Administrative expenses		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Defined benefit	12,851	46,648	11,507	38,050	6,906	22,900	31,264	107,598
Pension expense	963,957	991,187	863,117	808,481	518,007	486,586	2,345,082	2,286,254
Defined contribution plan	1,313,182	1,143,241	1,175,808	932,506	705,671	561,228	3,194,661	2,636,975
Long service awards	(90,120)	993,233	(80,693)	810,149	(48,428)	487,587	(219,241)	2,290,969
	<u>2,199,870</u>	<u>3,174,309</u>	<u>1,969,739</u>	<u>2,589,186</u>	<u>1,182,156</u>	<u>1,558,301</u>	<u>5,351,766</u>	<u>7,321,796</u>

- (f) Actuarial gains and losses on defined benefit obligation are recognised in other comprehensive income. The movement on the cumulative amount included in retained earnings as at the year-end was as follows:

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Cumulative amount at 1 st January	3,068,929	3,068,929	2,425,749	2,425,749
(Gain)/Loss Recognised during the year	(4,535,742)	(4,535,742)	950,366	950,366
Deferred tax	1,451,438	1,451,438	(307,186)	(307,186)
Recognised during the year net of tax	<u>(3,084,304)</u>	<u>(3,084,304)</u>	<u>643,180</u>	<u>643,180</u>
Amount accumulated in retained earnings at 31 st December	<u>(15,375)</u>	<u>(15,375)</u>	<u>3,068,929</u>	<u>3,068,929</u>

The Company recognised ₦4.5 billion (2020 ₦1 billion loss) of actuarial gains in other comprehensive income during the period in respect of its defined benefit obligations. These gains and losses primarily relate to the changes in observed salary increases, changes in benefits payments and the change in discount rate. The actuarial gains and losses recognised during the year are analysed as follows:

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Financial assumption – gains	(4,611,562)	(4,611,562)	(1,420,825)	(1,420,825)
Experience Assumption – losses/(gains)	75,820	75,820	2,371,191	2,371,191
Recognised during the year	<u>(4,535,742)</u>	<u>(4,535,742)</u>	<u>950,366</u>	<u>950,366</u>

- (g) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Discount rate (p.a.)	12.2%	12.2%	7.1%	7.1%
Average pay increase (p.a.)	5.0%	5.0%	5.0%	5.0%
Average rate of inflation (p.a.)	8.0%	8.0%	8.0%	8.0%
Weighted average duration of the plan (years)	5.02	5.02	8	8
Average medical rate of inflation	5.00%	5.0%	5.00%	5.00%

These assumptions depict management's estimate of the likely future experience of the Company.

Notes to the consolidated and separate financial statements (Cont'd)

Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are based on the rates published jointly by the Institute and Faculty of Actuaries in the UK as follows:

Mortality in service

Sample age	2021	2020
	Number of deaths in year out of 10,000 lives	Number of deaths in year out of 10,000 lives
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Mortality in retirement

Sample age	<u>Expectation of Life (Completed years)</u>		
	Management	Non-Management	PA 90
50	29	28	27
55	24	24	22
60	20	20	19
65	17	16	15
70	13	13	12
75	10	9	9
80	6	6	7

Withdrawals/Turnover

It is assumed that all the employees covered by the defined end of service benefit scheme would retire at age 60 (2020: age 60).

Notes to the consolidated and separate financial statements (Cont'd)

(h) Sensitivity analysis

Reasonably 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:

		Long Service Awards N'000	Unfunded Retirement Benefit N'000	Post employment medical benefit N'000
Discount rate	+0.25%	(39,075)	(58,018)	(55,524)
	-0.25%	39,890	59,473	57,867
	+0.50%	(77,357)	(114,627)	(108,828)
	-0.50%	80,619	120,454	118,206
Salary increase	+0.25%	34,765	-	-
	-0.25%	(34,183)	-	-
	+0.50%	70,125	-	-
	-0.50%	(67,795)	-	-
Benefit Inflation rate	+0.25%	6,774	65,652	60,955
	-0.25%	(6,662)	(64,198)	(58,539)
	+0.50%	13,665	132,805	108,769
	-0.50%	(13,212)	(126,982)	(114,780)
Mortality experience	+1	-	(114,660)	(31,159)
	-1	-	112,245	31,037
Pre-retirement	+1	(181,285)		15,856
	-1	164,696		(23,795)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Notes to the consolidated and separate financial statements (Cont'd)

26. Share-based payment

Since the 1st of January 2006 Heineken N.V, the parent Company, established a share -based payment plan for key management personnel, including certain senior management of Nigerian Breweries Plc. The grant date fair value of the share rights granted is recognised as personnel expenses with a corresponding increase in equity (equity-settled) as a capital contribution from Heineken N.V, over the period that the employees become unconditionally entitled to the share rights. All equity settled share-based payment transactions are accounted for in the share-based payment reserve account.

A recharge arrangement exists between Heineken N.V and Nigerian Breweries Plc whereby vested shares delivered to employees by Heineken N.V are recharged to Nigerian Breweries Plc. The recharge transaction is recognised as an intercompany liability with a corresponding adjustment in the share-based payment reserve for the capital contribution recognised in respect of the share-based payment.

All rights are to be settled by delivery of shares. The terms and conditions relating to the grants of the rights are as follows:

Grant date/employees entitled	Number*	Based on share price (Euro)	Vesting conditions	Contractual life of rights
Share rights granted to key management personnel in 2019	7,939	77.2	Continued service, 100% internal performance conditions	3 years
Share rights granted to key management personnel in 2020	6,787	94.92	Continued service, 100% internal performance conditions	3 years
Share rights granted to key management personnel in 2021	7,255	91.42	Continued service, 100% internal performance conditions	3 years

Notes to the consolidated and separate financial statements (Cont'd)

* The number of shares is based on target performance.

The number and weighted average share price per share is as follows:

	Weighted average share price (Euro)	Number of share rights	Weighted average share price (Euro)	Number of share rights
	2021	2021	2020	2020
Outstanding at 1 st January	91.22	13,753	77.20	28,454
Granted during the year	91.42	7,255	94.92	6,787
Vested during the year	-	(1,207)	-	(3,842)
Forfeited during the year		-	76.16	(9,735)
Performance adjustment		9,715		(7,876)
Transfers in		3,167		867
Transfer out		(4,692)		(901)
Outstanding as at 31 st December		27,991	91.22	13,753

Employee expenses

	2021	2020
	N'000	N'000
Share rights granted in 2018	-	(121,202)
Share rights granted in 2019	(71,429)	31,916
Share rights granted in 2020	(138,114)	106,352
Share rights granted in 2021	(177,613)	-
Total (income)/expense recognized as employee costs	(387,156)	17,066

Notes to the consolidated and separate financial statements (Cont'd)

27. Deferred tax liabilities

Deferred tax assets and liabilities are attributable to the following:

Group/ Company	Assets		Liabilities		Net	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Property, plant and equipment	-	-	(25,048,621)	(24,442,377)	(25,048,621)	(24,442,377)
Intangible assets	-	-	(3,580,506)	(3,531,065)	(3,580,506)	(3,531,065)
Inventories	832,461	682,241	-	-	832,461	682,241
Employee benefits	3,729,412	5,361,793	-	-	3,729,412	5,361,793
Right-of-use assets	-	2,159,762	-	-	-	2,159,762
Other items	785,257	1,915,531	-	-	785,257	1,915,531
Net tax assets/(liabilities)	5,347,130	10,119,327	(28,629,127)	(27,973,442)	(23,281,997)	(17,854,115)

Movement in temporary differences during the year

	Balance 1 st Jan 2020 N'000	Profit or loss and OCI N'000	Balance 31 st Dec 2020 N'000	Profit or loss and OCI N'000	Balance 31 st Dec. 2021 N'000
Property, plant and equipment	(26,009,305)	253,080	(24,442,377)	(606,244)	(25,048,621)
Intangible assets	(3,436,720)	(101,717)	(3,531,065)	(49,441)	(3,580,506)
Inventories	352,794	412,624	682,241	150,220	832,461
Employee benefits	5,285,979	917,792	5,361,793	(1,632,381)	3,729,412
Other items	(747,219)	3,835,131	4,075,293	(3,290,036)	785,257
Net tax assets/(liabilities)	(24,554,471)	5,316,910	(17,854,115)	(5,427,882)	(23,281,997)

The net movement during the year ended 31st December 2021, includes a debit amount of N1.4 Billion (2020: credit N665m) recorded in other comprehensive income as deferred tax on employee benefits.

Notes to the consolidated and separate financial statements (Cont'd)

28. Trade and other payables

(a)

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Trade payables	107,325,077	103,611,007	60,104,811	60,007,289
Deposit for RPM*	24,665,879	24,665,879	26,159,144	26,159,144
Non-trade payables and accrued expenses	33,258,836	33,939,321	22,333,784	21,089,211
Amount due to related parties	61,168,227	61,168,227	30,602,931	30,602,931
	226,418,019	223,384,434	139,200,670	137,858,575

* Returnable Packaging Material

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

(b) Reconciliation of changes in trade and other payables included in consolidated statement of cash flows:

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Movement in trade and other payables	87,217,349	85,525,859	36,418,109	35,140,788
Accrued additions to property plant and equipment	(18,537,523)	(18,537,523)	(6,748,189)	(6,748,189)
Interest accrual	(116,200)	(116,200)	(963,725)	(963,725)
VAT paid	27,975,295	27,975,295	21,603,206	21,603,206
Changes in trade and other payables per statement of cash flows	96,538,921	94,847,431	50,309,401	49,032,080

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 29(b).

Notes to the consolidated and separate financial statements (Cont'd)

29. Financial instruments - financial risk management and fair values

The Company has exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk
- Operational risk
- Capital management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Committee is assisted in its oversight role by the Process and Control Improvement ("P&CI") Department which performs the internal audit and internal control functions in the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly by the Risk Management Committee to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit undertakes both regular and ad hoc reviews of compliance with established controls and procedures, the results of which are reported to Senior Management of the Company at Assurance meetings.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and other related parties. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Other receivables (non-current)	16	1,134,459	1,134,459	911,375	911,375
Trade and other receivables	19	26,500,516	24,714,756	11,417,423	10,457,436
		27,634,975	25,849,215	12,328,798	11,368,811
Cash and bank	21	16,730,029	16,720,040	30,369,847	30,349,614
		<u>44,365,004</u>	<u>42,569,255</u>	<u>42,698,645</u>	<u>41,718,425</u>

Notes to the consolidated and separate financial statements (Cont'd)

Trade and other receivables

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

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

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a key distributor or retail distributor, geographic location, and existence of previous financial difficulties. Trade and other receivables relate mainly to the Company's wholesale customers. Customers with no trading activities for a period of up to one year are placed on a dormant customer list, and future sales are made on a prepayment basis only with approval of management.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and customers with outstanding amounts but have not placed orders/trade for a prolonged period of time (usually one year).

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of counter party was:

	Group	Company	Group	Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Trade receivables				
-Major customers	6,274,073	6,274,073	8,339,054	8,339,054
-Other customers	622,864	622,864	914,443	914,443
-Impairment	(4,031,649)	(4,031,649)	(5,270,352)	(5,270,352)
	<u>2,865,288</u>	<u>2,865,288</u>	<u>3,983,145</u>	<u>3,983,145</u>
Non-trade receivables				
- Other receivables (non-current)	1,134,459	1,134,459	911,375	911,375
- Due from related parties	3,524,255	3,524,255	1,354,963	1,354,963
- Advances	17,212,728	17,212,728	3,522,110	3,522,110
- Others	2,898,245	1,112,485	2,557,205	1,597,218
	<u>24,769,687</u>	<u>22,983,927</u>	<u>8,345,653</u>	<u>7,385,666</u>
	<u>27,634,975</u>	<u>25,849,215</u>	<u>12,328,798</u>	<u>11,368,811</u>

Notes to the consolidated and separate financial statements (Cont'd)

29. Financial instruments - financial risk management and fair values

Expected credit losses

The aging of trade receivables for the Company and its expected credit loss (ECL) rates at the reporting date was:

12/31/2021	Trade Receivables - days past due						Total
	Not past due	<30	31 - 60	61 - 90	91 - 120	>120	
	N'000	N'000	N'000	N'000	N'000	N'000	
Expected credit loss rate	0.00%	0.36%	0.71%	8.81%	19.20%	96.55%	
Estimated total gross carrying amount at default	2,402,203	160,078	56,526	63,085	57,349	4,157,696	6,896,937
Lifetime expected credit loss	-	(576)	(399)	(5,555)	(11,009)	(4,014,111)	(4,031,649)
							<u>2,865,288</u>

12/31/2020	Trade Receivables - days past due						Total
	Not past due	<30	31 - 60	61 - 90	91 - 120	>120	
	N'000	N'000	N'000	N'000	N'000	N'000	
Expected credit loss rate	0.00%	0.00%	25.00%	50.00%	50.00%	100.00%	
Estimated total gross carrying amount at default		3,528,580	66,703	-	521,107	5,137,107	9,253,497
Lifetime expected credit loss		-	(14,676)	-	(339,975)	(4,915,701)	(5,270,352)
							<u>3,983,145</u>

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	2021 N'000	2020 N'000
Balance at 1 st January	(5,270,352)	(4,505,455)
Lifetime expected credit loss	1,238,703	(764,897)
Balance at 31 st December	<u>(4,031,649)</u>	<u>(5,270,352)</u>

No interest is charged on outstanding trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general business conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100 per cent against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable. The customer payment pattern of the past 10 years has no relevant statistical correlation with main macro-economic indicators, such as GDP or inflation, hence the current ECL model combines historical data with forward looking macro-economic factors to determine base, optimistic and downturn scenarios which are then incorporated in the expected loss model.

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

Notes to the consolidated and separate financial statements (Cont'd)

Cash and bank

The Group/Company held cash and bank of ₦16.7 billion as at 31st December 2021 (2020: ₦30.3 billion), which represents its maximum credit exposure on these assets. The Company mitigates its credit risk exposure of its bank balances by selecting reputable banks with good credit ratings and a history of strong financial performance.

(b) 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 approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a clear focus on ensuring sufficient access to capital to finance growth and to refinance maturing debt obligations. As part of the liquidity management process, the Company has various credit arrangements with some banks which can be utilised to meet its liquidity requirements.

Typically, the credit terms with customers are more favourable compared to payment terms to its vendors in order to help provide sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group	Carrying amount N'000	Contractual cash flows N'000	12 months or less N'000	Over 12 months N'000
Non-derivative financial liabilities 31 st December 2021				
Loans	27,985,130	29,245,785	24,665,985	4,579,800
Lease liabilities	3,388,210	4,361,571	1,163,086	3,198,485
Dividend payable	10,437,847	10,437,847	10,437,847	-
Trade and other payables	226,418,019	226,418,019	226,418,019	-
	268,229,206	270,463,222	262,684,937	7,778,285
Company	Carrying amount N'000	Contractual cash flows N'000	12 months or less N'000	Over 12 months N'000
Non-derivative financial liabilities 31 st December 2021				
Loans	27,985,130	29,245,785	24,665,985	4,579,800
Lease liabilities	3,388,210	4,361,571	1,163,086	3,198,485
Dividend payable	10,437,847	10,437,847	10,437,847	-
Trade and other payables	223,384,434	223,384,434	223,384,434	-
	265,195,621	267,429,637	259,651,352	7,778,285

Notes to the consolidated and separate financial statements (Cont'd)

Group	Carrying amount N'000	Contractual cash flows* N'000	12 months or less N'000	Over 12 months N'000
Non-derivative financial liabilities 31 st December 2020				
Loans	55,832,770	60,172,328	51,971,550	8,200,778
Lease liabilities	35,823,502	59,126,756	8,039,608	51,087,148
Dividend payable	7,707,091	7,707,091	7,707,091	-
Trade and other payables	139,200,670	139,200,670	139,200,670	-
	238,564,033	266,206,845	206,918,919	59,287,926
Company	Carrying amount N'000	Contractual cash flows N'000	12 months or less N'000	Over 12 months N'000
Non-derivative financial liabilities 31 st December 2020				
Loans	55,832,770	60,172,328	51,971,550	8,200,778
Lease liabilities	35,823,502	59,126,756	8,039,608	51,087,148
Dividend payable	7,707,091	7,707,091	7,707,091	-
Trade and other payables	137,858,575	137,858,575	137,858,575	-
	237,221,938	264,864,750	205,576,824	59,287,926

* In the current year, these amounts have been updated and corrected to represent contractual cash flows

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The Company has contingent liabilities in respect of guarantees provided to certain bankers relating to loans obtained by the staff from the banks amounted to ₦3.95 billion (2020: ₦3.65 billion), which represents its maximum liquidity exposure. The guarantee provided by the Company is backed by the employees' gratuity.

The Company has contracts with financial institutions for payment of foreign debt. In 2021, the amount of ₦12.5 billion was contracted but not yet executed by the financial institution, hence not registered on-balance. In addition, the Company has 21.7 billion on open letters of credit.

Notes to the consolidated and separate financial statements (Cont'd)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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

Currency risk

The Company is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Company, which is the Naira. The currencies in which these transactions are primarily denominated are Euro (EUR), US Dollars (USD) and Pounds Sterling (GBP). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

Exposure to currency risk

The Company's transactional exposure to British Pounds (GBP), US Dollar (USD) and Euro (EUR) is as follows:

Company In thousands	31 st December 2021			31 st December 2020		
	EUR	GBP	USD	EUR	GBP	USD
Financial asset						
Group receivables	1,283	-	37	589	19	147
Cash and cash equivalent	1,075	44	1,626	481	450	336
Deposit for imports	-	-	27,227	-	-	24,840
Financial liability						
Group payables	(74,900)	-	(179)	(54,155)	-	(83)
Trade Payables	(9,416)	(14)	1,208	(2,495)	(294)	119
Net exposure	(81,958)	30	29,920	(55,579)	175	25,359

	Increase/(decrease) in profit or loss N'000
31 st December 2021	
EUR (5 percent weakening of the Naira)	(1,970,141)
GBP (5 percent weakening of the Naira)	862
USD (5 percent weakening of the Naira)	635,221
31 st December 2020	
EUR (5 percent weakening of the Naira)	(1,368,950)
GBP (5 percent weakening of the Naira)	4,795
USD (5 percent weakening of the Naira)	508,233

A strengthening of the Naira against the above currencies at 31st December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Notes to the consolidated and separate financial statements (Cont'd)

The following significant exchange rates were applied:

	Average rate		Reporting date spot rate	
	2021	2020	2021	2020
	N	N	N	N
Euro	484.87	437.02	480.77	492.61
British Pounds	564.06	491.17	572.33	547.10
US Dollar	410.01	382.72	424.61	400.83

(d) Interest rate risk profile

In managing interest rate risk, the Company aims to reduce the impact of short-term fluctuations on earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit. The Company opts for a mix of fixed and variable interest rates in its financing operations, combined with the use of other financial instruments. Currently, The Company's interest rate position is more weighted towards floating than fixed. Financial instruments used during the period include commercial papers. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

Carrying amount	Group	Company	Group	Company
	2021	2021	2020	2020
	N'000	N'000	N'000	N'000
Fixed rate instruments				
Loans	27,985,130	27,985,130	91,447,336	91,447,336
Financial liabilities	27,985,130	27,985,130	91,447,336	91,447,336

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology, and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management and the executive committee. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- documentation of processes, controls, and procedures
- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified by the risk management committee
- training and professional development of employees
- appropriate segregation of duties, including the independent authorisation of transactions
- monitoring of compliance with regulatory and other legal requirements
- requirements for reporting of operational losses and proposed remedial action
- development of contingency plans for various actions
- reconciliation and monitoring of transactions
- development, communication and monitoring of ethical and acceptable business practices
- risk mitigation, including insurance when this is effective
- monitoring of business process performance and development and implementation of improvement mechanisms thereof

Notes to the consolidated and separate financial statements (Cont'd)

Compliance with the Company's standards established procedures and controls is supported by periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with management to which they relate, with summaries submitted to the Audit Committee and senior management of the Company at Assurance Meetings.

(f) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. Management also monitors the level of dividends to all shareholders.

The Company monitors capital using adjusted debt to equity ratio. At the end of the reporting period, adjusted net debt to capital ratio was as follows:

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000
Total liabilities	313,609,963	310,500,262	284,678,160	283,286,497
Less: cash and bank	(16,730,029)	(16,720,040)	(30,369,847)	(30,349,614)
Adjusted net debt	296,879,934	293,780,222	254,308,313	252,936,883
Total equity	171,803,377	172,139,303	161,076,413	161,150,877
Adjusted debt to capital ratio	1.73	1.71	1.58	1.57

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

(g) Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, versus the carrying amounts are shown in the statement of financial position, are as follows:

Group		2021		2020	
	Note	Carrying amount N'000	Fair value amount N'000	Carrying amount N'000	Fair value amount N'000
Assets carried at amortised cost					
Other receivables (non-current)	16	1,134,459	1,134,459	911,375	911,375
Trade and other receivables	19	26,500,516	26,500,516	11,417,423	11,417,423
Cash and cash equivalents	21	16,730,029	16,730,029	30,369,847	30,369,847
		44,365,004	44,365,004	42,698,645	42,698,645
Liabilities carried at amortised cost					
Loans and borrowings	24	31,373,340	31,373,340	91,447,336	91,447,336
Dividend payable	23b	10,437,847	10,437,847	7,707,091	7,707,091
Trade and other payables	28	226,418,019	226,418,019	139,200,670	139,200,670
		268,229,206	268,229,206	238,355,097	238,355,097

Notes to the consolidated and separate financial statements (Cont'd)

(g) Accounting classification and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Company	Note	2021		2020	
		Carrying amount	Fair value amount	Carrying amount	Fair value amount
		N'000	N'000	N'000	N'000
Assets carried at amortised cost					
Other receivables (non-current)	16	1,134,459	1,134,459	911,375	911,375
Trade and other receivables	19	24,714,756	24,714,756	10,457,436	10,457,436
Cash and cash equivalents	21	16,720,040	16,720,040	30,349,614	30,349,614
		42,569,255	42,569,255	41,718,425	41,718,425
Liabilities carried at amortised cost					
Loans and borrowings	24	31,373,340	31,373,340	91,447,336	91,447,336
Dividend payable	23b	10,437,847	10,437,847	7,707,091	7,707,091
Trade and other payables	28	223,384,434	223,384,434	137,858,575	137,858,575
		265,195,621	265,195,621	237,013,002	237,013,002

Trade and other receivables, bank overdrafts dividend payables and trade and other payables are the Company's short term financial instruments. Accordingly, management believes that their fair values are not expected to be materially different from their carrying values.

The discounted cash flow valuation technique has been used to determine the fair value of the unsecured bank loans and other long-term receivables. The valuation model considers the present value of expected cash flows discounted using market related interest rates.

The future cash flows are based on contractual amounts and considers the probability of occurrence of the cash flow. There are no significant unobservable inputs. The fair values were determined on the same basis in prior year and there have been no transfers between levels during the year.

30. Provision

The Company has provisions related to claims and penalties assessed as probable in 2021.

	N'millions
As at 1st January 2020	(1,379)
Additions	(35)
Payments	1,379
As at 31st December 2020	(35)
Additions	(499)
Reclassification to accruals	23
Payments	-
As at 31st December 2021	(511)

Notes to the consolidated and separate financial statements (Cont'd)

31. Contingencies

(a) Guarantees and contingent liabilities

Contingent liabilities in respect of guarantees provided to certain banks in respect of loans obtained by the staff from the banks amounted to ₦3.97 billion (2020: ₦3.65 billion). This guarantee is backed by employees' gratuity. Accordingly, management believes that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Contingent liabilities in respect of guarantees provided to the Nigerian Customs in respect of customs duty on behalf of the Company amounted to ₦5.8 billion (2020: ₦5.79 billion) which represents its maximum liquidity exposure. In addition, guarantees provided to banks on behalf of the Company for BOI loans amounted to ₦5 billion naira (2020: ₦3.3 billion).

(b) Pending litigation and claims

There are certain lawsuits and claims pending against the Company in various courts of law which are being handled by external legal counsels. The contingent liabilities in respect of pending litigation and claims amounted to ₦1 billion (2020: ₦1.2 billion) as at 31st December 2020. In the opinion of the Directors and based on independent legal advice, the risk of loss is lower than 50%, thus no provision has been made in these financial statements.

(c) Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

In the normal course of the business, the company uses letter of credit to import materials. The total value of open letters of credit as at 31st December was ₦21.7 billion.

32. Related parties

(a) Parent and ultimate controlling entity

Related parties include the parent Company, Heineken N.V., and Heineken group entities. Directors, their close family members, and any employee who is able to exert significant influence on the operating policies of the Company are considered as related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

As at the year ended 31st December 2021 Heineken Bro uwerijen B.V., Distilled Trading International B.V. and Heineken International B.V. owned 38.07% and 15.53%, and 2.73% respectively of the issued share capital of Nigerian Breweries Plc. The ultimate holding company is Heineken N.V.

The Company has transactions with its parent, and other related parties who are related to the Company only by virtue of being members of the Heineken Group. The total amounts due to related parties by the nature of the transaction are shown below:

	Transaction value		Balance due (to)/from	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Purchases - other related parties	(71,841,550)	(39,051,909)	(33,667,118)	(15,110,190)
Contract brewing services with:				
- Other related parties	(421,068)	(1,159,906)	298,892	41,183
Technical service fees & royalties:				
- Parent	(1,610,627)	(1,255,951)	(823,056)	(376,510)
- Other related parties	(8,013,238)	(6,345,105)	(4,850,945)	(1,936,578)
Total technical and royalty fees	(9,623,865)	(7,601,056)	(5,674,001)	(2,313,088)
Sales and others				
- Other related parties	2,671,925	571,651	(18,601,744)	(10,522,479)

All outstanding balances with these related parties are to be settled in cash within twelve months of the reporting date. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2020: Nil). This assessment is undertaken each financial year. Included in the Other related parties is a loan amount to ₦1 billion (2020 : ₦843 million) from BBCL.

Notes to the consolidated and separate financial statements (Cont'd)

(b) Key management personnel compensation

In addition to their salaries, the Company also provides non-cash benefits to Directors and executive officers and contributes to a post-employment defined benefit plan on their behalf. In accordance with the terms of the plan, Directors and executive officers retire at age 60 and are, including their spouses, entitled to receive post-employment benefits.

Executive officers also participate in the Heineken Group share-based payment plan (see note 26) and the Company's long service awards scheme. This programme awards a certain sum of cash benefit which accrues to the recipient on graduated periods of uninterrupted service. Key management personnel compensation comprised:

	2021	2020
	N'000	N'000
Executive Committee / Management Team	1,075,494	1,354,446
Other Managers	1,107,044	1,353,076
Short-term employee benefits	2,182,538	2,707,522
Long-term employee benefits:		
Post-employment benefits	134,480	117,455
Share based payments	(352,086)	8,259
	1,964,932	2,833,236

(c) The Nigerian Breweries-Felix Ohiwerei Education Trust Fund

The Nigerian Breweries-Felix Ohiwerei Education Trust Fund (The Trust Fund) is an unconsolidated sponsored structured entity incorporated by Nigerian Breweries Plc in November 1994 as a charitable Trust for the advancement of education at all levels in Nigeria. The Company made a capital grant of ₦100 million to The Trust Fund in 1994 which The Trust Fund has continued to invest in quoted shares and fixed deposits. The capital grant was recognised as an expense by the Company in the year it was made. The proceeds from the investments are disbursed solely for the promotion of education in Nigeria. The Company is not exposed to variability of returns from its involvement in The Trust Fund. According to the constitution of The Trust Fund, the Company has no residual interest in The Trust Fund on its dissolution. As a result of the above, The Trust Fund has not been consolidated.

The Company provides managerial support to The Trust Fund at no cost and intends to continue to provide the support into the future. During the year, the Company paid for certain expenses of The Trust Fund for which it was reimbursed at cost.

As at year end The Trust Fund held 25,101,680 (2020: 25,451,680) number of shares in the Company.

33. Subsequent events

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Group as at 31st December 2021 that have not been adequately provided for or disclosed in the financial statements.

34. Going Concern

The financial statements have been prepared on a going concern basis which assumes the Company will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Notes to the consolidated and separate financial statements (Cont'd)

35. Condensed financial data of consolidated entities

(a) Condensed Statement of Financial Position

	Group N'000	Elimination entries N'000	Nigerian Breweries N'000	Subsidiaries (234 Sores/BBC) N'000
ASSETS				
Property, plant and equipment	257,216,814	-	255,630,534	1,586,280
Right-of-use assets	12,520,277	-	12,364,126	156,151
Intangible assets and goodwill	94,334,332	-	94,334,332	-
Investments	150,000	(779,625)	929,625	-
Other receivables	1,134,459	-	1,134,459	-
Non-current assets	365,355,882	(779,625)	364,393,076	1,742,431
Inventories	62,191,510	-	62,067,403	124,107
Trade and other receivables	26,500,516	761,039	24,714,756	1,024,721
Prepayments	2,852,868	-	2,852,868	-
Deposit for imports	11,891,422	-	11,891,422	-
Cash and cash equivalents	16,730,029	-	16,720,040	9,989
Current assets	120,166,345	761,039	118,246,489	1,158,817
Total assets	485,522,227	(18,586)	482,639,565	2,901,248
EQUITY				
Share capital	4,037,916	(105,220)	4,037,916	105,220
Share premium	77,499,797	(743)	77,499,797	743
Share based payment reserve	170,753	-	170,753	-
Retained earnings	90,094,911	(782,549)	90,430,837	446,623
Equity attributable to owners of the Company	171,803,377	(888,512)	172,139,303	552,586
Non-controlling interest	108,887	108,887	-	-
Total equity	171,912,264	(779,625)	172,139,303	552,586
LIABILITIES				
Loans and borrowings	6,831,273	-	6,831,273	-
Employee benefits	10,964,102	-	10,964,102	-
Deferred tax liabilities	23,281,997	-	23,281,997	-
Non-current liabilities	41,077,372	-	41,077,372	-
Loans and Borrowings	24,542,067	-	24,542,067	-
Current tax liabilities	10,623,647	-	10,547,531	76,116
Dividend payable	10,437,847	-	10,437,847	-
Trade and other payables	226,418,019	761,039	223,384,434	2,272,546
Provisions	511,011	-	511,011	-
Current liabilities	272,532,591	761,039	269,422,890	2,348,662
Total liabilities	313,609,963	761,039	310,500,262	2,348,662
Total equity and liabilities	485,522,227	(18,586)	482,639,565	2,901,248

Notes to the consolidated and separate financial statements (Cont'd)

(b) Condensed Statement of Profit or Loss

	Group N'000	Elimination entries N'000	Nigerian Breweries N'000	Subsidiaries (234 Stores/BBC) N'000
Revenue	437,285,189	(502,703)	437,195,534	592,358
Cost of sales	(276,871,996)	502,703	(276,871,996)	(502,703)
Gross profit	160,413,193	-	160,323,538	89,655
Other income	4,626,570	-	4,626,570	-
Marketing and distribution expenses	(97,304,194)	-	(97,304,194)	-
Administrative expenses	(26,241,295)	-	(25,833,927)	(407,368)
Results from operating activities	41,494,274	-	41,811,987	(317,713)
Finance income	313,523	(89,057)	313,523	89,057
Net loss on foreign exchange transactions	(7,041,448)	-	(7,041,448)	-
Finance costs	(11,065,209)	89,057	(11,154,266)	-
Net finance (costs)/income	(17,793,134)	-	(17,882,191)	89,057
Profit/(loss) before tax	23,701,140	-	23,929,796	(228,656)
Income tax expense	(11,029,181)	-	(11,002,633)	(26,548)
Profit/(loss) after tax	12,671,959	-	12,927,163	(255,204)
Profit for the year attributable to:				
Owners of the Company	12,665,701	-	12,927,163	(255,204)
Non-controlling interest	6,258	-	-	6,258
Profit for the year	12,671,959	-	12,927,163	(255,204)

(c) Condensed statement of other comprehensive income

	Group N'000	Elimination entries N'000	Nigerian Breweries N'000	Subsidiaries (234 Stores/BBC) N'000
Profit/(loss) for the year	12,671,959	-	12,927,163	(255,204)
Actuarial gains	3,084,305	-	3,084,305	-
Total comprehensive income/(loss) for the year	15,756,264	-	16,011,468	(255,204)
Total comprehensive income for the year attributable to:				
Owners of the Company	15,750,006	-	16,011,468	(255,204)
Non-controlling interest	6,258	-	-	6,258
Total comprehensive income/(loss) for the year	15,756,264	-	16,011,468	(255,204)

Notes to the consolidated and separate financial statements (Cont'd)

(d) Condensed statement of cash flows

	Group N'000	Elimination entries N'000	Nigerian Breweries N'000	Subsidiaries (234 Stores/ BBC) N'000
Cash flows from operating activities				
Net profit/(loss)	12,671,959	-	12,927,163	(255,204)
Adjustments for:				
Depreciation and impairment loss	39,777,442	-	39,528,146	249,296
Amortisation of intangible assets	1,522,215	-	1,522,215	-
Finance income	(313,523)	89,057	(313,523)	(89,057)
Finance expenses	11,065,209	(89,057)	11,154,266	-
Gain on sale of property, plant and equipment	(2,982,451)	-	(2,982,451)	-
Gratuity, employee benefit and share based recharge	245,729	-	245,729	-
Other non-cash items	-	-	-	-
Income tax expense	11,029,181	-	11,002,633	26,548
Change in inventories	(26,104,300)	-	(26,075,231)	(29,069)
Change in trade and other receivables	(15,306,177)	(663,517)	(14,480,404)	(162,256)
Change in prepayments	892,554	-	892,554	-
Change in trade and other payables	96,538,921	663,517	94,847,431	1,027,973
Change in Provisions	475,157	-	475,157	-
Change in deposit for imports	(315,912)	-	(315,912)	-
Cash generated from operating activities	129,205,004	-	129,205,004	768,231
Income tax paid	(8,142,435)	-	(8,142,435)	-
Gratuity paid	(823,757)	-	(823,757)	-
Other long term employee benefits paid	(694,629)	-	(694,629)	-
Share based payment	343,403	-	343,403	-
VAT paid	(27,975,295)	-	(27,975,295)	-
Net cash from operating activities	91,568,888	-	90,800,657	768,231
Cash flow from investing activities				
Finance income	313,523	89,057	313,523	89,057
Proceeds from sale of property plant and equipment	54,576	-	54,576	-
Acquisition of property plant and equipment	(59,406,797)	-	(58,614,233)	(792,564)
Acquisition of right-of-use asset	(1,390,308)	-	(1,315,340)	(74,968)
Acquisition of intangible assets	(584,229)	-	(584,229)	-
Net cash (used)/from investing activities	(61,013,235)	89,057	(60,145,703)	(778,475)
Proceeds of loans and borrowings	67,601,949	-	67,601,949	-
Repayment of loans and borrowings	(95,449,588)	-	(95,449,588)	-
Repayment of lease liabilities	(8,638,138)	-	(8,638,138)	-
Interest paid	(5,461,161)	(89,057)	(5,550,218)	-
Change in deposit at registrars related unclaimed dividends**	2,730,756	-	2,730,756	-
Dividends paid	(4,979,289)	-	(4,979,289)	-
Net cash used in financing activities	(44,195,471)	(89,057)	(44,284,528)	-
Net increase in cash and cash equivalents	(13,639,818)	-	(13,629,574)	(10,244)
Cash and cash equivalents at 1 st January	30,369,847	-	30,349,614	20,233
Cash and cash equivalents at 31 st December	16,730,029	-	16,720,040	9,989

Notes to the consolidated and separate financial statements (Cont'd)

35.1 Restatement of statement of cash flows

	As previously reported		As restated	
	Group	Company	Group	Company
	2020	2020	2020	2020
	N'000	N'000	N'000	N'000
Profit for the year	7,368,369	7,525,621	7,368,369	7,525,621
Adjustments for:				
Depreciation	36,830,139	36,714,893	36,830,139	36,714,893
Amortisation of intangible assets	1,439,338	1,439,338	1,439,338	1,439,338
Finance income	(246,283)	(246,283)	(246,283)	(246,283)
Interest expenses	11,494,210	11,575,794	13,504,349	13,585,933
Gratuity, employee benefit and share-based recharge	3,927,958	3,927,959	3,927,958	3,927,959
Gain on sale of property, plant and equipment	(10,163)	(10,163)	(10,163)	(10,163)
Income tax expense	4,208,176	4,182,124	4,208,176	4,182,124
	<u>65,011,744</u>	<u>65,109,283</u>	<u>67,021,883</u>	<u>67,119,422</u>
Changes in:				
Inventories	2,433,120	2,500,617	2,433,120	2,500,617
Trade and other receivables	9,630,202	10,193,414	9,630,202	10,193,414
Prepayments	(245,254)	(245,254)	(186,913)	(186,913)
Trade and other payables	50,309,401	49,032,081	50,309,401	49,032,081
Provisions	-	-	35,854	35,854
Deposit for imports	(8,735,296)	(8,735,296)	(8,735,296)	(8,735,296)
Cash generated from operating activities	118,403,917	117,854,845	120,508,251	119,959,179
Provisions paid	(1,343,209)	(1,343,209)	(1,379,063)	(1,379,063)
Income tax paid	(10,306,628)	(10,306,628)	(10,306,628)	(10,306,628)
Gratuity paid	(800,129)	(800,129)	(800,129)	(800,129)
Other long term employee benefits paid	(775,656)	(775,656)	(775,656)	(775,656)
Share-based payment	(304,117)	(304,117)	(304,117)	(304,117)
VAT paid ¹	(21,600,140)	(21,600,140)	(21,600,140)	(21,600,140)
Net cash from operating activities	<u>83,274,038</u>	<u>82,724,966</u>	<u>85,342,518</u>	<u>84,793,446</u>
Cash flow from investing activities				
Finance income	246,283	246,283	246,283	246,283
Proceeds from sale of property, plant and equipment	18,960	18,960	18,960	18,960
Acquisition of property, plant and equipment	(37,214,604)	(36,602,061)	(37,214,604)	(36,602,061)
Acquisition of right of use assets	-	-	(1,327,132)	(1,327,132)
Acquisition of intangible assets	(246,014)	(246,014)	(246,014)	(246,014)
Net cash flow from investing activities	<u>(37,195,375)</u>	<u>(36,582,832)</u>	<u>(38,522,507)</u>	<u>(37,909,964)</u>
Cash flows from financing activities				
Proceeds from/(Repayment of) loans and borrowings (incl Lease liability)	35,727,805	35,727,805	-	-
Repayment of loans and borrowings	-	-	(106,951,098)	(106,951,098)
Proceeds from loans and borrowings	-	-	109,864,992	109,864,992
Repayment of lease liabilities	-	-	(6,310,987)	(6,310,987)
Interest paid	(10,530,485)	(10,612,069)	(8,370,060)	(8,451,315)
ROUA additions	(36,262,620)	(36,262,620)	-	-
Cash received from registrars	3,030,480	3,030,480	3,030,480	3,030,480
Dividends paid	(14,074,548)	(14,074,548)	(14,074,548)	(14,074,548)
	<u>(22,109,368)</u>	<u>(22,190,952)</u>	<u>(22,811,221)</u>	<u>(22,892,476)</u>

Notes to the consolidated and separate financial statements (Cont'd)

In the prior year, proceeds and repayments of loans and borrowings were disclosed on a net basis. This has been restated and corrected in the current year to present on a gross basis as proceeds and repayments of loans and borrowings separately on the face of statement of cash flows. These corrections also impacted interest expenses as presented in the cash flow.

In the prior year the Company included a non-cash element in both the right-of-use asset and lease liabilities balance under financing activities. This non-cash element was restated and corrected in the current year. Additionally, The Company made payments on or before the commencement of their leases. These payments were classified as financing activities in the cash flows instead of investing activities. This has been restated and corrected in the current year

In the prior year the interest expense classified in the financing activities included a non-cash component. This has been restated and corrected in the current year to reflect the cash component only. In addition, this has resulted in an adjustment to the interest expense line item included within the cash generated from operating activities.

In the prior year the changes in provisions and prepayment line items included within the net cash generated from operating activities included non-cash components. These have been corrected in the current year to separately reflect the cash and the non-cash component.



Other National Disclosures

Value Added Statement

	Group				Company			
	2021 N'000	%	2020 N'000	%	2021 N'000	%	2020 N'000	%
Revenue	437,285,189		337,006,267		437,195,534		337,006,267	
Bought in materials and services								
- Imported	(71,841,550)		(39,051,909)		(71,841,550)		(39,051,909)	
- Local	(240,735,706)		(201,717,994)		(240,577,634)		(201,772,918)	
	124,707,933		96,236,364		124,776,350		96,181,440	
Other income	4,626,570		828,055		4,626,570		828,055	
Finance income	313,523		246,283		313,523		246,283	
Value added by operating activities	129,648,026	100	97,310,702	100	129,716,443	100	97,255,778	100
Distribution of value added								
To Government as:								
Taxes	11,029,181	9	4,208,176	4	11,002,633	9	4,182,124	4
To Employees:								
Salaries, wages, fringe and end of service benefits	49,605,575	38	40,983,264	42	49,605,575	38	40,983,264	42
To Providers of Finance:								
- Finance cost (interest expenses)	11,065,209	9	11,494,210	12	11,154,266	9	11,575,794	12
Retained in the Business								
To maintain and replace;								
-Property, plant and equipment	39,777,442	31	36,830,139	38	39,528,146	31	36,562,431	38
- Intangible assets	1,522,215	1	1,439,338	1	1,522,215	1	1,439,338	1
Deferred tax charge/(credit) for the year	3,976,445	3	(5,012,794)	(5)	3,976,445	3	(5,012,794)	(5)
To augment reserves	12,671,959	10	7,368,369	8	12,927,163	10	7,525,621	8
Value added	129,648,026	100	97,310,702	100	129,716,443	100	97,255,778	100
Dividends to shareholders from reserves	8,748,195		14,074,548		8,748,195		14,074,548	

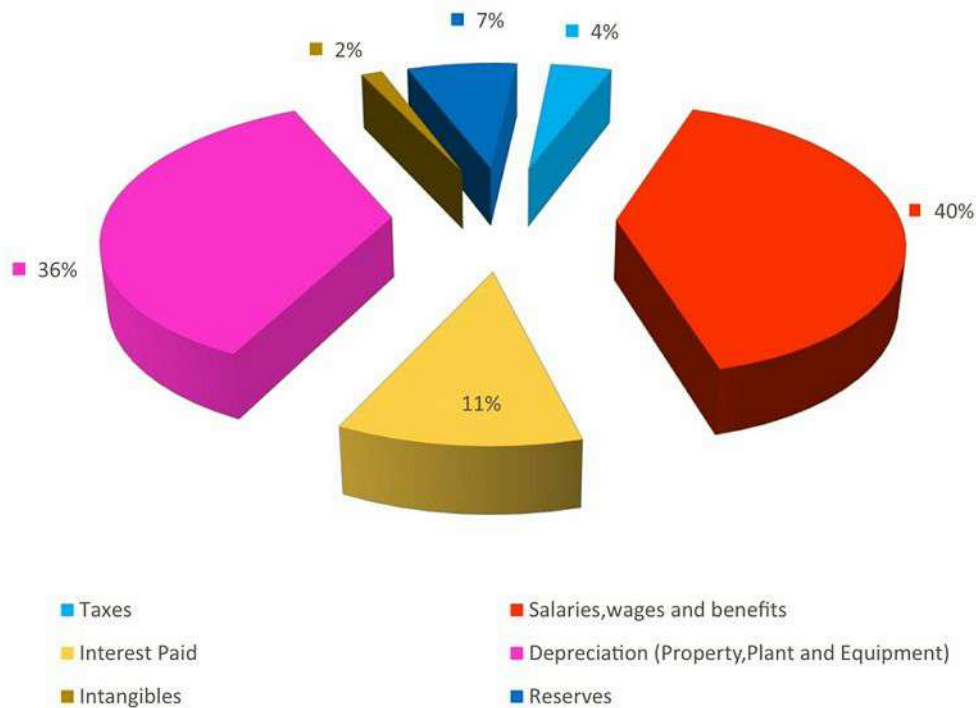
Value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between government, employees, providers of capital and that retained for future creation of more wealth.



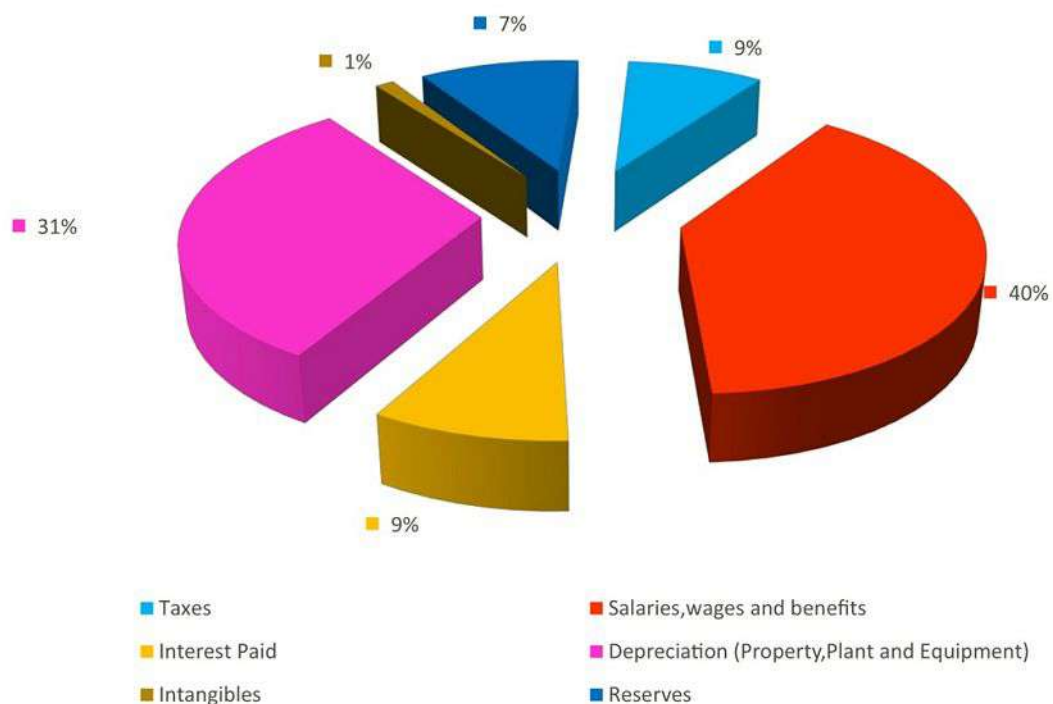
Other National Disclosures (Cont'd)

(a) Value Added Statement (Cont'd)

2020 DISTRIBUTION OF VALUE ADDED



2021 DISTRIBUTION OF VALUE ADDED



Other National Disclosures (Cont'd)

(b) Company Five-Year Financial Summary

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Statement of comprehensive income					
Revenue	437,195,534	337,006,267	323,002,120	324,388,500	344,562,517
Results from operating activities	41,811,987	29,817,785	35,254,672	36,956,798	57,126,310
Profit before taxation	23,929,796	11,707,745	23,327,090	29,359,828	46,572,313
Profit for the year	12,927,163	7,525,621	16,104,763	19,401,169	33,009,292
Comprehensive income for the year	16,011,468	6,882,441	19,209,057	17,928,093	31,559,614
Ratios					
Earnings per share (kobo)	161	94	201	243	413
Share price at year end (Naira)	50	56	59	86	135
Declared dividend per share (kobo)	109	176	233	373	358
Dividend coverage (times)	1.48	0.52	0.86	0.65	1.16
Net assets per share (kobo)	2,140	2,015	2,095	2,084	2,237
Statement of financial position					
Employment of Funds					
Property, plant and equipment	255,630,534	212,369,121	201,362,280	203,317,850	195,050,394
Right-of-use assets	12,364,126	42,834,781	10,992,267	-	-
Intangible assets	94,334,332	95,272,318	96,465,642	97,135,708	98,277,166
Investments	929,625	929,625	929,625	829,625	829,625
Other receivables	1,134,459	911,375	651,781	662,022	551,862
Prepayments (long-term)	-	-	-	538,187	525,831
Net current liabilities	(151,176,401)	(116,955,773)	(67,338,421)	(54,100,219)	(69,207,243)
Loans and borrowings	(6,831,273)	(39,636,707)	(38,893,313)	(41,127,565)	(8,000,000)
Employee benefits	(10,964,102)	(16,719,748)	(13,434,272)	(16,056,953)	(13,209,837)
Deferred tax liabilities	(23,281,997)	(17,854,115)	(23,171,027)	(24,554,471)	(26,666,864)
Net assets	172,139,303	161,150,877	167,564,562	166,644,184	178,150,934
Funds Employed					
Share capital	4,037,916	3,998,451	3,998,451	3,998,451	3,998,451
Share premium	77,499,797	73,770,356	73,770,356	73,770,356	73,770,356
Share based payment reserve	170,753	214,506	501,557	750,534	748,450
Retained earnings	90,430,837	83,167,564	89,294,198	88,124,843	99,633,677
	172,139,303	161,150,877	167,564,562	166,644,184	178,150,934

The financial information presented above reflects historical summaries based on International Financial Reporting Standards.

Other National Disclosures (Cont'd)

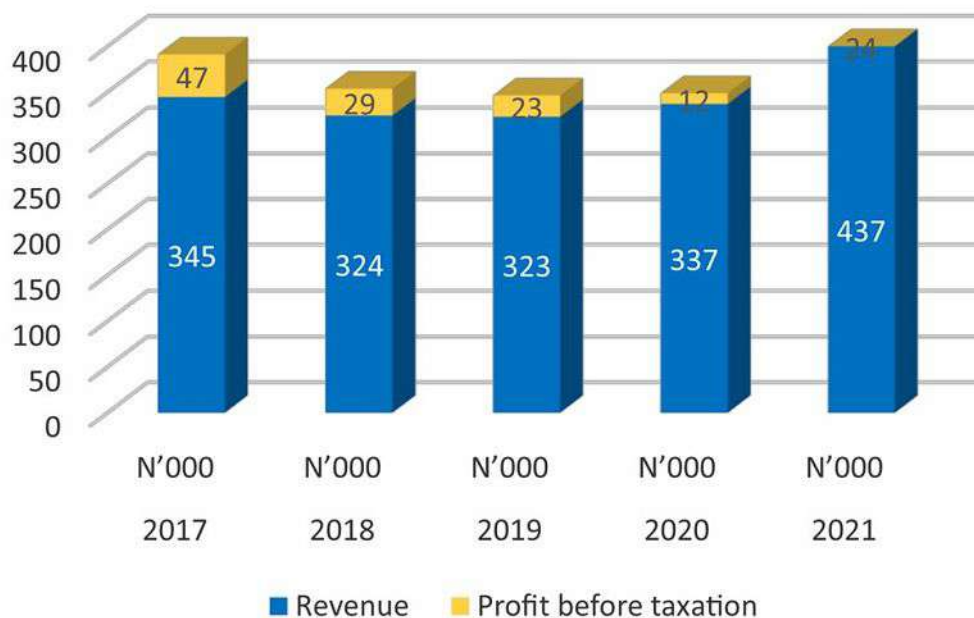
(c) Group Five-Year Financial Summary

	2021 N'000	2020 N'000	2019 N'000	2018 N'000	2017 N'000
Statement of comprehensive income					
Revenue	437,285,189	337,046,213	323,007,470	324,388,500	344,562,517
Results from operating activities	41,494,274	29,605,001	35,205,600	36,951,548	57,121,060
Profit before taxation	23,701,140	11,576,545	23,351,754	29,421,952	46,630,058
Profit for the year	12,671,959	7,368,369	16,105,912	19,437,944	33,048,559
Comprehensive income for the year	15,756,264	6,725,189	19,210,206	17,964,868	31,598,881
Ratios					
Earnings per share (kobo)	161	92	201	243	413
Share price at year end (Naira)	50	56	59	86	135
Declared dividend per share (kobo)	109	176	233	373	358
Dividend coverage (times)	1.48	0.53	0.86	0.65	1.15
Net assets per share (kobo)	2,137	2,016	2,098	2,086	2,230
Statement of financial position					
Employment of Funds					
Property, plant and equipment	257,216,814	213,412,133	201,907,332	203,492,850	195,230,394
Right-of-use assets	12,520,277	42,915,964	11,073,782	-	-
Intangible assets	94,334,332	95,272,318	96,465,642	97,135,708	98,277,166
Investments	150,000	150,000	150,000	150,000	150,000
Other receivables	1,134,459	911,375	651,781	662,022	551,862
Prepayments (long-term)	-	-	-	538,187	525,831
Net current liabilities	(152,366,246)	(117,272,178)	(66,999,946)	(53,411,326)	(68,560,125)
Loans and borrowings	(6,831,273)	(39,636,707)	(38,893,313)	(41,127,565)	(8,000,000)
Employee benefits	(10,964,102)	(16,719,748)	(13,434,272)	(16,056,953)	(13,209,837)
Deferred tax liabilities	(23,281,997)	(17,854,115)	(23,171,027)	(24,554,471)	(26,666,864)
Net assets	171,912,264	161,179,042	167,749,979	166,828,452	178,298,427
Funds Employed					
Share capital	4,037,916	3,998,451	3,998,451	3,998,451	3,998,451
Share premium	77,499,797	73,770,356	73,770,356	73,770,356	73,770,356
Share based payment reserve	170,753	214,506	501,557	750,534	748,450
Retained earnings	90,094,911	83,093,100	89,382,366	88,216,674	99,692,668
Non-Controlling Interest	108,887	102,629	97,249	92,437	88,502
	171,912,264	161,179,042	167,749,979	166,828,452	178,298,427

The financial information presented above reflects historical summaries based on International Financial Reporting Standards.

(d) Performance Indicators

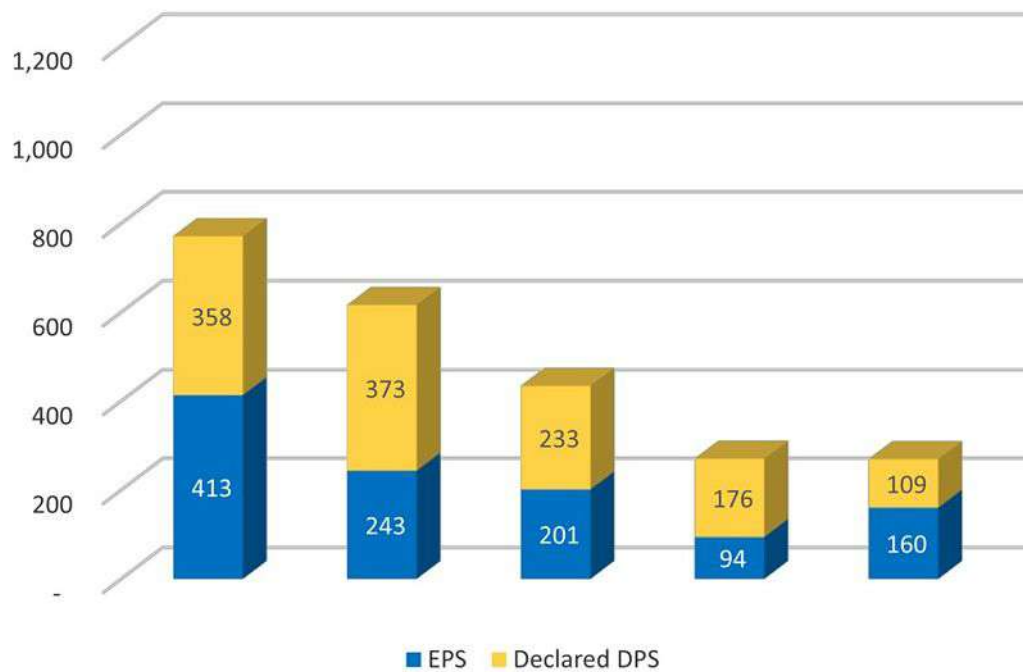
TURNOVER VS PROFIT BEFORE TAXATION (BILLION NAIRA)



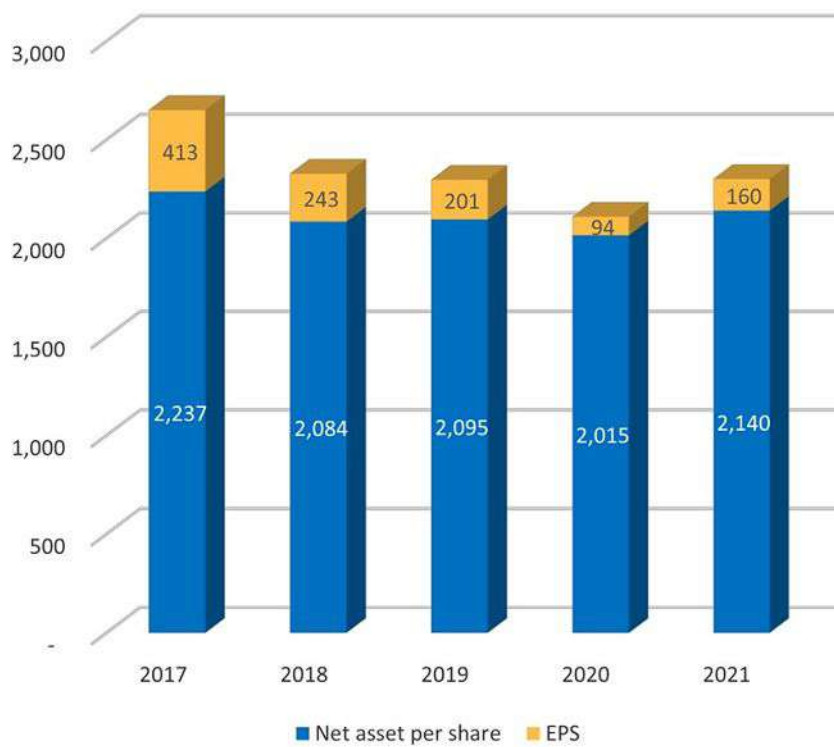
MARKET CAPITALISATION VS SHAREHOLDERS' FUND (BILLION NAIRA)



EARNINGS PER SHARE VS DECLARED DIVIDEND PER SHARE (KOBO)



NET ASSET PER SHARE VS EARNINGS PER SHARE (KOBO)



18+
DRINK RESPONSIBLY



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ENJOY RESPONSIBLY. NOT FOR SALE TO PERSONS UNDER THE AGE OF 18.

Shareholders' Information

(a) Substantial Interest in Shares:

According to the Register of Members, the following shareholders held more than 5% of the issued share capital of the Company on 31st December, 2021.

Shareholder	Number of Shares	Percentage
Heineken Brouwerijen B.V.	3,074,655,845	38.07
Distilled Trading International B.V.	1,254,041,196	15.53
Stanbic Nominees Nigeria Limited	966,512,462	11.97
Total	5,295,209,503	65.57

(b) Statistical Analysis of Shareholding

(i) The issued and fully paid-up Share Capital of the Company as at 31st December, 2021 was 8,075,831,900 Ordinary Shares of 50 kobo each. According to the Register of Members, the same three companies listed in the last paragraph above, held more than 10% of the Issued Share Capital as at 31st December, 2021. The remaining 2,780,622,397 shares (representing 34.43%) were held by other individuals and institutions.

(ii) The Registrars advised that the range of shareholding as at 31st December, 2021, was as follows:

Range	No. of Holders	Holders%	Units	Units%
1 - 1000	47,034	42.43	21,026,673	0.26
1001 - 5000	30,534	27.54	76,830,784	0.95
5001 - 10000	9,417	8.49	69,420,711	0.86
10001 - 50000	17,405	15.70	423,910,909	5.25
50001 - 100000	4,278	3.86	306,529,603	3.80
100001 - 500000	1,840	1.66	357,457,233	4.43
500001 - 1000000	181	0.16	127,708,588	1.58
1000001 - 5000000	126	0.11	237,178,581	2.94
5000001 - 10000000	10	0.01	74,840,779	0.93
10000001 - 50000000	18	0.02	486,965,529	6.03
50000001 - 100000000	4	0.00	325,509,548	4.03
100000001 - 8075831900	9	0.01	5,568,452,962	68.95
	110,856	100.00	8,075,831,900	100.00

Shareholders' Information (Cont'd)

(c) Share Capital history

Date	Increase	Cumulative	Increase	Cumulative	
Jan 1976	-	8,000,000	-	6,100,000	Cash
June 1976	1,150,000	9,150,000	3,050,000	9,150,000	Scrip (1:2)
Feb 1977	9,150,000	18,300,000	9,150,000	18,300,000	Scrip (1:1)
Feb 1978	3,660,000	21,960,000	3,660,000	21,960,000	Scrip (1:5)
July 1979	7,320,000	29,280,000	7,320,000	29,280,000	Scrip (1:3)
June 1980	7,320,000	36,600,000	7,320,000	36,600,000	Scrip (1:4)
June 1981	9,150,000	45,750,000	9,150,000	45,750,000	Scrip (1:4)
June 1983	11,437,750	57,187,000	11,437,500	57,187,500	Scrip (1:4)
June 1986	28,593,750	85,781,250	28,593,750	85,781,250	Scrip (1:2)
June 1990	28,593,750	114,375,000	28,593,750	114,375,000	Scrip (1:3)
June 1993	114,375,000	228,750,000	114,375,000	228,750,000	Scrip (1:1)
June 1995	228,750,000	457,500,000	228,750,000	457,500,000	Scrip (1:1)
June 1999	305,000,000	762,500,000	305,000,000	762,500,000	Scrip (2:3)
June 2000	737,500,000	1,500,000,000	182,225,000	944,725,000	Conversion
Dec 2001	-	-	570,000	945,295,000	Conversion
June 2002	500,000,000	2,000,000,000	945,294,827	1,890,589,827	Scrip (1:1)
June 2000	-	-	12,000	1,890,601,827	Conversion
June 2001	-	-	39,000	1,890,640,827	Conversion
June 2004	2,000,000,000	4,000,000,000	1,890,640,827	3,781,281,170	Scrip (1:1)
May 2012	-	4,000,000,000	71,046	3,781,352,216	Merger
Dec 2014	-	4,000,000,000	183,198,228	3,964,550,444	Merger
June 2017	1,000,000,000	5,000,000,000	33,990,582	3,998,451,026	Scrip Dividend
June 2021	-	5,000,000,000	39,464,924	4,037,915,950	Scrip Dividend

(d) Scrip/Bonus shares

Date Issued	Ratio
19-Jun-76	One for two
26-Feb-77	One for one
25-Feb-78	One for five
11-Jul-79	One for three
28-Jun-80	One for four
19-Jun-81	One for four
29-Jun-83	One for four
25-Jun-86	One for two
27-Jun-90	One for three
30-Jun-93	One for one
28-Jun-95	One for one
30-Jun-99	Two for three
27-Jun-02	One for one
30-Jun-04	One for one

Shareholders' Information (Cont'd)

(e) Shareholding pattern and free float declaration

	31 st December, 2021		31 st December, 2020	
	Units	% (issued share capital)	Units	% (issued share capital)
Issued Share capital	8,075,831,900	100.00%	7,996,902,051	100.00%
Substantial Shareholdings (5% and above)*				
Heineken Brouwerijen B.V.	3,074,655,845	38.07%	3,034,100,564	37.94%
Distilled Trading International B.V.	1,254,041,196	15.53%	1,237,500,160	15.47%
Total Substantial Shareholdings	4,328,697,041	53.60%	4,271,600,724	53.41%
Directors' Shareholding (direct and indirect, excluding directors with substantial interest)				
Chief. Kola B. Jamodu (Direct)	874,065	0.01%	796,704	0.01%
Mrs. Ifueko Omoigui Okauru, MFR (Direct)	35,992	0.00%	35,992	0.00%
Mr. Rob Kleinjan (Direct)	19,302	0.00%	19,302	0.00%
Mrs. Adeyinka O. Aroyewun (Direct)	1,687	0.00%	1,666	0.00%
Total Directors' Shareholdings	931,046	0.01%	853,664	0.01%
Other Influential Shareholdings				
Heineken International B.V.	220,193,862	2.73%	217,289,465	2.72%
The Nigerian Breweries-Felix Ohiwerei Education Trust Fund	25,101,680	0.31%	25,451,680	0.32%
Progress Trust (CPFA) Limited	3,262,000	0.04%	2,488,000	0.03%
Government and Institutional shareholdings	54,804,721	0.68%	54,351,952	0.68%
Total Other Influential Shareholdings	303,362,263	3.76%	299,581,097	3.75%
Free Float in Units and Percentage	3,442,841,550	42.63%	3,434,125,490	42.94%
Free Float in Value (in Naira)	172,142,077,500		202,613,403,910	

*While Stanbic Nominees Nigeria Limited held 11.97% of the Company's shares as at 31st December 2021, these shares are held on behalf of various shareholders. Consequently, the shares are considered as free floats and available for trading on the floor of The NGX.

Shareholders' Information (Cont'd)

(f) Dividend Overview

Members are hereby informed that Nigerian Breweries Plc declared the following dividends in the last twelve years:

	Dividend No.	Profit after Taxation (N'000)	Dividend (N'000)	Dividend per Share (kobo)	Date approved
2010	95 (Interim)		8,696,497	115	19th May, 2010
2010	96	30,332,118	9,453,203	125	18th May, 2011
2011	97	38,408,846	22,687,687	300	16th May, 2012
2012	98	38,042,714	22,668,113	300	15th May, 2013
2013	99	43,080,349	34,032,170	450	14th May, 2014
2014	100 (Interim)		9,453,381	125	22nd October, 2014
2014	101	42,520,253	27,751,853	350	13th May, 2015
2015	102 (Interim)		9,514,921	120	21st October, 2015
2015	103	38,059,684	28,544,763	360	11th May, 2016
2016	104 (Interim)		7,929,101	100	26th October, 2016
2016	105	28,396,777	20,457,080	258	3rd May, 2017
2017	106 (Interim)		7,996,902	100	25th October, 2017
2017	107	33,009,292	25,030,303	313	20th April, 2018
2018	108 (Interim)		4,798,141	60	25th October, 2018
2019	109	19,401,169	14,603,028	243	17th May, 2019
2019	110 (Interim)		3,998,451	50	25th October, 2019
2020	111	16,104,763	12,075,322	151	23rd June, 2020
2020	112 (Interim)		1,999,226	25	29th October, 2020
2021	113	7,517,088	5,517,862	69	22nd April, 2021
2021	114 (Interim)		3,230,333	40	29th October, 2021

(g) Unclaimed dividend warrants and share certificates.

We hereby notify our numerous shareholders that some dividends arising from the list above have remained unclaimed as per our records. Also, a number of share certificates have been returned to us as unclaimed because the addresses on them could not be traced or the Shareholders did not collect them from the Post Office in good time. The affected shareholders are hereby requested to contact the Registrar, First Registrars and Investor Services Limited, No 2 Abebe Village Road, Iganmu, P.M.B. 12693, Marina, Lagos, Nigeria.

Major Customers

1	A O Amuta & Sons Trading Co Ltd	51	J. Jocas Company Nigeria Limited
2	A S Yakubu & Sons Nig Ltd	52	J. Ogungbola & Sons Ltd.
3	A.B.B Kofar Marke General	53	J.O. Azubogu & Co Nig Ltd
4	Abikka Trading Company Limited	54	Jb Ent
5	Adeleke Mary Oluwafunmilayo Venture	55	Jekok Nigeria Limited
6	Ajike Trading Stores	56	Joacson Multi Concept Ltd.
7	Amanchuks Ventures Co. Nigeria Ltd.	57	K.C. Investment Nigeria Limited
8	Anaebio Global Services Limited	58	Kele Geo & Sons Limited
9	Anason Associates Nigeria Limited	59	Ken Maduakor Group Ltd.
10	Andy Global Services	60	King Paddy Investment Company Ltd.
11	Ashade Joseph	61	Lexican Investment Limited
12	Auscatec Merchants Ltd	62	M.O. Nkala Nigeria Limited
13	Austino Enterprises	63	Magulf Global Enterprises
14	Aust-Verly And Sons Nigeria Limited	64	Malexchilo Global Ltd.
15	Bolaji Karounwi	65	Marcellinus And Brothers Elite Ltd
16	Bufa Investment Company Ltd.	66	Marshal General Merchants Nig. Ltd.
17	Bumzer Classic Multi Ventures Ltd.	67	MCM Ltd.
18	Business Ventures Limited	68	Modafe Global Resources Nigeria
19	C.N. Anyoha And Sons Limited	69	Modupe Stores
20	Cele O Que Enterprises Nig. Ltd	70	Mommoreoluwa Nig. Ltd.
21	Chibidon Authentic Prize Ventures	71	Moses & Kossy Nig. Enterprise
22	Chibros Multi Resources Ltd.	72	Nathan Ofoma And Sons Limited
23	Chidi Ndupu Enterprises Limited	73	Ngozi Global Stores Ltd.
24	Chrisemua And Sons Nigeria Ltd.	74	O-Fage Ent Nig. Ltd.
25	Chuks & UC Nwaubani Investment Ltd.	75	Oficon Nigeria Limited
26	De Chimax Enterprises Nigeria	76	Ogedegbe Abunukeke And Sons Nigeria
27	Eja Golden Motel Ltd.	77	Olat Multi Mega Business Nig. Ltd.
28	Ejike Okolie	78	Omotayo Stores
29	Elma-Paul Logistics Ltd.	79	Onike Stores Limited
30	Emma- Star Enterprises Nig Ltd	80	P.N. Dibor And Company Ltd.
31	Enoba and Sons Enterprises	81	Paddyman Nigeria Limited
32	Ensik Global Ventures	82	Patrick Telford
33	Eso-Penco Inter	83	Pauline-Chimex Nigeria Limited
34	Etigwam Nigeria Ltd.	84	R N Okeke & Sons
35	Eze Libra Limited	85	R.A.Olaiya Limited
36	Festus & Sade (Nigeria) Limited	86	Rayd Global Solution Ltd.
37	Fidelity Structures Ltd	87	Redemption Resources International
38	Fortunes Renaissance Enterprises	88	Rephil (Nig.) Ltd.
39	Franklouse Nig Ltd	89	Retail Supermarkets Nig. Ltd
40	G A Dike And Sons Ltd	90	Rithcharley and Sons Ventures
41	Glopet Resort Ltd	91	Rommy & Bros
42	God's Love International Services &	92	Sammy Mautin Nig. Ltd
43	Hotel De James	93	Senna Atlantic Limited
44	Ifejiofor and Sons	94	Skyward Resources Ltd.
45	Ifekwesi Ventures Limited	95	Steve Imafidon & Sons Limited
46	Ifeoma Chukwuka Nig. Ltd.	96	Tasho Nig. Ltd
47	Immaculate Suite and Apartment Ltd	97	Thames Aghedo Enterprises Ltd.
48	Innovation Era Nigeria Limited	98	Thompson Global Links Ltd.
49	Isimemene Okoh Business Venture	99	Timercy Heritage Ltd
50	J. C. Moghalu & Sons Nigeria Ltd.	100	Tina U and Associate Ltd.

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DRINK RESPONSIBLY

ENJOY YOUR REWARD

Enjoy Williams



WHERE THERE'S A
WILL...



Not for Persons Under the Age of 18.

E-DIVIDEND FORM

To:

The Registrar
First Registrars and Investor Services Limited
2, Abebe Village Road, Iganmu
P.M.B. 12692
Lagos, Nigeria.

Only Clearing Banks are acceptable

I/We hereby request that from now on, all dividend warrant(s) due to me/us from my/our holding(s) in **NIGERIAN BREWERIES Plc**, be paid directly to my/our Bank named below.

Shareholder's Full Name:
Surname first

Shareholder's Address:

Shareholder's E-mail:

Shareholder's GSM Number:

Single Shareholder's Signature: _____

Joint Shareholders'/Company Signatures:

(1) _____

(2) _____

Company Seal: _____

Name of Bank:

Branch Address of Bank:

Bank Account No.

Bank Sort Code:

Bank Authorised Signatures & Stamp:

(1) _____

Please include Page No.

(2) _____

Please include Page No.



Proxy Form



Nigerian Breweries Plc

RC: 613

76TH ANNUAL GENERAL MEETING to be held in the Grand Banquet Hall, Civic Centre, Ozumba Mbadiwe Road, Victoria Island, Lagos State, on **Friday, 22nd April, 2022 at 10a.m.**

I/WE*
(Name of Shareholder)

of

..... being a member/members of NIGERIAN BREWERIES Plc hereby appoint (please see Note ii below for the list of proxies).

or failing him/her, the Chairman of the Meeting, as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 22nd April, 2022.

Dated this..... day of, 2022.

Shareholder's signature

*Delete as necessary.

Notes:

- In view of the Covid-19 pandemic and the need to ensure public health and safety, this Annual General Meeting will be held by Proxy. Thus, this Proxy Form has been prepared to enable Shareholders exercise the right to vote despite not being physically present at the Meeting.
- Members may appoint a proxy of their choice from the following persons: (a) Chief Kolawole B. Jamodu, CFR; (b) Mr. Hans Essaadi; (c) Mrs. Adeyinka O. Aroyewun; (d) Mr. Asue Ighodalo (e) Mr. Rob Kleinjan (f) Chief Timothy Adesiyun; (g) Mr. Matthew Akinlade; (h) Mr. Nornah Awoh; (i) Mr. Boniface Okezie; (j) Mrs. Bisi Bakare; (k) Alhaja Sarata Balogun and (l) Mr. Obinna Michael Nwosu.
- Please sign this Proxy Form and post or deliver it to reach the address overleaf or send via e-mail to info@firstregistrarsnigeria.com or ebusiness@firstregistrarsnigeria.com or mynbshares@heineken.com not later than **10.00 a.m. on the 20th of April, 2022.**
- If executed by a Corporation, the form must be sealed with the Common Seal or under the hand of an officer or attorney duly authorised.
- The proxy must produce the Admission Card issued by the Registrar to obtain entry to the meeting.
- The Company shall bear the cost of the stamp duty payable on this Proxy Form.

No. of Shares			
Resolutions	For	Against	Abstain
To declare a dividend.			
To re-elect Chief Kolawole B. Jamodu, CFR as a Director.			
To re-elect Mrs. Ifueko Omoigui Okauru, MFR as a Director.			
To re-elect Mr. Roland Pirmez as a Director.			
To approve the appointment of Mr. Hans Essaadi as a Director.			
To approve the appointment of Mrs. Juliet Anammah as a Director.			
To approve the appointment of Mr. Asue Ighodalo as a Director.			
To approve the appointment of Mrs. Yeliz Yedikardesler as a Director.			
To authorise the Directors to fix the remuneration of the Independent Auditor.			
To elect members of the Audit Committee.			
To fix the remuneration of the Directors.			
To renew the general mandate for related party transactions.			
To approve a share for cash dividend election option.			

Please indicate with an "x" in the appropriate box how you wish your votes to be cast on the resolutions referred to above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

SECOND FOLD HERE

FIRST FOLD HERE

Please affix
postage stamp

First Registrars and Investor Services Limited
2, Abebe Village Road
Iganmu
P.M.B. 12692
Marina, Lagos

THIRD FOLD HERE AND INSERT

★ ★ ★
STAR

SHINING WITH POSITIVE VIBES



