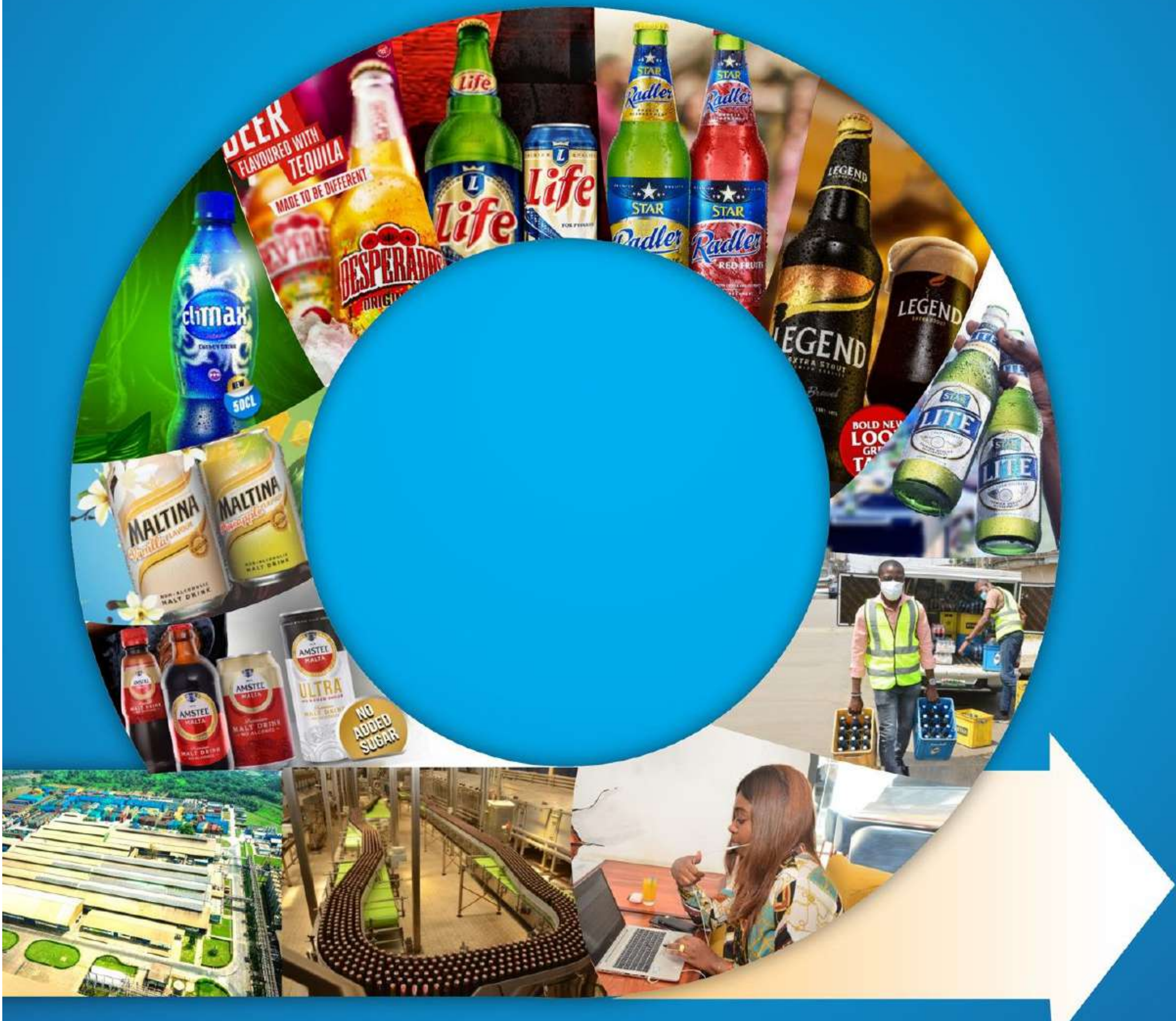
Nigerian Breweries Plc
RC: 613

2020
Annual Report & Accounts



Resilient Spirit, Innovative Brands

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

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VISION, MISSION STATEMENT AND CORE VALUES

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; 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 Following the coming into effect of the now repealed Companies and Allied Matters Act in 1990, the name of the company was changed to "Nigerian Breweries Plc" to reflect its public limited liability status.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 the Kudenda, Kaduna 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 Kaduna. 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, an extension of the Amstel Malta brand – Amstel Malta Ultra, a variant of the Star Radler brand – Star Radler Red Fruits and Desperados, another 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, some parts of Africa and parts of 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) in 1973. As at 31st December, 2020, it had a market capitalisation of approximately ₦448 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 (ICSAN) 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

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

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

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

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

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

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

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

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

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

Sales Offices and Distribution Centres

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

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

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

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

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

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

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

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

Warri Sales Office
Kilometre 6, NPA Expressway
Ekpan, Effurun,
Warri

Jos Sales Office
1B, Gold and Base Junction
Rayfield, Jos

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

Makurdi Distribution Centre
Km 5, Gboko Road
Makurdi, Benue State

Uyo Sales Office
Plot 4, De Line
Ewet Housing Estate
Uyo

DIRECTORS AND OTHER CORPORATE INFORMATION

Directors:

Chief Kolawole B. **Jamodu,** CFR	-	Chairman
Mr. Jordi **Borrut Bel** (Spanish)	-	Managing Director/CEO
Mrs. Adeyinka O. **Aroyewun**	-	Non-Executive
Mr. Oluseyi T. **Bickersteth** *(Died-03/03/21)*	-	Non-Executive
Mr. Sijbe (Siep) **Hiemstra** (Dutch)	-	Non-Executive
Mr. Rob **Kleinjan** (Dutch)	-	Finance Director
Mrs. Ndidi O. **Nwuneli,** MFR	-	Non-Executive
Mrs. Ifueko M. Omoigui **Okauru,** MFR	-	Non-Executive
Mr. Roland **Pirmez** (Belgian)	-	Non-Executive
Mr. Steven L.M. **Siemer** (Dutch)	-	Non-Executive

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

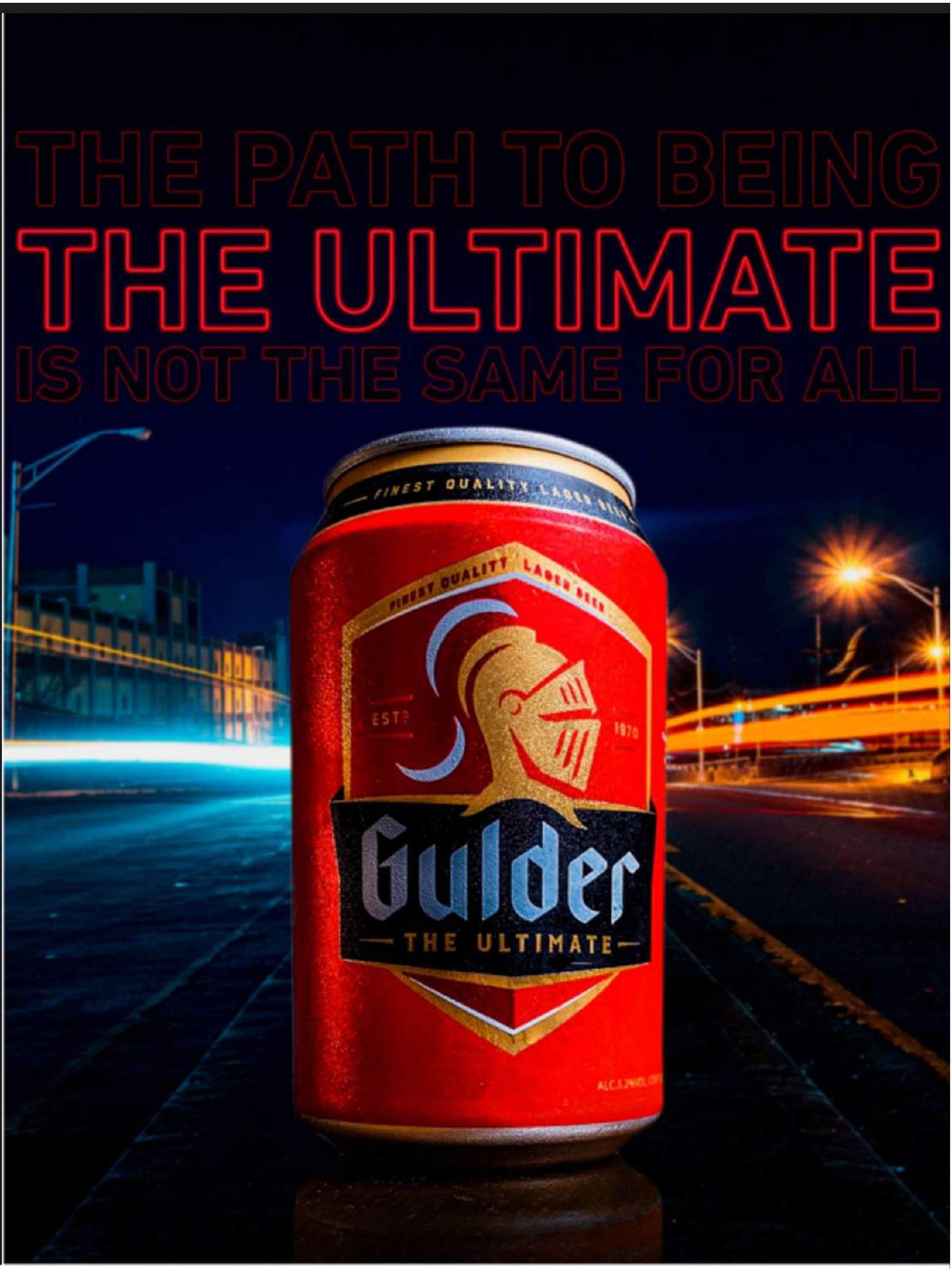
Board and Corporate Governance Appraiser
DCSL Corporate Services Limited
235, Ikorodu Road, Ilupeju, Lagos
Tel: 0809038186
www.dcsl.com.ng

COMPANY RESULTS AT A GLANCE

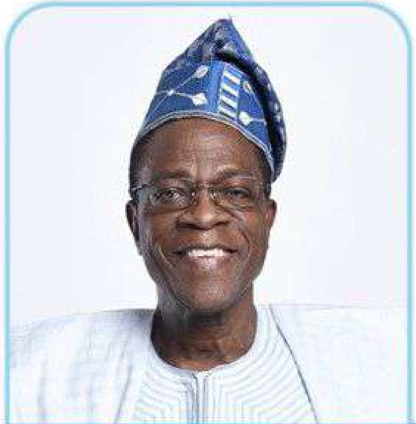
	2020	2019	% Change
In millions of Naira			
Net Revenue	337,006	323,002	4.3
Results from operating activities	29,818	35,255	(15.4)
Profit for the year	7,526	16,105	(53.3)
Declared dividend*	14,075	18,633	(24.5)
Share capital	3,998	3,998	-
Total equity	161,151	167,565	(3.8)
Data per 50 kobo share in Kobo			
Earnings	94	201	(53.2)
Declared dividend*	176	233	(24.5)
Net Assets	2,015	2,095	(3.8)
Dividend per 50 kobo share in respect of current year results only (in kobo)			
Interim dividend declared	25	50	(50.0)
Final dividend proposed**	69	151	(37.8)
Stock Exchange Information			
Stock Exchange quotation in Naira per share	56	59	(5.1)
Number of shares issued	7,996,902	7,996,902	-
Market capitalisation in ₦: million	447,827	471,817	(5.1)
Number of employees	2,990	3,102	(3.6)
Ratios			
Declared dividend coverage (Earnings per share / declared dividends per share)	0.53	0.86	(38.4)
Current assets/current liabilities	0.44	0.52	(15.4)
Interest coverage Interest coverage (Results from operating activities/interest expense)	1.62	2.89	(43.8)

NOTE: * Declared dividend represents the final dividend per share proposed for the preceding year (151 kobo) but declared in the current year and the interim dividend per share declared during the year (25 kobo).

**The Directors propose a final dividend of 69 kobo per share (2019: 151 kobo per share) based on the issued share capital of 7,996,902,051 ordinary shares of 50 kobo each subject to approval by the shareholders at the Annual General Meeting fixed for 22nd April, 2021.


THE PATH TO BEING
THE ULTIMATE
IS NOT THE SAME FOR ALL
FINEST QUALITY LAGER BEER
EST
1970
Gulder
THE ULTIMATE

BOARD OF DIRECTORS


Chief Kolawole B. Jamodu, CFR
Chairman

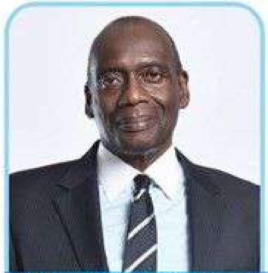

Mr. Jordi Borrut Bel
Managing Director/CEO


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


Mr. Steven L.M. Siemer
Non-Executive


Uaboi G. Agbebaku, Esq.
Company Secretary


Mr. Rob Kleinjan
Finance Director


Mr. Oluseyi T. Bickersteth (Deceased)
Non-Executive


Mrs. Ndidi O. Nwuneli, MFR
Non-Executive


Mr. Sijbe (Siep) Hiemstra
Non-Executive


Mrs. Adeyinka O. Aroyewun
Non-Executive


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 of the Institution. He is also a Consultant to, and has affiliations with other reputable companies in Nigeria.

Mr. Jordi Borrut Bel
Managing Director/CEO

Mr. Jordi Borrut Bel was appointed the Managing Director/CEO and a member of the Board of Directors effective the 22nd of January, 2018.

Mr. Borrut Bel joined the Heineken N.V. Group in 1997 as a Sales Representative at Heineken Spain. He has held various commercial positions, first as Distribution Project Manager in Slovakia and thereafter as Brand Manager at Heineken France followed by a Trade Marketing role at Group Commerce in Amsterdam. He returned to Heineken Spain first as the Regional Sales Director, later the On-Premise National Sales Director and subsequently the On-Premise Sales and Distribution Director.

Mr. Borrut Bel was, until his appointment to his current position in NB, the Managing Director of Brarudi SA, Burundi.

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 33 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. Oluseyi T. Bickersteth *(Deceased)*
Non-Executive Director

Mr. Bickersteth became a member of the Board of Directors effective the 1st of January, 2019.
Mr. Bickersteth was a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Taxation of Nigeria (CITN). He was once the Chairman of the KPMG Africa Practice as well as a former National Senior Partner of the Nigerian Practice. He was the Chairman of Andersen Tax, Africa and a member of its Global Board of Directors. He also sat on the Board of other companies in Nigeria.
Mr. Bickersteth chaired a working group on "Nigerian Tax Reforms 2002 & Beyond" for the Federal Government of Nigeria. He served on the working group on Nigeria's Vision 2020 as well as on the Technical Committee of the Federal Government of Nigeria that prepared the Petroleum Industry Bill (PIB).

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 and 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

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 O. 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; and Alliance for a Green Revolution in Africa.

Mrs. Ifueko M. Omoigui Okauru, MFR
Independent 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 Central Securities Clearing System Plc, ReStraL Ltd, Seplat Petroleum Development Company Plc and MTN Nigeria Communications 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 Heineken N.V. 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 Regional Finance Director for Africa, Middle East and Eastern Europe 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. Jordi Borrut Bel
Managing Director/CEO

Mrs. Sade Morgan
Corporate Affairs Director

Mr. Martin Kochl
Supply Chain Director

Uaboi G. Agbebaku Esq.
Company Secretary / Legal Director

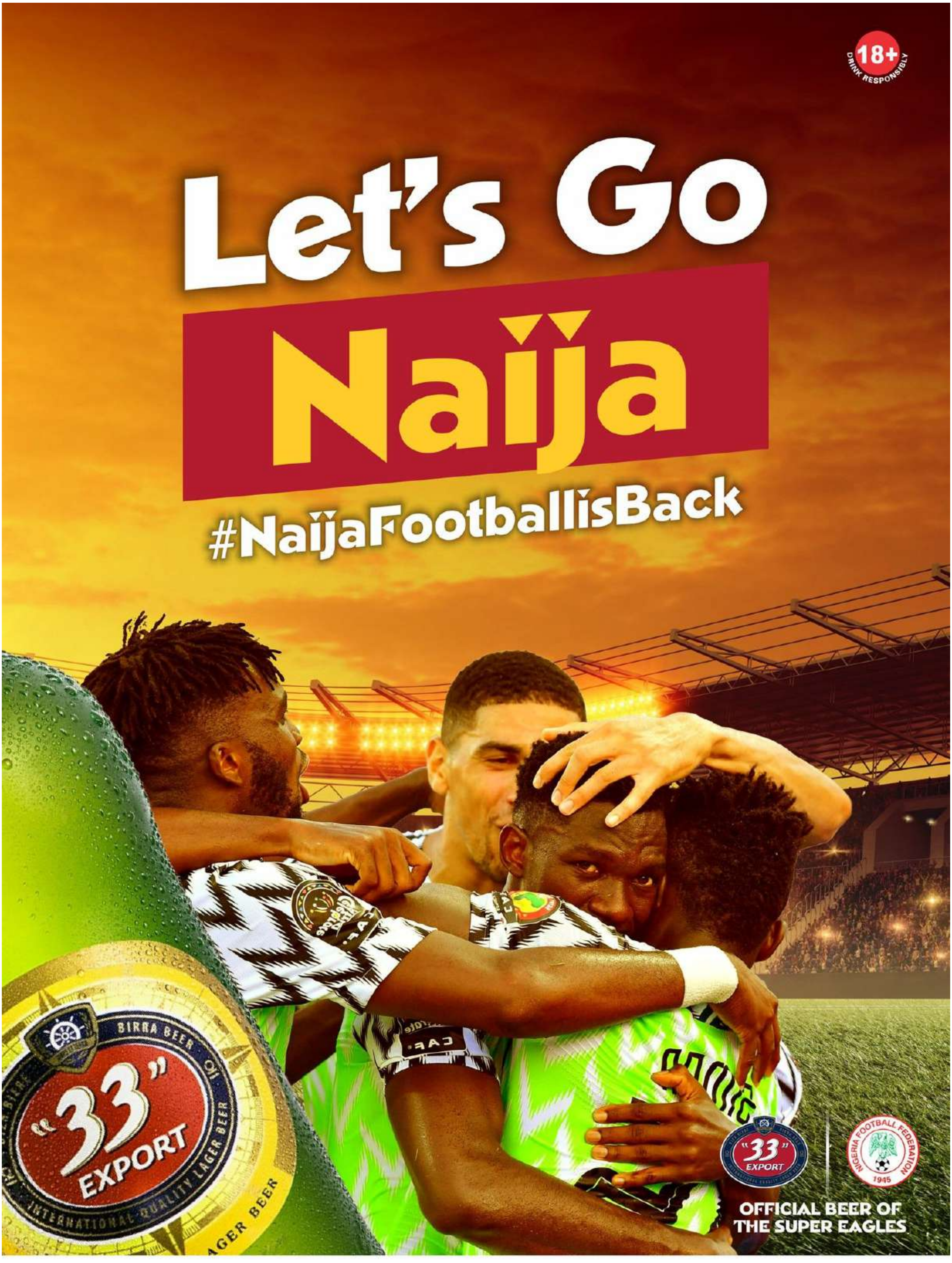
Mrs. Grace Omo-Lamai
Human Resource Director

Mr. Emmanuel Oriakhi
Marketing Director

Mr. Rob Kleinjan
Finance Director

Mrs. Philomena Aneke
Digital and Technology Director

Mr. Uche Unigwe
Sales Director


18+
DRINK RESPONSIBLY
Let's Go
Naija
#NaijaFootballisBack
BIRRA BEER
"33" EXPORT
INTERNATIONAL QUALITY LAGER BEER
OFFICIAL BEER OF
THE SUPER EAGLES
NIGERIA FOOTBALL FEDERATION
1945

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 75th Annual General Meeting of Nigerian Breweries Plc ("the Company") will be held in the Shell Nigeria Hall, Muson Centre, 8/9 Marina, Onikan, Lagos State on **Thursday, 22nd April 2021** at 10.00 a.m. for the following purposes:

A ORDINARY BUSINESS

1 To present to the Meeting, the Financial Statements for the year ended the 31st of December, 2020 and the Reports of the Directors, the Independent Auditor and the Audit Committee.

2 To declare a dividend.

3 To re-elect Directors.

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 2020, 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 pari-passu 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, 2021;

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 (starting on the 11th of March, 2021) of the Company's closing share price on the floor of The Nigerian Stock Exchange."

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 17th of February, 2021.

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
Due to the Covid-19 pandemic and in compliance with the Coronavirus Disease (Covid-19) Health Protection Regulations 2021 issued by the Federal Government of Nigeria, limiting the maximum number of persons at a gathering (not more than 50 persons), **attendance at this Annual General Meeting (AGM) shall be by Proxy only.** The Company has obtained the approval of Corporate Affairs Commission to hold the AGM using Proxies in line with the "Guidelines on Holding of Annual General Meetings (AGM) of Public Companies Using Proxies".

Shareholders are required to appoint a proxy of their choice from the list of proxies contained in the blank Proxy Form included in the 2020 Annual Report and Accounts. To be valid for the AGM, a duly completed Proxy Form must be received in the office of the Registrars, 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 **Tuesday, the 20th of April, 2021.**

The Company has made arrangements for Stamp Duty to be paid on the proxy forms, at the Company's cost.

(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
A total dividend of ₦7,517,087,928 (Seven Billion, Five Hundred and Seventeen Million, Eighty Seven Thousand, Nine Hundred and Twenty Eight Naira only), that is, 94 (Ninety Four) Kobo only per ordinary share of Fifty (50) kobo each. The total dividend is comprised of an interim dividend of ₦1,999,225,513 (One Billion, Nine Hundred and Ninety Nine Million, Two Hundred and Twenty Five Thousand, Five Hundred and Thirteen Naira only), that is, 25 (Twenty Five) Kobo per share which had earlier been paid and a final dividend of ₦5,517,862,415 (Five Billion, Five Hundred and Seventeen Million, Eight Hundred and Sixty Two Thousand, Four Hundred and Fifteen Naira only), that is, 69 (Sixty Nine) Kobo per share.

If the proposed final dividend of ₦5,517,862,415 (Five Billion, Five Hundred and Seventeen Million, Eight Hundred and Sixty Two Thousand, Four Hundred and Fifteen Naira only); that is, 69 (Sixty Nine) 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 23rd of April, 2021, to Shareholders whose names appear on the Company's Register of Members at the close of business on the 10th of March, 2021. The Register will be closed from Thursday, 11th March 2021 to Wednesday, 17th March, 2021 (both dates inclusive) for the purpose of updating the Register.

(e) GENERAL MANDATE
In line with The Nigerian Stock Exchange ("NSE") 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 a general mandate to the Company at prior AGMs to enable it enter into related party transactions for the Company's day-to-day operations.

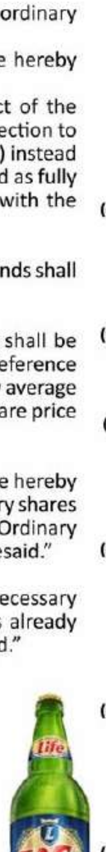
(f) SHAREHOLDERS' RIGHT TO ASK QUESTIONS
A Shareholder has the right to ask questions prior to the AGM. Such questions should be submitted in writing to the Company Secretary not less than a week before the date of the AGM via the email address: mynbshares@heineken.com.

(g) ELECTRONIC VERSION OF THE ANNUAL REPORT AND ACCOUNTS
Electronic version (e-copy) of the 2020 Annual Report and Accounts will be made 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 for approval, a right for qualifying shareholders 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.



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

CHAIRMAN'S ADDRESS

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

My dear fellow Shareholders, distinguished ladies and gentlemen, it is with excitement that I, on behalf of the Board of Directors ("the Board"), welcome you once again to another Annual General Meeting ("AGM") of our great Company, Nigerian Breweries Plc. It is equally my privilege to present to you this Address and our Annual Report and Accounts for the year ended 31st December 2020.

As is customary, I will take you through a quick review of the operating environment with impact on businesses and on our performance as a Company in 2020, the year under review, as well as a brief outlook for 2021.

The Operating Environment in 2020

The year 2020 was a unique one, not just for us as a Company, but also for the entire world – people, businesses and Governments. The Corona Virus or Covid-19 pandemic hit the world with massive disruptions in so many ways. The major focus of everyone and especially Governments in 2020 was being alive and keeping people alive.

While the health impact of the pandemic on Nigeria may not have been as heavy as it was for most other parts of the world, the impact on business was nevertheless huge. With focus on health and safety of the populace, the economy and business considerations took the backstage especially in the first half of the year. Total lockdown, imposition of curfew and restriction of movements became necessary steps that the Government took to curtail the spread of Covid-19. Industries mostly hit were manufacturing, hospitality, restaurants and bars, tourism, aviation and trade. With support from the private sector, including our Company, the Federal Government took steps to provide succour to the poor and needy through the provision of palliatives. The Government subsequently put in place an Economic Sustainability Programme with a view to mitigating the impact of the pandemic on the economy.

After about three years of recovery, the Nigerian economy went into another recession in the course of 2020. The impact of the pandemic on global oil demand which led to fall in crude oil prices, and the containment measures put in place to curtail the spread of Covid-19, contributed to the recession. By the end of the fourth quarter however, the country had exited from the recession. Information from the National Bureau of Statistics showed that the Gross Domestic Product (GDP) shrunk by 1.92%, compared to the 2.27% growth recorded in 2019. The non-oil sector, driven by growth in the information and communication sector and the agriculture sector, contributed 91.84% to the GDP. Inflation rose to 12.8%, from 11.4% a year before, mainly due to higher food prices, removal of fuel subsidy and higher energy tariffs.

In the money market, the Central Bank of Nigeria ("CBN")

CHAIRMAN'S ADDRESS (Cont'd)

sustained the policy of lowering the interest rates, with deposit rates falling drastically. As part of the Government's Economic Sustainability Programme in the light of Covid-19, credit facilities were made available to small and medium scale businesses at almost single digit while other businesses were also given the opportunity to access CBN-backed credit facilities for capital expenditures. A continued lowering of lending rates will lead to positive impact for businesses. The Foreign Exchange ("Forex") situation deteriorated in the course of the year with the exchange rate of the Naira against the Dollar being officially adjusted on more than one occasion in the Investors' & Exporters' Forex Window. Further, availability of Forex for transactions with overseas partners and suppliers became a course of major concern to businesses. Importation of raw and packaging materials was a bottleneck for the manufacturing sector due to lack of Forex. At certain periods during the year, we ran out of key imported input production materials due to the Forex issue.

The Nigerian capital market was a bright light in the midst of the gloom that pervaded the economy in 2020. From being ranked as one of the worst performing markets in Africa in 2019, The Nigerian Stock Exchange ("NSE") All Share Index emerged as the best performing index in the world with a one-year return of more than 50%. According to The NSE, the performance was influenced by renewed investor confidence in the later part of the year, low yield income in the money market and the reopening of the economy in the second half of the year. The NSE equity market capitalisation grew by 62.42%, from ₦12.97 trillion in 2019 to ₦21.06 trillion in 2020.

The Brewed Product Market

The brewed product market was one of the sectors most hit by the outbreak of Covid-19 and the measures taken to curtail the spread. This was felt more in the Second Quarter of the year due to restriction of movements, closure of restaurants and bars, shutdown of the hospitality industry and ban on social activities. The total sector recorded a double-digit decline in Revenue and increase in cost, leading to a Net Loss in the Second Quarter of 2020 (April to June). Following the gradual re-opening of the economy in the second half of the year, activities picked up resulting in volume growth across the sector at the end of the year. The volume growth was however impacted by high input cost.

Review of Operations

Covid-19 forced on businesses, new ways of working and new norms. Our Company was not an exception.

Following the outbreak of the pandemic, we focused our attention on the health, safety and general well-being of our people, on business continuity and on support for the community. Our activities were carried out with extra attention on the health and safety of not just our people, but also that of our business partners including suppliers and customers. Personal protective equipment as well as constant communication and awareness programmes were made available to all employees to ensure they remained safe. Programmes were also put in place to offer support to employees in dealing with the anxieties and trauma that came with the pandemic as well as the social unrest that came with the EndSars situation. Although Covid-19 led to job losses across the country and the world, the Company (as part of the HEINEKEN group) ensured that no employee was made jobless in 2020 because of the pandemic.

The pandemic caused us to scale down our consumer facing commercial activities in the course of the year. Nevertheless, we did not stop investing in our brands. At the tail end of the year, we added a tequila flavoured beer, ***Desperados*,** to our portfolio. The product comes in a bottle and a can offering. We also launched ***Star Radler Red Fruits*,** alongside a new label for the already existing *Star* ***Radler Citrus***. A 45cl bottle offering was added to ***Star Lite*** while ***Life Continental lager*** was relaunched in a new label. ***Legend Extra Stout*** was relaunched in a new label and with a reformulated liquid for a smoother drinking experience. The malt category was not left out as we launched ***Amstel Malta Ultra*** and relaunched the ***Amstel Malta* classic** in a new label. *Maltina Pineapple* and ***Maltina Vanilla* flavours** were added to the portfolio of brands. We relaunched ***Climax Energy*** drink by adding a 50cl PET offering to the brand.

As part of our support for the entertainment industry, ***Amstel Malta*** was the headline sponsor of the **2020 *Africa Magic Viewers' Choice Awards*.** Although Covid-19 made it impossible to have the usual consumer activations for the *Heineken®* sponsored UEFA Champions' League, the brand was able to leverage on the electronic media to connect with its loyal consumers in the re-arranged 2020 edition of the soccer event.

Covid-19 equally gave us the opportunity to expand our Route-to-Market and fast track our e-commerce drive. We strengthened our relationships with online vendors in ensuring that our products got to our teeming consumers wherever they were. We introduced Telesales to make it easier and faster to reach our customers while also increasing our activities in the growing off-premise channels. We took advantage of the online medium to connect regularly with our consumers, both in terms of advertising and in keeping them informed of developments around the brands. The importance of digital and technology to the future of our business led to the creation of a Digital & Technology function within the business in the course of the year.

CHAIRMAN'S ADDRESS (Cont'd)

We sustained investment in other aspects of our operations and processes during the year under review. In December of 2020, we commissioned a PET packaging line at our Ijebu Ode Brewery. We were privileged to have with us for the commissioning ceremony, the Executive Governor of Ogun State, Prince Dr. Dapo Abiodun and the Honorouble Minister of Industry, Trade & Investment, Otunba Niyi Adebayo. Investing in all aspects of our operations as well as our facilities will help us to continue to meet the expectations of our consumers on product quality as well as the expectations of our other stakeholders in various aspects of our business.

Notwithstanding the pandemic, our commitment to people development remained as strong as before. We create innovative ways of engaging employees on training and development, taking advantage of technology. In 2020, we trained more than two thousand five hundred employees on various skills - functional, leadership or soft. The HEINEKEN N.V. expatriation programme continued with twenty-six Nigerians engaged in different HEINEKEN operations at the end of the year. I am pleased to inform our Shareholders that our former Head of Digital & Business Transformation, Mrs. Chidum Ayeni, was promoted and appointed the Managing Director of Brarudi S.A., the HEINEKEN operating company in Burundi. With this appointment, she becomes the first female African to head any HEINEKEN operation in any part of the world. Mrs. Philomena Aneke, who had been on international assignment with HEINEKEN in Amsterdam, returned in the course of the year as the Director of the newly formed Digital & Technology Department. We cannot appreciate HEINEKEN N.V. enough for the expatriation opportunity that also allows us to benefit from the expertise and experience of expatriates that are seconded to Nigeria.

Sixty-three young Nigerians graduated from the manpower development programme we run in collaboration with the Industrial Training Fund and the Nigeria Employers' Consultative Association. The programme, which commenced in 2010, continues to provide technical work force to the industrial sector in the areas of computer technology, mechanical engineering and automation.

In addition to joining the private sector to support Governments at the Federal and State levels in the fight against the pandemic through financial and material support, our people in the various locations across the country came together to provide material support to their immediate communities to help cushion the economic impact of Covid-19 on those communities. For more on our sustainability and other social intervention initiatives in 2020, please see pages 42 and 43 of the Annual Report and Accounts.

2020 was another year of recognition for us. The Advertisers Association of Nigeria (ADVAN) honoured us with the *ADVAN Community Hero Award* for laudable initiatives in support of communities during Covid-19. Our ***Maltina*** Happiness campaign received an award in the film category from the *Pitcher Awards*, a Pan African award to recognise outstanding creativity in any part of the continent. In addition, we received an Excellence award from ThisDay Newspapers while our corporate Affairs team won the *Best Corporate Communications Team* in the 2020 Lagos PR Industry Gala Awards.

Company Results

Buoyed by the gradual reopening of the economy coupled with the collective drive of all our employees, we ended the year with a Net Revenue of **₦337 billion**, being 4% higher than the **₦323 billion** recorded in 2019. However, due to the huge pressure on cost arising from inflation and devaluation of the Naira, the Results from Operating Activities (Operating Profit) was **₦30 billion** that is, 15% lower than the **₦35 billion** recorded in 2019. Similarly, a much higher Net Finance Cost in 2020 led to a 53% reduction in the Profit After Tax ("PAT") compared to 2019. The PAT for 2020 was **₦7.5 billion** as against **₦16 billion** in 2019.

Dividend & Election for Shares Instead of Cash Dividend

Fellow Shareholders, arising from the above results, the Board is pleased to recommend for your approval, the payment of a total dividend of **₦7,517,087,928** (Seven Billion, Five Hundred and Seventeen Million, Eighty Seven Thousand, Nine Hundred and Twenty Eight Naira only), that is, 94 (Ninety Four) Kobo per share for the 2020 financial year. Recall that the Board had in October 2020, approved the payment of an interim dividend of ₦1,999,225,513 (One billion, Nine Hundred and Ninety Nine Million, Two Hundred and Twenty Five Thousand, Five Hundred and Thirteen Naira only) that is 25 kobo per share. The final dividend therefore will be **₦5,517,862,415** (Five Billion, Five Hundred and Seventeen Million, Eight Hundred and Sixty Two Thousand, Four Hundred and Fifteen Naira only), that is, 69 (Sixty-Nine) Kobo per share. If approved, the final dividend will be subject to deduction of withholding tax at the appropriate rates and would be paid on the **23rd of April, 2021** to Shareholders recorded in the Register of Members as at close of business on the **10th of March, 2021.**

Still on the final dividend, the Board is also recommending for your 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. 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

CHAIRMAN'S ADDRESS (Cont'd)

as the cash, which would otherwise be paid out as dividends, would be retained by the Company for working capital purpose. As you can see from the results, high financing cost led to reduction in our Profit After Tax in 2020 and so, every effort to reduce that cost should be supported. Further details on the election for share option are contained in the Explanatory Notes sent as part of the Annual Report and Accounts.

I want, again, to use this opportunity to call on affected Shareholders who have not signed on to 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 may be. 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

Fellow Shareholders, the change we recorded in the Board since the last AGM is a painful one. We lost one of our Directors, Mr. Oluseyi Bickersteth; he died on the 3rd of March, 2021. May his soul rest in peace and may God grant his family the strength to bear the loss.

In line with the provisions of our Articles of Association, three Directors are due for retirement and re-election at the forthcoming AGM. They are, Mrs. Adeyinka O. Aroyewun, Mr. Rob Kleinjan and Mr. Steven L.M. Siemer. Being eligible and willing, they have offered themselves for re-election.

Looking Ahead: 2021

Operating Environment

The Federal Government's budget for 2021 was approved and passed into law in 2020. This is the second year running that the Executive and the National Assembly have collaborated to achieve this great feat. We look forward to this process being sustained in the future, as an early approval of the budget would help the Government to execute its plans for the overall interest of the country. Accompanying the budget are stimulus measures in the Economic Sustainability Plans and the Finance Act, 2020 that are meant to boost non-oil revenues.

With the roll out of vaccines, we expect that more economies would open up and that there would be recovery in crude oil prices and production. With the reopening of the country's land borders, the expectations are that there would be increased access to input and the easing of pressure on prices and inflation. The International Monetary Funds has projected a GDP growth of 1.5% for the country in 2021.

Rising insecurity however remains a downside with impact on agriculture and other social activities. Challenges with getting materials out of the ports, Forex issues, high unemployment, poverty and growing inequality remain major challenges with impact on businesses.

Conclusion

On behalf of the Board, Management and other employees, I thank you, our esteemed Shareholders for your support and encouragement during the year, 2020; it was an unbelievable year. We look forward to your continuing support so that together we can continue to keep our Company on top.

We appreciate our parent company, HEINEKEN N.V., for the immeasurable support that we continue to receive. Without their support, we would not be here today; we cannot thank them enough.

To every other stakeholder that contributed in one way or the other to our operations in the year gone by, I appreciate you - our transporters, distributors/customers, consumers, suppliers, agencies, professional advisers, the Government (and agencies of Government) at all levels and our host communities. Thank you.

To my fellow Board Members, the Management Team and employees at all levels, thank you for the sacrifices made in the course of a difficult and unparalleled year.

Above all, I give glory to God.

Thank you and God bless you.

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


Own the flavour
MALTINA
Vanilla FLAVOUR
CALCIUM
NON-ALCOHOLIC
MALT DRINK
MULTI-VITAMIN ENRICHED
MALTINA
Pineapple FLAVOUR
NON-ALCOHOLIC
MALT DRINK
TRY NEW
VANILLA & PINEAPPLE

DIRECTORS' REPORT

Mr. Jordi Borrut Bel
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, 2020.

1. **Legal Status**
   Nigerian Breweries Plc, a public company quoted on The Nigerian Stock Exchange, 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 when the Companies and Allied Matters Act of that year (now repealed) came into effect. 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, 2020.

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 and became fully operational during the year under review. Its financial position has been consolidated in these financial statements.

7. **Review of Operations**
   In 2020, the performance of the Company was adversely affected by a challenging operating environment including the Covid-19 pandemic with impact on health and the economy. A summary of the results for the year is shown below:

	2020	2019	% Change
	₦' million	₦' million	
Net Revenue	337,006	323,002	4.3
Results From Operating Activities	29,818	35,255	(15.4)
Profit Before Taxation	11,708	23,327	(49.8)
Taxation	(4,182)	(7,222)	42.1
Profit after Tax	7,526	16,105	(53.3)

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 **₦7,517,087,928** (Seven Billion, Five Hundred and Seventeen Million, Eighty Seven Thousand, Nine Hundred and Twenty Eight Naira only), that is, 94 (Ninety Four) Kobo only per ordinary share of Fifty (50) kobo each. The total dividend is comprised of an interim dividend of **₦1,999,225,513** (One Billion, Nine Hundred and Ninety Nine Million, Two Hundred and Twenty Five Thousand, Five Hundred and Thirteen Naira only), that is, 25 (Twenty Five) Kobo per share which had earlier been paid and a final dividend of **₦5,517,862,415** (Five Billion, Five Hundred and Seventeen Million, Eight Hundred and Sixty Two Thousand, Four Hundred and Fifteen Naira only), that is, **69 (Sixty Nine) Kobo** per share.

If the proposed final dividend of **₦5,517,862,415** (Five Billion, Five Hundred and Seventeen Million, Eight Hundred and Sixty Two Thousand, Four Hundred and Fifteen Naira only); that is, 69 (Sixty Nine) 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 **23rd of April, 2021,** to Shareholders ("Qualifying Shareholders") whose names appear on the Company's Register of Members at the close of business on the **10th of March, 2021.**

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, 2021. 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 Nigerian Stock Exchange, starting on the 11th of March, 2021.

9 Shareholding, Substantial Shareholders and Free Float Declaration

The issued and fully paid-up Share Capital of the Company as at 31st December, 2020 was 7,996,902,051 Ordinary Shares of 50 kobo each. The Register of Members shows that three companies: Heineken Brouwerijen B.V. holding 37.94%, Distilled Trading International B.V. holding 15.47% and Stanbic Nominees Nigeria Limited holding 11.37 % held more than 10% of the Company's issued share capital as at the said date. The remaining 35.22 % 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, 2020. Heineken Brouwerijen B.V. and Distilled Trading International B.V. are part of the Heineken N.V. Group.

The Company has a free float value of ₦191.79 billion as at 31st December, 2020. The Company complied with The Nigerian Stock Exchange's free float requirement for companies listed on the Main Board. The details of the Free Float are on page 132 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 134 of this Annual Report and Accounts.

11 Board of Directors

The composition of the Board of Directors is as shown on page 5 hereof. The Board is at present made up of seven (7) Non-Executive Directors (including the Chairman) and two (2) Executive Directors.

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 Mrs. Adeyinka O. Aroyewun, Mr. Rob Kleinjan and Mr. Steven L.M. Siemer.

12 Statement of Directors' Responsibilities

The Directors accept responsibility for the preparation of the annual financial statements set out on pages 53 to 126 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 made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the years ahead.

DIRECTORS' REPORT (Cont'd)

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 Nigerian Stock Exchange, is as follows:

Name	As at 17th February, 2021	As at 31st December, 2020	As at 31st December, 2019
Chief Kolawole B. Jamodu, CFR	796,704	796,704	766,704
Mr. Jordi Borrut Bel	Nil	Nil	Nil
Mrs. Adeyinka O. Aroyewun	1,666	1,666	1,666
Mr. Oluseyi T. Bickersteth	Nil	Nil	Nil
Mr. Sijbe (Siep) Hiemstra	Nil	Nil	Nil
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

(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.

16 Property, Plant and Equipment

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

17 Gifts and Donations

In 2020, the Company made gifts and donations amounting to ₦634,547,453 (2019: ₦94,767,679) as follows:

Beneficiary/Project	Naira
Ijebu-Ode Scholarship Scheme	1,000,000
Ijako/Ishaka Ota Community Women Empowerment Programme	10,000,000
Awo-Omamma Youth Empowerment Programme - Phase 2	1,000,000
Awo-Omamma Community Scholarship Scheme	999,025
Ugo's Touch of Life Foundation - Enugu	2,000,000
Umuezeani Community Scholarship and Bursary Scheme	2,150,000
Abonu-Uzo Community Youth Empowerment Programme - Enugu	10,000,000
Kaduna Youth Empowerment Programme	9,967,500
Sponsorship Scheme for Kakuri and Kudenda Communities in Kaduna	1,859,200
Surulere Youth Empowerment Project/Societal Intervention Needs Program	1,497,600
COVID-19 Intervention Donations to Government and the Nigeria Centre for Disease Control	578,949,083
COVID-19 Intervention Palliatives to Host Communities	15,125,045
	634,547,453

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.

DIRECTORS' REPORT (Cont'd)

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 activities which included provision of vehicles for contact tracing and donation of personal protective equipment to different states across the country. 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.

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.

DIRECTORS' REPORT (Cont'd)

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 and the Community Involvement Policy 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 are on page 42 and 43.

(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.

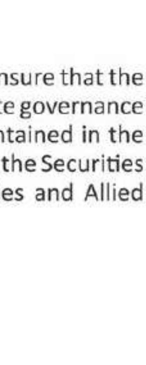
When an employee is engaged in carrying out a task on behalf of the Company and that employee has a factual or potential private interest in the outcome of the task, which is contrary to the best interests of the Company or is substantial enough to affect the employee's unbiased judgment, the Company 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 the Companies and Allied Matters Act, 2020.

(a) The Board of Directors

The Board of Directors is made up of seven (7) 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. Adeyinka O. Aroyewun; Mrs. Ndidi O. Nwuneli; MFR and Mrs. Ifueko M. Omoigui Okauru, MFR. The Board has a formal guideline and process for appointment of persons as Directors and this was updated in the year under review to bring the procedure in line with modern corporate governance trends.



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. The record of attendance at the scheduled meetings by the current Directors is set out below:

DIRECTORS' REPORT (Cont'd)

	12/02/20	22/04/20	30/07/20	29/10/20	09/12/20
Chief Kolawole B. **Jamodu**, CFR	P	P	P	P	P
Mr. Jordi **Borrut Bel**	P	P	P	P	P
Mrs. Adeyinka O. **Aroyewun**	P	P	P	P	P
Mr. Oluseyi T. **Bickersteth**	P	P	P	P	P
Mr. Sijbe (Siep) **Hiemstra**	P	P	P	P	P
Mr. Rob **Kleinjan**	P	P	P	P	P
Mrs. Ndidi O. **Nwuneli**, MFR	P	P	P	P	P
Mrs. Ifueko M. **Omoigui Okauru**, MFR	P	P	P	P	P
Mr. Atedo N.A. **Peterside**, CON	P	N.A.	N.A.	N.A.	N.A.
Mr. Roland **Pirmez**	P	P	A	P	P
Mr. Steven L.M. **Siemer**	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.

The Board also had four (4) unscheduled special meetings during the year to, amongst others, provide support to Management in navigating the business through the Covid-19 pandemic.

(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:

		11/02/20	29/07/20	28/10/20
Mr. Atedo N.A **Peterside**, CON*	Chairman (Previous)	P	N.A.	N.A.
Mrs. Ndidi O. Nwuneli MFR	Chair (Current)	P	P	P
Mr. Sijbe (Siep) Hiemstra	Member	P	P	P

*In the course of the year (before the last AGM), Mr. Peterside resigned from the Board and ceased to be part of the Committee.

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

(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:

		21/04/20	08/05/20	29/07/20	28/10/20	09/12/20
Mr. Roland **Pirmez**	Chairman	P	P	P	P	P
Mrs. Adeyinka O. **Aroyewun**	Member	P	P	P	P	P
Mrs. Ifueko M. **Omoigui Okauru**, MFR	Member	P	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 three (3) Directors' representatives. See page 46 for membership of the Committee.

The record of attendance at the Committee's meetings during the year is as follows:

	11/02/20	29/06/20	29/07/20	09/12/20
Chief Timothy A. **Adesiyan**	P	P	P	P
Mr. Oluseyi T. **Bickersteth**	P	P	P	P
Mazi Samuel C. **Mpamaugo**	P	P	P	P
Mr. David O. **Oguntoye**	P	P	P	P
Mrs. Ifueko M. **Omoigui Okauru**, MFR	P	P	P	P
Mr. Steven L.M. **Siemer**	P	P	P	P

(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 at the formal ExCo meetings during the year under review is set out below:

Name	Role	No. of Meetings	No. Attended
Mr. Jordi **Borrut Bel**	Managing Director/CEO	13	13
Mrs. Philomena **Aneke**	Digital and Technology Director	2*	2
Mrs. Chidum **Ayeni**	Head, Digital and Business Transformation	5**	4
Mr. Rob **Kleinjan**	Finance Director	13	10
Mr. Martin **Kochl**	Supply Chain Director	13	12
Mrs. Sade **Morgan**	Corporate Affairs Director	13	11
Mrs. Grace **Omo-Lamai**	Human Resource Director	13	12
Mr. Emmanuel **Oriakhi**	Marketing Director	13	12
Mr. Uche **Unigwe**	Sales Director	13	11
Uaboi G. **Agbebaku**, Esq.	Company Secretary/Legal Director	13	13

* After she became a member of the Committee
** While she was a member of the Committee

(f) 2020 Board / Corporate Governance Evaluation

In line with the NCCG, the Board engaged the firm of DCSL Corporate Services Limited ("DCSL") to undertake a Board Evaluation exercise for the year 2020. The firm also undertook a Corporate Governance audit of the Company as part of the exercise. A summary of DCSL's findings are contained on page 41 of this Annual Report and Accounts.

Based on the results of the Corporate Governance audit of the Company carried out by DCSL, the Board is satisfied that the Company has substantially complied with the requirements of the NCCG. The Board is committed to ensuring that the identified areas of improvement are addressed promptly and exhaustively.

(g) Regulations for Dealing in Shares

In compliance with The Nigerian Stock Exchange Listing Rules, 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

DIRECTORS' REPORT (Cont'd)

of the Regulations when dealing in the Company's shares and securities. The Company regularly notifies The Nigerian Stock Exchange 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.

(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 for one another and the environment, 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 Evaluation of the impact of Covid-19

The Coronavirus (Covid-19) pandemic had an impact on the economy and by implication, on the Company during the year under review. Our priority remained protecting the health, safety and welfare of employees, customers and partners. We regularly monitored and evaluated the Company's financial position and performance in the light of the pandemic; our Balance Sheet remained strong. The focus of the Board and Management was on mitigating the impact of the pandemic on the business.

23 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.

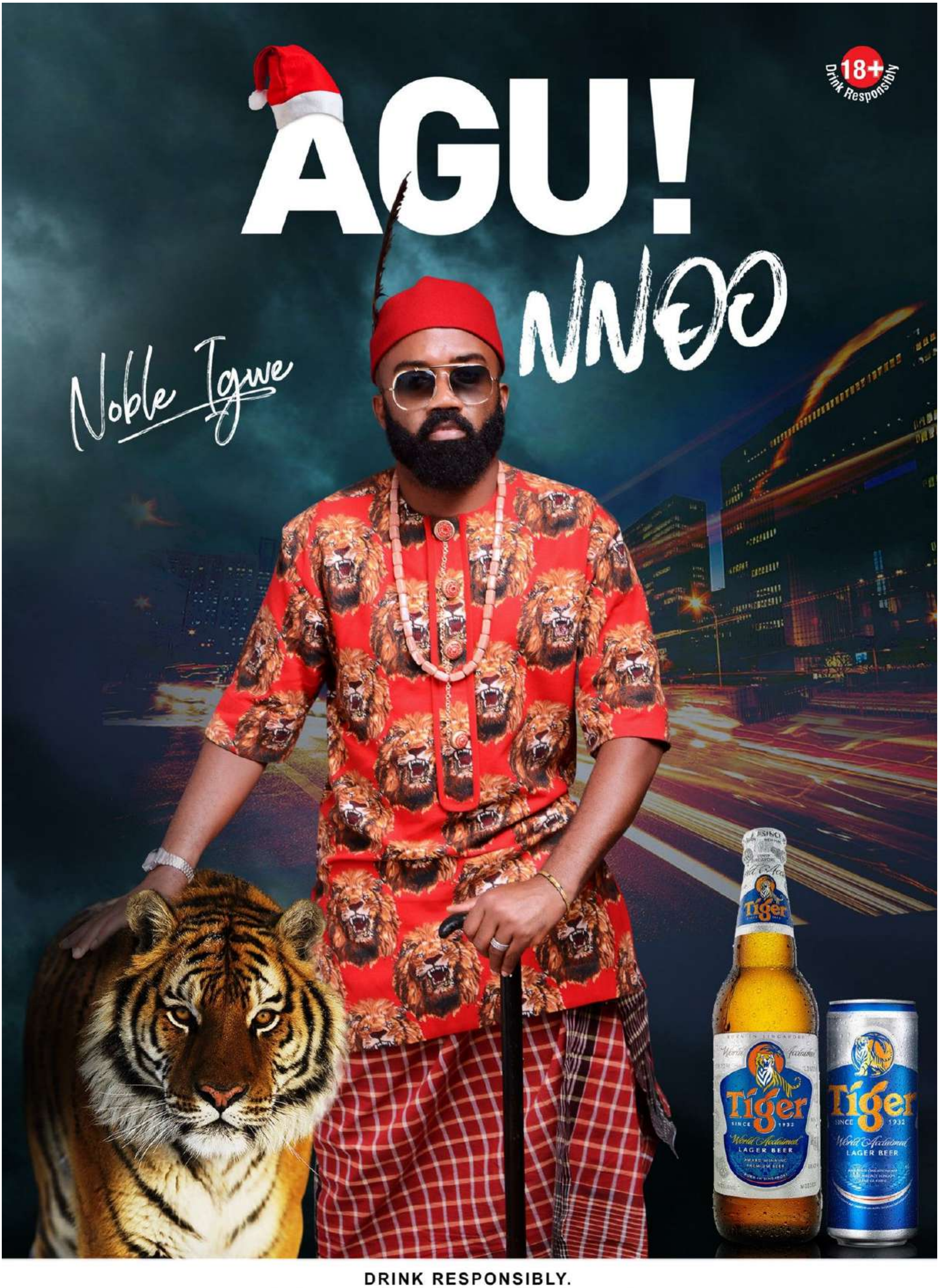
Dated the 17th day of February, 2021.

By Order of the Board.

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

Iganmu House
Abebe Village Road
Iganmu, Lagos, Nigeria

CGRS Better For Business RATED


AGU!
NNOO
Noble Igwe
18+
Drink Responsibly
Tiger
World Acclaimed
LAGER BEER
SINCE 1932

Managing Director / CEO, NB Plc, Jordi Borrut Bel and Sales Director, NB Plc, Uche Unigwe with the Top 3 winners of the 2020 NB Plc's Distributors Award: Jimoh Ogungbola (1st Runner-Up); Kenneth Maduakor (National Volume Champion) and Odiaka Christian (2nd Runner-Up).

Managing Director / CEO, NB Plc, Jordi Borrut Bel, Supply Chain Director, NB Plc, Martin Kochl presenting the National Key Transporter Award to Patrick Azichoba alongside his wife and son during the 2020 NB Plc's Distributors Award in Lagos.

Managing Director / CEO, NB Plc, Jordi Borrut Bel; Head, Corporate Communications, Access Bank Plc, Amaechi Okobi; Corporate Affairs Director, NB Plc, Sade Morgan with other special guests during the 2020 International Women's Day Seminar.

Chairman, NB Plc, Chief Kola Jamodu alongside Top Management Team during the COVID-19 Cheque presentation to the Executive Governor of Lagos State, Mr. Babajide Sanwo-Olu.

N250 million cash donation for the Federal Government while cash donations were also made to Lagos, Kaduna, Oyo, Ogun, Enugu, Abia and Imo State.

Ogun State Deputy Governor/Chairperson, State COVID-19 Taskforce, Engr. Noimot Salako-Oyedele and Ogun State Commissioner, Industry, Trade and Investment, Mrs. Kike Longe receiving double cabin pick-up truck from NB Plc.

Four trucks were also temporarily assigned for use by NCDC in Abuja, Lagos and Kaduna State

Corporate Affairs Manager, Nigerian Breweries Plc, Joy Egolum alongside Lagos Brewery Manager, Nigerian Breweries Plc, Utibe-Abasi Utuk during the presentation of food items and relief materials to indigenes of Iganmu and Ijora communities in Lagos.

74th Annual General Meeting of NB Plc (The first AGM of the Company held by way of Proxy)

Heineken Africa Foundation(HAF)activation

Deputy Provost, College of Medicine, University of Ibadan, Obafunke Denloye receiving the donation of Medical Equipment worth N42 million from NB Plc.

Signing of Memorandum of Understanding (MoU) between NB Plc and Ogun State Government on the Olokemeji Reforestation Project in Abeokuta, Ogun State.

Minister of State for Education, Chukwuemeka Nwajiuba; Commissioner for Education, Lagos State, Folashade Adefisayo with NB Plc's Management Team presenting the cheque to Olubunmi Anani – 2020 Maltina Teacher of the Year.

First Lady of Enugu State, Mrs. Monica Ugwuanyi with the Corporate Affairs Director, NB Plc, Mrs Sade Morgan and other NB Plc's Staff during the Empowerment Programme's Graduation Ceremony in Ama, Enugu State.

Other beneficiary locations include: Awo-Omamma, Ijebu-Ode, Ota and Kaduna.

Courtesy Visit by the Second Runner-Up 2020 Maltina Teacher of the Year, Mrs. Adeeko Folukemi with NB Plc's Team to Ogun State Government House (received by Ogun State Deputy Governor, Engr. Noimot Salako-Oyedele)

Executive Governor of Ogun State, Prince Dapo Abiodun; Minister of Industry, Trade and Investment, Otunba Niyi Adebayo; Chairman, NB Plc, Chief Kola Jamodu with NB Plc's Top Management Team at the commissioning of the Ijebu-Ode PET Line.

Head of Integrated Communications, NB Plc, Uchenna Ibemere receiving the BusinessDay Nigerian Business Leadership Award 2020 on behalf of NB Plc.

:President & Chairman of Council, Nigerian Institute of Public Relations, Mallam Mukhtar Sirajo presenting the Best Corporate Communication Team (Private sector) Award for NB Plc to Corporate Affairs Director, Sade Morgan.

Desperados launch party with party guests, Beverly Osu and Denrele Edun

Fans reconnecting with their favourite past Gulder Ultimate search contestants in the GUS viewers connect

Nollywood star, Toyin Abraham being interviewed at the AMVCA (Africa Magic Viewer's Choice Awards) sponsored by Amstel Malta

Exciting moments shared at the Connect Experience (Valentine Edition)

Consumers sampling the new and exciting Climax

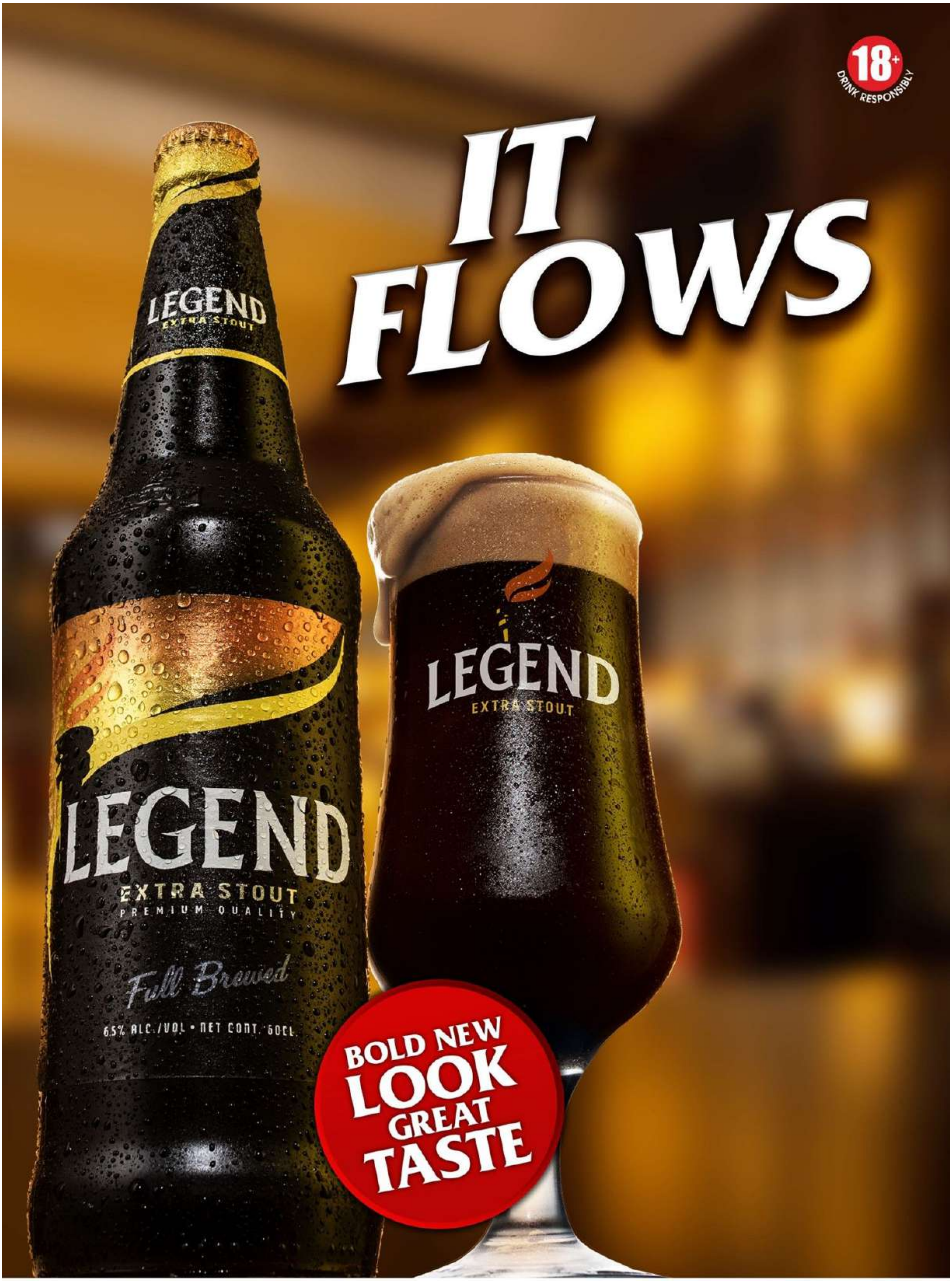
F1 Car Wash party and race viewing with Antonio Sandouk, Winner of the 2020 Lagos Autofest.

Managing Director/CEO, Jordi Borrut Bel with Olaoluwa Babalola (Marketing) and celebrities, Moses Praiz and Uti Nwachukwu at the Press conference on Heineken 2020 campaigns

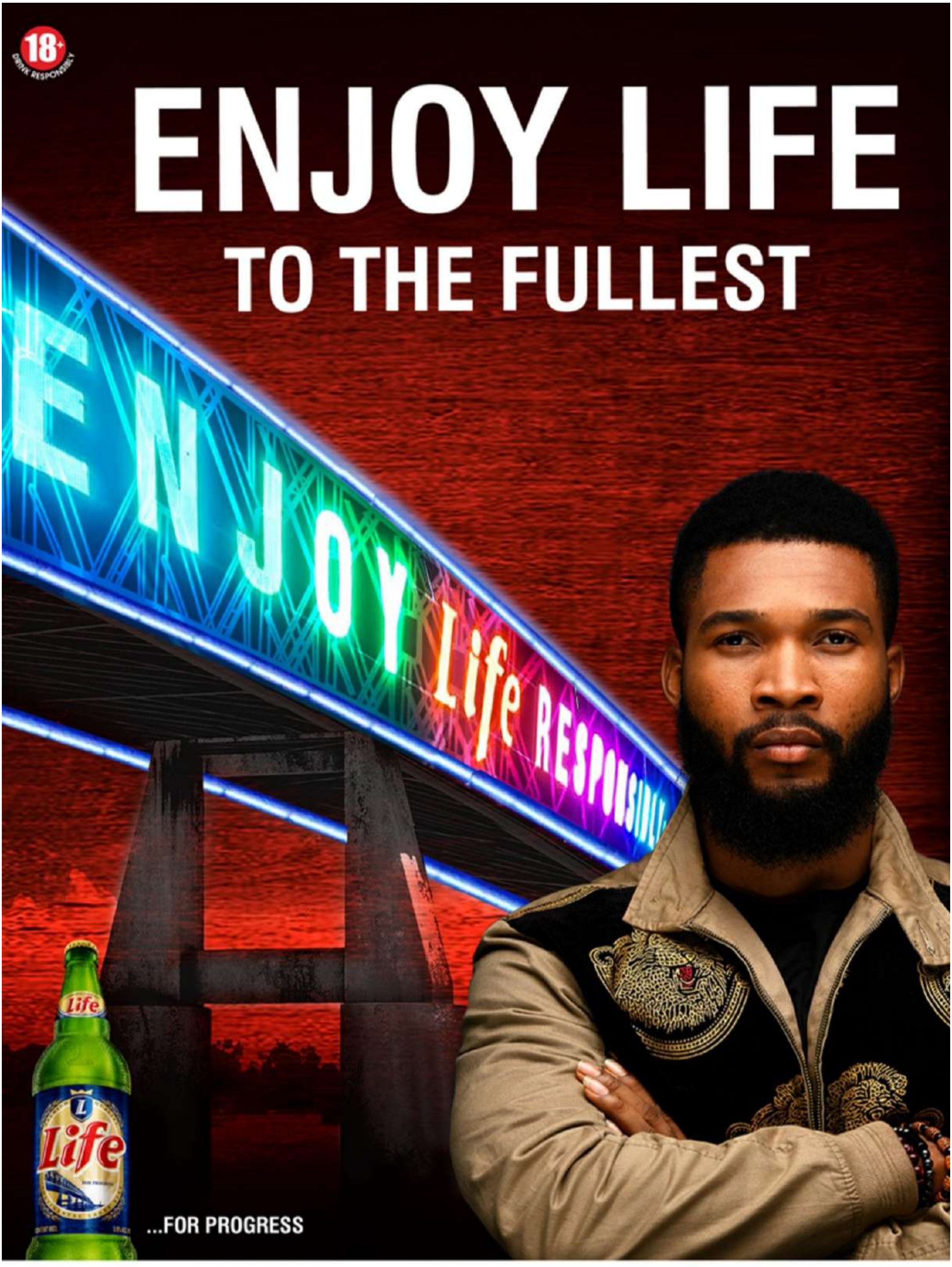
Legend Flow Zone (Home Coming Edition) in Umuahia

Marketing Director, Emmanuel Oriakhi, Sales Director, Uche Unigwe alongside music stars Phyno and Flavour at the relaunch of Life Beer

Overall Best Athlete from the Maltina School Games maiden edition, Ojo Joy - Ijaiye Housing Estate School, Lagos,


18+
DRINK RESPONSIBLY
IT FLOWS
LEGEND
EXTRA STOUT
LEGEND
EXTRA STOUT
PREMIUM QUALITY
Full Brewed
6.5% ALC./VOL • NET CONT. 60CL
LEGEND
EXTRA STOUT
BOLD NEW
LOOK
GREAT
TASTE


Let's Go Higher
Hi-Malt
Vitality • Energy • Refreshment
MULTI-VITAMIN ENRICHED
NON-ALCOHOLIC MALT DRINK 25CL
Hi-Malt
Vitality • Energy • Refreshment
MULTI-VITAMIN ENRICHED
NON-ALCOHOLIC MALT DRINK 33CL
Hi-Malt
Vitality • Energy • Refreshment
MULTI-VITAMIN ENRICHED



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

DCSL Corporate Services Limited
235 Ikorodu Road
Ilupeju, Lagos

P. O. Box 965, Marina
Lagos, Nigeria
Tel: +234 9 1271 7817
www.dcsl.com.ng

Abuja Office:
Statement Hotel, Plot 1002
1st Avenue, Off Shehu Shagari
Way, Abuja

Tel: +234 9 461 4902
RC NO. 352393

February 17th, 2021

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE AUDIT OF NIGERIAN BREWERIES PLC FOR THE YEAR ENDED DECEMBER 31, 2020.

DCSL Corporate Services Limited (DCSL) was engaged by Nigerian Breweries Plc ("Nigerian Breweries") to carry out a performance evaluation of the Board of Directors and a corporate governance compliance audit for the year-ended December 31, 2020 in line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission Regulations, Code of Corporate Governance 2011, The Nigerian Stock Exchange (NSE) Regulations, Companies and Allied Matters Act 2020 (CAMA), as well as global best practices on Corporate Governance.

The appraisal entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us and the administration of questionnaires to Directors.
To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we benchmarked the Company's corporate governance structures, policies and processes against the above-mentioned Codes and regulations as well as global Best Practices and considered the following seven key corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure

The Board has the responsibility for putting in place adequate corporate governance structures and practices and approving policies that will ensure the Company carries on its business in accordance with its Memorandum and Articles of Association as well as in conformity with applicable laws, codes and regulations to guarantee sustainability. Subsequent to the conclusion of the corporate governance audit and the performance evaluation engagements, we confirm that the Board and Company substantially complied with the provisions of the applicable Codes and regulations. In our opinion, the Board and individual Directors have displayed laudable commitment to enhancing the Company's growth, developing, and monitoring corporate strategy to achieve sustainable growth.

The commendable 99% average attendance recorded by Directors at Board meetings held during the period is a clear indication of the dedication and genuine interest of the Board in the Company's affairs and overall success.

We have however observed a few areas requiring the attention of the Board which have been noted in our Reports and have the Board's assurance that these would be addressed.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

2020 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 Brewing a Better World (BaBW) agenda with six focus areas namely; 'Every Drop' - protecting water resources, 'Drop the C' - reducing carbon emissions, Sourcing sustainably, Advocating responsible consumption, Promoting health and safety and Growing with communities. 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.

Given the prevalence of the COVID-19 pandemic in 2020, we experienced unprecedented disruptions to our business operations. It required that we remained resilient and innovative with our company philosophy of 'Winning with Nigeria'. During the lockdown restrictions, we made a commitment to stand with Nigeria and supported efforts to combat further spread of the corona virus. We made a donation of ₦620 million in form of financial support, provision of relief materials, medical supplies, food items, logistics support, and regular supply of our non-alcoholic brands to support the nourishment needs for health workers. These donations were made to the Federal and State Governments, the Nigerian Centre for Disease Control (NCDC), vulnerable groups within our host community and relevant industry partners.

We further prioritised our BaBW focus areas in accordance to our commitment to winning in Nigeria through various sustainability initiatives:

'EVERY DROP' – PROTECTING WATER RESOURCES

Safeguarding our water sources is essential to our business operations. In 2020, we further reduced our water consumption from 4.01hl of water for every hl of beer produced to 3.80 hl/hl. We also signed a memorandum of understanding with the Ogun State government and the International Institute of Tropical Agriculture to reforest 500 hectares of the Olokemeji forest reserve in Abeokuta by planting 600,000 trees in the reserve over the next 10 years in furtherance of our water balancing commitments. We have also commenced the construction of a Wastewater treatment plant in our Awo-Omamma brewery.

'DROP THE C' - REDUCING CARBON EMISSIONS

We have adopted the global HEINEKEN 'Drop the C' sustainability initiative to generate 70% of our energy requirement in the Breweries from renewable energy sources by 2030. We have expanded the use of biogas generated from the anaerobic reactors of our wastewater treatment plants, in our Aba Brewery we generate 6.38MJ/hl produced from biogas, representing 10% of the brewery's thermal energy requirement.

We have also completed the installation of a 650kw Solar Power plant in our Ibadan Brewery via a solar power purchase agreement with Cross boundary Energy. We are now exploring options of generating energy from hydroelectric power sources and biomass utilisation for combined heat & power generation in our breweries. This is part of our commitment to achieve carbon neutrality by 2040. Overall, these energy reduction strategies have brought about reduction in 26% of combined energy use since 2008.

We concluded the year at 94% general waste recycling putting us on track to attain our target of 98% by 2021. Through our collaboration with the Food Beverage and Recycling Alliance (FBRA), over 5.7 million kg of plastic waste were recovered in 2020. In addition, we supported multiple plastic recycling awareness project and the provision of collection bins in 13 schools across Lagos state. Production of over 20,000 pieces of recycled face shields was supported and distributed to essential workers as part of the FBRA's COVID response.

SOURCING SUSTAINABLY

Local sourcing is an important part of our sustainability agenda. We made progress in our drive to achieve 60% sourcing of our raw materials locally. In 2020, we locally sourced 51% of our agricultural raw materials such as sorghum and sorghum maltose syrup. We also sourced 98% of our packaging materials from local sources.

2020 CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT (CONT'D)

GROWING WITH COMMUNITIES

In addition to our COVID-19 support to the government, we also collaborated with our Heineken Africa Foundation to launch a Water and Sanitation Hygiene (WaSH) project. Working with implementation partners WaterAid Nigeria, the project supported with over 500 handwashing facilities, water and targeted hygiene to last mile and vulnerable communities in Bauchi, Oyo, Enugu, Ekiti, Benue and Plateau state.

We also implemented our NB Empowerment Program in several communities across the country. This initiative aimed at developing vocational and entrepreneurial skills amongst women and youth groups in our host communities. Over 1500 beneficiaries were supported in this project; promoting entrepreneurship and reducing unemployment in these communities.

Through The Nigerian Breweries – Felix Ohiwerei Education Trust Fund, we continued our support for the development of the Nigerian educational sector. We organised the sixth edition of our Maltina Teacher of the Year (MTOTY) event. Because of the COVID-19 guidelines on events and gatherings, we opted for a hybrid version of this event with 70% of the participants joining virtually and only 30% physically present. We also awarded overall winners of the competition in four regions on the same day. In total, we celebrated 30 state champions -- the highest since the inception of the programme in 2015. MTOY initiative has so far recognised and rewarded a total of 148 teachers and 6 National Winners across Nigeria.

PROMOTING HEALTH AND SAFETY

Our people are the heartbeat of our organisation and the wellbeing of our employees is important to us. In the bid to ensure their safety during the COVID-19 pandemic, we have initiated a robust Work from Home policy for employees who can work remotely and have supported them with relevant ICT applications. Employees access to the breweries and offices remain restricted, with strict safety protocols in line with NCDC guidelines and best practices. Early on in 2020, our employees received regular communications on through multimedia channels, creative display units, emails and real-time updates on COVID-19. Monthly health and safety webinars moderated by expert resource persons were also organised for staff. We also created feedback channels such as hotlines and a dedicated email address to respond to COVID-19 emergencies and inquiries.

Winning with Nigeria, is not just a mantra to NB Plc. It represents our conviction that our fortunes as a business is tied to the future of our great nation, and as such, where the country wins, we all win.

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, 2020.

b) That the AFS represents the true and correct financial position of our Company as at the said date of 31st December, 2020.

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 com pany as of and for the year ended 31st December, 2020.

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, 2020.

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. Jordi Borrut Bel
Managing Director/CEO
FRC/2018/IODN/00000018359

Mr. Rob Kleinjan
Finance Director
FRC/2019/ANAN/ 00000019433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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, 2020 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. Adesiyan	(Shareholders' Representative)	Chairman
2)	Mazi Samuel C. Mpamaugo	(Shareholders' Representative)	Member
3)	Mr. David O. Oguntoye	(Shareholders' Representative)	Member
4)	Mr. Oluseyi T. Bickersteth (Deceased)	(Directors' Representative)	Member
5)	Mrs. Ifueko M. Omoigui Okauru, MFR	(Directors' Representative)	Member
6)	Mr. Steven L.M. Siemer	(Directors' Representative)	Member

The Company Secretary served as the Secretary to the Committee.

Dated the 17th of February, 2021.

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


Mazi Samuel C. Mpamaugo


Chief Timothy A. Adesiyan


Mr. David O. Oguntoye


Mr. Steven L.M. Siemer


Mrs. Ifueko Omoigui Okauru, MFR


Mr. Oluseyi T. Bickersteth (Deceased)


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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 126, which comprise the consolidated and separate statements of financial position as at 31 December 2020, 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 and 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 2020, and its consolidated and separate financial performance and consolidated and separate statement of 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 year. 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.

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Key Audit Matter	How the matter was addressed in the audit
Returnable Packaging Material	
Included in the Trade and Other Payables in Note 28 to the consolidated and separate financial statements is Deposit for Returnable Packaging Materials (RPMs) of N26.2billion received from customers for breakable bottles and crates used to distribute products sold to them. The Company provides RPMs to its customers in which products are distributed for which in most instances the Company collects deposit. 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 income statements of the company. 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. The assumptions with the most significant impact in the assessment of outstanding liability for returnable packaging were: • 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.	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: • 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. 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.
Goodwill	
The Company has Goodwill of about N84.7billion as disclosed in Note 14 to the consolidated and separate financial statements. Annual Goodwill impairment assessment for determination of recoverable amount, being the higher of fair value less costs to sell and value in use, requires judgement on the part of management to value the Cash Generating Unit. Accordingly, for the purposes of our audit, we have identified this assessment as a key audit area. Recoverable amounts are based on management's determination of Fair Value Less Cost of Disposal (FVLCOD). Based on IFRS 13, management reverted to using the share price in order to derive the FVLCOD.	In evaluating the impairment of Goodwill, we have assessed the recoverable amount of the Cash Generating Unit using the fair value less cost to sell method in accordance with the requirements of IAS 36. We engaged Deloitte valuation specialist to assist us in evaluating the assumptions and methodologies used by the Company in determining fair value in line with the requirements of IFRS13 We tested the input data used by the Company, by comparing them to external data. We performed a sensitivity test on the available headroom determined for the Cash Generating Unit to assess the possible impact of share price fluctuations on impairment test as at period end. We assessed the adequacy of the Company's disclosure in note 14 to the consolidated and separate financial statements about those assumptions to which the outcome of the impairment test is most sensitive. No material misstatement was noted.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report and the Company Secretary'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.

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- 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
18 February, 2021


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CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS

	Notes	Group 2020 ₦ '000	Company 2020 ₦ '000	Group 2019 ₦ '000	Company 2019 ₦ '000
Net Revenue	6	**337,046,213**	**337,006,267**	**323,007,470**	**323,002,120**
Cost of sales	9c	(218,355,350)	(218,355,350)	(191,756,513)	(191,756,513)
Gross profit		**118,690,863**	**118,650,917**	**131,250,957**	**131,245,607**
Other income	7	828,055	828,055	1,005,286	1,005,286
Marketing and distribution expenses	9c	(70,701,538)	(70,701,538)	(77,695,289)	(77,695,289)
Administrative expenses	9c	(19,212,379)	(18,959,649)	(19,355,354)	(19,300,932)
Results from operating activities		**29,605,001**	**29,817,785**	**35,205,600**	**35,254,672**
Finance income	8(a)	246,283	246,283	260,700	260,700
Finance costs	8(b)	(18,274,739)	(18,356,323)	(12,114,546)	(12,188,282)
Net finance costs		**(18,028,456)**	**(18,110,040)**	**(11,853,846)**	**(11,927,582)**
Profit before tax		**11,576,545**	**11,707,745**	**23,351,754**	**23,327,090**
Income tax expense	11(a)	(4,208,176)	(4,182,124)	(7,245,842)	(7,222,327)
Profit after tax		**7,368,369**	**7,525,621**	**16,105,912**	**16,104,763**
Profit for the year attributable to:					
Owners of the Company		7,362,989	7,525,621	16,101,100	16,104,763
Non-controlling interest		5,380	-	4,812	-
Profit for the year		**7,368,369**	**7,525,621**	**16,105,912**	**16,104,763**
Earnings per share					
Basic earnings per share (kobo)	12(a)	92	94	201	201
Diluted earnings per share (kobo)	12(b)	92	94	201	201

The notes on pages 62 to 122 are an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	Group 2020 ₦ '000	Company 2020 ₦ '000	Group 2019 ₦ '000	Company 2019 ₦ '000
Profit for the year		**7,368,369**	**7,525,621**	**16,105,912**	**16,104,763**
Items that will not be reclassified subsequently to profit or loss:					
Actuarial (losses)/gains	25(f)	(643,180)	(643,180)	3,104,294	3,104,294
Other comprehensive income, net of tax		(643,180)	(643,180)	3,104,294	3,104,294
Total comprehensive income for the year		**6,725,189**	**6,882,441**	**19,210,206**	**19,209,057**
Total comprehensive income for the year attributable to:					
Owners of the Company		**6,719,809**	**6,882,441**	**19,205,394**	**19,209,057**
Non-controlling interest		5,380	-	4,812	-
Total comprehensive income for the year		**6,725,189**	**6,882,441**	**19,210,206**	**19,209,057**

The notes on pages 62 to 122 are an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

ASSETS	Notes	Group 2020 ₦ '000	Company 2020 ₦ '000	Group 2019 ₦ '000	Company 2019 ₦ '000
Property, plant and equipment	13(a-b)	213,412,133	212,369,121	201,907,332	201,362,280
Right Of Use Assets	13c	42,915,964	42,834,781	11,073,782	10,992,267
Intangible assets and goodwill	14	95,272,318	95,272,318	96,465,642	96,465,642
Investments	15	150,000	929,625	150,000	929,625
Other receivables	16	911,375	911,375	651,781	651,781
Non-current assets		**352,661,790**	**352,317,220**	**310,248,537**	**310,401,595**
Inventories	18	36,087,210	35,992,172	38,520,328	38,492,789
Trade and other receivables	19	11,417,423	10,457,436	21,307,218	20,910,443
Prepayments	17	3,745,422	3,745,422	3,500,168	3,500,168
Deposit for imports	20	11,575,510	11,575,510	2,840,214	2,840,214
Cash and bank	21	30,369,847	30,349,614	6,361,057	6,358,606
Current assets		**93,195,412**	**92,120,154**	**72,528,985**	**72,102,220**
Total assets		**445,857,202**	**444,437,374**	**382,777,522**	**382,503,815**
EQUITY					
Share capital	22b	3,998,451	3,998,451	3,998,451	3,998,451
Share Premium		73,770,356	73,770,356	73,770,356	73,770,356
Share based payment reserve		214,506	214,506	501,557	501,557
Retained earnings		83,093,100	83,167,564	89,382,366	89,294,198
Equity attributable to owners of the Company		**161,076,413**	**161,150,877**	**167,652,730**	**167,564,562**
Non-controlling interest		**102,629**	-	**97,249**	-
Total Equity		**161,179,042**	**161,150,877**	**167,749,979**	**167,564,562**
LIABILITIES					
Loans and borrowings	24(a)	39,636,707	39,636,707	50,893,918	50,893,918
Employee benefits	25	16,719,748	16,719,748	13,434,272	13,434,272
Deferred tax liabilities	27	17,854,115	17,854,115	23,171,027	23,171,027
Non-current liabilities		**74,210,570**	**74,210,570**	**87,499,217**	**87,499,217**
Loans and borrowings	24 (b)	51,810,629	51,810,629	4,825,613	4,825,613
Current tax liabilities	11(c)	11,713,346	11,663,778	12,799,004	12,775,488
Dividend payable	23(b)	7,707,091	7,707,091	5,742,085	5,742,085
Trade and other payables	28(a)	139,200,670	137,858,575	102,782,561	102,717,787
Provisions	30	35,854	35,854	1,379,063	1,379,063
Current liabilities		**210,467,590**	**209,075,927**	**127,528,326**	**127,440,036**
Total liabilities		**284,678,160**	**283,286,497**	**215,027,543**	**214,939,253**
Total equity and liabilities		**445,857,202**	**444,437,374**	**382,777,522**	**382,503,815**

Approved by the Board of Directors on the 17th of February 2021 and signed on its behalf by:

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

Mr. Jordi Borrut Bel
Managing Director/CEO
FRC/2018/IODN/00000018359

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

The notes on pages 62 to 122 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Notes	Share Capital ₦'000	Share Premium ₦'000	Share Based Payment Reserve ₦'000	Retained Earnings ₦'000	Total ₦'000	Non-Controlling Interest ₦'000	Total Equity ₦'000
Balance at 1st 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 income 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								
Contributions and distributions								
Issue of ordinary shares	26	-	-	-	-	-	-	-
Share based payment charge		-	-	17,066	-	17,066	-	17,066
Share based payment recharge		-	-	(304,117)	-	(304,117)	-	(304,117)
Dividends	23(b)	-	-	-	(14,074,548)	(14,074,548)	-	(14,074,548)
Unclaimed dividends written back		-	-	-	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 31st December, 2020		**3,998,451**	**73,770,356**	**214,506**	**83,093,100**	**161,076,413**	**102,629**	**161,179,042**

The notes on page 62 to 122 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Company

	Notes	Share Capital ₦'000	Share Premium ₦'000	Share Based Payment Reserve ₦'000	Retained Earnings ₦'000	Total Equity ₦'000
Balance at 1st 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 income 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						
Contributions and distributions						
Issue of Ordinary shares		-	-	-	-	-
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)**
Changes in ownership interest						
Total transactions with owners of the Company		**-**	**-**	**(287,051)**	**(6,126,634)**	**(6,413,685)**
Balance at 31st December, 2020		3,998,451	73,770,356	214,506	83,167,564	161,150,877

The notes on pages 62 to 122 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group

	Notes	Share Capital ₦'000	Share Premium ₦'000	Share Based Payment Reserve ₦'000	Retained Earnings ₦'000	Total ₦'000	Non-Controlling Interest ₦'000	Total Equity ₦'000
Balance at 1st January 2019		**3,998,451**	**73,770,356**	**750,534**	**88,216,674**	**166,736,015**	**92,437**	**166,828,452**
Profit for the year		-	-	-	16,101,100	16,101,100	4,812	16,105,912
Other comprehensive income for the year		-	-	-	3,104,294	3,104,294	-	3,104,294
Total comprehensive income for the year		-	-	-	19,205,394	19,205,394	4,812	19,210,206
Transaction with owners, recorded directly in equity								
Contributions and distributions								
Issue of ordinary shares	26	-	-	-	-	-	-	-
Share based payment charge		-	-	158,122	-	158,122	-	158,122
Share based payment recharge		-	-	(407,099)	-	(407,099)	-	(407,099)
Dividends	23(b)	-	-	-	(18,632,782)	(18,632,782)	-	(18,632,782)
Unclaimed dividends written back		-	-	-	593,080	593,080	-	593,080
Total contributions and distributions		**-**	**-**	**(248,977)**	**(18,039,702)**	**(18,288,679)**	**-**	**(18,288,679)**
Changes in ownership interest								
Total transactions with owners of the Company		**-**	**-**	**(248,977)**	**1,165,692**	**916,715**	**4,812**	**921,527**
Balance at 31st December, 2019		3,998,451	73,770,356	501,557	89,382,366	167,652,729	97,249	167,749,979

The notes on page 62 to 122 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Company

	Notes	Share Capital ₦'000	Share Premium ₦'000	Share Based Payment Reserve ₦'000	Retained Earnings ₦'000	Total Equity ₦'000
Balance at 1st January 2019		**3,998,451**	**73,770,356**	**750,534**	**88,124,843**	**166,644,184**
Profit for the year		-	-	-	16,104,763	16,104,763
Other comprehensive income for the year		-	-	-	3,104,294	3,104,294
Total Comprehensive income for the year		-	-	-	**19,209,057**	**19,209,057**
Transaction with owners, recorded directly in equity						
Contributions and distributions						
Issue of Ordinary shares		-	-	-	-	-
Share based payment charge	26	-	-	158,122	-	158,122
Share based payment recharge		-	-	(407,099)	-	(407,099)
Dividends	23(a)	-	-	-	(18,632,782)	(18,632,782)
Unclaimed dividends written back	23(b)	-	-	-	593,080	593,080
Total contributions and distributions		**-**	**-**	**(248,977)**	**(18,039,702)**	**(18,288,679)**
Changes in ownership interest						
Total transactions with owners of the Company		**-**	**-**	**(248,977)**	**1,169,355**	**920,378**
Balance at 31st December, 2019		**3,998,451**	**73,770,356**	**501,557**	**89,294,198**	**167,564,562**

The notes on pages 62 to 122 are an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

	Notes	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Profit for the year		7,368,369	7,525,621	16,105,912	16,104,763
Adjustments for:					
Depreciation	13	36,830,139	36,714,893	31,402,432	31,397,432
Amortization of intangible assets	14	1,439,338	1,439,338	1,327,628	1,327,628
Finance income	8(a)	(246,283)	(246,283)	(260,700)	(260,700)
Interest expenses		11,494,210	11,575,794	8,311,073	8,384,809
Gratuity, employee benefit and share based payment charges***		3,927,958	3,927,959	3,457,239	3,457,239
(Gain)/Loss on sale of property, plant and equipment	9(a)	(10,163)	(10,163)	(16,805)	(16,805)
Income tax expense	11(a)	4,208,176	4,182,124	7,245,842	7,222,327
		65,011,744	**65,109,283**	**67,572,621**	**67,616,693**
Changes in:					
Inventories		2,433,120	2,500,617	(6,013,500)	(5,985,965)
Trade and other receivables		9,630,202	10,193,414	13,856,475	14,253,250
Prepayments		(245,254)	(245,254)	(2,003,571)	(2,003,571)
Trade and other payables	28(b)	50,309,401	49,032,081	(6,758,298)	(7,552,345)
Deposit for imports		(8,735,296)	(8,735,296)	(365,935)	(365,935)
Cash generated from operating activities		**118,403,917**	**117,854,845**	**66,287,792**	**65,962,127**
Changes in provisions	30	(1,343,209)	(1,343,209)	(183,915)	(183,915)
Income tax paid	11(c)	(10,306,628)	(10,306,628)	(11,739,715)	(11,698,157)
Gratuity paid	25(a)	(800,129)	(800,129)	(776,440)	(776,440)
Other long term employee benefits paid	25(b)	(775,655)	(775,655)	(710,653)	(710,653)
Share Based Payment		(304,117)	(304,117)	(407,099)	(407,099)
VAT paid*		(21,600,140)	(21,600,140)	(13,574,225)	(13,574,225)
Net cash from operating activities		**83,274,039**	**82,724,967**	**38,895,745**	**38,611,638**
Cash flows from investing activities					
Finance income	8	246,283	246,283	260,700	260,700
Proceeds from sale of property, plant and equipment		18,960	18,960	187,699	187,699
Acquisition of property, plant and equipment	13(e)	(37,214,604)	(36,602,061)	(29,915,879)	(29,459,309)
Investment on Subsidiary	15(c)	-	-	-	(100,000)
Acquisition of intangible assets	14	(246,014)	(246,014)	(657,562)	(657,562)
Net cash used in investing activities		**(37,195,375)**	**(36,582,832)**	**(30,125,042)**	**(29,768,472)**
Cash flows from financing activities					
Proceeds from/(Repayment of) loans and borrowings (incl Lease liability)	24(a,b)	35,727,805	35,727,805	14,591,966	14,591,966
Interest paid		(10,530,816)	(10,612,069)	(7,411,113)	(7,582,642)
ROUA additions	13(c)	(36,222,795)	(36,222,795)	(2,684,579)	(2,586,786)
Change in deposit at registrars related unclaimed dividends**		3,030,480	3,030,480	(1,596,594)	(1,596,594)
Dividends paid	23(b)	(14,074,548)	(14,074,548)	(18,632,782)	(18,632,782)
Net cash used in financing activities		**(22,069,874)**	**(22,151,127)**	**(15,733,102)**	**(15,806,838)**
Net increase in cash and cash equivalents		**24,008,790**	**23,991,008**	**(6,962,399)**	**(6,963,672)**
Cash and cash equivalents at 1st January		6,361,057	6,358,606	13,323,456	13,322,278
Cash and cash equivalents at 31st December	21	**30,369,847**	**30,349,614**	**6,361,057**	**6,358,606**

The notes on pages 62 to 122 are an integral part of these financial statements.

* Value Added Tax (VAT) paid shown separately above has been adjusted for in deriving the change in trade and other payables.
** The deposit include prior years dividends made available to shareholders at the custodianship of the Registrars.
*** Share based payment charged are included in the Statement of changes in equity.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1. Reporting entity

Nigerian Breweries Plc (the 'Company'), a public company quoted on the Nigerian Stock Exchange, was incorporated in Nigeria on the 16th November 1946, under the name, Nigerian Brewery Limited. The name was changed on the 7th January 1957, to Nigerian Breweries Limited and thereafter to Nigeri an 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 1, 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 during the year under review 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 17th February 2021, and will be presented at the Annual General Meeting of Shareholders on 22nd April 2021.

(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 judgments

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. Where relevant, the information is added to the notes.

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).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2 at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

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.

(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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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 facilities 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 Group/Company's statement of financial position when the Group/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 Group/Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group/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 Group/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)

Derecognition of financial assets

The Group/Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group/Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group/Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group/Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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 and equity

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 liabilities at fair value through profit or loss (FVTPL) are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in note 8.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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.

(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 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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:

• Freehold land	-	Not depreciated
• Buildings	-	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 to 8 years

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

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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.

(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 software	-	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 asset is 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 for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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) Non-current 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.

(i) 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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 may still be subject to enforcement activities under the Group's/Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The Group/Company has adopted the provision matrix to assess 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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

(j) 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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 restructuring costs 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 costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurements.

The Group/Company recognises service costs within profit or loss as cost of sales and administrative 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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.

(j) 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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.

(l) Net 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 we the performance obligation is satisfied. The Company 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' contracts.

(m) 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.

(n) Finance income and finance costs

Finance income comprises interest income on funds invested, gains on the disposal assets, and 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.

Foreign currency gains and losses are reported on a net basis.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(o) Income and deferred tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax for the year 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 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.
iii. 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.

(p) 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(q) 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 do not operate on different business segments, segmentation is not presented.

(r) 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 governments grants, if the Company has reasonable assurance that will comply to 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. The benefit of the government loan at a below-market rate of interest is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates .

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.

(s) 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.

(t) 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 385 of the Companies and Allied Matters Act, 1990 (now repealed) are written back to retained earnings.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(u) Leases

(a) 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.

4a. 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, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value.

(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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

4b. 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 are 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 2020

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 impact for Group/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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

		Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
6.	**Revenue**				
	Nigeria	336,902,307	336,862,361	322,808,950	322,803,600
	Export	143,906	143,906	198,520	198,520
	Net Revenue	**337,046,213**	**337,006,267**	**323,007,470**	**323,002,120**

Nigeria is the Group/Company's primary geographical location 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.

		Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
7.	**Other income**				
	Sale of scrap	720,443	720,443	793,649	793,649
	Management services	49,609	49,609	60,000	60,000
	Gain on sales - PP&E	10,163	10,163	16,805	16,805
	Income from Insurance Claim	47,840	47,840	134,832	134,832
		828,055	**828,055**	**1,005,286**	**1,005,286**

8 Finance income and finance costs

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

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Interest income on bank deposits	246,283	246,283	260,700	260,700

(b) Finance cost represents charges paid on bank loans and overdraft facilities utilised during the year.

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Interest expense on loans and borrowings	5,548,297	5,629,881	7,736,608	7,810,344
Interest expense on overdraft	1,775,020	1,775,020	535,065	535,065
Unwinding of discount on employee benefits	2,010,138	2,010,138	2,351,023	2,351,023
Interest expense on Lease Liabilities	4,170,893	4,170,893	19,700	19,700
Net loss on foreign exchange transactions*	4,770,391	4,770,391	1,472,150	1,472,150
Finance cost	**18,274,739**	**18,356,323**	**12,114,546**	**12,188,282**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

9. Profit before taxation

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

	Notes	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Depreciation of property, plant and equipment	13	36,830,139	36,714,893	31,402,432	31,397,432
Amortisation of intangible assets	14	1,439,338	1,439,338	1,327,628	1,327,628
Auditors' remuneration*		65,500	65,500	61,440	61,440
Personnel expenses	10	40,983,264	40,983,264	39,838,447	39,838,447
Directors' remuneration	9(b)	702,537	702,537	561,245	561,245
(Gain) / loss on PP&E disposed		(10,163)	(10,163)	(16,805)	(16,805)
Royalty and technical assistance fees	9(c)	7,631,126	7,631,126	7,620,125	7,620,125

* Apart from the statutory audit fee, Deloitte received ₦76.2 million (2019: ₦66.6 million) for the audit for group reporting and ₦5.0 million (2019: ₦4.7 million) 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 2020 ₦'000	Company 2019 ₦'000
Fees:		
Chairman (non-executive)*	4,700	3,080
Other non-executive Directors	24,480	16,720
	29,180	19,800
Other emoluments:		
Chairman (non-executive)	13,472	13,472
Other Non-executives Directors	83,051	84,215
	96,523	97,687
Remuneration as executive Directors	576,834	443,758
	702,537	**561,245**

* *Excluding cost of the Chairman's office and other reimbursable expenses which amount to ₦17.7million in 2020 (2019: 37.1million)*

The emolument (excluding pension contributions) of the highest paid Director was ₦379,386,389.38 (2019: ₦270,542,286).

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

	Group 2020 Number*	Company 2020 Number*	Group 2019 Number	Company 2019 Number
₦4,000,001 - ₦30,000,000	8	8	9	9
₦30,000,001 and above	3	3	2	2
	11	11	11	11

**In the course of the year (before the last AGM), Mr. Peterside resigned from the Board.*

(c) Analysis of expenses by nature

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Raw materials and consumables	143,390,789	143,390,789	122,549,191	122,549,191
Advertising and sales promotion	24,858,334	24,858,334	28,849,136	28,849,136
Depreciation *	36,677,346	36,562,431	31,402,432	31,397,432
Amortisation	1,439,338	1,439,338	1,327,628	1,327,628
Employee benefits (see note 10a)	40,983,265	40,983,265	39,838,447	39,838,447
Transportation	19,185,451	19,185,451	28,713,602	28,713,602
Repairs and maintenance	14,588,931	14,588,931	15,349,341	15,349,341
Royalty and technical service fees	7,631,126	7,631,126	7,620,125	7,620,125
Variable lease expenses	5,402,161	5,402,161	-	-
Others**	14,112,526	13,974,711	13,157,254	13,107,832
Total cost of sales, marketing & distribution and administration expenses	**308,269,267**	**308,016,537**	**288,807,156**	**288,752,734**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(c) Analysis of expenses by nature (cont'd)

Cost of sales	218,355,350	218,355,350	191,756,513	191,756,513
Marketing and distribution expenses	70,701,538	70,701,538	77,695,289	77,695,289
Administrative expenses	19,212,379	18,959,649	19,355,354	19,300,932
Total cost of sales, marketing & distribution and administration expenses	**308,269,267**	**308,016,537**	**288,807,156**	**288,752,734**

* 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, donations amongst others.

10. Personnel expenses

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

	Group 2020 ₦'000	**Company 2020 ₦'000**	**Group 2019 ₦'000**	**Company 2019 ₦'000**
Salaries, wages and allowance	29,865,753	29,865,753	29,867,966	29,867,966
Pension and Gratuity	5,123,583	5,123,583	4,577,416	4,577,416
Expenses related to defined benefit plans	12,180	12,180	78,456	78,456
Training, recruitment and canteen expenses	1,032,301	1,032,301	1,430,626	1,430,626
Share based payments expenses	17,066	17,066	158,122	158,122
Medical expenses	984,420	984,420	842,628	842,628
Other personnel expenses*	3,947,962	3,947,962	2,883,233	2,883,233
	40,983,265	**40,983,265**	**39,838,447**	**39,838,447**

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

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

	Company 2020 Number	**Company 2019 Number**
Production	1,449	1,508
Distribution	257	256
Commercial	828	849
General administration	456	489
	2,990	**3,102**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(c) 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 2020 Number	Group/ Company 2019 Number
₦500,000 and below	3	22
₦500,001 - ₦600,000	0	22
₦600,000 - ₦700,000	0	24
₦700,001 - ₦800,000	0	42
₦800,001 - ₦900,000	0	14
₦900,001 - ₦1,000,000	0	4
₦1,000,001 - ₦1,100,000	5	0
₦1,100,001 - ₦1,200,000	3	61
₦1,200,001 - ₦1,300,000	4	3
₦1,300,001 - ₦1,400,000	0	9
₦1,400,001 - ₦1,500,000	0	0
₦1,500,001 - ₦1,600,000	2	3
₦1,600,001 - ₦1,700,000	1	4
₦1,700,001 - ₦1,800,000	0	1
₦1,800,001 - ₦1,900,000	0	0
₦1,900,001 - ₦2,000,000	0	0
₦2,000,001 - ₦2,250,000	4	2
₦2,250,001 - ₦2,500,000	30	4
₦2,500,001 - ₦2,750,000	26	8
₦2,750,001 - ₦3,000,000	49	73
₦3,000,001 - ₦3,500,000	37	249
₦3,500,001 - ₦4,000,000	146	355
₦4,000,001 - ₦5,000,000	526	745
₦5,000,001 - ₦6,000,000	610	369
₦6,000,001 - ₦8,000,000	587	391
₦8,000,001 - ₦10,000,000	250	142
₦10,000,001 - ₦15,000,000	366	292
₦15,000,001 - ₦20,000,000	169	141
₦20,000,001 - ₦30,000,000	112	78
₦30,000,001 and above	60	44
	2,990	**3,102**

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 comprise

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Current tax expense				
Income tax	8,213,325	8,187,273	8,653,798	8,630,282
Tertiary education tax	1,007,645	1,007,645	1,040,212	1,040,212
Others	-	-	265,689	265,689
	9,220,970	**9,194,918**	**9,959,699**	**9,936,183**
Deferred tax expense				
Origination and reversal of temporary differences	(5,012,794)	(5,012,794)	(2,713,856)	(2,713,856)
	4,208,176	**4,182,124**	**7,245,842**	**7,222,327**

(b) Reconciliation of effective tax rate

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Profit before income tax	**11,576,545**	**11,707,745**	**23,351,754**	**23,327,090**
Income tax using the statutory tax rate	3,472,964	3,512,323	7,005,526	6,998,127
Impact of tertiary education tax	1,007,645	1,007,645	1,040,212	1,040,212
Effect of tax incentives and exempted Income	(558,130)	(558,130)	(491,312)	(491,312)
Non-deductible expenses	18,721	18,721	24,071	24,071
Other items*	266,976	201,564	(332,655)	(348,771)
	4,208,176	**4,182,124**	**7,245,842**	**7,222,327**

*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 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Balance at 1st January	**12,799,004**	**12,775,488**	**14,579,020**	**14,537,462**
Payments during the year	(10,306,628)	(10,306,628)	(11,739,715)	(11,698,157)
Charge for the year	9,220,970	9,194,918	9,959,699	9,936,183
Balance at 31st December	**11,713,346**	**11,663,778**	**12,799,004**	**12,775,488**

12. Earnings per share

(a) Basic earnings per share

Basic earnings per share of 94 kobo (2019: 201 kobo) is based on the profit attributable to ordinary shareholders of ₦7,525,621,000 (2019:₦16,104,763,000), and on the 7,996,902,051 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue (2019: 7,996,902,051):

	Group 2020	Company 2020	Group 2019	Company 2019
Weighted average number of ordinary shares				
Issued ordinary shares at 1st January	7,996,902,051	7,996,902,051	7,996,902,051	7,996,902,051
Weighted average number of ordinary shares at 31st December	**7,996,902,051**	**7,996,902,051**	**7,996,902,051**	**7,996,902,051**

(b) Diluted earnings per share

Diluted earnings per share of 94 kobo (2019: 201 kobo) is based on the profit attributable to ordinary shareholders of ₦7,525,621,000 (2019: ₦16,104,763,000), and on the 7,996,902,051 ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue (2019: 7,996,902,051) after adjustment for the effects of all dilutive potential ordinary shares:

	Group 2020	Company 2020	Group 2019	Company 2019
Weighted average number of ordinary shares				
Issued ordinary shares at 1st January	7,964,580,401	7,964,580,401	7,964,580,401	7,964,580,401
Weighted average number of ordinary shares at 31st December	**7,964,580,401**	**7,964,580,401**	**7,964,580,401**	**7,964,580,401**

(c) Dividend declared per share

Dividend declared per share of 176 kobo (2019: 233 kobo) is based on total declared dividend of ₦14,074,547,610 (2019: ₦18,632,782,000) and on 7,996,902,051 ordinary shares of 50 kobo each, being the ordinary shares in issue (2019: 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 2020 was as follows:

Group

	Freehold Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor Vehicles ₦'000	Furniture and Equipment ₦'000	Returning Packaging materials ₦'000	Capital Work-in-Progress ₦'000	Total ₦'000
Gross Book Value								
Balance at								
1st 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 31st 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**
Depreciation and impairment								
Balance at 1st 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 31st December 2020	**2,341,041**	**28,992,332**	**114,871,995**	**18,369,884**	**25,033,690**	**85,332,355**	**-**	**274,941,297**
Carrying amount								
At 31st December 2019	**1,550,076**	**38,065,926**	**76,785,660**	**10,946,002**	**9,381,009**	**53,609,185**	**11,569,474**	**201,907,332**
At 31st December 2020	**1,550,076**	**41,095,949**	**81,914,982**	**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)

13 Property, plant and equipment (cont'd)

(b) The movement on these accounts during the year 2020 was as follows:

Company

	Freehold Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor Vehicles ₦'000	Furniture and Equipment ₦'000	Returning Packaging materials ₦'000	Capital Work-in-Progress ₦'000	Total ₦'000
Gross Book Value								
Balance at								
1st 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 31st 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**
Depreciation and impairment								
Balance at 1st 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 31st December 2020	**2,341,041**	**28,890,585**	**114,826,186**	**18,339,259**	**25,001,617**	**85,332,356**	**-**	**274,731,044**
Carrying amount								
At 31st December 2019	**1,550,076**	**37,787,299**	**76,730,928**	**10,831,574**	**9,283,745**	**53,609,185**	**11,569,473**	**201,362,280**
At 31st 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)

(a) The movement on these accounts during the year 2019 was as follows:

Group

	Leasehold/ Freehold Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor Vehicles ₦'000	Furniture and Equipment ₦'000	Returning Packaging materials ₦'000	Capital Work in-Progress ₦'000	Total
Gross Book Value								
Balance at								
1st January 2019	**12,077,015**	**61,309,806**	**175,294,944**	**22,122,324**	**25,596,237**	**111,037,671**	**12,672,628**	**420,110,625**
Additions	340,320	1,910,413	6,724,153	3,871,117	5,281,243	10,106,463	9,781,618	38,015,327
Disposals	-	(18,341)	(2,400,741)	(671,426)	(138,229)	-	-	(3,228,737)
Transfers from Held for Sale	(8,582,523)	-	-	-	-	-	-	(8,582,523)
Transfers from Capital work-in-progress*	56,305	1,652,410	4,297,783	268,524	300,063	4,309,687	(10,884,772)	-
Balance at 31st December 2019	**3,891,117**	**64,854,288**	**183,916,139**	**25,590,539**	**31,039,314**	**125,453,821**	**11,569,474**	**446,314,692**
Depreciation and impairment								
Balance at 1st January 2019	**2,341,041**	**24,745,238**	**101,398,437**	**11,565,186**	**18,192,668**	**58,375,205**	**-**	**216,617,775**
Depreciation for the year	-	2,061,465	8,119,995	3,721,769	3,474,768	13,469,431	-	30,847,428
Disposals	-	(18,341)	(2,387,953)	(642,418)	(9,131)	-	-	(3,057,843)
Balance at 31st December 2019	**2,341,041**	**26,788,362**	**107,130,479**	**14,644,537**	**21,658,305**	**71,844,636**	-	**244,407,360**
Carrying amount								
At 31st December 2018	9,735,974	36,564,568	73,896,507	10,557,138	7,403,569	52,662,466	12,672,628	203,492,850
At 31st December 2019	1,550,076	38,065,926	76,785,660	10,946,002	9,381,009	53,609,185	11,569,474	201,907,332

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(b) The movement on these accounts during the year 2019 was as follows:

Company

	Leasehold/ Freehold Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor Vehicles ₦'000	Furniture and Equipment ₦'000	Returning Packaging materials ₦'000	Capital Work in-Progress ₦'000	Total ₦'000
Gross Book Value								
Balance at								
1st January 2019	**12,077,015**	**61,064,378**	**175,294,944**	**22,122,324**	**25,596,237**	**111,037,672**	**12,672,627**	**419,865,197**
Additions	340,320	1,807,966	6,653,763	3,751,158	5,179,077	10,106,463	9,781,618	37,620,365
Disposals	-	(18,341)	(2,400,741)	(671,426)	(138,229)	-	-	(3,228,737)
Transfers from Held for Sale	(8,582,523)	-	-	-	-	-	-	(8,582,523)
Transfers from Capital work-in-progress*	56,305	1,652,410	4,297,783	268,524	300,063	4,309,687	(10,884,772)	-
Balance at 31st December 2019	**3,891,117**	**64,506,413**	**183,845,749**	**25,470,580**	**30,937,148**	**125,453,822**	**11,569,473**	**445,674,302**
Depreciation and impairment								
Balance at 1st January 2019	**2,341,041**	**24,679,810**	**101,393,437**	**11,565,186**	**18,192,668**	**58,375,206**	**-**	**216,547,348**
Depreciation for the year	-	2,057,645	8,109,337	3,716,238	3,469,866	13,469,431	-	30,822,517
Disposals	-	(18,341)	(2,387,953)	(642,418)	(9,131)	-	-	(3,057,843)
Balance at 31st December 2019	**2,341,041**	**26,719,114**	**107,114,821**	**14,639,006**	**21,653,403**	**71,844,637**	**-**	**244,312,022**
Carrying amount								
At 31st December 2018	**9,735,974**	**36,384,568**	**73,901,505**	**10,557,138**	**7,403,570**	**52,662,468**	**12,672,627**	**203,317,850**
At 31st December 2019	**1,550,076**	**37,787,299**	**76,730,928**	**10,831,574**	**9,283,745**	**53,609,185**	**11,569,473**	**201,362,280**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(c) Right Of Use Assets

Group

	Leasehold Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor Vehicles ₦'000	Total ₦'000
Gross Book Value					
Balance at					
1st January 2020	8,862,375	998,912	118,513	1,685,174	11,664,974
Transfers/Reclassifications		(39,825)	(18,517)	-	(58,342)
Additions	-	338,683	-	35,942,453	36,281,136
Balance at 31st December 2020	**8,862,375**	**1,297,770**	**99,996**	**37,627,627**	**47,887,768**
Depreciation and impairment					
Balance at 1st 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 31st December 2020	**509,053**	**746,640**	**35,292**	**3,680,819**	**4,971,804**
Carrying amount					
At 31st December 2019	**8,618,076**	**684,216**	**99,324**	**1,672,166**	**11,073,782**
At 31st December 2020	**8,353,322**	**551,130**	**64,703**	**33,946,809**	**42,915,964**

Right Of Use Assets

Company

	Leasehold Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor Vehicles ₦'000	Total ₦'000
Gross Book Value					
Balance at					
1st 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	-	35,942,453	36,281,137
Balance at 31st December 2020	**8,835,254**	**1,227,099**	**99,996**	**37,627,627**	**47,789,976**
Depreciation and impairment					
Balance at 1st 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 31st December 2020	**481,932**	**757,152**	**35,292**	**3,680,819**	**4,955,195**
Carrying amount					
At 31st December 2019	**8,618,076**	**602,701**	**99,324**	**1,672,166**	**10,992,267**
At 31st December 2020	**8,353,322**	**469,947**	**64,703**	**33,946,809**	**42,834,781**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(c) Right Of Use Assets (cont'd)

Group

	Leasehold Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor Vehicles ₦'000	Total ₦'000
Gross Book Value					
Balance at					
1st January 2019	-	-	-	-	-
Transfers/Reclassifications	8,582,523	397,872	-	-	8,980,395
Additions	279,852	601,040	118,513	1,685,174	2,684,579
Balance at 31st December 2019	**8,862,375**	**998,912**	**118,513**	**1,685,174**	**11,664,974**
Depreciation and impairment					
Balance at 1st January 2019	-	-	-	-	-
Depreciation for the year	244,299	314,696	19,189	13,008	591,192
Balance at 31st December 2019	**244,299**	**314,696**	**19,189**	**13,008**	**591,192**
Carrying amount					
At 31st December 2018	**-**	**-**	**-**	**-**	**-**
At 31st December 2019	**8,618,076**	**684,216**	**99,324**	**1,672,166**	**11,073,782**

Right Of Use Assets

Company

	Leasehold Land ₦'000	Buildings ₦'000	Plant and Machinery ₦'000	Motor Vehicles ₦'000	Total ₦'000
Gross Book Value					
Balance at					
1st January 2019	-	-	-	-	-
Transfers/Reclassifications	8,582,523	397,872	-	-	8,980,395
Additions	279,852	503,247	118,513	1,685,174	2,586,786
					-
Balance at 31st December 2019	**8,862,375**	**901,119**	**118,513**	**1,685,174**	**11,567,181**
Depreciation and impairment					
Balance at 1st January 2019					
Depreciation for the year	244,299	298,418	19,189	13,008	574,914
Balance at 31st December 2019	**244,299**	**298,418**	**19,189**	**13,008**	**574,914**
Carrying amount					
At 31st December 2018	-	-	-	-	-
At 31st December 2019	**8,618,076**	**602,701**	**99,324**	**1,672,166**	**10,992,267**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(d) Capital Work in Progress

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

	Company 2020 ₦'000	Company 2019 ₦'000
Plant and Machinery	1,191,599	10,462,825
Buildings	13,244,959	690,612
Others	1,681,112	416,036
	16,117,670	**11,569,473**

(e) Capital commitments

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

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Approved and contracted	8,589,686	8,589,686	10,462,168	10,462,168
Approved but not contracted	36,652,036	36,652,036	14,101,883	14,101,883
	45,241,722	**45,241,722**	**24,564,051**	**24,564,051**

Additions in statement of cash flows

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Additions per note 14 a – c	43,962,793	43,350,250	38,076,935	37,620,365
PP&E in transit*	(6,748,189)	(6,748,189)	(8,161,056)	(8,161,056)
Acquisition of PPE per statement of cash flows	**37,214,604**	**36,602,061**	**29,915,879**	**29,459,309**

*PP&E in transit relates to purchases which the Company has control but not yet available for use.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

14. Intangible assets and goodwill

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

Group/ Company

	Goodwill ₦'000	Software ₦'000	Distribution Network Software ₦'000	Work in Progress ₦'000	Total ₦'000
Gross Book Value					
Balance at 1st January 2020	**84,722,719**	**2,645,237**	**17,381,436**	**690,711**	**105,440,103**
Additions	-	178,499	-	67,515	246,014
Disposals	-	-	-	-	-
Transfers In/Out	-	729,281	-	(729,281)	-
Balance at 31st December 2020	**84,722,719**	**3,553,017**	**17,381,436**	**28,945**	**105,686,117**
Amortisation					
Balance at 1st January 2020	-	**2,323,665**	**6,650,796**	-	**8,974,461**
Amortisation for the year	-	280,558	1,158,780	-	1,439,338
Disposal	-	-	-		-
Balance at 31st December 2020	-	**2,604,223**	**7,809,576**	-	**10,413,799**
Carrying amount					
At 31st December 2019	**84,722,719**	**321,572**	**10,730,640**	**690,711**	**96,465,642**
At 31st December 2020	**84,722,719**	**948,794**	**9,571,860**	**28,945**	**95,272,318**

(b) The movement on these accounts during the year 2019 was as follows:

Group/ Company

	Goodwill ₦'000	Software ₦'000	Distribution Network Software ₦'000	Work in Progress ₦'000	Total ₦'000
Gross Book Value					
Balance at 1st January 2019	**84,722,719**	**2,544,624**	**17,381,436**	133,762	104,782,541
Additions	-	15,750	-	641,812	657,562
Disposals	-	-	-	-	-
Transfers from PP&E (note 14)	-	84,863	-	(84,863)	-
Balance at 31st December 2019	**84,722,719**	**2,645,237**	**17,381,436**	**690,711**	**105,440,103**
Amortisation					
Balance at 1st January 2019	-	2,154,817	5,492,016	-	7,646,833
Amortisation for the year	-	168,848	1,158,780	-	1,327,628
Disposal	-	-	-	-	-
Balance at 31st December 2019	-	**2,323,665**	**6,650,796**	-	**8,974,461**
Carrying amount					
At 31st December 2018	**84,722,719**	**389,807**	**11,889,417**	**133,762**	**97,135,708**
At 31st December 2019	**84,722,719**	**321,572**	**10,730,640**	**690,711**	**96,465,642**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(c) The amortisation charge on all intangible assets is included in administrative expenses in the income statement.

(d) 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.

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

15 Investments

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'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	**150,000**	**929,625**	**150,000**	**929,625**

(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 Plc. 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 2020 (2019: ₦ 679.6 million).

(c) 234 Stores Limited

Investment of ₦100 million represents the cost of the Company's 99.99% equity investment in 234 Stores Limited, incorporated in Nigeria. The subsidiary ran full operation during the year under review.

16 Other receivables

Non-current other receivables of ₦911 million (2019: ₦652 million) represent car grants, and loans granted to the Company's employees, which are secured by the employees' retirement benefit obligations.

17 Prepayments

Prepayments of ₦3.7 billion (2019: ₦3.5 billion) refer mainly to insurance expenses, prepaid excise and short term rentals.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

18 Inventories

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Raw materials	7,976,104	7,976,104	8,479,575	8,479,575
Products in process	3,707,210	3,707,210	3,267,503	3,267,503
Finished products	5,605,007	5,509,969	8,051,546	8,024,007
Non-returnable packaging materials	6,710,784	6,710,784	5,936,547	5,936,547
Spare parts	10,060,975	10,060,975	9,913,768	9,913,768
Goods in transit	2,027,130	2,027,130	2,871,389	2,871,389
	36,087,210	**35,992,172**	**38,520,328**	**38,492,789**

19 Trade and other receivables

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Trade receivables	3,983,145	3,983,145	16,379,515	16,379,515
Advances	2,595,264	2,595,264	2,596,478	2,596,478
Other receivables	3,484,051	2,524,064	910,330	513,555
Due from related parties	1,354,963	1,354,963	1,420,895	1,420,895
	11,417,423	**10,457,436**	**21,307,218**	**20,910,443**

Advances and other receivables mainly relate to employee and payroll advances, reclassification of payables debit balances and advance to suppliers.

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 ₦11.6 billion (2019: ₦2.8 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 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Bank balances	29,709,142	29,688,909	5,737,262	5,734,811
Call deposits	660,498	660,498	623,587	623,587
Cash in hand	207	207	208	208
Cash and Bank	**30,369,847**	**30,349,614**	**6,361,057**	**6,358,606**
Cash and cash equivalents in the statement of cash flows	**30,369,847**	**30,349,614**	**6,361,057**	**6,358,606**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

22 Share capital

(a) **Authorised ordinary shares of 50k each**

In number of shares

	Company 2020	Company 2019
At 1st January	10,000,000,000	10,000,000,000
At 31st December	10,000,000,000	10,000,000,000

(b) **Issued and fully paid ordinary shares of 50k each**

	Company 2020	Company 2019
In number of shares		
At 1st January	7,996,902,051	7,996,902,051
Share issuance	-	-
At 31st December	**7,996,902,051**	**7,996,902,051**
In Naira	**₦'000**	**₦'000**
At 1st January	3,998,451	3,998,451
Share issuance	-	-
Share Value in Naira	**3,998,451**	**3,998,451**

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

23 Dividends

(a) Declared dividends

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

	Company 2020 ₦'000	Company 2019 ₦'000
25 kobo Interim dividend declared (2019: 50 kobo)	1,999,226	3,998,451
151 kobo per qualifying ordinary share (2019: 183 kobo)	12,075,322	14,634,331
	14,074,548	**18,632,782**

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 2020 ₦'000	Company 2019 ₦'000
151 kobo per qualifying ordinary share (2018: 183 kobo)	12,075,322	12,075,322

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(b) **Dividend payable**

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
At 1st January	5,742,085	5,742,085	7,931,759	7,931,759
Declared dividend (note 23 a)	14,074,548	14,074,548	18,632,782	18,632,782
Payments (Cash)	(11,044,069)	(11,044,069)	(20,229,376)	(20,229,376)
Unclaimed dividend transferred to retained earnings	(1,065,473)	(1,065,473)	(593,080)	(593,080)
At 31st December	**7,707,091**	**7,707,091**	**5,742,085**	**5,742,085**

(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 2020,₦0.9 billion (2019:₦1.5 billion) of the total dividend payable is held with the Company's registrar, First Registrars and Investor Services Limited. The remaining dividend payable of ₦6.8 billion (2019: ₦4.2 billion) holds 2.4 million (2019: Nil) due to foreign shareholders. The total remaining balance of ₦6.8 billion represents unclaimed dividends.

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)

	Non Current		Non Current	
	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
At 1st January	38,893,313	38,893,313	41,127,565	41,127,565
Interest on Loans	963,725	963,725	802,167	802,167
Lease Liabilities	32,497,321	32,497,321	1,565,450	1,565,450
Bank Loan Obtained/(repaid) during the year	(32,717,662)	(32,717,662)	7,398,736	7,398,736
At 31st December	**39,636,707**	**39,636,707**	**50,893,918**	**50,893,918**

(b)

Loans and borrowings (current)	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Lease liabilities	3,326,181	3,326,181	192,885	192,885
Loans	4,085,768	4,085,768	4,632,728	4,632,333
Commercial Paper	43,148,808	43,148,808	-	-
Loans and borrowings	**51,810,629**	**51,810,629**	**4,825,613**	**4,825,613**
Proceeds from/(Repayment of) loans and borrowings in the statement of cash flows	**35,727,805**	**35,727,805**	**14,591,966**	**14,591,966**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(c) The Company has revolving credit facilities with five Nigerian banks to finance its working capital. The approved limit of the loan with each of the banks range from ₦6 billion to ₦15 billion (total of ₦66 billion). Each of the agreements were signed in 2016 with a tenor of five years.

(d) 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 ₦1.8 billion (2019: ₦2.5 billion), of which ₦278 million has been released to income statement in 2020 (2019: ₦87m), and no new capitalisation in 2020 (2019: ₦2.1 billion) in accordance to the Company's accounting policies on Note 3 (r).

25 Employee Benefits

	Group 2020	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Recognised liability for defined benefit obligation (Note 25 a)	11,709,191	11,709,191	9,939,030	9,939,030
Recognised liability for other long term employee benefits (Note 25 b)	5,010,557	5,010,557	3,495,242	3,495,242
Total employee benefit liabilities	**16,719,748**	**16,719,748**	**13,434,272**	**13,434,272**

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

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Defined benefit obligations at 1st January	9,939,030	9,939,030	13,016,781	13,016,781
Benefits paid by the plan	(800,129)	(800,129)	(776,440)	(776,440)
Current service costs and interest (see below)	1,619,925	1,619,925	2,133,395	2,133,395
Actuarial (gains) and losses recognised in other comprehensive income (see note (f))	950,365	950,365	(4,434,706)	(4,434,706)
Defined benefit obligations at 31st December	**11,709,191**	**11,709,191**	**9,939,030**	**9,939,030**

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 ₦4.9 billion (2019: ₦4.2 billion). Defined benefit expense recognised in income statement for defined benefit obligation.

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Current service costs	107,599	107,599	206,294	206,294
Interest on obligation	1,512,326	1,512,326	1,927,101	1,927,101
	1,619,925	**1,619,925**	**2,133,395**	**2,133,395**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Obligation at 1st January	3,495,242	3,495,242	3,040,173	3,040,173
Charge for the year	2,290,970	2,290,970	1,165,722	1,165,722
Payments	(775,655)	(775,655)	(710,653)	(710,653)
Obligation at 31st December	**5,010,557**	**5,010,557**	**3,495,242**	**3,495,242**

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

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Current and past service costs	351,580	351,580	292,116	292,116
Interest on obligation	380,192	380,192	423,922	423,922
Actuarial (gains)/Losses	1,559,197	1,559,197	449,684	449,684
	2,290,969	**2,290,969**	**1,165,722**	**1,165,722**

This movement does not include share based payment which is included in Equity- Consolidated Statement of Changes in Equity

(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 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Obligation at 1st January	371,178	371,178	348,502	348,502
Charge for the year	2,286,254	2,286,254	1,998,805	1,998,805
Payments	(2,251,788)	(2,251,788)	(1,976,129)	(1,976,129)
Obligation at 31st December	**405,644**	**405,644**	**371,178**	**371,178**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Obligation at 1st January	-	-	-	-
Charge for the year	2,636,975	2,636,975	2,378,776	2,378,776
Payments	(2,653,347)	(2,653,347)	(2,378,776)	(2,378,776)
Obligation at 31st December	**(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).

The Company included ₦3.0 billion (2019: ₦2.4 billion) of unwinding of discount relating to its employee benefits in finance costs (note 8b). The Company expects to pay about ₦760 million in respect of its defined benefit obligation in 2020.

(e)

	Cost of Sales		Marketing		Administrative Expenses			Total
	2020	2019	2020	2019	2020	2019	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Defined Benefit	46,648	89,437	38,050	72,951	22,900	43,906	107,598	206,294
Pension Expenses	991,187	866,566	808,481	706,832	486,584	425,407	2,286,254	1,998,805
Defined Cont. Plan	1,143,241	1,031,300	932,506	841,200	561,299	506,276	2,636,975	2,378,778
Long Service awards	993,233	505,390	810,149	412,231	487,588	248,101	2,290,969	1,165,722
	3,174,309	**2,492,693**	**2,589,186**	**2,033,214**	**1,558,301**	**1,223,690**	**7,321,796**	**5,749,597**

(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 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Cumulative amount at 1st January	**2,425,749**	**2,425,749**	**5,530,043**	**5,530,043**
(Gain)/Loss Recognised during the year	950,366	950,366	(4,434,706)	(4,434,706)
Deferred tax	(307,186)	(307,186)	1,330,412	1,330,412
Recognised during the year net of tax	643,180	643,180	(3,104,294)	(3,104,294)
Amount accumulated in retained earnings at 31st December	**3,068,929**	**3,068,929**	**2,425,749**	**2,425,749**

The Company recognised ₦1.0 billion (2019 ₦4.4 billion gains) of actuarial gains in other comprehensive income during the period in respect of its defined benefit obligations. These gains primarily relate to the changes in

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

observed salary increases, changes in benefits payments and the change in discount rate. The actuarial gains and loses recognised during the year are analysed as follows:

	Group 2020 N'000	Company 2020 N'000	Group 2019 N'000	Company 2019 N'000
Financial assumption – (gains)/Losses	(1,420,825)	(1,420,825)	3,955,270	3,955,270
Experience Assumption – (gains)/Losses	2,371,191	2,371,191	(8,389,976)	(8,389,976)
Recognised during the year	**950,366**	**950,366**	**(4,434,706)**	**(4,434,706)**

(g) Actuarial assumptions

The calculation was carried out by a specialist (Adebowale Adesona, FRC/2020/004/00000020471), as of 31st December 2020.

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

	Group 2020 N'000	Company 2020 N'000	Group 2019 N'000	Company 2019 N'000
Discount rate (p.a.)*	7.1%	7.1%	13.0%	13.0%
Average pay increase (p.a.)	5.0%	5.0%	5.0%	5.0%
Average rate of salary inflation (p.a.)	8.0%	8.0%	11.4%	11.4%
Weighted average duration of the plan (years)	8	8	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.

* For discount rate is set with reference to Federal Government of Nigeria (FGN) bond as compiled by the Financial Markets Dealers Quotation (FMDQ), with a term corresponding to the expected duration of the liabilities, based on the current membership data as at the valuation date.

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	2020 Number of deaths in year out of 10,000 lives	2019 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	Expectation of Life (Completed years)		
	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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Withdrawals/Turnover

It is assumed that all the employees covered by the defined end of service benefit scheme would retire at age 60 (2019: age 60).

(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 ₦'000	Unfunded Retirement Benefit ₦'000	Post employment medical benefit ₦'000
Discount rate	+0.25%	(63,280)	(128,313)	(169,509)
	-0.25%	64,857	132,561	179,245
	+0.50%	(125,035)	(252,557)	(329,924)
	-0.50%	131,342	269,555	368,919
Salary increase	+0.25%	53,774	-	-
	-0.25%	(52,716)	-	-
	+0.50%	108,632	-	-
	-0.50%	(104,400)	-	-
Benefit Inflation rate	+0.25%	10,699	137,553	180,352
	-0.25%	(10,489)	(133,624)	(171,052)
	+0.50%	21,614	279,179	370,597
	-0.50%	(20,773)	(263,459)	(333,361)
Mortality experience	+1	-	(245,687)	(55,283)
	-1	-	246,293	56,218
Pre Retirement	+1	(253,460)		15,920
	-1	246,378		(36,575)

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.

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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 2017	12,029	71.26	Continued service, 100% internal performance conditions	3 years
Share rights granted to key management personnel in 2018	3,698	86.93	Continued service, 100% internal performance conditions	3 years
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

* 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
	2020	2020	2019	2019
Outstanding at 1st January	77.20	28,454	77.20	25,047
Granted during the year	94.92	6,787	77.20	7,939
Vested during the year	-	(3,842)	-	(10,722)
Forfeited during the year	76.16	(9,735)	94.08	(1,067)
Performance adjustment		(7,876)	-	4,336
		867	-	(820)
		(901)	-	3,741
Outstanding as at 31st December	91.22	13,754	94.92	28,454

Employee expenses	**2020**	**2019**
	₦'000	**₦'000**
Share rights granted in 2017	0	66,081
Share rights granted in 2018	-121,202	24,276
Share rights granted in 2019	31,916	67,765
Share rights granted in 2020	106,350	0
Total expense/(income) recognised as employee costs	**17,064**	**158,122**

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	
	2020	2019	2020	2019	2020	2019
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	-	-	(24,442,377)	(24,695,457)	(24,442,377)	(24,695,457)
Intangible assets	-	-	(3,531,065)	(3,429,348)	(3,531,065)	(3,429,348)
Inventories	682,241	269,616	-	-	682,241	269,616
Employee benefits	5,361,793	4,444,000	-	-	5,361,793	4,444,000
Other items	4,075,293	240,163	-	-	4,075,293	240,162
Net tax assets/(liabilities)	**10,119,327**	**4,953,779**	**(27,973,442)**	**(28,124,805)**	**(17,854,115)**	**(23,171,027)**

Movement in temporary differences during the year

	Balance 1st Jan 2019	Income Statement and OCI	Balance 31st Dec 2019	Income Statement and OCI	Balance 31st Dec. 2020
	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	(26,009,305)	1,313,847	(24,695,457)	253,080	(24,442,377)
Intangible assets	(3,436,720)	7,372	(3,429,348)	(101,717)	(3,531,065)
Inventories	352,794	(83,178)	269,616	412,624	682,241
Employee benefits	5,285,979	(841,979)	4,444,000	917,792	5,361,793
Other items	(747,219)	987,382	240,163	3,835,131	4,075,293
Net tax assets/(liabilities)	**(24,554,471)**	**1,383,445**	**(23,171,027)**	**5,316,911**	**(17,854,115)**

The net movement during the year ended 31st December 2020, includes a debit amount of ₦665 Million (2019: debit ₦1.3b) recorded in other comprehensive income as deferred tax on employee benefits.

28. Trade and other payables

(a)

	Group 2020	Company 2020	Group 2019	Company 2019
	₦'000	₦'000	₦'000	₦'000
Trade payables and related accrued expense	60,104,811	60,007,289	35,386,524	35,751,451
Deposit for RPM*	26,159,144	26,159,144	31,607,177	31,607,177
Non-trade payables and accrued expenses	22,333,784	21,089,211	21,913,699	21,483,998
Amount due to related parties	30,602,931	30,602,931	13,875,161	13,875,161
	139,200,670	**137,858,575**	**102,782,561**	**102,717,787**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

* Returnable Packaging Material

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

	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Movement in trade and other payables	36,421,175	35,143,855	(11,369,300)	(12,163,347)
Accrued additions to PP&E	(6,748,189)	(6,748,189)	(8,161,056)	(8,161,056)
Interest accrual	(963,725)	(963,725)	(802,167)	(802,167)
VAT paid	21,600,140	21,600,140	13,574,225	13,574,225
Changes in trade and other payables per statement of cash flows	**50,309,401**	**49,032,081**	**(6,758,298)**	**(7,552,345)**

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

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 and Ethics Committee ("the 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 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 Committee oversees how Management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The P&CI Department 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Other receivables (non-current)	16	911,375	911,375	651,781	651,781
Trade and other receivables	19	11,417,423	10,457,436	21,307,218	20,910,443
		12,328,798	**11,368,811**	**21,958,999**	**21,562,224**
Cash and bank	21	30,369,847	30,349,614	6,361,057	6,358,606
		42,698,645	**41,718,425**	**28,320,056**	**27,920,830**

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:

	2020 ₦'000	2019 ₦'000
Trade receivables		
-Major customers	8,251,662	18,801,412
-Other customers	827,051	2,083,558
-Impairment	(5,270,352)	(4,505,455)
	3,983,145	16,379,515

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(a) Credit Risk

Non-trade receivables	2020 ₦'000	2019 ₦'000
- Other receivables (non-current)	911,375	651,781
- Due from related parties	1,354,963	1,420,895
- Advances	2,595,264	2,596,478
- Others	2,524,064	513,555
	7,385,666	5,182,709
	11,281,419	**21,562,224**

Expected credit losses

The following table details the risk profile of trade receivables based on the Company's provision matrix

	ECL	Gross 2020 ₦'000	Lifetime ECL 2020 ₦'000	Gross 2019 ₦'000	Lifetime ECL 2019 ₦'000
0-30 days	0%	3,528,580	-	16,698,170	-
31-60 days	25%	66,703	14,676	151,982	12,546
61-180 days	50%	521,107	339,975	275,943	290,634
More than 180 days	100%	5,137,107	410,246	3,758,875	50,341
		9,253,497	**764,897**	**20,884,970**	**353,521**

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

	2020 ₦'000	2019 ₦'000
Balance at 1st January	(4,505,455)	(4,151,934)
Lifetime expected credit loss	(764,897)	(353,521)
Balance at 31st December	**(5,270,352)**	**(4,505,455)**

No interest is charged on outstanding trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. 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 economic 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 180 days past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques during the current reporting period.

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 su bject to enforcement activities.

Cash and bank

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

The Group/Company held cash and bank of ₦31.1billion as at 31st December 2020 (2019: ₦6.4 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 ₦'000**	**Contractual cash flows ₦'000**	**12 months or less ₦'000**	**>12 months ₦'000**
Non-derivative financial liabilities 31st December 2020				
Loan	91,447,336	91,447,336	51,810,629	39,636,707
Lease Liabilities	35,823,502	35,823,502	-	-
Dividend payable	7,707,091	7,707,091	7,707,091	-
Trade and other payables	139,200,670	139,200,670	139,200,670	-
	274,178,599	**274,178,599**	**198,718,390**	**39,636,707**

Company	**Carrying amount ₦'000**	**Contractual cash flows ₦'000**	**12 months or less ₦'000**	**>12 months ₦'000**
Non-derivative financial liabilities 31st December 2020				
Loan	91,447,336	91,447,336	51,810,629	39,636,707
Lease Liabilities	35,823,502	35,823,502	-	-
Dividend payable	7,707,091	7,707,091	7,707,091	-
Trade and other payables	137,858,575	137,858,575	137,858,575	-
	272,836,504	**272,836,504**	**197,376,295**	**39,636,707**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Group	Carrying amount ₦'000	Contractual cash flows ₦'000	12 months or less ₦'000	>12 months ₦'000
Non-derivative financial liabilities 31st December 2019				
Loans	55,719,531	55,719,531	4,825,613	50,893,918
Lease Liabilities	1,758,335	1,758,335	-	-
Dividend payable	5,742,085	5,742,085	5,742,085	-
Trade and other payables	102,782,561	102,782,561	102,782,561	-
	166,002,512	**166,002,512**	**113,350,259**	**50,893,918**

Company	Carrying amount ₦'000	Contractual cash flows ₦'000	12 months or less ₦'000	>12 months ₦'000
Non-derivative financial liabilities 31st December 2019				
Loans	55,719,531	55,719,531	4,825,613	50,893,918
Lease Liabilities	1,758,335	1,758,335	-	-
Dividend payable	5,742,085	5,742,085	5,742,085	-
Trade and other payables	102,717,787	102,717,787	102,717,787	-
	165,937,738	**165,937,738**	**113,285,485**	**50,893,918**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. However, as disclosed in note 25, the Company may, by 5 days written notice prior to the final maturity date of the unsecured bank loans, rollover any outstanding loans. If this written notice is not provided as required, the payment of any outstanding loan amount may fall due immediately on maturity.

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 ₦3.7 billion (2019: ₦4 billion), which represents its maximum liquidity exposure. The guarantee provided by the Company is backed by the employees' gratuity.

(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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

The Company manages market risks by keeping costs low through various cost optimisation programs. Moreover, market developments are monitored and discussed regularly, and mitigat ing 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 cu rrencies 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.

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, primarily the Naira. The currencies in which these transactions primarily are denominated are Euro, 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:

	31st December 2020			31st December 2019		
In thousands	**EUR**	**GBP**	**USD**	**EUR**	**GBP**	**USD**
Financial asset						
Group receivables	589	19	147	364	19	82
Cash and cash equivalent	481	450	336	359	282	374
Deposit for imports	-	-	24,840	-	-	7,777
Financial liability						
Group payables	(54,155)	-	(83)	(19,413)	-	-
Trade Payables	(2,495)	(294)	119	76	(44)	(173)
Net exposure	**(55,580)**	**175**	**25,359**	**(18,614)**	**257**	**8,060**

	Increase/(decrease) in profit or loss ₦'000
31st 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
31st December 2019	
EUR (5 percent weakening of the Naira)	(381,445)
GBP (5 percent weakening of the Naira)	6,184
USD (5 percent weakening of the Naira)	147,171

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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.

The following significant exchange rates were applied:

	Average rate		Reporting date spot rate	
	2020	2019	2020	2019
	₦	₦	₦	₦
Euro	437.02	405.47	492.61	409.84
GB Pounds	491.17	462.26	547.10	482.21
US Dollar	382.72	362.15	400.83	365.20

(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 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Fixed rate instruments				
Loans	91,447,336	91,447,336	55,719,531	55,719,531
Bank overdraft	-	-	-	-
Financial liabilities	**91,447,336**	**91,447,336**	**55,719,531**	**55,719,531**

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:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

- 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

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 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Total liabilities	284,678,160	283,286,497	215,027,543	214,939,253
Less: cash and bank	(30,369,847)	(30,349,614)	(6,361,057)	(6,358,606)
Adjusted net debt	254,308,313	252,936,883	208,666,486	208,580,647
Total equity	160,867,477	160,941,941	167,652,730	167,564,562
Adjusted debt to capital ratio	1.58	1.57	1.24	1.24

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(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		2020		2019	
	Note	Carrying amount ₦'000	Fair value amount ₦'000	Carrying amount ₦'000	Fair value amount ₦'000
Assets carried at amortised cost					
Other receivables (non-current)	16	911,375	911,375	651,780	651,780
Trade and other receivables	19	11,417,423	11,417,423	21,307,218	20,910,443
Cash and cash equivalents	21	30,369,847	30,369,847	6,361,057	6,361,057
		42,698,645	**41,698,645**	**28,320,055**	**27,923,280**
Liabilities carried at amortised cost					
Loans	24	91,447,336	91,447,336	55,719,531	55,719,531
Dividend payable	23b	7,707,091	7,707,091	5,742,085	5,742,085
Trade and other payables	28	137,858,575	137,858,575	102,717,787	102,717,787
		237,013,002	**237,013,002**	**164,179,403**	**162,179,403**

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

Company		2020		2019	
	Note	Carrying amount ₦'000	Fair value amount ₦'000	Carrying amount ₦'000	Fair value amount ₦'000
Assets carried at amortised cost					
Other receivables (non-current)	16	911,375	911,375	651,780	651,780
Trade and other receivables	19	10,457,436	10,457,436	20,910,443	20,910,443
Cash and cash equivalents	21	30,349,614	30,349,614	6,358,606	6,358,606
		41,718,425	**41,718,425**	**27,920,829**	**27,920,829**
Liabilities carried at amortised cost					
Bank overdraft	24	91,447,336	91,447,336	55,719,531	55,719,531
Dividend payable	23b	7,707,091	7,707,091	5,742,085	5,742,085
Trade and other payables	28	137,858,575	137,858,575	102,717,787	102,717,787
		237,013,002	**237,013,002**	**164,179,403**	**164,179,403**

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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 Provisions

The Company has ₦35 million provision in 2020 (2019:₦1.4 billion) related to penalties assessed as probable. In 2020, a claim from a previous supplier was settled.

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 ₦3.65 billion (2019: ₦3.97 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 Service in respect of customs duty on behalf of the Company amounted to ₦5.8 billion (2019: ₦5.8 billion) which represents its maximum liquidity exposure. In addition, guarantees provided to banks on behalf of the Company for BOI loans amounted to ₦3.3 billion naira (2019: ₦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 ₦1.2 billion (2019: ₦1.4 billion) as at 31st December 2020. No provision has been made in these financial statements for pending litigation and claims which in the opinion of the Directors and based on independent legal advice, the risk of loss is less than 50%.

(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 business, the Company uses letters of credit to import materials. The total value of open letters of credit as at 31st December was ₦9.5 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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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 2020, Heineken Brouwerijen B.V., Distilled Trading International B.V. and Heineken International B.V. owned 37.94% and 15.47%, and 2.72% 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	
	2020	2019	2020	2019
	₦'000	₦'000	₦'000	₦'000
Purchases - other related parties	(39,051,909)	(43,043,931)	(15,110,190)	(8,110,345)
Contract brewing services with:				
- Other related parties	(1,159,906)	(1,815,429)	41,183	(666,563)
Technical Service fees & royalties				
- Parent	(1,255,951)	(1,160,414)	(376,510)	(328,576)
- Other related parties	(6,345,105)	(6,459,711)	(1,936,578)	(1,951,594)
Total Technical and Royalty	**(7,601,056)**	**(7,620,125)**	**(2,313,088)**	**(2,280,170)**
Sales and others				
- Other related parties	571,651	427,924	(10,522,479)	(1,570,275)

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 31st December 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2019: Nil). This assessment is undertaken each financial year. A loan to the Company is included in Other related parties amounting to ₦843 million (2019: ₦762 million) from BBCL.

(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:

	2020	2019
	₦'000	₦'000
Executive Committee / Management Team	1,354,446	1,141,308
Other Managers	1,353,076	1,244,728
Short term employee benefits	2,707,522	2,386,036

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Long term employee benefits:		
Post-employment benefits	117,455	131,494
Share based payments	8,259	126,695
	2,833,236	2,644,225

(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 25,451,680 (2019:25,451,680) 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 2020 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 financial position

	Group ₦'000	Elimination entries ₦'000	Nigerian Breweries ₦'000	Subsidiaries (234 Stores/BBCL) ₦'000
ASSETS				
Property, plant and equipment	213,412,133	-	212,369,121	1,043,012
Right of Use Assets	42,915,964	-	42,834,781	81,183
Intangible assets and goodwill	95,272,318	-	95,272,318	-
Investments	150,000	(779,625)	929,625	-
Other receivables	911,375	-	911,375	-
Prepayments	-	-	-	-
Non-current assets	**352,661,790**	**(779,625)**	**352,317,220**	**1,124,195**
Inventories	36,087,210	-	35,992,172	95,038
Trade and other receivables	11,417,423	97,522	10,457,436	862,465
Prepayments	3,745,422	-	3,745,422	-
Deposit for imports	11,575,510	-	11,575,510	-
Cash and cash equivalents	30,369,847	-	30,349,614	20,233
Assets held for sale	-	-	-	-
Current assets	**93,195,412**	**97,522**	**92,120,154**	**977,736**
Total assets	**445,857,202**	**(682,103)**	**444,437,374**	**2,101,931**
EQUITY				
Share capital	3,998,451	(105,220)	3,998,451	105,220
Share premium	73,770,356	(743)	73,770,356	743
Share based payment reserve	214,506	-	214,506	-
Retained earnings	83,093,100	(776,291)	83,167,564	701,827
Equity contribution reserve	-	-	-	-
Equity attributable to owners of the Company	**161,076,413**	**(882,254)**	**161,150,877**	**807,790**
Non-controlling interest	102,629	102,629	-	-
Total equity	**161,179,042**	**(779,625)**	**161,150,877**	**807,790**
LIABILITIES				
Loans and borrowings	39,636,707	-	39,636,707	-
Employee benefits	16,719,748	-	16,719,748	-
Deferred tax liabilities	17,854,115	-	17,854,115	
Non-current liabilities	**74,210,570**	**-**	**74,210,570**	**-**
Loans and Borrowings	51,810,629	-	51,810,629	-
Current tax liabilities	11,713,346	-	11,663,778	49,568
Dividend payable	7,707,091	-	7,707,091	-
Trade and other payables	139,200,670	97,522	137,858,575	1,244,573
Lease Liabilities	-	-	-	
Provisions	35,854	-	35,854	-
Current liabilities	**210,467,590**	**97,522**	**209,075,927**	**1,294,141**
Total liabilities	**284,678,160**	**97,522**	**283,286,497**	**1,294,141**
Total equity and liabilities	**445,857,202**	**(682,103)**	**444,437,374**	**2,101,931**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(b) Condensed income statement

	Group ₦'000	Elimination entries ₦'000	Nigerian Breweries ₦'000	Subsidiaries (234 Stores/BBCL) ₦'000
Net Revenue	**337,046,213**	(265,730)	**337,006,267**	305,676
Cost of sales	(218,355,350)	265,730	(218,355,350)	(265,730)
Gross profit	**118,690,863**	-	**118,650,917**	**39,946**
Other income	828,055	-	828,055	-
Marketing and distribution expenses	(70,701,538)	-	(70,701,538)	-
Administrative expenses	(19,212,379)	-	(18,959,649)	(252,730)
Results from operating activities	**29,605,001**	-	**29,817,785**	**(212,784)**
Finance income	246,283	(81,584)	246,283	81,584
Finance costs	(18,274,739)	81,584	(18,356,323)	-
Net finance costs	**(18,028,456)**	-	**(18,110,040)**	**81,584**
Profit before tax	**11,576,545**	-	**11,707,745**	**(131,200)**
Income tax expense	(4,208,176)	-	(4,182,124)	(26,052)
Profit after tax	**7,368,369**	-	**7,525,621**	**(157,252)**
Profit for the year attributable to:				
Owners of the Company	7,362,989	-	7,525,621	(157,252)
Non-controlling interest	5,380	-	-	-
Profit for the year	**7,368,369**	-	**7,525,621**	**(157,252)**

(c) Condensed statement of comprehensive income

	Group ₦'000	Elimination entries ₦'000	Nigerian Breweries ₦'000	Subsidiaries (234 Stores/BBCL) ₦'000
Profit for the year	7,368,369	-	7,525,621	(157,252)
Actuarial losses	(643,180)	-	(643,180)	-
Total comprehensive income for the year	**6,725,189**	-	**6,882,441**	**(157,252)**
Total comprehensive income for the year attributable to:				
Owners of the Company	6,719,809	-	6,882,441	(157,252)
Non-controlling interest	5,380	-	-	-
Total comprehensive income for the year	**6,725,189**	-	**6,882,441**	**(157,252)**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

(d) Condensed statement of cash flows

	Group ₦'000	Elimination entries ₦'000	Nigerian Breweries ₦'000	Subsidiaries (234 Stores/ BBCL) ₦'000
Cash flows from operating activities				
Net profit	**7,368,369**	**-**	**7,525,621**	**(157,252)**
Adjustments for:				
Depreciation and impairment loss	36,830,139	-	36,714,893	115,246
Amortisation of intangible assets	1,439,338	-	1,439,338	-
Finance income	(246,283)	81,584	(246,283)	(81,584)
Finance expenses	11,494,210	(81,584)	11,575,794	-
(Gain)/loss on sale of property, plant and equipment	(10,163)	-	(10,163)	-
Gratuity, employee benefit and share based payment charges	3,927,958	-	3,927,959	(1)
Income tax expense	4,208,176	-	4,182,124	26,052
Change in inventories	2,433,120	-	2,500,617	(67,497)
Change in trade and other receivables	9,630,202	(396,775)	10,193,414	(563,212)
Change in prepayments	(245,254)	-	(245,254)	-
Change in trade and other payables	50,309,401	396,775	49,032,081	1,277,320
Change in deposit for imports	(8,735,296)	-	(8,735,296)	-
Cash generated from operating activities	**118,403,917**	**-**	**117,854,845**	**549,072**
Provisions	(1,343,209)	-	(1,343,209)	-
Income tax paid	(10,306,628)	-	(10,306,628)	-
Gratuity paid	(800,129)	-	(800,129)	-
Share Based Payment	(775,655)	-	(775,655)	-
VAT paid	(21,600,140)	-	(21,600,140)	-
Net cash from operating activities	**83,274,039**	**-**	**82,724,967**	**37,918,585**
Cash flow from investing activities				
Finance income	246,283	81,584	246,283	81,584
Proceeds from sale of PP&E	18,960	-	18,960	-
Acquisition of PP&E	(37,214,604)	-	(36,602,061)	(612,543)
Acquisition of intangible assets	(246,014)	-	(246,014)	-
Net cash (used)/from investing activities	**(36,939,402)**	**81,584**	**(36,582,832)**	**(274,986)**
Proceeds from/(Repayment of) loans and borrowings (incl Lease liability)	35,727,805	-	35,727,805	-
Interest paid	(10,530,485)	(81,584)	(10,612,069)	81,253
ROUA additions	(36,222,795)		(36,222,795)	
Deposit at registrars related unclaimed dividends	3,030,480	-	3,030,480	-
Dividends paid	(14,074,548)	-	(14,074,548)	-
Net cash used in financing activities	**(22,069,874)**	**(81,584)**	**(22,151,127)**	**81,253**
Net increase in cash and cash equivalents	24,008,790	-	23,991,008	17,782
Cash and cash equivalents at 1st January	6,361,057	-	6,358,606	2,451
Cash and cash equivalents at 31st December	**30,369,847**	**-**	**30,349,614**	**20,233**

OTHER NATIONAL DISCLOSURES

(a) Value Added Statement
For the year ended 31st December

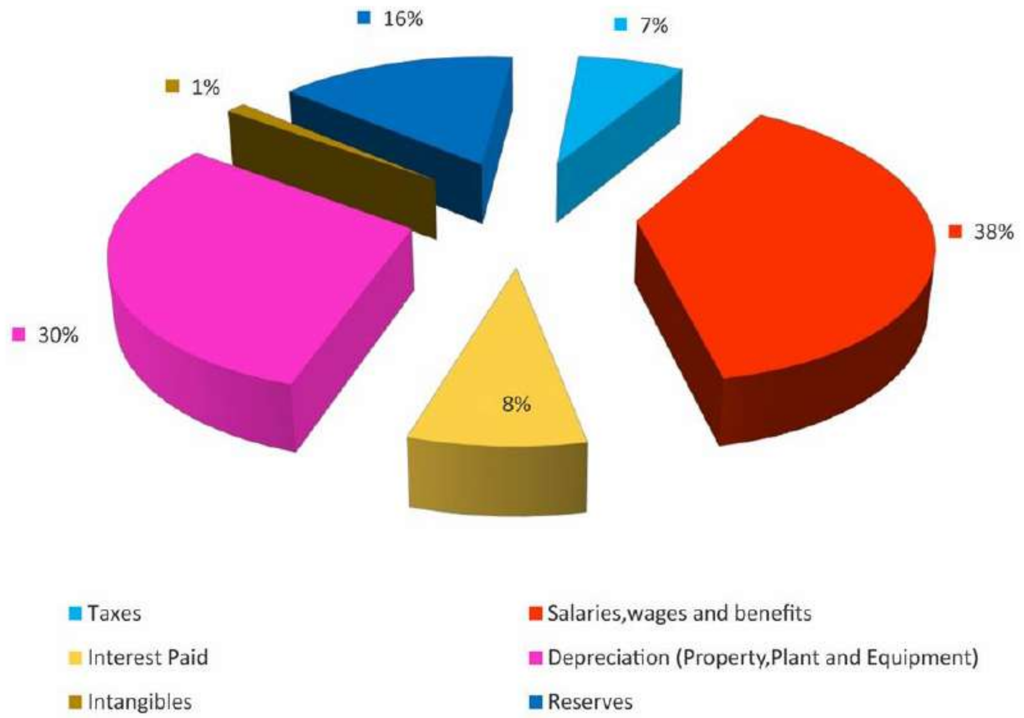
	2020 ₦'000	%	2019 ₦'000	%
Revenue	337,006,267		323,002,120	
Bought in materials and services				
- Imported	(39,051,909)		(43,043,931)	
- Local	(201,772,918)		(179,682,326)	
	96,181,440		**100,275,863**	
Other income	828,055		1,005,286	
Finance income	246,283		260,700	
Value added by operating activities	**97,255,778**	**100**	**101,541,849**	**100**
Distribution of Value Added				
To Government as:				
Taxes	4,182,124	4	7,222,327	7
To Employees:				
Salaries, wages, fringe and end of service benefits	40,983,264	42	39,838,447	39
To Providers of Finance:				
- Finance cost (interest expenses)	11,575,794	12	8,365,109	8
Retained in the Business				
To maintain and replace;				
-Property, plant and equipment	36,562,431	38	31,397,431	31
- Intangible assets	1,439,338	1	1,327,628	1
Deferred tax charge for the year	(5,012,794)	(5)	(2,713,856)	(2)
To augment reserves	7,525,621	8	16,104,763	16
Value added	**97,255,778**	**100**	**101,541,849**	**100**
Dividends to shareholders from reserves	**14,074,548**		**18,632,782**	

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.

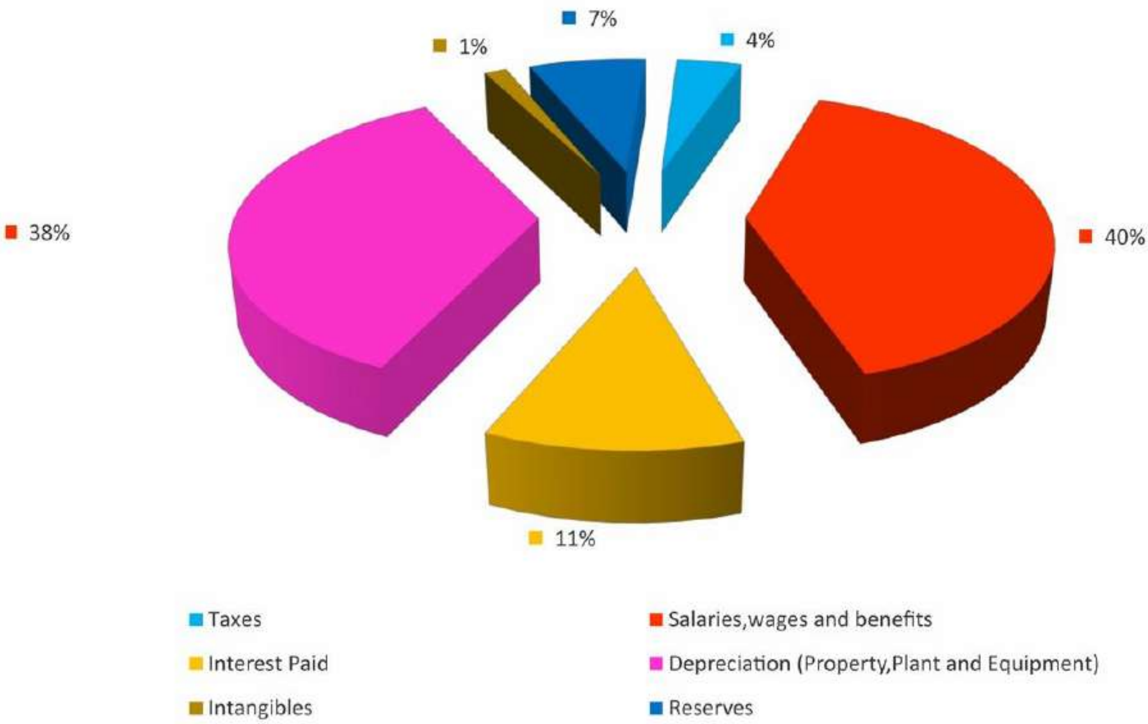
OTHER NATIONAL DISCLOSURES (CONT'D)

(a) Value Added Statement (Cont'd)

2019 DISTRIBUTION OF VALUE ADDED



2020 DISTRIBUTION OF VALUE ADDED



OTHER NATIONAL DISCLOSURES (CONT'D)

(b) Five Year Financial Summary
Company

	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000	2016 ₦'000
Statement of comprehensive income					
Revenue	**337,006,267**	**323,002,120**	**324,388,500**	**344,562,517**	**313,743,147**
Results from operating activities	29,817,785	35,254,672	36,956,798	57,126,310	52,908,411
Profit before taxation	11,707,745	23,327,090	29,359,828	46,572,313	39,622,914
Profit for the year	7,525,621	16,104,763	19,401,169	33,009,292	28,396,777
Comprehensive income for the year	6,882,441	19,209,057	17,928,093	31,559,614	29,700,906
Ratios					
Earnings per share (kobo)	94	201	243	413	358
Share price at year end (Naira)	56	59.00	86	135	148
Declared dividend per share (kobo)	176	233	373	358	460
Dividend coverage (times)	0.52	0.86	0.65	1.16	0.78
Net assets per share (kobo)	2,015	2,095	2,084	2,237	2,091
Statement of financial position					
Employment of Funds					
Property, plant and equipment	212,369,121	201,362,280	203,317,850	195,050,394	190,996,700
ROUA	42,834,781	10,992,267	-	-	-
Intangible assets	95,272,318	96,465,642	97,135,708	98,277,166	99,477,826
Investments	929,625	929,625	829,625	829,625	829,625
Other receivables	911,375	651,781	662,022	551,862	623,331
Prepayments	-	-	538,187	525,831	1,154,399
Net current liabilities	(116,955,776)	(55,337,816)	(54,100,219)	(69,207,243)	(70,298,766)
Loans and borrowings	(39,636,707)	(50,893,918)	(41,127,565)	(8,000,000)	(17,000,000)
Employee benefits	(16,719,748)	(13,434,272)	(16,056,953)	(13,209,837)	(10,101,065)
Deferred tax liabilities	(17,854,115)	(23,171,027)	(24,554,471)	(26,666,864)	(29,876,508)
Net assets	**161,150,877**	**167,564,562**	**166,644,184**	**178,150,934**	**165,805,542**
Funds Employed					
Share capital	3,998,451	3,998,451	3,998,451	3,998,451	3,964,551
Share premium	73,770,356	73,770,356	73,770,356	73,770,356	64,950,103
Share based payment reserve	214,506	501,557	750,534	748,450	571,106
Retained earnings	83,167,564	89,294,198	88,124,843	99,633,677	96,319,782
	161,150,877	**167,564,562**	**166,644,184**	**178,150,934**	**165,805,542**

The financial information presented above reflects historical summaries based on International Financial Reporting Standards. Historical financial information for the Group has not been presented.

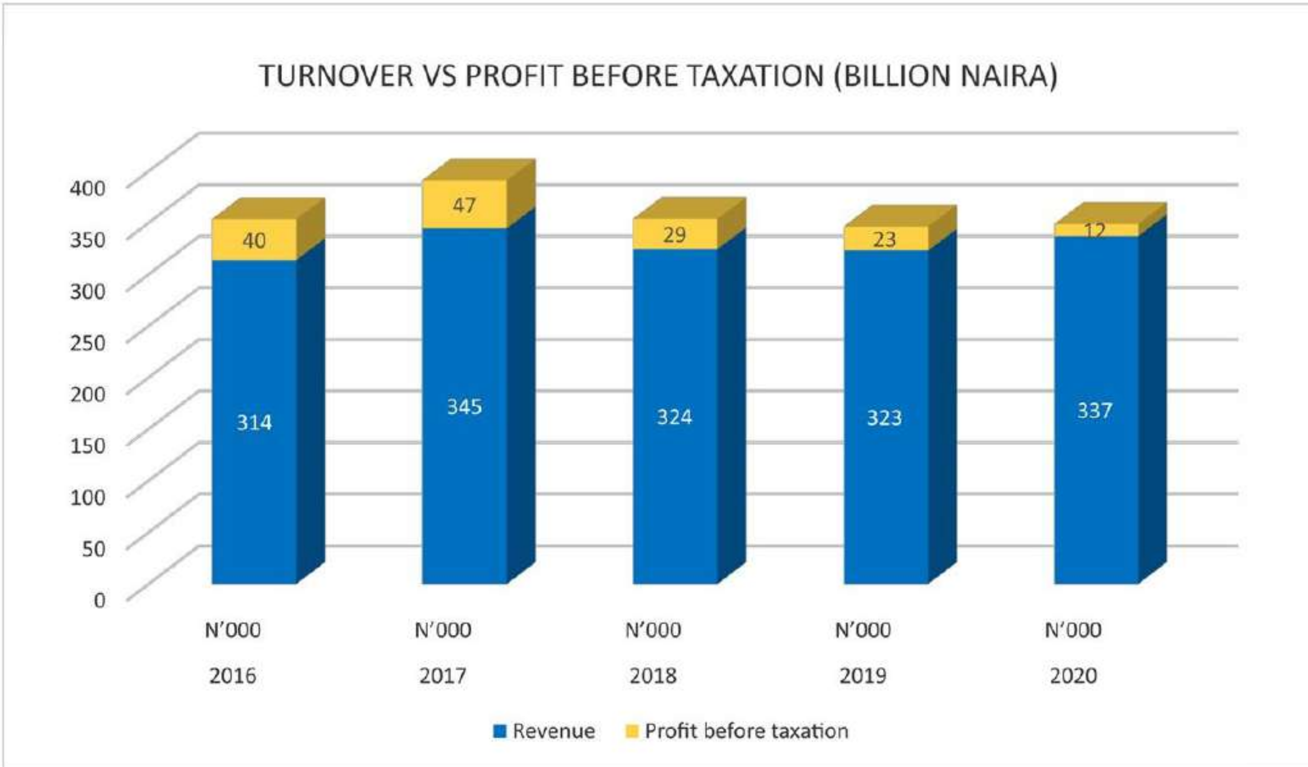
OTHER NATIONAL DISCLOSURES (CONT'D)

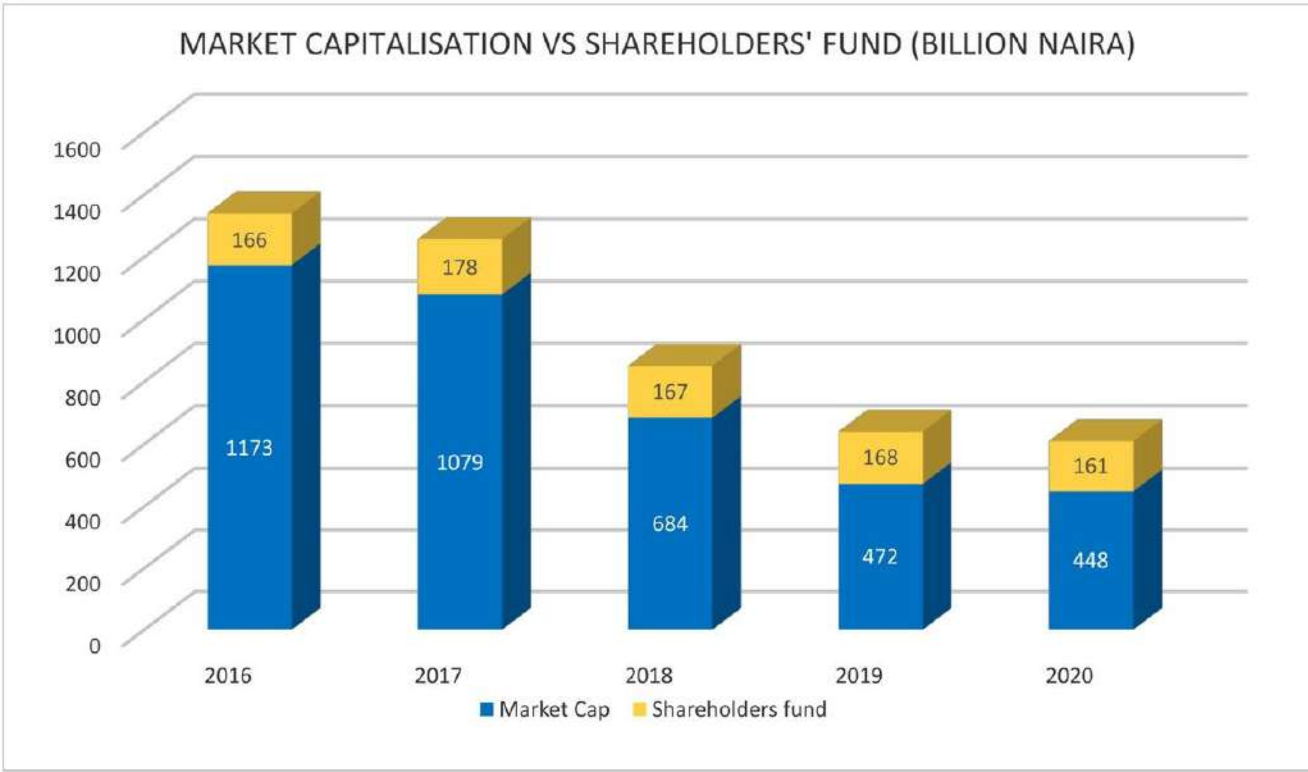
(c) Five-Year Financial Summary
Group

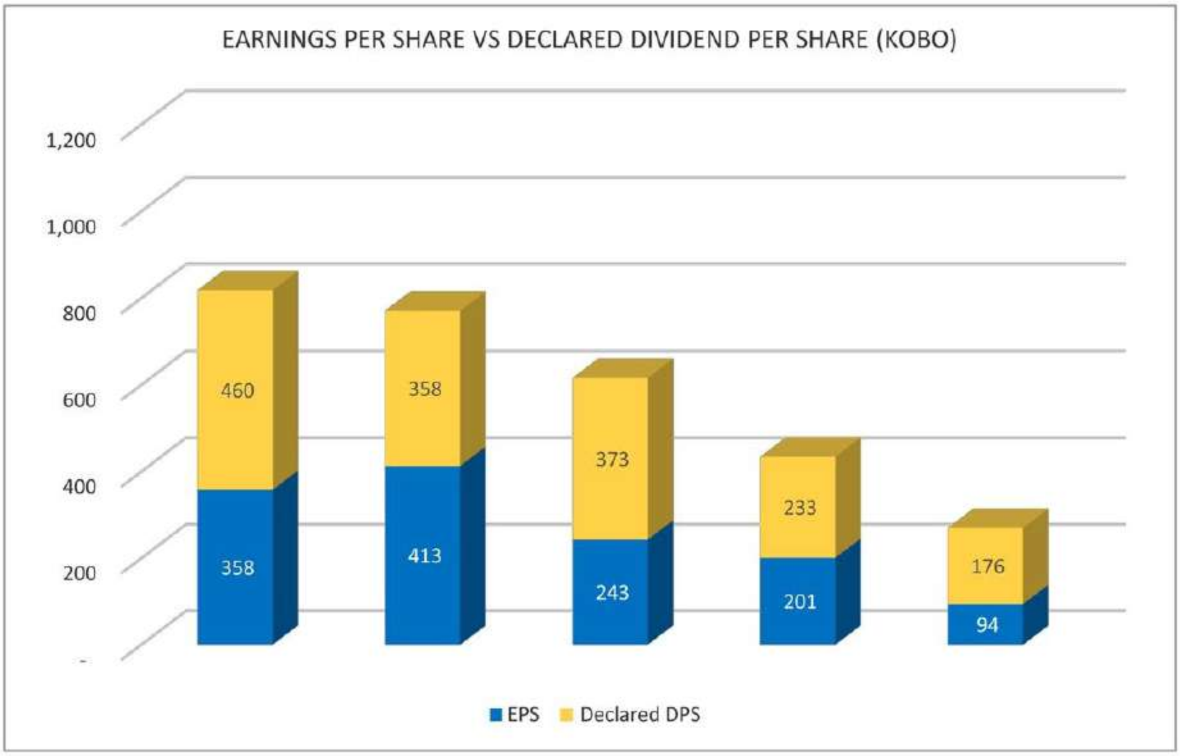
	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000	2016 ₦'000
Statement of comprehensive income					
Revenue	**337,046,213**	**323,007,470**	**324,388,500**	**344,562,517**	**313,743,147**
Results from operating activities	29,605,001	35,205,600	36,951,548	57,121,060	52,903,161
Profit before taxation	11,576,545	23,351,754	29,421,952	46,630,058	39,674,518
Profit for the year	7,368,369	16,105,912	19,437,944	33,048,559	28,416,965
Comprehensive income for the year	6,725,189	19,210,206	17,964,868	31,598,881	29,721,094
Ratios					
Earnings per share (kobo)	92	201	243	413	358
Share price at year end (Naira)	56	59	86	135	136
Declared dividend per share (kobo)	176	233	373	358	460
Dividend coverage (times)	0.53	0.86	0.65	1.15	0.78
Net assets per share (kobo)	2,016	2,098	2,086	2,230	2,092
Statement of financial position					
Employment of Funds					
Property, plant and equipment	213,412,133	201,907,332	203,492,850	195,230,394	191,181,700
ROUA	42,915,964	11,073,782	-	-	-
Intangible assets	95,272,318	96,465,642	97,135,708	98,277,166	99,477,826
Investments	150,000	150,000	150,000	150,000	150,000
Other receivables	911,375	651,781	662,022	551,862	623,331
Prepayments	-	-	538,187	525,831	1,154,399
Net current liabilities	(117,272,178)	(54,999,341)	(53,411,326)	(68,560,125)	(69,695,915)
Loans and borrowings	(39,636,707)	(50,893,918)	(41,127,565)	(8,000,000)	(17,000,000)
Employee benefits	(16,719,748)	(13,434,272)	(16,056,953)	(13,209,837)	(10,101,065)
Deferred tax liabilities	(17,854,115)	(23,171,027)	(24,554,471)	(26,666,864)	(29,876,508)
Net assets	**161,179,042**	**167,749,979**	**166,828,452**	**178,298,427**	**165,913,768**
Funds Employed					
Share capital	3,998,451	3,998,451	3,998,451	3,998,451	3,964,551
Share premium	73,770,356	73,770,356	73,770,356	73,770,356	64,950,103
Share based payment reserve	214,506	501,557	750,534	748,450	571,106
Retained earnings	83,093,100	89,382,366	88,216,674	99,692,668	96,343,708
Non-Controlling Interest	102,629	97,249	92,437	88,502	84,300
	161,179,042	**167,749,979**	**166,828,452**	**178,298,427**	**165,913,768**

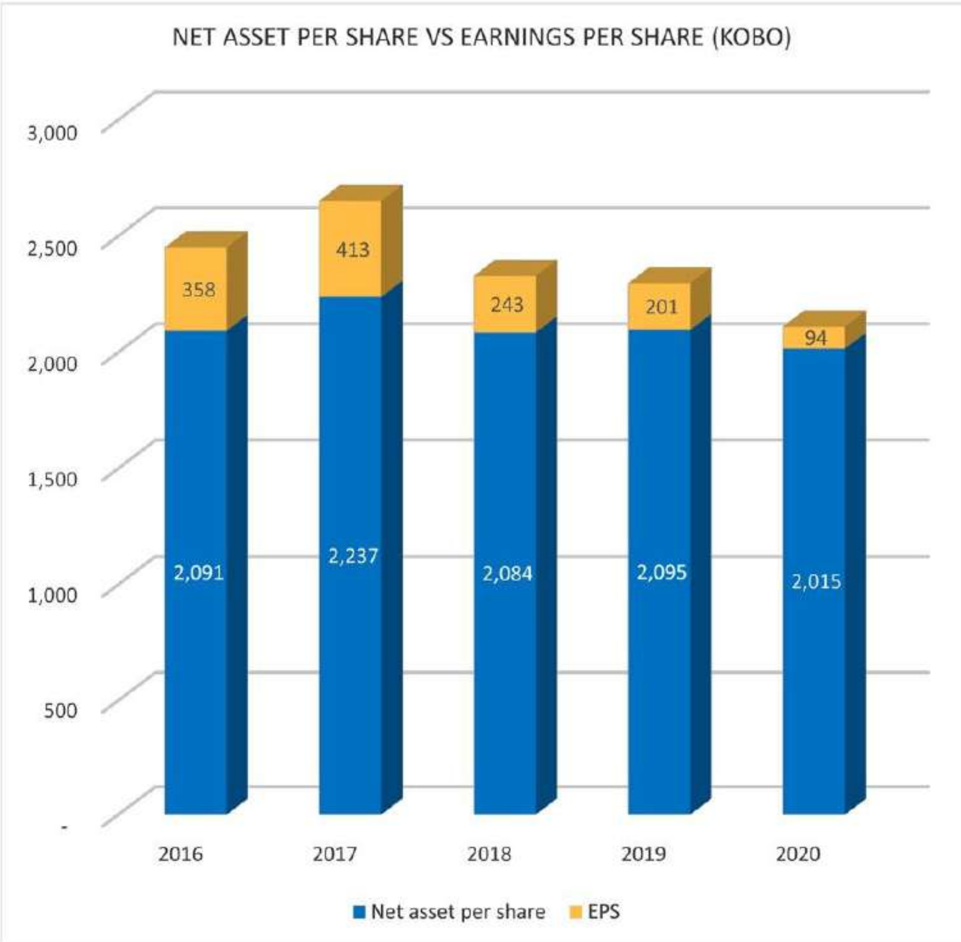
The financial information presented above reflects historical summaries based on International Financial Reporting Standards. Historical financial information for the Group has not been presented.

(d) Performance Indicators






EARNINGS PER SHARE VS DECLARED DIVIDEND PER SHARE (KOBO)
1,200
1,000
800
600
400
200
-
460
358
373
233
176
358
413
243
201
94
EPS
Declared DPS


NET ASSET PER SHARE VS EARNINGS PER SHARE (KOBO)
3,000
2,500
2,000
1,500
1,000
500
-
358
413
243
201
94
2,091
2,237
2,084
2,095
2,015
2016
2017
2018
2019
2020
Net asset per share
EPS


climax
ENERGY DRINK
NEW
50CL
BOOST YOUR GAME
WITH HERB EXTRACTS
₦200 ONLY
GINSENG + GUARANA + SCHISANDRA
HERBAL POWER
climax

SHAREHOLDERS' INFORMATION

(a) 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, 2020.

Shareholder	Number of Shares	Percentage
Heineken Brouwerijen B.V.	3,034,100,564	37.94
Distilled Trading International B.V.	1,237,500,160	15.47
Stanbic Nominees Nigeria Limited	909,267,390	11.37
Total	**5,180,868,114**	**64.78**

(b) Statistical Analysis of Shareholding

(i) The issued and fully paid-up Share Capital of the Company as at 31st December, 2020 was 7,996,902,051 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, 2020. The remaining 2,816,033,937 shares (representing 35.22%) were held by other individuals and institutions.

(ii) The Registrars advised that the range of shareholding as at 31st December, 2020, was as follows:

Range	No. of Holders	Holders%	Units	Units%
1 - 1000	46,847	42.06	21,022,741	0.26
1001 - 5000	30,721	27.58	77,348,830	0.97
5001 - 10000	9,541	8.56	70,393,895	0.88
10001 - 50000	17,656	15.85	431,083,763	5.39
50001 - 100000	4,395	3.95	315,299,220	3.94
100001 - 500000	1,874	1.68	364,752,694	4.56
500001 - 1000000	182	0.16	128,109,964	1.60
1000001 - 5000000	139	0.12	264,377,743	3.31
5000001 - 10000000	11	0.01	79,949,033	1.00
10000001 - 50000000	20	0.02	553,079,233	6.92
50000001 - 100000000	4	0.00	351,365,148	4.39
100000001 - 7996902051	7	0.01	5,340,119,787	66.78
	111,397	**100**	**7,996,902,051**	**100**

SHAREHOLDERS' INFORMATION (CONT'D)

(c) Share Capital history

Date	Authorised (₦)		Issued and Fully Paid (₦)		Consideration
	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

(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

	31st December, 2020		31st December, 2019	
	Units	*% (issued share capital)*	*Units*	*% (issued share capital)*
Issued Share capital	**7,996,902,051**	**100.00%**	**7,996,902,051**	**100.00%**
Substantial Shareholdings (5% and above)*				
Heineken Brouwerijen B.V.	3,034,100,564	37.94%	3,019,363,804	37.76%
Distilled Trading International B.V.	1,237,500,160	15.47%	1,237,500,160	15.47%
Total Substantial Shareholdings	**4,271,600,724**	**53.42%**	**4,256,863,964**	**53.23%**
Directors' Shareholding (direct and indirect, excluding directors with substantial interest				
Chief. Kola B. Jamodu (Direct)	796,704	0.01%	766,704	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)	1,666	0.00%	1,666	0.00%
Total Directors' Shareholdings	**853,664**	**0.01%**	**823,664**	**0.01%**
Other Influential Shareholdings				
Heineken International B.V.	217,289,465	2.72%	217,289,465	2.72%
The Nigerian Breweries-Felix Ohiwerei Education Trust Fund	25,451,680	0.32%	25,451,680	0.32%
Progress Trust (CPFA) Limited	2,488,000	0.03%	2,488,000	0.03%
Government and Institutional shareholdings	54,351,952	0.68%	59,859,788	0.75%
Total Other Influential Shareholdings	**299,581,097**	**3.75%**	**305,088,933**	**3.82%**
Free Float in Units and Percentage	**3,424,866,566**	**42.83%**	**3,434,125,490**	**42.94%**
Free Float in Value (in Naira)	**191,792,527,696**		**202,613,403,910**	

*While Stanbic Nominees Nigeria Limited held 11.37% of the Company's shares as at 31st December 2020, 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 Nigerian Stock Exchange.

SHAREHOLDERS' INFORMATION (CONT'D)

(f) Dividend Overview

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

Financial	Dividend No.	Profit after Taxation (₦'000)	Dividend (₦'000)	Dividend per Share (kobo)	Date approved
2009	92 (Interim)		9,831,331	130	20th May 2009
2009	93 (Interim)		11,343,844	150	13th January, 2010
2009	94	27,910,091	6,730,680	89	19th May, 2010
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

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

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

75[TH] ANNUAL GENERAL MEETING to be held in the Shell Nigeria Hall, Muson Centre, 8/9 Marina, Onikan, Lagos State, on **Thursday, 22nd April, 2021** 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 Thursday, 22nd April, 2021.

Dated this...................... day of ...., 2021.

Shareholder's signature ....

**Delete as necessary.*

Notes:

- *i. In view of the health and safety measures put in place by Government including limiting the number of persons that can be in a gathering in an enclosed space to 50, this Proxy Form has been prepared to enable Shareholders exercise the right to vote despite not being physically present at the Meeting.*
- *ii. Members may appoint a proxy of their choice from the following persons: **(a) Chief Kolawole B. Jamodu, CFR; (b) Mr. Rob Kleinjan; (c) Mrs. Adeyinka O. Aroyewun; (d) Chief Timothy Adesiyan (e) Sir Sunny Nwosu; (f) Mr. Matthew Akinlade; (g) Mr. Nornah Awoh; (h) Mr. Boniface Okezie (i) Alhaja Sarata Balogun and (j) Mrs. Bisi Bakare.***
- *iii. 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, 2021.***
- *iv. 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.*
- *v. The proxy must produce the Admission Card issued by the Registrar to obtain entry to the meeting.*
- *vi. 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 Mrs. Adeyinka O. Aroyewun as a Director.			
To re-elect Mr. Rob Kleinjan as a Director.			
To re-elect Mr. Steven L.M. Siemer 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 scrip dividend election option instead of final dividend in cash.			

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.

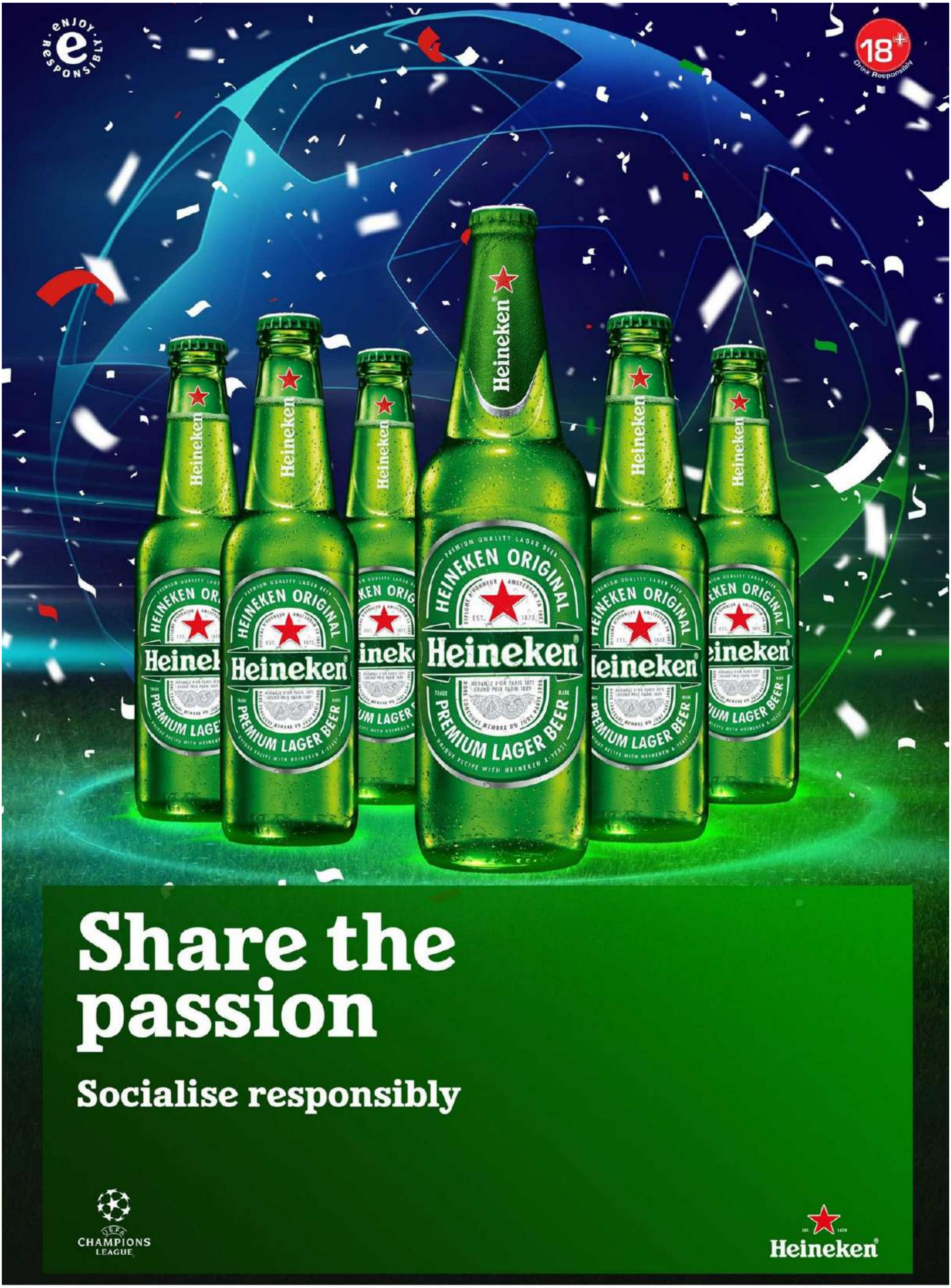
SECOND FOLD HERE

Please affix
postage stamp

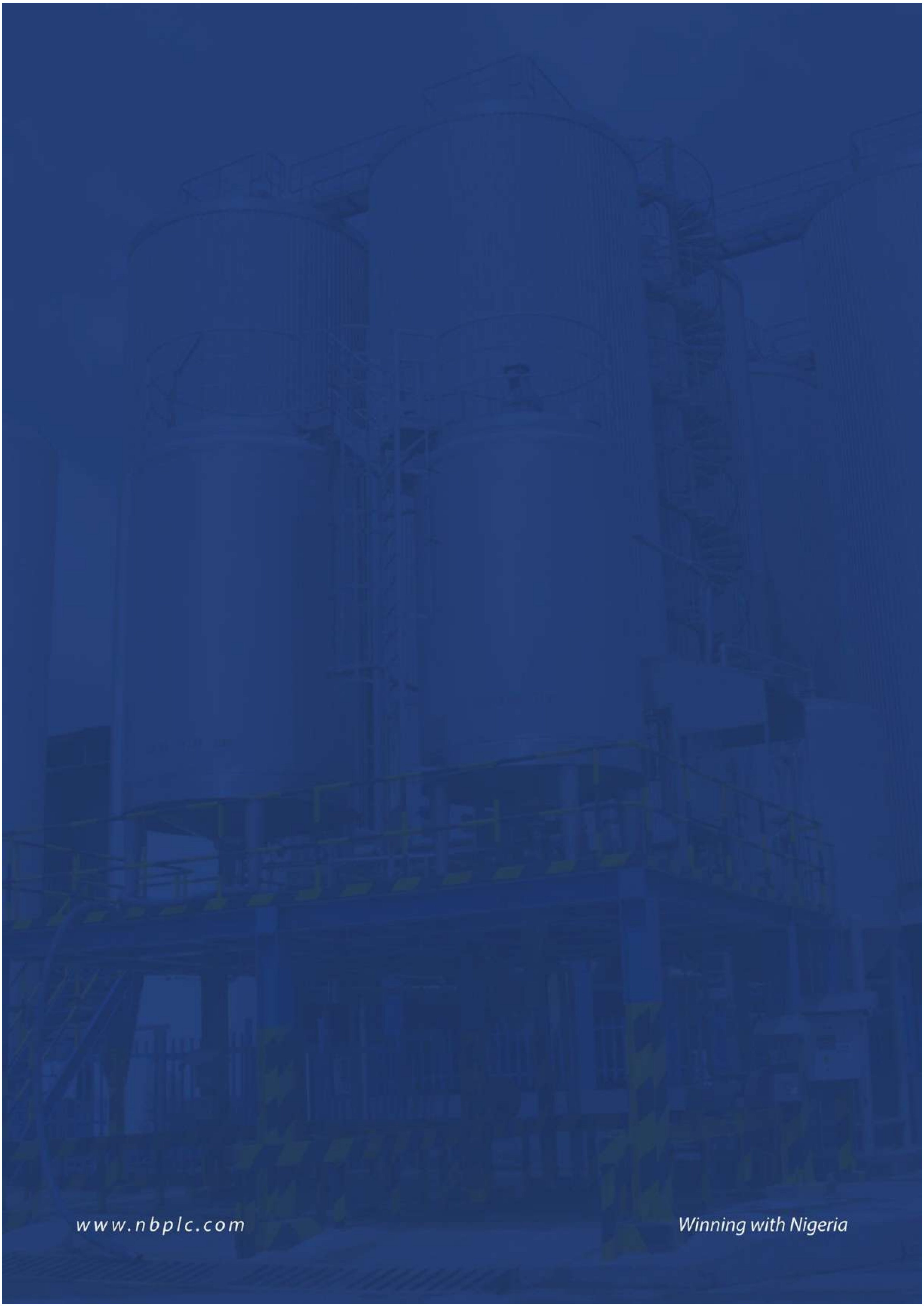
FIRST FOLD HERE

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

THIRD FOLD HERE AND INSERT



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