

2016
ANNUAL REPORT
&
FINANCIAL
STATEMENTS



International Breweries Plc
RC 9632

**BE Beta
EVERYDAY**



BETA MALT, BETA MIND



OUR VISION

To be the most admired beverage
company in Nigeria

OUR VALUES

People are our enduring advantage;
Accountability is clear and personal;
We work and win in teams across the business
We are customer and consumer focused;
We do our best for local communities;
Our reputation is indivisible

OUR PURPOSE

We bring refreshment and sociability,
improve livelihoods
and help build local communities



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CORPORATE INFORMATION

Chairman:	Mr. Otunba Michael Daramola
Directors:	Mr. Andrew Ross (South African)- Chief Operating officer Mr. Christopher Tyne (South African) - Executive Mr. Gustav Van Heerden (South African) Mr. Simon Harvey (South African) - <i>(resigned on 22 May, 2015)</i> Mr. Andries Du Plessis (South African) - <i>(appointed on 10 August, 2015)</i> Mr. Folorunsho Awomolo Mr. Sunday Akintoye Omole Mrs. Afolake Lawal Mr. Peter Ward (South African) - <i>(resigned on 17 July, 2015)</i> Mr. Ryan Martin (South African) - <i>(appointed on 10 August, 2015)</i>
Alternate Directors:	Mr. Olugbenga Awomolo (Mr. Folorunsho Awomolo) Dr. (Mrs.) Idowu Osibodu (Mr. Sunday Akintoye Omole) Ms. Abisola Olabinjo (Mrs. Afolake Lawal)
Company Secretary:	Mr. Muyiwa Ayojimi
Registered Office:	Lawrence Omole Way, Omi Asoro, Ilesa.
Registered Number:	RC 9632
Independent Auditors:	Baker Tilly Nigeria, Chartered Accountants, Zion House, 46 Alaafin Avenue, Oluyole Industrial Estate, Ibadan. Email: btnib@bakertillynigeria.com
Registrar:	Africa Prudential Registrars Plc, Registrar's Department, 220B, Ikorodu Road, Palmgrove, Lagos. Email: info@africaprudential.com
Main Bankers:	CitiBank Limited Ecobank Plc First Bank of Nigeria Plc Guaranty Trust Bank Plc Skye Bank Plc Stanbic IBTC Plc Standard Chartered Bank Limited Union Bank of Nigeria Wema Bank Plc



COMPANY PROFILE

International Breweries Plc was incorporated in December 1971 by its founder and first Chairman, Dr. Lawrence Omole under the name International Breweries Limited. The Company commenced production of its flagship product Trophy Lager in December 1978 with an installed capacity of 200,000 hectoliters per annum.

Following the increasing demand for its products, in December 1982 the Company embarked on an expansion programme to increase its capacity to 500,000 hectoliters annually. The company was listed on the floor of the Nigerian Stock Exchange in April 1995.

In 2008 a turnaround strategy was implemented and the company successfully raised funds from the Nigerian Capital market with the issuance of 1.6 million Ordinary Shares of 50 Kobo each at 87K per share. This funding started the resurgence of the organization and its brands.

In 2008 the Warsteiner Group sold its majority shareholding to the Castel Group and in January 2012 SABMiller Plc entered into a strategic alliance with the Castel group. During this period significant investment was made which transformed the company and provided it with a solid foundation for growth and profitability. Starting with just two brands, Trophy Lager and Betamalt the company has since 2010 introduced Grand Malt, La Voltic water, Hero Lager, Castle Milk Stout, Castle Lager, Miller Genuine Draft, Redds, Eagle and most recently 1960. A number of pack extensions were also introduced to satisfy new consumer occasions.

The production facility and corporate headquarters of the Company are located at Omi-Asoro, Ilesa in Osun State. In addition, the Company operates depots in Ibadan, Lagos and Ilorin to facilitate the re-distribution of its products in the wider urban area.

With its strategic position in the South West and its increasing portfolio of world class beverages the organization is perfectly positioned to satisfy increasing consumer demand and in so doing delivering superior returns for shareholders.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 39th Annual General Meeting of INTERNATIONAL BREWERIES PLC will hold at the Banquet Hall, Green Legacy Hotel, Olusegun Obasanjo Presidential Library Road, Presidential Boulevard, Oke-Mosan, Abeokuta, Ogun State on Tuesday 9 August, 2016 at 11.00.a.m. for the following purposes:

ORDINARY BUSINESS

- 1 To lay before the meeting the report of the Directors, the Statement of Financial Position as at 31 March, 2016, together with the Statement of profit or loss and other Comprehensive Income for the year ended on that date and the Reports thereon of the Independent Auditors and the Audit Committee.
- 2 To declare a Dividend.
- 3 To elect/re-elect Director(s)
- 4 To authorize the Directors to fix the remuneration of the Independent Auditors.
- 5 To elect the members of the Audit Committee.

SPECIAL BUSINESS

- 6 To approve the remuneration of the Directors.

Dated 5 May, 2016.

BY ORDER OF THE BOARD

Muyiwa Ayojimi

Company Secretary/General Counsel

FRC/2013/NBA/00000002667

Lawrence Omole Way

Ilesa-Nigeria.

NOTES

1 Proxy

A member entitled to attend and vote at the meeting is entitled to appoint a proxy in his/her stead. Such Proxy need not be a member of the company. A Proxy for a Corporation may vote on a show of hands and on a Poll. A Proxy Form is attached to the Annual Reports and Accounts. If the Proxy is to be valid for the purposes of the meeting, it must be completed, detached, with stamp duties and deposited with the Registrars, Africa Prudential Registrars, 220B, Ikorodu Road, Palmgrove, Lagos or



NOTICE OF ANNUAL GENERAL MEETING (cont'd)

the office of the Company Secretary, International Breweries Plc, Ilesa not later than 48 hours prior to the time of the meeting.

2 Closure of Register and Transfer Books

The Register of Members and Transfer Books will be closed from Monday 18 July, 2016 to Friday 22 July, 2016 (both dates inclusive) for updating the Register of Members.

3 Dividend

The Board of Directors is pleased to recommend subject to approval at the annual general meeting, the payment of a final gross cash dividend of 35 kobo per ordinary share (2015:25kobo) to shareholders registered at close of business on 15 July 2016. The total gross dividend amounts to one billion, one hundred and fifty-two million, nine hundred and eighty-seven thousand, two hundred and forty-eight Naira (N1,152,987,248). Where the payment of the dividend is approved by the general meeting, the dividend will be paid from Thursday 11 August, 2016.

4 Nomination to the Audit Committee.

In accordance with Section 359 (5) of the Companies and Allied Matters Act, Cap.C20, Laws of the Federation of Nigeria, 2004, any member may nominate a Shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. Nomination of a member is further guided by the prescribed rules of regulatory authorities on Corporate Governance. In accordance with the provisions of the Financial Reporting Council Act ("FRCN"), any nominated member/chairman, must be registered as a professional with the FRCN for the purposes of signing the financial statement.

5 Change of Address

Members are requested to notify the Registrar of changes, if any, in their registered addresses and or other details.

6 Unclaimed Dividend

Members who are yet to claim their previous dividend(s) are advised to write to or call at the office of the Registrars, Africa Prudential Registrars Plc (formerly U.B.A. Registrars), 220B, Ikorodu Road, Palmgrove, Lagos. Members are further urged to advise the Registrar of any change in their security records and also, open a CSCS account.

7 Securities Holder's Rights

In accordance with Rule 19.12 of the Nigerian Stock Exchange "NSE", shareholders and other holders of the Company's securities have the right to ask questions not only at the meeting but also can do so in writing prior to the meeting. Such questions and or concerns, arising from the Annual Report and Financial Statements may be submitted to the office of the Company Secretary with a copy to the NSE.



- | | | |
|----|---------------------------|-------------------------------|
| 1. | OTUNBA MICHAEL DARAMOLA | (Chairman) |
| 2. | MR. ANDREW ROSS | (Chief Operating Officer) |
| 3. | MRS. AFOLAKE LAWAL | (Non-Executive Director) |
| 4. | MR. ANDRIES DU PLESSIS | (Non-Executive Director) |
| 5. | MR. GUSTAV VAN HEERDEN | (Non-Executive Director) |
| 6. | MR. CHRISTOPHER TYNE | (Executive Director, Finance) |
| 7. | MR. AKINTOYE SUNDAY OMOLE | (Non-Executive Director) |
| 8. | MR. RYAN ANTHONY MARTIN | (Non-Executive Director) |
| 9. | MR. OLUGBENGA AWOMOLO | (Alternate Director) |



PROFILE OF DIRECTORS

OTUNBA MICHAEL DARAMOLA

Otunba Daramola bagged a degree in Industrial Economics and a masters in Industrial Finance in the then Soviet Union (U.S.S.R.) At different times he worked with the Central Bank of Nigeria, L.M Ericsson Nigeria Limited and later, MicCom Cables & Wires as the Financial Controller. He was the pioneer Chairman of MicBeth Nig. Ltd; an electro-mechanical company that specializes in the rewinding of electric motors and alternators for generators as well as supplying essential spares to industries. It was this wealth of experience in the managing of business enterprises, together with long years of interaction with the brewing industry that prompted Warsteiner International of Germany to approach him to take over the management of International Breweries Plc as the Managing Director in 2005 which he exited in March, 2012.

MR. ANDREW ROSS

Mr. Ross is a graduate of Accounting and Business Economics with a Masters in Business Administration from the Gordon Institute of Business Science. Andrew has significant experience in every aspect of finance, operations, sales, marketing and business development spanning over 20 years.

He began his career in 1994 as a financial analyst in the London office of Unisys's - Europe Africa Division. Andrew joined the South African Breweries Ltd in 1997 as a District Cost Accountant and at various times held key managerial positions within the Company in South Africa from 1997-2010. He became the Sales and Distribution Director for Zambia Breweries Plc under the SABMiller group in 2010 from where he was appointed the Chief Operating Officer for International Breweries Plc with effect from 1 October, 2014.

MR. FOLORUNSO AWOMOLO

Mr. Awomolo is an industrialist par excellence. He started his business career in Nigerian Technical Company Ltd. (NITECO) where he rose along the ranks to the position of Managing Director and eventually became an executive chairman.

He has several business interests in Nigeria and abroad. His business interest in Nigeria includes but not limited to the following: International Breweries Plc, Alumaco PLC, NIGALEX Ltd, Nigerian Shipbuilders Ltd., Newco Investment Ltd., Career Development Ltd., Imo Hills Farm Ltd.

He represents the interest of Habe Hallmark Beteiligungs Stiftung, Switzerland in Nigeria which is the core investor in Alumaco Plc and Nigalex - foremost aluminium industries in Nigeria.

He lived most of his working career in Germany and London and is presently based in Nigeria. He established Euroaf Export Trading Limited in London, an international exporting company.

MRS. AFOLAKE LAWAL

Mrs. Lawal is a co-founder of the GTI Group. She is currently the Group Executive Director with over two decades wealth of experience in investment Banking, Corporate Governance and Business Strategy. She is a certified Pension Practitioner and an Associate member of the National Institute of Marketing of Nigeria (NIMN). This banking amazon has an Upper Class (Hons) in Law (LLB) from the Anglia Ruskin



PROFILE OF DIRECTORS (cont'd)

University, Cambridge U.K. She is an alumna of Obafemi Awolowo University and holds a Master degree in International Law and Diplomacy from the University of Lagos. She also obtained a Master of Science in Corporate Governance and Finance from the Liverpool John Moores University in the U.K.

She serves on the board of International Breweries Plc and Etema Plc (both Companies quoted on The Nigerian Stock Exchange). She is currently the Chairperson of Etema Plc's Governance and Remuneration Committee and also Chairperson, Governance and General Purpose Committee of IBPlc.

MR. ANDRIES DU PLESSIS

Mr. Du Plessis joined the SABMiller Group (Coca-Cola Bottling Luanda SARL) in 2004 and has worked in a number of different businesses in the group. These include SABMiller Vietnam, Tanzania Breweries Limited, and as Business Development Manager for Coca-Cola Bottling Luanda SARL.

Andries was appointed Finance Director, SABMiller Nigeria in 2009 and having identified his experience of the Africa and Nigeria market in particular, he was appointed the Commercial Director, SABMiller Nigeria overseeing the businesses in 2012 and recently Managing Director, SABMiller, Nigeria.

MR. RYAN ANTHONY MARTIN

Mr. Martin is a graduate of accountancy and accounting science from the Rand Afrikaans University and University of South Africa respectively. He is a chartered accountant and member of the South African Institute of Chartered Accountants. He was at different times a banking consultant for Standard Bank and audit consultant for Deloitte on secondment to Austria, UAE and U.S.A.

He has about 15 years of broad based financial and auditing experience and has been working in Nigeria for over 10 years first with Nampak Cartons before joining SABMiller as supply chain director. He has held various positions within the group until his recent appointment as Financial Director, SABMiller Nigeria.

MR. GUSTAV VAN HEERDEN

Mr. Van Heerden holds a Bachelor of Commerce, a Certificate in Professional Management, an Advanced Diploma in Professional Management, a Masters in Business Administration and an Advanced Postgraduate Certificate in Taxation.

He has considerable years of experience in finance and accounting, auditing and taxation which has been brought to bear in his work with various establishments like Coca-Cola prior to working with the SABMiller group in different capacities spanning over a decade.

He is a Professional Member of the South African Institute of Tax Practitioners; South African Institute of Professional Accountants and Association of Chartered Certified Accountants.

Mr. Van Heerden's inclusion on the Board of International Breweries Plc would sure bring immense value and significant contributions to the further growth and development of the Company.



PROFILE OF DIRECTORS (cont'd)

MR. CHRISTOPHER TYNE

Mr. Tyne is a B.Com(Accounting) and B.Compt.(Hons) graduate from the Rand Afrikaans University and U.N.I.S.A. respectively and became a member of the South African Institute of Chartered Accountants in 1990.

He gained experience in tax and financial management with private companies before joining Sabmiller in 1999 as Finance manager at KBL in Botswana. In 2003 he moved to Lesotho Brewing Company as Finance Director up until 2007 when he resigned and moved back to Johannesburg to pursue other business interests. In 2010 he re-joined Sabmiller in Johannesburg Hub office as Internal Audit Manager for Botswana Lesotho and Swaziland, did a 3 month stint in Angola as Internal Audit manager and from March 2011 to Nov 2011 was Acting Finance Director of KBL in Botswana. A brief few months as Finance manager operations in Johannesburg Hub office was followed by his appointment in May 2012 as Executive Director Finance at IBPLC.

MR. AKINTOYE SUNDAY OMOLE

Mr. Omole is a graduate of the premier University of Ibadan, B.sc Sociology (1982) a graduate of accounting (1986) Association of chartered and certified Accountants, and a MBA graduate specializing in Human Resources from Everest University, United States of America.

Sunday has acquired wide working experience both locally and internationally. The scope of his working life include accounting, auditing and tax practices, food and beverages industries, commodities, futures market , financial services and human resources management.

Apart from being a director of International breweries plc, a public quoted company on (The Nigerian Stock Exchange) he is also director of other companies including Cardinal Investments (Nigeria) limited, Mustard Concept LLC (United States of America), the Omole Group and Universal foods and Beverages.

MR. OLUGBENGA AWOMOLO

Mr. Awomolo is currently an Executive Director (Operations) at Alumaco Plc and sits on the Board of several companies. He has worked in different capacities as an Investment Executive at Newco Investment Limited, Nigeria, as an Immigration Consultant at Midwest Immigration Consultants, in the United States and as an Operations manager at Midwest Staffing Group, USA. He also has a Law degree from the University of Wales, Cardiff.

MR. MUYIWA AYOJIMI

Mr. Ayojimi is a Barrister, Solicitor of the Supreme Court and Notary Public of Nigeria with substantial years of Law practice which has cut across various degree of legal work including advice on regulatory and corporate compliance issues and extensive practice before superior courts of record in Nigeria. He was the head of the Commercial Practice Group of DCA- a firm of Legal Practitioners and Company Secretarial Consultants before bringing his experience to bear at IBPLC.

He is a member of the Institute of Chartered Secretaries and Administrators, Chartered Institute of Arbitrators, International Corporate Governance Network, Nigerian Institute of Management, The International Bar Association and the Nigerian Bar Association.



CHAIRMAN'S STATEMENT

Dear Shareholders, fellow Directors, ladies and gentlemen it is with great pleasure that I welcome you to the 39th Annual General Meeting of our Company.

BUSINESS ENVIRONMENT

The year under review has been both exciting and challenging with our country facing an extremely tough economic landscape. We have experienced inflationary pressures, foreign exchange liquidity issues and consumers have also been faced with severe fuel shortages and long power outages. This and the nonpayment of civil servant salaries have had a material impact on our consumers' disposable income. As a result competition in the brewing industry has intensified significantly.

However a challenging environment often provides opportunity and we have ensured that we have taken advantage of as many of the opportunities we have created, or been presented with, as possible.

OUR PERFORMANCE

In the year under review, International Breweries Plc continued to focus on investing for the long term and building on our established brands strong position in the South West. We also expanded our portfolio with the launch of Eagle Lager, 1960 Rootz and Miller Genuine Draft all of which have been exceptionally well received by consumers. We also continue to expand our offerings of existing brands to leverage occasions and to satisfy consumer needs as we have done with the phenomenally successful launch of the Trophy 375ml pack.

All of these have resulted in our team delivering a solid financial performance during the past year. We grew Revenue by 12.7% from N20,649,295 in 2015 to N23,269,364 in the year under review and increased our gross profit by a massive 18.2%. We also showed excellent improvement in EBITDA and operating cash flow and as a result have delivered a significant increase in earnings per share. For the fiscal year, the earnings per share increased by 37.3% from 59kobo in 2015 to 81kobo.

A WINNING TEAM

We continue to strive to live our core value of "People are our enduring advantage" and the current financial performance can be attributed to the constant exceptional spirit of commitment, dedication and passion of our work force throughout our organisation.

We have modelled essential skills over the years and focused on retaining talented people. We have built competency frameworks through our International model which has proved very successful. This has provided development opportunities through exchange programmes and secondments for some of our employees in our sister Companies.

Our continued focus is to ensure a safe and healthy work environment for everyone who engages with our organisation. We are delighted to have been assessed as a three star rating from the credible NOSA organisation in the year under review and will continue to implement practices that will enable us to achieve the coveted five star rating.

A RESPONSIBLE BUSINESS

The year under review witnessed a significant milestone in environmental compliance with the commissioning of our effluent treatment plant which will ensure that all water returned to the environment will have no negative impact on it. We also understand that our profitability depends on healthy



CHAIRMAN'S STATEMENT (cont'd)

communities, growing economies and the responsible use of scarce natural resources. We have integrated these issues into our business through the launch of Prosper and the introduction of our five shared imperatives.

In the fiscal we also launched our Kickstart programme which was aimed at empowering our youth to develop enterprises and create employment. The programme ran over the entire fiscal and involved the training of 120 youths selected from thousands of entries and culminated in an awards luncheon which saw 25 youths awarded grants to empower them to grow their enterprises.

GOVERNANCE AND BOARD

The Board has ensured that a robust governance structure is in place to enable the business to succeed and deliver long-term sustainable growth. As part of this responsibility the Board has set up a Committee on Risk Management to further give direction to foreseeable challenges in the business and best possible approaches to mitigate them.

During 2015, Simon Harvey and Peter Ward resigned their appointments as directors of the Company. This led to the appointment of Andries Du Plessis and Ryan Martin in August of 2015 and they both bring excellent skills and experience to the Board.

Building on the externally facilitated Board evaluation in 2014 the Board set itself objectives for 2016, against which we have tracked progress. We have also carried out an internal Board evaluation to review the progress of the Board against these objectives and the Board's overall performance against the agreed strategy, financial performance, governance, succession and Board dynamic. The Board has fared well against the key measures set.

FUTURE OUTLOOK

We have confidence and belief in the growth prospects of the Company despite the economic and market challenges that may present themselves in F17. We are however confident that we will grow in line with our strategic views, increasing volumes and profitability supported by sound capital investment initiatives and at the same time delivering value to all our stakeholders.

CONCLUSION

In conclusion I would like to pay tribute to my fellow Directors for their continuing commitment and engagement as well as the Management and staff of our Company for working assiduously to continually improve our organisation. Our long-term and strategic mind-set motivates us to continually seek and seize opportunities for future growth and shareholder value creation. Join me as we pledge to keep the business focused, stretch the corporate scorecards and work at protecting our license to trade in the years ahead.

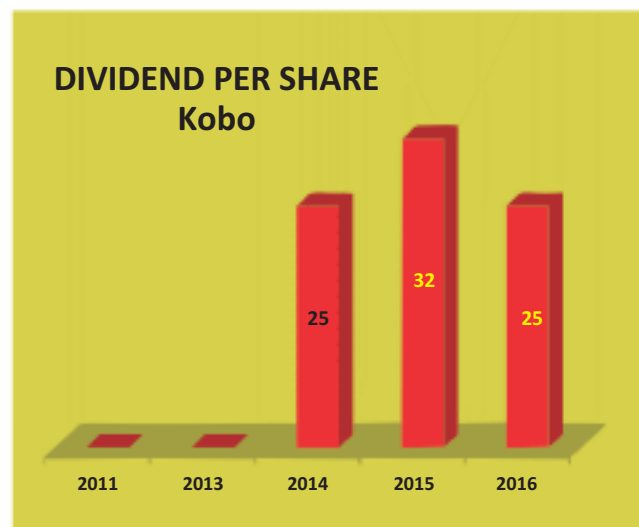
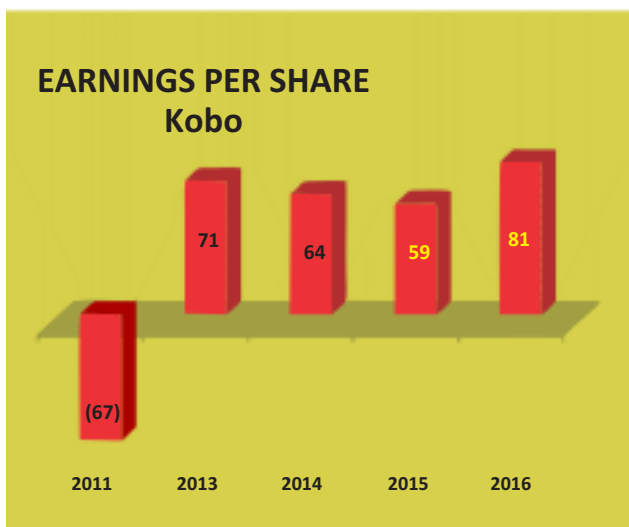
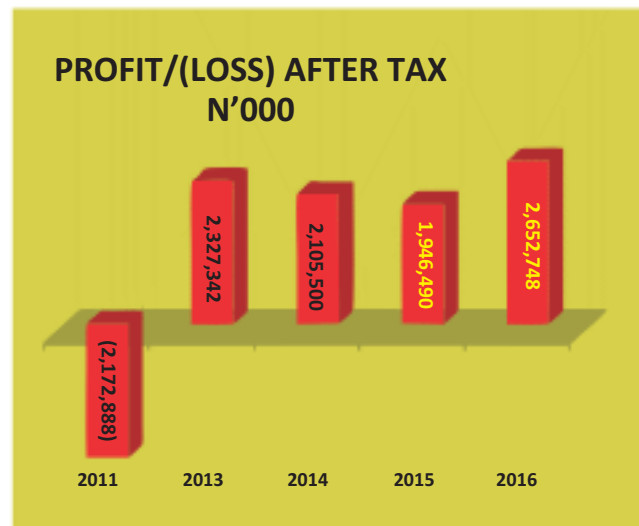
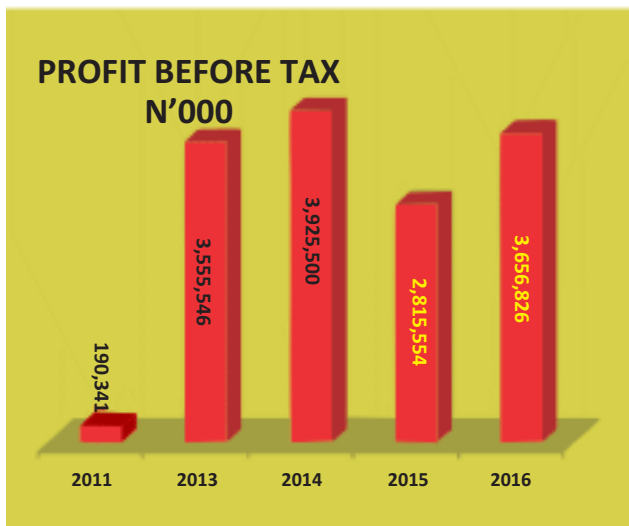
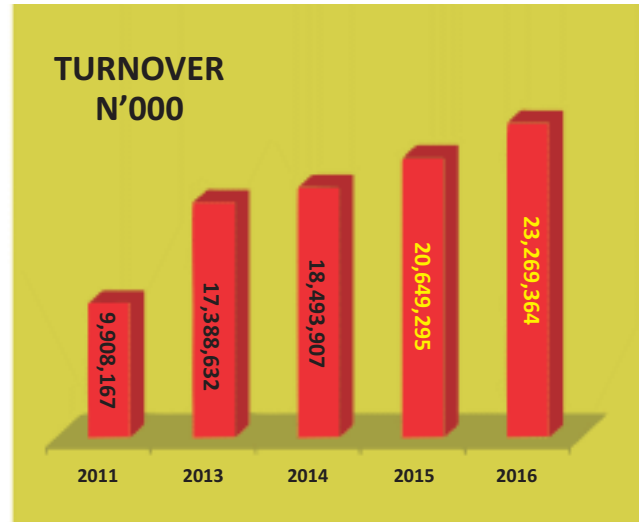
Thank you.

OTUNBA MICHAEL DARAMOLA.

Chairman.



PERFORMANCE INDICATORS





FINANCIAL HIGHLIGHTS

	2016 N'000	2015 N'000	Increase/ (Decrease) %
Key items in statement of comprehensive income:			
Revenue	23,269,364	20,649,295	13%
Gross profit	10,708,935	9,061,478	18%
Profit before tax	3,656,826	2,815,554	30%
Total comprehensive income for the year	2,652,748	1,946,490	36%
Key items in statement of financial position:			
Total assets	33,482,106	30,171,590	11%
Total liabilities	19,484,715	18,003,331	8%
Total equity as at end of the year	13,997,391	12,168,259	15%
Key cash flow items from/ (applied to):			
Net cash flow from operating activities	7,901,718	3,151,232	151%
Cash and cash equivalents at end of year	1,102,058	853,668	29%
Key ratios:			
Net return on total equity	19%	16%	19%
Gross profit to revenue	46%	44%	5%
Operating result on revenue	22%	22%	0%
Operating result on total assets	15%	15%	0%
Debt to equity	61%	80%	(24%)
Headcount:			
Number of employees	529	488	8%
Information per 50kobo ordinary share:			
Earnings per share	81 kobo	59 kobo	37%
Net assets per share	425 kobo	369 kobo	15%



REPORT OF THE DIRECTORS

The directors have the pleasure in submitting their report together with the audited annual financial statements for the year ended 31 March 2016.

1 Legal form

International Breweries Plc was incorporated as a private limited liability company on 22 December, 1971 and became a public limited liability company on 26 April, 1994.

2 Principal activities and business review

The principal activities of the company continue to be brewing, packaging and marketing of beer, alcoholic flavoured/ non-alcoholic beverages and soft drinks.

3 Operating summary

	2016 N'000	2015 N'000
Revenue	23,269,364 =====	20,649,295 =====
Profit before tax	3,656,826	2,815,554
Taxation	<u>(1,004,078)</u>	<u>(869,064)</u>
Profit after tax for the year	2,652,748 =====	1,946,490 =====
Per 50 kobo share data		
Market value as at 31 March, 2016 (Naira)	20	18.90

4 Dividend Declaration

The Board of Directors is pleased to recommend subject to approval at the next annual general meeting, the payment of a final gross cash dividend of 35 kobo per ordinary share to shareholders registered at close of business on 15 July 2016. The total gross dividend amounts to one billion, one hundred and fifty-two million, nine hundred and eighty-seven thousand, two hundred and forty-eight Naira (N1,152,987,248). Payment net of withholding tax to be effected from 11 August 2016.

5 Directors

The names of the current directors are as set out in the corporate information on page 3. All the current directors served throughout the period except for Mr. Andries Du Plessis and Mr. Ryan Martin who were appointed during the year. While Mr. Andries Du Plessis replaced Mr. Simon Harvey, Mr. Ryan Martin took the place of Mr. Peter Ward as Directors of the company. Both directors served on the Board until their resignation from the board on 22 May, 2015 and 17 July, 2015 respectively. On your behalf, we once again, thank Mr. Harvey and Mr. Ward for their immeasurable contributions to the Company during their period of service. Details of the Directors' interest in the company's shares during the year are set out below.



REPORT OF THE DIRECTORS (cont'd)

Directors' shareholding	2016		2015
	Number	%	Number
Direct holding:			
Mr. Sunday Akintoye Omole	50,247	-	50,247
Mrs. Afolake Lawal	1,582,694	0.08	1,582,694
Indirect holding:			
Mr. Folorunsho Awomolo (Through Newco Investment Company Limited)	106,904,126	3.25	106,904,126
Otunba Michael Daramola (Through Toyatko Nigeria limited)	6,990,706	0.20	6,990,706
Mr. Sunday Akintoye Omole (Through Cardinal Investment Nigeria limited)	968,087	0.03	968,087

6 Directors' interest in contracts

The directors have complied with the provisions of Section 277 of the Companies and Allied Matters Act, Cap. C20 LFN 2004 of any declarable interest in any contracts involving the company, either as at 31 March, 2016 or at the date of this report.

7 Corporate Governance

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

The directors are committed to maintaining the best standard which they believe is pivotal to the discharge of their stewardship expectations. In his statement as contained in this annual report, the Chairman captures the essence of the principles of the code in relation to the role and effectiveness of the board. During the year under review the company further established good corporate governance practices in line with the conviction of the company rather than a perfunctory response to the threat of regulatory sanctions. The company's conviction is that corporate governance practices should be accorded a more practical approach in enhancing company ideals and management performance.

(i) Leadership and effectiveness

Board of directors: composition, independence and renewal

The board is currently composed of the chairman (non-executive), six non-executive directors and two executive directors.

The board considers its nine directors - Otunba Michael Daramola, Mr. Andrew Ross, Mr. Akintoye Omole, Mrs. Afolake Lawal, Mr. Olugbenga Awomolo, Mr. Christopher Tyne, Mr. Gustav Van Heerden, Mr. Andries Du Plessis and Mr. Ryan Martin as independent for the purpose of their continuing to bring their invaluable integrity, corporate wisdom and experience towards the board



REPORT OF THE DIRECTORS (cont'd)

and committees' deliberations. The board is therefore satisfied with the performance and continued independence of judgement of each of the directors.

Messrs Andries Du Plessis and Ryan Martin, who were appointed to fill casual vacancies, will retire in accordance with the Company's articles and the provisions of the Companies and Allied Matters Act at the forthcoming annual general meeting and who, being eligible, hereby offer themselves for re-election.

The directors to retire by rotation are Otunba Michael Daramola, Mr. Gustav Van Heerden, and Mr. Christopher Tyne. The board is of the view that there is an appropriate balance of skills, collective experience amongst directors to ensure the discharge of their respective duties efficiently. To further enhance the governance process, the Board of Directors, during the year, organised a corporate governance training programme in order to update members of current global standards and the realities of high level governance principles.

(ii) The Board's Operation

Board meetings and attendance

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

The Board had received and adopted a code of conduct regarding securities transactions and has complied with the required standard as prescribed by the Nigerian Stock Exchange listing rules and in the issuer's code of conduct.

The Board in the year under review has also complied with the creation of the Complaint Management Policy of the Securities and Exchange Commission which became effective in 2015.

Complaints from shareholders or stakeholders can be addressed to the registrars, Africa Prudential Plc or the Company Secretary of the Company whose contact are on page 3 of this annual report. More details on the Policy shall be assessed on the Company's website www.internationalbreweriesplc.com



REPORT OF THE DIRECTORS (cont'd)

Analysis of attendance of meetings of Board members

NAME OF DIRECTOR	-----Date of meeting-----					NUMBER OF MEETINGS ATTENDED	
	18/05/2015	25/05/2015	10/08/2015	9/11/2016	25/2/2016		Total
	Mr. Otunba Michael Daramola (Chairman)	Y	X	Y	Y		Y
Mr. Andrew Ross (C.O.O.)	Y	Y	Y	Y	Y	5/5	
Mr. Christopher Tyne (Exec. Dir.)	Y	Y	Y	Y	Y	5/5	
Mr. Akintoye Omole	Y	Y	Y	Y	Y	5/5	
Mr. Gustav Van Heerden	Y	X	Y	X	Y	3/5	
Mrs. Afolake Lawal	Y	Y	Y	Y	Y	5/5	
Mr. Andries Du Plessis ADY	NA	NA	Y	Y	Y	3/3	
Mr. Olugbenga Awomolo	Y‡	Y‡	Y‡	Y‡	Y‡	5/5	
Mr. Ryan Martin ADY	NA	NA	Y	Y	Y	3/3	
Mr. Simon Harvey RDY	Y	Y	Y	NA	NA	2/2	
Mr. Peter Ward RDY	Y	Y	NA	NA	NA	2/2	

ADY - Appointed during the year
RDY - Resigned during the year
NA - Not a member of the Board as at that date

Y - Present
X - Absent
* - Represented by a proxy
‡ - Alternate Director

Operation of the board

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

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

Matters of exclusive preserve

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



REPORT OF THE DIRECTORS (cont'd)

The board governs through its established committees with reporting systems. Each committee or standing committee has specific written terms of reference and committee charters. All committee chairmen or their representatives report to the board and their decision extracts are included in the board packs circularized to all the board members two weeks before their meetings.

Risk and the board of directors

The company's Board of Directors are ultimately responsible for the company's risk management system and for reviewing its effectiveness. 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 risk management system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and there is an ongoing process in place for identifying, assessing, managing, monitoring and reporting on the significant risks faced by the company.

The company's Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

This process has been in place for the period under review up to the approval of the Annual Report and Accounts. The principal risks and uncertainties facing the group are set out in Note 34.

Conflict of interest

The directors are aware and advised to avoid situations where they have, or can have, a direct or indirect interest that conflicts, or may possibly conflict with the company's interests and encouraged to make full disclosures. In accordance with the Companies and Allied Matters Act 2004 and the company's articles of association, the board can authorize potential conflicts of interest that may arise and to impose such limits or conditions as it may deem fit. There were however, no actual or potential conflicts of interest which were required to be authorized by the board during the year ended 31 March 2016.

The roles of executive and non-executive directors

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

Information dissemination and training

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

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



REPORT OF THE DIRECTORS (cont'd)

Other appointments

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

Board, committee and director performance evaluation

The Board subscribes to performance evaluation processes in line with best practice. While the Board periodically reviewed its performance during the year, a formal and confidential evaluation of the performance and effectiveness of the board and its principal committees, by an independent consultant was in view as at year end.

The Company Secretary

The Company Secretary who acts as secretary to the board and its committees attended all the meetings during the year under review.

(iii) The Board Committees**The Audit Committee**

The audit committee chaired by Mr. Oladepo Adesina met four times during the year under review. The members are Mr. Moses Ijayekunle and Mr. Timothy Adejuwon representing the shareholders; Mr. Akintoye Omole, Mrs. Afolake Lawal and Mr. Ryan Martin representing the board.

The external auditors, the executive director, finance and Chief Operating Officer, attended the committee's meetings by invitation. The work of the committee during the year included the consideration of the following matters:

- The annual financial statements for the year ended 31 March, 2016 before their submission to the board for approval, including consideration on the company's going concern status.
- Areas of significance in the financial statements.
- Reports of external auditors.
- Approval of internal audit terms of reference and charter.
- Legal, risk and treasury reviews.
- Approval of the audit plan and fee proposals.

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

The internal audit manager has direct access to the committee, primarily through its chairman. The internal audit department has the benefit of adapting the workings and processes of approved international and best practice templates for improved efficiency.



REPORT OF THE DIRECTORS (cont'd)

Analysis of attendance of meetings of Audit Committee members

NAME OF MEMBER	Date of Meeting				NUMBER OF MEETINGS ATTENDED
	15/05/2015	07/08/2015	06/11/2015	25/02/2016	
	Total				
Mr. Oladepo Adesina - (Chairman/Shareholder)	Y	Y	Y	Y	4/4
Mr. Ademola Odeleye - (Member/Shareholder) RDY	Y	Y	NA	NA	2/2
Mrs. Victoria Adejare - (Member/Shareholder) RDY	Y	Y	NA	NA	2/2
Mr. Moses Ijayekunle - (Member/Shareholder) ADY	NA	NA	Y	Y	2/2
Mr. Timothy Adejuwon- (Member/Shareholder) ADY	NA	NA	Y	Y	2/2
Mr. Akintoye Omole - Member/Director	Y	Y	Y	Y	4/4
Mrs. Afolake Lawal - Member/Director	Y	Y	Y	Y	4/4
Mr. Peter Ward - (Member/Director) RDY	Y	NA	NA	NA	1/1
Mr. Ryan Martin - (Member/Director) ADY	NA	Y	Y	Y	3/3

RDY - Resigned during the year
ADY - Appointed during the year
NA - Not a member of Audit Committee as at that date

* - Represented by a proxy
‡ - Alternate Director

The Governance and General Purposes Committee

The name of the Committee was changed from Governance and General Purpose Committee to Governance Committee following the creation of the Risk management and Remuneration Committee.

The committee consists of the Chairperson, Mrs. Afolake Lawal and two members - Mr. Ryan Martin and Mr. Olugbenga Awomolo. During the period under review, the committee amended its charter to focus on governance issues and industry issues critical to protecting the company's license to operate as well as other matters deserving of appropriate attention as contained in the committee's charter.

Analysis of attendance of meetings of Governance Committee members

NAME OF MEMBER	Date of Meeting			NUMBER OF MEETINGS ATTENDED
	07/08/2015	06/11/2015	25/02/2016	
Mrs. Afolake Lawal	Y	Y	Y	3
Mr. Olugbenga Awomolo	Y	Y	Y	3
Mr. Peter Ward /Ryan Martin	Y	Y	Y	3



REPORT OF THE DIRECTORS (cont'd)

The Risk Management and Remuneration Committee

The purpose of the Risk Management and Remuneration Committee is to assist the Board in fulfilling its obligations by providing a focus on risk and other purposes, intended to enhance the Board's performance and at all times taking into consideration established best practices. The Committee shall in that will assist the Board in its oversight of the risk profile, risk management framework, risk strategy and the remuneration framework as may be determined from time to time.

The Risk Management and Remuneration Committee is composed of three members. Mr. Akintoye Omole chairs the committee with Mr. Olugbenga Awomolo and Mr. Andries Du Plessis as members. The Committee's inaugural meeting was on the 6 November 2015 and a second and concluding meeting for the year was held on the 25 February, 2016.

Analysis of attendance of meetings of Risk Management and Remuneration Committee members

NAME OF MEMBER	----- Date of Meeting -----		NUMBER OF MEETINGS ATTENDED
	06/11/2015	25/02/2016	Total
Mr. Akintoye Omole - Chairman	Y	Y	2
Mr. Olugbenga Awomolo	Y	Y	2
Mr. Andries Du Plessis	Y	Y	2

8 Share capital

During the year, the number of the company's issued ordinary share capital remained at 3,294,249,280 ordinary shares. Details of share capital are shown on note 24.

Active shareholders range - summary position as at 31/03/2016

Range	No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1 - 1,000	17,842	43.58%	17,842	9,909,577	0.30%	9,909,577
1,001 - 5,000	15,155	37.02%	32,997	38,020,878	1.15%	47,930,455
5,001 - 10,000	5,012	12.24%	38,009	42,613,505	1.29%	90,543,960
10,001 - 50,000	2,394	5.85%	40,403	54,022,362	1.64%	144,566,322
50,001 - 100,000	300	0.73%	40,703	20,855,363	0.63%	165,421,685
100,001 - 500,000	173	0.42%	40,876	36,047,123	1.09%	201,468,808
500,001 - 1,000,000	26	0.06%	40,902	20,245,967	0.61%	221,714,775
1,000,001 - 2,400,000,000	39	0.10%	40,941	3,072,534,505	93.27%	3,294,249,280
Grand Total	40,941	100.00%		3,294,249,280	100.00%	



REPORT OF THE DIRECTORS (cont'd)

Active shareholders range - summary position as at 31/03/2015

Range	No. of Holders	Holdings %	Holders Cum.	Units	Units %	Units Cum.
1 - 1,000	17,777	43.04%	17,777	9,925,875	0.30%	9,925,875
1,001 - 5,000	15,335	37.12%	33,112	38,538,095	1.17%	48,463,970
5,001 - 10,000	5,154	12.48%	38,266	43,882,769	1.33%	92,346,739
10,001 - 50,000	2,468	5.97%	40,734	55,557,224	1.69%	147,903,963
50,001 - 100,000	312	0.76%	41,046	21,727,640	0.66%	169,631,603
100,001 - 500,000	186	0.45%	41,232	38,412,616	1.17%	208,044,219
500,001 - 1,000,000	27	0.07%	41,259	21,387,375	0.65%	229,431,594
1,000,001 - 999,999,999,999	49	0.12%	41,308	3,064,817,686	93.04%	3,294,249,280
Grand Total	41,308	100.00%		3,294,249,280	100.00%	

Substantial shareholding.

The particulars of the shareholders that held more than 5% of the issued and fully-paid share capital of the company as at 31 March, 2016 and at the date of this report are as follows:

NAME	HOLDING	%
Brauhaase International Management GMBH.	2,377,579,013	72.17

Shareholding by category:

S/N	CATEGORY OF SHAREHOLDER	NO. OF SHAREHOLDER	NUMBER OF SHARES HELD	PERCENTAGE HOLDING [%]
1	INDIVIDUALS	40,289	278,411,126	8.46
2	INSTITUTIONAL INVESTORS:			
	* Corporate	618	607,996,987	18.46
	* Institution	16	125,700	0.00
	* Pensioner	2	313,500	0.01
	* Tax Free	13	29,771,954	0.90
3	STATE & LOCAL GOVT	2	51,000	0.00
4.	FOREIGN SHAREHOLDER;			
	· Direct Foreign Investors			
	· Portfolio Investor	1	2,377,579,013	72.17
	Total	40,941	3,294,249,280	100.00



REPORT OF THE DIRECTORS (cont'd)

Purchase of own shares

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

Share capital history

Date	Authorised (N)		Issued and Fully Paid -up (N)		
	Increase	Cumulative	Increase	Cumulative	Consideration
1971	-	4,500,000	-	4,500,000	Cash
1978	1,000,000	5,500,000	-	4,500,000	
1980	-	5,500,000	1,000,000	5,500,000	Cash
1981	2,500,000	8,000,000	1,300,000	6,800,000	Cash
1981	-	8,000,000	1,100,000	7,900,000	Bonus
1982	-	8,000,000	100,000	8,000,000	Cash
1982	2,000,000	10,000,000	1,000,000	9,000,000	Bonus
1983	-	10,000,000	1,000,000	10,000,000	Bonus
1985	5,000,000	15,000,000	2,000,000	12,000,000	Bonus
1986	-	15,000,000	3,000,000	15,000,000	Bonus
1988	5,000,000	20,000,000	3,000,000	18,000,000	Bonus
1989	-	20,000,000	2,000,000	20,000,000	Bonus
1991	30,000,000	50,000,000	5,000,000	25,000,000	Bonus
1992	-	50,000,000	15,841,770	40,841,770	Cash
1993	-	50,000,000	2,709,846	43,551,616	Cash
1994	100,000,000	150,000,000	2,496,000	46,047,616	Cash
1995	-	150,000,000	51,867,000	97,914,616	Cash
1996	-	150,000,000	204,000	98,118,616	Cash
1998	-	150,000,000	213,000	98,331,616	Cash
1999	-	150,000,000	51,608,000	149,939,616	Cash
2001	110,000,000	260,000,000	60,384	150,000,000	Cash
2002	-	260,000,000	106,457,341	256,457,341	Cash
2007	1,240,000,000	1,500,000,000	-	256,457,341	
2008		1,500,000,000	800,000,000	1,056,457,341	Cash
2009	-	1,500,000,000	-	1,056,457,341	
2012	500,000,000	2,000,000,000	574,805,874	1,631,263,215	Cash
2014		2,000,000,000	15,861,425	1,647,124,640	Bonus

8 Corporate social responsibility.

During the period, the company's corporate social responsibility towards its immediate and surrounding communities, especially in respect of community development, health and education, the environment and other social welfare, was again demonstrated in the various projects executed during the year and other donations both in cash and in the company's products to various institutions and community centres. A major project embarked upon by the company during the year is the Youth Enterprise Development Initiative tagged "KICK START".

The Kick Start program is aimed at creating a culture of entrepreneurship among young people by promoting business awareness and material support through the development of business skills by training; providing grants as start-up capital for new businesses or grants to support expansion of existing businesses; and providing post investment support through mentoring



REPORT OF THE DIRECTORS (cont'd)

and coaching. The amount expended on the program as at 31 March, 2016 was thirty-four million Naira (N34 million). Other beneficiaries of the corporate social responsibility program of the company were as listed below. Total expenditure for the year (including donations) was about N80 million (2015; N42.654 million). Community projects and donations during the year included the following:

	N'000
Kick Start – Youth Development: South-West Zone	34,000
Donation of ICT Equipment to the ICT Centre along Ijeda road, Ijebu-Jesa	4,000
Donation of 60 KVA Generator to St. Mareello Catholic Hospital, Ibadan	3,600
Donation of IT Equipment to Queens Hall, University of Ibadan.	1,000
Security and social amenities for Farinloye Community, Adebayo Abon, Ilesa	1,526
Medical mission to Omi Asoro Community, Ilesa.	400
Sponsorship of training of Women in Akoko, Ondo State	400
Sponsorship of women empowerment program in Ilesa	350
Donation to Majeobaje Community, Ilesa	125
Donation of chairs to FRSC, Round About, Ilesa	18
Other donations in kind and company products	<u>34,573</u>
	79,992
	=====

It remains the company's policy not to make donations to political organisations in the country and in compliance with section 38(2) of the Companies and Allied Matters Act Cap C 20, Laws of the Federation of Nigeria 2004, the Company did not make any donation or gift to any political party, political association or for any political purpose during the year under review.

9 Ethical business conduct

The International Breweries Code of Business Conduct and Ethics sets out the high ethical standards with which all company's employees are expected to comply, and forms part of the wider programme of policies and procedures throughout the company for combating bribery and corruption. The company personnel are committed to conducting business in a way that is fair, ethical and within the framework of applicable laws and regulations. During the course of the year, the company's policies and procedures were reviewed in light of the implementation of the UK Bribery Act, related 'adequate procedures' guidance, and developing corporate best practice, and made a number of enhancements, including the roll out of a new company-wide anti-bribery policy. Key aspects covered by the programme include, amongst other matters, our anti-bribery policy, due diligence and other forms of assurance in relation to business partners, training of employees and monitoring and reporting mechanisms. Independent confidential whistleblower hotlines were introduced into the company's operations so that employees can report any breach of our Code, including bribery, fraud or corruption.

10 Employment, environmental and social policies

The company strives to be the employer of choice in the Fast-moving consumer goods (FMCG) sector. To achieve this, management designs and continually reviews employment policies which attract, retain and motivate the highest quality of staff. Management is committed to an active equal opportunities policy, from recruitment and selection, through training and development, appraisal



REPORT OF THE DIRECTORS (cont'd)

and promotion to retirement. It is the company's policy to ensure that everyone is treated equally, regardless of gender, colour, nationality, ethnic origin, race, disability, marital status, religion or trade union affiliation. The benefit of employing people of different races, genders, creeds and backgrounds is highly cherished. If employees become disabled, efforts are made to allow them to continue in their role, or a suitable alternative role, through making reasonable adjustments.

11 Research and development

To ensure improved overall operational effectiveness, considerable emphasis is placed on research and development in the company's technical activities, through its parent company, the SABMiller Group. This enables it to develop new products, packaging, processes and new manufacturing designs.

12 Going concern and audit

The directors are satisfied that International Breweries Plc is a going concern. In accordance with Section 357(2) of the Companies and Allied Matters Act, Cap. C20 LFN 2004, Messrs. Baker Tilly Nigeria (Chartered Accountants) have indicated their willingness to continue as auditors to the company. A resolution will be proposed at the Annual General Meeting to authorise the directors to fix their remuneration.

13 Financial Risk

Information on the company's financial risk management objectives and policies and details of its exposure to price risk, credit risk, liquidity risk and cash flow risk are contained in note 34 to the financial statements.

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

14 Post balance sheet events

There are no post balance sheet events which could have had a material effect on the state of affairs of the company as at the balance sheet date being 31 March, 2016 which have not been adequately disclosed in these financial statements.

By Order of the Board

Dated 5 May, 2016.

Muyiwa Ayojimi

Company Secretary/General Counsel

Ilesa, Nigeria.

FRC/2013/NBA/00000002667



STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

The Directors accept responsibility for the preparation of the annual financial statements for the year ended 31 March, 2016, set out on pages 18 to 43 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 of Nigeria, Cap C20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria 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 year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Otunba Michael Daramola
Chairman
FRC/2013/IODN/000000004432
FRC/2013/IODN/000000008084

Andrew Ross
Chief Operating officer
FRC/2015/IODN/0000000011459

Chris Tyne
Director

5 May, 2016



REPORT OF THE AUDIT COMMITTEE

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act, Cap. C20 LFN 2004, we the members of the Audit Committee of International Breweries Plc, having carried out our statutory functions under the Act, hereby report as follows: -

- (a) That the accounting and reporting policies of the Company are in accordance with legal requirements and acceptable ethical practices.
- (b) That the scope and planning of both the external and internal audit for the year ended 31 March, 2016 are satisfactory and reinforce the company's internal control systems.
- (c) That having reviewed the External Auditors' findings and recommendations on management matters, we are satisfied with management responses thereon.

Finally, we acknowledge the co-operation of management, staff and the external auditors - Messrs Baker Tilly Nigeria in the conduct of our duties.

Dated the 5th of May, 2016.

Mr. Oladepo Adesina
FRC/2013/NIM/00000003678
Chairman

Members of the Audit Committee

- | | | | |
|-------------------------|---|-------------|------------|
| 1. Mr. Oladepo Adesina | - | Shareholder | (Chairman) |
| 2. Mr. Moses Ijayekunle | - | Shareholder | Member |
| 3. Mr. Timothy Adejuwon | - | Shareholder | Member |
| 4. Mrs. Afolake Lawal | - | Director | Member |
| 5. Mr. Akintoye Omole | - | Director | Member |
| 6. Mr. Ryan Martin | - | Director | Member |

**BAKERTILLY
NIGERIA**

Chartered Accountants

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Ibadan, Nigeria
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+234 (0) 8131826784
E-mail: btnib@bakertillynigeria.com
Website: www.bakertillynigeria.com

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF INTERNATIONAL BREWERIES PLC****Report on the financial statements**

We have audited the accompanying financial statements of International Breweries Plc, for the year ended 31 March, 2016, set out on pages 31 to 33 and 36 to 63 which have been prepared on the basis of accounting policies on note 3, pages 37 to 47 and other explanatory notes on pages 48 to 61.

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial position as at 31 March, 2016, its financial performance and cash flows for the year ended on that date in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act, CAP C20 LFN, 2004 and the Financial Reporting Council Act 2011.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). We are independent of the company in accordance with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and with the requirements of the Companies and Allied Matters Acts, CAP C20 LFN, 2004 and the Financial Reporting Council Act 2011. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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 judgment, were of most significance in our audit of the financial statements of the period under review. Key audit matters are selected from the matters communicated with management, but are not intended to represent all matters that were discussed with them. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

The matters of significance highlighted in the course of the audit include:


1. The fair value of the staff gratuity benefit is in the nature of a defined benefit paid by the employer as and when an employee leaves. The accruing liability is calculated according to actuarial valuation. No such valuation was undertaken to determine provision for the liabilities in the financial statements See note 20(b) and 20(c).
2. A number of bank lodgements that ought to have cleared in the bank reconciliation statements as at the year end continued to be carried in the bank reconciliation statements as reconciling items.
4. Obsolete and slow moving engineering spares were included in the inventory valuation as at 31 March 2016. This could have had significant effect on the valuation of the inventory taken into the financial statements as the net realisable value of these items had not been determined accurately to match their carrying amount.

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the company; and
- iii. The company's statement of financial position and statement of comprehensive income are in agreement with the books of accounts.

IBADAN, Nigeria
18 May, 2015.


Solomon O. Adeleke
FRC/2013/ICAN/00000000765
for: Baker Tilly Nigeria
Chartered Accountants





STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH, 2016

	Note	2016 N'000	2015 N'000
Continuing operations			
Revenue	5	23,269,364	20,649,295
Cost of sales	6	<u>(12,560,429)</u>	<u>(11,587,817)</u>
Gross profit		10,708,935	9,061,478
Other income	7	44,772	191,192
Marketing and promotion expenses	8	(3,596,407)	(2,859,260)
Administrative expenses	9	<u>(2,016,188)</u>	<u>(1,758,149)</u>
Results from operating activities	10	5,141,112	4,635,261
Interest income		225,101	1,327
Interest expense	10(b)	<u>(1,709,387)</u>	<u>(1,821,034)</u>
Profit before tax		3,656,826	2,815,554
Company income tax expense	22(a)	(676,952)	(420,376)
Deferred tax	15, 22(a), 23	<u>(327,126)</u>	<u>(448,688)</u>
Total comprehensive income for the period		2,652,748 =====	1,946,490 =====
Earnings per share (kobo)		81	59

The notes on pages 37 to 61 including the statement of accounting policies on pages 37 to 47 form part of these financial statements.



STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH, 2016

Assets			
Non-current assets	Note	2016 N'000	2015 N'000
Property, Plant and Equipment	12	25,216,244	22,679,843
Intangible asset	13	54,923	54,383
Available for sale investment	14	-	1,000
Deferred tax assets	15	<u>127,458</u>	<u>106,699</u>
		<u>25,398,625</u>	<u>22,841,925</u>
Current assets			
Inventories	16	2,909,333	2,800,392
Trade and other receivables	17	4,072,090	3,675,605
Cash and cash equivalents	18	1,102,058	853,668
		<u>8,083,481</u>	<u>7,329,665</u>
Total assets		<u>33,482,106</u>	<u>30,171,590</u>
Current liabilities			
Trade and other payables	19	6,573,209	4,671,165
Employee Benefits	20(a)	138,153	59,054
Borrowings	21(a)	8,552,420	4,844,127
Current tax liabilities	22(c)	<u>676,952</u>	<u>400,862</u>
		<u>15,940,734</u>	<u>9,975,208</u>
Non-current liabilities			
Employee Benefits	20(b)	424,859	355,664
Borrowings	21(b)	-	4,901,221
Deferred tax liabilities	23	3,119,122	2,771,238
		<u>3,543,981</u>	<u>8,028,123</u>
Total liabilities		<u>19,484,715</u>	<u>18,003,331</u>
Net assets		13,997,391	12,168,259
		=====	=====
Equity			
Share capital	24	1,647,125	1,647,125
Share premium	25	6,160,731	6,160,731
Retained earnings	26	4,828,779	2,999,647
Total shareholders' equity		12,636,635	10,807,503
Other reserves	27	<u>1,360,756</u>	<u>1,360,756</u>
Total equity		<u>13,997,391</u>	<u>12,168,259</u>
		=====	=====

Approved by the Board of Directors on 5 May, 2016 and signed on its behalf according to Law by:

Otunba Michael Daramola
Chairman
FRC/2013/IODN/00000004432

Andrew Ross
Chief Operating officer
FRC/2015/IODN/0000011459

Christopher Tyne
Director
FRC/2013/IODN/8084

Olugbenga Adebajo
Chief Accountant
FRC/2014/ICAN/006878

The notes on pages 37 to 61 including the statement of accounting policies on pages 37 to 47 form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2016

	Share capital	Share premium	Other Reserves	Retained Earnings	Total Equity
	N'000	N'000	N'000	N'000	N'000
Equity as at 1 April, 2015	1,647,125	6,160,731	1,360,756	2,999,647	12,168,259
Dividends paid	-	-	-	(823,616)	(823,616)
Total comprehensive income for the year	-	-	-	<u>2,652,748</u>	<u>2,652,748</u>
Equity as at 31 March, 2016	<u>1,647,125</u> =====	<u>6,160,731</u> =====	<u>1,360,756</u> =====	<u>4,828,779</u> =====	<u>13,997,391</u> =====

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2015

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity
	N'000	N'000	N'000	N'000	N'000
Equity as at 1 April, 2014	1,647,125	6,154,725	1,360,756	2,107,317	11,269,923
Dividends paid	-	6,006	-	(1,054,160)	(1,048,154)
Total comprehensive income for the year	-	-	-	<u>1,946,490</u>	<u>1,946,490</u>
Equity as at 31 March, 2015	<u>1,647,125</u> =====	<u>6,160,731</u> =====	<u>1,360,756</u> =====	<u>2,999,647</u> =====	<u>12,168,259</u> =====



Beta Malt sponsored Senior School Debate is an intellectual family TV show. An event that is focused on unveiling the potentials of Senior Secondary School Students on the art and intrinsic power of effective communication, a strong charismatic personality and a persuasive ability to stand head-to-head on a wide array of societal issues. The show has been branded to actively serve as an intellectual platform that affords the Nigerian teenagers an opportunity to air their thoughts on germane societal issues with a view to proffering convincing solutions through a well articulated construction of words, logical presentation of facts and arguments delivered with precision and passion.



Donation of 60 KVA Generator to St. Marelo Hospital, Ibadan



Commissioning of Ultramodern effluent plant By Governor of the State of Osun, Ogbeni Rauf Aregbesola

Cross Section of Shareholders at the 2015 Annual General Meeting



It was desirable to invest in a Youth Enterprise Development program which is called "KICK START". The KICK START program is aimed at creating a culture of entrepreneurship among young people by promoting business awareness and material support through the following: Developing business skills through training, Providing grants as start-up capital (new businesses) or Grants to support expansion of existing businesses. Providing post investment support (mentoring & coaching)

2016 DISTRIBUTORS' AWARD



The Trophy Brand Ambassador, Femi Adebayo and some members of the management team of the Company, presenting awards to honour customers at the 2016 distributor's award ceremony.



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WITH SOMETHING
NEW**



PERFECTLY SMOOTH

Not for Sale to Persons Under the Age of 18.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2016

	Note	2016 N'000	2015 N'000
Cash flow from operating activities			
Cash Receipts:			
From Customers for sales of goods		25,808,685	22,459,466
From royalties and other income		44,772	191,192
Cash Payments:			
To suppliers for goods and services		(12,910,050)	(14,985,432)
To and on behalf of employees		(1,978,220)	(1,736,406)
For premiums and other policy benefits		(75,664)	(64,071)
Excise duty paid		(1,528,272)	(1,286,037)
VAT paid		(1,014,251)	(936,076)
Income tax paid	22(c)	(420,375)	(451,307)
Gratuity paid	20	<u>(24,907)</u>	<u>(40,097)</u>
Net cash flow from operating activities		7,901,718	3,151,232
Cash flow from investing activities:			
Purchase of Property plant and equipment		(4,176,593)	(5,876,558)
Purchase of intangible assets		(9,643)	(35,871)
Proceeds on sale of Property plant and equipment		14,530	156,172
Interest received		<u>225,101</u>	<u>1,327</u>
Net cash flow applied to investing activities		(3,946,605)	(5,754,930)
Cash flow from financing activities:			
Decrease in foreign loan		-	(3,854,913)
Dividends paid		(823,616)	(1,054,160)
(Decrease)/ increase in bank loan & overdraft		(1,192,928)	8,973,492
Share premium on scrip dividend/rights issue		-	6,006
Interest payment		<u>(1,690,179)</u>	<u>(1,006,438)</u>
Net cash flow (applied to)/from financing activities		(3,706,723)	3,063,987
Net increase in cash and cash equivalent		248,390	460,289
Cash and cash equivalent at beginning of period		<u>853,668</u>	<u>393,379</u>
Cash and cash equivalent at end of period	18	1,102,058	853,668

The notes on pages 31 to 61 including the statement of accounting policies on pages 37 to 47 form part of these financial statements.

The reconciliation of cash and cash equivalents is as shown in note 18



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

1. Corporate information

International Breweries Plc was incorporated as a private limited liability company in Nigeria on 22 December, 1971, commenced business operations in August, 1978 and became a public limited liability company on 26 April, 1994 and listed on the Nigeria Stock Exchange. The principal activities of the company continue to be brewing, packaging and marketing of beer, alcoholic flavoured/ non-alcoholic beverages and soft drinks.

2. Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the Federal Republic of Nigeria.

3. Significant Accounting policies

The principal accounting policies adopted in the preparation of the company's financial statements are set out below.

a) *Basis of preparation of the financial statements*

Unless otherwise stated, the accounts have been prepared on an accruals basis and under the historical cost convention. These financial statements are presented in Nigerian Naira (N), which is the company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless otherwise stated.

b) *Use of estimates and judgements*

The preparation of the Financial Statements requires Management to exercise judgement and to make estimates and assumptions that affect the application of policies, reported amounts of revenues, expenses, assets and liabilities and disclosures. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

c) *Standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1st April 2016, and have not been applied in preparing these financial statements. Those which may be relevant to the company are set out below. The extent of the impact of these standards is yet to be determined. The company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

IFRS 9 Financial Instruments: Effective date 1 January 2018; IFRS 9 (2014) supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013), but these standards remain available for application as the company's



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

relevant date of initial application was before 1 February 2015.

IFRS 15 Revenue from contracts with customers – Effective date 1 January 2017; Amendments regarding the recognition of deferred tax assets for unrealised losses January 2016: Effective date - Annual periods beginning on or after 1 January 2017

d) Standards and interpretations effective 31st March 2016

New IFRS standards and amendments to existing standards that became effective for annual periods commencing on or after 1st April 2015 have been applied in preparing the financial statements and which resulted in additional disclosures but had no significant impact on the measurements of the company's assets and liabilities.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) IFRIC 21 Levies

e) i) Property, Plant and Equipment:

The company uses the cost model for property, plant and equipment. Plant and equipment are stated at cost less depreciation and impairments.

Cost includes:

- The purchase price, including import duties, and non-refundable purchase taxes, after deducting trade discounts and rebates;
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management including costs associated with site preparation;
- Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset over the period up to the time such an asset is substantially ready for its intended use.

On adoption of IFRS, the company used 'revaluation as deemed cost' at the date of transition in respect to certain buildings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

ii) Depreciation:

No depreciation is provided on freehold land and assets in the process of construction. Depreciation on property, plant and equipment is calculated on the straight line basis to write off the costs of components that have homogenous useful lives to their residual values over their estimated useful lives as follows:

Buildings	22 - 55 years
Computer equipment	5 - 10 years



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Plant and machinery	5 - 50 years
Vehicles	8 - 10 years
Furniture and fittings	5 - 30 years

The company regularly reviews all of its depreciation rates and residual values. Such a review takes into consideration changes in circumstances including expected market requirements for the equipment, rate of expected usage and variation in the expected rate of technological developments.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its estimated recoverable amount. As at the balance sheet date, there was no indication of impairment of the property plant and equipment and no adverse condition that could impact on the useful lives of such assets was detected.

Returnable Containers are reflected at deposit value. Provisions are made against the deposit values for breakages and losses in trade to write off the deposit value over the expected useful life of the container. This period is shortened where appropriate by reference to market dynamics.

The differences between landed cost and the deposit value of new bottles and crates are also recognised in Returnable Containers. Amortisation of containers is calculated on a straight line basis over the expected useful lives from the date that they are available for use. It is calculated to reflect the estimated pattern of consumption of the future economic benefits embodied in the asset and is recognised in the income statement at the following rates:

- Bottles (Excess over deposit value) - 3 years
- Crates (Excess over deposit value) - 7 years

iii) Gains and losses on sale

Gains and losses on disposals are determined by reference to the proceeds on disposal and carrying amounts of the assets and are dealt with in the income statement. Net gains and losses are presented as other operating income and expenses when recovery of the consideration is probable, the significant risks and rewards of ownership have been transferred to the buyer, the associated costs can be estimated reliably, and there is no continuing management involvement with the PPE.

f) Intangible assets

Purchased software is stated at cost less accumulated amortisation on a straight – line basis (if applicable) and impairment losses. Cost is usually determined by the amount paid by the company, unless the asset has been acquired as part of a business combination.

Intangible assets with finite lives are amortised over their estimated useful economic lives, and only tested for impairment where there is a triggering event. Amortisation is included within the net operating expenses in the income statement.

g) Leases

Assets acquired under finance lease are capitalised and depreciated in accordance with the company's policy on property, plant and equipment unless the lease term is shorter whereupon, they are amortised over the lease term.

The associated obligations are included under financial liabilities.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

h) Impairment

The carrying amounts of financial assets, property, plant and equipment, and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment in accordance with IAS 36:9. If any such indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the related cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Calculation of recoverable amount

The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and value in use. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Should circumstances or events change and give rise to a reversal of a previous impairment loss, the reversal is recognised in the income statement in the period in which it occurs and the carrying value of the asset is increased. The increase in the carrying value of the asset will only be up to the amount that it would have been had the original impairment not occurred.

i) Investment in associate

Investment in associate is the entity in which International Breweries Plc has significant influence, but not control, over its financial and operating policies. Significant influence is presumed to exist when the company holds between 20 and 50 per cent of the voting power of another entity.

During the year, the investee company went into liquidation and the company's 37.59% equity participation in International Breweries (Agro-Allied) Limited for one million Naira (2015: N1 million) was written off. The management of International Breweries Plc received a percentage portion of the landed property as its share (about 4 acres) of the realised assets on the liquidation of Agro-Allied Limited during the year. Estimated value of the landed property had not been fully determined but management believes that the market value of the realised assets is in excess of the value of its equity shares in the liquidated company.

j) Revenue**(I). Sale of goods and services**

Revenue from the sale of products in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of VAT, excise duties, returns, customer discounts and other sales-related discounts. Revenue from the sale of products is recognised in profit or loss when the amount of revenue can be measured reliably, the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably, and there is no continuing management involvement with the products. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Market conditions are evaluated using wholesaler and other third-party analyses, market research data and internally generated information. Turnover also includes co-packaging income derived from the use of the company's facilities for the production of products of other companies under a co-



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

packaging arrangement. The same recognition criteria also apply to the sale of by-products and waste (such as spent grains) with exception that this is included within other income.

(II). Other income

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

Rentals paid and incentives received on leased sales trucks are charged or credited to the income statement on a straight-line basis over the lease term.

k) Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated. Manufacturing start-up costs between validation and the achievement of normal production are expensed as incurred. Advertising and promotion expenses are charged to the income statement as incurred. Distribution costs on sales to customers are included in selling, general and administrative expenses.

Minimum lease payments under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis in other net finance expenses.

l) Income tax

Income tax on the profit for the year comprises current and deferred taxes. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case the tax effect is also recognized directly in equity.

Current tax is the amount of tax payable on the taxable profit for the year, using the current tax rate in accordance with the enacted tax statutes, at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

In line with IAS 12 - income taxes, deferred taxes are provided for using the liability method which focuses on temporary differences. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position.

The company recognizes a deferred tax liability or asset when there are taxable and deductible differences between the tax base of assets and liabilities and their carrying amounts in the balance sheet.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

The company recognizes deferred tax assets arising from unrelieved tax losses, tax credits and unabsorbed capital allowances carried forward to the extent that it is probable that sufficient taxable profit will be available against which the deferred tax asset can be utilized in future.

Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

m) Accounting for leases

Leased property, plant and equipment where the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised as assets and liabilities in the statement of financial position at an amount equal to the lower of fair value of the leased property and the present value of minimum lease payments at inception of the lease. Amortisation and impairment testing for depreciable leased assets, is the same as for own depreciable assets.

Lease payments are apportioned between the outstanding liabilities and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Lease of assets under which all the risks and rewards of ownership are substantially retained by the lessor are classified as operating leases.

Rentals paid and incentives received on operating leases are charged or credited to the income statement over the lease term.

n) Financial assets and financial liabilities

Financial assets and financial liabilities are initially recorded at fair value (plus any directly attributable transaction costs, except in the case of those classified at fair value through profit or loss). For those financial instruments that are not subsequently held at fair value, the company assesses whether there is any objective evidence of impairment at each reporting date.

Financial assets are recognised when the company has rights or other access to economic benefits. Such assets consist of cash, equity instruments, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms.

De-recognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the asset has expired or has been transferred or when the company has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

De-recognition of financial liabilities

Financial liabilities are de-recognised when they are extinguished, that is discharged, cancelled or expired. If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities, which are in determinable monetary amounts, and there is the intention to settle net, the relevant financial assets and liabilities are offset.

Interest costs are charged to the income statement in the year in which they accrue. Premiums or discounts arising from the difference between the net proceeds of financial instruments purchased or issued and the amounts receivable or repayable at maturity are included in the effective interest calculation and taken to net finance costs over the life of the instrument.

Financial assets and financial liabilities relevant to the company for the year are as follows:-

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities of greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are initially recognised at fair value including originating fees and transaction costs, and subsequently measured at amortised cost using the effective interest rate method less provision for impairment. Loans and receivables include trade receivables, amounts owed by associates – trade, amounts owed by staff, accrued income and cash and cash equivalents.

i) Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the terms of the receivables. The amount of the provision is the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. This provision is recognised in the income statement.

ii) Cash and cash equivalents

In the statement of cash flow, cash and cash equivalents includes cash in hand, bank deposits repayable on demand and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. It also includes bank overdrafts which are shown within borrowings in current liabilities on the statement of financial position.

iii) Amounts owed by staff

These represent short term interest free salary advances to members of staff.

Financial liabilities held at amortised cost

Financial liabilities held at amortised cost include trade payables, accruals, amounts owed to associates – trade, other payables and borrowings.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

i) Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method where applicable. Trade payables are analysed between current and non-current liabilities on the face of the statement of financial position, depending on when the obligation to settle will be realised.

ii) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs and are subsequently stated at amortised cost and include accrued and prepaid interest. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date. Bank overdrafts are shown within borrowings in current liabilities and are included within cash and cash equivalents in the statement of cash flow as they form an integral part of the company's cash management.

o) Foreign currency transactions

Transactions arising in foreign currencies during the period are translated to the functional currency (Nigerian Naira) at the exchange rate prevailing at the dates of the transactions.

At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognized in the statement of comprehensive income in the period in which they arise.

p) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in balance sheet items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items have been eliminated for the purpose of preparing this statement. Dividends paid to ordinary shareholders in periods that they are available as well as interest paid on borrowings are included in financing activities.

q) Share capital

Ordinary shares are classified as equity. Costs attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects, from the proceeds.

r) Reserves**Asset revaluation reserve**

Surpluses or deficits arising on the revaluation of individual fixed assets are credited or debited to a non-distributable reserve known as fixed assets revaluation reserve. Revaluation deficits in excess of the amount of prior revaluation surpluses on the same assets are charged to other comprehensive income.

On disposal of a previously re-valued asset, an amount equal to the revaluation surplus attributable to that asset is transferred from revaluation reserve to revenue reserve.

s) Earnings per share

International Breweries Plc presents basic and diluted earnings per share (EPS) data for its ordinary



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for earlier years.

t) Inventories

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

(i) Raw materials

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

(ii) Finished goods and Work in progress

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

(iii) Goods in Transit

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

(iv) Spares, fuel and lubricants

The cost of spare parts, fuel and lubricants is based on weighted average. Spare parts are valued at lower of cost and net realizable value. Spare parts and servicing equipment are usually carried as inventory and recognised in profit or loss as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the company expects to use them during more than one period but only at the point of issue. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

u) Employee Benefits

International Breweries Plc recognises employee obligations in line with IAS 19 by making certain assumptions in order to value the company's gratuity and post-retirement obligations in the statement of financial position and to determine the amounts to be recognised in the income statement.

i) Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. International Breweries Plc recognises wages, salaries, social security contributions, bonuses and other allowances for current employees in the income statement as the employees render such services.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

ii) Defined contribution plans

In line with the provisions of the Nigerian Pension Reform Act 2004, International Breweries Plc has instituted a defined contributory pension scheme for its employees. The scheme is funded by fixed contributions from employees and the company at the rate of 7½% by employees and 7½% by the company of basic salary, transport and housing allowances invested outside the company through Pension Fund Administrators (PFAs) preferred by employees. The statutory amendment to the Act in 2014 raised the fixed contributory rates by employees and the company to 8% and 10%.

The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees' service in the current and prior periods.

The matching contributions made by the company to the relevant PFAs are recognised as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. The contributions are recognised as employee benefit expense when they become due.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iii) Defined benefit plans

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

iv) Other long term employee benefits

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

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

The company also recognises a liability and an expense for long-term service awards where cash is paid to the employee at certain milestone dates in a career with the company. Such accruals are appropriately discounted to reflect the future payment dates at discount rates determined by reference to local high- quality corporate bonds.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(Employee Compensation Act 2010)

IB Plc provides 1% of employees' gross annual salary as disability/death in service insurance benefits under the Employee Compensation Act 2010 (formerly Workmen Compensation Act CAP W6 LFN, 2004). The charge represents the company's obligations under the scheme. The charge so recognised is expensed in the income statement of the year of incidence.

v) Deposits by customers

Returnable containers in circulation are recorded within property, plant and equipment and a corresponding liability is recorded in respect of the obligation to repay the customers' deposits. Deposits paid by customers for branded returnable containers are reflected in the balance sheet within current liabilities.

w) Provisions, contingent liabilities and contingent assets**i) Provisions**

Provisions are recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are calculated on a discounted basis where the effect is material to the original undiscounted provision. The company reviews provisions existing at the end of each reporting period and makes appropriate adjustment to reflect the current best estimate.

If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Provisions are not recognised for future operating losses; however, provisions are recognised for onerous contracts where the unavoidable cost exceeds the expected benefit.

ii) Contingent liability

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Where the company is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

iii) Contingent assets

Contingent assets arising from unplanned or other unexpected events giving rise to the possibility of an inflow of economic benefits are disclosed in the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. Segment reporting

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

	2016 N'000	2015 N'000
Net revenue from Nigeria	23,269,364 =====	20,649,295 =====

5. Total Revenue

	2016 N'000	2015 N'000
Net Revenue (note 3 j)	<u>23,269,364</u>	<u>20,649,295</u>

Revenue is wholly derived from Nigeria in respect of the sale of beer and other alcoholic and non-alcoholic beverages.

6. Cost of sales

Cost of goods sold comprises raw materials, conversion cost and materials sourcing expenses.

	2016 N'000	2015 N'000
Materials consumed and allocated overheads	9,838,591	9,128,658
Salaries, wages and allowances (<i>production staff</i>)	834,855	780,616
Technical management fees	465,387	412,985
Royalties	20,458	16,757
Depreciation - plant machinery	896,306	845,302
Amortisation of containers	<u>504,832</u>	<u>403,499</u>
	12,560,429 =====	11,587,817 =====

7. Other Income

	2016 N'000	2015 N'000
Gain on hedging contract	-	171,147
Royalty received	32,187	12,863
Others	<u>12,585</u>	<u>7,182</u>
	44,772 =====	191,192 =====

8. Marketing, promotion and distribution expenses

	2016 N'000	2015 N'000
Transportation and distribution	1,709,410	1,582,922
Salaries, wages and allowances (<i>S&D staff</i>)	542,543	330,168
Advertising and promotion	<u>1,344,454</u>	<u>946,170</u>
	3,596,407 =====	2,859,260 =====



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. Administrative expenses	2016	2015
	N'000	N'000
Salaries, wages and allowances (<i>admin staff</i>)	406,137	494,339
Employer's contribution to Pension	194,685	131,283
Staff recruitment and training expenses	75,508	91,363
Staff retirement benefits	94,102	81,581
Auditor's remuneration	21,618	21,618
Donations	79,992	42,654
Loss on asset disposal	117,412	18,623
Bad debts	12,000	16,076
Business running Costs	902,287	717,968
Others	-	18,450
Depreciation	<u>112,447</u>	<u>124,194</u>
	2,016,188	1,758,149
	=====	=====
10. Results from operating activities	2016	2015
	N'000	N'000
(a) This was arrived at after charging -		
Depreciation/amortisation of PPE & intangible assets	1,513,586	1,372,995
Directors' emoluments - Fees	13,965	11,440
- allowances	25,943	18,694
Audit fee	21,618	21,618
Directors' allowances include sitting allowances for Nigerian directors for both board and committee meetings. All directors were also paid transportation allowances.		
(b) Net Finance costs	2016	2015
	N'000	N'000
Interest expense on bank borrowings and overdraft	1,379,284	389,677
Interest expense on finance guarantees amortisation	71,297	125,740
Realised exchange losses on financing	235,459	490,827
Intergroup company interest payments	<u>4,139</u>	<u>194</u>
	1,690,179	1,006,438
Unrealised net exchange losses on financing	<u>19,208</u>	<u>814,596</u>
	1,709,387	1,821,034
	=====	=====
(c) Emoluments of directors -	2016	2015
	N'000	N'000
The Chairman's emoluments totalled	3,990	-
The highest paid director's emoluments totalled	8,189	6,376
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	2016 N'000	2015 N'000
(d) The Directors received emoluments in the range of N 3.1 million to N 6.4 million as follows.		
	Number	Number
3.1 million to 5.0 million	4	3
5.1 million to 7.0 million	0	0
7.1 million to 9.0 million	3	3
11. Staff cost and particulars		
(I) The average number of persons employed (excluding directors) was as follows:-		
	2016 Number	2015 Number
Management staff	34	29
Senior staff	223	217
Junior staff	<u>272</u>	<u>242</u>
	529	488
	===	===
(ii) The aggregate payroll costs of the employees amounted to -		
	2016 N'000	2015 N'000
Wages and salaries including staff bonus	1,783,535	1,605,123
Contributions to pension scheme	<u>194,685</u>	<u>131,283</u>
	1,978,220	1,736,406
	=====	=====
(iii) The number of employees in receipt of annual emoluments within the following ranges is:		
	2016 Number	2015 Number
0-N1,500,000	62	58
N1,500,001 - N3,000,000	407	343
N3,000,001 - N4,500,000	47	54
N4,500,000 and above	<u>13</u>	<u>33</u>
	529	488
	===	===



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12 Property, Plant and Equipment
Property Plant and Equipment movements in 2016

	Land and buildings	Plant and machinery	Vehicles, furniture & equipment	Returnable containers	Assets in course of construction	Total
	₦	₦	₦	₦	₦	₦
Gross value:						
Cost/valuation at 1/4/2015	2,646,087	15,266,361	951,886	5,119,661	4,484,939	28,468,934
Additions	-	-	-	986,708	3,189,884	4,176,593
Reclassifications	156,530	2,197,917	231,701	-	(2,595,791)	(9,643)
Impairment	-	-	-	(43,055)	-	(43,055)
Disposals	-	(246,155)	(46,884)	-	-	(293,039)
At 31/03/2016	2,802,617	17,218,124	1,136,703	6,063,314	5,079,032	32,299,789
Depreciation:						
At 1/04/2015	166,191	3,583,669	506,154	1,533,076	-	5,789,091
For the year	54,446	836,628	108,577	504,832	-	1,504,482
Impairment	-	-	-	(43,055)	-	(43,055)
Disposals	-	(126,029)	(40,945)	-	-	(166,974)
At 31/03/2016	220,637	4,294,269	573,786	1,994,853	-	7,083,544
Net book value:						
At 31/03/2016	2,581,980	12,923,855	562,916	4,068,462	5,079,032	25,216,244
At 31/12/2015	2,479,896	11,682,692	445,731	3,586,585	4,484,939	22,679,843





NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12 Property, Plant and Equipment**Property Plant and Equipment movements in 2015**

	Land and buildings N'000	Plant and machinery N'000	Vehicles, furniture & equipment N'000	Returnable containers N'000	Assets in course of construction N'000	Total N'000
Gross value:						
Cost/valuation at 01/4/2014	2,222,311	13,124,693	810,250	4,040,704	2,944,466	23,142,424
Additions	-	-	47,223	1,466,436	4,362,899	5,876,558
Reclassifications	423,776	2,182,696	180,083	-	(2,822,426)	(35,871)
Impairment	-	-	-	(257,560)	-	(257,560)
Disposals	-	(41,028)	(85,670)	(129,919)	-	(256,617)
At 31/03/2015	2,646,087	15,266,361	951,886	5,119,661	4,484,939	28,468,934
Depreciation:						
At 1/04/2014	120,163	2,828,635	449,914	1,065,942	-	4,464,654
For the year	46,028	759,137	96,764	467,134	-	1,369,063
Disposals	-	(4,102)	(40,524)	-	-	(44,626)
At 31/03/2015	166,191	3,583,669	506,154	1,533,076	-	5,789,091
Net book value:						
At 31/03/2015	2,479,896	11,682,692	445,731	3,586,585	4,484,939	22,679,843
At 31/12/2014	2,102,149	10,296,058	360,336	2,974,762	2,944,466	18,677,771

(b) During the year, the company incurred capital expenditure on projects that were under construction as at balance sheet date. The cost of property plant and Equipment under construction, development or processing as at the balance sheet date was N5.079billion (2015: N4.48billion).

13. Intangible asset**Computer software**

	2016 N'000	2015 N'000
Balance 01/04	74,136	38,265
Addition	9,643	35,871
	83,779	74,136
Depreciation	(28,856)	(19,753)
Balance 31/03	54,923	54,383
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. Available for sale equity investment**Unquoted:**

Shares held in International Breweries
(Agro-Allied) Limited.

	2016	2015
	N'000	N'000
	-	1,000
	=====	=====

Agro-Allied Company Limited was liquidated during the year under review. International Breweries received landed property in proportion to its interest in the net assets of the company under liquidation which according to the Directors' judgement is higher than the investment's carrying amount but could not be accurately ascertained for the purpose of inclusion in these financial statements as at the year end.

15. Deferred tax assets

The amount of deferred tax assets by type is as follows:

Employee benefits b/forward
Deferred tax assets in the year
Carried forward

	2016	2015
	N'000	N'000
	106,699	94,254
	<u>20,759</u>	<u>12,445</u>
	127,458	106,699
	=====	=====

Additional deferred tax assets have been recognised on employee benefits because it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

16. Inventories

Raw materials
Spare parts, fuel and lubricants
Production in progress
Finished products

	2016	2015
	N'000	N'000
	1,183,086	1,262,271
	1,032,033	1,071,027
	150,413	139,255
	<u>543,801</u>	<u>327,839</u>
	2,909,333	2,800,392
	=====	=====

17. Trade and other receivables**(a) Current trade and other receivables**

Trade receivables 17(b)
Amount due from associated companies

Other receivables 28
Prepayments - Others

	2016	2015
	N'000	N'000
	3,556,095	2,159,767
	63,138	965,973
	106,255	176,849
	<u>346,602</u>	<u>373,016</u>
	4,072,090	3,675,605
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	2016	2015
	N '000	N '000
(b) Trade receivables	3,632,468	2,245,136
Allowances for impairment	<u>(76,373)</u>	<u>(85,369)</u>
	3,556,095	2,159,767
	=====	=====

© Age analysis of trade receivables

	----- 2016 -----			----- 2015 -----		
	Gross Amt.	Allow'ce	Net Amt.	Gross Amt.	Allow'ce	Net Amt.
Aged current	832,377	-	812,836	876,818	-	876,818
1 to 30 days	125,919	-	125,919	479,235	-	479,235
30 to 60 days	1,875,145	-	1,875,145	122,498	-	122,498
60 to 90 days	232,541	-	232,541	58,411	-	58,411
90 to 180 days	341,011	-	341,011	68,784	-	68,784
Over 180 days	<u>225,475</u>	<u>(76,373)</u>	<u>149,102</u>	<u>639,390</u>	<u>(85,369)</u>	<u>554,021</u>
	3,632,468	(76,373)	3,556,095	2,245,136	(85,369)	2,159,767
	=====	=====	=====	=====	=====	=====

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

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

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

(e) Impairment provision movement analysis - Trade debtors

Balance as at 01/04/15	2016	2015
	N'000	N'000
	(85,369)	(83,369)
Write-off during the year	<u>20,996</u>	<u>14,076</u>
	(64,373)	(69,293)
Increase in allowances	<u>(12,000)</u>	<u>(16,076)</u>
Closing Balance	(76,373)	(85,369)
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

18. Reconciliation of cash and cash equivalents

The company classifies its cash on hand and in banks, and investments in short term liquid instruments as cash and cash equivalents. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2016	2015
	N'000	N'000
Cash	583	31,411
Cash in transit	(3,820)	-
Bank	<u>1,105,295</u>	<u>822,257</u>
	1,102,058	853,668
	=====	=====
19. Trade and other payables		
	2016	2015
	N'000	N'000
Current		
Trade payables	2,249,813	2,102,963
Other payables	1,073,748	778,386
Associated companies (Note 28)	2,866,290	1,567,936
Unclaimed dividend	98,468	4,818
Accrued expenses	<u>284,890</u>	<u>217,062</u>
	6,573,209	4,671,165
	=====	=====
20. Employee benefits		
	2016	2015
	N'000	N'000
(a) Current		
Short term benefits accrued	138,153	59,054
	=====	=====
(b) Non-Current		
Staff gratuities (Note 20(c))	424,859	355,664
	=====	=====
(c) Gratuities		
Balance as at 1 March	355,664	314,180
Additional provisions during the year	<u>94,102</u>	<u>81,581</u>
	449,766	395,761
Payments made during the year	<u>(24,907)</u>	<u>(40,097)</u>
	424,859	355,664
	=====	=====

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

Provision is made for gratuities due to staff upon disengagement based on their years of service and current emoluments as contained in the staff conditions of service. No actuarial valuation had been under taken to ascertain the liabilities due on staff gratuities.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

21. Borrowings	2016 N'000	2015 N'000
(a) Current		
Bank overdrafts	3,656,857	4,988,889
Term Bank Loan	5,016,060	-
Financial guarantee maturing within 12 months	<u>(120,497)</u>	<u>(144,762)</u>
	8,552,420	4,844,127
	=====	=====

The overdraft facilities from the various banks are all unsecured. Interest on the bank overdrafts is payable at rates ranging from 15% to 16.5%.

In 2014, the company benefited from a United States Dollar denominated syndicated Bank loan facility with Stanbic IBTC the lead banker, amounting to \$62 million of which \$25.2 million has been drawn at year end. The balance as at the year end was \$25.266 million. The facility accrued interest at a margin of 1.9% plus LIBOR. The loan is repayable on 5 February 2017.

Bank loan balance consisted of:

	2016 N'000	2015 N'000
Unsecured loan	5,016,060	5,021,856
Financial guarantee maturing after 12 months	<u>-</u>	<u>(120,635)</u>
	5,016,060	4,901,221
	=====	=====
Borrowing Maturity		
Due between 2 and 3 years	5,016,060	5,021,856
	=====	=====

Financial guarantee's maturity falls between 1 and 2 years.

There were no facilities in default of scheduled repayments during the year.

(b) Non-current	2016 N'000	2015 N'000
Term Bank Loan -	-	4,901,221
	=====	=====

22. Taxation**(a) Income tax expense in statement of comprehensive income**

	2016 N'000	2015 N'000
Education tax	105,617	75,699
Coy income tax	<u>571,335</u>	<u>344,677</u>
	676,952	420,376
Deferred tax provision	<u>327,126</u>	<u>448,688</u>
	1,004,078	869,064
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

The company is exempted from payment of the minimum taxation as its foreign equity participation is more than 25%.

(b) **The income tax expense for the year can be reconciled to the accounting profit as follows:-**

	2016 N'000	Effective %rate	2015 N'000	Effective %rate
Profit before tax from continuing operation	3,656,826	-	2,815,554	-
Expected tax based on statutory rate of 32%	1,170,184	32.00	900,977	32.00
Effect of expenses that are not deductible in determining taxable profit	573,254	15.68	323,042	11.47
Effect of capital allowance on taxable profit	(1,012,919)	(27.70)	(790,812)	(28.09)
Effect of expenses that are deductible in determining taxable profit	(53,567)	(1.46)	(12,831)	(0.46)
Income tax expense recognized in income statement	676,952	18.51	420,376	14.93
Effect of temporary difference in carrying amount and tax base of PPE	<u>327,126</u>	<u>8.95</u>	<u>448,688</u>	<u>15.94</u>
Income tax expense	<u>1,004,078</u>	<u>27.46</u>	<u>869,064</u>	<u>30.87</u>
	=====	=====	=====	=====

(c) **Current taxation**

	2016 N'000	2015 N'000
Balance as at 1 April	400,862	456,241
Under/(over) provision	19,513	(24,448)
Current period provision:		
Education tax	105,617	75,699
Company income tax	571,335	344,677
	<u>676,952</u>	<u>420,376</u>
	1,097,327	852,169
Payments made during the year	<u>(420,375)</u>	<u>(451,307)</u>
	676,952	400,862
	=====	=====

23 Deferred tax liability

	2016 N'000	2015 N'000
Balance b/forward	2,771,238	2,322,550
Arising during the year	<u>347,885</u>	<u>448,688</u>
As at March,	<u>3,119,122</u>	<u>2,771,238</u>
	=====	=====

24. Share capital(a) **Authorised -**

	2016 N'000	2015 N'000
4,000,000,000 Ordinary shares of 50 kobo each	2,000,000	2,000,000
	=====	=====

(b) **Allotted, called-up and fully paid -**

3,294,249,280 Ordinary shares of 50 kobo each	1,647,125	1,647,125
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

25. Share premium	2016	2015
	N'000	N'000
Balance as at 1 January	6,160,731	6,154,725
Bonus share issue 2014	-	6,006
	<u>6,160,731</u>	<u>6,160,731</u>
	=====	=====
26. Retained earnings	2016	2015
	N'000	N'000
(a) Balance as at 1 January	2,999,647	2,107,317
Dividends paid	(823,616)	(1,054,160)
Profit after tax during the year	<u>2,652,748</u>	<u>1,946,490</u>
	<u>4,828,779</u>	<u>2,999,647</u>
	=====	=====
(b) Earnings per share	Kobo 81	Kobo 59
Earnings per share (adjusted)	81	59
Dividends per share	25	32
EBT ordinary shares	111	85
(c) The number of shares was:	2016	2015
	Shares	Shares
	(in Thousands)	(in Thousands)
Ordinary shares	3,294,249	3,294,249
	-----	-----
27. Other reserves	2016	2015
	N'000	N'000
Accretion on revalued land and buildings	1,360,756	1,360,756
	=====	=====

At the adoption of IFRS the carrying amount of land and building was recognised at deemed cost. The accretion on revaluation of land and building is recognised as non-distributable reserve.

28. Transactions with related parties

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

Brauhaase International Management GMBH and its ultimate holding company as at 31 March, 2016 held an equity interest of 72.17% in International Breweries Plc.

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



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

SABMiller Finance BV: Technical management agreement.

Mubex: Importation of engineering spares parts and fixed assets and raw production materials.

SABMiller A&A : Importation of engineering spares parts and fixed assets and raw production materials.

Other related companies within Nigeria that transacted business with International Breweries during the period were:

	2016	2016	2015	2015
	N'000	N'000	N'000	N'000
	Transaction	Balance	Transaction	Balance
	Value		Value	
Intafact Breweries Ltd. Onitsha	496,465	62,049	1,314,058	255,673
Pabod Breweries Ltd,PHC	420,037	-	1,304,298	499,154
Voltic Nigeria Ltd	-	<u>1,089</u>	983,995	<u>211,146</u>
Receivables from related parties		<u>63,138</u>		<u>965,973</u>
SABMiller Finance BV	465,387	330,524	412,985	110,676
SABMiller Plc. Holding company	-	165,745	-	313,959
Mubex	4,752,126	1,727,883	1,125,683	631,076
SABMiller A&A Pty Ltd	6,659	10,429	2,330	13,880
Intafact Breweries Ltd,Onitsha	500,119	129,128	190,820	-
Pabod Breweries Ltd,PHC	563,841	-	524,763	-
Voltic Nigeria Ltd	211,854	13,873	219,862	
Brauhaase GMBH	-	488,549	-	461,241
Tanzania Breweries (TBL)	-	<u>159</u>		<u>-</u>
Payables to related parties		<u>2,866,290</u>		<u>1,567,936</u>

The Company accrued Technical management fees and royalties to companies within the group which amounted to N331million. (2015: N314million)

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

30 Guarantees and other financial commitments

There are certain lawsuits and claims pending against the Company in various courts of Law which are being handled by external legal counsels.

In the opinion of the directors and based on independent legal advice, contingent liabilities at the balance sheet date in respect of pending litigation claims by the company on default of contractual obligation are not likely to arise, thus no provision has been made in the financial statements.

31 Post balance sheet events

There were no post balance sheet events which could have a material effect on the state of affairs of the company as at 31 March, 2016 and the profit for the year ended on the date.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32 Responsibilities of directors on the financial statements

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, Cap. C20 LFN 2004, the company's directors are responsible for the preparation of the annual financial statements which give a true and fair view of the state of affairs of the company as at 31 March, 2016 and of its profit for the year ended on that date, and comply with the requirements of the Companies and Allied Matters Act, Cap C20 LFN 2004. These responsibilities include ensuring that:

- (i) adequate internal control procedures are instituted to safeguard assets and prevent and detect fraud and other irregularities;
- (ii) proper accounting records are maintained;
- (iii) applicable accounting standards are followed; and
- (iv) suitable accounting policies are used and consistently applied.
- (v) it is appropriate for the financial statements to be prepared on a going concern basis unless it is presumed that the Company will not continue in business.

33 Comparative figures

Certain prior year balances have been restated or reclassified in line with the current period's position. These restatements do not materially affect the financial statements.

34 Risks arising from financial instruments

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

Credit risk

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to IB Plc in relation to lending, settlement and other financial activities. The company has a credit policy in place and the exposure to counterparty credit risk is monitored.

Liquidity risk

International Breweries' primary sources of cash flow have historically been cash flows from operating activities, the issuance of debt, bank borrowings and the issuance of equity securities.

The company believes that cash flows from operating activities, available cash and cash equivalent and short term investments and access to borrowing facilities, will be sufficient to fund capital expenditures and financial instrument liabilities. It is the intention of the company to continue to reduce its financial



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

indebtedness through a combination of strong operating cash flow generation and equity contribution by members.

Foreign currency risk

Foreign currency risk is the risk that the financial results of the company will be adversely impacted by unfavorable changes in exchange rates to which the company is exposed. The company incurs foreign currency risk on borrowings, purchases and interest expense and does not currently use any derivatives to manage such exposure.

The carrying value of the company's foreign currency denominated liabilities as at the reporting date was as follows;

	2016	2015
	N'000	N'000
Trade and other Payables		
SA Rand	-	8,288
US Dollar	165,700	313,959
Euro	<u>488,549</u>	<u>461,241</u>
Currencies Total	654,249	783,488
Borrowings		
US Dollar	4,914,118	4,765,395
Intra-group liabilities		
SA Rand	-	1,740
US Dollar	1,727,883	-
Euro	<u>-</u>	<u>591,669</u>
Currencies Total	1,727,883	593,409
Total Foreign exchange risk		
SA Rand	-	10,028
US Dollar	6,807,701	5,079,354
Euro	<u>488,549</u>	<u>1,052,910</u>
Currencies Grand Total	<u>7,296,250</u>	<u>6,142,292</u>
	=====	=====



STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 MARCH, 2016

	2016 N'000	%	2015 N'000	%
Turnover	23,269,364		20,649,295	
Bought-in materials and services	<u>(13,229,406)</u>		<u>(12,971,571)</u>	
Value added	10,039,958	100	7,677,724	100
	=====	===	=====	===
Distribution of value added:				
To pay employees' salaries, wages and fringe benefits	1,978,220	20	1,645,388	21
To provide for maintenance of assets – amortisation	1,513,586	15	1,372,995	18
To pay bank interest	1,690,179	17	1,006,438	13
To pay tax and excise duty	2,205,224	22	1,706,413	22
Retained Earnings	<u>2,652,748</u>	<u>26</u>	<u>1,946,490</u>	<u>26</u>
Value added	10,039,958	100	7,677,724	100
	=====	===	=====	===

**FIVE-YEAR FINANCIAL SUMMARY**

	----- 12 Months ----- 2016	2015	12 Months 2014	15 Months 2013	12 Months 2011
	₦'000	₦'000	₦'000	₦'000	₦'000
Capital employed:					
Share capital	1,647,125	1,647,125	1,647,125	1,631,263	1,056,457
Share premium	6,160,731	6,160,731	6,154,725	5,570,705	676,003
Profit and loss account	<u>4,828,779</u>	<u>2,999,647</u>	<u>2,107,317</u>	<u>817,449</u>	<u>(1,509,893)</u>
Shareholders' fund	12,636,635	10,807,503	9,909,167	8,019,417	222,567
Other reserve	<u>1,360,756</u>	<u>1,360,756</u>	<u>1,360,756</u>	<u>1,360,756</u>	<u>1,360,756</u>
	13,997,391	12,168,259	11,269,923	9,380,173	1,583,323
	=====	=====	=====	=====	=====
Represented by:-					
Property, Plant & Equipment	25,216,244	22,679,843	18,677,771	15,496,354	9,662,962
Intangible assets	54,923	54,383	22,444	24,765	33,020
Assets on lease	-	-	-	-	89,394
Trade investments	-	1,000	1,000	1,000	1,000
Deferred tax asset	<u>127,458</u>	<u>106,699</u>	<u>94,254</u>	<u>890,325</u>	<u>1,448,484</u>
Total Non-current assets	25,398,625	22,841,925	18,795,469	16,412,444	11,234,860
Current assets	8,083,481	7,329,665	5,575,071	6,624,318	3,053,452
	-----	-----	-----	-----	-----
Total assets	33,482,106	30,171,590	24,370,540	23,036,762	14,288,312
	-----	-----	-----	-----	-----
Current liabilities	15,940,734	(9,975,208)	(6,604,447)	(7,854,517)	(10,153,591)
Non-current liabilities	<u>3,543,981</u>	<u>(8,028,123)</u>	<u>(6,496,170)</u>	<u>(5,802,072)</u>	<u>(2,551,398)</u>
Total liabilities	19,484,715	(18,003,331)	(13,100,617)	(13,656,589)	(12,704,989)
	-----	-----	-----	-----	-----
	13,997,391	12,168,259	11,269,923	9,380,173	1,583,323
	=====	=====	=====	=====	=====
Highlights:					
Revenue	<u>23,269,364</u>	<u>20,649,295</u>	<u>18,493,907</u>	<u>17,388,632</u>	<u>9,908,167</u>
Profit before taxation	3,656,826	2,815,554	3,925,500	3,555,546	190,341
Tax expense	<u>(1,004,078)</u>	<u>(869,064)</u>	<u>(1,820,000)</u>	<u>(1,228,204)</u>	<u>(2,363,229)</u>
Profit/ (Loss) after taxation	2,652,748	1,946,490	2,105,500	2,327,342	(2,172,888)
	=====	=====	=====	=====	=====
Financial ratios:					
Earnings per share (kobo)	81	59	64	71	(103)
Earnings per share (kobo) (adjusted)	81	59	64	71	(67)
Dividends per share (kobo) (declared)	25	32	25	-	-
Net assets per share (Naira)	4.25	3.69	3.42	2.88	0.75

Honourable... Abínibí Yàtò!



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Africa Prudential Registrars Plc

RC NO: 649007



SHAREHOLDER DATA FORM

(* = Compulsory fields)

1. *SURNAME/COMPANY NAME: _____

2. *FIRST NAME: _____
3. OTHER NAME: _____
4. SPOUSE' NAME: _____ *Optional*
5. *MOTHER'S MAIDEN NAME: _____
6. *E-MAIL: _____
7. ALTERNATE E-MAIL: _____
8. *MOBILE No.: _____ 9. SEX: MALE FEMALE
10. PHONE No. (HOME): _____
11. *POSTAL ADDRESS: _____

CLIENT CONTD.

23. NEM INSURANCE PLC
24. MOLUABI SAVINGS AND LOANS PLC
25. PERSONAL TRUST & SAVINGS LTD
26. PS MANDRIDES PLC
27. PORTLAND PAINTS & PRODUCTS NIG. PLC
28. PREMIER BREWERIES PLC
29. RESORT SAVINGS & LOANS PLC
30. ROADS NIGERIA PLC
31. SCOA NIGERIA PLC
32. TARABA STATE GOVERNMENT BOND
33. TRANSCORP PLC
34. TOWER BOND
35. THE LA CASERA COMPANY - CORPORATE BOND
36. UAC NIGERIA PLC
37. UBA BALANCED FUND
38. UBA BOND FUND
39. UBA CAPITAL PLC
40. UBA EQUITY FUND
41. UBA MONEY MARKET FUND
42. UNITED BANK FOR AFRICA PLC
43. UNIC INSURANCE PLC
44. UAC PROPERTY DEVELOPMENT COMPANY PLC
45. UTC NIGERIA PLC
46. WEST AFRICAN GLASS IND PLC

Please tick against the company(ies) where you have shareholding

CLIENTELE

- | | |
|--|--|
| 1. ABBEY MORTGAGE BANK PLC <input type="checkbox"/> | 12. CEMENT COY OF NORTHERN NIG. PLC <input type="checkbox"/> |
| 2. AFRICA PRUDENTIAL REGISTRARS PLC <input type="checkbox"/> | 13. CSCS PLC <input type="checkbox"/> |
| 3. AFRILAND PROPERTIES PLC <input type="checkbox"/> | 14. CHAMPION BREWERIES PLC <input type="checkbox"/> |
| 4. A & G INSURANCE PLC <input type="checkbox"/> | 15. COMPUTER WAREHOUSE GROUP PLC <input type="checkbox"/> |
| 5. ARM PROPERTIES PLC <input type="checkbox"/> | 16. EBONYI STATE GOVERNMENT BOND <input type="checkbox"/> |
| 6. A.R.M LIFE PLC <input type="checkbox"/> | 17. GOLDEN CAPITAL PLC <input type="checkbox"/> |
| 7. ADAMAWA STATE GOVERNMENT BOND <input type="checkbox"/> | 18. INFINITY TRUST MORTGAGE BANK PLC <input type="checkbox"/> |
| 8. BECO PETROLEUM PRODUCTS PLC <input type="checkbox"/> | 19. INTERNATIONAL BREWERIES PLC <input type="checkbox"/> |
| 9. BENUE STATE GOVERNMENT BOND <input type="checkbox"/> | 20. INVESTMENT & ALLIED ASSURANCE PLC <input type="checkbox"/> |
| 10. CAP PLC <input type="checkbox"/> | 21. JAIZ BANK PLC <input type="checkbox"/> |
| 11. CAPP AND D'ALBERTO PLC <input type="checkbox"/> | 22. KADUNA STATE GOVERNMENT BOND <input type="checkbox"/> |

DECLARATION

"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

Signature: _____

Signature : _____
for joint/corporate accounts only

OTHERS: _____

LAGOS: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: 07080606400 | ABUJA: 11, Lafia Close, Area 8, Garki, Abuja. Tel: 09-2900873
PORT-HARCOURT- : Plot 137, Olu Obasanjo Road (2nd floor), Port Harcourt, Rivers State. Tel: 084-303457
E-MAIL: info@aficaprudentialregistrars.com | WEBSITE: www.aficaprudentialregistrars.com

Africa Prudential Registrars



INTERNATIONAL BREWERIES PLC
E-DIVIDEND MANDATE / REPLACEMENT FORM

Dear Shareholder,

We are pleased to advise you of the new e-dividend service, provided by the Company's Registrar which enables direct credit of your dividend(s) [new dividend payments/lost/misplaced/stale/unclaimed dividend warrants to your bank account regardless of the bank or account type, i.e Current/Savings Accounts

Should you prefer this service, kindly fill the spaces provided below and return to us.

Please use the name(s) in which your shares are held, with the signature on your Application or Transfer Form.

Thank you,

The Managing Director,
Africa Prudential Registrars Plc,
220B, Ikorodu Road, Palmgrove
Lagos

Please take this as authority to credit my/our under-mentioned account with any dividend payment(s)/lost/misplaced/stale/unclaimed warrants due on/our shareholding in the aforementioned company, the particulars of which are stated below from the date hereof:

Shareholder's Name:*

SURNAME

OTHER NAMES

Shareholder's Account No. (If Known)

Address:*

Mobile Number:*

Fax Number: E-mail Address:*

Bank Name:* Branch:

Bank Account No.:* Account Type:*

Dated this* day of 2016

.....
Bank Stamp & Authorized Signature

.....
Shareholder(s) Signature

Note:

The provision of information on your Bank Name, Bank Account No., E-mail Address and Mobile Number are very important to enable us process your request. All asterisked field (*) are compulsory. *

Shareholders in the North and South-south region of the country are advised to contact the Abuja or Port-Harcourt Liason Office for all enquiries concerning shareholding (see addresses below).

Lagos

220B, Ikorodu Road, Palmgrove,
PMB 12649, Marina
Lagos.

Tel: 01-8401153

E-mail: info@aficaprudentialregistrars.com

Website: www.aficaprudentialregistrars.com

Abuja

11, Lafia Close,
Area 8, Garki, Abuja.
Tel: 09-8701645

Port Harcourt

Plot 137,
Olu-Obasanjo Road,
(2nd Floor),
Port-Harcourt,
Rivers State.





PROXY FORM

INTERNATIONAL BREWERIES PLC

39TH Annual General Meeting to be held in the Banquet Hall Presidential Library Way, Presidential Boulevard, Oke – Mosan, Abeokuta, Ogun State on Tuesday 9 August, 2016 at 11.a.m.

I/We..... of being a member/members of International Breweries Plc hereby appoint or failing him, 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 9 August 2016

Dated this day of 2016
Shareholder Signature.....
*Delete as necessary

The Proxy Form should NOT be completed and sent to the address overleaf if the member will be attending the meeting

NOTES:

1. A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy and this Proxy Form has been prepared to enable such shareholder exercise the right to vote despite not physically present at the meeting
2. The Chairman of the meeting has been entered on the form to ensure that someone will be at the Meeting to act as your proxy but if you wish you may insert in the blank space on the form (marked **) the name of any person whether member (shareholder) of the Company or not who will attend the Meeting and vote on your behalf instead of the Chairman of the meeting.
3. Please sign this Proxy Form and post or deliver it to reach the Registrars – African Prudential Plc. 220B, Ikoroḁu Road Lagos not later than 48hrs to the time of holding the meeting on the 9 August, 2016; If executed by a Corporation the form must

No. of Shares	
---------------	--

Resolutions	For	Against
To declare a dividend		
To re-elect Otunba Michael Daramola as a Director		
To re-elect Mr. Gustav Van Heerdan as a Director		
To re-elect Mr. Christopher Tyne as a Director		
To ratify/elect Mr. Ryan Martin and Mr. Andries Du Plessis as Directors		
To authorize the Directors to fix the remuneration of the Independent Auditors		
To elect/re-elect members of the Audit Committee		
To fix the remuneration of the Directors		

be sealed with the Common Seal or under the hand of an officer of attorney duly authorized.

4. The proxy must produce the Admission Card (below) to the meeting

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 discretion.

ADMISSION CARD

Please admit the shareholder named on this Admission Card or his duly appointed proxy to the 39th Annual General Meeting to be held at the Banquet Hall Presidential Library Way, Presidential Boulevard, Oke – Mosan, Abeokuta, Ogun State on Tuesday 9 August, 2016 at 11 a.m.

.....
Name of Shareholder

.....
Number of Shares

.....
Address of Shareholder

.....
Signature of Shareholder or Proxy

This admission card must bear a stamp/stamp duty and be produced by the shareholder or his Proxy in order to obtain entry to the meeting. Tear off and retain it for admission to the meeting. Shareholders or their proxies are requested to sign the Admission Card before attending the meeting.

.....
Company Secretary

SECOND FOLD HERE

FIRST FOLD HERE

Please affix
postage stamp

Africa Prudential Registrars Plc,
220B, Ikorodu Road, Palmgrove
Lagos

THIRD FOLD HERE AND INSERT

I DEFINE MY FUTURE



OWN YOUR DESTINY



Not for sale to persons under the age of 18.



Quality brands...Our mark of distinction