

**Guinness Nigeria Plc**

**Unaudited Financial Statements**

**For the period ended 30 September 2021**

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## Statement of Financial Position

As at 30 September

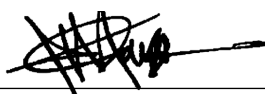
	Notes	30 Sep 2021 N'000	30 Jun 2021 N'000
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	13(a)	95,056,061	94,236,887
Right-of-use assets	22(a)	330,175	432,001
Intangible assets	14	2,052	2,092
<b>Total non-current assets</b>		<u>95,388,288</u>	<u>94,670,980</u>
<i>Current assets</i>			
Inventories	16	28,132,469	21,460,505
Trade and other receivables	17(a)	9,464,191	14,019,385
Prepayments	15	657,403	404,940
Restricted cash	18(a)	2,076,760	2,981,881
Cash and cash equivalents	18(b)	46,788,400	35,868,834
<b>Total current assets</b>		<u>87,119,223</u>	<u>74,735,545</u>
<b>Total assets</b>		<u><u>182,507,511</u></u>	<u><u>169,406,525</u></u>
<b>Equity</b>			
Share capital		1,095,191	1,095,191
Share premium		47,447,029	47,447,029
Retained earnings		30,711,277	25,744,355
<b>Total equity</b>		<u>79,253,497</u>	<u>74,286,575</u>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Lease liabilities		12,875	184,309
Employee benefits		1,307,944	1,264,531
Deferred tax liabilities		10,877,427	10,877,427
<b>Total non-current liabilities</b>		<u>12,198,246</u>	<u>12,326,267</u>
<i>Current liabilities</i>			
Current tax liabilities	12(b)	2,895,980	992,986
Dividend payable	20(a)	2,187,175	3,122,693
Loans and borrowings	21(a)	20,544,996	15,993,143
Lease liabilities	22(b)	300,511	293,391
Contract liabilities	7(b)	1,856,331	715,937
Trade and other payables	23	63,270,775	61,675,534
<b>Total current liabilities</b>		<u>91,055,768</u>	<u>82,793,684</u>
<b>Total liabilities</b>		<u>103,254,014</u>	<u>95,119,951</u>
<b>Total equity and liabilities</b>		<u><u>182,507,511</u></u>	<u><u>169,406,526</u></u>

Approved by the Board of Directors on 26 October 2021 and signed on its behalf by:



Dr Omobola Johnson (Chairman)

FRC/2018/IODN/00000018366



Baker Magunda (Managing Director)

FRC/2019/IODN/000000019411



Ogochukwu Agu (Acting Finance & Strategy Director)\*

\*The waiver of the FRCN has been received for the Acting Finance Director to sign the Audited Financial Statements of the Company pending registration with FRCN.

The notes on pages 6 to 20 are integral parts of these financial statements.

## Income Statement

For the period ended 30 September

	Notes	Quarter to date 30 September 2021	Year to date 30 September 2021	Quarter to date 30 September 2020	Year to date 30 September 2020
		N'000	N'000	N'000	N'000
Revenue	7(a)	47,469,427	47,469,427	30,024,212	30,024,212
Cost of sales		(32,232,765)	(32,232,765)	(23,013,178)	(23,013,178)
<b>Gross profit</b>		<u>15,236,662</u>	<u>15,236,662</u>	<u>7,011,034</u>	<u>7,011,034</u>
Other income	8(a)	247,554	247,554	207,138	207,138
Marketing and distribution expenses	8(b)	(6,579,955)	(6,579,955)	(4,624,747)	(4,624,747)
Administrative expenses		(2,397,833)	(2,397,833)	(2,007,110)	(2,007,110)
<b>Operating profit</b>		<u>6,506,428</u>	<u>6,506,428</u>	<u>586,315</u>	<u>586,315</u>
Finance income	9(a)	506,448	506,448	462,247	462,247
Finance costs	9(b)	(1,066,020)	(1,066,020)	(1,366,041)	(1,366,041)
<b>Net finance costs</b>		<u>(559,572)</u>	<u>(559,572)</u>	<u>(903,794)</u>	<u>(903,794)</u>
<b>Profit/(loss) before taxation</b>		<u>5,946,856</u>	<u>5,946,856</u>	<u>(317,479)</u>	<u>(317,479)</u>
Tax expense	12	(1,902,992)	(1,902,992)	(524,167)	(524,167)
<b>Profit/(loss) for the year</b>		<u>4,043,864</u>	<u>4,043,864</u>	<u>(841,646)</u>	<u>(841,646)</u>
<b>Earnings per share</b>					
Basic and diluted earnings per share (kobo)			185		(38)

The notes on pages 6 to 20 are integral parts of these financial statements.

## Statement of Comprehensive Income

*For the period ended 30 September*

Note	Quarter to date 30 September 2021	Year to date 30 September 2021	Quarter to date 30 September 2020	Year to date 30 September 2020
	N'000	N'000	N'000	N'000
<b>Profit/(loss) for the year</b>	4,043,864	4,043,864	(841,646)	(841,646)
<b>Total comprehensive income/(loss) for the year</b>	4,043,864	4,043,864	(841,646)	(841,646)

The notes on pages 6 to 20 are integral parts of these financial statements.

## Statement of Changes in Equity

For the period ended 30 September

Notes	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
	N'000	N'000	N'000	N'000	N'000
<b>Balance at 1 July 2020</b>	1,095,191	47,447,029	—	24,495,920	73,038,140
<b>Total comprehensive loss</b>					
Loss for the year	—	—	—	(841,647)	(841,647)
<b>Total comprehensive loss for the year</b>	—	—	—	(841,647)	(841,647)
<b>Transaction with owners, recorded directly in equity</b>					
Dividends to equity holders	—	—	—	—	—
Share-based payment charge	—	—	26,781	—	26,781
Share-based payment recharge	—	—	(26,781)	—	(26,781)
<b>Total transactions with owners</b>	—	—	—	—	—
<b>Balance at 30 September 2020</b>	<u>1,095,191</u>	<u>47,447,029</u>	<u>—</u>	<u>23,654,273</u>	<u>72,196,493</u>
<b>Balance at 1 July 2021</b>	1,095,191	47,447,029	—	25,744,355	74,286,575
<b>Total comprehensive income</b>					
Profit for the year	—	—	—	4,043,864	4,043,864
<b>Total comprehensive income for the year</b>	—	—	—	4,043,864	4,043,864
<b>Transaction with owners, recorded directly in equity</b>					
Dividends to equity holders	—	—	—	—	—
Unclaimed dividend written back	—	—	—	923,058	923,058
Share-based payment charge	—	—	49,482	—	49,482
Share-based payment recharge	—	—	(49,482)	—	(49,482)
<b>Total transactions with owners</b>	—	—	—	923,058	923,058
<b>Balance at 30 September 2021</b>	<u>1,095,191</u>	<u>47,447,029</u>	<u>—</u>	<u>30,711,277</u>	<u>79,253,497</u>

The notes on pages 6 to 20 are integral parts of these financial statements.

## Statement of Cash Flows

For the period ended 30 September

	Note	3 Months Ended 30 September 2021	3 Months Ended 30 September 2020
		N'000	N'000
<b>Cash flows from operating activities</b>			
Profit before taxation		5,946,856	(317,479)
<i>Adjustments for:</i>			
Depreciation of property plant and equipment	13(a)	2,019,173	1,959,024
Depreciation of right of use asset	14(a)	53,551	70,277
Amortisation of intangible assets		39	51,969
Write-off of property, plant and equipment		165,320	—
Disposal of property, plant and equipment		—	15,202
Impairment of inventories		841,808	126,268
Impairment of trade and other receivables		(144,533)	327,456
Long service awards		29,257	32,938
Share-based payments		49,482	26,781
Finance income		(506,449)	(462,247)
Finance costs		1,066,020	1,366,041
		<u>9,520,524</u>	<u>3,196,230</u>
<i>Changes in working capital:</i>			
Inventories		(7,513,772)	5,621,384
Trade and other receivables	17(b)	5,125,713	12,450,305
Prepayments		(252,463)	42,638
Dividend payables		(30,397)	(78,697)
Trade and other payables		3,909,175	5,508,799
<b>Cash generated from operating activities</b>		<u>10,758,780</u>	<u>26,740,659</u>
Value added tax paid		(2,119,444)	(965,786)
Gratuity paid		—	(40,546)
Long service awards paid		(24,629)	(19,753)
<b>Net cash generated from operating activities</b>		<u>8,614,707</u>	<u>25,714,574</u>
<b>Cash flows from investing activities</b>			
Finance income received	9(a)	96,345	77,809
Acquisition of property, plant and equipment	13(b)	(1,172,139)	(1,756,722)
<b>Net cash used in investing activities</b>		<u>(1,075,794)</u>	<u>(1,678,913)</u>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings	21(b)	7,202,806	8,449,001
Repayment of loans and borrowings	21(b)	(2,961,386)	(18,009,070)
Repayment of lease liability		(116,039)	(24,025)
Finance costs paid	9(b)	(746,783)	(707,655)
<b>Net cash (used in)/generated from financing activities</b>		<u>3,378,598</u>	<u>(10,291,749)</u>
Net (decrease)/increase in cash and cash equivalents		10,917,511	13,743,912
Effect of foreign exchange rate changes on cash and cash equivalents		2,055	51,330
Cash and cash equivalents at 1 July		35,868,834	4,961,712
<b>Cash and cash equivalents at 30 September</b>	18(b)	<u>46,788,400</u>	<u>18,756,954</u>

The notes on pages 6 to 20 are integral parts of these financial statements.

## **Notes to the Financial Statements**

*For the period ended 30 September*

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**1. Reporting entity**

Guinness Nigeria Plc, ('the Company'), a public Company quoted on the Nigerian Stock Exchange, was incorporated in Nigeria on 29 April 1950, as a trading company importing Guinness Stout from Dublin. The Company has since transformed itself into a manufacturing operation and its principal activities continue to be brewing, packaging, marketing and selling of Guinness Foreign Extra Stout, Guinness Smooth, Malta Guinness, Guinness Gold, Harp Lager, Smirnoff Ice, Satzenbrau Lager, Dubic Malt, Snapp, Orijin Spirit Mixed Drink, Orijin Bitters, Smirnoff Ice Double Black with Guarana, Orijin Zero and Orijin Herbal Gin, Baileys Delight, Gordons Moringa among others.

The address of the Company's registered office is at 24 Oba Akran Avenue, Ikeja, Lagos.

**2a. Basis of preparation**

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The financial statements were authorised for issue by the Board of Directors on 26 October 2021.

**2b. Going concern basis of accounting**

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the mandatory repayment terms of banking facilities, trade, lease and other liabilities.

**2c. Securities Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule), Guinness Nigeria Plc maintains a Dealing in Securities Code (the "Code") which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Code undergoes periodic reviews by the Board and is updated accordingly to comply with national and international best practice of corporate governance. The Company has made specific enquiries and given relevant notifications to all its Directors, Audit Committee members, employees and other insiders and is not aware of any infringement of the Code during the period under review.

**3. Functional and presentation currency**

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

**4. Use of estimates and judgements**

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

**5. Changes in accounting policies**

There were no significant accounting policy change in the first quarter of the current financial year.

**6. Significant accounting policies**

The Company applied accounting policies consistent to those applied in the Company's financial statement as at year ended 30th June 2021.

**7. Revenue****a. Disaggregation of revenue from contract with customers**

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Nigeria	46,951,909	29,651,007
Export	517,518	373,205
	<u>47,469,427</u>	<u>30,024,212</u>

**b. Liabilities relating to contracts with customers**

	30 Sep 2021	30-Jun-19
	N'000	N'000
Contract liabilities	<u>1,856,331</u>	<u>715,937</u>

**8. Other income and marketing and distribution expenses****a. Other income comprises:**

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Income from leased assets	83,321	94,204
Sale of by-products	164,233	98,993
Gain on disposal of property, plant and equipment	—	13,940
	<u>247,554</u>	<u>207,137</u>

**b. Marketing and distribution expenses:**

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Marketing expenses	3,302,997	2,208,410
Distribution expenses	3,276,958	2,416,338
	<u>6,579,955</u>	<u>4,624,748</u>

**9. Finance income and finance costs****a. Finance income is as follows:****i. Finance income per income statement**

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Total interest income arising from financial assets	96,345	77,809
Gain on re-measurement of foreign currency balances	410,103	384,438
	<u>506,448</u>	<u>462,247</u>

**ii. Finance income received in the statement of cash flows**

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Finance income per income statement	506,448	462,247
Unrealised exchange gain	(410,103)	(384,438)
	<u>96,345</u>	<u>77,809</u>

**b. Finance costs are as follows:****i. Finance cost per income statement**

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Finance expense on loans and borrowings	120,330	546,921
Interest expense on lease liabilities	12,100	7,123
Interest expense on employee benefits	38,788	32,889
Exchange difference on foreign currency loan	96,064	31,556
Loss on re-measurement of foreign currency balances	798,738	747,551
	<u>1,066,020</u>	<u>1,366,040</u>

**ii. Finance cost paid in the statement of cash flows**

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Finance costs per income statement	1,066,020	1,366,041
Interest expense on employee benefits	(38,788)	(32,889)
Accrued finance costs on loans and borrowings	—	(48)
Unrealised foreign exchange loss	(280,449)	(2,040,806)
	<u>746,783</u>	<u>(707,702)</u>

**10. Profit before taxation**

Profit before taxation is stated after charging:

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Depreciation of property, plant and equipment (Note 13(a))	2,019,176	1,959,024
Depreciation of right-of-use asset	53,551	70,277
Disposal/Write-off of property plant and equipment (Note 13(c))	(165,320)	(15,202)
Amortisation of intangible assets (Note 14)	39	51,969
Personnel expenses (Note 11(a))	2,805,799	2,716,095
Gain on disposal of property, plant and equipment (Note 13(c))	—	(13,940)
Rental expenses	59,271	98,017
Royalty and technical service fees	330,198	175,550
	<u>330,198</u>	<u>175,550</u>

**11. Personnel expenses**

Personnel expenses including the provision for gratuity liabilities and other long term employee benefits comprise:

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Salaries, wages and allowances	2,476,855	2,393,868
Contributions to defined contribution plans	247,870	256,578
Share-based payments expense	49,482	26,781
Other long term employee benefits	29,257	32,938
Termination cost/(credit) arising from restructuring	2,335	5,929
Total personnel expenses	<u>2,805,799</u>	<u>2,716,094</u>

**12. Taxation**

## a. Amounts recognised in income statement

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Current tax expense:		
Income tax	1,784,055	—
Tertiary education tax	118,937	—
	<u>1,902,992</u>	<u>—</u>

## b. Movement in current tax liabilities

	30 Sep 2021	30 Jun 2021
	N'000	N'000
Balance at 1 July	992,988	744,204
Payments during the year	—	(1,897,631)
Charge for the year	1,902,992	2,146,413
Balance at the end of period	<u>2,895,980</u>	<u>992,986</u>

**13. Property, plant and equipment (PPE)**

a. The movement on PPE during the year was as follows:

	Leasehold land	Buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Returnable packaging materials	Capital work- in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cost</b>								
<b>At 1 July 2020</b>	828,428	20,668,652	98,817,869	491,326	7,658,353	32,930,633	5,878,167	167,273,428
Reclassification from intangibles	—	—	556,862	(50,868)	—	—	—	505,994
Additions	7,500,000	47,211	1,282,640	—	2,071,256	1,460,886	1,959,484	14,321,477
Transfers	—	263,784	3,243,726	—	—	84,675	(3,592,185)	—
Write-offs	—	—	(2,657,875)	(1,995)	(6,713)	(2,521,470)	2,039	(5,186,014)
Disposal	—	—	(1,158,345)	(46,118)	(290,932)	(2,686,352)	—	(4,181,747)
<b>At 30 June 2021</b>	<b>8,328,428</b>	<b>20,979,647</b>	<b>100,084,877</b>	<b>392,345</b>	<b>9,431,964</b>	<b>29,268,372</b>	<b>4,247,505</b>	<b>172,733,138</b>
<b>At 1 July 2021</b>	8,328,428	20,979,647	100,084,877	392,345	9,431,964	29,268,372	4,247,505	172,733,138
Additions	—	—	140,730	—	—	80,615	2,782,322	3,003,667
Write-offs	—	—	—	—	—	(366,069)	792	(365,277)
Transfer	—	—	198,741	—	—	—	(198,741)	—
<b>At 30 September 2021</b>	<b>8,328,428</b>	<b>20,979,647</b>	<b>100,424,348</b>	<b>392,345</b>	<b>9,431,964</b>	<b>28,982,918</b>	<b>6,831,878</b>	<b>175,371,528</b>
<b>Depreciation and impairment</b>								
<b>At 1 July 2020</b>	144,120	4,099,911	42,616,147	489,009	6,042,455	24,962,742	—	78,354,384
Reclassification from intangibles	—	—	352,089	(50,745)	—	—	—	301,344
Charge for the year	—	495,039	4,752,278	947	600,946	2,274,754	—	8,123,964
Write-offs	—	—	(3,080,092)	(1,995)	(6,494)	(1,564,036)	—	(4,652,617)
Disposals	—	—	(1,074,557)	(46,096)	(288,059)	(2,222,112)	—	(3,630,824)
<b>At 30 June 2021</b>	<b>144,120</b>	<b>4,594,950</b>	<b>43,565,865</b>	<b>391,120</b>	<b>6,348,848</b>	<b>23,451,348</b>	<b>—</b>	<b>78,496,251</b>
<b>At 1 July 2021</b>	144,120	4,594,949	43,565,865	391,120	6,348,848	23,451,348	—	78,496,250
Charge for the year	—	126,212	1,219,047	169	241,257	432,488	—	2,019,173
Disposals/write-offs	—	—	—	—	—	(199,957)	—	(199,957)
<b>At 30 September 2021</b>	<b>144,120</b>	<b>4,721,161</b>	<b>44,784,912</b>	<b>391,289</b>	<b>6,590,105</b>	<b>23,683,879</b>	<b>—</b>	<b>80,315,466</b>
<b>Carrying amount</b>								
<b>At 30 June 2021</b>	<b>8,184,308</b>	<b>16,384,697</b>	<b>56,519,012</b>	<b>1,225</b>	<b>3,083,116</b>	<b>5,817,024</b>	<b>4,247,505</b>	<b>94,236,887</b>
<b>At 30 September 2021</b>	<b>8,184,308</b>	<b>16,258,486</b>	<b>55,639,436</b>	<b>1,056</b>	<b>2,841,859</b>	<b>5,299,039</b>	<b>6,831,878</b>	<b>95,056,062</b>

## b. Cash paid on acquisition of property, plant and equipment in the statement of cash flows

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Additions during the year (Note 13(a))	3,003,667	920,799
Payments on prior year accruals for additions	450,936	596,885
Accruals on current year acquisitions	(2,282,464)	239,038
	<u>1,172,139</u>	<u>1,756,722</u>

## c. PPE disposed/written off in the statement of cash flows

	30 Sep 2021	30 Sep 2020
	N'000	N'000
Cost of PPE written off	365,277	1,209,469
Accumulated depreciation on PPE written off	(199,957)	(1,194,267)
	<u>165,320</u>	<u>15,202</u>
Carrying amount of PPE written off	165,320	15,202
Proceeds from disposal of property, plant and equipment	—	—
	<u>165,320</u>	<u>15,202</u>
Analysed as:		
Carrying amount of property, plant and equipment written off	165,320	15,202
Gain on disposal of property, plant and equipment	—	—
	<u>165,320</u>	<u>15,202</u>

**14. Intangible assets**

The movement in intangible assets during the year was as follows:

	Distribution right	Concession right	Computer software	Total
	N'000	N'000	N'000	N'000
<b>Cost</b>				
Balance at 1 July 2020	995,250	485,611	2,324,309	3,805,170
Reclassification to PPE	—	(485,611)	(20,383)	(505,994)
Disposals	—	—	(1,588)	(1,588)
Balance at 30 June 2021	995,250	—	2,302,338	3,297,588
Balance at 1 July 2021	995,250	—	2,302,338	3,297,588
Additions	—	—	—	—
Disposals	—	—	—	—
Write-offs	—	—	—	—
Balance at 30 September 2021	995,250	—	2,302,338	3,297,588
<b>Amortisation</b>				
Balance at 1 July 2020	895,725	302,830	2,297,503	3,496,058
Reclassification to PPE	—	(302,830)	1,486	(301,344)
Disposals	—	—	(1,588)	(1,588)
Charge for the year	99,525	—	2,845	102,370
Balance at 30 June 2021	995,250	—	2,300,246	3,295,496
Balance at 1 July 2021	995,250	—	2,300,247	3,295,497
Write-offs	—	—	—	—
Disposals	—	—	—	—
Charge for the year	—	—	39	39
Balance at 30 September 2021	995,250	—	2,300,286	3,295,536
<b>Carrying amount</b>				
At 30 June 2021	—	—	2,092	2,092
At 30 September 2021	—	—	2,052	2,052

**15. Prepayments**

Prepayments comprise:

	30 Sep 2021	30 Jun 2021
	N'000	N'000
Prepaid rent	246,465	84,638
Other prepaid expenses	410,938	320,302
	<u>657,403</u>	<u>404,940</u>

Prepayments is analysed into:

	N'000	N'000
Non-current	—	—
Current	657,403	404,940
	<u>657,403</u>	<u>404,940</u>

Other prepaid expenses relate to housing and education subsidies and leave allowance, car-cash allowance and payment made in advance for purchase of raw materials.

**16. Inventories**

Inventories comprise:

	30 Sep 2021	30 Jun 2021
	N'000	N'000
Finished products	13,663,198	8,125,198
Products in process	2,236,362	1,493,498
Raw materials and packaging materials	9,524,349	4,762,042
Engineering spares	2,661,257	2,195,531
Inventories in transit	47,303	4,884,236
	<u>28,132,469</u>	<u>21,460,505</u>



**17. Trade and other receivables**

a. Trade and other receivables comprise:

*Financial assets:*

	30 Sep 2021	30 Jun 2021
	N'000	N'000
Trade receivables	7,667,582	9,105,431
Other receivables	87,294	429,604
Amounts due from related parties	704,717	3,292,073
Total financial assets	<u>8,459,593</u>	<u>12,827,108</u>

*Non-financial assets:*

Other receivables- current	1,004,598	1,192,277
Total trade and other trade receivables	<u>9,464,191</u>	<u>14,019,385</u>

b. Changes in trade and other receivables in the statement of cash flows:

	30 Sep 2021	30 Jun 2021
	N'000	N'000
Change in current trade and other receivables	(4,555,193)	4,699,569
Unrealised exchange gain	(408,049)	193,059
Impairment loss on (financial) trade and other receivables	(144,533)	229,315
Derecognition to contingent asset	—	(5,331,619)
Deposit refund from Registrar	(17,938)	—
	<u>(5,125,713)</u>	<u>(209,676)</u>

**18. Cash and cash equivalents**

a. Restricted cash:

	30 Sep 2021	30 Jun 2021
	N'000	N'000
Restricted cash	<u>2,076,760</u>	<u>2,981,881</u>

b. Cash and cash equivalents:

	30 Sep 2021	30 Jun 2021
	N'000	N'000
Bank balances	36,759,270	30,839,748
Short-term deposits	10,029,130	5,029,086
Cash and cash equivalents	<u>46,788,400</u>	<u>35,868,834</u>
Bank overdrafts	—	—
Cash and cash equivalents in the statement of cash flows	<u>46,788,400</u>	<u>35,868,834</u>

**19. Share capital and reserves**

- a. Authorised ordinary shares of 50k each

*in thousand of shares*

	30 Sep 2021	30 Jun 2021
At the end of period	2,500,000	2,500,000

- b. Issued and fully paid-up ordinary shares of 50k each

*in thousand of shares*

	30 Sep 2021	30 Jun 2021
At the end of period	2,190,383	2,190,383

- c. Share premium

Share premium represents the consideration received in excess of the nominal value of ordinary shares of the Company.

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

- d. Share-based payment reserve

The share-based payment reserve comprises the cumulative weighted average fair value of executive share option and executive share award plans granted by Diageo plc to Directors and employees of the Company which have not vested at year end.

**20. Dividends**

Dividend payable:

	30 Sep 2021	30 Jun 2021
	N'000	N'000
At 1 July	3,122,693	3,134,594
Unclaimed dividend transferred to retained earnings	(905,121)	—
Received from registrar	(30,397)	171,331
Payments during the year:		
Paid by the registrar	—	(183,232)
At the end of period	2,187,175	3,122,693

	30 Sep 2021	30 Jun 2021
Dividend payable is represented by	N'000	N'000
Restricted cash	2,076,760	2,981,881
Balance with Registrar	110,415	140,812
At the end of period	2,187,175	3,122,693

**21. Loans and borrowings**

a. Loans and borrowings comprise:

	30 Sep 2021	30 Jun 2021
	N'000	N'000
Related party loans	9,310,515	9,214,452
Letters of credit	11,234,481	6,778,691
Total loans and borrowings	<u>20,544,996</u>	<u>15,993,143</u>

The total loans and borrowings is classified as follows:

	30 Sep 2021	30 Jun 2021
	N'000	N'000
<i>Current liabilities</i>		
Related party loans	9,310,515	9,214,452
Letters of credit loans	11,234,481	6,778,691
Total current loans and borrowings	<u>20,544,996</u>	<u>15,993,143</u>
Total loans and borrowings	<u>20,544,996</u>	<u>15,993,143</u>

b. Movement in loans and borrowings:

	30 Sep 2021	30 Jun 2021
	N'000	N'000
At 1 July	15,993,142	22,800,994
Proceeds from loans and borrowings obtained during the year	7,202,806	16,311,020
Finance cost:		
- Interest expense	120,330	1,404,421
Exchange difference on foreign currency loan	314,630	527,980
Interest paid	(124,526)	(1,303,283)
Loans repaid during the year	(2,961,386)	(23,747,989)
At the end of period	<u>20,544,996</u>	<u>15,993,143</u>

**22. Leases**

## a. Right-of-use assets

Upon adoption of IFRS 16 Leases on 1 July 2019, the right-of-use assets were recognised and remeasured at an amount equal to the lease liabilities, with exception of leasehold land which has been recognised at an amount equal to the originally recognised prepaid operating lease rentals.

Movement in right-of-use assets:

	Land & Building	Total
	N'000	N'000
<b>Gross carrying value</b>		
At 1 July 2020	1,224,193	1,224,193
Remeasurement Right-of-use assets	(153,078)	(153,078)
Write off	(204,455)	(204,455)
At 30 June 2021	<u>866,660</u>	<u>866,660</u>
At 1 July 2021	866,660	866,660
Remeasurement Right-of-use assets	(48,275)	(48,275)
Additions	—	—
Write off	(288,987)	(288,987)
At 30 September 2021	<u>529,398</u>	<u>529,398</u>
<b>Accumulated depreciation</b>		
At 1 July 2020	280,981	280,981
Depreciation charge	358,133	358,133
Write off	(204,455)	(204,455)
At 30 June 2021	<u>434,659</u>	<u>434,659</u>
At 1 July 2021	434,659	434,659
Depreciation charge	53,551	53,551
Write off	(288,987)	(288,987)
At 30 September 2021	<u>199,223</u>	<u>199,223</u>
Net book value at 30 June 2021	432,001	432,001
Net book value at 30 September 2021	<u>330,175</u>	<u>330,175</u>

The Company leases space for buildings. The leases of office space is mainly for more than 10 years with an option to renew.

## b. Lease liabilities

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases.

## Movement in lease liabilities:

	N'000
At 1 July 2020	824,186
Additions	—
Remeasurement	(153,078)
Interest impact on remeasurement of lease liability	(73,769)
Interest expense on leases	34,700
Repayment of lease liabilities:	
- Payment of the principal portion of the lease liabilities	(119,639)
- Interest paid on lease liabilities	(34,700)
At 30 June 2021	<u>477,700</u>
At 1 July 2021	477,700
Additions	—
Remeasurement	(48,275)
Interest expense on leases	12,100
Repayment of lease liabilities:	
- Payment of the principal portion of the lease liabilities	(116,039)
- Interest paid on lease liabilities	(12,100)
At 30 September 2021	<u>313,386</u>
<b>Presented as:</b>	
Current lease liabilities	300,511
Non-current lease liabilities	12,875
At 30 September 2021	<u>313,386</u>

**23. Trade and other payables**

Trade and other payables comprise:

	30 Sep 2021	30 Jun 2021
	N'000	N'000
Financial liabilities:		
Trade payables	33,490,566	32,424,458
Other payables and accrued expenses	13,227,337	12,445,108
Amount due to related parties	14,995,685	15,393,734
Total financial liabilities	<u>61,713,588</u>	<u>60,263,300</u>
Non-financial liabilities:		
Other payables and accrued expenses	1,557,187	1,412,234
Total non-financial liabilities	<u>1,557,187</u>	<u>1,412,234</u>
Total trade and other payables	<u>63,270,775</u>	<u>61,675,534</u>

**24. Events after the reporting date**

There are no significant subsequent events, which could have had a material effect on the financial statements of the Company as at 30 September 2021 that have not been adequately provided for or disclosed in the financial statements.