

Guinness Nigeria Plc

Unaudited Financial Statements

For the period ended 31 March 2024

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Statement of Financial Position

As at 31 March

| | Notes | 31 Mar 2024 N'000 | 30 Jun 2023 N'000 |
|--------------------------------------|-------|----------------------|----------------------|
| ASSETS | | | |
| <i>Non-current assets</i> | | | |
| Property, plant and equipment | 13(a) | 98,167,557 | 99,177,647 |
| Right-of-use assets | 22(a) | 131,682 | 217,574 |
| Intangible assets | 14 | 510,562 | 549,950 |
| Prepayments | 15 | — | — |
| Total non-current assets | | <u>98,809,801</u> | <u>99,945,171</u> |
| <i>Current assets</i> | | | |
| Inventories | 16 | 45,795,036 | 34,469,527 |
| Trade and other receivables | 17(a) | 20,446,940 | 13,213,407 |
| Prepayments | 15 | 68,999 | 402,895 |
| Restricted cash | 18(a) | 1,038,784 | 1,592,461 |
| Cash and cash equivalents | 18(b) | 68,498,730 | 92,124,683 |
| Total current assets | | <u>135,848,489</u> | <u>141,802,973</u> |
| Total assets | | <u>234,658,290</u> | <u>241,748,144</u> |
| Equity | | | |
| Share capital | | 1,095,191 | 1,095,191 |
| Share premium | | 47,447,029 | 47,447,029 |
| Retained earnings | | (53,265,985) | 7,882,396 |
| Total equity | | <u>(4,723,765)</u> | <u>56,424,616</u> |
| Liabilities | | | |
| <i>Non-current liabilities</i> | | | |
| Lease liabilities | 22(b) | 130,081 | 154,272 |
| Employee benefits | | 1,238,670 | 1,155,169 |
| Deferred tax liabilities | | 479,144 | 479,144 |
| Total non-current liabilities | | <u>1,847,895</u> | <u>1,788,585</u> |
| <i>Current liabilities</i> | | | |
| Current tax liabilities | 12(b) | 1,493,067 | 5,256,637 |
| Dividend payable | 20 | 1,139,927 | 1,695,832 |
| Loans and borrowings | 21(a) | 39,356,959 | 63,755,939 |
| Lease liabilities | 22(b) | 16 | 29 |
| Contract liabilities | 7(b) | 1,614,343 | 1,590,422 |
| Trade and other payables | 23 | 193,929,848 | 111,236,084 |
| Total current liabilities | | <u>237,534,160</u> | <u>183,534,943</u> |
| Total liabilities | | <u>239,382,055</u> | <u>185,323,528</u> |
| Total equity and liabilities | | <u>234,658,290</u> | <u>241,748,144</u> |

Approved by the Board of Directors on 24 April 2024 and signed on its behalf by:

Dr Omobola Johnson (Chairman)

FRC/2018/IODN/00000018366

Adebayo Alli (Managing Director)

FRC/2024/PRO/DIR/003/193691

Emmanuel Difom (Finance & Strategy Director)

FRC/2022/PRO/ICAN/001/00000024174

The notes on pages 6 to 19 are integral parts of these financial statements.

Income Statement

For the period ended 31 March

| | Notes | Quarter to date 31 March 2024 | Year to date 31 March 2024 | Quarter to date 31 March 2023 | Year to date 31 March 2023 |
|---|-------|----------------------------------|-------------------------------|----------------------------------|-------------------------------|
| | | N'000 | N'000 | N'000 | N'000 |
| Revenue | 7(a) | 77,707,067 | 220,302,651 | 54,026,737 | 172,478,412 |
| Cost of sales | | (55,986,331) | (152,642,962) | (35,931,473) | (112,092,701) |
| Gross profit | | 21,720,736 | 67,659,689 | 18,095,264 | 60,385,711 |
| Other income | 8(a) | 551,174 | 3,065,067 | 525,796 | 1,480,156 |
| Marketing and distribution expenses | 8(b) | (11,476,124) | (35,266,831) | (9,609,530) | (31,538,636) |
| Administrative expenses | | (4,974,484) | (13,239,464) | (4,131,111) | (12,897,280) |
| Profit from operating activities | | 5,821,302 | 22,218,461 | 4,880,419 | 17,429,951 |
| Finance income | 9(a) | 4,485,163 | 7,540,064 | 396,964 | 1,795,188 |
| Finance expense | 9(b) | (66,329,824) | (90,214,133) | (2,569,823) | (9,282,918) |
| Net finance expense | | (61,844,661) | (82,674,069) | (2,172,859) | (7,487,730) |
| (Loss)/Profit before income tax | | (56,023,359) | (60,455,608) | 2,707,560 | 9,942,221 |
| Tax expense | 12 | (394,959) | (1,196,399) | (866,420) | (4,076,530) |
| (Loss)/Profit for the period | | (56,418,318) | (61,652,007) | 1,841,140 | 5,865,691 |
| Earnings per share | | | | | |
| Basic and diluted earnings per share (kobo) | | | (2,815) | | 268 |

The notes on pages 6 to 19 are integral parts of these financial statements.

Statement of Comprehensive Income

For the period ended 31 March

| | Quarter to date 31 March 2024 | Year to date 31 March 2024 | Quarter to date 31 March 2023 | Year to date 31 March 2023 |
|---|----------------------------------|-------------------------------|----------------------------------|-------------------------------|
| | N'000 | N'000 | N'000 | N'000 |
| (Loss)/Profit for the period | (56,418,318) | (61,652,007) | 1,841,140 | 5,865,691 |
| Total comprehensive (loss)/income for the period | (56,418,318) | (61,652,007) | 1,841,140 | 5,865,691 |

The notes on pages 6 to 19 are integral parts of these financial statements.

Statement of Changes in Equity

For the period ended 31 March

| | Notes | Share capital | Share premium | Share based payment reserve | Retained earnings | Total equity |
|---|-------|------------------|------------------|--------------------------------------|----------------------|-----------------|
| | | N'000 | N'000 | N'000 | N'000 | N'000 |
| Balance at 1 July 2022 | | 1,095,191 | 47,447,029 | — | 41,437,171 | 89,979,391 |
| Total comprehensive income | | | | | | |
| Profit for the period | | — | — | — | 5,865,691 | 5,865,691 |
| Total comprehensive income for the period | | — | — | — | 5,865,691 | 5,865,691 |
| Transaction with owners, recorded directly in equity | | | | | | |
| Dividend to equity holders | 20 | — | — | — | (6,564,798) | (6,564,798) |
| Dividend declared, but not yet paid | | — | — | — | (9,074,536) | (9,074,536) |
| Unclaimed dividend written back | 20 | — | — | — | 252,599 | 252,599 |
| Share-based payment charge | | — | — | 173,442 | — | 173,442 |
| Share-based payment recharge | | — | — | (173,442) | — | (173,442) |
| Total transactions with owners | | — | — | — | (15,386,735) | (15,386,735) |
| Balance at 31 March 2023 | | 1,095,191 | 47,447,029 | — | 31,916,127 | 80,458,347 |
| Balance at 1 July 2023 | | 1,095,191 | 47,447,029 | — | 7,882,396 | 56,424,616 |
| Total comprehensive loss | | | | | | |
| Profit for the year | | — | — | — | (61,652,007) | (61,652,007) |
| Total comprehensive loss for the period | | — | — | — | (61,652,007) | (61,652,007) |
| Transaction with owners, recorded directly in equity | | | | | | |
| Unclaimed dividend written back | 20 | — | — | — | 503,626 | 503,626 |
| Share-based payment charge | | — | — | 105,737 | — | 105,737 |
| Share-based payment recharge | | — | — | (105,737) | — | (105,737) |
| Total transactions with owners | | — | — | — | 503,626 | 503,626 |
| Balance at 31 March 2024 | | 1,095,191 | 47,447,029 | — | (53,265,985) | (4,723,765) |

The notes on pages 6 to 19 are integral parts of these financial statements.

Statement of Cash Flows

For the period ended 31 March

| | Notes | 9 Months Ended 31 March 2024 | 9 Months Ended 31 March 2023 |
|--|-------|---------------------------------|---------------------------------|
| | | N'000 | N'000 |
| Cash flows from operating activities | | | |
| (Loss)/Profit before income tax | | (60,455,608) | 9,942,221 |
| <i>Adjustments for:</i> | | | |
| Depreciation of property plant and equipment | 13(a) | 7,353,485 | 6,857,332 |
| Depreciation of right-of-use assets | 22(a) | 45,571 | 101,679 |
| Amortisation of intangible assets | 14 | 112,155 | 46,585 |
| Write-off of property, plant and equipment | 13(c) | — | 11,490 |
| Gain on disposal of property, plant and equipment | 13(c) | (1,414,484) | (1,129,048) |
| Reversal of impairment of inventories | | (650,425) | (278,750) |
| (Reversal of impairment)/Impairment of trade and other receivables | 17(b) | (28,405) | 12,664 |
| Long service awards | | 95,767 | 105,928 |
| Share-based payments | | 105,737 | 173,442 |
| Finance income | 9(a) | (7,540,064) | (1,795,188) |
| Finance expense | 9(b) | 90,214,133 | 9,282,918 |
| (Release of)/Charge for other provisions | | (73,055) | 68,285 |
| | | <u>27,764,807</u> | <u>23,399,558</u> |
| <i>Changes in working capital:</i> | | | |
| Inventories | | (10,675,084) | (4,406,102) |
| Trade and other receivables | 17(b) | (5,661,258) | (7,092,920) |
| Prepayments | | 333,896 | (137,870) |
| Dividend payables | 20 | (52,279) | 24,341 |
| Trade and other payables | | 53,959,571 | 11,839,861 |
| Cash generated from operating activities | | <u>65,669,653</u> | <u>23,626,868</u> |
| Income tax paid | | (4,959,969) | (9,477,028) |
| Value added tax paid | | (10,238,290) | (8,992,483) |
| Gratuity paid | | — | (611,318) |
| Long service awards paid | | (130,470) | (149,883) |
| Net cash used in from operating activities | | <u>50,340,924</u> | <u>4,396,156</u> |
| Cash flows from investing activities | | | |
| Finance income received | 9(a) | 1,655,925 | 1,645,233 |
| Proceeds from disposal of property, plant and equipment | 13(c) | 1,578,381 | 1,129,048 |
| Acquisition of property, plant and equipment | 13(b) | (5,977,735) | (6,125,707) |
| Acquisition of intangible assets | 14 | (50,181) | (557,617) |
| Net cash used in investing activities | | <u>(2,793,610)</u> | <u>(3,909,043)</u> |
| Cash flows from financing activities | | | |
| Proceeds from loans and borrowings | 21(b) | 3,341,633 | 9,557,335 |
| Repayment of loans and borrowings | 21(b) | (27,304,096) | (11,675,885) |
| Repayment of principal portion of lease liabilities | 22(b) | — | (5,344) |
| Finance expense paid | 9(b) | (51,551,073) | (2,948,083) |
| Dividends paid | 20 | — | (6,564,798) |
| Net cash used in financing activities | | <u>(75,513,536)</u> | <u>(11,636,775)</u> |
| Net decrease in cash and cash equivalents | | (27,966,222) | (11,149,662) |
| Effect of foreign exchange rate changes on cash and cash equivalents | | 4,340,269 | 78,077 |
| Cash and cash equivalents at 1 July | | 92,124,683 | 69,103,716 |
| Cash and cash equivalents at 31 March | 18(b) | <u>68,498,730</u> | <u>58,032,131</u> |

The notes on pages 6 to 19 are integral parts of these financial statements.

Notes to the Financial Statements

For the period ended 31 March

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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 comply with IFRS as issued by the International Accounting Standards Board (IASB), and both requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act. The financial statements were authorised for issue by the Board of Directors on 24 April 2024.

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 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 30 June 2023.

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

| | 31 Mar 2024 | 31 Mar 2023 |
|---------|--------------------|--------------------|
| | N'000 | N'000 |
| Nigeria | 217,823,376 | 170,813,209 |
| Export | 2,479,275 | 1,665,203 |
| | <u>220,302,651</u> | <u>172,478,412</u> |

b. Liabilities relating to contracts with customers

| | 31 Mar 2024 | 30 Jun 2023 |
|----------------------|------------------|------------------|
| | N'000 | N'000 |
| Contract liabilities | <u>1,614,343</u> | <u>1,590,422</u> |

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

| | 31 Mar 2024 | 31 Mar 2023 |
|---|------------------|------------------|
| | N'000 | N'000 |
| Income from leased assets | 5,921 | 113,095 |
| Sale of by-products | 166,513 | 238,013 |
| Gain on disposal of property, plant and equipment | 1,578,381 | 1,129,048 |
| Promisory note from EEG | 1,314,252 | — |
| | <u>3,065,067</u> | <u>1,480,156</u> |

b. Marketing and distribution expenses:

| | 31 Mar 2024 | 31 Mar 2023 |
|-----------------------|-------------------|-------------------|
| | N'000 | N'000 |
| Marketing expenses | 19,261,795 | 16,150,446 |
| Distribution expenses | 16,005,036 | 15,388,190 |
| | <u>35,266,831</u> | <u>31,538,636</u> |

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

| | 31 Mar 2024 | 31 Mar 2023 |
|---|------------------|------------------|
| | N'000 | N'000 |
| Total interest income arising from financial assets | 1,655,925 | 1,645,233 |
| Accrued interest | 195,487 | 39,069 |
| Gain on re-measurement of foreign currency balances | 5,688,652 | 110,886 |
| | <u>7,540,064</u> | <u>1,795,188</u> |

ii. Finance income received in the statement of cash flows

| | 31 Mar 2024 | 31 Mar 2023 |
|-------------------------------------|------------------|------------------|
| | N'000 | N'000 |
| Finance income per income statement | 7,540,064 | 1,795,188 |
| Unrealised foreign exchange gain | (5,688,652) | (110,886) |
| Accrued interest | (195,487) | (39,069) |
| | <u>1,655,925</u> | <u>1,645,233</u> |

b. Finance expense is as follows:**i. Finance expense per income statement**

| | 31 Mar 2024 | 31 Mar 2023 |
|--|-------------------|------------------|
| | N'000 | N'000 |
| Interest expense on loans and borrowings | 5,629,310 | 954,119 |
| Accrued interest | 1,483,193 | 1,925,258 |
| Interest expense on lease liabilities | 16,117 | 16,092 |
| Interest expense on employee benefits | 118,204 | 130,849 |
| Exchange difference on letter of credits | (15,293,836) | 2,123,588 |
| Exchange difference on foreign currency loan | 15,261,699 | 946,415 |
| Loss on remeasurement of foreign currency balances | 82,999,446 | 3,186,597 |
| | <u>90,214,133</u> | <u>9,282,918</u> |

ii. Finance expense paid in the statement of cash flows

| | 31 Mar 2024 | 31 Mar 2023 |
|---------------------------------------|-------------------|------------------|
| | N'000 | N'000 |
| Finance expense per income statement | 90,214,133 | 9,282,918 |
| Interest expense on employee benefits | (118,204) | (130,849) |
| Accrued interest | (1,483,193) | (1,925,258) |
| Unrealised foreign exchange loss | (37,061,663) | (4,278,728) |
| | <u>51,551,073</u> | <u>2,948,083</u> |

10. Profit before taxation

Profit before taxation is stated after charging:

| | 31 Mar 2024 | 31 Mar 2023 |
|--|-------------|-------------|
| | N'000 | N'000 |
| Depreciation of property, plant and equipment (Note 13(a)) | 7,353,485 | 6,857,332 |
| Depreciation of right-of-use assets (Note 22(a)) | 45,571 | 101,679 |
| Write-off of property plant and equipment (Note 13(c)) | 163,897 | 11,490 |
| Amortisation of intangible assets (Note 14) | 112,155 | 46,585 |
| Personnel expenses (Note 11) | 13,773,470 | 12,101,012 |
| Gain on disposal of property, plant and equipment (Note 13(c)) | (1,578,381) | (1,129,048) |
| Rental expenses | 712,358 | 366,804 |
| Royalty and technical service fees | 1,304,229 | 1,166,207 |

11. Personnel expenses

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

| | 31 Mar 2024 | 31 Mar 2023 |
|---|-------------|-------------|
| | N'000 | N'000 |
| Salaries, wages and allowances | 11,981,179 | 10,964,705 |
| Contributions to defined contribution plans | 1,031,108 | 916,719 |
| Share-based payments expense | 105,737 | 173,442 |
| Other long term employee benefits | 95,767 | 105,928 |
| Termination expense/(credit) | 559,679 | (59,782) |
| Total personnel expenses | 13,773,470 | 12,101,012 |

12. Taxation

a. Amounts recognised in income statement

| | 31 Mar 2024 | 31 Mar 2023 |
|-----------------------------|-------------|-------------|
| | N'000 | N'000 |
| Current tax expense: | | |
| Current income tax charge | 1,126,066 | 2,982,667 |
| Tertiary education tax | — | 198,844 |
| Prior years under-provision | 70,333 | 895,019 |
| | 1,196,399 | 4,076,530 |

b. Movement in current tax liabilities

| | 31 Mar 2024 | 30 Jun 2023 |
|-----------------------------------|-------------|-------------|
| | N'000 | N'000 |
| Balance at 1 July | 5,256,637 | 8,740,294 |
| Payments during the period/year | (4,959,969) | (9,477,028) |
| Charge for the period/year | 1,126,066 | 5,098,352 |
| Charge on prior years' Tax Audits | 70,333 | 895,019 |
| Balance at the end of period/year | 1,493,067 | 5,256,637 |

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 |
|------------------------------------|----------------|-------------|---------------------|-------------------------|----------------|--------------------------------|--------------------------|--------------|
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Cost | | | | | | | | |
| At 1 July 2022 | 8,328,428 | 21,024,074 | 100,194,114 | 447,729 | 8,894,090 | 32,475,121 | 11,424,275 | 182,787,831 |
| Reclassification from intangibles | — | — | — | — | — | — | (510,424) | (510,424) |
| Additions | 120,144 | 484,050 | 3,096,989 | 51,121 | 850,416 | 4,397,924 | 2,335,101 | 11,335,745 |
| Transfers | 711,210 | 4,078,459 | 5,000,403 | 112,070 | 101,042 | 502,365 | (10,505,549) | — |
| Write-offs | — | (12,459) | (778,630) | (162,502) | (3,105,921) | (13,459,612) | 4,691 | (17,514,433) |
| Disposal | — | — | — | (3,683) | (244,655) | (562,593) | — | (810,931) |
| At 30 June 2023 | 9,159,782 | 25,574,124 | 107,512,876 | 444,735 | 6,494,972 | 23,353,205 | 2,748,094 | 175,287,788 |
| At 1 July 2023 | 9,159,782 | 25,574,124 | 107,512,876 | 444,735 | 6,494,972 | 23,353,205 | 2,748,094 | 175,287,788 |
| Additions | — | 360,050 | 1,115,537 | — | 320,350 | 2,052,152 | 2,681,789 | 6,529,878 |
| Transfer | 28,712 | 80,537 | 867,675 | 7,007 | — | 29,859 | (1,036,376) | (22,586) |
| Write-offs | — | — | — | — | — | (1,288,229) | — | (1,288,229) |
| Disposal | — | (14,290) | (769,577) | (39,049) | (105,268) | — | — | (928,184) |
| At 31 March 2024 | 9,188,494 | 26,000,421 | 108,726,511 | 412,693 | 6,710,054 | 24,146,987 | 4,393,507 | 179,578,667 |
| Depreciation and impairment | | | | | | | | |
| At 1 July 2022 | (144,120) | (5,096,676) | (47,743,726) | (435,472) | (6,449,959) | (25,232,301) | — | (85,102,254) |
| Reclassification from intangibles | — | — | — | — | — | — | — | — |
| Charge for the year | — | (540,916) | (4,995,295) | (13,630) | (935,551) | (2,774,344) | — | (9,259,736) |
| Write-offs | — | 12,193 | 704,927 | 162,465 | 3,101,721 | 13,459,612 | — | 17,440,918 |
| Disposals | — | — | — | 3,683 | 244,655 | 562,593 | — | 810,931 |
| At 30 June 2023 | (144,120) | (5,625,399) | (52,034,094) | (282,954) | (4,039,134) | (13,984,440) | — | (76,110,141) |
| At 1 July 2023 | (144,120) | (5,625,399) | (52,034,094) | (282,954) | (4,039,134) | (13,984,440) | — | (76,110,141) |
| Charge for the year | — | (444,560) | (3,756,649) | (15,758) | (728,624) | (2,407,894) | — | (7,353,485) |
| Write-offs | — | — | — | — | — | 1,288,229 | — | 1,288,229 |
| Disposals | — | 10,081 | 616,335 | 39,049 | 98,822 | — | — | 764,287 |
| At 31 March 2024 | (144,120) | (6,059,878) | (55,174,408) | (259,663) | (4,668,936) | (15,104,105) | — | (81,411,110) |
| Carrying amount | | | | | | | | |
| At 30 June 2023 | 9,015,662 | 19,948,725 | 55,478,782 | 161,781 | 2,455,838 | 9,368,765 | 2,748,094 | 99,177,647 |
| At 31 March 2024 | 9,044,374 | 19,940,543 | 53,552,103 | 153,030 | 2,041,118 | 9,042,882 | 4,393,507 | 98,167,557 |

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

| | 31 Mar 2024 | 31 Mar 2023 |
|---|------------------|------------------|
| | N'000 | N'000 |
| Additions during the year (Note 13(a)) | 6,529,878 | 7,736,674 |
| Payments on prior year accruals for additions | 830,464 | 1,189,698 |
| Accruals on current year acquisitions | (1,382,607) | (2,800,665) |
| | <u>5,977,735</u> | <u>6,125,707</u> |

c. Property, plant and equipment disposed/written off in the statement of cash flows

| | 31 Mar 2024 | 31 Mar 2023 |
|--|--------------------|--------------------|
| | N'000 | N'000 |
| Cost of Property, plant and equipment disposed and written off | 2,216,413 | 2,209,234 |
| Accumulated depreciation on Property, plant and equipment disposed and written off | (2,052,516) | (2,197,744) |
| Carrying amount of Property, plant and equipment disposed and written off | 163,897 | 11,490 |
| Proceeds from disposal of property, plant and equipment | (1,578,381) | (1,129,048) |
| | <u>(1,414,484)</u> | <u>(1,117,558)</u> |
| Analysed as: | | |
| Carrying amount of property, plant and equipment written off | 163,897 | 11,490 |
| Gain on disposal of property, plant and equipment | (1,578,381) | (1,129,048) |
| | <u>(1,414,484)</u> | <u>(1,117,558)</u> |

14. Intangible assets

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

| | Distribution right | Computer software | Total |
|---|-----------------------|----------------------|-------------|
| | N'000 | N'000 | N'000 |
| Cost | | | |
| Balance at 1 July 2022 | 995,250 | 232,831 | 1,228,081 |
| Reclassification from Property, plant and equipment | — | 510,424 | 510,424 |
| Additions | — | 127,585 | 127,585 |
| Write-offs | — | (31,134) | (31,134) |
| Balance at 30 June 2023 | 995,250 | 839,706 | 1,834,956 |
| Balance at 1 July 2023 | 995,250 | 839,706 | 1,834,956 |
| Reclassification from Property, plant and equipment | — | 22,586 | 22,586 |
| Additions | — | 50,181 | 50,181 |
| Balance at 31 March 2024 | 995,250 | 912,473 | 1,907,723 |
| Amortisation | | | |
| Balance at 1 July 2022 | (995,250) | (232,505) | (1,227,755) |
| Write-offs | — | 31,134 | 31,134 |
| Charge for the year | — | (88,385) | (88,385) |
| Balance at 30 June 2023 | (995,250) | (289,756) | (1,285,006) |
| Balance at 1 July 2023 | (995,250) | (289,756) | (1,285,006) |
| Charge for the year | — | (112,155) | (112,155) |
| Balance at 31 March 2024 | (995,250) | (401,911) | (1,397,161) |
| Carrying amount | | | |
| At 30 June 2023 | — | 549,950 | 549,950 |
| At 31 March 2024 | — | 510,562 | 510,562 |

15. Prepayments

Prepayments comprise:

| | 31 Mar 2024 | 30 Jun 2023 |
|------------------------|---------------|----------------|
| | N'000 | N'000 |
| Prepaid rent | 21,921 | 202,579 |
| Other prepaid expenses | 47,078 | 200,316 |
| | <u>68,999</u> | <u>402,895</u> |

Prepayments is analysed into:

| | N'000 | N'000 |
|-------------|---------------|----------------|
| Non-current | — | — |
| Current | 68,999 | 402,895 |
| | <u>68,999</u> | <u>402,895</u> |

Other prepaid expenses relate to housing and education subsidies, leave allowance and insurance. Prepaid rent disclosed is out of scope of IFRS16.

16. Inventories

Inventories comprise:

| | 31 Mar 2024 | 30 Jun 2023 |
|---------------------------------------|-------------------|-------------------|
| | N'000 | N'000 |
| Finished products | 8,627,077 | 9,987,251 |
| Products in process | 3,217,340 | 3,179,126 |
| Raw materials and packaging materials | 5,941,870 | 6,265,448 |
| Engineering spares | 24,458,496 | 12,412,069 |
| Inventories in transit | 3,550,253 | 2,625,633 |
| | <u>45,795,036</u> | <u>34,469,527</u> |

17. Trade and other receivables

- a. Trade and other receivables comprise:

Financial assets:

| | 31 Mar 2024 | 30 Jun 2023 |
|----------------------------------|-------------------|-------------------|
| | N'000 | N'000 |
| Trade receivables | 12,075,698 | 9,985,739 |
| Other receivables | 280,754 | 94,815 |
| Advance payments to suppliers | 4,038,409 | 1,240,109 |
| Amounts due from related parties | 124,062 | 23,541 |
| Total financial assets | <u>16,518,923</u> | <u>11,344,204</u> |

Non-financial assets:

| | | |
|---|-------------------|-------------------|
| Other receivables - current | 3,928,017 | 1,869,203 |
| Total trade and other trade receivables | <u>20,446,940</u> | <u>13,213,407</u> |

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

| | 31 Mar 2024 | 30 Jun 2023 |
|---|--------------------|------------------|
| | N'000 | N'000 |
| Change in current trade and other receivables | (7,233,533) | 865,493 |
| Unrealised exchange gain | 1,348,383 | 1,681,312 |
| Accrued finance income | 195,487 | 52,363 |
| Release of expected credit loss on (non-financial) other receivables | 44,570 | — |
| Charge for of expected credit loss on (financial) trade and other receivables | (16,165) | (9,106) |
| | <u>(5,661,258)</u> | <u>2,590,062</u> |

18. Cash and cash equivalents

- a. Restricted cash:

| | 31 Mar 2024 | 30 Jun 2023 |
|-----------------|------------------|------------------|
| | N'000 | N'000 |
| Restricted cash | <u>1,038,784</u> | <u>1,592,461</u> |

- b. Cash and cash equivalents:

| | 31 Mar 2024 | 30 Jun 2023 |
|--|-------------------|-------------------|
| | N'000 | N'000 |
| Bank balances | 38,798,730 | 73,424,683 |
| Short-term deposits | 29,700,000 | 18,700,000 |
| Cash and cash equivalents | <u>68,498,730</u> | <u>92,124,683</u> |
| Cash and cash equivalents in the statement of cash flows | <u>68,498,730</u> | <u>92,124,683</u> |

19. Share capital and reserves

- a. Authorised ordinary shares of 50k each
in thousand of shares

| | 31 Mar 2024 | 30 Jun 2023 |
|---------------------------|------------------|------------------|
| At the end of period/year | <u>2,190,383</u> | <u>2,190,383</u> |

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

| | 31 Mar 2024 | 30 Jun 2023 |
|---------------------------|------------------|------------------|
| At the end of period/year | <u>2,190,383</u> | <u>2,190,383</u> |

- 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:

| | 31 Mar 2024 | 30 Jun 2023 |
|---|------------------|------------------|
| | N'000 | N'000 |
| At 1 July | 1,695,832 | 1,933,364 |
| Declared dividend | — | 15,639,333 |
| Declared, but not yet paid dividend - Related parties | — | (9,074,535) |
| Unclaimed dividend transferred to retained earnings | (503,626) | (252,599) |
| Unclaimed dividend with Registrar | (2,228) | 65,067 |
| Payments during the period/year: | | |
| Paid to the registrar | (50,051) | (50,000) |
| Cash and cash equivalents | — | (6,564,798) |
| At the end of period/year | <u>1,139,927</u> | <u>1,695,832</u> |
| | 31 Mar 2024 | 30 Jun 2023 |
| | N'000 | N'000 |
| Dividend payable is represented by | | |
| Restricted cash | 1,038,784 | 1,592,461 |
| Balance with Registrar | 101,143 | 103,371 |
| At the end of period/year | <u>1,139,927</u> | <u>1,695,832</u> |

21. Loans and borrowings

a. Loans and borrowings comprise:

| | 31 Mar 2024 | 30 Jun 2023 |
|----------------------------|-------------------|-------------------|
| | N'000 | N'000 |
| Related party loans | 33,895,402 | 17,925,469 |
| Letters of credit | 5,461,557 | 45,830,470 |
| Total loans and borrowings | <u>39,356,959</u> | <u>63,755,939</u> |

The total loans and borrowings is classified as follows:

| | 31 Mar 2024 | 30 Jun 2023 |
|------------------------------------|-------------------|-------------------|
| | N'000 | N'000 |
| <i>Current liabilities</i> | | |
| Related party loans | 33,895,402 | 17,925,469 |
| Letters of credit loans | 5,461,557 | 45,830,470 |
| Total current loans and borrowings | <u>39,356,959</u> | <u>63,755,939</u> |
| Total loans and borrowings | <u>39,356,959</u> | <u>63,755,939</u> |

b. Movement in loans and borrowings:

| | 31 Mar 2024 | 30 Jun 2023 |
|--|---------------------|--------------------|
| | N'000 | N'000 |
| At 1 July | 63,755,938 | 31,309,343 |
| Proceeds from loans and borrowings obtained during the period/year | 3,341,633 | 12,383,535 |
| Finance expense: | | |
| - Interest expense | 5,629,310 | 1,686,864 |
| - Interest expense - accrued | (326,225) | 2,307,377 |
| Withholding tax on interest expense | (78,154) | (51,408) |
| Exchange difference on letter of credits | (15,293,836) | 19,603,028 |
| Exchange difference on foreign currency loan | 15,261,699 | 8,050,909 |
| Interest paid | (5,629,310) | (1,686,864) |
| Loans repaid during the period/year | <u>(27,304,096)</u> | <u>(9,846,846)</u> |
| At the end of period/year | <u>39,356,959</u> | <u>63,755,938</u> |

22. Leases

a. Right-of-use assets

Movement in right-of-use assets:

| | Land & Building | Total |
|--------------------------------------|--------------------|------------------|
| | N'000 | N'000 |
| Gross carrying value | | |
| At 1 July 2022 | 844,264 | 844,264 |
| Remeasurement of Right-of-use assets | (17,094) | (17,094) |
| Write-off | (89,355) | (89,355) |
| At 30 June 2023 | <u>737,815</u> | <u>737,815</u> |
| At 1 July 2023 | 737,815 | 737,815 |
| Remeasurement of Right-of-use assets | (40,321) | (40,321) |
| Write-off | (557,915) | (557,915) |
| At 31 March 2024 | <u>139,579</u> | <u>139,579</u> |
| Accumulated depreciation | | |
| At 1 July 2022 | (475,752) | (475,752) |
| Depreciation charge | (133,844) | (133,844) |
| Write-off | 89,355 | 89,355 |
| At 30 June 2023 | <u>(520,241)</u> | <u>(520,241)</u> |
| At 1 July 2023 | (520,241) | (520,241) |
| Depreciation charge | (45,571) | (45,571) |
| Write-off | 557,915 | 557,915 |
| At 31 March 2024 | <u>(7,897)</u> | <u>(7,897)</u> |
| Net book value at 30 June 2023 | <u>217,574</u> | <u>217,574</u> |
| Net book value at 31 March 2024 | <u>131,682</u> | <u>131,682</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

Movement in lease liabilities:

| | N'000 |
|---|----------------|
| At 1 July 2022 | 177,195 |
| Remeasurement | (17,094) |
| Interest expense on leases | 21,607 |
| Repayment of lease liabilities: | |
| - Repayment of the principal portion of the lease liabilities | (5,799) |
| - Interest paid on lease liabilities | (21,607) |
| At 30 June 2023 | <u>154,302</u> |
| At 1 July 2023 | 154,302 |
| Remeasurement | (40,321) |
| Interest expense on leases | 16,116 |
| At 31 March 2024 | <u>130,097</u> |
| Presented as: | |
| Current | 16 |
| Non-current | 130,081 |
| At 31 March 2024 | <u>130,097</u> |

23. Trade and other payables

Trade and other payables comprise:

| | 31 Mar 2024 | 30 Jun 2023 |
|-------------------------------------|--------------------|--------------------|
| | N'000 | N'000 |
| Financial liabilities: | | |
| Trade payables | 47,079,713 | 34,368,756 |
| Other payables and accrued expenses | 12,453,485 | 10,646,549 |
| Amount due to related parties | 130,649,156 | 62,420,406 |
| Total financial liabilities | <u>190,182,354</u> | <u>107,435,711</u> |
| Non-financial liabilities: | | |
| Refund liabilities | 655,088 | 83,229 |
| Other payables and accrued expenses | 3,092,406 | 3,717,144 |
| Total non-financial liabilities | <u>3,747,494</u> | <u>3,800,373</u> |
| Total trade and other payables | <u>193,929,848</u> | <u>111,236,084</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 31 March 2024 that have not been adequately provided for or disclosed in the financial statements.