

**GOLDEN GUINEA BREWERIES PLC**  
**RC 3164**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST MARCH, 2021**



**Mokuolu Rubens & Co**  
**(Chartered Accountants)**

# **GOLDEN GUINEA BREWERIES PLC**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

<b>CONTENTS</b>	<b>PAGE</b>
Directors, Professional Advisers, etc	1
Report of the Directors	2
Statement of Directors' Responsibilities	12
Certification of the Audited Financial Statements	13
Report of the Audit Committee	14
Reports of the Independent Auditors	15
Income Statement	19
Statement of Comprehensive Income	20
Statement of Financial Position	21
Statement of Changes in Equity	22
Statement of Cash Flows	23
Notes to the Financial Statements	24
Statement of Value Added	56
Five - Year Financial Summary	57

# **GOLDEN GUINEA BREWERIES PLC**

## **DIRECTORS, PROFESSIONAL ADVISERS, ETC**

### **DIRECTORS**

Chief J. C. Onyearugbulem	-	Non-Executive Chairman
Mr. Ifeanyi G. Idika	-	Managing Director/CEO
Dr. J. A. Alumonah	-	Non-Executive Director
Engr. O. N. Ndukwe	-	Executive Director
HRM. Eze Nwabiaraije Eneogwe	-	Non-Executive Director
Elder N. C. U. Okoro	-	Non-Executive Director
Ms. Ugo Agwu (FCA)	-	Non-Executive Director
Dr. Oluchi Joachin Nzenwa	-	Non-Executive Director
Mr. Ferguson O. Uzomah (PMP)	-	Non-Executive Director
Barr. Ochei Odiawa	-	Non-Executive Director
Mr. Olalekan Najeem Busari	-	Non-Executive Director

### **COMPANY SECRETARY**

Barr. Udo Ogaranya

### **REGISTERED OFFICE**

Aba Road, Umuahia  
Abia State

### **REGISTRATION NO.**

RC 3164

### **AUDITORS**

Mokuolu Rubens & Co  
Chartered Accountants  
62, Akanro Street  
Apapa - Oshodi Expressway  
Ilasamaja, Lagos

### **REGISTRARS**

Carnation Registrars Limited  
2A, Gbagada Expressway  
Athony, Lagos

### **PRINCIPAL BANKERS**

Heritage Bank Limited

## **GOLDEN GUINEA BREWERIES PLC**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2021**

The Directors have pleasure in submitting their report together with the Financial Statements for the year ended 31st March, 2021.

#### **LEGAL FORM**

The company was incorporated as a private limited liability company on 26th September, 1962 with registration number RC 3164 under the name Independence Brewery Limited. The name was changed to Golden Guinea Breweries Limited on 6th May, 1971. The company became a public limited liability company and the name was changed to Golden Guinea Breweries Plc in 1978.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the company are brewing, packaging, marketing, and distribution of Golden Guinea lager beer, Golden Guinea Malta, Eagle Stout, Bergedorf lager beer, Golden Malta, Oldsborg lager beer, and Oldsborg Malta.

The company gradually increased business operations in 2021, as it resumed in 2020 financial year the principal activities, with brewing, bottling, and marketing of Golden Guinea Lager beer, Golden Malta, Oldsborg Lager beer, and Oldsborg Malta. The Company continues to carry out activities focused on expanding capacities and accelerating penetration across the markets.

Also, positive results are being achieved in sourcing the funds and working capital required to accomplish remaining rehabilitation activities and resume operations on all the company's product lines before the end of the next financial year.

#### **OPERATING RESULT**

The Operating Result of the company as at 31st March, 2021 was as follows

	<b>N</b>
Revenue	1,463,181,724
Profit/(Loss) after taxation	(225,879,517)



## GOLDEN GUINEA BREWERIES PLC

### REPORT OF THE DIRECTORS - Continued

#### DIRECTORS

The names of the directors as at 31st March, 2021 were as follows:

Chief J. C. Onyearugbulem	-	Non-Executive Chairman
Mr. Ifeanyi G. Idika	-	Managing Director/CEO
Dr. J. A. Alumonah	-	Non-Executive Director
Engr. O. N. Ndukwe	-	Executive Director
HRM. Eze Nwabiaraije Eneogwe	-	Non-Executive Director
Elder N. C. U. Okoro	-	Non-Executive Director
Ms. Ugo Agwu (FCA)	-	Non-Executive Director
Dr. Oluchi Joachin Nzenwa	-	Non-Executive Director
Mr. Ferguson O. Uzomah (PMP)	-	Non-Executive Director
Barr. Ochei Odiawa	-	Non-Executive Director
Mr. Olalekan Najeem Busari	-	Non-Executive Director

#### SHAREHOLDING STRUCTURE

The authorized share capital of the company is N2,000,000,000 comprising 4,000,000,000 Ordinary Shares of 50 kobo each. 1,003,344,000 Ordinary Shares of 50 kobo each are issued and fully paid, and are beneficially held as follows:

Name	Number of Ordinary Shares held	% Holding
Abia State Government	33,911,264	3.38%
Imo State Government	18,044,208	1.80%
Ebonyi State Government	1,563,591	0.16%
Philmontan Nigeria Limited	31,000,000	3.09%
Couthinho, Caro & Co. Nig. Ltd	13,608,000	1.36%
Holsten Barueri AG Hamburg	15,000,000	1.50%
Floco Verwaltungs-Und	36,208,000	3.61%
Other Nigerian Associations and Citizens	101,500,937	10.12%
Pan Marine Investments Limited	752,508,000	75.00%
	<b>1,003,344,000</b>	<b>100.00%</b>

Except as stated above, no shareholder holds more than 5% of the issued and fully paid share capital of the company.

## **GOLDEN GUINEA BREWERIES PLC**

### **REPORT OF THE DIRECTORS - Continued**

#### **ANALYSIS OF SHAREHOLDING**

The range of the shareholding of the company is as follows:

Range	Number of Shareholders	Percentage	Units	Percentage
1 - 500	13,076	53.44%	8,302,342	0.83%
501 - 1,000	4,626	18.91%	7,490,048	0.75%
1,001 - 5,000	5,726	23.40%	23,213,048	2.31%
5,001 - 100,000	502	2.05%	7,640,678	0.76%
100,001 - 500,000	424	1.73%	17,006,380	1.69%
500,001 - 1,000,000	48	0.20%	6,848,412	0.68%
1,000,001 and above	65	0.27%	932,843,092	92.97%
	<b>24,467</b>	<b>100.00%</b>	<b>1,003,344,000</b>	<b>100.00%</b>

#### **DIRECTORS' INTERESTS**

The interests of the Directors of Golden Guinea Breweries Plc in the issued share capital of the Company, as recorded in the Register of Members and as notified by them for the purposes of Sections 301 and 385 of the Companies and Allied Matters Act 2020, and the Listing requirements of The Nigerian Stock Exchange are as follows:

Name	Number of Shares
Chief J. C. Onyearugbulem	31,000,000 (Indirect)
Mr. Ifeanyi G. Idika	Nil
Dr. J. A. Alumonah	10,000
Engr. O. N. Ndukwe	37,280
HRM. Eze Nwabiaraije Eneogwe	Nil
Elder N. C. U. Okoro	Nil
Ms. Ugo Agwu (FCA)	8,186
Dr. Oluchi Joachin Nzenwa	Nil
Mr. Ferguson O. Uzomah (PMP)	Nil
Barr. Ochei Odiawa	Nil
Mr. Olalekan Najeem Busari	Nil

## **GOLDEN GUINEA BREWERIES PLC**

### **REPORT OF THE DIRECTORS - Continued**

#### **PROFILE OF DIRECTORS**

##### **CHIEF J. C. ONYEARUGBULEM**

Chief Joe C. Onyearugbulem is the Chairman, Board of Directors of Golden Guinea Breweries Plc. He is a consummate Human Resource Manager with enormous experience in Personnel Management and Industrial Relations.

He had previously worked as Personnel Manager at Ibru Organization, Administrative Manager at Nigeria Bottling Company Plc. and International Glass Industries Ltd Respectively. Chief Onyearugbulem holds a Bachelor of Arts Honours Degree in Public Administration from Panjab University, Chandigarh, India.

While at the Nigeria Bottling Company Ltd, Chief Onyearugbulem headed the training team for the Eastern Plants.

He is married with children.

##### **IFEANYI G. IDIKA**

Mr. Ifeanyi G. Idika is the Managing Director of Golden Guinea Breweries Plc. He is a seasoned Brewer and Manager. He was previously the Managing Director of Vitamalt Plc and served on the Board of Lawsons Corporation. A product of Kings College Lagos, the University of Lagos and the Graduate School of Business Administration of Harvard University, Boston USA.

Mr. Idika holds a degree in Chemistry and Botany from the University of Lagos and attended the program for Management Development at the Harvard Business School Boston, USA. He has had extensive training attachments with various international brewing groups like the Whitbread Group in the UK, the Pripps Group in Sweden, the Stella Artois Group in Belgium and the Cerekem Group in Denmark.

He is married with children.

##### **DR. JOE A. ALUMONAH**

Dr. Joe is a member of the Board of Directors of Golden Guinea Breweries Plc. He is a graduate of Mechanical Engineering, holds an MBA and a PH.D. in Operations Management. He belongs to many professional bodies including the Academy of Management Nigeria, (TAMN).

Dr. Joe A. Alumonah has over 35 years of extensive industrial and over 9 years concurrent academic experience, that span over corporate governance, businesses and organizational capacity building, strategy for growth/development, operations/change management as well as engineering/construction management. He is a member of the faculty of Enterprise Development Center, (EDC) and Lagos Business School, (LBS).

He is married with Children.

## **GOLDEN GUINEA BREWERIES PLC**

### **REPORT OF THE DIRECTORS - Continued**

#### ***ELDER NATHANIEL C.U. OKORO***

Elder Nathaniel C.U. Okoro is a member of the Board of Directors of Golden Guinea Breweries Plc. He is the Principal consultant of Natchuks Consult, a team of Railway Operating Researchers. He is a specialist in Railway projects Supervision & Management. His Higher Training Schemes include the British Railways, Indian Railways, and the Economic Development Institute, Washington DC.

Elder Nathaniel Okoro has over 60 years of work experience and 38 years were spent working for the Nigerian Railway Corporation. His extensive experience includes areas such as human resources and institutional development. His key qualifications include:  
Graduate, Chartered Institute of Transport (UK)

Fellow, Chartered Institute of Logistics & Transport  
Fellow, Economic Development Institute (World Bank)

He is married with children.

#### ***HRM EZE (DR.) ISRAEL K. NWABIARAIJE ENEOGWE***

His Royal Majesty, Eze Nwabiaraije Enogwe is a highly respected and first class traditional ruler in Abia State. He is the Founder/Pioneer Chairman of Ngwa Royal Fathers Supreme Council. He is also the First Deputy Chairman Abia State Council of Traditional Rulers.

Eze Nwabiaraije, a veteran of Sales and Marketing is currently the Managing Director of Nwabiaraije Enterprises Ltd.,

His Royal Majesty is married with children.

#### ***ENGINEER O.N. NDUKWE***

Engineer Ndukwe is an Executive Director in Golden Guinea Breweries Plc. Harcourt. He holds a BSc. Honours Degree in Mechanical Engineering from University of Nigeria Nsukka. He had a brief stay with SantaFE Oil Drilling Company in Port Harcourt. Before his appointment to the present position, he had held other positions as Deputy Chief Engineer (Mechanical), Assistant Chief Engineer (Mechanical) and Senior Mechanical Engineer. He is a member of the Nigerian Society of Engineers.

He is married with children

## **GOLDEN GUINEA BREWERIES PLC**

### **REPORT OF THE DIRECTORS - Continued**

#### ***MS U. U. AGWU***

Agwu, Ugoaha, is a Director in Golden Guinea Breweries Plc. She is a fellow of the Institute of Chartered Accountants of Nigeria. She is also an Associate Member of Chartered Institute of Taxation of Nigeria, and an Associate Member, Nigeria Institute of Management.

Ugoaha has over twenty years' experience with a leading Reinsurer, demonstrating consistent record of increasing profit during the period. Strengths include general ledger, Financial Statements, Financial Analysis, Budgeting Cash Management, and Internal and external reporting. She had a prior experience in auditing with a reputable audit firm.

#### ***DR. OLUCHI JOACHIN NZENWA***

Dr. Oluchi Joachin Nzenwa is a Director in Golden Guinea Breweries Plc. He is a Medical Doctor. He obtained the MB, BS from the University of Nigeria, Nsukka and an MBA from Walden University. He is the Manager, Omega Maritime and Energy Limited; He is also the Clinical Director, Pamo Clinic and Hospitals.

Dr. Oluchi J. Nzenwa is a professional member of the Nigeria Medical Association (NMA). He is also a member of the British Medical Ultrasound Society (BMUS), Port Harcourt City Chamber of Commerce (PHCC), and Association of Project Managers APM.

He is happily married with children.

#### ***MR. FERGUSON OKECHUKWU UZOMAH***

Mr. Ferguson is a member of the Board of Directors of Golden Guinea Breweries Plc. He is the Managing Consultant/Chief Executive, QPMC Consultant Limited, Project Management Consultants. He is an experienced Banker. He obtained a Bachelor of Technology (B.Tech) degree in Project Management Technology. Also, an M.Sc (Finance) from the University of Calabar.

He is a Chartered Project Manager/Consultant of the Chartered Association of Business Administrators, Canada. He is also an Associate of the Project Management Institute, Pennsylvania USA.

He is happily married with children.

#### ***BARR. OCHEI ODIAWA***

Barr. Ochei Odiawa is a member of the Board of Directors of Golden Guinea Breweries Plc. He is a Legal Practitioner and a member of the Nigerian Bar Association (NBA). He obtained LLB (HONS) from the University of Benin and BL from the Nigerian Law School. He is the co-founder of the Law Firm Odiawa & Ebie. Following a merger with the Law firm of Okonjo & Okonjo, Barr. Ochei Odiawa became a partner in the Law firm of Okonjo, Odiawa & Ebie.

He is an expert in Litigation Research, General Corporate & Commercial Law and Energy Law. Barr. Odiawa is a member of the International Bar Association.

He is married with children.

## GOLDEN GUINEA BREWERIES PLC

### REPORT OF THE DIRECTORS - Continued

#### **MR. OLALEKAN NAJEEM BUSARI**

Mr. Olalekan Najeem Busari is a member of the Board of Directors of Golden Guinea Breweries Plc. He is a Chartered Banker MBA and has an M.Sc, MBA, He was the Principal Consultant, Walale Nigeria Limited.

Mr. Olalekan Najeem Busari's key qualifications include:  
Bangor University, Bangor Wales  
University of Ibadan M.SC.(Agricultural Economics)  
University of Ibadan B.SC. (Agricultural Economics)

He has over eighteen (18) years' experience in Credit and Marketing, and over eight (8) years in Operations.

He is married with children.

#### DIRECTORS' RECORD OF BOARD MEETING ATTENDANCE

S/No	Name of Director	Meeting Dates				Remarks.
		10/8/ 2020	23/10/ 2020	26/11/ 2020	29/1/2021	
1	Chief J. C. Onyearugbulem.	✓	✓	✓	✓	
2	Mr. Ifeanyi G. Idika.	✓	✓	✓	✓	
3	Dr. J. A. Alumonah.	✓	-	✓	✓	Absent with permission due to Covid-19 restrictions on 23/10 /20.
4	Elder N. C. U. Okoro.	-	-	-	-	Absent with permission.
5	HRM Eze Nwabiaraije Eneogwe.	✓	✓	✓	✓	
6	Engr. O. N. Ndukwe.	✓	✓	✓	✓	
7	Ms U. U. Agwu.	✓	✓	✓	✓	
8	Dr. Oluchi Joachin Nzenwa.	✓	-	✓	✓	Absent due to Covid-19 restrictions on 23/10/20.
9	Mr. Ferguson Okechukwu Uzomah.	✓	✓	-	✓	Absent with permission on 26/11/20.
10.	Barr. Ochei Odiawa.	-	-	-	-	Absent due to Covid-19 restrictions on 23/10/20
11	Mr. Olalekan Najeem Busari.	-	-	-		Absent without permission, except on 29/1 /20



## **GOLDEN GUINEA BREWERIES PLC**

### **REPORT OF THE DIRECTORS - Continued**

#### **PROFILE OF MEMBERS THE AUDIT COMMITTEE**

##### **MR. ONWUGHARA JOB IHEJIRIKA**

Mr. Onwughara Job Ihejirika is the Chairman of the Audit Committee of Golden Guinea Breweries Plc. He is a veteran banker, with vast experience in Credit, Corporate Banking and Branch Operations. He holds an Associate Diploma of the Chartered Institute of Bankers, London and a Master of Science Degree in Banking and Finance from the University of Ibadan. He is a Fellow of the Chartered Institute of Bankers, London and Nigeria (FCIB). He is an Associate of the Institute of Credit Management, London and a member of British Institute of Management. Job also holds an LLB Degree in Law. He is a Registered Professional with the Financial Reporting Council of Nigeria. He is currently a Management consultant. He is married with Children.

##### **MR. ANSLEM NWAZUOKE AGOMUOH**

Mr. Anslem Nwazuke Agomuoh is a member of the Audit Committee of Golden Guinea Breweries Plc. He has a Bachelor of Science Accountancy /Education and a Master of Business Administration (MBA) degree in Financial Management Technology. He is a member, Institute of Chartered Accountants of Nigeria, and also a Member of the Institute of Fraud Examiners of Nigeria. He has vast experience in Finance/Supply and in Planning Research statistics.

He is happily married with children.

##### **MR. SAM ONUKWUE**

Mr. Sam Onukwue is a member of the Audit Committee of Golden Guinea Breweries Plc. He is a fellow of the Institute of Chartered Accountants of Nigeria (FCA), as well as the Chartered Institute of Stockbrokers (FCS). He holds an MBA from the University of Lagos, M.Sc. from Leeds Metropolitan University UK, as well as a Higher National Diploma in Accountancy from Yaba College of Technology. He is the Founder and CEO of Mega Capital Financial Services Ltd as well as the Executive Vice Chairman of Mega Equities Ltd. He has extensive banking and Capital Market experience.

He is married with Children.

##### **MS U. U. AGWU**

Agwu, Ugoaha, is a member of the Audit Committee of Golden Guinea Breweries Plc. She is a fellow of the Institute of Chartered Accountants of Nigeria. She is also an Associate Member of Chartered Institute of Taxation of Nigeria, and an Associate Member, Nigeria Institute of Management.

Ugoaha has over twenty years' experience with a leading Reinsurer, demonstrating consistent record of increasing profit during the period. Strengths include general ledger, Financial Statements, Financial Analysis, Budgeting Cash Management, and Internal and external reporting. Had a prior experience in auditing with a reputable audit firm.

## **GOLDEN GUINEA BREWERIES PLC**

### **REPORT OF THE DIRECTORS - Continued**

#### **MR. FERGUSON OKECHUKWU UZOMAH**

Mr. Ferguson is a member of the Audit Committee of Golden Guinea Breweries Plc. He is the Managing Consultant/Chief Executive, QPMC Consultant Limited, Project Management Consultants. He is an experienced Banker. He obtained a Bachelor of Technology (B.Tech) degree in Project Management Technology. Also, an M.Sc {Finance} from the University of Calabar.

He is a Chartered Project Manager/Consultant of the Chartered Association of Business Administrators, Canada. He is also an Associate of the Project Management Institute, Pennsylvania USA.

He is happily married with children.

#### **PROPERTY, PLANT AND EQUIPMENT**

Information relating to changes in property, plant and equipment is given in Note 12 to these financial statements.

#### **DISTRIBUTION**

As part of our market re-entry efforts, the company is building its distributorship base across multiple states. The Company's products will continue to be distributed through numerous distributors which comprise our long-standing distributors and new vibrant distributors, who are already demonstrating Golden Zeal for spreading of Golden Guinea brands across states, cities, communities, and markets. They are our strategic business partners who contribute immensely to the success of our business and also benefit mutually from their relationship with Golden Guinea Breweries Plc.

#### **DEALING IN SHARES**

As the company has gradually resumed business operations, the company has adopted a code of conduct on securities transactions by directors and other employees, in compliance with the Rules of the Nigerian Stock Exchange. This provides among others the period when transactions are not allowed to be effected on the Company's Shares ("Closed Period"), as well as disclosure requirements when effecting such transactions. All concerned are obliged to observe the provisions of the code when dealing in the company's shares.



**GOLDEN GUINEA BREWERIES PLC**


**REPORT OF THE DIRECTORS - Continued**

**AUDITORS**

The firm of Mokuolu Rubens & Co Chartered Accountants served as the Independent Auditor during the year under review.

In accordance with Section 401(2) of the Companies and Allied Matters Act 2020, the firm has indicated its willingness to continue in office as the Independent Auditor to the Company.

**BY ORDER OF THE BOARD**



**Barr. Udo Ogaranya**  
Company Secretary  
FRC/2014/NBA/00000009809

June 7, 2021

## GOLDEN GUINEA BREWERIES PLC

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

In accordance with the provisions of the Companies and Allied Matters Act 2020, the Directors are responsible for the preparation of the annual financial statements which give a true and fair view of the financial position of the Company and of the profit or loss of the financial year.

The Directors responsibilities also include ensuring that:

- (i) appropriate internal controls are established to safeguard the assets of the company and to prevent and detect fraud and other irregularities.
- (ii) the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which ensure that the statements comply with the requirements of the Companies and Allied Matters Act, 2020.
- (iii) the company has used suitable accounting policies consistently applied and supported by reasonable and prudent judgments and estimates and that all applicable accounting standards have been followed.
- (iv) it is also the responsibility of the Directors to be satisfied that 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.

The directors accept responsibility for the preparation of the annual financial statements set out on pages 14 to 48 that give a true and fair view in accordance with International Financial Reporting Standards (IFRS), the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act, 2011.

The directors 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.

As more fully set out in Notes 1 and 2(e) to the financial statements, the company is gradually increasing business operations in 2021, as it resumed in 2020 financial year the principal activities, with brewing, packaging, marketing, and distribution of Golden Guinea Lager beer, Golden Malta, Oldsborg Lager beer, and Oldsborg Malta. The Company continues to carry out activities focused on expanding capacities and accelerating market penetration, following successful reactivation activities and market re-entry initiatives. The company had suffered major machine breakdown, fire incident, including boiler explosion that occurred in February 2003 which destroyed critical brewery assets, stocks and raw materials. Nevertheless, positive efforts and active steps were taken to recapitalize and resuscitate the company, and major milestones have been achieved. Remaining Rehabilitation and retooling works at the brewery are at various stages of completion as at the date of this report. Also, positive results are being achieved in sourcing the funds and working capital required to accomplish the remaining rehabilitation activities and resume operations on all the company's brands before the end of next financial year. The directors strongly believe that the recapitalization, resuscitation and market re-entry and capacity expansion program will be fully completed and the company will resume business operations on all the product lines before the end of next financial year. In view of this, 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 from the date the financial statements were approved.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Chief J. C. Onyeangbulem  
Chairman

FRC/2014/CIPMN/00000009808

Mr. Ifeanyi G. Idika  
Managing Director

FRC/2014/NSE/00000009810

Dr. Lawrence Adué  
Chief Financial Officer

FRC/2018/ICAN/00000016707

June 7, 2021


## **GOLDEN GUINEA BREWERIES PLC**

### **CERTIFICATION OF THE AUDITED FINANCIAL STATEMENTS**


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

- (a) That we have reviewed the Audited Financial Statements (AFS) of the Company for the year ended 31st March 2021.
- (b) That the AFS represents the true and correct financial position of our Company as at the said date of 31st March, 2021.
- (c) That the AFS does not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.
- (d) That the AFS fairly presents, in all material respects, the financial condition and results of operation of the company as of and for the year ended 31st March, 2021.
- (e) That we are responsible for establishing and maintaining internal controls and affirm that the company's internal controls were effective as of 31st March, 2021.
- (f) That all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data have been disclosed to the Independent Auditor and the Audit Committee.

Signed

  
**Mr. Ifeanyi G. Idika**  
Managing Director  
FRC/2014/NSE/00000009810

June 7, 2021

  
**Dr. Lawrence Adué**  
Chief Financial Officer  
FRC/2018/CAN/00000016707

## **GOLDEN GUINEA BREWERIES PLC**

### **REPORT OF THE AUDIT COMMITTEE**

**To: The members of Golden Guinea Breweries Plc**

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

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

We acknowledge the co-operation of management and staff in the conduct of our duties.

Members of the Audit Committee are:

- |     |                             |   |                                       |
|-----|-----------------------------|---|---------------------------------------|
| (1) | Mr. Onwughara Job Ihejirika | - | Chairman(Shareholders Representative) |
| (2) | Mr. Anslem N. Agomuoh       | - | Member (Shareholders' Representative) |
| (3) | Mr. Sam Onukwue             | - | Member (Shareholders' Representative) |
| (4) | Ms. Ugo Agwu                | - | Member (Directors' Representative)    |
| (5) | Mr. Ferguson O. Uzomah      | - | Member (Directors' Representative)    |

The Company Secretary served as the Secretary to the Committee.

Dated June 4, 2021



Mr. Onwughara Job Ihejirika - Chairman  
FRC/2016/CIBN/00000014339

# REPORT OF THE INDEPENDENT AUDITORS



**Mokuolu Rubens & Co**  
(Chartered Accountants)

**TO THE MEMBERS OF  
GOLDEN GUINEA BREWERIES PLC**

62, Akanro Street, Ilasamaja  
Apapa-Oshodi Expressway  
P. O. Box 3772  
Apapa, Lagos  
Tel: 08033062369, 08022982321  
E-mail: mokuolurubens@gmail.com

## **Opinion**

We have audited the financial statements of Golden Guinea Breweries Plc ("the Company") which comprise the statements of financial position as at 31st March 2021, and the statements of profit or loss and other comprehensive income, the statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 19 to 57.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011.

## **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants, which is consistent with the International Ethics Standards Board for Accountants Code for Professional Accountants (Part A and B), together with other ethical requirements that are relevant to our audit of the financial statements in Nigeria, 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.

## **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 current period. 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 these matters.

### **a. Reactivation and Principal Business Activities**

Refer to the disclosures in Note 1 (Reporting Entity), Note 2(e) (Significant Accounting Policies - Going Concern) and Note 5 (Revenue). The principal business activities of the company are brewing, packaging, marketing, and distribution of Golden Guinea lager beer, Golden Guinea Malta, Eagle Stout, Bergedorf lager beer, Golden Malta, Oldsborg lager beer, and Oldsborg Malta. The company is gradually increasing business operations in 2021, having resumed in 2020 financial year the principal activities with brewing, bottling, and marketing of Golden Guinea Lager beer, Golden Malta, Oldsborg lager beer, and Oldsborg Malta, following successful reactivation activities. The Company is making efforts to achieve market re-entry of all its product brands.

The directors are of the opinion that the company, as a going concern, will resume operations on all other company's brands when the remaining ongoing rehabilitation and retooling works in the resuscitation programme are completed before the end of next financial year.

***How the matter was addressed in our audit***

We confirmed through physical verification and review of relevant documents that the company gradually increased business operations during the year under audit, having resumed the principal activities with brewing, bottling, and marketing of Golden Guinea Lager beer, Golden Malta, Oldsborg lager beer, and Oldsborg Malta. We confirmed through substantive procedures that the company was carrying out activities aimed at capacity expansion and accelerating market penetration. Specifically, we confirmed through substantive procedures and analytical reviews that the company commenced packaging of beer and malt products in disposable cans; in addition to increased volume of bottled products. We confirmed that the company has taken active steps necessary to achieve market re-entry of the other remaining product brands during the year under audit.

We confirmed through physical verification and review of relevant documents that the rehabilitation and retooling activities required to resume operations on the other brands of the company were in progress during the year and at the time of this audit report

We verified that rehabilitation and retooling works were being carried out in the brewery.

We verified that the company has acquired and installed new Plant, Machinery and Equipment with increased capacity as part of the resuscitation and capacity expansion program.

We confirmed that the Board of Directors has obtained the required funds, which is currently being applied by the company to resume full production activities as a going concern.

**Information Other than the Financial Statements and Audit Report thereon**

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by Companies and Allied Matters Act, 2020, which we obtained prior to the date of this auditor's report and the integrated report, which is expected to be made available to us after the date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibility for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ❖ Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
- ❖ Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ❖ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or related safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

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

- (i) we have obtained all the information and 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, so far as appears from our examination of those books;
- (iii) the company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of accounts.

Signed:



**Johnson Chinedum Iwoh**  
**FRC/2014/CAN/000000009595**



**For: Mokuolu Rubens & Co**  
**Chartered Accountants**

**Lagos, Nigeria**  
**June 18, 2021**



**GOLDEN GUINEA BREWERIES PLC**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2021**

	Note	2021 N	2020 N
Revenue	5	1,463,181,724	853,154,701
Cost of Sales		(1,421,943,218)	(732,600,879)
Gross Profit/(Loss)		41,238,506	120,553,821
Other income	6	41,520,256	2,465,847
Administrative expenses		(329,849,238)	(269,062,315)
Profit/(Loss) from Operating activities		(247,090,477)	(146,042,647)
Interest income	7	-	-
Interest expenses	8	-	-
Profit/(Loss) before taxation	9	(247,090,477)	(146,042,647)
Taxation	10	21,210,959	8,768,089
Profit/(Loss) for the year		(225,879,517)	(137,274,557)
Basic and diluted loss per share (kobo)	11	(23)	(14)

The notes on pages 24 to 55 form part of these financial statements.

**GOLDEN GUINEA BREWERIES PLC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH, 2021**

	Note	2021 N	2020 N
Profit/(Loss) for the year		<u>(225,879,517)</u>	<u>(137,274,557)</u>
Other Comprehensive Income			
<i>Items that will not be reclassified to Profit or Loss</i>			
Surplus on property revaluation		-	-
Tax relating to items that will not be reclassified		-	-
<i>Items that will or may be reclassified to Profit or Loss</i>			
Tax relating to items that will or may be reclassified		-	-
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total Comprehensive Income/(Loss)		<u><u>(225,879,517)</u></u>	<u><u>(137,274,557)</u></u>

The notes on pages 24 to 55 form part of these financial statements.

**GOLDEN GUINEA BREWERIES PLC**

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31ST MARCH, 2021**

	Note	2021 N	2020 N
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	4,339,836,384	4,372,504,472
Investment in subsidiary	13	<u>1,000,000</u>	<u>1,000,000</u>
		<u>4,340,836,384</u>	<u>4,373,504,472</u>
<b>CURRENT ASSETS</b>			
Inventories	14	264,570,571	511,389,870
Trade and other receivables	15	150,969,017	35,514,207
Cash and bank balances	16	<u>121,965,875</u>	<u>72,236,276</u>
		<u>537,505,463</u>	<u>619,140,353</u>
<b>Total Assets</b>		<u><u>4,878,341,847</u></u>	<u><u>4,992,644,825</u></u>
<b>EQUITY</b>			
Share capital	17	501,672,000	501,672,000
Share premium	18	836,977,386	836,977,386
Revaluation Reserve	19	4,531,093,553	4,531,093,553
Retained earnings	20	<u>(3,374,199,392)</u>	<u>(3,150,452,762)</u>
		<u>2,495,543,547</u>	<u>2,719,290,177</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	21	-	-
Deferred taxation	22	<u>(25,308,727)</u>	<u>3,218,141</u>
		<u>(25,308,727)</u>	<u>3,218,141</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	23	2,357,083,471	2,222,163,085
Current tax payable	24	<u>51,023,557</u>	<u>47,973,422</u>
		<u>2,408,107,028</u>	<u>2,270,136,506</u>
<b>Total Equity and Liabilities</b>		<u><u>4,878,341,847</u></u>	<u><u>4,992,644,824</u></u>

These financial statements were approved by the Board of Directors on June 7, 2021 and were signed on its behalf by

Chief J. C. Onyeaigbolem  
Chairman  
FRC/2014/CIPMN/00000009808

Mr. Ifeanyi G. Idika  
Managing Director  
FRC/2014/NSE/00000009810

Dr. Lawrence Adue  
Chief Finance Officer  
FRC/2018/ICAN/00000016707

The notes on pages 24 to 55 form part of these financial statements.

GOLDEN GUINEA BREWERIES PLC

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH, 2021

	Share Capital N	Share Premium N	Revaluation Reserve N	Retained Earnings N	Total Equity N
At April 1, 2019	501,672,000	836,977,386	4,531,093,553	(3,337,089,052)	2,532,653,887
Profit/(loss) for the year				(137,274,557)	-
Other Comprehensive income					(137,274,557)
Trade and Other payables no longer required				323,910,847	323,910,847
At March 31, 2020	<u>501,672,000</u>	<u>836,977,386</u>	<u>4,531,093,553</u>	<u>(3,150,452,762)</u>	<u>2,719,290,177</u>
At April 1, 2020	501,672,000	836,977,386	4,531,093,553	(3,150,452,762)	2,719,290,177
Profit/(loss) for the year				(225,879,517)	-
Other Comprehensive income					(225,879,517)
FIRS Tax Palliative on COVID-19 - Reduction of Minimum Tax				2,132,887	2,132,887
At March 31, 2021	<u>501,672,000</u>	<u>836,977,386</u>	<u>4,531,093,553</u>	<u>(3,374,199,392)</u>	<u>2,495,543,547</u>

**GOLDEN GUINEA BREWERIES PLC**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

	<b>2021 N</b>	<b>2020 N</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) for the year	(225,879,517)	(137,274,557)
Adjustment for:		
Depreciation	110,022,761	123,034,173
Other payables no longer required	-	323,910,847
Income tax (Minimum tax)	(21,210,960)	(8,768,089)
<b>Net Cash generated activities before changes in working capital</b>	<b>(137,067,716)</b>	<b>300,902,373</b>
<b>Changes in:</b>		
Inventories	246,819,299	(511,389,870)
Trade and other receivables	(115,454,810)	(35,514,207)
Trade and other payables	134,920,386	360,218,269
	<u>129,217,159</u>	<u>114,216,565</u>
Tax paid	(2,132,887)	(2,660,512)
<b>Net Cash generated in operating activities</b>	<b><u>127,084,272</u></b>	<b><u>111,556,053</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and equipment	(77,354,673)	(39,677,803)
<b>Cash used in investing activities</b>	<b><u>(77,354,673)</u></b>	<b><u>(39,677,803)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans received/(repaid)	-	-
Proceeds from Special placement of Shares	-	-
Cost of Special placement	-	-
<b>Net cash generated from Financing Activities</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalent generated during the year	49,729,599	71,878,250
Cash and cash equivalent at the beginning of the year	72,236,276	358,027
<b>Cash and cash equivalent at the end of the year</b>	<b><u>121,965,875</u></b>	<b><u>72,236,276</u></b>

## **GOLDEN GUINEA BREWERIES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

#### **1 REPORTING ENTITY**

Golden Guinea Breweries Plc, a public company quoted on the Nigerian Stock Exchange, was incorporated on 26th September, 1962. The company was incorporated as a private company under the name Independence Brewery Limited with registration number RC 3164. The name of the company was changed to Golden Guinea Breweries Limited on 6th May, 1971. The company became a public company (Golden Guinea Breweries Plc) in 1978.

The principal activities of the company are brewing, packaging, marketing, and distribution of Golden Guinea lager beer, Golden Guinea Malta, Eagle Stout, Bergedorf lager beer, Golden Malta, Oldsborg Lager beer and Oldsborg Malta.

The company has gradually resumed the principal activities with brewing, bottling, and marketing of Golden Guinea Lager beer in the prior year 2020, following successful reactivation activities, and the company has commenced market re-entry of the product few months to the end of the 2019/2020 financial year. During the year 2020/2021, the company increased its products offering and market penetration by introduction of Oldsborg Lager Beer, Golden Malta and Oldsborg Malta; which are packaged in Cans. The directors are of the opinion that the company, as a going concern, will resume operations on all other company's brands when the remaining ongoing rehabilitation and retooling works in the resuscitation programme are completed.

#### **2 BASIS OF PREPARATION**

##### **a. Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements were authorised for issue by the Board of Directors on June 7, 2021.

##### **b. Basis of measurement**

The financial statements have been prepared on the historical cost basis except for inventory which is stated at the lower of cost and net realizable value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

##### **c. Functional and presentation currency**

These financial statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest whole number.

##### **d. Use of estimates and judgements**

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

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates and periods in any future affected.

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**c. Functional and presentation currency**

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

Note 22 – Deferred tax assets and liabilities

Note 25 – Financial Instruments and Financial Risk Management

Note 28 – Contingencies

**e. Going Concern Status**

The company has gradually increased business operations in 2021 on the principal activities with brewing, packaging, marketing, and distribution of Golden Guinea Lager beer, Oldsborg, Lager Beer, Golden Malta, and Oldsborg Malta, following successful reactivation activities in 2020 financial year. The directors are of the opinion that the company, as a going concern, will resume operations on all other company's brands when the remaining ongoing rehabilitation and retooling works in the resuscitation programme are completed before the end of next financial year.

Indeed. Members of the company mandated the board of directors to source for a capable core investor to return the company to business and profitability as soon as possible. The resuscitation program of the company including rehabilitation, retooling, and sourcing of funding has been substantially accomplished, leading to gradual resumption of commercial operations during the 2019/2020 financial year; while remaining ongoing rehabilitation and retooling on-going as at the time these financial statements were approved in June 2021 would be completed before the end of next financial year.

The company carried out recapitalization in 2015/2016. An Extraordinary General Meeting of members of the company was held on October 24, 2014 for the purpose of raising capital. It was resolved by members that the authorized share capital of the company be increased to N2,500,000,000 divided into 5,000,000,000 Ordinary Shares of 50 kobo each and the directors were authorized to raise additional capital by way of Special Placement through issuance of shares, debt to equity conversion etc up to 3,850,000,000 Ordinary Shares as may be determined by the directors subject to regulatory approvals.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**f. Measurement Of Fair Values**

A number of the Company's accounting policies and disclosures required the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining the fair values is disclosed in the notes specific to that asset or liability. When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Transfers between levels of the fair value hierarchy is recognized at the of the reporting period during which change has occurred. Further information about the assumption made in measuring fair value is included in Financial Instruments and Financial Risk Management in Note 25.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

**a. Foreign currency transactions**

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the rates of exchange prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for qualifying cash flow hedges, which are recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.



## **GOLDEN GUINEA BREWERIES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

#### **b. Financial instruments**

##### **i. Non-derivative financial assets**

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company has the following non-derivative financial assets:

##### **Cash and cash equivalents**

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

##### **ii. Non-derivative financial liabilities**

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company has the following non-derivative financial liabilities: Loans and borrowings, Bank overdrafts, Trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

##### **iii. Share capital**

The Company has one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

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

## **GOLDEN GUINEA BREWERIES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

#### **c. Property, plant and equipment**

##### **i. Recognition and measurement**

Items of property, plant and equipment are measured at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost also includes borrowing costs on qualifying assets. Property, plant and equipment under construction are disclosed as capital work-in-progress.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit or loss in the Statement Comprehensive Income.

##### **ii. Subsequent costs**

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the company and its cost can be measured reliably. On-going repairs and maintenance are expensed as incurred.

##### **iii. Depreciation**

Items of property, plant and equipment are depreciated from the date they are available for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

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

Land	-
Building	66 years
Plant and machinery	20 years
Furniture and equipment	7 years
Motor vehicles	5 years
Computers	3 years

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

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

#### **d. Inventories**

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

Raw materials	- purchase cost on a weighted average basis including transportation and applicable clearing charges.
---------------	---

## GOLDEN GUINEA BREWERIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

#### d. Inventories

Non-returnable packaging materials	-	Purchase cost on a weighted average basis including transportation and applicable clearing charges.
Consumable engineering spares	-	Purchase cost on a weighted average basis including transportation and applicable clearing charges.
Finished products	-	Average cost of direct materials and labour plus the appropriate amount attributable to production overheads based on normal production capacity.
Products-in-process	-	Average cost of direct materials and labour plus the appropriate amount attributable to production overheads based on normal production capacity.
Inventory-in-transit	-	Purchase cost incurred to date.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Inventory values are adjusted for obsolete, slow-moving or defective items.

#### e. Impairment

##### i. Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an equity accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

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

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

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

## **GOLDEN GUINEA BREWERIES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

#### **i. Non-derivative financial assets**

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

#### **ii Non financial assets**

The carrying amount of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

#### **f. Employee benefits**

##### **i. Short-term employee benefits**

Short-term employee benefits include wages, salaries, leave and other allowances. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized to the extent that these benefits have not been paid in cash.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**ii i. Defined contribution plan**

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the provisions of the Pension Reform Act 2014, the Company is required to institute a defined contribution pension scheme for its employees. Employees are entitled to join the scheme on confirmation of their employment. Employees and the Company will make contributions at the rate of 8% and 10% respectively of annual basic salary and allowances. Employees contributions are funded through payroll deductions while the Company's contribution is charged to profit or loss. The fund is to be managed by a licenced pension fund manager.

However, the company has not implemented the provisions of the Pension Reform Act 2014 because of the prevailing circumstance of temporary cessation of operations. Nevertheless, before cessation of operations, the company had operated a defined contribution plan managed by a Board of Trustees to whom monthly contributions are remitted. The unremitted balance are recognized as liability at the reporting date.

**g. Provisions and contingent liabilities**

***Provisions***

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

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

***Contingent liabilities***

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

Contingent liabilities are only disclosed and not recognized as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

## **GOLDEN GUINEA BREWERIES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

#### **h. Revenue**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, returns, trade discounts and volume rebates.

Revenue is recognized when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

However, the company did not earn revenue during the year because it has not resumed its principal activities as a result of reactivation activities.

#### **i. Finance income and finance costs**

Finance income comprises interest income on bank deposits.

Finance income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, bank overdrafts and impairment losses recognized on financial assets (other than trade receivables). Borrowing costs that are not directly attributable to the directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets, are recognized in profit or loss using the effective interest method.

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

#### **j. Tax**

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

##### ***Current tax***

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

##### ***Deferred tax***

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



## **GOLDEN GUINEA BREWERIES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

#### ***Deferred tax***

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

#### **k Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

#### **j Segment reporting**

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

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

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

Where applicable, Segment results that are reported include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### **m. Statement of cash flows**

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, and other non-cash items, have been eliminated for the purpose of preparing the statement.

Dividends paid to ordinary shareholders are included in financing activities. Finance cost paid is also included in financing activities while finance income received is included in investing activities.

#### **n New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021, and have not been applied in preparing these financial statements. They include:

## **GOLDEN GUINEA BREWERIES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

#### **n. New standards and interpretations not yet adopted**

IFRS 9 – Financial instruments (effective for annual periods beginning on or after January 1, 2019)

This amendment confirms that when a financial liability measured at amortised cost is modified without this resulting into de-recognition, a gain or loss should be recognized immediately in Profit or Loss.

The gain or loss is calculated as the difference between the original contractual cash flows and the modified discounted at the original effective interest rate.

IFRS 16 - Leases (effective for periods beginning on or after January 1, 2019). Leases are now required to recognize a lease liability (whether finance lease or operating lease) reflecting future lease payments and a right-to-use asset for all lease contracts, except for some short-term leases and leases for low-value assets.

The amendments with regard to covid-19 are effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at May 28, 2020.

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Effective for annual periods beginning on or after 1 January 2021.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The above standards are not relevant or do not have material impact on the financial statements of the company.

#### **4 DETERMINATION OF FAIR VALUES**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

##### **a. Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. For trade and other receivables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at the initial recognition and, for disclosure purposes, at each annual reporting date.

##### **b. Other Non-derivative financial instruments**

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.



**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**5 REVENUE**

	2021 N	2020 N
Sale of goods	1,463,181,724	853,154,701
	<u>1,463,181,724</u>	<u>853,154,701</u>

The company is gradually increasing business operations with brewing, bottling, and marketing of its products, having resumed business operations in 2020 financial year.

Nigeria is the Company's primary geographical segment as all of the Company's sales are made in Nigeria. Also, all of the company's revenue are usually derived from brewed products with similar risks and returns. Accordingly, no further business or geographical segment information is reported.

	2021 N	2020 N
<b>6 OTHER INCOME</b>		
Other income and receipts	41,520,256	2,465,847
	<u>41,520,256</u>	<u>2,465,847</u>

**7 FINANCE INCOME**

Interest income	-	-
	<u>-</u>	<u>-</u>

**8 FINANCE COST**

Interest and other charges	-	-
	<u>-</u>	<u>-</u>

**9 PROFIT/(LOSS) BEFORE TAXATION**

	2021 N	2020 N
Profit/(loss) before taxation is stated after charging:		
Directors' remuneration	44,404,440	53,326,200
Auditors' remuneration	5,000,000	4,500,000
Depreciation	110,022,761	123,034,173
	<u></u>	<u></u>

# GOLDEN GUINEA BREWERIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

### 10 TAXATION

#### 10.1 Tax charged

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

#### Income Statement

##### Current Tax Expenses

Income tax - Minimum tax	7,315,909	4,265,774
Education tax	-	-
	<u>7,315,909</u>	<u>4,265,774</u>

##### Deferred Tax

Origination/(Reversal) of temporary differences	(28,526,868)	(13,033,863)
	<u>(21,210,959)</u>	<u>(8,768,089)</u>

#### 10.2 Tax Analysis

Tax for the year is further analysed as follows:

Tax recognized in profit or loss	(21,210,959)	(8,768,089)
Tax recognized in other comprehensive income	-	-
	<u>(21,210,959)</u>	<u>(8,768,089)</u>

### 11 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

The basic earnings/(loss) per share is calculated using the number of shares in issue at balance sheet date.

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares. There were no potentially dilutive shares at the reporting date (2020 - Nil), thus the basic loss per share and diluted loss per share have the same value.

	2021 N	2020 N
Earnings/(Loss) attributable to shareholders (Naira)	<u>(225,879,517)</u>	<u>(137,274,557)</u>
Number of ordinary shares outstanding at year end	<u>1,003,344,000</u>	<u>1,003,344,000</u>
Weighted average ordinary shares outstanding during the year	<u>1,003,344,000</u>	<u>1,003,344,000</u>
Basic and diluted earnings/(loss) per share (Kobo)	<u>(23)</u>	<u>(14)</u>

There have been no transactions involving ordinary share or potential ordinary shares between the reporting date and the date of approval of these financial statements.

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**12 PROPERTY, PLANT, AND EQUIPMENT**

**12.1 Movement in Property, Plant, and Equipment**

Movement on these accounts are as follows:

**Year 2020**

	Balance at 1.4.2019 N	Additions N	Revaluation N	Transfer N	Disposal N	Balance at 31.3.2020 N
<b>COST/VALUATION</b>						
Land	1,048,093,392					1,048,093,392
Buildings	2,458,569,958					2,458,569,958
Plant and machinery	1,344,961,587	34,146,728				1,379,108,315
Furniture and equipment	16,182,567	2,703,800				18,886,367
Motor vehicles	6,108,800					6,108,800
Computer		2,827,275				2,827,275
Capital work-in-progress	1,401,294,723					1,401,294,723
<b>Total - Cost</b>	<b>6,275,211,027</b>	<b>39,677,803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,314,888,830</b>
<b>DEPRECIATION</b>						
Land	-					-
Buildings	555,452,977	52,599,952				608,052,929
Plant and machinery	1,242,491,908	69,172,916				1,311,664,824
Furniture and equipment	15,319,266	328,304				15,647,570
Motor vehicles	6,086,035					6,086,035
Computers		933,001				933,001
Capital work-in-progress	-	-				-
<b>Total - Depreciation</b>	<b>1,819,350,186</b>	<b>123,034,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,942,384,358</b>
<b>NET BOOK VALUE</b>						
Land	1,048,093,392	-	-			1,048,093,392
Buildings	1,903,116,982	(52,599,952)	-			1,850,517,030
Plant and machinery	102,469,679	(35,026,188)				67,443,491
Furniture and equipment	863,301	2,375,496				3,238,797
Motor vehicles	22,765	-				22,765
Computers	-	1,894,274				1,894,274
Capital work-in-progress	1,401,294,723	-				1,401,294,723
<b>Total - Net book value</b>	<b>4,455,860,842</b>	<b>(83,356,369)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,372,504,472</b>

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**12 PROPERTY, PLANT, AND EQUIPMENT**

**12.1 Movement in Property, Plant, and Equipment**

Movement on these accounts are as follows:

**Year 2021**

	Balance at 1.4.2020 N	Additions N	Revaluation N	Transfer N	Disposal N	Balance at 31.3.2021 N
<b>COST/VALUATION</b>						
Land	1,048,093,392					1,048,093,392
Buildings	2,458,569,958					2,458,569,958
Plant and machinery	1,379,108,315	3,367,440		1,401,294,723		2,783,770,478
Furniture and equipment	18,886,367	3,607,170				22,493,537
Motor vehicles	6,108,800	8,250,000				14,358,800
Computers	2,827,275	2,235,638				5,062,913
Capital work-in-progress	1,401,294,723	59,894,426		(1,401,294,723)		59,894,426
Total - Cost	6,314,888,830	77,354,673	-	-	-	6,392,243,503
<b>DEPRECIATION</b>						
Land	-					-
Buildings	608,052,929	52,599,950				660,652,879
Plant and machinery	1,311,664,824	52,622,407				1,364,287,231
Furniture and equipment	15,647,570	1,479,643				17,127,213
Motor vehicles	6,086,035	1,650,000				7,736,035
Computers	933,001	1,670,761				2,603,762
Capital work-in-progress	-					-
Total - Depreciation	1,942,384,358	110,022,761	-	-	-	2,052,407,119
<b>NET BOOK VALUE</b>						
Land	1,048,093,392	-	-	-	-	1,048,093,392
Buildings	1,850,517,030	(52,599,950)	-	-	-	1,797,917,079
Plant and machinery	67,443,491	(49,254,967)		1,401,294,723	-	1,419,483,247
Furniture and equipment	3,238,797	2,127,527		-	-	5,366,324
Motor vehicles	22,765	6,600,000		-	-	6,622,765
Computers	1,894,274	564,876		-	-	2,459,151
Capital work-in-progress	1,401,294,723	59,894,426		(1,401,294,723)	-	59,894,426
Total - Net book value	4,372,504,472	(32,668,088)	-	-	-	4,339,836,384

**12.2 Carrying Amount**

	At April 1 2019 N	At March 31 2020 N	At April 1 2020 N	At March 31 2021 N
Land	1,048,093,392	1,048,093,392	1,048,093,392	1,048,093,392
Buildings	1,903,116,982	1,850,517,030	1,850,517,030	1,797,917,079
Plant and machinery	102,469,679	67,443,491	67,443,491	1,419,483,247
Furniture and equipment	863,301	3,238,797	3,238,797	5,366,324
Motor vehicles	22,765	22,765	22,765	6,622,765
Computers	-	1,894,274	1,894,274	2,459,151
Capital work-in-progress	1,401,294,723	1,401,294,723	1,401,294,723	59,894,426
<b>Total</b>	<b>4,455,860,842</b>	<b>4,372,504,472</b>	<b>4,372,504,472</b>	<b>4,339,836,384</b>

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**12 PROPERTY, PLANT, AND EQUIPMENT**

**12.3 Revaluation**

The company's landed properties as well as plant and machinery have been revalued at various times by professional valuers in May 1978 (Sun Oriala & Co and Knight, Frank & Rutley), July 1998 (RCO Okafor & Co), and February 2001 (RCO Okafor & Co) on the basis of depreciated replacement cost. Also the landed properties were revalued by professional valuers (IPALJ Harry & Associates) in February 2013 on the basis of open market value as well as depreciated replacement cost. The cumulative revaluation surplus of N4,531,093,553 on the property has been recognized in Equity through Revaluation Reserve.

**12.4 Capital Work-In-Progress**

- Capital work-in-progress relates to Plant and Machinery being refurbished after an explosion incident. It also relates to the purchase and installation of new plant and machinery as part of the programme for resuscitation of the company.

Plant and Machinery were under refurbishment, acquisition, and installation as part of the resuscitation programme of the company were put into use as the company has gradually recommenced production. The Plant and Machinery were reclassified from Capital work in progress to Plant, Machinery and Equipment during the year.

Efforts were made to access funds to enable expansion of the company's productive capacities by ongoing acquisition and installation of certain plant and machinery that will drive penetration into new markets, as the company re-establishes itself in the Markets.

**12.5 Capital Commitment**

The company has no authorised or contractual capital commitment at the reporting date, except for the purchase and installation of the Plant and Machinery under the resuscitation programme as stated in Note 2(e) - Going Concern Status, and Note 12.4 above.

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

	March 31 2021 N	March 31 2020 N
<b>13 INVESTMENT IN SUBSIDIARY</b>		
Subsidiary not consolidated		
Goldfields Agricultural Investments Limited	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

Goldfields Agricultural Investments Limited (Goldfields) is a wholly (100%) owned subsidiary of the company. Goldfields is a private limited liability company incorporated under the Companies and Allied Matters Act of Nigeria. Goldfields had been established and acquired landed property for the purposes of cultivating and providing agricultural inputs of certain raw materials required by the company, in response to certain policy of the Federal Government in 1988. The directors are of the opinion that it would be of no significant value to the members of the company to consolidate the subsidiary as it (Goldfields) has remained non-operational since inception and as at the reporting date.

Also, the directors are of the opinion that the estimated net proceeds of the assets of Goldfields will be adequate to cover the cost of the investment. As a result, no provision for impairment was made for the investment.

	March 31 2021 N	March 31 2020 N
<b>14 INVENTORIES</b>		
Finished products	48,167,850	27,000,000
Products in process	14,942,400	86,400,000
Raw materials and packaging materials	187,222,995	375,755,988
Engineering stores	6,689,066	7,448,112
General stores and consumables	7,548,260	14,785,770
	<u>264,570,571</u>	<u>511,389,870</u>

<b>15 TRADE AND OTHER RECEIVABLES</b>		
Trade Receivables	145,755,217	32,107,500
Other receivables	5,213,800	3,406,707
	<u>150,969,017</u>	<u>35,514,207</u>

<b>16 CASH AND CASH EQUIVALENT</b>		
Cash and bank balances	121,965,875	72,236,276
Cash and cash equivalents	121,965,875	72,236,276
Bank overdrafts	-	-
Cash and cash equivalents in cash flow statement	<u>121,965,875</u>	<u>72,236,276</u>

The Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 25.

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**17 SHARE CAPITAL**

Share capital is analysed as follows:

	<b>March 31 2021 N</b>	<b>March 31 2020 N</b>
<b>Authorized Share Capital</b>		
4,000,000,000 Ordinary Shares of 50k each	<u>2,000,000,000</u>	<u>2,000,000,000</u>
<b>Issued and fully paid</b>		
1,003,344,000 Ordinary shares of 50k each	<u>501,672,000</u>	<u>501,672,000</u>

- 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.

**18 SHARE PREMIUM**

	<b>March 31 2021 N</b>	<b>March 31 2020 N</b>
Balance, at beginning of year	836,977,386	836,977,386
Addition during the year	-	-
Utilization during the year	-	-
Balance, at end of year	<u>836,977,386</u>	<u>836,977,386</u>

**19 REVALUATION RESERVE**

Balance, at beginning of year	4,531,093,553	4,531,093,553
Balance, at end of year	<u>4,531,093,553</u>	<u>4,531,093,553</u>

**20 RETAINED EARNINGS**

Balance, at beginning of year	(3,150,452,762)	(3,337,089,052)
Profit/(loss) for the year	(225,879,517)	(137,274,557)
Other comprehensive income	-	-
Trade and Other payables no longer required		323,910,847
FIRS Tax Palliative on COVID-19 - Reduction of Minimum Tax	2,132,887	
Balance, at end of year	<u>(3,374,199,392)</u>	<u>(3,150,452,762)</u>



**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**21 LOANS AND BORROWING**

	<b>March 31 2021 N</b>	<b>March 31 2020 N</b>
<b>21.1 Loans and borrowings comprise:</b>		
<b>Non-Current Liabilities</b>		
Other loans - Unsecured	-	-
	<u>-</u>	<u>-</u>
<b>Current liabilities</b>		
Bank loan - Unsecured	-	30,905,895
	<u>-</u>	<u>30,905,895</u>
Total loans and borrowings	<u>-</u>	<u>30,905,895</u>
<b>21.2 Movement in Loans and Borrowings</b>		
Balance, at beginning of the year	30,905,895	30,905,895
Additional funding	-	-
Repayments	(30,905,895)	-
Balance, at end of the year	<u>-</u>	<u>30,905,895</u>

21.3 The Company's exposure to interest rate and liquidity risks are disclosed in Note 25.

21.4 The company has no loan and borrowing denominated in a foreign currency.

GOLDEN GUINEA BREWERIES PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021

22 DEFERRED TAX LIABILITIES

22.1 Recognised deferred tax assets and liabilities

Recognised deferred tax assets and liabilities are attributable as follows:

	Assets March 31, 2021 N	Assets March 31, 2020 N	(Liabilities) March 31, 2021 N	(Liabilities) March 31, 2020 N	Net March 31, 2021 N	Net March 31, 2020 N
Property, Plant and Equipment			(907,646,932)	(585,085,266)	(907,646,932)	(585,085,266)
Others	932,955,659	581,867,125	-		932,955,659	581,867,125
	<u>932,955,659</u>	<u>581,867,125</u>	<u>(907,646,932)</u>	<u>(585,085,266)</u>	<u>25,308,727</u>	<u>(3,218,141)</u>

22.2 Movement in temporary differences during the year

Year 2020

	Balance at April 1, 2019 N	Recognised in Profit or Loss N	Recognised in Other Comprehensive Income N	Balance at March 31, 2020 N
Deferred Tax Assets/(Liabilities)	(16,252,004)	13,033,863		(3,218,141)
	<u>(16,252,004)</u>	<u>13,033,863</u>	<u>-</u>	<u>(3,218,141)</u>

Year 2021

	Balance at April 1, 2020 N	Recognised in Profit or Loss N	Recognised in Other Comprehensive Income N	Balance at March 31 2021 N
Deferred Tax Assets/(Liabilities)	(3,218,141)	28,526,868		25,308,727
	<u>(3,218,141)</u>	<u>28,526,868</u>	<u>-</u>	<u>25,308,727</u>

Deferred tax assets on certain deductible temporary differences were recognized based on certain evidence. This includes that the company's taxable temporary differences and deductible temporary differences relate to the same taxation authority, and the directors have made assessment and believe that it is probable that future profits will be available for recovery of the deferred tax assets.

There are no unrecognized deferred tax assets and liabilities in the current and preceding year.

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

	<b>March 31 2021 N</b>	<b>March 31 2020 N</b>
<b>23 TRADE AND OTHER PAYABLES</b>		
<b>Trade Financial Liabilities</b>		
Customers deposits and trade payables	768,887,701	541,821,178
	<u>768,887,701</u>	<u>541,821,178</u>
<b>Other Financial Liabilities</b>		
Accrued expenses and charges	193,153,852	182,939,773
Other payables	408,647,762	549,468,524
	<u>601,801,614</u>	<u>732,408,297</u>
<b>Outstanding Employees Benefits</b>		
Unremitted provident fund	65,526,509	65,526,509
Accrued expenses	394,642,640	354,189,200
Redundancy benefits	422,891,022	422,891,022
Accrued salaries and stipends	103,333,985	74,420,985
	<u>986,394,156</u>	<u>917,027,716</u>
<b>Short-Term Loan - Unsecured</b>		
AMCON	-	30,905,895
	<u>-</u>	<u>30,905,895</u>
<b>Total - Trade and Other payables</b>	<u><u>2,357,083,471</u></u>	<u><u>2,222,163,085</u></u>

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 25.

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**24 CURRENT TAX PAYABLE**

	<b>March 31 2021 N</b>	<b>March 31 2020 N</b>
<b>Movement in Current Tax Liabilities</b>		
Balance, beginning of the year	47,973,422	46,368,160
Income tax (Minimum Tax) provision for the year	7,315,909	4,265,774
Education tax provision for the year	-	-
	<hr/>	<hr/>
Payment during the year	55,289,331	50,633,934
	(2,132,887)	(2,660,512)
FIRS Tax Palliative on COVID-19 - Reduction of Minimum Tax	(2,132,887)	-
Balance, end of the year	<u>51,023,557</u>	<u>47,973,422</u>

**25 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

**25.1 Financial Risk Management**

The Company has exposure to the following risks from its use of financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk
- (d) Interest rate risk
- (e) Operational risk
- (f) Capital Management risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital, as obtainable during the period of gradual resumption of business operations after many years of temporary cessation of business. Also, where applicable, further quantitative disclosure are included throughout these financial statements.

## GOLDEN GUINEA BREWERIES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

#### 25.2 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has delegated the responsibility for developing and monitoring the Company's risk management policies to the management of the company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to controls. Risk management policies and systems are normally reviewed regularly to reflect changes in market conditions and the Company's activities.

However, during the period under review, risk management activities including review of risk management policies and systems were not effectively carried out because the company had been operationally dormant in prior years. Efforts and Priority attention was paid to the resuscitation programme and market re-entry initiative as the company gradually resumes operations.

#### 25.3 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

##### ***Exposure to credit risk***

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the end of the reporting period was as follows:

	March 31 2021 N	March 31 2020 N
Trade and other receivables	150,969,017	35,514,207
Cash and cash equivalent	121,965,875	72,236,276
	<u>272,934,892</u>	<u>107,750,483</u>

# GOLDEN GUINEA BREWERIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

### 25.3 Credit Risk

#### *Trade and other receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company considers that it is not exposed to major concentration of credit risk in relation to trade receivables. However, credit risk can arise in the event of non-performance of a counterparty. Credit limits are established for each customer, which represents the maximum allowed open amount. These limits are reviewed bi-annually. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a cash-and-carry basis.

The Company recognises that an allowance should be established for impairment that represents its estimate of incurred losses in respect of trade and other receivables, which is a specific loss component that relates to individually significant exposures.

	March 31 2021 N	March 31 2020 N
Gross trade receivable	145,755,217	32,107,500
Impairment	-	-
	<u>145,755,217</u>	<u>32,107,500</u>
Other receivables	5,213,800	3,406,707
Impairment	-	-
	<u>5,213,800</u>	<u>3,406,707</u>
	<u>150,969,017</u>	<u>35,514,207</u>

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**25.3 Credit Risk  
Impairment losses**

As at the reporting date, the aging of trade and other receivables based on the most recent transaction date was:

	<b>Gross March 31 2021 N</b>	<b>Impairment March 31 2021 N</b>	<b>Gross March 31 2020 N</b>	<b>Impairment March 31 2020 N</b>
0-30 days	150,969,017	-	35,514,207	-
30-90 days	-	-	-	-
91-180 days	-	-	-	-
More than 180 days	-	-	-	-
	<u>150,969,017</u>	<u>-</u>	<u>35,514,207.00</u>	<u>-</u>

**Movement in impairment allowance**

Movement in allowance for impairment losses in respect of trade and other receivable during the year was nil as follows:

	<b>March 31 2021 N</b>	<b>March 31 2020 N</b>
Balance at April 1	-	-
Impairment losses recognized	-	-
Balance at March 31	<u>-</u>	<u>-</u>

**Cash and Cash Equivalent**

	<b>March 31 2021 N</b>	<b>March 31 2020 N</b>
The Company held cash and cash equivalents as stated below and this represents its maximum credit exposure on these assets.		
Cash and Cash Equivalent	<u>121,965,875</u>	<u>72,236,276</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021

## 25 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

## 25.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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

The Company recognises that an appropriate liquidity risk management framework should be made for the Company's short, medium and long term liquidity requirements and this should include monthly cash flow projections, which assists in monitoring cash flow requirements and optimizing cash returns on investments.

The company has established a working agreement with Pan Marine Investments Limited in connection with refinancing of the company's bank loans, sourcing of funds and resuscitation of the company. During the year, the company continued to receive funding from Pan Marine Investments Limited to meet financial obligations and finance operational activities. And as at the time these financial statements were approved in June 2021, there was strong indication that Pan Marine Investments Limited will continue its financial commitment to the company as the core investor till when the on-going resuscitation project and market re-entry is completed.

Except certain obligation that will fall due over the next four years, the company's trade and other payables are short-term obligations which are past due.

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

## Non derivative Financial Liabilities

	Carrying Amount N	Contractual Cash flow N	6 months or less N	6 to 12 months N	Over 1 year to 5 Years N
<b>March 31, 2020</b>					
Loan and borrowing	-	-	-	-	-
Trade and other payables	2,222,163,085	2,222,163,085	669,077,825	1,003,616,737	549,463,524
	<u>2,222,163,085</u>	<u>2,222,163,085</u>	<u>669,077,825</u>	<u>1,003,616,737</u>	<u>549,463,524</u>
<b>March 31, 2021</b>					
Loan and borrowing	-	-	-	-	-
Trade and other payables	2,357,083,471	2,357,083,471	779,374,284	1,169,061,426	408,647,762
	<u>2,357,083,471</u>	<u>2,357,083,471</u>	<u>779,374,284</u>	<u>1,169,061,426</u>	<u>408,647,762</u>

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021

**25.5 Market Risk**

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

In the circumstance the company is gradually resuming its principal activities, the impact of market risk on the company was very minimal as the company was not engaged in activities that could result into market risk exposure during the year.

There has been no change to the Company's exposure to market risks or the manner in which it is manages and measures the risk during the year.

***Foreign Currency risk***

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

A Company is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Company, primarily the Naira. In managing currency risk, the Company aims to reduce the impact of short-term fluctuations on earnings. The company was not exposed to currency risk during the year, as no transaction involving foreign currency was undertaken and no amount was payable in foreign currency as at the reporting date.

**25.6 Interest Rate Risk**

The Company had certain outstanding bank loan which the bank had since sold to AMCON. The facility was established with fixed/capped interest rates, reducing its exposure to changes in interest rates on borrowing. Pan Marine Investments Limited fully repaid to AMCON the outstanding bank loan during the year as part of the funding and working agreement with the company.

**25.7 Operational Risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks normally arise from all of the Company's operations. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

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

- Documentation of processes, controls and procedures
- Periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified by the risk management committee
- Training and development of employees
- Appropriate segregation of duties, including the independent authorization of transactions
- Monitoring of compliance with regulatory and other legal requirements

# GOLDEN GUINEA BREWERIES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

### 25.7 Operational Risk

requirements for reporting of operational losses and proposed remedial action  
Reconciliation and Monitoring of transactions  
development, communication and Monitoring of ethical and acceptable business practices  
risk mitigation, including insurance when this is effective.  
monitoring of business process performance and implementation of improvement mechanisms

### 25.8 Capital Management

The Company's objectives, when managing capital, are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholders and to maintain an optimal capital structure to reduce cost of capital. In order to maintain or adjust the capital structure, the Company may among other things, issues new shares or convert debt to equity.

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

	March 31 2021 N	March 31 2020 N
Total liabilities	2,382,798,301	2,273,354,647
Less: Cash and cash equivalent	(121,965,875)	(72,236,276)
	<u>2,260,832,426</u>	<u>2,201,118,371</u>
Total Equity	<u>2,495,543,547</u>	<u>2,719,290,177</u>
Debt to Adjusted Capital ratio	0.91	0.81

The going concern implications of the ratios above are addressed in Note 2(e).

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**25.8 Fair Value**

Fair values versus carrying amounts

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

	March 31, 2021 Carrying Amount N	March 31, 2021 Fair Value N	March 31, 2020 Carrying Amount N	March 31, 2020 Fair Value N
<b>Assets measured at amortized cost</b>				
Cash and cash equivalent	121,965,875	121,965,875	72,236,276	72,236,276
	<u>121,965,875</u>	<u>121,965,875</u>	<u>72,236,276</u>	<u>72,236,276</u>
<b>Liabilities measured at amortized cost</b>				
Loans and borrowings	-	-	-	-
Trade and other payables	2,357,083,471	2,357,083,471	2,222,163,085	2,222,163,085
	<u>2,357,083,471</u>	<u>2,357,083,471</u>	<u>2,222,163,085</u>	<u>2,222,163,085</u>

The directors believe that the fair values of the financial assets and liabilities are not significantly different from the carrying amounts shown in the statement of financial position. The basis for determining fair values is disclosed in Note 4.

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**26 EMPLOYEE BENEFIT**

**Short-Term Employee Benefits**

The employee benefits related expenses (including directors) are recognized in the following line items in the income statement:

	Cost of Sales		Administrative Expenses		Total	Total
	2021	2020	2021	2020	2021	2020
	N	N	N	N	N	N
Stipends to staff	75,752,818	23,392,572	113,629,277	112,395,263	189,382,094	135,787,835
Directors fees and allowances	-	-	44,404,440	53,326,200	44,404,440	53,326,200
	<u>75,752,818</u>	<u>23,392,572</u>	<u>158,033,716</u>	<u>165,721,463</u>	<u>233,786,534</u>	<u>189,114,035</u>

**27 ADMINISTRATIVE EXPENSES**

	March 31 2021 N	March 31 2020 N
<b>Administrative Expenses comprises the following expenses</b>		
Stipends to staff	113,629,277	112,395,263
Rent	3,512,000	3,000,000
Electricity and power	12,064,609	412,850
Mopol and Security expenses	8,824,500	5,787,500
Telephone, internet and courier expenses	4,406,386	3,139,466
Transport, Hotel and Traveling expenses	21,556,947	36,695,559
Water, waste disposal and cleaning expenses	4,711,785	8,696,556
Satiety and staff welfare expenses	12,968,862	4,117,640
Motor Vehicle expenses	3,895,520	3,408,110
Stationeries consumables	5,078,690	3,790,863
Staff Health and Medical expenses	10,248,228	3,899,793
Insurance	5,845,359	5,845,359
Repairs expenses	6,792,326	6,954,475
Trade Permits and Registration Expenses	2,779,595	4,635,933
Directors fee and allowances	44,404,440	53,326,200
Audit fee	5,000,000	4,500,000
Depreciation	4,800,404	1,261,305
Other administrative expenses	59,330,311	7,195,344
	<u>329,849,238</u>	<u>269,062,315</u>

## **GOLDEN GUINEA BREWERIES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

#### **28 CONTINGENCIES**

##### **28.1 Pending Litigation and Claims**

There are no information about contingent liabilities arising from litigation and claims in the ordinary course of business (2020 - Nil).

##### **28.2 Financial Commitment**

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

#### **29 RELATED PARTY AND CONTROLLING ENTITY**

As at reporting date March 31, 2021, Pan Marine Investments Limited, a private company wholly owned by Nigerians and incorporated in Nigeria, owned 75% of the Issued Share Capital of Golden Guinea Breweries Plc. As the Core Investor in Golden Guinea Breweries, Pan Marine is very committed and has been working closely with the Board of Directors of Golden Guinea Breweries Plc under a working agreement to actualize the resuscitation programme of the company, sourcing of funds for the company, market re-entry initiatives, and capacity expansion projects. Also, the Company brews, markets and sales certain beer and Malt brands under the Franchise of Pan Marine Investments Limited.

The Company had transactions with Pan Marine Investments Limited.

Total amount due from/(to) the Related Party by the nature of transactions are show as follows:

	March 31, 2021 N	March 31, 2020 N
<b>Other Payables</b>		
Funding of Operations and Projects	(423,633,390)	(795,087,648)

**GOLDEN GUINEA BREWERIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**

**30 SUBSEQUENT EVENT**

There were no significant subsequent events which could have had a material effect on the state of affairs of the Company as at March 31, 2021 that have not been adequately provided for or disclosed in these financials statements.

**31 APPROVAL FINANCIAL STATEMENTS**

The financial statements were approved by the directors on June 7, 2021.



**GOLDEN GUINEA BREWERIES PLC**

**STATEMENT OF VALUE ADDED  
FOR THE YEAR ENDED 31ST MARCH, 2021**

	<b>2021</b>		<b>2020</b>	
	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
Turnover	1,463,181,724		853,154,701	
Other income - Disposal of scraps	41,520,256		2,465,847	
	<u>1,504,701,980</u>		<u>855,620,548</u>	
Cost of materials used and services	(1,452,387,602)		(742,841,186)	
<b>Value added</b>	<b><u>52,314,378</u></b>	<b>100</b>	<b><u>112,779,361</u></b>	<b>100</b>
<b>Applied as follows:</b>				
<b>To Employees</b>				
Stipends to Staff	189,382,094	362	135,787,835	120
<b>To Providers of Funds</b>				
Interest and similar charges	-	-	-	-
<b>To Government</b>				
Taxation	(21,210,959)	(41)	(8,768,089)	(8)
<b>Retained for future replacement of fixed assets and expansion of business</b>				
Depreciation	110,022,761	210	123,034,173	109
Retained Profit/(Loss) after taxation	(225,879,517)	(432)	(137,274,557)	(122)
	<b><u>52,314,378</u></b>	<b>100</b>	<b><u>112,779,361</u></b>	<b>100</b>

**GOLDEN GUINEA BREWERIES PLC**

**FIVE YEAR FINANCIAL SUMMARY  
FOR THE YEAR ENDED 31ST MARCH, 2021**

	IFRS 2021 N	IFRS 2020 N	IFRS 2019 N	IFRS 2018 N	IFRS 2017 N
<b>FINANCIAL POSITION</b>					
<b>Assets</b>					
Non-Current Assets	4,340,836,384	4,373,504,472	4,456,860,842	4,579,333,770	4,701,806,698
Current Assets	537,505,463	619,140,353	358,027	230,126	193,324
	<u>4,878,341,847</u>	<u>4,992,644,825</u>	<u>4,457,218,869</u>	<u>4,579,563,896</u>	<u>4,702,000,022</u>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share Capital	501,672,000	501,672,000	501,672,000	501,672,000	501,672,000
Share Premium	836,977,386	836,977,386	836,977,386	836,977,386	836,977,386
Revaluation Reserve	4,531,093,553	4,531,093,553	4,531,093,553	-	-
Retained Earnings	(3,374,199,392)	(3,150,452,762)	(3,337,089,052)	1,400,335,221	782,868,241
	<u>2,495,543,547</u>	<u>2,719,290,177</u>	<u>2,532,653,887</u>	<u>2,738,984,607</u>	<u>2,121,517,627</u>
<b>Liabilities</b>					
Loans and borrowings	-	-	-	-	-
Deferred taxation	(25,308,727)	16,252,004	16,252,004	16,252,004	16,252,004
Trade and other payables	2,408,107,028	2,270,136,506	1,908,312,977	1,824,327,285	2,564,230,391
	<u>2,382,798,301</u>	<u>2,286,388,510</u>	<u>1,924,564,981</u>	<u>1,840,579,289</u>	<u>2,580,482,395</u>
Total Equity and Liabilities	<u>4,878,341,848</u>	<u>5,005,678,687</u>	<u>4,457,218,868</u>	<u>4,579,563,896</u>	<u>4,702,000,022</u>
<b>FINANCIAL PERFORMANCE</b>					
Revenue	<u>1,463,181,724</u>	<u>853,154,701</u>	-	-	-
Gross Profit/(Loss)	<u>41,238,506</u>	<u>120,553,821</u>	-	-	-
Other income	41,520,256	2,465,847	3,653,650	4,131,000	1,700,000
Administrative expenses	(329,849,238)	(269,062,315)	(277,669,578)	(152,875,217)	(186,854,732)
Interest expenses	-	-	-	-	-
Interest income	-	-	-	-	-
Profit/(Loss) before taxation	(247,090,477)	(146,042,647)	(274,015,928)	(148,744,217)	(185,154,732)
Taxation	21,210,959	8,768,089	(1,254,180)	(13,920,493)	(26,831,633)
Profit/(Loss) for the year	(225,879,517)	(137,274,557)	(275,270,108)	(162,664,710)	(211,986,365)
Other comprehensive income	-	-	-	-	-
Total Comprehensive income	<u>(225,879,517)</u>	<u>(137,274,557)</u>	<u>(275,270,108)</u>	<u>(162,664,710)</u>	<u>(185,154,732)</u>
Basic and Diluted Loss per share (kobo)	<u>(23)</u>	<u>(14)</u>	<u>(27)</u>	<u>(16)</u>	<u>(21)</u>