

Guinness Nigeria Plc

Unaudited Financial Statements

For the period ended 31 March 2022

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Statement of Financial Position

As at 31 March


	Notes	31 Mar 2022 N'000	30 Jun 2021 N'000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	13(a)	95,880,827	94,236,887
Right-of-use assets	22(a)	359,894	432,001
Intangible assets	14	365	2,092
Total non-current assets		<u>96,241,086</u>	<u>94,670,980</u>
<i>Current assets</i>			
Inventories	16	32,597,303	21,460,505
Trade and other receivables	17(a)	12,810,938	14,019,385
Prepayments	15	10,936,330	404,940
Restricted cash	18(a)	2,056,760	2,981,881
Cash and cash equivalents	18(b)	52,682,438	35,868,834
Total current assets		<u>111,083,769</u>	<u>74,735,545</u>
Total assets		<u><u>207,324,855</u></u>	<u><u>169,406,525</u></u>
Equity			
Share capital		1,095,191	1,095,191
Share premium		47,447,029	47,447,029
Retained earnings		41,522,806	25,744,355
Total equity		<u>90,065,026</u>	<u>74,286,575</u>
Liabilities			
<i>Non-current liabilities</i>			
Lease liabilities	22(b)	171,712	184,309
Employee benefits		1,295,260	1,264,530
Deferred tax liabilities		10,877,427	10,877,427
Total non-current liabilities		<u>12,344,399</u>	<u>12,326,266</u>
<i>Current liabilities</i>			
Current tax liabilities	12(b)	7,540,467	992,986
Dividend payable	20(a)	2,130,467	3,122,693
Loans and borrowings	21(a)	27,135,459	15,993,143
Lease liabilities	22(b)	49	293,391
Contract liabilities	7(b)	705,443	715,937
Trade and other payables	23	67,403,545	61,675,534
Total current liabilities		<u>104,915,430</u>	<u>82,793,684</u>
Total liabilities		<u>117,259,829</u>	<u>95,119,950</u>
Total equity and liabilities		<u><u>207,324,855</u></u>	<u><u>169,406,525</u></u>

Approved by the Board of Directors on 27 April 2022 and signed on its behalf by:



Dr Omobola Johnson (Chairman)

FRC/2018/IODN/00000018366



Baker Magunda (Managing Director)

FRC/2019/IODN/00000019411



Emmanuel Difom (Finance & Strategy Director)

FRC/2022/PRO/ICAN/001/00000024174

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

Income Statement

For the period ended 31 March

	Notes	Quarter to date 31 March 2022	Year to date 31 March 2022	Quarter to date 31 March 2021	Year to date 31 March 2021
		N'000	N'000	N'000	N'000
Revenue	7(a)	50,320,000	159,444,503	42,605,623	114,956,362
Cost of sales		(29,645,760)	(102,262,266)	(28,762,723)	(82,527,842)
Gross profit		20,674,240	57,182,237	13,842,900	32,428,520
Other income	8(a)	(31,509)	1,342,508	254,847	951,866
Marketing and distribution expenses	8(b)	(9,239,713)	(28,071,043)	(7,752,041)	(18,450,936)
Administrative expenses		(2,109,519)	(7,568,727)	(2,421,028)	(7,289,224)
Profit from operating activities		9,293,499	22,884,975	3,924,679	7,640,226
Finance income	9(a)	439,796	1,072,923	(54,403)	280,879
Finance costs	9(b)	(236,979)	(1,489,758)	(700,467)	(3,457,690)
Net finance costs		202,817	(416,835)	(754,870)	(3,176,811)
Profit before income tax		9,496,316	22,468,140	3,169,809	4,463,415
Tax expense	12	(3,038,821)	(7,189,805)	(1,014,338)	(2,625,365)
Profit for the period		6,457,495	15,278,335	2,155,471	1,838,050
Earnings per share					
Basic and diluted earnings per share (kobo)			698		84

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

Statement of Comprehensive Income

For the period ended 31 March

Note	Quarter to date 31 March 2022	Year to date 31 March 2022	Quarter to date 31 March 2021	Year to date 31 March 2021
	N'000	N'000	N'000	N'000
Profit for the period	6,457,495	15,278,335	2,155,471	1,838,050
Total comprehensive income for the period	<u>6,457,495</u>	<u>15,278,335</u>	<u>2,155,471</u>	<u>1,838,050</u>

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

Statement of Changes in Equity

For the period ended 31 March

Notes	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
	N'000	N'000	N'000	N'000	N'000
Balance at 1 July 2020	1,095,191	47,447,029	—	24,495,920	73,038,140
Total comprehensive income					
Profit for the period	—	—	—	1,838,050	1,838,050
Total comprehensive income for the period	—	—	—	1,838,050	1,838,050
Transaction with owners, recorded directly in equity					
Dividends to equity holders	—	—	—	—	—
Share-based payment charge	—	—	80,583	—	80,583
Share-based payment recharge	—	—	(80,583)	—	(80,583)
Total transactions with owners	—	—	—	—	—
Balance at 31 March 2021	1,095,191	47,447,029	—	26,333,970	74,876,190
Balance at 1 July 2021	1,095,191	47,447,029	—	25,744,355	74,286,575
Total comprehensive income					
Profit for the year	—	—	—	15,278,335	15,278,335
Total comprehensive income for the period	—	—	—	15,278,335	15,278,335
Transaction with owners, recorded directly in equity					
Dividends to equity holders	—	—	—	(422,942)	(422,942)
Unclaimed dividend written back	—	—	—	923,058	923,058
Share-based payment charge	—	—	148,447	—	148,447
Share-based payment recharge	—	—	(148,447)	—	(148,447)
Total transactions with owners	—	—	—	500,116	500,116
Balance at 31 March 2022	1,095,191	47,447,029	—	41,522,806	90,065,026

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

Statement of Cash Flows

For the period ended 31 March

	Note	9 Months Ended 31 March 2022	9 Months Ended 31 March 2021
		N'000	N'000
Cash flows from operating activities			
Profit before income tax		22,468,140	4,463,415
<i>Adjustments for:</i>			
Depreciation of property plant and equipment	13(a)	6,332,278	5,854,147
Depreciation of right-of-use assets	22(a)	96,819	211,497
Amortisation of intangible assets	14	1,726	99,064
Write-off of property, plant and equipment	13(c)	67,875	—
Gain on disposal of property, plant and equipment	13(a)	(483,449)	248,305
(Reversal of impairment)/impairment of inventories		(206,024)	763,226
(Reversal of impairment)/impairment of trade and other receivables		(227,058)	531,690
Long service awards		87,770	98,815
Share-based payments		148,447	80,583
Charges on lease liabilities		—	(25,372)
Finance income	9(a)	(1,072,923)	(280,879)
Finance costs	9(b)	1,489,758	3,457,690
Release of other provisions		(508,980)	—
		<u>28,194,379</u>	<u>15,502,181</u>
<i>Changes in working capital:</i>			
Inventories		(10,930,774)	6,318,226
Trade and other receivables	17(b)	1,884,183	9,269,615
Prepayments		(10,531,390)	(57,543)
Dividend payables	20	(87,105)	6,825
Trade and other payables		12,007,807	24,471,514
Cash generated from operating activities		<u>20,537,100</u>	<u>55,510,818</u>
Income tax paid		(642,324)	(1,897,629)
Value added tax paid		(6,707,734)	(5,063,451)
Gratuity paid		(55,991)	(80,523)
Long service awards paid		(117,412)	(51,318)
Net cash generated from operating activities		<u>13,013,639</u>	<u>48,417,896</u>
Cash flows from investing activities			
Finance income received	9(a)	601,137	(85,217)
Proceeds from disposal of property, plant and equipment	13(c)	951,705	—
Acquisition of property, plant and equipment	13(b)	(6,567,336)	(3,086,744)
Acquisition of intangible assets		—	—
Net cash used in investing activities		<u>(5,014,494)</u>	<u>(3,171,961)</u>
Cash flows from financing activities			
Proceeds from loans and borrowings	21(b)	23,246,452	27,116,439
Repayment of loans and borrowings	21(b)	(12,587,916)	(37,667,122)
Repayment of principal portion of lease liabilities	22(b)	(289,606)	(45,562)
Finance costs paid	9(b)	(1,086,681)	(1,428,346)
Dividends paid	20	(422,942)	—
Net cash generated from/(used in) financing activities		<u>8,859,307</u>	<u>(12,024,591)</u>
Net increase in cash and cash equivalents		16,858,452	33,221,344
Effect of foreign exchange rate changes on cash and cash equivalents		(44,848)	154,380
Cash and cash equivalents at 1 July		35,868,834	4,961,713
Cash and cash equivalents at 31 March	18(b)	<u><u>52,682,438</u></u>	<u><u>38,337,437</u></u>

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

Notes to the Financial Statements

For the period ended 31 March

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1. Reporting entity

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

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

2a. Basis of preparation

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The financial statements were authorised for issue by the Board of Directors on 27 April 2022.

2b. Going concern basis of accounting

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

2c. Securities Trading Policy

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

3. Functional and presentation currency

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

4. Use of estimates and judgements

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

5. Changes in accounting policies

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

6. Significant accounting policies

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

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

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Nigeria	157,967,617	113,709,050
Export	1,476,886	1,247,312
	<u>159,444,503</u>	<u>114,956,362</u>

b. Liabilities relating to contracts with customers

	31 Mar 2022	30 Jun 2021
	N'000	N'000
Contract liabilities	705,443	715,937

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

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Income from leased assets	286,284	267,311
Sale of by-products	572,775	206,003
Gain on disposal of property, plant and equipment	483,449	478,552
	<u>1,342,508</u>	<u>951,866</u>

b. Marketing and distribution expenses:

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Marketing expenses	15,685,705	9,333,394
Distribution expenses	12,385,338	9,117,542
	<u>28,071,043</u>	<u>18,450,936</u>

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

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Total interest income arising from financial assets	785,961	85,217
Gain on re-measurement of foreign currency balances	245,917	195,662
Interest impact on remeasurement of lease liability	41,045	—
	<u>1,072,923</u>	<u>280,879</u>

ii. Finance income received in the statement of cash flows

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Finance income per income statement	1,072,923	280,879
Unrealised exchange gain	(245,917)	(195,662)
Accrued finance income	(184,824)	—
Interest impact on remeasurement of lease liability	(41,045)	—
	<u>601,137</u>	<u>85,217</u>

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

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Finance expense on loans and borrowings	460,566	1,208,053
Interest expense on bank overdraft	107	874
Interest expense on lease liabilities	38,580	23,130
Interest expense on employee benefits	116,363	98,668
Exchange difference on foreign currency loan	184,195	—
Loss on re-measurement of foreign currency balances	689,947	2,126,965
	<u>1,489,758</u>	<u>3,457,690</u>

ii. Finance cost paid in the statement of cash flows

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Finance costs per income statement	1,489,758	3,457,690
Interest expense on employee benefits	(116,363)	(98,668)
Unrealised foreign exchange loss	(286,714)	(1,930,676)
	<u>1,086,681</u>	<u>1,428,346</u>

10. Profit before taxation

Profit before taxation is stated after charging:

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Depreciation of property, plant and equipment (Note 13(a))	6,332,278	5,854,147
Depreciation of right-of-use assets (Note 22(a))	96,819	211,497
Disposal/Write-off of property plant and equipment (Note 13(c))	536,131	248,305
Amortisation of intangible assets (Note 14)	1,726	99,064
Personnel expenses (Note 11(a))	9,762,644	8,748,631
Gain on disposal of property, plant and equipment (Note 13(c))	(483,449)	(478,552)
Rental expenses	415,431	149,656
Royalty and technical service fees	959,601	624,205
	<u>9,762,644</u>	<u>8,748,631</u>

11. Personnel expenses

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

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Salaries, wages and allowances	8,677,852	7,807,289
Contributions to defined contribution plans	808,979	758,335
Share-based payments expense	148,447	80,583
Other long term employee benefits	88,534	97,468
Termination cost/(credit) arising from restructuring	38,832	4,956
Total personnel expenses	<u>9,762,644</u>	<u>8,748,631</u>

12. Taxation

a. Amounts recognised in income statement

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Current tax expense:		
Current income tax charge	6,740,442	1,032,708
Tertiary education tax	449,363	89,268
Prior years under-provision	—	1,503,389
	<u>7,189,805</u>	<u>2,625,365</u>

b. Movement in current tax liabilities

	31 Mar 2022	30 Jun 2021
	N'000	N'000
Balance at 1 July	992,986	744,204
Payments during the period/year	(642,324)	(1,897,631)
Charge for the period/year	7,189,805	2,146,413
Balance at the end of period/year	<u>7,540,467</u>	<u>992,986</u>

13. Property, plant and equipment (PPE)

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

	Leasehold land	Buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Returnable packaging materials	Capital work- in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost								
At 1 July 2020	828,428	20,668,652	98,817,869	491,326	7,658,353	32,930,633	5,878,167	167,273,428
Reclassification from intangibles	—	—	556,862	(50,868)	—	—	—	505,994
Additions	7,500,000	47,211	1,282,640	—	2,071,256	1,460,886	1,959,484	14,321,477
Transfers	—	263,784	3,243,726	—	—	84,675	(3,592,185)	—
Write-offs	—	—	(2,657,875)	(1,995)	(6,713)	(2,521,470)	2,039	(5,186,014)
Disposal	—	—	(1,158,345)	(46,118)	(290,932)	(2,686,352)	—	(4,181,747)
At 30 June 2021	8,328,428	20,979,647	100,084,877	392,345	9,431,964	29,268,372	4,247,505	172,733,138
At 1 July 2021	8,328,428	20,979,647	100,084,877	392,345	9,431,964	29,268,372	4,247,505	172,733,138
Additions	—	4,185	346,556	12,693	236,813	2,863,298	5,048,803	8,512,348
Write-offs	—	—	(904,367)	(4,527)	(729,596)	(366,069)	(61)	(2,004,620)
Transfer	—	86	263,327	—	36,863	17,818	(318,094)	—
At 31 March 2022	8,328,428	20,983,918	99,790,393	400,511	8,976,044	31,783,419	8,978,153	179,240,866
Depreciation and impairment								
At 1 July 2020	144,120	4,099,911	42,616,147	489,009	6,042,455	24,962,742	—	78,354,384
Reclassification from intangibles	—	—	352,089	(50,745)	—	—	—	301,344
Charge for the year	—	495,039	4,752,278	947	600,946	2,274,754	—	8,123,964
Write-offs	—	—	(3,080,092)	(1,995)	(6,494)	(1,564,036)	—	(4,652,617)
Disposals	—	—	(1,074,557)	(46,096)	(288,059)	(2,222,112)	—	(3,630,824)
At 30 June 2021	144,120	4,594,950	43,565,865	391,120	6,348,848	23,451,348	—	78,496,251
At 1 July 2021	144,120	4,594,949	43,565,865	391,120	6,348,848	23,451,348	—	78,496,250
Charge for the year	—	381,632	3,789,482	931	747,097	1,413,136	—	6,332,278
Disposals/write-offs	—	—	(534,416)	(4,520)	(729,596)	(199,957)	—	(1,468,489)
At 31 March 2022	144,120	4,976,581	46,820,931	387,531	6,366,349	24,664,527	—	83,360,039
Carrying amount								
At 30 June 2021	8,184,308	16,384,697	56,519,012	1,225	3,083,116	5,817,024	4,247,505	94,236,887
At 31 March 2022	8,184,308	16,007,337	52,969,462	12,980	2,609,695	7,118,892	8,978,153	95,880,827

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

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Additions during the year (Note 13(a))	8,512,348	3,804,722
Payments on prior year accruals for additions	467,661	526,354
Accruals on current year acquisitions	(2,412,673)	(1,244,332)
	<u>6,567,336</u>	<u>3,086,744</u>

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

	31 Mar 2022	31 Mar 2021
	N'000	N'000
Cost of Property, plant and equipment written off/disposed	2,004,620	3,421,861
Accumulated depreciation on Property, plant and equipment written off/ disposed	(1,468,489)	(3,173,556)
Carrying amount of Property, plant and equipment written off/disposed	536,131	248,305
Proceeds from disposal of property, plant and equipment	(951,705)	—
	<u>(415,574)</u>	<u>248,305</u>
Analysed as:		
Carrying amount of property, plant and equipment written off	67,875	248,305
Gain on disposal of property, plant and equipment	(483,449)	—
	<u>(415,574)</u>	<u>248,305</u>

14. Intangible assets

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

	Distribution right	Concession right	Computer software	Total
	N'000	N'000	N'000	N'000
Cost				
Balance at 1 July 2020	995,250	485,611	2,324,309	3,805,170
Reclassification to Property, plant and equipment	—	(485,611)	(20,383)	(505,994)
Disposals	—	—	(1,588)	(1,588)
Balance at 30 June 2021	995,250	—	2,302,338	3,297,588
Balance at 1 July 2021	995,250	—	2,302,338	3,297,588
Additions	—	—	—	—
Disposals	—	—	—	—
Write-offs	—	—	(2,069,507)	(2,069,507)
Balance at 31 March 2022	995,250	—	232,831	1,228,081
Amortisation				
Balance at 1 July 2020	895,725	302,830	2,297,503	3,496,058
Reclassification to Property, plant and equipment	—	(302,830)	1,486	(301,344)
Disposals	—	—	(1,588)	(1,588)
Charge for the year	99,525	—	2,845	102,370
Balance at 30 June 2021	995,250	—	2,300,246	3,295,496
Balance at 1 July 2021	995,250	—	2,300,247	3,295,497
Write-offs	—	—	(2,069,507)	(2,069,507)
Disposals	—	—	—	—
Charge for the year	—	—	1,726	1,726
Balance at 31 March 2022	995,250	—	232,466	1,227,716
Carrying amount				
At 30 June 2021	—	—	2,092	2,092
At 31 March 2022	—	—	365	365

15. Prepayments

Prepayments comprise:

	31 Mar 2022	30 Jun 2021
	N'000	N'000
Prepaid rent	114,330	84,638
Other prepaid expenses	635,979	320,302
Prepayment for raw material	10,186,022	—
	10,936,331	404,940

Prepayments is analysed into:

	N'000	N'000
Non-current	—	—
Current	10,936,330	404,940
	10,936,330	404,940

During 2022 Guinness Nigeria made advance payments related to raw materials (Sorghum). Other prepaid expenses relate to housing and education subsidies and leave allowance, car-cash allowance and payment made in advance for purchase of raw materials.

16. Inventories

Inventories comprise:

	31 Mar 2022	30 Jun 2021
	N'000	N'000
Finished products	11,030,782	8,125,198
Products in process	1,705,310	1,493,498
Raw materials and packaging materials	10,473,015	4,762,042
Engineering spares	8,843,785	2,195,531
Inventories in transit	544,411	4,884,236
	32,597,303	21,460,505

17. Trade and other receivables

a. Trade and other receivables comprise:

Financial assets:

	31 Mar 2022	30 Jun 2021
	N'000	N'000
Trade receivables	11,269,776	9,105,431
Other receivables	475,571	429,604
Amounts due from related parties	405,425	3,292,073
Total financial assets	<u>12,150,772</u>	<u>12,827,108</u>

Non-financial assets:

Other receivables - current	660,166	1,192,277
Total trade and other trade receivables	<u>12,810,938</u>	<u>14,019,386</u>

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

	31 Mar 2022	30 Jun 2021
	N'000	N'000
Change in current trade and other receivables	(1,208,447)	(10,422,138)
Unrealised exchange gain	(245,917)	(277,075)
Accrued finance income	(184,824)	—
Impairment loss on (non-financial) other receivables	(241,783)	503,246
Impairment loss on (financial) trade and other receivables	14,725	184,595
Deposit refund from Registrar	(17,937)	—
	<u>(1,884,183)</u>	<u>(10,011,372)</u>

18. Cash and cash equivalents

a. Restricted cash:

	31 Mar 2022	30 Jun 2021
	N'000	N'000
Restricted cash	<u>2,056,760</u>	<u>2,981,881</u>

b. Cash and cash equivalents:

	31 Mar 2022	30 Jun 2021
	N'000	N'000
Bank balances	24,100,243	30,839,748
Short-term deposits	28,582,195	5,029,086
Cash and cash equivalents	<u>52,682,438</u>	<u>35,868,834</u>
Cash and cash equivalents in the statement of cash flows	<u>52,682,438</u>	<u>35,868,834</u>

19. Share capital and reserves

- a. Authorised ordinary shares of 50k each

in thousand of shares

	31 Mar 2022	30 Jun 2021
At the end of period/year	2,500,000	2,500,000

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

in thousand of shares

	31 Mar 2022	30 Jun 2021
At the end of period/year	2,190,383	2,190,383

- c. Share premium

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

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

- d. Share-based payment reserve

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

20. Dividends

Dividend payable:

	31 Mar 2022	30 Jun 2021
	N'000	N'000
At 1 July	3,122,693	3,134,594
Declared dividend	422,942	—
Unclaimed dividend transferred to retained earnings	(905,121)	—
Receivable from registrar	(67,105)	171,331
Payments during the period/year:		
Paid by the registrar	(20,000)	(183,232)
Restricted cash	—	—
Cash and cash equivalents	(422,942)	—
At the end of period/year	<u>2,130,467</u>	<u>3,122,693</u>
	31 Mar 2022	30 Jun 2021
Dividend payable is represented by	N'000	N'000
Restricted cash	2,056,760	2,981,881
Balance with Registrar	73,707	140,812
At the end of period/year	<u>2,130,467</u>	<u>3,122,693</u>

21. Loans and borrowings

a. Loans and borrowings comprise:

	31 Mar 2022	30 Jun 2021
	N'000	N'000
Related party loans	9,398,647	9,214,452
Letters of credit	17,736,812	6,778,691
Total loans and borrowings	<u>27,135,459</u>	<u>15,993,143</u>

The total loans and borrowings is classified as follows:

	31 Mar 2022	30 Jun 2021
	N'000	N'000
<i>Non-current liabilities</i>		
Total non-current loans and borrowings	<u>—</u>	<u>—</u>
<i>Current liabilities</i>		
Related party loans	9,398,647	9,214,452
Letters of credit loans	17,736,812	6,778,691
Total current loans and borrowings	<u>27,135,459</u>	<u>15,993,143</u>
Total loans and borrowings	<u>27,135,459</u>	<u>15,993,143</u>

b. Movement in loans and borrowings:

	31 Mar 2022	30 Jun 2021
	N'000	N'000
At 1 July	15,993,143	22,800,994
Proceeds from loans and borrowings obtained during the year	23,246,452	16,311,020
Finance cost:		
- Interest expense	460,566	1,404,421
Exchange difference on foreign currency loan	483,779	527,980
Interest paid	(460,566)	(1,303,283)
Loans repaid during the year	(12,587,916)	(23,747,989)
At the end of period/year	<u>27,135,458</u>	<u>15,993,143</u>

22. Leases

a. Right-of-use assets

Movement in right-of-use assets:

	Land & Building	Total
	N'000	N'000
Gross carrying value		
At 1 July 2020	1,224,193	1,224,193
Remeasurement of Right-of-use assets	(153,078)	(153,078)
Write-off	(204,455)	(204,455)
At 30 June 2021	<u>866,660</u>	<u>866,660</u>
At 1 July 2021	866,660	866,660
Remeasurement of Right-of-use assets	24,712	24,712
Additions	—	—
Write-off	(172,228)	(172,228)
At 31 March 2022	<u>719,144</u>	<u>719,144</u>
Accumulated depreciation		
At 1 July 2020	280,981	280,981
Depreciation charge	358,133	358,133
Write-off	(204,455)	(204,455)
At 30 June 2021	<u>434,659</u>	<u>434,659</u>
At 1 July 2021	434,659	434,659
Depreciation charge	96,819	96,819
Write-off	(172,228)	(172,228)
At 31 March 2022	<u>359,250</u>	<u>359,250</u>
Net book value at 30 June 2021	432,001	432,001
Net book value at 31 March 2022	<u>359,894</u>	<u>359,894</u>

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

b. Lease liabilities

Movement in lease liabilities:

	N'000
At 1 July 2020	824,186
Additions	—
Remeasurement	(153,078)
Interest impact on remeasurement of lease liability	(73,769)
Interest expense on leases	34,700
Repayment of lease liabilities:	
- Repayment of the principal portion of the lease liabilities	(119,639)
- Interest paid on lease liabilities	(34,700)
At 30 June 2021	<u>477,700</u>
At 1 July 2021	477,700
Additions	—
Remeasurement	24,712
Interest impact on remeasurement of lease liability	(41,045)
Interest expense on leases	38,580
Payment of lease liabilities:	
- Repayment of the principal portion of the lease liabilities	(289,606)
- Interest paid on lease liabilities	(38,580)
At 31 March 2022	<u>171,761</u>
Presented as:	
Current	49
Non-current	171,712
At 31 March 2022	<u>171,761</u>

23. Trade and other payables

Trade and other payables comprise:

	31 Mar 2022	30 Jun 2021
	N'000	N'000
Financial liabilities:		
Trade payables	34,137,675	32,424,458
Other payables and accrued expenses	13,478,932	12,445,108
Amount due to related parties	18,062,817	15,393,734
Total financial liabilities	<u>65,679,424</u>	<u>60,263,300</u>
Non-financial liabilities:		
Other payables and accrued expenses	1,724,121	1,412,234
Total non-financial liabilities	<u>1,724,121</u>	<u>1,412,234</u>
Total trade and other payables	<u>67,403,545</u>	<u>61,675,534</u>

24. Events after the reporting date

There are no significant subsequent events, which could have had a material effect on the financial statements of the Company as at 31 March 2022 that have not been adequately provided for or disclosed in the financial statements.