

**Guinness Nigeria Plc**

**Unaudited Financial Statements**

**For the period ended 30 September 2022**

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## Statement of Financial Position

As at 30 September

	Notes	30 Sep 2022 N'000	30 Jun 2022 N'000
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	13(a)	97,682,012	97,685,577
Right-of-use assets	22(a)	350,779	368,512
Intangible assets	14	287	326
Prepayments	15	4,043	4,757
<b>Total non-current assets</b>		<u>98,037,121</u>	<u>98,059,172</u>
<i>Current assets</i>			
Inventories	16	36,918,802	32,000,675
Trade and other receivables	17(a)	18,581,256	14,078,900
Prepayments	15	1,311,124	587,852
Restricted cash	18(a)	1,629,893	1,829,893
Cash and cash equivalents	18(b)	63,920,391	69,103,716
<b>Total current assets</b>		<u>122,361,466</u>	<u>117,601,036</u>
<b>Total assets</b>		<u><u>220,398,587</u></u>	<u><u>215,660,208</u></u>
<b>Equity</b>			
Share capital		1,095,191	1,095,191
Share premium		47,447,029	47,447,029
Retained earnings		44,385,985	41,437,171
<b>Total equity</b>		<u>92,928,205</u>	<u>89,979,391</u>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Lease liabilities	22(b)	183,141	177,144
Employee benefits		1,550,271	1,528,175
Deferred tax liabilities		10,443,073	10,443,073
<b>Total non-current liabilities</b>		<u>12,176,485</u>	<u>12,148,392</u>
<i>Current liabilities</i>			
Current tax liabilities	12(b)	7,312,429	8,740,294
Dividend payable	20(a)	1,716,187	1,933,364
Loans and borrowings	21(a)	30,037,298	31,309,343
Lease liabilities	22(b)	53	51
Contract liabilities	7(b)	1,162,122	1,866,384
Trade and other payables	23	75,065,808	69,682,989
<b>Total current liabilities</b>		<u>115,293,897</u>	<u>113,532,425</u>
<b>Total liabilities</b>		<u>127,470,382</u>	<u>125,680,817</u>
<b>Total equity and liabilities</b>		<u><u>220,398,587</u></u>	<u><u>215,660,208</u></u>

Approved by the Board of Directors on 25 October 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 18 are integral parts of these financial statements.

## Income Statement

For the period ended 30 September

	Notes	Quarter to date 30 September 2022	Year to date 30 September 2022	Quarter to date 30 September 2021	Year to date 30 September 2021
		N'000	N'000	N'000	N'000
Revenue	7(a)	52,849,881	52,849,881	47,469,427	47,469,427
Cost of sales		(34,610,404)	(34,610,404)	(32,232,765)	(32,232,765)
<b>Gross profit</b>		<u>18,239,477</u>	<u>18,239,477</u>	<u>15,236,662</u>	<u>15,236,662</u>
Other income	8(a)	660,382	660,382	247,554	247,554
Marketing and distribution expenses	8(b)	(9,414,001)	(9,414,001)	(6,579,955)	(6,579,955)
Administrative expenses		(3,580,995)	(3,580,995)	(2,397,833)	(2,397,833)
<b>Profit from operating activities</b>		<u>5,904,863</u>	<u>5,904,863</u>	<u>6,506,428</u>	<u>6,506,428</u>
Finance income	9(a)	597,504	597,504	506,448	506,448
Finance costs	9(b)	(2,459,991)	(2,459,991)	(1,066,020)	(1,066,020)
<b>Net finance costs</b>		<u>(1,862,487)</u>	<u>(1,862,487)</u>	<u>(559,572)</u>	<u>(559,572)</u>
<b>Profit before income tax</b>		<u>4,042,376</u>	<u>4,042,376</u>	<u>5,946,856</u>	<u>5,946,856</u>
Tax expense	12	(1,293,562)	(1,293,562)	(1,902,992)	(1,902,992)
<b>Profit for the period</b>		<u><u>2,748,814</u></u>	<u><u>2,748,814</u></u>	<u><u>4,043,864</u></u>	<u><u>4,043,864</u></u>
<b>Earnings per share</b>					
Basic and diluted earnings per share (kobo)			125		185

The notes on pages 6 to 18 are integral parts of these financial statements.

## Statement of Comprehensive Income

*For the period ended 30 September*

	Quarter to date 30 September 2022	Year to date 30 September 2022	Quarter to date 30 September 2021	Year to date 30 September 2021
	N'000	N'000	N'000	N'000
<b>Profit for the period</b>	2,748,814	2,748,814	4,043,864	4,043,864
<b>Total comprehensive income for the period</b>	<u>2,748,814</u>	<u>2,748,814</u>	<u>4,043,864</u>	<u>4,043,864</u>

The notes on pages 6 to 18 are integral parts of these financial statements.

## Statement of Changes in Equity

For the period ended 30 September

	Notes	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
		N'000	N'000	N'000	N'000	N'000
<b>Balance at 1 July 2021</b>		1,095,191	47,447,029	—	25,744,355	74,286,575
<b>Total comprehensive income</b>						
Profit for the period		—	—	—	4,043,864	4,043,864
<b>Total comprehensive income for the period</b>		—	—	—	4,043,864	4,043,864
<b>Transaction with owners, recorded directly in equity</b>						
Unclaimed dividend written back	20	—	—	—	923,058	923,058
Share-based payment charge		—	—	49,482	—	49,482
Share-based payment recharge		—	—	(49,482)	—	(49,482)
<b>Total transactions with owners</b>		—	—	—	923,058	923,058
<b>Balance at 30 September 2021</b>		1,095,191	47,447,029	—	30,711,277	79,253,497
<b>Balance at 1 July 2022</b>		1,095,191	47,447,029	—	41,437,171	89,979,391
<b>Total comprehensive income</b>						
Profit for the year		—	—	—	2,748,814	2,748,814
<b>Total comprehensive income for the period</b>		—	—	—	2,748,814	2,748,814
<b>Transaction with owners, recorded directly in equity</b>						
Unclaimed dividend written back	20	—	—	—	200,000	200,000
Share-based payment charge		—	—	57,814	—	57,814
Share-based payment recharge		—	—	(57,814)	—	(57,814)
<b>Total transactions with owners</b>		—	—	—	200,000	200,000
<b>Balance at 30 September 2022</b>		1,095,191	47,447,029	—	44,385,985	92,928,205

The notes on pages 6 to 18 are integral parts of these financial statements.

## Statement of Cash Flows

For the period ended 30 September

	Notes	3 Months Ended 30 September 2022	3 Months Ended 30 September 2021
		N'000	N'000
<b>Cash flows from operating activities</b>			
Profit before income tax		4,042,376	5,946,856
<i>Adjustments for:</i>			
Depreciation of property plant and equipment	13(a)	2,197,224	2,019,173
Depreciation of right-of-use assets	22(a)	37,312	53,551
Amortisation of intangible assets	14	39	39
Write-off of property, plant and equipment	13(c)	36,077	165,320
Gain on disposal of property, plant and equipment	13(a)	(509,928)	—
Impairment of inventories		81,268	841,808
Impairment/(Reversal of impairment) of trade and other receivables	17(b)	596	(144,533)
Long service awards		35,310	29,257
Share-based payments		57,814	49,482
Finance income	9(a)	(597,504)	(506,449)
Finance costs	9(b)	2,459,991	1,066,020
Release of other provisions		(12,499)	—
		<u>7,828,076</u>	<u>9,520,524</u>
<i>Changes in working capital:</i>			
Inventories		(4,999,395)	(7,513,772)
Trade and other receivables	17(b)	(4,216,556)	5,125,713
Prepayments		(722,558)	(252,463)
Dividend payables	20	(17,177)	(30,397)
Trade and other payables		6,811,346	3,909,175
<b>Cash generated from operating activities</b>		<u>4,683,736</u>	<u>10,758,780</u>
Income tax paid		(2,721,426)	—
Value added tax paid		(2,932,860)	(2,119,444)
Gratuity paid		(3,609)	—
Long service awards paid		(53,222)	(24,629)
<b>Net cash (used in)/generated from operating activities</b>		<u>(1,027,381)</u>	<u>8,614,706</u>
<b>Cash flows from investing activities</b>			
Finance income received	9(a)	311,108	96,345
Proceeds from disposal of property, plant and equipment	13(c)	509,928	—
Acquisition of property, plant and equipment	13(b)	(2,002,898)	(1,172,139)
<b>Net cash used in investing activities</b>		<u>(1,181,862)</u>	<u>(1,075,794)</u>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings	21(b)	3,970,304	7,202,806
Repayment of loans and borrowings	21(b)	(6,191,544)	(2,961,386)
Repayment of principal portion of lease liabilities	22(b)	(13,579)	(116,039)
Finance costs paid	9(b)	(666,169)	(746,783)
<b>Net cash (used in)/generated from financing activities</b>		<u>(2,900,988)</u>	<u>3,378,598</u>
Net (decrease)/increase in cash and cash equivalents		(5,110,231)	10,917,510
Effect of foreign exchange rate changes on cash and cash equivalents		(73,094)	2,055
Cash and cash equivalents at 1 July		69,103,716	35,868,834
<b>Cash and cash equivalents at 30 September</b>	18(b)	<u><u>63,920,391</u></u>	<u><u>46,788,399</u></u>

The notes on pages 6 to 18 are integral parts of these financial statements.

## **Notes to the Financial Statements**

*For the period ended 30 September*

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**1. Reporting entity**

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

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

**2a. Basis of preparation**

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The financial statements were authorised for issue by the Board of Directors on 25 October 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 2022.

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

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Nigeria	51,907,701	46,951,909
Export	942,180	517,518
	<u>52,849,881</u>	<u>47,469,427</u>

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

	30 Sep 2022	30 Jun 2022
	N'000	N'000
Contract liabilities	<u>1,162,122</u>	<u>1,866,384</u>

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

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Income from leased assets	61,922	83,321
Sale of by-products	88,532	164,233
Gain on disposal of property, plant and equipment	509,928	—
	<u>660,382</u>	<u>247,554</u>

**b. Marketing and distribution expenses:**

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Marketing expenses	4,897,906	3,302,997
Distribution expenses	4,516,095	3,276,958
	<u>9,414,001</u>	<u>6,579,955</u>

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

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Total interest income arising from financial assets	311,108	96,345
Accrued interest	286,045	—
Gain on re-measurement of foreign currency balances	351	410,103
	<u>597,504</u>	<u>506,448</u>

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

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Finance income per income statement	597,504	506,448
Unrealised exchange gain	(351)	(410,103)
Accrued finance income	(286,045)	—
	<u>311,108</u>	<u>96,345</u>

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

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Finance expense on loans and borrowings	702,834	120,330
Accrued interest	191,721	—
Interest expense on lease liabilities	5,425	12,100
Interest expense on employee benefits	43,616	38,788
Exchange difference on foreign currency loan	387,448	96,064
Loss on re-measurement of foreign currency balances	1,128,947	798,738
	<u>2,459,991</u>	<u>1,066,020</u>

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

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Finance costs per income statement	2,459,991	1,066,020
Interest expense on employee benefits	(43,616)	(38,788)
Accrued interest	(191,721)	—
Unrealised foreign exchange loss	(1,558,485)	(280,449)
	<u>666,169</u>	<u>746,783</u>

**10. Profit before taxation**

Profit before taxation is stated after charging:

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Depreciation of property, plant and equipment (Note 13(a))	2,197,224	2,019,176
Depreciation of right-of-use assets (Note 22(a))	37,312	53,551
Write-off of property plant and equipment (Note 13(c))	36,077	165,320
Amortisation of intangible assets (Note 14)	39	39
Personnel expenses (Note 11(a))	3,824,044	2,805,799
Gain on disposal of property, plant and equipment (Note 13(c))	(509,928)	—
Rental expenses	89,223	59,271
Royalty and technical service fees	393,426	330,198
	<u>3,824,044</u>	<u>2,805,799</u>

**11. Personnel expenses**

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

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Salaries, wages and allowances	3,409,924	2,476,855
Contributions to defined contribution plans	320,996	247,870
Share-based payments expense	57,814	49,482
Other long term employee benefits	35,310	29,257
Termination cost arising from restructuring	—	2,335
Total personnel expenses	<u>3,824,044</u>	<u>2,805,799</u>

**12. Taxation**

## a. Amounts recognised in income statement

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Current tax expense:		
Current income tax charge	1,212,714	1,784,055
Tertiary education tax	80,848	118,937
	<u>1,293,562</u>	<u>1,902,992</u>

## b. Movement in current tax liabilities

	30 Sep 2022	30 Jun 2022
	N'000	N'000
Balance at 1 July	8,740,293	992,986
Payments during the period/year	(2,721,426)	(642,324)
Charge for the period/year	1,293,562	8,435,028
Withholding tax credit notes utilised	—	(45,396)
Balance at the end of period/year	<u>7,312,429</u>	<u>8,740,294</u>

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

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

	Leasehold land	Buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Returnable packaging materials	Capital work- in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cost</b>								
<b>At 1 July 2021</b>	8,328,428	20,979,647	100,084,877	392,345	9,431,964	29,268,372	4,247,505	172,733,138
Reclassification from intangibles	—	—	(270,671)	47,218	223,453	—	—	—
Additions	—	44,341	966,660	12,693	280,888	3,555,000	7,600,743	12,460,325
Transfers	—	86	327,220	—	78,788	17,818	(423,912)	—
Write-offs	—	—	(913,972)	(4,527)	(309,624)	(366,069)	(61)	(1,594,253)
Disposal	—	—	—	—	(811,379)	—	—	(811,379)
<b>At 30 June 2022</b>	<b>8,328,428</b>	<b>21,024,074</b>	<b>100,194,114</b>	<b>447,729</b>	<b>8,894,090</b>	<b>32,475,121</b>	<b>11,424,275</b>	<b>182,787,831</b>
<b>At 1 July 2022</b>	8,328,428	21,024,074	100,194,114	447,729	8,894,090	32,475,121	11,424,275	182,787,831
Additions	—	75,147	373,243	—	—	545,998	1,235,348	2,229,736
Write-offs	—	—	(40,264)	(108,207)	(1,875,760)	—	—	(2,024,231)
Transfer	—	1,330,510	4,462,417	4,304	101,042	502,365	(6,400,638)	—
<b>At 30 September 2022</b>	<b>8,328,428</b>	<b>22,429,731</b>	<b>104,989,510</b>	<b>343,826</b>	<b>7,119,372</b>	<b>33,523,484</b>	<b>6,258,985</b>	<b>182,993,336</b>
<b>Depreciation and impairment</b>								
<b>At 1 July 2021</b>	(144,120)	(4,594,950)	(43,565,865)	(391,120)	(6,348,848)	(23,451,348)	—	(78,496,251)
Reclassification from intangibles	—	—	265,443	(47,137)	(218,306)	—	—	—
Charge for the year	—	(501,726)	(4,984,865)	(1,735)	(996,070)	(1,980,910)	—	(8,465,306)
Write-offs	—	—	541,561	4,520	305,400	199,957	—	1,051,438
Disposals	—	—	—	—	807,865	—	—	807,865
<b>At 30 June 2022</b>	<b>(144,120)</b>	<b>(5,096,676)</b>	<b>(47,743,726)</b>	<b>(435,472)</b>	<b>(6,449,959)</b>	<b>(25,232,301)</b>	<b>—</b>	<b>(85,102,254)</b>
<b>At 1 July 2022</b>	(144,120)	(5,096,676)	(47,743,726)	(435,472)	(6,449,959)	(25,232,301)	—	(85,102,254)
Charge for the year	—	(124,434)	(1,231,971)	(1,019)	(242,558)	(597,242)	—	(2,197,224)
Write-offs	—	—	8,387	108,207	1,871,560	—	—	1,988,154
<b>At 30 September 2022</b>	<b>(144,120)</b>	<b>(5,221,110)</b>	<b>(48,967,310)</b>	<b>(328,284)</b>	<b>(4,820,957)</b>	<b>(25,829,543)</b>	<b>—</b>	<b>(85,311,324)</b>
<b>Carrying amount</b>								
<b>At 30 June 2022</b>	<b>8,184,308</b>	<b>15,927,398</b>	<b>52,450,388</b>	<b>12,257</b>	<b>2,444,131</b>	<b>7,242,820</b>	<b>11,424,275</b>	<b>97,685,577</b>
<b>At 30 September 2022</b>	<b>8,184,308</b>	<b>17,208,621</b>	<b>56,022,200</b>	<b>15,542</b>	<b>2,298,415</b>	<b>7,693,941</b>	<b>6,258,985</b>	<b>97,682,012</b>

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

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Additions during the year (Note 13(a))	2,229,736	3,003,667
Payments on prior year accruals for additions	1,321,482	450,936
Accruals on current year acquisitions	(1,548,320)	(2,282,464)
	<u>2,002,898</u>	<u>1,172,139</u>

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

	30 Sep 2022	30 Sep 2021
	N'000	N'000
Cost of Property, plant and equipment written off	2,024,231	365,277
Accumulated depreciation on Property, plant and equipment written off	(1,988,154)	(199,957)
Carrying amount of Property, plant and equipment written off	36,077	165,320
Proceeds from disposal of property, plant and equipment	(509,928)	—
	<u>(473,851)</u>	<u>165,320</u>
Analysed as:		
Carrying amount of property, plant and equipment written off	36,077	165,320
Gain on disposal of property, plant and equipment	(509,928)	—
	<u>(473,851)</u>	<u>165,320</u>

**14. Intangible assets**

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

	Distribution right	Computer software	Total
	N'000	N'000	N'000
<b>Cost</b>			
Balance at 1 July 2021	995,250	2,302,338	3,297,588
Disposals	—	(2,069,507)	(2,069,507)
Balance at 30 June 2022	995,250	232,831	1,228,081
Balance at 1 July 2022	995,250	232,831	1,228,081
Balance at 30 September 2022	995,250	232,831	1,228,081
<b>Amortisation</b>			
Balance at 1 July 2021	(995,250)	(2,300,247)	(3,295,497)
Disposals	—	2,069,507	2,069,507
Charge for the year	—	(1,765)	(1,765)
Balance at 30 June 2022	(995,250)	(232,505)	(1,227,755)
Balance at 1 July 2022	(995,250)	(232,505)	(1,227,755)
Charge for the year	—	(39)	(39)
Balance at 30 September 2022	(995,250)	(232,544)	(1,227,794)
<b>Carrying amount</b>			
At 30 June 2022	—	326	326
At 30 September 2022	—	287	287

**15. Prepayments**

Prepayments comprise:

	30 Sep 2022	30 Jun 2022
	N'000	N'000
Prepaid rent	78,019	128,798
Other prepaid expenses	1,237,148	463,811
	<u>1,315,167</u>	<u>592,609</u>
<b>Prepayments is analysed into:</b>		
	N'000	N'000
Non-current	4,043	4,757
Current	1,311,124	587,852
	<u>1,315,167</u>	<u>592,609</u>

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

**16. Inventories**

Inventories comprise:

	30 Sep 2022	30 Jun 2022
	N'000	N'000
Finished products	8,955,815	10,240,778
Products in process	2,335,250	1,404,651
Raw materials and packaging materials	10,150,133	8,862,945
Engineering spares	11,139,725	8,413,550
Inventories in transit	4,337,879	3,078,751
	<u>36,918,802</u>	<u>32,000,675</u>

**17. Trade and other receivables**

a. Trade and other receivables comprise:

*Financial assets:*

	30 Sep 2022	30 Jun 2022
	N'000	N'000
Trade receivables	12,783,925	9,478,075
Other receivables	325,879	63,283
Advance payments to suppliers	4,313,294	3,292,501
Amounts due from related parties	277,057	269,395
Total financial assets	<u>17,700,155</u>	<u>13,103,254</u>

*Non-financial assets:*

Other receivables - current	881,101	975,646
Total trade and other trade receivables	<u>18,581,256</u>	<u>14,078,900</u>

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

	30 Sep 2022	30 Jun 2022
	N'000	N'000
Change in current trade and other receivables	(4,502,356)	(59,515)
Unrealised exchange gain	351	879,849
Accrued finance income	286,045	32,844
Withholding tax credit notes applied on income tax settlement	—	(45,396)
Release of expected credit loss on (non-financial) other receivables	—	309,309
(Charge for)/Release of expected credit loss on (financial) trade and other receivables	(596)	96,045
	<u>(4,216,556)</u>	<u>1,213,136</u>



**18. Cash and cash equivalents**

## a. Restricted cash:

	30 Sep 2022	30 Jun 2022
	N'000	N'000
Restricted cash	1,629,893	1,829,893

## b. Cash and cash equivalents:

	30 Sep 2022	30 Jun 2022
	N'000	N'000
Bank balances	16,961,541	26,742,309
Short-term deposits	46,958,850	42,361,407
Cash and cash equivalents	63,920,391	69,103,716
Cash and cash equivalents in the statement of cash flows	63,920,391	69,103,716

**19. Share capital and reserves**

## a. Authorised ordinary shares of 50k each

*in thousand of shares*

	30 Sep 2022	30 Jun 2022
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*

	30 Sep 2022	30 Jun 2022
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:

	30 Sep 2022	30 Jun 2022
	N'000	N'000
At 1 July	1,933,364	3,122,693
Declared dividend	—	1,007,576
Unclaimed dividend transferred to retained earnings	(200,000)	(1,100,656)
Unclaimed dividend with Registrar	(17,177)	(18,673)
Payments during the period/year:		
Paid by the registrar	—	(70,000)
Cash and cash equivalents	—	(1,007,576)
At the end of period/year	<u>1,716,187</u>	<u>1,933,364</u>
	30 Sep 2022	30 Jun 2022
	N'000	N'000
Dividend payable is represented by		
Restricted cash	1,629,893	1,829,893
Balance with Registrar	86,294	103,471
At the end of period/year	<u>1,716,187</u>	<u>1,933,364</u>

**21. Loans and borrowings**

a. Loans and borrowings comprise:

	30 Sep 2022	30 Jun 2022
	N'000	N'000
Related party loans	9,991,061	9,411,892
Letters of credit	20,046,237	21,897,451
Total loans and borrowings	<u>30,037,298</u>	<u>31,309,343</u>

The total loans and borrowings is classified as follows:

	30 Sep 2022	30 Jun 2022
	N'000	N'000
<i>Current liabilities</i>		
Related party loans	9,991,061	9,411,892
Letters of credit loans	20,046,237	21,897,451
Total current loans and borrowings	<u>30,037,298</u>	<u>31,309,343</u>
Total loans and borrowings	<u>30,037,298</u>	<u>31,309,343</u>

## b. Movement in loans and borrowings:

	30 Sep 2022	30 Jun 2022
	N'000	N'000
At 1 July	31,309,343	15,993,143
Proceeds from loans and borrowings obtained during the period/year	3,970,304	34,329,310
Finance cost:		
- Interest expense	702,834	616,944
- Interest expense - accrued	191,721	—
Exchange difference on foreign currency loan	387,448	197,440
Interest paid	(332,808)	(688,073)
Loans repaid during the period/year	(6,191,544)	(19,139,420)
At the end of period/year	<u>30,037,298</u>	<u>31,309,344</u>

**22. Leases**

## a. Right-of-use assets

## Movement in right-of-use assets:

	Land & Building	Total
	N'000	N'000
<b>Gross carrying value</b>		
At 1 July 2021	866,660	866,660
Remeasurement of Right-of-use assets	43,936	43,936
Additions	33,333	33,333
Write-off	(99,665)	(99,665)
At 30 June 2022	<u>844,264</u>	<u>844,264</u>
At 1 July 2022	844,264	844,264
Remeasurement of Right-of-use assets	19,579	19,579
Additions	—	—
Write-off	(89,356)	(89,356)
At 30 September 2022	<u>774,487</u>	<u>774,487</u>
<b>Accumulated depreciation</b>		
At 1 July 2021	434,659	434,659
Depreciation charge	140,758	140,758
Write-off	(99,665)	(99,665)
At 30 June 2022	<u>475,752</u>	<u>475,752</u>
At 1 July 2022	475,752	475,752
Depreciation charge	37,312	37,312
Write-off	(89,356)	(89,356)
At 30 September 2022	<u>423,708</u>	<u>423,708</u>
Net book value at 30 June 2022	368,512	368,512
Net book value at 30 September 2022	<u>350,779</u>	<u>350,779</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 2021	477,700
Additions	33,333
Remeasurement	43,936
Interest impact on remeasurement of lease liability	
Interest expense on leases	3,477
Repayment of lease liabilities:	
- Repayment of the principal portion of the lease liabilities	(377,774)
- Interest paid on lease liabilities	(3,477)
At 30 June 2022	<u>177,195</u>
At 1 July 2022	177,195
Additions	—
Remeasurement	19,579
Interest expense on leases	5,425
Payment of lease liabilities:	
- Repayment of the principal portion of the lease liabilities	(13,579)
- Interest paid on lease liabilities	(5,425)
At 30 September 2022	<u>183,195</u>
<b>Presented as:</b>	
Current	53
Non-current	183,141
At 30 September 2022	<u>183,194</u>

**23. Trade and other payables**

Trade and other payables comprise:

	30 Sep 2022	30 Jun 2022
	N'000	N'000
Financial liabilities:		
Trade payables	37,767,223	33,698,961
Other payables and accrued expenses	13,337,064	16,517,998
Amount due to related parties	21,688,780	18,250,414
Total financial liabilities	<u>72,793,067</u>	<u>68,467,373</u>
Non-financial liabilities:		
Refund liabilities	84,019	92,341
Other payables and accrued expenses	2,188,722	1,123,275
Total non-financial liabilities	<u>2,272,741</u>	<u>1,215,616</u>
Total trade and other payables	<u>75,065,808</u>	<u>69,682,989</u>

**24. Events after the reporting date**

There are no significant subsequent events, which could have had a material effect on the financial statements of the Company as at 30 September 2022 that have not been adequately provided for or disclosed in the financial statements.