GUINNESS NIGERIA PLC

UNAUDITED FINANCIAL STATEMENTS
For the 15 month period ended 30 Sep 2025

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CONDENSED STATEMENT OF FINANCIAL POSITION
For the 15 month period ended 30 Sep 2025

ASSETS	**Notes**	**15 months ended 30 Sep 2025 N'000**	**12 months ended 30 June 2024 N'000**
Non-current assets			
Property, plant and equipment	**16**	117,915,527	101,321,397
Intangible assets	**16 A**	6,457,094	481,120
Right of use assets	**17**	128,670	131,180
Deferred Tax Asset		6,472,879	20,640,824
Total non-current assets		**130,974,170**	**122,574,521**
Current assets			
Trade and other receivables	**18**	41,915,141	13,225,730
Prepayment and other assets	**19**	5,596,065	1,561,241
Inventories	**20**	63,690,496	41,857,479
Restricted Cash	**21**	119,284	1,106,760
Cash and cash equivalents	**21**	3,687,359	45,804,346
Total current assets		**115,008,345**	**103,555,556**
Total assets		**245,982,516**	**226,130,077**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**22**	1,095,191	1,095,191
Share Premium	**23**	47,447,029	47,447,029
Retained earnings		(20,097,837)	(46,380,754)
Total equity		**28,444,383**	**2,161,466**
Non-Current Liabilities			
Lease Liabilities	**17**	140,755	135,325
Retirement benefit obligation		1,282,510	1,363,939
Total Non-Current Liabilities		**1,423,265**	**1,499,264**
Current liabilities			
Bank overdraft	**21**	3,953,803	-
Current tax liabilities	**14**	3,849,917	2,503,543
Dividend payable	**24**	154,967	1,184,550
Loans and borrowings	**26**	57,963,244	40,132,900
Contract Liabilities	**5**	3,202,411	2,743,373
Trade and other payables	**25**	146,990,501	175,904,964
Lease liabilities	**17**	25	17
Total current liabilities		**216,114,868**	**222,469,347**
Total liabilities		**217,538,133**	**223,968,611**
Total equity and liabilities		**245,982,516**	**226,130,077**

These Financial Statements were approved by the board of directors on 22 October,2025 and signed on its behalf by:

Prof Fabian Ajogwu, SAN
FRC/2014/NBA/00000006868
(Chairman)

Girish Sharma
FRC/2021/PRO/DIR/003/00000023324
(Managing Director)

Mayank Kabra
FRC/2017/PRO/ANAN/001/00000017462
(Finance & Strategy Director)

The accounting policies and accompanying notes on pages 7 to 36 form an integral part of these financial statements.

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 15 month period ended 30 Sep 2025

			15 months ended		12 months ended
		Quarter to date	Year to Date	Quarter to date	Year to Date
		30 Sep 2025	30 Sep 2025	30 Sep 2023	30 June 2024
	Notes	N'000	N'000	N'000	N'000
Continuing operations					
Revenue	5	98,069,896	594,675,144	59,536,477	299,489,774
Cost of sales	6	(61,729,215)	(409,945,582)	(41,398,835)	(208,031,003)
Gross profit		**36,340,680**	**184,729,562**	**18,137,642**	**91,458,771**
Other Income	9	209,464	430,244	1,395,931	3,177,450
Administrative Expenses	7	(4,733,281)	(36,479,833)	(3,345,581)	(19,538,535)
Marketing and Distribution Expenses	8	(15,338,150)	(84,788,789)	(8,313,860)	(49,690,205)
Profit from Operating Activities		**16,478,712**	**63,891,184**	**7,874,132**	**25,407,481**
Finance expenses	11	(6,005,342)	(109,682,300)	(4,620,337)	(120,851,804)
Finance Income	12	5,388,985	89,587,383	563,929	21,764,454
Profit/(loss) before tax		**15,862,355**	**43,796,267**	**3,817,724**	**(73,679,869)**
Income Tax	14	(5,782,818)	(17,513,350)	(1,221,671)	18,913,093
Profit/(loss) for the year		**10,079,538**	**26,282,917**	**2,596,053**	**(54,766,776)**
Earnings per share					
Profit/(loss) per share (Kobo)	15	460	1,200	119	(2,500)

CONDENSED STATEMENT OF CHANGES IN EQUITY
For the 15 month period ended 30 Sep 2025

Particulars	Share capital	Share premium	Share based payment reserve	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000
Balance at 1 July 2023	**1,095,191**	**47,447,029**	-	**7,882,396**	**56,424,616**
Loss for the period			-	(54,766,776)	**(54,766,776)**
Total comprehensive (loss) for the period	-	-	-	**(54,766,776)**	**(54,766,776)**
Unclaimed Dividend written back				503,626	**503,626**
Share-based payment charge			82,882		**82,882**
Share-based payment recharge			(82,882)		**(82,882)**
Balance at 30 June 2024	**1,095,191**	**47,447,029**	-	**(46,380,754)**	**2,161,466**
Profit for the period	-	-	-	26,282,917	26,282,917
Total comprehensive profit for the period	-	-	-	**26,282,917**	**26,282,917**
Share-based payment charge			29,567		29,567
Share-based payment recharge			(29,567)		(29,567)
Balance as at 30 Sep 2025	**1,095,191**	**47,447,029**	-	**(20,097,837)**	**28,444,383**

CONDENSED STATEMENT OF CASH FLOWS
For the 15 month period ended 30 Sep 2025

	Notes	15 months ended Year to Date 30 Sep 2025 N'000	12 months ended Year to Date 30 June 2024 N'000
Profit / (Loss) before taxation		43,796,266	(73,679,869)
Adjustments for:			
Depreciation-Right of use assets	17	2,510	50,965
Depreciation-Property, Plant and Equipment	16	15,485,046	9,879,735
Amortization of Intangible Assets	16 A	377,490	149,767
Write-offs of property, plant and equipment	16	873,528	789,289
Impairment of Inventories	20	(1,037,387)	730,990
Provision release of inventories		-	(1,495,218)
(Release of)/Charge for expected credit loss of trade and other receivables		(3,676,845)	15,987
Reversal of impairment on (non-financial) other receivables		-	(44,570)
Long Service Awards		(124,307)	230,956
Share-based payments		29,567	82,882
Finance Expense	10	109,655,425	120,830,336
Finance Income	11	(89,587,383)	(21,764,454)
Gain on disposal of property, plant and equipment	16	(212,627)	(1,582,501)
Interest on Lease liabilities	10	26,875	21,468
Release of other provisions	18	-	(93,461)
		75,608,158	**34,122,302**
Movement in Working Capital			
(Increase) / Decrease in inventory	20	(20,795,630)	(6,623,724)
(Increase) / Decrease in trade and other receivables	18	(24,158,876)	14,600,548
(Increase) / Decrease in prepayment and other assets	19	(4,034,824)	81,763
(Decrease) / Increase in trade and other payables	25	62,279,614	58,248,440
		88,898,442	**100,429,329**
Income Tax Paid		(1,999,031)	(4,959,969)
Value added Tax Paid		(27,203,039)	(15,141,925)
Defined Benefit Obligation		(192,080)	(179,791)
Cash (used in) / generated in operating activities		**59,504,292**	**80,147,644**
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(38,950,637)	(10,131,852)
Acquisition of Intangible Asset	16 A	-	(58,351)
Proceeds from sale of property, plant and equipment	16	422,579	1,588,946
Interest received	12	343,952	2,379,117
Net cash (used) in investing activities		**(38,184,106)**	**(6,222,140)**
Cash flows from financing activities			
Interest paid	11	(19,660,306)	(6,573,847)
Addition of loan in the year	26	75,716,525	3,889,841
Repayment of Lease Liability	17	(21,435)	(4,998)
Net realised foreign exchange loss	11/12	(57,408,565)	(71,266,694)
Repayment of loan in the year	26	(62,445,580)	(49,843,427)
Dividend paid		(1,029,583)	(7,656)
Net cash generated / (used in) financing activities		**(64,848,944)**	**(123,806,781)**
Net Decrease in cash and cash equivalents		**(43,528,758)**	**(49,881,277)**
Cash and cash equivalents at the beginning of the year		**45,804,346**	**92,124,683**
Effect of foreign exchange difference		**(2,542,032)**	**3,560,940**
Cash and cash equivalents at the end of the year		**(266,444)**	**45,804,346**

The accounting policies and accompanying notes on pages 7 to 36 form an integral part of these financial statements.

Notes to the condensed financial statements
For the 15 month period ended 30 Sep 2025

1 Description of business

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.

The principal activities of the Company are to carry on the business of brewing, packaging, marketing and selling of Guinness Foreign Extra Stout, Guinness Smooth, Malta Guinness, Smirnoff Ice, Dubic Malt, Orijin Spirit Mixed Drink, Orijin Bitters, Baileys Delight, Gordons Moringa, Captain Morgan Gold and Don Royale among others.

1.1 Composition of financial statements

Financial statements are prepared under International Financial Reporting Standard (IFRS) and comprise:

- Statement of Profit or Loss and other comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements.

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

a. Expected to be realised or intended to be sold or consumed in the normal operating cycle;
b. Held primarily for the purpose of trading;
c. Expected to be realised within twelve months after the reporting period; and
d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

2 Basis of preparation

(a) Financial period

Effective this financial year, the company has changed its financial year-end from 30 June to 31 December. As a result, the current reporting period has been extended to cover from 1 July 2024 to 31 December 2025 (18 months).
The financial statements presented herein relate to the quarter ended 30 September 2025, with the following comparative information:
i) Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows - Comparative figures are for year to date till 30 June 2024.
ii) Statement of Financial Position - Comparative figures are as at 30 June 2024.
Due to the change in financial year-end and the resulting difference in the length of the reporting periods, users of these financial statements should be aware that certain amounts presented may not be directly comparable with those of the comparative periods.

(b) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB)and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The financial statements comply with IFRS as issued by International Accounting Standards Board (IASB) and both requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act.

(c) Basis of measurement

The financial statements have been prepared using the historical cost convention.

(d) Functional and presentation currency

These financial statements are prepared in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousands, except where otherwise indicated.

2 Basis of preparation - continued

2.1 Going concern considerations

The financial statements of Guinness Nigeria Plc for the Quarter ended 30 Sep 2025, 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.

2.2 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 of Directors 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 Summary of accounting policies

3.1 Revenue

The Company recognizes revenue from the sale of goods and services in the ordinary course of activities. The Company recognizes revenue at a point in time as and when it satisfies a performance obligation by transferring control of a product or service to a customer.

Revenue is measured at the fair value of the consideration received or receivable for goods or services in accordance with the terms of the contract, and it is stated net of value added tax (VAT), rebates, discounts and returns.

A valid contract is recognized as revenue after:

– The contract is approved by the parties.
– Rights and obligations are recognized.
– Collectability is probable.
– The contract has commercial substance.
– The payment terms and consideration are identifiable.

Revenue from sale of goods

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer in line with the requirements of IFRS 15 - Revenue from contract with customers.

Sale of goods arises from sale to third parties and related parties. Revenue is recognised when control of the goods has transferred, being when the goods have been picked up by the customers or when the goods leave the Company's premises. The customer obtains the right to return goods that are bad or damaged after they have been delivered. The Company allows customers to return products after delivery within a certain timeframe if they are unsatisfactory. IFRS requires the company to estimate expected returns which should not be recognized as revenue until the return period lapses.

When a customer exercises this right to return products, the company also has a right to recover the product from the customer and will recognize an asset - Right of recovery asset in trade and other receivables and a corresponding adjustment to Cost of sales.A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

3 Summary of material accounting policies - continued

3.1 Revenue - continued

Advance payments

The Company has contracts with customers that requires advance payment to be made before sale of drinks can occur. The Company has considered whether the contract contains a financing component and whether that financing component is significant to the contract, including both of the following;
(a) The difference, if any, between the amount of promised consideration and cash selling price and;
(b) The combined effect of both the following:
- The expected length of time between when the Company transfers the product to their customers and when payment is received and;
- The prevailing interest rate in the relevant market.
The advance period is less than 12 months, usually within 30 days. As a result, the effect of discounting will not be material.
The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Company does not adjust any of the transaction prices for the time value of money.

Customer deposit liability

Customer deposit liability (CDL) relates to the returnable packaging deposits that are in trade with distributors and wholesalers but are considered the company's assets. CDL balance assessment is carried out during the financial year and CDL is posted based on physical count and business backgrounds.

Recognition of contract liabilities

The Company introduced the presentation of liabilities in the statement of financial position to reflect the requirements of IFRS 15. Contract liabilities have been reclassified from customer deposits as at 30 September 2025 which are advance payments received from customers.

Rendering of services

Revenue on delivery services are recognized when the goods have been shipped to the required location. Control passes to the customer over time as the goods are being transported but recognizes revenue at a point in time. This is because the company has assessed the impact of an overtime recognition to be immaterial since the delivery is short term in nature.

Contingent assets

A contingent asset is a possible asset 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.
Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. A contingent asset is disclosed in the notes to the financial statements where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

Export Credit Certificate

The company treats Export Credit Certificate (ECC) as contingent asset. ECC is recognized in the period it is received and included as part of Other income in the financial statements

3.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3 Summary of material accounting policies - continued

3.3 Leases

As per IFRS 16 "Leases" the standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessors will not significantly change. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. other leases are classified as operating leases.

3.3.1 The Company as lessee

The Company assesses whether a contract is, or contains, a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

3.3.2 Measurement

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including the risk-free rate based on government bond rates a country-specific risk adjustment a credit risk adjustment based on bond yields and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Company and the lease does not benefit from a guarantee from the Company.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Company did not make any such adjustments during the periods presented.

3 Summary of material accounting policies - continued

3.3 Leases - continued

Right-of-Use Assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day. less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

3.4 Foreign currencies translation

The financial statements of the Company are presented in Naira,which is the functional currency. In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3 Summary of material accounting policies - continued

3.6 Taxation

The tax expense for the period comprises current and deferred income tax. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

i. Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.
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 realized simultaneously.

ii. Deferred income tax
Deferred tax is recognized, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:
i. the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income statement.
ii. differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.
iii. temporary differences arising on the initial recognition of goodwill.
Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date, and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

3.7 Earnings per share

Earnings per share (EPS) is calculated by dividing profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.8 Property, plant and equipment
(i) Recognition and measurement

Land and building held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity with a gap of one year such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land is credited to the property's revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land is charged as an expense to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued assets is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property's revaluation reserve is transferred directly to retained earnings.

3 Summary of material accounting policies - continued

3.8 Property, plant and equipment - continued

(i) Recognition and measurement - continued

Properties in the course of construction for production, supply or administrative purposes or for purposes not yet determined, are carried at a cost less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

(ii) Derecognition of asset

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(iii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iv) Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Class of assets	Estimated useful life range (Years)
Buildings	10 - 60years
Plant and machinery	2 - 50 years
Furniture and fittings	5 - 10 years
Motor vehicles	4 - 5years
Returnable packaging materials	5 - 10 years

Freehold land is considered to have an indefinite useful life, hence is not depreciated

Depreciation methods, useful life 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 after the asset is put to use and depreciated accordingly. Lease hold land is amortised over the lease year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(v) Returnable packaging

As returnable packaging is the fixed asset of the Company, the expectation is that the customer will regularly return them, therefore they are not due for payment.

The asset values are maintained accurately through the normal depreciation process - where the gross book value of a returnable packaging asset is constantly and actively reduced throughout the period of useful life in a linear way.

Depreciation of returnable packaging:

Bottles – 5 years

Crates – 10 years

Kegs – 10 years

The asset quantities must be accurate to ensure that the reported quantity of returnable packaging in fixed asset register is reliable and represents the total population of bottles/kegs/crates available for the business, therefore can serve as a basis for commercial planning, production planning and enable the right business decisions.

3 Summary of material accounting policies - continued

3.9 Impairment of tangible and intangible assets other than goodwill

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

The estimated useful lives for the current and preceding years are as follows:
Computer software- SAP – 14 years
Computer software-others – 5 years
Distribution right – 5 years

Amortization methods, useful lives and residual values are reviewed at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate under IAS 8.

3.10 Short-term employee benefits

3.10.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity makes contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the year during which services are rendered by employees.

The Company has a pension fund scheme as defined contribution plan. A specified amount is contributed by the Company to third party fund managers and recognized as an employee benefit expense to income statement over the service life of the employees.

The Company operates a defined contribution pension plan in accordance with the Pension Reform Act 2014. The contribution payable to a defined contribution plan is in proportion to the services rendered to the Company by the employees and is recorded as an expense in statement of profit or loss and other comprehensive income. The Contribution by the employee is 8% and by the employer is 10% or 12% of the employees' emoluments.

3 Summary of material accounting policies - continued

3.10 Short-term employee benefits - continued

3.10.2 Retirement benefits costs and termination benefits

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The Company has a defined contribution gratuity scheme for management and non-management staff. Under this scheme, a specified amount is contributed by the Company to third party fund managers and recognized as an employee benefit expense to income statement over the service life of the employees.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the year to the net defined benefit liability or asset.

Defined benefit costs are split into three categories:

- Service costs, which include current service cost, past service cost and gains and losses on curtailments and settlements;
- Net interest expense or income; and
- Remeasurement.

The defined benefit liability comprises the present value of the defined benefit obligation (using a discounted rate based on high-quality government bonds), less past service cost.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.10.3 Other employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3 Summary of material accounting policies - continued

3.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the standard costing method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling.The basis of costing is as follows:

Raw materials, non-returnable packaging materials and consumable spare parts	– purchase cost on a weighted average basis including transportation and applicable clearing charges
Finished products and products-in-process	– average cost of direct materials and labour plus the appropriate amount attributable to production overheads based on normal production capacity
Inventories-in-transit	– purchase cost incurred to date

Inventories are regularly assessed for obsolescence, or whether their carrying amount exceeds their net realizable value (sales price less costs to sell) and appropriate provisions are recognized. Inventory values are adjusted for obsolete, slow moving or defective items

3.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.13 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 recognised 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 recognised 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.

3.14 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3 Summary of material accounting policies - continued

3.14 Financial instruments - continued

3.14.1 Financial assets - continued

a. Business model assessment

This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

b. Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated using the autonomous market rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses';

- For debt Instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'Other gains and losses';

c. Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at Fair value through other comprehensive income, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3 Summary of material accounting policies - continued

3.14 Financial instruments - continued

d. Impairment of financial assets

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;

- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since the initial recognition of a financial guarantee contract, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

3 Summary of material accounting policies - continued

3.14 Financial instruments - continued

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; and
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event (see (ii) above);
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and
- The disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

3 Summary of material accounting policies - continued

3.14 Financial instruments - continued

(e) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss in contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

3.14.2 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. The repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(b) Financial Liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other gains and losses' line item.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

3 Summary of material accounting policies - continued

3.14 Financial instruments - continued

3.14.2 Classification as debt or equity

(c) Derecognition of financial liabilities

The Company derecognises financial liabilities when the obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.15 Impairment

3.15.1 Non-financial assets

The carrying amounts of the Company's non-financial assets 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.

For intangible assets that have indefinite useful life or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and 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 recognised.

4 Critical accounting judgments and key sources of estimation uncertainty

In applying the Company's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:
• Capital Risk Management
• Financial instruments risk management and policies
• Sensitivity analyses disclosures

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Revenue from contracts with customers
The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with its customer.
- Identifying performance obligations in a bundled sale of services
- Determining timing of satisfaction of performance obligation

4.1 Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see note 4.2 below), that the Directors have made in the process of applying the Company accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4.1.1 Discount rate used to determine the carrying amount of the Company's defined benefit obligation

The Company defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting year on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded.

4 Critical accounting judgments and key sources of estimation uncertainty - Continued

4.1.2 Impairment loss on trade receivables

Management believes that there is no impairment loss on trade receivables,which are allowed a credit period of 30 days within which it pays on account.

4.1.3 Impairment of property, plant and equipment

Management assesses items of property, plant and equipment for impairment when there are indications that the assets are impaired. Specifically damaged, accident and physically deteriorated assets are immediately derecognised.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.2.1 Estimated useful life

The Management reviews the estimated useful life and related depreciation charge for its items of property, plant and equipment on an annual basis.The Management has not highlighted any requirement for an adjustment to the residual value and remaining useful life of the assets for the current or future periods.

4.2.2 Write down of inventories to net realizable value

The Company regularly evaluates inventory to determine excess or obsolete status. To properly reflect the value of inventory, any identified exposure is reflected in the allowance for excess and obsolete inventory reserve. The proper recording of inventory at lower of cost or market value is necessary to fairly reflect its net realisable value.

4.2.3 Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has set up a valuation committee, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

Notes to the condensed financial statements
For the 15 month period ended 30 Sep 2025

	15 months ended Year to Date 30 Sep 2025 N'000	12 months ended Year to Date 30 June 2024 N'000
5 Revenue		
a. Income from sale of goods	594,675,144	299,489,774
	594,675,144	**299,489,774**

Disaggregation of revenue from contract with customer

Export Sales	9,021,791	3,556,603
Domestic Sales	585,653,353	295,933,171
	594,675,144	**299,489,774**

Nigeria is the Company's primary geographical segment as over 98% of the Company's revenue is earned from sales in Nigeria. All of the Company's revenue is derived from sale of similar products with similar risks and returns. Additionally, there is no identifiable component of the business with up to 10% of the total revenue, the absolute measure of profit or loss and its assets. Thus, further segment information has not been presented.

b. Liabilities related to Contract with customers	**30 Sep 2025 N'000**	**30 June 2024 N'000**
Contract liabilities	3,202,411	2,743,373

Contract liabilities to customers as at 30 Sep 2025 amounting to N3,202 million (2024: N2,743 million) is included in current liabilities in statement of financial position.

The Company introduced the presentation of liabilities in the statement of financial position to reflect the requirements of IFRS 15. Contract liabilities have been reclassified from customer deposits as at 30 Sep 2025 which are advance payments received from customers.

6 Cost of sales	**Year to Date 30 Sep 2025 N'000**	**Year to Date 30 June 2024 N'000**
Cost of goods sold	409,945,582	208,031,003
	409,945,582	**208,031,003**

7 Administrative Expenses	**Year to Date 30 Sep 2025 N'000**	**Year to Date 30 June 2024 N'000**
Administrative overheads	36,479,833	19,538,535
	36,479,833	**19,538,535**

Notes to the condensed financial statements
For the 15 month period ended 30 Sep 2025

		Year to Date 30 Sep 2025 N'000	Year to Date 30 June 2024 N'000
8	**Marketing and Distribution Expenses**		
	Marketing	39,747,826	27,690,417
	Distribution	45,040,964	21,999,788
		84,788,789	**49,690,205**

		Year to Date 30 Sep 2025 N'000	Year to Date 30 June 2024 N'000
9	**Other Income**		
	Income from Leased Assets	-	11,104
	Promisory note from EEG	-	1,353,446
	Sale of By-Products	217,617	230,399
	(Loss)/Gain on disposal of property, plant and equipment	212,627	1,582,501
		430,244	**3,177,450**

		Year to Date 30 Sep 2025 N'000	Year to Date 30 June 2024 N'000
10	**Personnel expenses**		
	Salaries, wages and allowances	24,045,400	15,833,470
	Contributions to defined contribution plans	677,087	1,332,832
	Share-based payments expense	29,567	82,882
	Other long term employee benefits	655,070	230,956
	Termination cost arising from restructuring	195,631	551,025
		25,602,756	**18,031,165**

Notes to the condensed financial statements
For the 15 month period ended 30 Sep 2025

		15 months ended Year to Date 30 Sep 2025 N'000	12 months ended Year to Date 30 June 2024 N'000
11	**Finance expenses**		
	Finance expense on loans and borrowings	19,660,306	6,573,847
	Accrued Interest	2,963,244	1,815,944
	Interest expense on lease liabilities	26,875	21,468
	Interest expense on employee benefits	234,957	157,605
	Exchange difference on foreign currency letter of credits	529,807	2,435,456
	Exchange difference on foreign currency loan	1,066,348	20,486,715
	Loss on remeasurement of foreign currency balances	85,200,763	89,360,769
		109,682,300	**120,851,804**
	Finance cost paid in the statement of cash flows		
	Finance costs per income statement	109,682,300	120,851,804
	Interest expense on employee benefit	(234,957)	(157,605)
	Accrued Interest	(2,963,244)	(1,815,944)
	Interest expense on lease liabilities	(26,875)	(21,468)
	Unrealised foreign exchange loss	(9,554,000)	(41,016,246)
		96,903,224	**77,840,541**
	Classified as follows :		
	Interest paid	19,660,306	6,573,847
	Realised foreign exchange loss	77,242,919	71,266,694

		Year to Date 30 Sep 2025	Year to Date 30 June 2024
12	**Finance Income**		
	i. Finance income per income statement		
	Total interest income arising from financial assets	343,952	2,379,117
	Accrued interest	120,078	94,383
	Gain on remeasurement of foreign currency balances	89,123,353	19,290,954
		89,587,383	**21,764,454**
	ii. Finance income received in the statement of cash flows		
	Finance income per income statement	89,587,383	21,764,454
	Unrealised foreign exchange gain	(69,289,000)	(19,290,954)
	Accrued interest	(120,078)	(94,383)
		20,178,306	**2,379,117**
	Classified as follows :		
	Interest received	343,952	2,379,117
	Realised foreign exchange gain	19,834,354	-

Notes to the condensed financial statements
For the 15 month period ended 30 Sep 2025

		Year to Date 30 Sep 2025 N'000	Year to Date 30 June 2024 N'000
13	**Profit before taxation**		
	Profit before taxation is after charging/(crediting):		
	Depreciation of property, plant and equipment	15,485,046	9,879,735
	Depreciation of right of use assets	2,510	50,965
	Impairment loss on property, plant and equipment	1,083,480	789,289
	Amortisation of intangible assets	377,490	149,767
	Personnel expenses	25,602,756	18,031,165
	Gain on disposal of property, plant and equipment	(212,627)	(1,582,501)
	Rental expense	1,533,012	1,014,584
	Royalty and technical fees	12,175,536	1,710,897

		Year to Date 30 Sep 2025 N'000	Year to Date 30 June 2024 N'000
14	**Taxation**		
	i. Current Tax expense:		
	Current Income tax	3,345,405	1,684,439
	Prior years under-provision	-	522,436
	Deferred Income Tax Charge	14,167,945	(21,119,968)
		17,513,350	**(18,913,093)**
	ii. Movement in current tax liabilities		
	As at July 1	2,503,543	5,256,637
	Payment during the period	(1,999,031)	(4,959,969)
	Charge for the year	3,345,405	1,684,439
	Prior years under-provision	-	522,436
	Balance as at 30 Sep 2025	**3,849,917**	**2,503,543**

15 Profit / (Loss) per share (Naira)

The earnings per share is calculated as follows :-

	Year to Date 30 Sep 2025 N'000	Year to Date 30 June 2024 N'000
Profit / (Loss) for the year	26,282,917	(54,766,776)
Number of equity shares	2,190,383	2,190,383
Profit/(loss)per share (Kobo)	12.00	(25.00)

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

Diluted earning per share is equal to earning per share because there are no dilutive potential ordinary shares in issue.

16 Property, plant and equipment

a. Period ended 30 Sep 2025

	Freehold Land	Building	Plant and Machinery	Furniture and Fittings	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 or Valuation								
Balance at 1 July 2023	9,159,782	25,574,124	107,512,876	444,735	6,494,972	23,353,205	2,748,094	**175,287,788**
Additions	200,046	497,610	3,121,763	17,385	320,350	2,880,446	5,804,205	**12,841,805**
Reclassification/ Transfers	554,599	110,980	1,207,356	7,007		29,859	(1,932,387)	**(22,586)**
Disposals	-				(77,465)			**(77,465)**
Write-offs	-	(19,370)	(6,250,347)	(83,005)	(61,242)	(1,409,205)	(417,081)	**(8,240,250)**
Balance at 30 June 2024	**9,914,427**	**26,163,344**	**105,591,648**	**386,122**	**6,676,615**	**24,854,305**	**6,202,831**	**179,789,292**
Additions	-	196,811	1,256,457	50,746	271,753	20,521,096	10,496,016	**32,792,879**
Reclassification/ Transfers	10,750	1,439,185	2,510,873	(2,180)	-	3,213,712	(7,172,340)	**-**
Disposals	(10,750)	-	(55,551)	-	(519,129)	(36,194)	-	**(621,624)**
Write-offs	-	-	(4,417)	-	(157,092)	(837,712)	(321,564)	**(1,320,785)**
Balance as at 30 Sep 2025	**9,914,427**	**27,799,340**	**109,299,010**	**434,689**	**6,272,147**	**47,715,207**	**9,204,943**	**210,639,762**
Accumulated depreciation								
Balance at 1 July 2023	(144,120)	(5,625,399)	(52,034,094)	(282,954)	(4,039,134)	(13,984,440)	-	**(76,110,141)**
Depreciation expense for the year	-	(594,044)	(5,071,875)	(21,299)	(948,469)	(3,244,048)		**(9,879,735)**
Write-offs		13,718	5,893,768	81,803	60,720	1,400,952		**7,450,961**
Disposal during the year	-				71,020			**71,020**
Balance at 30 June 2024	**(144,120)**	**(6,205,725)**	**(51,212,201)**	**(222,450)**	**(4,855,863)**	**(15,827,536)**	**-**	**(78,467,895)**
Depreciation expense for the year	-	(830,504)	(7,050,003)	(269,252)	(865,672)	(6,469,616)	-	**(15,485,046)**
Write-offs	-	-	4,417	-	45,394	767,223	-	**817,034**
Disposal during the year	-	-	27,434	-	384,238	-	-	**411,672**
Balance as at 30 Sep 2025	**(144,120)**	**(7,036,229)**	**(58,230,353)**	**(491,702)**	**(5,291,903)**	**(21,529,930)**	**-**	**(92,724,235)**
Carrying amount								
At 30 Sep 2025	9,770,307	20,763,111	51,068,657	(57,013)	980,244	26,185,278	9,204,943	117,915,527
At 30 June 2024	9,770,307	19,957,619	54,379,447	163,672	1,820,752	9,026,769	6,202,831	101,321,397

* Capital work in progress (CWIP) were reclassified to other PPE items during the year

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

	Year to Date 30 Sep 2025 N'000	Year to Date 30 June 2024 N'000
Additions during the period	39,516,119	12,841,805
Payments on prior year acquisitions	3,532,525	835,500
Unpaid invoices on current year acquisitions	(4,098,007)	(3,545,453)
	38,950,636	**10,131,852**

c. PPE disposed/written off in the statement of cash flows	**Year to Date 30 Sep 2025**	**Year to Date 30 June 2024**
Cost of property, plant and equipment disposed and written off	2,865,130	8,317,715
Accumulated depreciation on property, plant and equipment disposed and written off	(1,781,650)	(7,521,981)
Carrying amount of Property, plant and equipment disposed and written off	1,083,480	795,734
Proceeds from disposal of property, plant and equipment	(422,579)	(1,588,946)
	660,902	**(793,212)**
Amount charged to PL is analysed as:		
Carrying amount of property, plant and equipment written off	873,528	789,289
(Gain)/loss on disposal of property, plant and equipment	(212,627)	(1,582,501)
	660,901	**(793,212)**

Notes to the condensed financial statements
For the 15 month period ended 30 Sep 2025

16 A	**Intangible Assets**	**Distribution Right N'000**	**Computer software N'000**
	Cost of valuation		
	At 1 July 2023	995,250	839,706
	Reclassification from tangibles	-	22,586
	Additions	-	58,351
	Write-offs	-	(1,767)
	Balance at 30 June 2024	**995,250**	**918,876**
	Additions	-	6,723,240
	Write-offs	(995,250)	(922,720)
	Balance as at 30 Sep 2025	-	**6,719,396**
	Accumulated depreciation		
	At 1 July 2023	(995,250)	(289,756)
	Charge for the year	-	(149,767)
	Write-offs	-	1,767
	Balance at 30 June 2024	**(995,250)**	**(437,756)**
	Charge for the year	-	(377,490)
	Write-offs	995,250	552,944
	Balance as at 30 Sep 2025	-	**(262,302)**
	Carrying amount		
	Balance as at 30 Sep 2025	-	**6,457,094**
	Balance at 30 June 2024	-	**481,120**

Notes to the condensed financial statements
For the 15 month period ended 30 Sep 2025

17 Right of use assets

	Land & Building N'000
Cost of valuation	
At 1 July 2023	737,815
Additions	
Write-off	(35,429)
Remeasurement	(562,807)
Balance at 30 June 2024	**139,579**
Additions	-
Balance as at 30 Sep 2025	**139,579**
Accumulated depreciation	
At 1 July 2023	(520,241)
Charge for the year	(50,965)
Write-off	562,807
Balance at 30 June 2024	**(8,399)**
Charge for the year	(2,510)
Balance as at 30 Sep 2025	**(10,909)**
Carrying amount	
As at 30 Sep 2025	**128,670**
As at 30 June 2024	**131,180**

Lease Liability

At 1 July 2023	154,301
Remeasurement	(35,429)
Interest Expense on Lease	21,468
Repayment of the principal portion of the lease liabilities	(4,998)
Balance at 30 June 2024	**135,342**
Interest Expense on Lease	26,875
Repayment of Lease Liabilities:	
Repayment of the principal portion of the lease liabilities	(19)
Interest paid on lease liabilities	(21,417)
Balance as at 30 Sep 2025	**140,781**
Presented as :	
Current	25
Non-Current	140,755

Notes to the condensed financial statements
For the 15 month period ended 30 Sep 2025

	15 months ended 30 Sep 2025	12 months ended 30 June 2024
18 Trade and other receivables		
a. Financial Assets	**N'000**	**N'000**
Third Party trade receivables	28,111,389	16,537,238
Expected credit loss	(805,280)	(4,482,125)
Other receivables	9,758,890	195,582
Amounts due from related companies	4,324,070	163,212
	41,389,069	**12,413,907**
Non Financial Assets		
Other Receivables- Current	707,593	967,947
Impairment loss	(181,521)	(156,124)
Total Trade and other receivables	**41,915,141**	**13,225,730**

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

	30 Sep 2025	30 June 2024
Change in current trade and other receivables	(28,689,411)	(1,252,432)
Foreign exchange gain	733,611	15,730,014
Accrued finance income	120,078	94,383
Reversal of impairment on (non-financial) other receivables	-	44,570
Reversal / (Charge) of expected credit loss on (financial) trade and other receivables	3,676,845	(15,987)
	(24,158,877)	**14,600,548**

19 Prepayment and other assets	**30 Sep 2025**	**30 June 2024**
	N'000	**N'000**
Rent	113,056	84,520
Others Prepaid expenses	2,866,808	265,967
Prepayment for raw materials	2,616,201	1,210,754
	5,596,065	**1,561,241**

The advances in the year relates to payments made for the supply of raw materials and custom duties.

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

20 Inventories	**30 Sep 2025**	**30 June 2024**
	N'000	**N'000**
Raw Materials	39,591,381	8,728,157
Work In Progress	3,799,472	3,299,862
Finished Goods	10,430,103	17,403,178
Engineering spares and other consumables	6,380,282	11,222,285
Goods in transit	3,489,258	1,203,997
	63,690,496	**41,857,479**

Notes to the condensed financial statements

For the 15 month period ended 30 Sep 2025

		30 Sep 2025	30 June 2024
21	**Cash and cash equivalents**	**N'000**	**N'000**
	Cash at Bank	3,687,359	29,804,346
	Short-Term Deposit	-	16,000,000
	Cash and Bank Balance	**3,687,359**	**45,804,346**
	Bank Overdraft	(3,953,803)	-
	Cash and cash equivalents in statement of cash flows	**(266,444)**	**45,804,346**
	Restricted Cash	**119,284**	**1,031,347**

The management considers that the carrying amount of these assets is approximately equal to their fair values

		30 Sep 2025	30 June 2024
22	**Share capital**	**N'000**	**N'000**
a.	**Authorised, Issued and fully paid:**		
	2,190,383,000 ordinary shares of 50k each	1,095,191	1,095,191
	2,190,383,000 ordinary shares of 50k each	**1,095,191**	**1,095,191**

		30 Sep 2025	30 June 2024
23	**Share premium**	**N'000**	**N'000**
	Share premium	47,447,029	47,447,029
		47,447,029	**47,447,029**

a. 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.

b. 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.

Notes to the condensed financial statements
For the 15 month period ended 30 Sep 2025

		15 months ended 30 Sep 2025 N'000	12 months ended 30 June 2024 N'000
24	**Dividend Payable**		
	At 1 July	1,184,550	1,695,832
	Declared dividend	-	-
	Declared, but not yet paid dividend - ICO	1,184,550	1,695,832
	Unclaimed dividend transferred to retained earnings	-	(503,626)
	Unclaimed dividend with Registrar	(42,107)	42,395
	Payments during the year:		
	Paid to the Registrar	(987,476)	(50,051)
	Balance as at 30 Sep 2025	**154,967**	**1,184,550**
	Dividend payable is represented by		
	Restricted cash	119,284	1,106,760
	Balance with Registrar	35,683	77,790
	Balance as at 30 Sep 2025	**154,967**	**1,184,550**

		30 Sep 2025 N'000	30 June 2024 N'000
25	**Trade and other payables**		
	Financial Liabilities		
	Trade Payables	75,849,355	50,723,291
	Due to Related Party	(132,554)	111,039,096
	Other payables and accrued expenses	66,371,096	12,567,951
		142,087,898	**174,330,338**
	Non Financial Liabilities		
	Refund Liabilities	280,532	74,607
	Other payables and accrued expenses	4,622,071	1,500,019
		4,902,603	**1,574,626**
	Total Trade and Other Payables	**146,990,501**	**175,904,964**

Notes to the condensed financial statements
For the 15 month period ended 30 Sep 2025

26 Borrowings

a. Loans and borrowings comprise:

	15 months ended 30 Sep 2025 N'000	12 months ended 30 June 2024 N'000
Related Party Loans	-	39,318,754
Short term loans	57,963,244	814,146
	57,963,244	**40,132,900**

b. Movement in loans and borrowings:

	30 Sep 2025 N'000	30 June 2024 N'000
At 1 July	40,132,900	63,755,939
Addition	75,716,525	3,889,841
Interest expense during the year	19,660,306	6,573,847
Accrued Interest	2,963,244	(491,433)
Tax Deducted	-	(100,191)
Exchange difference on foreign currency letter of credits	529,807	2,435,456
Exchange difference on foreign currency intercompany loan	1,066,348	20,486,715
Interest paid	(19,660,306)	(6,573,847)
Loans repaid during the year	(62,445,580)	(49,843,427)
Balance as at 30 Sep 2025	**57,963,244**	**40,132,900**

27 Related party information

Related party relationships

Name of the related party	Nature of relationship	Nature of transaction
N Seven Nigeria Limited	Parent company	
Green Packaging Limited	Sister entity	Purchase of packaging material
Tolaram Africa Pte Ltd	Sister entity	Services
Celeber-8 Lyf	Sister entity	Sale of Goods
MCPL- BHN Division	Sister entity	Transport services

Name of the party	Nature of transaction	Transaction value	Outstanding balance Due (to)/ from
		N'000	N'000
Green Packaging Limited	Purchases	(2,245,077)	(71,021)
Celeber-8 Lyf Pvt Ltd	Sales	14,424,070	4,324,070
MCPL- BHN Division	Services	(2,024,034)	(64,485)
Tolaram Africa Pte Ltd	Services	(218,532)	(218,532)
Green Packaging Limited LFZ	Capex Purchase	(6,818,157)	-
	Services	(9,072,439)	(1,326,740)

28 Events after the reporting period

There are no significant subsequent events which could have had material impact on the state of affairs of the Company as at 30 Sep 2025 that has not been adequately provided for or disclosed in the financial statements.

Shareholding Structure/Free Float Status

Description	30 Sep 2025	
	Unit	Percentage
Issued Share Capital	2,190,382,819	100%
Substantial Shareholdings (5% and above)		
NSEVEN Nigeria Limited- MAIN	1,552,042,799	70.86%
Stanbic IBTC Nominees Nigeria LTD/C026-MAIN	139,370,907	6.36%
Total Substantial Shareholdings	1,691,413,706	77.22%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests		
Bola Adesola (direct)	1,250	0.00%
Total Directors' Shareholdings	1,250	0.00%
Other Influential Shareholdings		
Total Other Influential Shareholdings	0.00%	0.00%
Free Float in Units and Percentage	498,967,863	22.78%
Free Float in Value	₦ 91,760,190,005.70	

Declaration:

(A) Guinness Nigeria Plc with a free float percentage of 22.78% as at 30 Sep 2025, is compliant with The Exchange's free float requirements for companies listed on the Main Board.
(B) Guinness Nigeria Plc with a free float value of N91,760,190,005.70 as at 30 Sep 2025, is compliant with The Exchange's free float requirements for companies listed on the Main Board.