



2022

ANNUAL REPORT & FINANCIAL STATEMENTS

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Financial Highlights

	2022 ₦'000	2021 ₦'000	Change %
Results			
Revenue	206,822,127	160,416,257	29 %
Profit from operating activities	23,900,060	9,871,498	142 %
Profit for the year	15,651,362	1,255,338	1147 %
Total comprehensive income for the year	15,599,736	1,248,435	1150 %
Declared dividend	1,007,576	—	100 %
Total equity	89,979,391	74,286,575	21 %
Data per 50 kobo share (in kobo)			
Basic and diluted earnings per share	715	57	1154 %
Declared dividend per share	46	—	100 %
Net assets per share	4,108	3,391	21 %

Notice of Annual General Meeting

Notice is hereby given that the 72nd Annual General Meeting of the Members of Guinness Nigeria Plc will be held at the Idera Hall of the Radisson Blu Anchorage Hotel located at 1A Ozumba Mbadiwe Avenue, Victoria Island, Lagos State on Tuesday, 25th October 2022 at 11.00 o'clock in the forenoon to transact the following businesses:

AGENDA

Ordinary Business

1. To lay the Report of the Directors, the Financial Statements for the year ended 30th June 2022 and the Reports of the Independent Auditors and the Statutory Audit Committee thereon.
2. To declare a dividend.
3. To approve the appointments of Mr. Emmanuel Difom as an executive director; Mr. Dayalan Nayager as a non-executive director and Mrs. Tariye Gbadegesin as an independent non-executive director.
4. To elect/re-elect Directors.
5. To disclose remuneration of Managers of the Company.
6. To authorise Directors to fix the remuneration of the Independent Auditors.
7. To elect members of the Statutory Audit Committee.

Special Business

8. To fix the remuneration of the Directors.
9. To consider and, if thought fit, pass the following resolutions as special resolutions of the Company:

That pursuant to Articles 9 & 50 of the Company's Memorandum and Articles of Association, the Directors be and are hereby authorized to take steps to comply with the requirements of Section 124 of the Companies and Allied matters Act 2020 and the Companies Regulations 2021 in respect of the unissued shares of the company, by effecting the cancellation of all unissued shares of the Company.

10. Pursuant to the cancellation of the unissued shares of the Company in 9 above, the Memorandum of Association of the Company be and is hereby amended by:

Deleting Clause 5 and substituting it with the following new clause:

"That the Share Capital of the Company is N1,095,191,409.50 divided into 2,190,382,819 ordinary shares of N0.50k (fifty kobo) each.

11. A. That the Directors be and are hereby authorized to enter into and execute any agreements, deeds, notices and any other documents necessary for and or incidental to effecting resolution 9 above.
B. That the Directors of the Company or any one of them for the time being be and are hereby authorized to appoint such professional parties and advisers and to perform all such other acts and do all such other things as may be necessary for or incidental to effecting the above resolutions, including without limitation, complying with directives of any regulatory authority.
12. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:
"That, in compliance with the rules of the Nigerian Stock Exchange now known as Nigerian Exchange Limited (NGX) governing transactions with related parties or interested persons, the general mandate granted to the Company in respect of all recurrent transactions entered into with a related party or interested person which are of a revenue or trading nature or are necessary for the Company's day to day operations including but not limited to the procurement of goods and services on normal commercial terms be and is hereby renewed".

1. PROXY

In view of the continuing apprehensions about the menace of the COVID 19 pandemic and reports of other emerging variants of the virus, attendance at the AGM shall only be by proxy following the approval of the Corporate Affairs Commission. All members of the Company entitled to attend and vote are advised to select and appoint from the underlisted proposed Proxies to attend and vote in their stead:

1. Dr. Omobola Johnson
2. Mr. Baker Magunda
3. Prof. Fabian Ajogwu SAN
4. Ms. Ngozi Edozien
5. Mrs. Bisi Bakare
6. Sir Sunny Nwosu
7. Mr. Nornah Awoh



NOTICE OF ANNUAL GENERAL MEETING

8. Mr. Patrick Ajudua
9. Dr. Anthony Omojola
10. Hon. Bright Nwabughogu
11. Barr. Adetutu Siyanbola
12. Chief Timothy Adesiyun
13. Mrs. Efunyemi Olatunde Obideyi
14. Mr. Matthew Akinlade
15. Alhaja Sarata Balogun
16. Mrs. Esther Augustine

A form of proxy is enclosed and if it is to be valid for the purposes of the Meeting, it must be completed and deposited at the office of the Registrar, Veritas Registrars Limited, Plot 89A, Ajose Adeogun Street, Victoria Island, Lagos not less than 48 hours before the time for holding the Meeting. The company will bear the cost of stamping duly completed proxy forms submitted within the stipulated timeline.

2. CLOSURE OF REGISTER

The Register of Members and Transfer Book will be closed from 26th September 2022 to 30th September 2022 both days inclusive for the purpose of updating the Register of Members.

3. DIVIDEND PAYMENT

If the payment of a dividend is approved, it is intended that the payment of the dividend will be made on Wednesday, 26th October 2022 to holders of shares whose names appear on the Register of Members on Friday 23rd September 2022.

4. STATUTORY AUDIT COMMITTEE

In accordance with Section 404(6) of the Companies and Allied Matters Act, 2020, a nomination (in writing) by any member or a Shareholder for appointment to the Statutory Audit Committee should reach the Company Secretary at least 21 days before the date of the Annual General Meeting.

5. UNCLAIMED DIVIDENDS

Shareholders are hereby informed that some dividend warrants have been returned to the Registrars as unclaimed while some have neither been presented to the Banks for payment nor to the Registrars for revalidation. A list of such unclaimed dividends will be circulated with the Annual Reports and Financial Statements and is also available on our website, www.guinness-nigeria.com.

Affected members are by this notice, advised to contact the Registrars at Veritas Registrars Limited, 89a Ajose Adeogun Street, Victoria Island, Lagos, P.O. Box 75315, Victoria Island or via email at enquiry@veritasregistrars.com.

6. E-DIVIDEND

Notice is hereby given to all shareholders to open bank accounts for the purpose of dividend payment. A detachable e-dividend payment mandate and change of address form is attached to the Annual Report to enable shareholders furnish particulars of their bank and CSCS Accounts numbers to the Registrar. The e-dividend payment mandate form is also available on our website - www.guinness-nigeria.com as well as the website of our Registrars www.veritasregistrars.com.

7. GENERAL MANDATE CIRCULAR

A circular on the resolution for shareholders' renewal of the general mandate for recurrent transactions with related parties which provides the rationale for the mandate sought is included in the Annual Report and Financial Statements.

8. RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company Secretary on or before 10th October 2022.

Dated:

27th day of July 2022

By Order of the Board



Rotimi Odusola

Company Secretary

FRC/2016/NBA/00000015186

REGISTERED OFFICE:

Guinness Nigeria Headquarters
Cocoa Industries Road (Guinness Road),
Ogba - Ikeja, Lagos
Private Mail Bag 21071,
Ikeja, Lagos.
www.guinness-nigeria.com



Shareholders who are interested in accessing or downloading an electronic copy of the 2022 Annual Report should note that the Annual Report is accessible on www.guinness-nigeria.com and www.veritasregistrars.com.

The Annual General Meeting will be streamed live for shareholders and relevant stakeholders too as observers. The link will be made available on the Guinness Nigeria website before the date of the meeting.



General Mandate Circular

In order to ensure that its day to day operations are carried out in the most efficient manner possible, the Company would like to continue to enter into transactions with related parties and interested persons that have been identified as necessary for such day-to-day operations. These transactions have been assessed to exceed 5% of the value of the net tangible assets or issued share capital of the Company.

In compliance with the provisions of **Clause 6 of the Rules of the Nigerian Exchange Group Plc (NGX) Governing Related Parties or Interested Persons ("the Rules")**, the Company hereby seeks the approval of Shareholders to the grant of a general mandate in respect of such recurrent transactions. The relevant items for consideration of the shareholders are as stated below:

- i. The transactions for which this general mandate is sought are those of a trading nature and/ or those which are necessary for the day to day operations of the Company and include but are not limited to the following:
 - a. Technical Know-How and Support Services Agreements between the Company and its Parent Company, Diageo Plc and/or other companies or entities within the Diageo Group;
 - b. Trademark and Quality Control Agreement between the Company and its Parent Company, Diageo Plc and/ or other companies or entities within the Diageo Group;
 - c. Distribution Agreements between the Company and its Parent Company, Diageo Plc and/or other Companies or entities within the Diageo Group;
 - d. Production and Distribution Agreements between the Company and its Parent

Company, Diageo Plc and/ or other Companies or entities within the Diageo Group;

- e. Arrangements for the provision of specialist support to the Company by its Parent Company, Diageo Plc and/or other Companies or entities within the Diageo Group;
- f. Contract manufacturing purchase or packaging arrangements between the Company and its Parent Company, Diageo Plc and/ or other companies or entities within the Diageo Group;
- g. Arrangements for the sale and/or purchase of raw materials or finished goods, technical equipment and spare parts by or to the Company by its Parent Company, Diageo Plc and/or other Companies or entities within the Diageo Group.
- ii. The class of related Parties and interested Persons upon which the Company will be transacting include Shareholders, Employees and their Family Members, Companies or Entities within the Parent Company Diageo Plc Group and subsidiaries of the Company, etc.
- iii. The rationale for the transactions are that they are necessary for the operations of the Company, the discharge of legal and contractual obligations currently binding on the Company, are of strategic importance to the

continued operations of the Company, they guarantee the uninterrupted supply of goods and services necessary for the operation of the Company as a going concern, and is carried out on a transparent basis and remains effective and performs efficiently and effectively.

- iv. The methods and procedures for determining transaction prices are based on the Company's transfer pricing policy and are, where applicable, subject to the approval of the National Office for Technology Acquisition and Promotion (NOTAP).
- v. Messrs. Ernst & Young, has provided independent financial opinion that the methods and procedures in the Company's transfer pricing policy referred to in paragraph (iv) above, are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to the interests of the Company and its minority Shareholders.
- vi. The Company shall obtain a fresh mandate from the shareholders if the methods or procedures in (iv) become inappropriate.
- vii. Any person identified as an interested person as defined under the Rules shall abstain and undertake to ensure that its associates abstain from voting on the resolution approving the transaction.

Board of Directors & Corporate Information

Directors

Dr Omobola Johnson	Board Chair, Independent Non-Executive Director
D. Nayer (South African)****	Vice-Chairman, Non-Executive Director
B. Magunda (Ugandan)	Managing Director/Chief Executive Officer
E. Difom (Cameroonian)*	Finance & Strategy Director
S. T. Dogonyaro OON	Independent Non-Executive Director
F. N. O. Edozien (Ms.)	Independent Non-Executive Director
L. Breen (British)	Non-Executive Director
M. D. Sandys (British)	Non-Executive Director
M. O. Ayeni (Mrs.)	Independent Non-Executive Director
F. Ajogwu, SAN (Prof.)	Independent Non-Executive Director
T. Gbadegesin (Mrs.)*****	Independent Non-Executive Director
R. J. O'Keeffe (Irish)**	Outgoing Vice-Chairman, Non-Executive Director
Z. Abdurrahman (Mrs.)**	Independent Non-Executive Director

*E. Difom (Cameroonian) was appointed Finance & Strategy Director effective 1st November 2021

**Z. Abdurrahman (Mrs.) retired from the Board effective 1st February 2022

***R. J. O'Keeffe (Irish) retired from the Board effective 30th June 2022

****D. Nayer (South African) was appointed Vice Chairman effective July 1st 2022

*****T. Gbadegesin (Mrs.) was appointed Independent Non Executive Director effective 27th July 2022

Company Secretary

Rotimi Odusola
Guinness Nigeria H/quarters
Cocoa Industries Road
(Guinness Road),
Ogba - Ikeja, Lagos
P.M.B. 21071, Ikeja
Tel: (01) 2709100

Independent Auditor

PricewaterhouseCoopers
(PwC)
(Chartered Accountants)
Landmark Towers
Plot 5B, Water Corporation
Road
Victoria Island, Lagos
www.pwc.com/ng/en

Registrars and Transfer Office

Veritas Registrars Limited
Plot 89A, Ajose Adeogun Street
Victoria Island, Lagos.
www.veritasregistrars.com

Bankers

Access Bank Plc
Citibank Nigeria Limited
First Bank of Nigeria PLC
First City Monument Bank Plc
Guaranty Trust Bank Plc
Stanbic IBTC Bank Plc
Standard Chartered Bank Nigeria Limited
United Bank for Africa PLC
Union Bank of Nigeria PLC
Zenith Bank Plc

Registered Office

Guinness Nigeria H/quarters
Cocoa Industries Road
(Guinness Road),
Ogba - Ikeja, Lagos.
P.M.B. 21071, Ikeja,
Lagos

Registration No.

RC 771

Breweries

Ogba Brewery

Acme Road
Industrial Estate, Ogba
Tel: (01) 2709100
Fax: (01) 2709338

Benin Brewery

Benin-Asaba Road
Oregbeni Industrial Estate
Ikpoba Hill, Benin City
Tel: (01) 2709100
Fax: (01) 2709338

Aba Brewery

Osisioma Industrial Layout
Aba, Abia State
Tel: (01) 2709100
Fax: (01) 2709338

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Board Chair's Statement

INTRODUCTION

Distinguished Shareholders, representatives of regulatory agencies present, gentlemen of the press, esteemed Ladies and Gentlemen, it is with great pleasure that I welcome you, on behalf of the Board of Directors, to the 72nd Annual General Meeting of Guinness Nigeria Plc holding in Lagos.

It is my privilege and honor to present to you the financial statement and reports for the financial year ended 30 June 2022 but not without first highlighting key issues in the Nigerian business environment that influenced and impacted our performance.

2022 Business/Operating Environment

By 2021, the global economy commenced a gradual recovery from the effects of the COVID-19 pandemic. However, the ongoing Ukraine – Russia war, could potentially derail the post-pandemic global economic recovery and complicate matters for policymakers through disruptions to international trade and supply chains and increases in commodity prices and the related inflationary pressures.

On the domestic front, the Nigerian economy grew by 3.98% in the fourth quarter of 2021 showing a sustained growth for the fifth quarter since the recession witnessed in 2020 when output contracted by -6.10% and -3.62% in Q2 and Q3 of 2020 respectively at the

height of the COVID 19 pandemic. In addition, annual GDP growth for 2021 was 3.4% indicating steady economic recovery.

Real GDP growth in the manufacturing sector in the fourth quarter of 2021 was 2.28% (year on year), higher than the same quarter of 2020 by 3.8% points but lower than the preceding quarter by 2.01% points. Contribution of the manufacturing sector to GDP in 2021 fourth quarter was 8.46%, lower than the 8.60% recorded in fourth quarter of 2020 and lower than the 8.96% recorded in third quarter 2021. This GDP growth comes on the heels of waning covid 19 restrictions and largely attributable to the non-oil sector accounting for 94.81% of this performance.

Our Performance

Despite economic headwinds, the Company posted an impressive and laudable performance with strong growth in all our key categories. The Company's strategy as the pioneer and foremost Total Beverage Alcohol (TBA) player within the industry and on delivering on margin accretive brands led to the remarkable and commendable performance within the financial year.

The Company's Revenue grew by 29% from last year's N160 billion to N206.8 billion. Profit before tax grew by 310% from N5.7 billion to N23.6 billion whilst Profit for the year had a remarkable improvement from N1.25 billion in 2021 to N15.6 billion in 2022, a testament of the incredible returns from our TBA strategy within the industry. The remarkable profit improvement reflects amongst other factors, the



BOARD CHAIR'S STATEMENT

benefits of price increases taken across all categories of our portfolio.

The forward-looking strategic investments we have made and the array of innovative brands we have in the pipeline, makes us well positioned for further profitable growth in 2023 FY.

Our Business

As Guinness Nigeria marks another significant milestone with the commemoration of its 72nd anniversary and progresses into the future, the business continues to realign and reposition itself with the required agility, to effectively adjust to the changing landscape of the FMCG sector in Nigeria. We continue to place premium on the consistent delivery of quality products to our consumers in relentless pursuit of our aim to be the best performing, most respected consumer products company in Nigeria.

In recognition of the foregoing commitment, it is my pleasure to report the recent expansion of the production capacity on our Spirit Line at Ogba Brewery. On Wednesday, 24th November 2021, Guinness Nigeria led by the then President, Diageo Africa, John O'Keeffe along with the British Deputy High Commissioner to Nigeria, Mr. Ben Llewellyn-Jones and the Managing Director of Guinness Nigeria, Mr. Baker Magunda, commissioned a new Spirits production line at our Ogba brewery in Lagos. This project is

part of the mainstream spirit capacity expansion programme geared at satisfying the growing demands for our iconic brands by our consumers.

Innovation

As part of our strategy to improve on the consumer experience with our brands, we have continued to implement our brand revitalization process through delivery of innovative products.

In 2022, the Rum & Gin MSS categories were expanded with the launch of "Captain Morgan Spice Gold." Captain Morgan is a deliciously golden and ultra-smooth premium spirit drink set to take the Nigeria's brown spirit market by storm.

We also introduced the 15years and 18 years aged variants of Singleton, our award-winning single malt whiskey into the Nigerian reserve and premium spirit market, thereby satisfying the yearning of our highly revered premium spirits consumers.

2022 also witnessed the expansion of two exciting variants off the "Gordons Gin trademark – Gordons Pink & Gordons's Sunset Orange" and the launch of Smirnoff Pineapple Punch.

The launch of the new products will support overall strategic business objectives on margin expansion and get us in line to deliver the company's objectives.

Sustainability / Corporate Social Responsibility

At Guinness Nigeria, we remain committed to integrating social responsibility into our business strategy. We actively support our host communities through investments, corporate social responsibility as well as being very involved in their development. We continue





to conduct ourselves as responsible corporate citizens by taking into cognizance the impact our operations have on society, particularly environmental, social and governance (ESG) issues.

Guinness Nigeria Plc's Sustainability Strategy is fully aligned with Diageo's global strategy - Society 2030: Spirit of Progress and is underpinned by 3 main pillars namely: Promoting Positive Drinking, Inclusion & Diversity and Pioneering Grain to Glass Sustainability.

Significantly, public health and social welfare issues have been addressed with the establishment and continued support of the Guinness Eye Hospitals, Water of Life projects across the country, undergraduate scholarship schemes and the Guinness Nigeria Plan-W empowerment program for women. Our Water of Life projects continue to deliver potable clean water to communities across the country in line with the Diageo's Society 2030 goals.

We continue to be the leading voice for promoting responsible drinking in the industry with a variety of initiatives including the recently launched e-learning drink driving module dubbed "Wrong Side of the Road" (WSOTR) program. We have also intensified our leadership of the campaign against underage drinking with our continued support of the



BOARD CHAIR'S STATEMENT

SMASHED program which has also now been introduced to and embraced by the Beer Sectoral Group (BSG) of the Manufacturers Association of Nigeria which Guinness Nigeria plc is currently leading.

The combined efforts of the program and that of the BSG has ensured that the SMASHED program has reached over 15,000 students across Nigeria - young teenagers and adolescents that have been educated about the dangers of underage consumption of alcohol and majority of whom have reported a change in attitude towards this menace on account of experiencing the SMASHED program.

We have also renewed our commitments to the principles of good environment, social and governance practices and are making giant strides in enhancing our diversity and inclusion credentials which are visible in all aspects of our corporate life including employee base, third party contractors and supply chain, as well as in the leadership of the organization as reflected in the composition of our Management team and Board.

Human Capital Development

As part of our ongoing strategy towards amplifying our Diversity and Inclusion initiatives, nine (9) women graduated from the Diageo Bar Academy (DBA) in May 2022 after intense weeks of training and skills acquisition. The specific training initiative under the DBA is a Diversity and Inclusion program designed to address the gender stereotypes and skill gaps peculiar to females in the drinks' hospitality and Bartending business.

On a related note, and in line with our commitment to foster inclusion and diversity within communities where we source, sell and live, employees of Guinness Nigeria commemorated this year's Valentine Day celebration by spending quality time with children in orphanages within our host communities in Lagos and Benin donating household items and groceries as a show of love and care to them.

During the year, Guinness Nigeria was the proud recipient of seven (7) prestigious awards at the Marketing Edge Annual National Marketing Summit of Brands & Advertising Excellence Awards, in recognition of its iconic brands. Guinness Nigeria plc was also recognised as the Outstanding FMCG Corporate Brand of the decade and several of our marketing professionals received outstanding marketing personalities awards.

It is also with pleasure that I report that I joined other Female Board Chairs representing our great Company, as a panellist for

the session organised by the Nigerian Exchange Limited. NGX, on the 2nd of March 2022 celebrating recently appointed Female Board Chairs of Listed Companies.

Our Response To The COVID 19 Pandemic

Guinness Nigeria continues to ensure a safe working environment for our people and business partners. During the year under review, Management continued its advocacy on Safe Work Environment. This is premised on ensuring a safe working environment for all our partners. Related to this is Management's continued encouragement for all employees to be fully vaccinated against the COVID-19 virus.

At the peak of the pandemic, our staff were properly equipped to work from home with devices and resources to support work out of the Office premises. With the gradual easing of COVID restrictions, the Return to Office (RTO) plan, a hybrid form of work where staff can elect to work 60% from the office and 40% from their homes was introduced. This is in recognition of the fact that even as restrictions caused by the COVID 19 pandemic are eased, our staff desire choices that fit their specific circumstances and needs while enabling them to work productively.

With the Government's lift on restrictions on COVID imposed

BOARD CHAIR'S STATEMENT

curfews and large gatherings, the Business still advocates for responsible safety practices through continuous advocacy, sustenance of personal hygiene initiatives, social distancing, wearing of face mask and hand washing with soap or applying hand sanitizers.

Our Crisis Management Team (CMT) continues to monitor the trends and takes proactive steps to address any situation which may impact the onsite wellbeing of all our stakeholders.

Board and Management Changes

I will also take this opportunity to inform our distinguished shareholders about the recent changes on the Board of the Company that took place between the last Annual General Meeting till date.

On the 1st of November 2021, Mr. Emmanuel Difom was appointed as the Finance and Strategy Director of the Company. Mr. Difom comes with more than fifteen years of experience as a Finance Director with proven functional, strategic and leadership capabilities and a solid background in FMCG, Oil and gas and Banking sectors. Please join me in welcoming Emmanuel to the Guinness Nigeria family as he brings his wealth of experience and dynamism to our Company and the Board.

It is with mixed feelings that I inform you of the retirement

of Mrs. Zainab Abdurrahman from the board of the Company effective from the 1st of February 2022, after about ten years of excellent service and contribution to the growth of the Company. Mrs. Abdurrahman amongst other feats was instrumental to securing Halal certification for our Malta Guinness brand and was a prominent member of the Statutory Audit Committee as well as the Finance, Audit and Risk Committee whilst on the Board.

Similarly, within the financial year and effective on the 30th of June 2022, Mr. John O'Keeffe, our highly regarded Vice Chairman retired from the Board of Guinness Nigeria Plc. Mr. O'Keeffe was appointed to the Board of Guinness Nigeria on 1st July 2015 and elected as the Vice Chairman of the Board with effect from 19th September 2016. Until his retirement, he served as the chairman of the Nomination, Governance and Remunerations Committee of the Board and provided excellent leadership and support for the business during his time on the Board. We would undoubtedly miss both Mrs. Abdurrahman and Mr. O'Keeffe for their immense contribution, wise counsel, support, and professional approach to issues affecting the business and thank them for their outstanding contributions to the growth of the Company.

On a related note, and with great delight, the Board announces the appointment of Mr. Dayalan Nayager as a Non-Executive Director and Vice Chairman of the Board of Guinness Nigeria Plc with effect from the 1st of July 2022. The Board looks forward to the confirmation of this appointment by our esteemed shareholders.

Mr. Nayager, the erstwhile Managing Director, Diageo Great Britain, brings to the Board extensive experience in the consumer goods industry, having previously held leadership roles within Diageo and across Commercial, Supply Chain, R&D and Marketing positions for other multi-nationals in Africa. Distinguished Shareholders, please join me in welcoming Dayalan to the Guinness Nigeria family and extending our best wishes for great success.

In a bid to strengthen its capacity, the Board is pleased to announce the appointment of Mrs. Tariye Gbadegesin as an Independent Non-Executive Director of the Company effective from the 27th July 2022 subject to the confirmation of her appointment at this General Meeting.

Mrs. Gbadegesin is an investment professional and brings to the Board over 20 years' experience in finance, principal investments, and infrastructure. Kindly join me in welcoming Tariye to the Board as the Company is optimistic that its leadership would be further strengthened through her invaluable experience and contributions.



BOARD CHAIR'S STATEMENT

Similarly, our Leadership Team witnessed some changes with the commendable move of our own Mrs Adenike Adebola, former Marketing and Innovation Director to a global role as the Innovation Director for Diageo in Africa. I am pleased to announce her replacement in the person of Mr. Mark Mugisha, our new Marketing & Innovation Director. Mark brings with him vast experience from his years at the Kenyan and Tanzanian markets, and it is my pleasure to welcome Mark to our dear Company whilst looking forward to great impact within the business.

Dividend

The Board recognizes the importance of returns generated for our esteemed shareholders' investments and support. It is based on the foregoing and the continued confidence on the prospects of our business, supported by the credible 2022 Financial year results that the Directors will propose to shareholders at the Annual General Meeting the payment of a dividend in the sum of N7.14 for every ordinary share of 50 kobo, representing a significant increase from the amount paid as dividend last year.

The Future

Fellow distinguished stakeholders, on behalf of the Board and Management of this great Company, I am pleased to report all these commendable

initiatives and make bold to say that we should all be proud to be associated with this Company.

As we approach the coming general elections in our great nation and continue to tackle socio economic challenges, the Board and Management of Guinness Nigeria remains resolute in the execution of its business strategy, as well as its engagement with stakeholders across its value chain. We remain firmly committed to having a positive impact on those around us and our consumers; and we continue to take giant strides towards keeping this commitment.

Conclusion

There can be no better time than to relay the corporate fulfilment and pride which your Company holds today as we mark the 72nd Annual General Meeting with our heads held high due to the many achievements attained. The impressive financials as at year end of 30th June 2022 is testament of a successful year. Our shares remain one of the most sought after on the Nigerian Stock Exchange, now known as Nigerian Exchange Limited (NGX), reflecting an impressive increase from its value at the beginning of the 2022 financial year. Our new office complex is a state-of-the-art edifice delivering collaborative, creative and connected work facilities for our employees.

These and many more could not have been actualized without the support received from all our stakeholders, our esteemed shareholders, distributors, business partners, regulators, employees, and the Guinness Leadership Team.

To our dear shareholders, the Board of Directors remains optimistic and as resilient as ever to take the current and future business challenges head-on, sustain the profitability of our business and maintain our rightful place in a highly competitive market.

Thank you.



Dr Omobola Johnson

Board Chair/Independent Non-Executive Director
Guinness Nigeria Plc

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FOR EVERY OCCASION.

Directors' Report

The Directors are pleased to present to members their report together with the financial statements of Guinness Nigeria Plc (the Company) for the year ended 30 June 2022.

Legal Form and Principal Activities

Guinness Nigeria Plc, a public limited liability company quoted on the Nigerian Stock Exchange was incorporated 29 April 1950 as a trading company importing Guinness Stout from Dublin. The Company has since transformed 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, 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.

Following the approval of the Board of Directors ("the Board"), Guinness Nigeria Plc acquired the rights to import, market, distribute and sell in Nigeria the International Premium Spirit brands of Diageo plc ("Diageo"), its parent company with effect from 1st January 2016. The Company now has exclusive distribution rights to Diageo's iconic brands in Nigeria including Baileys, Smirnoff, Gordons, Captain Morgan, Tanqueray, Ciroc, Singleton and the Johnnie Walker range.

Guinness Nigeria Plc also acquired the right to manufacture locally some of the most successful mainstream spirits brands in Nigeria that are part of Diageo brands including Baileys Delight, Smirnoff Vodka with Chocolate and Gordons Gin with Moringa. Our relationship with Diageo has also enabled us acquire the right to import, market, sell as well as the right to produce locally the world famous MrDowell's whiskey and Royal Challenge whiskey in Nigeria. More recently in the past financial year, the Company has also commenced to local production of the Captain Morgan Gold Rum in Nigeria. This exciting diverse portfolio of fantastic brands makes Guinness Nigeria Plc the only Total Beverage Alcohol (TBA) business in Nigeria with the experience and unique capacity to cater for the needs of all consumer tastes and segments while delivering great value to its shareholders.

Operating Results

The following is a summary of the Company's operating results:

	2022 ₦'000	2021 ₦'000
Revenue	206,822,127	160,416,257
Profit from operating activities	23,900,060	9,871,498
Net finance costs	(225,899)	(4,101,988)
Profit before income tax	23,674,161	5,769,510
Tax expense	(8,022,799)	(4,514,172)
Profit for the year	15,651,362	1,255,338
Other comprehensive loss, net of tax	(51,626)	(6,903)
Total comprehensive income for the year	15,599,736	1,248,435

Dividend

N15,639 million dividend has been recommended by the Board of Directors for approval at the forthcoming Annual General Meeting (2021: N1,008 million).



DIRECTORS' REPORT

Board Changes

There have been some changes in the Board composition since the last Annual General Meeting held on the 26th October, 2021. However, the Board remains adequately resourced and well-structured to provide the requisite strategic direction for Management and general oversight for the company.

In the 2022 financial year, Mr. Emmanuel Difom (Cameroonian) was appointed as the Finance & Strategy Director effective 1st November 2021, while Mrs. Zainab Abdurrahman retired from the Board of Directors effective 1st February 2022 after serving meritoriously on the Board of Directors for about 10 years.

Similarly, during the year, Mr. John O'Keeffe, our indefatigable Vice Chairman and hitherto the President for Diageo Africa took up a new role with another Diageo Market with effect from the 30th of June 2022 and consequently, Mr O'Keeffe retired from the Board of Guinness Nigeria after over 8 years. The Board also approved the appointment of his successor in the person of Mr. Dayalan Nayager who joined the Board as a non-executive director and vice chair of the Board with effective from 1st July 2022.

In addition, the Board of Directors at its meeting held on 27th July 2022 approved the appointment of Mrs. Tariye Gbadegesin as an independent non-executive director of the Company with effect from 27th July 2022.

In accordance with the Articles of Association of the Company and the provisions of the Companies and Allied Matters Act Cap C20 2020, Mr. Emmanuel Difom, Mr. Dayalan Nayager and Mrs. Tariye Gbadegesin are hereby presented to the members for ratification of their appointments effective 1st November 2021, 1st July 2022 and 27th July 2022 respectively. The Directors to retire by rotation are Messrs Leo Breen, Mark Sandys and Dr. Omobola Johnson and being eligible hereby offer themselves for re-election.

Record of Directors' Attendance

The register showing directors' attendance at Board Meetings will be made available for inspection at the Annual General Meeting as required by Section 284(2) of the Companies and Allied Matters Act, 2020.



DIRECTORS' REPORT

Directors and their interests

The interests of Directors who served on the Board in the issued share capital of the Company during the financial year as recorded in the Register of Members and/or notified by the Directors for the purpose of Section 301 of the Companies and Allied Matters Act 2020 and in compliance with the listing requirements of the Nigerian Exchange Limited are as follows:

Directors	As at 30 June 2022 No. of Shares	As at 30 June 2021 No. of Shares
Omobola Johnson (Dr)	10,000	Nil
R. J. O'Keeffe	Nil	Nil
B. Magunda	Nil	Nil
Z. Abdurrahman	Nil	Nil
Amb. S. T. Dogonyaro	Nil	Nil
Emmanuel Difom	Nil	Nil
Ngozi Edozien (Ms.)	Nil	Nil
Mr. Leo Breen	Nil	Nil
Mr. Mark Sandys	Nil	Nil
M. O. Ayeni (Mrs.)	75,000	75,000
F. Ajogwu, SAN (Prof.)	Nil	Nil

Directors' Interest in Contracts

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act 2020 of any declarable interest in contracts in which the Company is involved.

Shareholding and Substantial Shareholder

As at 30th June 2022, the issued and fully paid-up share capital of the Company is 2,190,382,819 ordinary shares of 50 kobo each (2021: 2,190,382,819 ordinary shares of 50 kobo each). The Register of Members shows that the following Shareholders held more than 5% interest in the Company:

- Guinness Overseas Limited (a subsidiary of Diageo plc) with 1,099,230,804 ordinary shares (2021: 1,099,230,804 ordinary shares) constituting 50.18% shareholding (2021: 50.18% shareholding);
- Atalantaf Limited (a subsidiary of Diageo plc) with 171,712,564 ordinary shares (2021: 171,712,564 ordinary shares) constituting 7.84% shareholding (2021: 7.84% shareholding);
- Stanbic IBTC Nominees Limited with 136,610,979 ordinary shares (2021: 119,250,813 ordinary shares) constituting 6.24% shareholding (2021: 5.44% shareholding);
- Mutima Opportunity Fund LP with 112,502,111 ordinary shares (2021: 112,502,111 ordinary shares) constituting 5.14% shareholding (2021: 5.14% shareholding).

Diageo Plc is the parent company of Guinness Overseas Limited and Atalantaf Limited and that Messrs O'Keeffe, Nayager, Breen and Sandys, who served as non-executive directors of Guinness Nigeria Plc at various times during the year are employees of Diageo Plc.



Report on Corporate Governance

Good corporate governance practices constitute the hallmark of our corporate culture in Guinness Nigeria Plc. Our actions and interactions with our consumers, customers, employees, government officials, suppliers, shareholders and other stakeholders reflect our values, beliefs and principles.

Our business is largely self-regulated and we pride ourselves as leading our peers in the industry and in Nigeria in this regard. In addition to self-regulation at standards often above the minimum legal or regulatory requirements, we are committed to conducting business in line with best practice, in accordance with applicable laws and regulations in Nigeria, in line with the requirements of the Nigerian Stock Exchange (now NGX) as well as in compliance with the Code of Corporate Governance in Nigeria.

To further sustain our commitment to ethical business standards, values of integrity, honesty and fairness, as well as good corporate governance, Guinness Nigeria Plc signed up to and has remained a member of the Convention on Business Integrity in Nigeria since September 2011. The Board and the Company was also successfully re-certified under the Corporate Governance Rating System (CGRS) implemented by the Nigerian Stock Exchange.

The Company complied with other corporate governance requirements during the year under review as set out below:

1. Board of Directors

The Board is responsible for the oversight of the business, long-term strategy and objectives, and the oversight of the Company's risks while evaluating and directing implementation of Company controls and procedures including, in particular, maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. There are currently four (4) regularly scheduled Board meetings during each financial year, and the Board meets whenever required to ensure the discharge of its functions. In the course of the past financial year, the Board met a total of four (4) times to deliberate on matters related to the Company with active participation from all Directors.

2. Composition of the Board of Directors and Procedure for Board Appointments

During the financial year 2022, the Board consisted of the Board Chair, 8 non-executive directors and 2 executive directors. Six (6) of the non-executive directors are independent as defined under the provisions of the Code of Corporate Governance 2018. The Board is independent of Management of Guinness Nigeria PLC and its parent company Diageo, and the members of the Board are free from any constraints, which may materially affect the exercise of their judgement as directors of the Company.

All directors are selected and appointed on the basis of core competencies that strengthens the capacity of the Board including experience in marketing, general operations, strategy, law, corporate governance and compliance, business consulting, human resources, technology, media or public relations, finance or accounting, retail, consumer products, international business/markets, diplomacy, public affairs and government relations, logistics, product design, merchandising, general management or other relevant experience. In

addition to having one or more of these core competencies, candidates for appointment as Directors are identified and considered on the basis of their knowledge, experience, integrity, diversity, leadership, reputation, and ability to understand and contribute to the enhancement of the Company's business.

3. Separation of the positions of Chairman and Managing Director

In accordance with good corporate governance practices, the positions of the Managing Director and that of the chair of the Board are occupied by different persons; and the Managing Director is responsible for implementation of the Company's business strategy set by the Board and for the day-to-day management of the business.

4. Schedule of Matters Reserved for the Board

The following are the matters reserved for the Board of Directors of the Company:

i. Strategy and management

- Input into the development of the long-term objectives and overall commercial strategy for the Company.
- Oversight of the Company's operations.
- Review of performance in the light of the Company's strategy, objectives, business plans

and budgets and ensuring that any necessary corrective action is taken.

- Extension of the Company's activities into new business or geographic areas.
- Any decision to cease to operate all or any material part of the Company's business.

ii. Structure and capital

- Changes relating to the Company's capital structure including reduction of capital, share issues (except under employee share plans) and share buy backs.
- Major changes to the Company's corporate structure.
- Changes to the Company's management and control structure.
- Any changes to the Company's listing or its status as a publicly listed company.

iii. Financial reporting and controls

- Approval of preliminary announcements of interim and final results.
- Approval of the annual report and accounts, including the corporate governance statement.
- Approval of the dividend policy.
- Declaration of the interim dividend and recommendation of the final dividend.

- Approval of any significant changes in accounting policies or practices.
- Approval of treasury policies including foreign currency exposure.

iv. Internal controls

Ensuring maintenance of a sound system of internal control and risk management including:

- Receiving reports from the Finance, Audit and Risk Committee and reviewing the effectiveness of the Company's risk and control processes to support its strategy and objectives;
- Undertaking an annual assessment of these processes through the Finance, Audit and Risk Committee;
- Approving an appropriate statement for inclusion in the annual report.

v. Contracts

- Major capital projects.
- Contracts which are material strategically or by reason of size, entered into by the Company in the ordinary course of business, for example bank borrowings and acquisitions or disposals of fixed assets of amounts above the threshold reserved for executive directors under the Schedule of Limits and Authorities.
- Contracts of the Company

DIRECTORS' REPORT

(or any subsidiary) not in the ordinary course of business, for example loans and repayments; foreign currency transactions and; major acquisitions or disposals of amounts above the thresholds reserved for Executive directors under the Schedule of Limits and Authorities.

- Major investments including the acquisition or disposal of interests of more than five (5) percent in the voting shares of any company or the making of any takeover offer.

vi. Communication

- Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- Approval of all circulars and listing particulars (approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights could be delegated to a committee).
- Approval of press releases concerning matters decided by the Board.

vii. Board membership and other appointments

- Changes to the structure, size and composition of the Board, following recommendations from the Nominations,

Governance and Remuneration Committee.

- Ensuring adequate succession planning for the Board and senior management following recommendations from the Nominations, Governance and Remuneration Committee.
- Appointments to the Board, following recommendations by the Nominations, Governance and Remuneration Committee.
- Approval of appointment of the Chairman of the Board following recommendations by the Nominations, Governance and Remuneration Committee.
- Appointment of non-executive directors including independent directors following recommendations by the Nominations, Governance and Remuneration Committee.
- Membership and Chairmanship of Board Committees.
- Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the Annual General Meeting and otherwise as appropriate.
- Continuation in office of non-executive directors at any time.
- Appointment or removal of the company

secretary following recommendations by the Nominations, Governance and Remuneration Committee.

- Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Finance, Audit and Risk Committee.

viii. Remuneration

- Approval of the remuneration policy for the directors, company secretary and other senior executives following recommendations by the Nominations, Governance and Remuneration Committee.
- Approval of the remuneration of the non-executive directors, subject to the Articles of Association and shareholder approval as appropriate following recommendations by the Nominations, Governance and Remuneration Committee.
- The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval following recommendations by the Nominations, Governance and Remuneration Committee.

ix. Delegation of authority

- The division of responsibilities between the Board Chair and the Chief Executive Officer, which should be in writing.
- Approval of terms of reference of Board Committees.
- Receiving reports from Board Committees on their activities.

x. Corporate governance matters

- Undertaking a formal and rigorous review of its own performance, that of its Committees, Appointed Chair and individual Directors.
- Determining the independence of Directors.
- Considering the balance of interests between shareholders, employees, customers and the community.
- Review of the Company's overall corporate governance arrangements.
- Receiving reports on the views of the Company's shareholders.

5. Induction and Training

The Company has in place a formal induction program for newly appointed Directors. As part of this induction, each new Director is provided with core materials and asked to complete a series of introductory meetings to become knowledgeable about

the Company's business and familiar with the senior management team. Newly appointed Directors are also conducted round the production facilities of the Company to gain first-hand knowledge of the production process and the emphasis placed on health and safety by the Company.

The Nominations, Governance and Remuneration Committee is in charge of evolving a continuing education programme to ensure existing Directors stay current with the Company's business and objectives as well as relevant industry information and other external factors such as corporate governance requirements and best practices. As part of the programme, Directors are encouraged to periodically attend appropriate continuing education seminars or programmes which would be beneficial to the company and the Directors' service on the Board.

6. Performance Evaluation process

The Board established a system to undertake a formal and effective annual evaluation of its performance and that of its Committee, the Board Chair and the individual directors. The assessment is conducted to ensure the Board, Committees, and individual directors are effective and productive and to identify opportunities for improvement especially in the light of the constantly changing dynamics of the business world and the industry in which the Company operates.

In 2022, the firm of DCSL Corporate Services Ltd was engaged as external Consultants to carry out the Performance Evaluation of the Board and Corporate Governance audit of the Company for the year ended 30th June 2022.

The review of the Consultants showed that the Board is apprised of its role as the custodian of good governance practice and has demonstrated strong commitment in enthrone good governance practices in the Company.

The appraisal also revealed that the Board continues to prioritize an annual review of its performance and implement recommendations therefrom in order to further strengthen the sound corporate governance culture that has taken firm root at Guinness Nigeria Plc.

7. Attendance at Board Meetings

The Board held four (4) regular quarterly meetings during the 2022 financial year. The following table shows the membership and attendance of directors at Board meetings during the 2022 financial year:

DIRECTORS' REPORT

Directors	25/08/21 Quarterly Board Meeting	26/10/21 Quarterly Board Meeting	26/01/22 Quarterly Board Meeting	27/04/22 Quarterly Board Meeting	Total Number of Meetings Attended
1 O. Johnson (Dr.)	P	P	P	P	4
2 R. J. O'Keeffe	P	P	P	P	4
3 B. Magunda	P	P	P	P	4
4 Z. Abdurrahman*	P	P	P	N/A	3
5 S. T. Dogonyaro (Amb.)	P	P	P	P	4
6 N. Edozien (Ms.)	P	P	P	P	4
7 L. Breen	P	P	P	P	4
8 M. Sandys	P	P	P	P	4
9 M. O. Ayeni (Mrs.)	P	P	P	P	4
10 F. Ajogwu, SAN (Prof.)	P	P	P	P	4
11 E. Difom**	N/A	P	P	P	3

* Z. Abdurrahman (Mrs.) retired from the Board effective 1st February 2022

** E. Difom (Cameroonian) was appointed Finance & Strategy Director effective 1st November 2021

P – Present N/A – Not Applicable as Director did not hold this office at the time

8. Board Committees

The Board undertook a review and re-evaluation of performance of its Committees, their constitution, functions and composition during the outgoing financial year in the light of the new Code of Corporate Governance 2018. The rationale for the changes to the Composition of the Board Committees were to achieve adequate spread of the workload and rotation of directors taking into cognizance skill set and experience of members of the Board. As at the date of this report, the Company has in place, the following Board Committees:

A. Nominations, Governance and Remuneration Committee

Among other responsibilities, the Nominations, Governance and Remuneration Committee is charged with instituting a transparent procedure for the appointment of new directors to the Board and making recommendations to the Board regarding the tenures, re-appointment and remuneration of Non-Executive directors on the Board. The Committee was recently reconstituted and renamed with its role and responsibilities expanded in line with the provisions of the Code of Corporate Governance of 2018. The Committee provides a written report highlighting its deliberations and recommendations to the Board on a quarterly basis.

The Committee comprised of the following members during the financial year:

Mr. R. J. O'Keeffe	-	Committee Chairman
Amb. S.T. Dogonyaro	-	Committee Vice Chairman
Mr. Mark Sandys	-	Member
F. Ajogwu, SAN (Prof.)	-	Member

DIRECTORS' REPORT

The Committee met five (5) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

Directors	25/8/ 2021	24/9/ 2021	26/1/ 2022	21/3/ 2022	26/4/ 2022	Total No. of Meetings Attended
1 Mr. R. J. O'Keeffe	P	P	P	P	P	5
2 Amb. S.T. Dogonyaro	P	P	P	P	P	5
3 Mark Sandys	P	P	P	P	P	5
4 F. Ajogwu, SAN (Prof.)	P	P	P	P	P	5

P – Present

B. Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee was also reconstituted and strengthened in the recent past to bring its expanded role and responsibilities in line with the provisions of the Code of Corporate Governance of 2018. The Committee is responsible for monitoring the integrity of the financial statements of the Company and reviewing the effectiveness of the Company's internal control and risk management system. It performs the Board audit functions among other responsibilities. The Committee comprises five (5) Non-Executive Directors who are mostly independent and with a wide range of financial, commercial and international experience. Members of the Committee as reconstituted and who served during the year are:

M.O. Ayeni (Mrs.)	– Appointed Committee Chair with effect from 25th August 2021
N. Edozien (Ms.)	– Member
Prof. F. Ajogwu	– Appointed with effect from 25th August 2021
L. Breen	– Member
Z. Abdurrahman	– Member

The Committee met four (4) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

Directors	24/8/2021	15/10/2021	25/1/2022	26/4/2022	Total No. of Meetings Attended
1 Y.A. Ayeni	N/A	P	P	P	3
2 F. N. O. Edozien (Ms.)	P	P	P	P	4
3 Prof.F. Ajogwu	N/A	P	P	P	3
4 L. Breen	P	P	P	P	4
5 Z. Abdurrahman (Mrs.)*	P	P	P	N/A	3

* Z. Abdurrahman (Mrs.) retired from the Board effective 1st February 2022

P – Present | N/A – Not Applicable as Director did not hold this office at the time



DIRECTORS' REPORT

Each of the Committee's meetings was attended by the Finance and Strategy Director, the Financial Controller, the Head, Controls, Compliance and Ethics, the Legal Director and the Head of Corporate Security and Brand Protection; and each provided updates and assurances to the Committee on the adequacy of the actions being taken to mitigate any risks identified in the areas of the business they are responsible for. The engagement partner of the external auditors, PwC was also present with other key members of his team. Other senior management members were invited from time to time to brief the Committee on agenda items related to their areas of responsibilities.

During the year, the Committee reviewed the Company's quarterly financial reports, the annual report and accounts and the management letter before recommending their approval to the Board. The Committee also reviewed the critical accounting policies, judgements and estimates applied in the preparation of the financial statements.

Similarly, the Committee reviewed reports on significant tax risks, management of the risk of fraud, risks relating to elections in certain parts of the country held during the financial year, other current and emerging risk issues affecting the Company's operations, as well as the related controls and assurance processes designed to manage and mitigate such risks. The focus of the Committee also included the risks posed to the Company by the Covid-19 pandemic, the significant risk of lack of access to adequate foreign exchange required for the operations of the Company as well as the disruptions to international supply chain occasioned by the war between Russia and Ukraine. This is in addition to receiving regular updates on the Company's controls and governance environment.

The Committee reviews the plans of both the internal and external auditors and approves the plans at the beginning of the financial year. The Board was kept updated and informed at its regular quarterly meetings of the activities of the Finance Audit and Risk Committee through the minutes of the Committee meeting and verbal updates provided to the Board by the chair of the Committee which is included as a regular item on the agenda of Board meetings.

C. Statutory Audit Committee

The Company has a Statutory Audit Committee set up in accordance with the provisions of the Companies and Allied Matters Act. The Committee consists of five members comprising of three elected members representing shareholders and two non – executive directors. The membership of the Statutory Audit Committee is in accordance with the provisions of applicable extant laws from time to time. The Committee evaluates annually, the independence and performance of external auditors, receives the interim and final audit presentation from the external auditors and also reviews with management and the external auditors the annual audited financial statements before its submission to the Board.

During the year, the Committee reviewed and approved the audit plan and scope of the external auditors for the financial year and reviewed the quarterly and half-yearly financial results before presentation to the Board. The Committee also makes recommendations to the Board on the appointment and remuneration of external auditors and received reports from Management on the accounting system and internal controls framework of the Company. The members of the Committee also periodically participate in training sessions specifically targeted at improving their performance and oversight capacity.

DIRECTORS' REPORT

The members of the Statutory Audit Committee during the 2022 financial year are as follows:

M. O. Igbrude	– Chairman/Shareholder
N. Okwuadigbo	– Shareholder
G. O. Ibhide	– Shareholder
Z. Abdurrahman (Mrs.)	– Independent Non - Executive Director
M. O. Ayeni (Mrs.)	– Independent Non-Executive Director (ceased being a member with effect from 25th August 2021)
N. Edozien	– Independent Non-Executive Director (appointed a member with effect from 25th August 2021)

The Committee met four (4) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

Members	25/8/ 2021	15/10/ 2021	25/1/ 2022	26/4/ 2022	Total No. of Meetings Attended
1 M. O. Igbrude	P	P	P	P	4
2 G. O. Ibhide	P	P	P	P	4
3 N. Okwuadigbo	A	P	P	A	2
4 Z. Abdurrahman (Mrs.)*	P	P	P	N/A	3
5 M. O. Ayeni (Mrs.)	P	N/A	N/A	N/A	1
6 N. Edozien (Ms.)	N/A	P	P	P	3

* Z. Abdurrahman (Mrs.) retired from the Board effective 1st February 2022

P – Present | A – Absent | N/A – Not Applicable as Director did not hold this office at the time

D. Special Projects Committee

During the financial year under review, the Board of Directors approved the constitution of a Special Projects Committee set up in accordance with the provisions of the Company's Articles of Association and the Companies and Allied Matters Act 2020.

The members of the Special Projects Committee during the 2022 financial year are as follows:

Mrs. Yemisi Ayeni	– Committee Chair
Amb. Sunday Dogonyaro, OON	– Member
Prof. Fabian Ajogwu, SAN	– Member

Directors	6/8/2021	21/4/2022	Total No. of Meetings Attended
1 Mrs. Yemisi Ayeni	P	P	2
2 Amb. Sunday Dogonyaro, OON	P	P	2
3 Prof. Fabian Ajogwu, SAN	P	P	2

P – Present



DIRECTORS' REPORT

9. Code of Business Conduct and Code of Governance for Directors

As a responsible corporate member of the society in which we operate, we are not just interested in being the best performing consumer products company, we are equally committed to our ambition to become the most trusted and respected business in Nigeria.

Our company's success has its foundation on the responsible business practices that have been adopted and it is imperative to protecting our value chain and the communities in which we operate.

The Company has a Code of Business Conduct (COBC) which is based on our purpose and core values as an organization. The COBC is our minimum standards and at the heart of it is a culture of "Acting with Personal Integrity" at all times as we engage with internal and external stakeholders. The COBC is applicable to all employees, directors, and business partners of the Company. Our COBC covers salient themes which include Health, Safety and Personal Security, Bribery and Corruption, Responsible Drinking, Money Laundering, Discrimination and Human Rights, Information Management and Security, Quality, Insider trading, Conflict of Interest, Competition and Anti-Trust, Data Privacy, Relationships with customers, suppliers and other business partners, External

Communications, and social media amongst others.

Fairness, integrity and transparency are the principles that are applied in all our business dealings as entrenched in our COBC and in line with international best practices. Training, awareness and communication programs as well as compliance monitoring mechanisms are in place to ensure that all relevant stakeholders remain aware of and continue to comply with the provisions of our COBC and policies.

For many years, we have sustained continuous engagements with our people (contractors and employees) in building understanding of our Code, Policies and Corporate Governance principles and to further embed our ethical standards in their daily activities. This way, we expect that they will choose to do the right thing everyday and everywhere and we insist on this as a prerequisite for continuing business relationships with our partners. Key policies covered in these engagements are Anti-Bribery and Corruption, Health and Safety, Competition and Anti-Trust, Responsible Drinking, Conflict of Interest Declaration, Dignity at Work and Data Privacy. All directors subscribe to and re-certify their commitment to the COBC on an annual basis. Our employees and contractors also complete mandatory policy trainings rolled out by Diageo and sign up to our Annual Certificate of Compliance.

We have also established and continually work to sustain a culture in which employees feel comfortable raising concerns about potential breaches of our COBC or policies. We expect anyone who comes across a breach to report it immediately, either through a confidential and independently managed whistleblowing helpline- Speak-Up, to their Line Managers, to a member of the Business Integrity team, the Human Resources or Legal teams. Our approach to breach management is embedded in the Diageo Breach Management Standard and our local Disciplinary Policy. All allegations are taken seriously and those that require action are investigated and addressed promptly. We monitor breaches to identify trends or common areas where further action may be required, and learnings are used to further educate our people.

10. Statement of Company's Risk Management Policies and Practices

The Board of Directors has the responsibility of ensuring the maintenance of a sound system of internal control and risk management which it does through its Finance, Audit and Risk Committee. In compliance with the requirements of the Code of Corporate Governance and with extant regulations as may be revised from time to time, Management provided assurances to the Board during the financial year that the risk management, control and compliance systems in Guinness Nigeria Plc are operating efficiently and effectively. These assurances are examined critically by the Board through its Finance, Audit and Risk Committee

DIRECTORS' REPORT

at its quarterly meetings and its findings are reported to the Board on a quarterly basis.

Guinness Nigeria Plc's approach to risk management is in line with Diageo's Global Risk Management Standard. On an annual basis, we undertake a holistic risk mapping and assessment to identify top internal and external existing or emerging risks which are thereafter ranked based on their likelihood of occurrence and their impact on the business. These risks are assigned to specific owners who are then tasked with ensuring that robust plans are in place to mitigate these risks or prevent them from crystallizing. These risks and mitigation plans are reviewed on a quarterly basis at the Risk Management Committee (RMC) meeting which is chaired by the Managing Director and comprise the heads of functions and other extended leadership team members. We have continued to sustain a strong control program through our Controls Assurance and Risk Management (CARM) framework, which also ensures Guinness Nigeria Plc complies with all relevant local and international legislations including the Sarbanes Oxley Act 2002.

Speed and agility to quickly adapt to change are now critical success factors for any business particularly on account of the heightened national security issues, significant inflationary environment, forex inaccessibility and impact of the pandemic in our business world, all of which have now been further compounded by the impact of the war in Ukraine on global supply chains. Guinness Nigeria Plc continues to improve its flexibility and implement strategies that enable the business to adapt to the changes that are continuously happening in the economy. During the outgoing year, the Board ensured that all emerging risks were carefully managed to ensure our robust control environment and assurance program remains effective while adapting to the rapid changes that the business experienced.

There remains a regular review and monitoring of the overall risk and control environment of the business by the Risk Management Committee at management level and by the Finance, Audit and Risk Committee of the Board; and implementation of Crisis Management and Business Continuity Plans which are regularly tested for effectiveness.

Compliance

Responsible business practices serve as the foundation of our Company's success and is imperative to protecting our value chain and the communities in which we operate. We nurture a culture of ethical leadership and integrity in our diverse, skilled workforce committed to serving all those who count on us to provide high-quality, safe and reliable products. Whether we are seeking to protect the data and privacy of our business partners and consumers, being transparent about our

business activities, engaging with suppliers or assessing options for safe and ethical decision-making, we seek to sustain the trust earned over the course of our seven decades of business operations in Nigeria.

Ethics and Anti-Corruption

Guinness Nigeria has an Antibribery and Corruption Policy, and a Competition and Anti-trust Policy which all employees must comply with. As a subset of the Anti-Bribery and Corruption Policy is the Gifts and Entertainment Rules which provides mandatory guidance on giving and receiving of gifts and entertainment to mitigate against the risks of conflict of interest and engaging favours for payments, especially to Government Officials.

Our employees, business partners, including customers and vendors, are constantly engaged on our anti-corruption drive through policy trainings, onboarding programs, contracts or policy refresh activities.

Transparent Grievance Mechanism Process

Our internal and external reporting and complaints channels are supported by a whistleblowing line, set up to encourage employees anonymously report infringements of our Code of Business Conduct, internal standards, or applicable laws. Improper conduct is never in Guinness Nigeria's interest and being fully aware that improper



DIRECTORS' REPORT

conduct can damage our reputation and trustworthiness, we ensure all our employees place great importance on ethically impeccable norms.

Through the whistleblowing line, employees are advised to report unethical or unlawful behaviour and actual or suspected breaches of all internal policies or laws and regulations that are capable of undermining our integrity or that may pose a threat to our business. Employees may report to: Line Managers, Legal, Corporate Security, Human Resources, Business Integrity (BI) or SpeakUp by calling 2000 or 07080601240, or via the dedicated SpeakUp web reporting channel at www.diageospeakup.com. Business Partners and Customers are also encouraged to report actual or suspected breaches via the aforementioned SpeakUp channels.

Diversity and Inclusion

At Guinness Nigeria, we understand that for us to thrive and achieve our goal as the best performing, most trusted and respected consumer products company in Nigeria, we must build a diverse and inclusive workforce that reflects the totality of our customer and consumer base. We believe we have a stronger company when the diversity of our employees reflects the customer, communities and people who are bonded by our products.

We are aware that teams consisting of persons with varying



opinions and experiences generate more insights and ideas. By sharing candid, collaborative and productive conversations we can solve our toughest challenges. For Guinness Nigeria Plc, diversity is viewed as an enabler for organizational growth and sustenance and we possess overarching values and purpose that accommodate and respect the contribution of each team member.

Creating Direct and Indirect Employment

As a manufacturer of fast moving consumer goods, we foster operational efficiency to ensure that gaps are non-existent in terms of availability of our products. As such, we engage people and provide jobs in different spheres including production, logistics, marketing, sales and administration – across the country. For the reporting year, we subscribed to local suppliers in the agricultural value chain, logistics and in some of our packaging materials. Our retail and hospitality sectors are not left out, as they serve as the vehicle through which our products reach our consumers, also generating indirect employment for individuals.

11. Dealings in Securities Code

In line with relevant legal and regulatory provisions, the Company continues to monitor compliance with its Dealings in Securities Code (DSC), which prescribes a code of behaviour by directors and senior employees, as well as those in possession of market sensitive information relating to the Company. Affected persons are prohibited from dealing in the Company's securities during closed periods and are mandated to obtain consent to deal from appropriate senior executives of the Company. During the year under review, the Company Secretary, who is the designated Code Manager tasked with ensuring adherence to the provisions of the DSC, regularly issued Closed Period Notifications to directors, employees and other relevant persons under the DSC.

Sustainability Statement

Our Environmental Social and Governance agenda is fully aligned with that of our parent Company – Diageo which is hinged on the United Nations Sustainable Development Goals launched in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. **Society 2030: Spirit of Progress** is our 10year action plan towards the achievement of the SDGs in our company, with our communities and for society, and it is underpinned by 3 major pillars: **Promote Positive Drinking, Inclusion & Diversity** and **Pioneering Grain to Glass Sustainability**.

Our aim is to be recognized as the best performing, most trusted and respected consumer products company in Nigeria and we understand that to achieve this we need to deliver on our sustainable development commitments. Full details of our Sustainability activities for the year ended 30th June 2022, will be captured in a separate Sustainability Report which is published annually.

Health And Safety

Guinness Nigeria is committed to prioritizing the safety, health, and wellbeing of our employees. Our vision remains to create a proactive safety culture where everyone working for and on behalf of Guinness Nigeria understands that Occupational Health and Safety incidents are preventable, and act in such a manner that demonstrates personal commitment to the safety agenda.

In F22, we intensified effort towards sustaining the milestone achievements recorded in F21. More focus was given to implementing bespoke programs to fully bring on board our 3rd party contractors and our logistics and transporters service providers to entrench **Diageo's Zero Harm** Strategy and achievement of interdependent safety culture. We successfully implemented various safety programs across the Supply and Demand functions leveraging internal and external resources. In the year under review, we prioritized three key aspects: getting the

basics right with compliance, strengthening safety leadership and accountability, and roll out of behaviour-based safety as part of our safety transformation program. The impact of this is visible across all our safety indicators and our F22 overall business results.

In addition, to the safety transformation program, we intensified efforts on safety training, safety awareness and audits, to disproportionately expand the base of the safety pyramid and reduce incidences of lagging indicators. We introduced additional rewards and recognition programs to further strengthen reporting and swift close out of unsafe conditions and near-misses.

In terms of the safety numbers, we recorded no occupational health & safety fatality across own, contractor or 3rd party logistics transporter employees in F22. The improvement in safety numbers made in F22 are detailed in table 1.1 below. Overall, there was a 54% improvement in safety performance over F21..

Type of incident	Number of Incidents in F21	Number of Incidents in F22	Commentary
1 Occupational Illnesses	—	—	None for both years
2 First Aid Injuries in Supply	7	1	86% reduction vs F21
3 Total Reportable Accidents in Supply	3	2	33% reduction vs F21
4 First Aid Injuries/MTC in Demand	—	—	None for both years
5 Total Reportable Accidents in Demand	—	—	None for both years
6 Road Traffic Accident	8	3	63% reduction vs LY
7 3rd Party Fatality	—	—	None for both years
8 Employee Fatality	—	—	None for both years

DIRECTORS' REPORT



In addition, notwithstanding the numerous health and wellbeing concerns posed by the ravaging 3rd and 4th waves of coronavirus pandemic, Guinness Nigeria showed great resilience by proactively responding in a coordinated, agile, and decisive way to ensure that employees' health and wellbeing are safeguarded. We leveraged on targeted training and awareness campaigns, onsite vaccination programs, wellbeing and mindfulness programs, provision of appropriate safety toolkits, compartmentalized shift patterns and strict adherence to government guidelines and Diageo internal protocols, to significantly mitigate onsite transmission across all our operating sites and offices and have now safely returned to work/office.

Ours is therefore a growing commitment to positive safety culture driven by collaborative effort of Management, Line Managers, employees, and contractors. We will therefore continue to drive with passion and purpose, the Guinness 'Zero Harm' objective, ensuring that everyone is safer together while working onsite, at home and on the roads.

Company's Policies/Strategy for addressing and managing the impact of HIV/AIDS, Malaria and other serious diseases on the Company's employees and their families.

Guinness Nigeria Plc is committed to protecting the health, safety and wellbeing of its employees in line with all relevant legislative requirements and best practice principles. In line with this, Guinness Nigeria Plc currently has two robust policies on this:

- Guinness Nigeria HIV/Aids Policy; and
- Guinness Nigeria Policy on Wellness

Guinness Nigeria Plc HIV/Aids Policy

We recognize that the potential social and economic consequences of HIV/AIDS in Nigeria and in Sub-Saharan Africa are enormous; however, there is hope, if the government and civil society collaborate and are mobilized to fight the spread of the disease together.

Guinness Nigeria Plc is determined to play its part with respect to this and the HIV/AIDS policy is a statement of our commitment to prevent the spread of HIV/AIDS in our workplaces and communities and to care for our employees and their dependents who suffer from its effects. The Policy follows guidelines from the Nigerian National Action Committee on AIDS (NACA) and forms part of the overall plan for the protection and enhancement of health of all our employees.

Some of the elements of the Policy include:

- Measures to prevent the spread of HIV/AIDS such as education and awareness campaigns.
- Strategies to reduce the impact of the epidemic in the workplace.
- Plans to protect employees and their families from HIV/AIDS and its effects.
- Confidentiality and non-discrimination towards employees with HIV/AIDS thereby promoting appropriate and effective ways of managing HIV/AIDS in the workplace.
- Promotion of a non-discriminatory working environment in which employees living with HIV/ AIDS are able to speak about their HIV/ AIDS status without fear of stigmatization or rejection.
- Management of HIV/AIDS via voluntary counselling and testing.

Guinness Nigeria Plc is an active participant in business coalitions and other fora (Nigeria Business Coalition Against Aids (NIBUCA), National Action Committee on AIDS (NACA) and State Agency for the Control of Aids (SACA)) leading the national response to HIV/AIDS in Nigeria. Through our HIV/AIDS education and awareness programs we encourage employees to adopt personal behaviour, which minimizes the risks of their contracting HIV/AIDS. Through these and the development

of our own workplace programs, the Company sustains its advocacy role in promoting awareness and understanding of the disease of HIV/AIDS and its impact at global, national, community and workplace levels.

Guinness Nigeria Plc Wellness Policy:

Wellbeing is defined as positive state of being well, contented and healthy. A state of wellbeing therefore encompasses achieving, amongst other things, good work life balance, the management of stress at work and providing a work environment that is free from discrimination, bullying and harassment. The policy aims to assist employees in maintaining a healthy level of wellbeing and outlines the support available to employees in achieving this. Some of the ways in which Guinness Nigeria Plc supports the principles of wellbeing include:

- Providing occupational health support services to enhance employee wellbeing.
- Providing training and support to line managers on good management practices encouraging a partnership approach between employees and line managers that fosters trust, openness and honesty and recognizes their joint responsibility to find workable solutions to problems at work.
- Undertaking regular review of policy practice, procedure and initiatives to ensure that they maximize employee wellbeing.

We encourage employees to live a healthy well balanced life and we have a number of programs and facilities to assist employees to either evaluate their current level of wellbeing or to re-establish and maintain it and this is done via various channels including but not limited to: informal dialogue, occupational health information and advices, health screening for all employees (pre-employment health screening, post-employment risk assessment for all employees, once in 2 years comprehensive health screen etc.)

Employment And Employees

(a) Human Rights Policy

Guinness Nigeria Plc prides itself in its commitment to human rights and continues to be guided by the Global Human Rights & Anti-discrimination Policy. In our workplaces and the communities in which we operate, we believe a serious commitment to respecting human rights is fundamental to our way of business.

b) Equality and Diversity Policy

At Guinness Nigeria we are proud to be a multi-cultural community operating in an increasingly competitive and diverse business world. We remain committed to creating a working environment where all employees irrespective of background can be their authentic selves

and function at their best by: We value equality and diversity and are committed to creating a working environment where we:

- Treat all individuals fairly, with dignity and respect.
- Provide open opportunities to all.
- Provide a safe, supportive and welcoming environment for all employees and visitors.

We aim to be a true reflection of the cultural groups in the regions we serve. On this basis, we continue to be guided by these key elements of the Policy which includes:

- Employment Equity and Equality

Equity and Equality are a key part of our purpose of 'Celebrating life, every day, everywhere'. We remain committed to equal treatment of employees regardless of age, gender, race, ethnic origin, religion or belief, disability, marital status, pregnancy, sexual orientation, number of dependents, part-time or fixed-term status, creed, color, nationality, membership, or non-membership of a trade union.

- Diversity and Inclusion

We champion inclusion and diversity across our business: from the way we attract, develop, retain, and recruit the very best diverse talent, to the way we source services and progressively portray diversity

DIRECTORS' REPORT



through our brands. We are determined to remove barriers, while having a positive impact on our employees, partners, suppliers, and communities in which we do business. We believe that the most inclusive and diverse culture makes for a better business and a better world.

Having the best and most diverse talent drives our innovation and commercial performance, to ensure we deliver our strategic outcomes of consistency in value creation, credibility, and trust. In the 2022 financial year, priorities for our Diversity and Inclusion (D&I) agenda remained focused on embedding sustainable diversity policies and initiatives among all employees of the Company across the country.

- **Dignity at Work**

Our aim is to promote a climate in which employees feel able to

raise complaints of harassment, bullying or discrimination without fear of victimization. We regard harassment, bullying and discrimination (which may lead to civil claims against the harasser or Guinness Nigeria and in certain circumstances criminal claims against the harasser) as unacceptable and offensive to employees, employers, and customers alike.

- **The Guinness Nigeria Spirited Women Network**

This is a strong network of women anchored by senior management employees and female members of the Board of Directors which further provides support and mentorship to female employees across the business. As a Company in a traditionally male-dominated industry, the Company encourages initiatives that provide female employees with the opportunity to

maximize their potential and take full advantage of the opportunities offered by the Company in their careers.

- **Equal Opportunity Employment Practice**

Guinness Nigeria Plc is an equal opportunity employer and does not discriminate on any grounds. Thus, we provide employment opportunities to all persons living with any form of disability while focusing on the competence and abilities that all persons possess and the value of they can contribute to the success of the business. Our commitment and practices in this regard goes beyond the need to ensure that there is no discrimination against such persons but driven by a deep conviction that even in disability, there can be immense ability.

- **Parental Leave Policy**

Guinness Nigeria Plc has

maintained parental leave benefits that offer female employees 26 weeks (increased from 16 weeks) fully paid parental maternity leave, and male employees 4 weeks (increased from 5 days) paternity leave fully paid.

c) Dissemination of Information

Considering our new ways of working, we leveraged technology and on all available channels of communication with employees for the dissemination important and critical information. This helped in the maintenance of team spirit and high employee morale, with the onset of the hybrid working model necessitated by the Covid-19 Pandemic.

Our objective is to ensure a shared perception of our goals by employees is sustained by leveraging all available communication channels for frequent dissemination of important and critical information. We use both one way and two-way modes of communication, leveraging digital means, virtual meetings and our internal communication channels "Yammer", Monthly townhalls and physical meetings to drive this objective.

d) Staff Diversity, Employee Development and Training Initiatives:

At the end of the 2022 financial year, we had a staff strength

of 791 (567 males and 224 females) full time employees. Our female population accounted for 28% of the total population; and 55% of our new hires in 2022 were females.

Driving the Diversity and Inclusion agenda, we successfully on-boarded our first all-Female Graduate Trainee program to ensure we continue to grow female representation and a healthy talent pipeline in Commercial and STEM roles within the organization to enable us deliver on our growth ambition. The program is a 24-months intensive and highly competitive training program to help these young talents develop the right job and managerial skills for a successful career in the business.

With the gradual easing of Covid restrictions we have implemented a flexible working philosophy for our people recognizing that everyone has different circumstances, with different needs and looking for different conditions where they can be at their best.

In view of this we have adopted a hybrid approach to our new joiners onboarding process to ensure they receive the necessary support needed as part of their induction either via face to face or virtual sessions. We have also continued to build employee and manager

capability by leveraging on our learning platform (My Learning Hub) which provides a wide variety of learning modules and personal development materials.

Learning and development opportunities within the Company focus on mandatory training, capability development, career development and personal development. Our Learning and Development Policy aims to ensure employees are provided with the necessary support to enable them grow and deliver in their current and future roles. This is achieved by driving a learning culture across the organization through a wide variety of learning materials available on our platform, My Learning Hub.

Priority is given to learning and development opportunities that are a part of an individual's partnership commitment or Development Plan. In addition, there is also opportunity for support for courses or professional programmes for employees in line with their development plan based on our Further Education policy. Our people are also encouraged and supported to be members of professional institutions in furtherance of their career aspirations.

Sustainability and Social Responsibility Report

Over the past 72 years, we have maintained our rich heritage and a great track record of economic growth and strong performance. We remain the foremost **Total Beverage Alcohol** company in Nigeria today renowned across the continent and internationally for our high-quality brands and strong focus on enriching the communities where we operate, source, sell and live through investment and active participation.



Our Environmental Social and Governance agenda is fully aligned with that of our parent Company – Diageo which is hinged on the United Nations Sustainable Development Goals launched in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. **Society 2030: Spirit of Progress** is our 10year action plan towards the achievement of the SDGs in our company, with our communities and for society, and it is underpinned by 3 major pillars: **Promote Positive Drinking, Inclusion & Diversity** and **Pioneering Grain to Glass Sustainability**.

In the year ended 30 June 2022, we implemented a variety of programmes towards advancing Society 2030: Spirit of Progress agenda in Nigeria.

Promoting Positive Drinking

We want to change the way the world drinks for better, by celebrating moderation and continuing to address harm related to excessive consumption of alcohol, expanding our programmes that address under-age drinking, binge drinking and drink-driving.

We have developed several initiatives and partnerships to help drive this all-important message of moderation over the years, some of which are:





SMASHED

SMASHED is our theatre-in-education programme targeted at tackling underage drinking amongst youths, using drama and other interactive educational tools. The initiative is aimed at instructing students that no amount of under-age drinking is safe by providing facts, causes, and consequences of under-age drinking. Smashed launched in the UK over a decade ago and has now been delivered in several countries around the world. At Guinness Nigeria, we piloted the programme in 2018 and it has since reached over 75,000 students across the country. In the year under review, we reached 15,141 students across

70 government public and private schools within Lagos and Akwa Ibom States. The SMASHED programme has been adopted by the Beer Sectoral Group of MAN (Manufacturers Association of Nigeria) as one of its major advocacy channels for tackling alcohol misuse and formally endorsed by the Federal Ministry of Health and the Federal Ministry of Education.

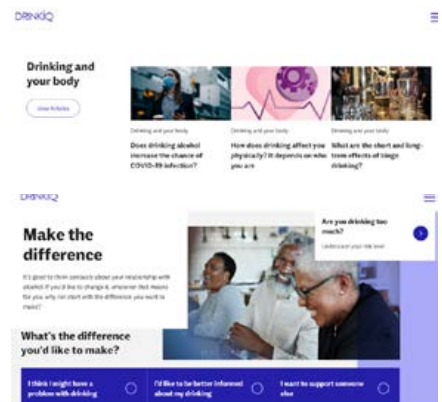
15,141
students reached in
70 public & private schools
within Lagos and Akwa Ibom
States in the year under
review.

DIRECTORS' REPORT

DRINKiQ.com

DrinkiQ Campaign

DRINKiQ is Diageo's global resource created to help people make responsible choices about drinking, or not drinking. The program is delivered through training, providing information and practical advice online. The platform is designed to educate people on the risks of alcohol related harm and is part of our wider 2030 targets on positive drinking which aims to reach one billion people across the world with a dedicated message of moderation from our brands. In FY22, we ran digital campaigns across several social media platforms to drive engagement with this resource resulting in over 2,000,000 impressions and over 20,000 unique site visits.





Wrong Side of The Road

Wrong Side of The Road is our latest responsible drinking initiative. It is an authentic and immersive learning experience which allows users to have an interactive conversation with real drink-drivers, real people, real stories, and real consequences. The e-learning module aims to

address the erroneous thinking that it is socially acceptable to drink and drive. The Wrong Side of the Road program is a hard-hitting, gut-wrenching real-life experience of everyday people, who took the wrong decision to drive while impaired by the consumption of alcohol. We are leveraging our long-standing relationship and partnership with

the Federal Road Safety Corp to drive the adoption of this module by key driving schools across Nigeria as well running several offline roadshows to drive engagement. In F22, we reached 12,733 people with 9,672 of these people reporting desirable attitude change towards drinking and driving.



Our annual **Ember Months Campaign** in collaboration with the Federal Road Safety Corp is another platform through which we discourage the harmful use of alcohol specifically focusing on commercial transport operators. During the last quarter of every calendar year when festivities peak and volume and frequency of road travels inevitably increase, we run **Don't Drink & Drive** campaigns at strategic motor parks across major metropolis engaging with key stakeholders in the transportation industry educating them about the



dangers of driving impaired. We also use this opportunity to provide basic health check services to commercial motor drivers and persons active in and around motor parks. This program has proven to be hugely successful and impactful over the years, attracting the support and endorsement of major government agencies including the Federal Road Safety Corps (FRSC), the Vehicle Inspection Office (VIO), Lagos State Traffic Management Authority (LASTMA), Road Transport Owners Association, National Union of Road Transport Workers, among others..



PLAN W WOMEN EMPOWERMENT PROGRAMME



Championing Inclusion and Diversity

We believe that a most inclusive and diverse culture makes for a better business and a better society, we therefore continue to champion diversity and inclusion across our business, with our partners and communities, to help celebrate diversity and shape a more tolerant society.

Plan W

Under our Learning for Life and Skills program Plan W, we facilitated improved employability and economic empowerment for 340 women in Imo, Osun and Edo states. The Plan W

program is a capability building training and empowerment program that covers general business skills, business modelling and simple business bookkeeping as well as provision of trade assets and seed capital to start off small scale product retailing and distribution businesses. This initiative debuted in 2019 and has thus far benefitted 550 women across the different geopolitical zones in Nigeria.



Undergraduate Scholarship Scheme

The Guinness Undergraduate Scholarship scheme provides a platform for our business to support youth development across the country. The scheme is designed to competitively identify brilliant undergraduate students in higher institutions in Nigeria in selected programs. We also use the program to identify deserving beneficiaries from our host communities in discharge of our focus on positively impacting our host communities. We awarded scholarships to 25 additional undergraduate students who were successful in the screening process for FY22, this brings to 65, the total number of awardees



currently benefiting from the scheme. The scholarship covers the tuition and accommodation fees of the beneficiaries from the



moment they get on the program and throughout the duration of their course of study. Under this scheme, each beneficiary gets the sum of One Hundred Thousand Naira Only (N100,000) for each year of their undergraduate study until graduation.



DIRECTORS' REPORT



5million
naira value of equipment
and furniture the Guinness
Eye Hospital got in donations

3,000
average number of new
patients seen at the
Guinness Eye Hospital

Donations

In consonance with our commitment towards promoting public health and safety, we donated Crash Helmets, First Aid Kits and sponsored First Responders training for 30 officers of the FRSC Lagos Command in support of its Operation Quick Response Rescue Unit - a strategic intervention designed to employ coordinated power bike operations for quick and effective response to traffic emergencies, providing better accessibility to road crash scenes, administration of First Aid support and evacuation of accident victims.

We also donated 5million naira worth of medical equipment and office furniture (20 Tables, 10 Ergonomic Chairs and 6 Cabinets) to the Guinness Eye Hospital, LUTH Lagos as part of our annual infrastructural support to the medical institution, The Guinness Eye Hospital at LUTH provides comprehensive ophthalmic care services to a wide range of patients from Lagos and other neighbouring states as well as neighbouring countries. Annually,

The Guinness Eye Hospital sees an average of 3000 new patients and 15,000 old patients. Also, an average of 650 eye surgeries are performed annually at the facility. The Guinness Eye Center also plays an important role in the training and certification of ophthalmologists in Nigeria and other African countries.

650
number of eye surgeries
performed annually at the
Guinness Eye Hospital



We collaborated with **Sightsavers**, an international non-governmental organization that works with partners in developing countries to treat and prevent avoidable blindness and promote equality for people with visual impairments and other disabilities in the implementation of a people-oriented eye care system in Kogi State. The programme comprises

of a well-coordinated system of eye health delivery, one that is affordable, accessible, equitable across gender and inclusive for persons with disability. It also featured a well-structured school eye health programme where eye care for school children was made a priority. Over 600 adults benefitted from the initiative with 55% of them being female.

Our employee volunteering programme **Guinness Creates a Smile** is another platform for community inclusion where employees come together from time to time to show love and care for the communities around us by visiting orphanages to donate household items and participating in community clean-up programs.



DIRECTORS' REPORT

Pioneering Grain to Glass Sustainability

We recognize that our continued long-term success depends on the people and planet around us and understand that this success is threatened by climate change, water stress, biodiversity loss and other environmental factors. We have taken it upon ourselves to ensure that our people, our suppliers, our consumers, and society at large all thrive as a result of our business. That means working with our whole value chain – the people, resources and environment that contribute to our success, from grain to glass by helping to preserve water for life, accelerate to a low carbon world and becoming sustainable by design.

Preserving Water for Life

Water practice in an environmentally sustainable way is an important part of protecting the planet and has become even more imperative in a pandemic era where handwashing and general water hygiene could make a huge difference in public health and safety. Our Water of Life (WoL) program is aimed at providing access to safe drinking water and socio-economic development to communities in water-stressed areas across the country.

We believe that water is a basic human right and our commitment remains unwavering in supporting access to clean potable water for people in underserved and water-stressed communities.

In partnership with WaterAid Nigeria, we have delivered potable drinking water including sanitation and hygiene training to several communities in water stressed areas across the nation. These solar powered water systems

serve several thousands of beneficiaries and are designed to be self-sustaining through local water committees made up of men and women within those communities. In the year under review, we commissioned 5 Water of Life Projects, 2 cited in Fufere and Gboko LGAs of Adamawa state and 3 others at Magama Gari, Tsoma and Riga (Toro LGA) in Bauchi state. Over 65,000 cubic meters of water was replenished and would be serving about nine (9) thousand beneficiaries.

In furtherance of our Water Stewardship commitments to continuously explore opportunities to reduce water usage in our production processes as well as improve its efficiency – Our Water Recovery Plant project idea was birthed. This process involves taking treated water from standard effluent treatment plants and further purifying it using state of the art technology to the point where it becomes safe for human consumption. The recovered



65,000m³
of water replenished
to serve over **9,000 people**
in beneficiary communities
in Adamawa & Bauchi.

water is then re-introduced into our cleaning and maintenance processes in the breweries (not for any process directly involved with making our products) for use in water hydrants, pasteurizers, conveyor lubrication, refrigeration, and other sanitation-related uses. This process results in the reduction of water taken from the environment by up to 800,000 cm³ per year - about the same as 350 Olympic sized swimming pools!



THE FOOD & BEVERAGE Recycling Alliance

Partnership with Food & Beverage Recycling Alliance

The Food & Beverage Recycling Alliance (FBRA) is a group of 21 member organizations set up to tackle the issue of post consumer waste in Nigeria. FBRA's core focus is accelerating recycling and re-using of waste materials (plastics, cans, cartons) that would have ended up in landfills for the

benefit of the environment. Through our partnership with FBRA, over 17K MT of waste was collected. Beyond our involvement in and commitment to the FBRA recycling efforts, we are also taking bold steps to progressively reduce and ultimately accelerate the stoppage of sachets and plastics as packaging materials in our business.

over
17,000
metric tonnes of
waste materials that would
have ended up in landfills
was collected





Guinness Nigeria's ultra-modern head office in Lagos

During the financial year, Guinness Nigeria Plc, a subsidiary of Diageo Plc and the foremost total beverage alcohol company in Nigeria, opened its new state-of-the-art headquarters in Ogba, Lagos. The new head office facility is a modern space designed to bring to life the company's purpose of 'Celebrating life, everyday everywhere'.

The opening of the new office space which coincided with the 72nd anniversary of the organization, was part of the efforts of the organisation to

develop newer and connected ways of working, enhance collaboration and productivity, promote creativity and sustain its business operations in the country.

The Board and Management recognizes our employees' needs, especially after working remotely for so long, and prioritized creating a modern and agile workspace designed for enhanced connectivity, collaboration and creativity in line with the new world of work.

The open plan workspace features bright, colourful and multi-functional spaces with

state-of-the art technology and embraces leading sustainability practices as well as the company's commitment to inclusion and diversity, featuring adequate provisions for accessibility to all areas of the facility.

The new office opening reaffirms Guinness Nigeria's commitment to developing capacity to grow our brands and optimize performance to cater to the needs of our consumers while creating the right environment for all stakeholders to thrive.

DIRECTORS' REPORT

Guinness Nigeria's long-term commitment to doing business in Nigeria

As a company, Guinness Nigeria has had a long and successful history in Nigeria, continually adding value to moments of celebrations of Nigerians, as well as contributing to the growth of Nigeria's economy. While the success of our operations in Nigeria is largely due to the widespread acceptance of our brands by consumers, the business continues to reaffirm its long-term strategic investment and expansion plans in Nigeria with the acquisition of an additional 25-acre commercial property in the Ogba industrial area of Lagos purchased in 2021.

In our efforts to serve our revered consumers and create increased job opportunities for Nigerians, Guinness Nigeria also recently invested in and commissioned a new \$5million additional production line at our Brewery in Ogba, Lagos in October 2021; and we are increasing production capacity and efficiency through the proposed ultra-modern logistics centre for the business. Similarly, the business continues to work with and empower many Nigerians within our supply chain, including farmers and other service providers; and we also have renewed our efforts at export-focused production activities.

All our actions are in furtherance of Guinness Nigeria's strategic ambition to contribute to the

economy and society of Nigeria, while growing our business here. We remain strong, stable, and delivering value to our esteemed stakeholders.

Acquisition of own shares

The Company did not purchase any of its own shares during the 2022 financial year (2021: Nil).

Property, plant and equipment

Information relating to changes in property, plant and equipment is given in the Note 15 to these financial statements.

Distribution

The Company's products are distributed through numerous key distributors who are spread across the country. Our distributors are our strategic business partners who contribute immensely to the success of our business and also benefit mutually from their relationship with Guinness Nigeria Plc. The Company also has distribution agreements with distributors who export its products to the United Kingdom and South Africa in addition to strategic alliances on distribution with other companies within the Diageo group in several African countries.

Subsequent Events

There were no events after the statement of financial position date which could have had a material effect on the state of affairs of the Company as at this date or the financial results for the year ended 30 June 2022 which

has not been adequately provided for.

Royalty And Technical Services Agreements

It has been the practice for the Company to maintain a close relationship with Diageo plc as technical partner and adviser. In this capacity, we receive technical and commercial support from certain members of the Diageo group under various Technical Services Agreements and Trademark and Quality Control Agreements.

Independent Auditor

PricewaterhouseCoopers acted as the Company's independent auditor during the year under review. The independent auditors' report was signed by Mr. Edafe Erhie, a partner in the firm, and a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) with FRCN registration number ICAN 00000001143.

PricewaterhouseCoopers has indicated willingness to continue in office as auditor in accordance with Sec 401(2) of the Companies and Allied Matters Act 2020.



By Order of the Board

Mr. Baker Magunda

FRC/2019/IODN/000000019411
Managing Director
27 July 2022



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RC NO. 352393

July 2022

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS OF GUINNESS NIGERIA PLC FOR THE YEAR ENDED JUNE 30, 2022.

DCSL Corporate Services Limited (DCSL) was engaged by Guinness Nigeria Plc ("Guinness Nigeria") to carry out a performance evaluation of the Board of Directors for the year-ended June 30, 2022 in line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), Securities and Exchange Commission (SEC) Corporate Governance Guidelines (SCGG), as well as global best practices on Corporate Governance.

The evaluation entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us, to ascertain the level of the Board's compliance with corporate governance practices with particular reference to the provisions of the NCCG and SCGG as well as global Best Practices and considered the following seven key corporate governance parameters:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure

We also conducted an evaluation of the performance of the Board Committees and deplored Peer Review Forms to assess the performance of individual Directors and the Chairman.

Following a review of the policies and processes put in place by the Board, we confirm that the Board of Directors is committed to ensuring best corporate governance practices and adherence to the principles enshrined in the NCCG and the SCGG as well as globally accepted best practices. Upon the conclusion of the performance evaluation of the Board, we confirm that the Board and Company substantially complied with the provisions of the applicable Codes.

We have noted a few areas that require improvement and proffered appropriate recommendations, trusting that the Board will take steps to address and implement same. Details of our key findings and recommendations are contained in our detailed Report.

Yours faithfully,
for: **DCSL Corporate Services Limited**



Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Directors: ■ Abel Ajayi (Chairman) ■ Obi Ogbuchi ■ Adeniyi Obe ■ Dr. Anino Emuwa ■ Adebisi Adeyemi (Managing Director)

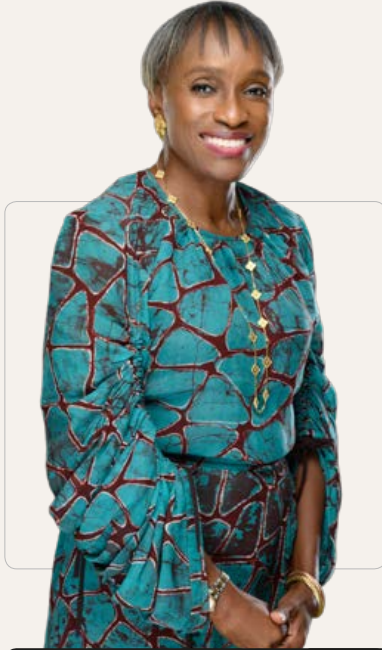
DCSL
DCSL Corporate Services Limited

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Board of Directors & Company Secretary



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1.

Dr. Omobola Johnson

Board Chair & Non-Executive Director (NED)

An alumnus of the prestigious University of Manchester, University of London and Cranfield University, Dr. Johnson started her professional career in management consulting in the London Office of Arthur Andersen/Andersen Consulting (now known as Accenture) in 1985.

In 2005, Dr. Johnson was appointed as the Country Managing Director for Accenture. In March 2010, she sought early retirement from Accenture to enable her to pursue other interests. She was appointed as a member of Nigeria's Presidential Advisory Council in 2010 providing support to the Acting President Goodluck Jonathan.

In 2011, she was appointed as Nigeria's pioneer Minister of Communication Technology. During her four-year tenure at the Ministry, she oversaw the launch and execution of the National Broadband Plan and the pioneering involvement of government in a local VC fund and a network of start-up incubators. She served meritoriously in that capacity until May 2015. In 2015 she joined TLCom Capital LLP, a technology venture capital fund, as a Senior Partner focused on investment and value generation for technology companies in sub-Saharan Africa. She is a Fellow of the Aspen Global Leadership Network (AGLN) and serves on the boards of several blue-chip companies.

Dr. Johnson is an Independent Non-Executive Director and Board Chair effective 1st July 2021. She brings to the Board over 30 years of experience from both the private and public sectors of the Nigerian economy. She was appointed to the Board with effect from 29th January 2016. She resides in Nigeria.

2.

Mr. Dayalan Nayager

Non-Executive Director & Vice Chairman

Dayalan Nayager was the Managing Director for Diageo Great Britain and was a member of the Diageo Europe Executive team. In this role he was responsible for Diageo's home market. Diageo is the world's leading premium drinks business operating in 180 countries with a collection of over 400 brands including Johnnie Walker, Smirnoff, Captain Morgan, Tanqueray and Guinness.

Prior to this role, Dayalan was Managing Director for Diageo Travel Retail, one of the company's key markets. Before being appointed Managing Director for Global Travel Retail, he served as Regional Director for GTME Europe. During his time in Global Travel he transformed commercial delivery across the region, developed a high performing cross-functional team and embarked on an ambitious strategy that successfully grew Diageo's travel retail business.

Before joining the Global Travel business, Dayalan

was Commercial Director of Brandhouse in Diageo South Africa where he led a bold commercial strategy with the 650-strong dedicated sales team that over-delivered performance and deepened customer partnerships.

Dayalan has extensive experience in the consumer-packaged goods industry, having previously held leadership roles across Commercial, Supply Chain, R&D and Marketing positions for Mars and Heinz in Africa. He is passionate about developing strong talent and is known for his ability to implement a structured and disciplined approach that drives stronger performance and sustainable growth.

Dayalan holds a Bachelor of commerce in Marketing from the University of KwaZulu-Natal, a Bachelor of Commerce in Business Management from the University of South Africa and an MBA from the University of Oxford.

He was appointed a Non Executive Director of the Company and Vice Chairman of the Board with effect from 1st July 2022. He is also the Chairman of the Nomination, Governance and Remunerations Committee of the Board. He resides in the United Kingdom.

3.

Mr. Baker Magunda

Managing Director/Chief Executive Officer

Baker gained his first degree in Economics at Makerere University

in Uganda and Makerere University Business School. He also attended IESE and Strathmore Business Schools for postgraduate studies in Business and Leadership.

He started his career in Sales and Marketing at Coca-Cola Sabco in 1991. He was made Head of Sales in 1996 before joining Diageo in 1999. At Diageo, he served in several marketing roles before becoming Managing Director for Diageo's businesses in Uganda, Kenya, Cameroon.

Prior to joining the Guinness Nigeria team, he was Managing Director of Diageo Ethiopia and the Indian Ocean Markets. His life's purpose is to unleash the genius in everyone. An avid Arsenal fan, Baker is married with children.

4. **Mr. Emmanuel Difom** Finance & Strategy Director

Emmanuel is a Certified Public Accountant from Paris Academy in France and member of the Cameroon's institute of chartered accountants. He holds a master's degree in Management from Yaoundé University and several other professional certifications including the Diploma of Certified Public Accountants (D.E.C) – French Republic; D.S.G.C – CNAM-INTEC of Paris (France); D.S.C.G – Académie de Nantes (France) and D.E.F.C – CNAM-INTEC of Paris (France).

Emmanuel has over fifteen years of experience as Finance Director across industries and global companies. With an exciting

career that has taken him through 17 different geographies, he is a highly accomplished executive with strong experience in Business Strategy, Finance and Tax management supported by a solid background in FMCG, Oil and gas and Banking sectors.

Prior to joining Diageo, Emmanuel worked as Finance Director at British America Tobacco (BAT) across many markets including Cameroun, Senegal and Nigeria from where he was covering 12 other markets in west and central Africa. He led the transformation of Operations Finance and Controls for 17 markets, including Nigeria, before leaving BAT in 2018. Before BAT, he also had an amazing career working in oil and gas (Exxon Mobil), as well as the banking sector (Société Générale).

Emmanuel joined Guinness Nigeria in September 2021 as the Finance & Strategy Director. Before then, he was Finance Director for Guinness Cameroon, a position he held since March 2018.

He was appointed an Executive Director of the Company with effect from 1st November 2021. He resides in Nigeria.

5. **Ambassador Sunday Thomas Dogonyaro**, OON Independent Non-Executive Director (INED)

Amb Dogonyaro is an alumnus of Ahmadu Bello University, Zaria; London School of Economics & Political Science (LSE) of the University of London, London

and the National Institute for Policy and Strategic Studies (NIPSS), Kuru, Jos, where he did his undergraduate and graduate studies. He is a member of the Institute (mni) and Institute of Directors (M IoD) Nigeria. He had a brief stint in academia but built much of his career and held several leadership positions in the Nigerian Federal Government at home and Nigeria's Foreign Missions in London, Pretoria, Sao Tome and the New Partnership for Africa's Development (NEPAD) Secretariat in Midrand, South Africa. He was Ambassador in -situ at and Coordinator of Programmes at NEPAD and Ambassador to Sao Tome and Principe. He is the Co-Founder of African Policy Research Institute, Abuja. He was conferred the National Honour of Officer of the Order of Niger (OON) in 2002 for outstanding services to the country.

Amb. Dogonyaro was appointed an Independent Non-Executive Director with effect from 4th September 2014 and currently is the Vice Chairman of the Nominations, Governance & Remunerations Committee and a member of the Special Projects Committee of the Board. He resides in Nigeria.

6. **Ms. Ngozi Edozien**, Non-Executive Director (INED)

Ms. Edozien has over 30 years' experience in finance/private equity, general management and strategy/business development functions with multinational

companies in Europe, USA and Africa.

She is an alumna of Harvard College, Radcliffe College and Harvard Business School, Harvard University.

She joined McKinsey & Company in 1992 and left as Associate Principal. In 1999 when she joined Pfizer Inc. as Vice President, Pfizer Global Pharmaceuticals (PGP) Strategic Planning and Business Development, a position she held until her appointment as the Regional Director, PGP East, Central and Anglophone West Africa in January 2005 a position she held till 2008. She served as Head of West Africa for ActisLLP from 2009 until 2014. She also serves on several listed company boards locally and internationally. She is the founder and Managing Director of Invivo Partners Limited and Physio Centers of Africa Ltd. Ms. Edozien was appointed to the Board with effect from 26 November 2015 and is a member of the Finance Audit and Risk Committee of the Board and the Statutory Audit Committee. She resides in Nigeria.

7.

Mr. Leo Breen

Non-Executive Director (NED)

Mr. Leo Breen holds a Bachelor of Arts in Philosophy from Newcastle University and is a member of the Chartered Institute of Management Accountants. He has over 28 years of experience with Diageo Group and has overseen Finance operations for Diageo businesses in over 40 countries across Europe, Asia and Africa. Leo was appointed Regional

Finance Director for Diageo Africa in 2017 and is based out of London. He was appointed to the Board as a Non-Executive Director with effect from 25th April 2017. He is a member of the Finance, Audit & Risk Committee of the Board.

8.

Mr. Mark Sandys

Non-Executive Director (NED)

Mark Sandys obtained an MA in English & French from Balliol College, Oxford University in 1996. He is a highly experienced Senior Marketing Executive with over 25 years' marketing experience in blue chip Companies. He has worked for Diageo Plc for 25 years in different capacities including as Global Strategy & Innovation Director Baileys, Marketing & Innovation Director, Diageo Russia & Eastern Europe (based in Moscow); Category Director, Whisky & Reserve, Asia Pacific. From 2014-22 Mark has been the Global Head of Beer, Baileys, Smirnoff & Captain Morgan for Diageo Plc.

From July 2022 Mark has been appointed to the role of Chief Innovation Officer for Diageo. He was appointed to the Board as a Non-Executive Director with effect from 30th August 2017. He is a member of the Nominations, Governance & Remunerations Committee of the Board. He resides in Ireland.

9.

Mrs. Yemisi Ayeni

Non-Executive Director (INED)

Mrs. Yemisi Ayeni is the immediate

past Managing Director of Shell Nig. Closed Pension Fund Administrator Limited. A position she held for 10 years until her retirement in April 2015. She is a 1985 honors graduate of Economics from the prestigious University of Manchester, UK, a 1989 Chartered Accountant and Fellow of the Institute of Chartered Accountants in England and Wales.

Mrs. Ayeni started her professional career with Price Waterhouse, London in 1985 where she spent 5 years working her way through a variety of increasingly senior Audit roles before moving to the Firm's Corporate Reconstruction and Insolvency team in 1990. She returned to Nigeria in 1991 as a Senior Manager in the Corporate Finance Team of Price Waterhouse, Lagos.

In 1994, Mrs. Ayeni joined Shell Nigeria and held a wide variety of roles during her 21 years with Shell. In November 2004, she was appointed Finance Director, Shell Nigeria Exploration & Production Company Ltd. (SNEPCO), earning her the distinction of being the first Nigerian Female to be appointed to the Board of a Shell Company in Nigeria. Until her retirement, Mrs. Ayeni was a Council Member of the Nigerian Stock Exchange now, Nigerian Exchange Group Plc (NGX) and the Chair of the Exchange's Demutualization and Technical Committees. She was also Vice Chair, Pension Fund Operators' Association and the Chair of the Association's Institute Committee.

She is currently the Chairperson of NASCON Allied Industries Plc and

Non-Executive Director of Stanbic IBTC Pension Managers Ltd. She is also a member of the Leadership Council of the Aig-Imoukhuede Foundation and Vice-Chair of the Queen's College Old Girls' Association's Board of Trustees. She was appointed to the Board as a Non-Executive Director with effect from 1st September 2018 and represents the Board as the Chair of the Finance, Audit and Risk Audit Committee and the Special Projects Committee. She resides in Nigeria.

10.

Prof. Fabian Ajogwu, SAN
Non-Executive Director (INED)

Fabian Ajogwu is a Senior Advocate of Nigeria with Kenna Partners, and Lagos Business School Professor of Corporate Governance. He is an Alumnus of the Said Business School of Oxford University, and an Alumnus of the Lagos Business School. Professor Ajogwu holds a Doctorate in Law from University of Aberdeen, Scotland; an MBA from the IESE Business School, Barcelona; and Law degrees from the University of Nigeria the University of Lagos.

Professor Ajogwu is the Founder of the Society for Corporate Governance Nigeria; a Fellow of the Nigerian Institute of Chartered Arbitrators, the African Leadership Initiative West Africa, Henry Crown Global Leadership of the Aspen Institute, the AIFA Reading Society, the Society for Art Collection, and a member of the Oxford Philosophical Society, Royal Institute of Philosophy London, and Royal African Society, UK. He is the President of the Nigerian

Institute of Chartered Arbitrators. He served on the Governing Council of the Pan-Atlantic University, the General Council of the Bar, and the Council of Legal Education (Nigerian Law School) as the statutorily designated Distinguished Legal Author. He is a member of the International Council for Commercial Arbitration; and London Court of International Arbitration.

He is the author of the books – 'The Law & Practice of Private Equity'; 'Ship Acquisition & Finance: Law & Practice'; 'Corporate Governance & Group Dynamics'; 'Corporate Governance in Nigeria: Law and Practice'; 'Commercial Arbitration in Nigeria: Law and Practice'; 'Fair Hearing'; 'Mergers & Acquisition in Nigeria: Law and Practice'; 'Law & Society'; and 'Decoupling Ownership from Management of Companies.' He co-authored the books – "Outcomes-Based Governance: Modern Perspectives to Corporate Governance" with Professor Mervyn King SC; 'Petroleum Law and Sustainable Development' with Dr Oscar Nliam; 'Legal & Regulatory Aspects of Commerce'; 'Trade & Investments in Nigeria: Legal & Regulatory Aspects'; 'Oral and Written Advocacy: Law & Practice' with Chief Folake Solanke, SAN; and 'Collecting Art: A Handbook' with Dr Jess Castellote.

Professor Ajogwu assisted the Securities and Exchange Commission in drafting Nigeria's pioneer Code of Corporate Governance. He chaired the Nigerian Communications Commission Committee on Corporate Governance for the Telecommunication sector. He

served on the Financial Reporting Council of Nigeria Committee on the National Code of Corporate Governance. He chaired ARM Harith Infrastructure Ltd (Nigeria's pioneer infrastructure fund) and chairs the Body of Senior Advocates of Nigeria Committee on Continuing Legal Education; Novare Group in Nigeria, and NES Global. He serves on the boards of Stanbic IBTC Holdings Plc, and Seplat Energy Plc. He was appointed to the Board of Guinness Nigeria on November 1, 2018 and represents the Board on the Nominations, Governance & Remunerations Committee, the Finance, Audit and Risk Committee and the Special Projects Committee.

11.

Tariye Gbadegesin
Independent Non-Executive Director

Tariye Gbadegesin is the Chief Executive Officer of ARM-Harith Infrastructure Investment Ltd, a leading West Africa-focused private equity infrastructure fund, that is a joint venture between Asset & Resource Management Holding Company Limited (ARM), Nigeria's largest non-bank financial services provider and Harith General Partners, a leading Pan-African infrastructure fund manager based in South Africa.

An investment professional with over 20 years' experience in finance, principal investments, and infrastructure, Mrs. Gbadegesin has mobilized over US\$3 billion of capital for infrastructure projects in Africa. She is a member of the Advisory Council

BOARD OF DIRECTORS

of the Millennium Challenge Corporation in Washington D.C., and the Advisory Committee on Infrastructure for the United Nations Principles for Responsible Investing (PRI). She is also the co-chair of the steering committee for the Voluntary Carbon Markets Integrity Initiative launched by the UK Government and the Children's International Investment Fund.

Her global experience includes roles at the Africa Finance Corporation, the International Monetary Fund, the Boston Consulting Group, & Price Waterhouse Coopers.

Tariye holds a bachelor's degree in Economics from Amherst College, and an MBA from the Harvard Business School.

12.

Rotimi Odusola Company Secretary

Rotimi qualified as a Legal Practitioner and was called to the Nigerian Bar in December 1993. He started his career first with the prestigious law firm of Aluko & Oyebo (www.aluko-oyebode.com) where he worked till February 2003 and left as a Senior Associate. He joined the Legal Department of MTN Nigeria Communications Limited (www.mtnonline.com) contributing to the development and strengthening of the legal and regulatory function of the company and rising to the position of Senior Manager, Commercial Legal and Deputy Head of the Legal Department. In November

2014, Rotimi joined the Diageo Group (www.diageo.com) as Legal Director and was later appointed as the Company Secretary of Guinness Nigeria PLC (www.guinness-nigeria.com) in January 2016 alongside his role as Legal Director. He also held the role of Company Secretary/Legal Adviser of Diageo Brands Nigeria Limited. Rotimi currently holds the position of Corporate Relations Director & Company Secretary for Guinness Nigeria PLC with oversight for a wide spectrum of stakeholder relationships management cutting across government agencies, regulatory bodies and public institutions. He also has responsibility for sustaining the deeply embedded corporate governance practices of the company.

Rotimi is an experienced business leader with vast corporate commercial legal experience in areas including company secretarial, corporate governance, compliance and ethics, corporate relations and regulatory affairs management, aviation and maritime law, intellectual property, banking, telecommunications, oil & gas, matrimonial causes and inheritance. He also has extensive experience in litigation management, courtroom advocacy and dispute resolution, having conducted proceedings before all Superior Courts in Nigeria. As an in-house solicitor, his experience spans the telecoms, oil & gas, information & technology and FMCG sectors.

He is a member of the Nigerian Bar Association (particularly the Section on Business Law and

Corporate Counsel Forum), the International Bar Association as well as the Association of Corporate Counsel. Rotimi served as a Member of the Legal Profession Regulations Review Committee set up by the NBA in December 2016. He is also a member of the Institute of Chartered Secretaries & Administrators (ACIS) in Nigeria as well as the Institute of Directors (IoD Nigeria), currently serving as a member of the IoD Ethics Committee on the Review of Ethics for its Members and Employees from 2019 till date.

He is a 2014 Alumnus of the International Visitors Leadership Program of the US Department of State (www.eca.state.gov/ivlp). He is passionate about mentoring and developing young people, particularly younger colleagues in the legal profession. He is currently a member of the Board of Governors of a reputable private secondary school in Lagos.

Rotimi graduated from the Ogun State University, Ago-Iwoye (1992) and the Nigeria Law School, (1993). He also holds an MBA (Honours) from the University of Leicester, UK (2014). He is a sports enthusiast and has served as the 2nd Vice-Chairman of the Lagos State Scrabble Sports Association (2013) and as a member of the Ad-Hoc Committee on the establishment of a Lagos Football Super League (2012).

He is married and blessed with three lovely kids.

DELICIOUS

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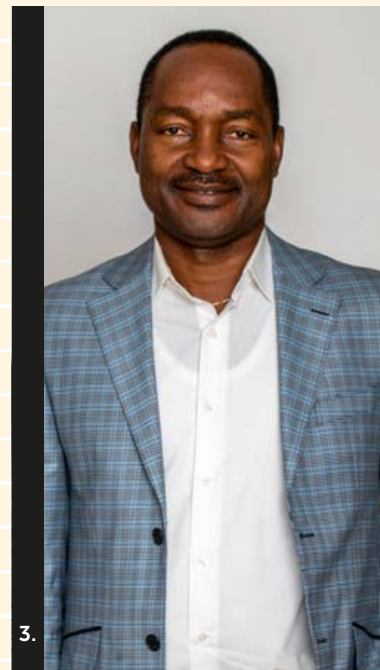
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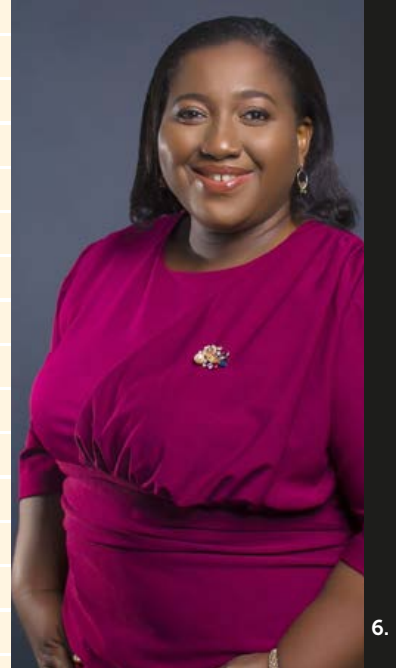


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A WORLD OF
GOOD**

**Malta
GUINNESS**

Guinness Leadership Team





1. **Baker Magunda**
Managing Director/CEO
2. **Viola Graham-Douglas**
Director, International Premium Spirits (IPS),
Reserve & Modern Trade.
3. **Emmanuel Difom**
Finance & Strategy Director
4. **Isaac Tosu**
Supply Chain Director
5. **Adebayo Alli**
Commercial Director
6. **Chinweaku Odigboegwu**
Legal Director
7. **Rotimi Odusola**
Corporate Relations Director / Company Secretary
8. **Ayodeji Ajibola**
Human Resources Director
9. **Mark Mugisha**
Marketing & Innovations Director

You've never met
anything like this

The advertisement features three bottles of The Singleton Scotch Whisky arranged on a gold-colored metal tray. The bottles are labeled 'THE SINGLETON Single Malt Scotch Whisky' and 'DUFFTOWN DISTILLERY'. The left bottle is 'LUSCIOUS NECTAR 12 YEARS OLD', the middle is 'SUBLIMELY SMOOTH 18 YEARS OLD', and the right is 'FRUITY DECADENCE 15 YEARS OLD'. Two glasses filled with whisky and ice are on the tray, along with a bowl of raspberries and several macarons. The background is a solid teal color.

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Corporate & Brand Events



Guinness Nigeria shines with 7 Awards at the 2021 Marketing Edge Awards

Guinness Nigeria was spotlighted at the MARKETING EDGE Annual National Marketing Summit of Brands & Advertising Excellence Awards. The awards ceremony, which celebrates excellence in Nigeria's Integrated Marketing Communications industry, has always been the greatest convergence of industry eggheads. The Award ceremony was held on Friday 27th August, and we shone with seven (7) prestigious awards!!!

Here is the breakdown:

1. Guinness Nigeria as Outstanding FMCG Corporate Brand of the decade
2. Guinness Stout as outstanding alcoholic beverage brand of the decade
3. Johnnie Walker as outstanding Spirit brand of the decade
4. Orijin as outstanding indigenous alcoholic beverage brand of the year
5. Adebola Adenike for Women Leadership in Marketing
6. Onwudiwe Uche as outstanding marketing personality of the year
7. Okonkwo Aigbeme as outstanding marketing personality of the year



Guinness Nigeria recognised as National Business' Best Brand of The Year!

Guinness Nigeria was recognized as National Business 'Best Brand of the year for 2020'. This forum recognized and celebrated selected brands for their work and achievements nominated by over 100,000 consumers across Nigeria, and Guinness Nigeria emerged winner in the most coveted category of all. To be named 'Brand of the Year' is an illustrious and reputable achievement, and it's amazing to see our organization being recognized for the amazing work we do. Please see attached photos from the award presentation.

Sendforth Dinner for outgoing Board Chair of Guinness Nigeria, Babatunde Savage – The Night with A Great Guinness Icon

It was a spectacular night of accolades when friends, family and colleagues received the immediate past Board Chair of Guinness Nigeria Plc, Babatunde Savage with so much conviviality at the Send-Forth Dinner event which held on 19th October, 2021 in Lagos. Having joined the company in 1983, Savage rose through the ranks not just organically but also steadily to the highest peak of his career at the company to become a highly revered icon of Guinness and even the parent company, Diageo.

He had many notable achievements to his name in his 12-year reign as the Board Chair of the foremost brewer and only Total Beverage Company in Nigeria. Here are some moments at the event which was filled with delightful outpour of commendations, nostalgic sharing of memories as well as tributes to the amazing works that Savage had gallantly put in at the company for about 40 years.



Onboarding an All-Female Graduate Management Trainees

Guinness Nigeria brings onboard 15 Female Management Trainees, to participate in the 24-months intensive and highly competitive training program aimed at helping young talents develop the right job and managerial skills for a successful career in the manufacturing industry. It features classroom trainings, near -job experiences (simulation), On-the-job attachments, job rotations, projects, assessments at different program milestones, and lots more.



71st Annual General Meeting

The 71st Annual General Meeting of Guinness Nigeria held on 26th October 2021, where we declared N1.26 billion profit after tax (PAT) for the full year ended June 30, 2021, rising from N12.6 billion loss recorded posted in 2020.

Omobola Johnson, the Board chair of Guinness Nigeria's board of directors, appreciated the support of the shareholders, stating that the company will keep up with its growth strategy to continue on its path of profitability.

"We are confident that our strategy is comprehensive and robust. We are keen on making the right investments that will drive growth across board and ensure our competitiveness, despite the challenging business environment," she said.

Baker Magunda, the Managing Director of Guinness Nigeria Plc, also expressed his confidence in the company's outlook for the future, emphasizing that some key strategic decisions of the company in the last year increases the chances of the company's journey to sustained profitability.

The board and management of Guinness Nigeria Plc also received commendations from shareholders for leading the company back to profitability after trouncing a loss in prior year's financial.



Statutory Audit Committee visit GNHQ



Commissioning of a new Production Line for Spirit Products in Guinness Ogbá Brewery

On Wednesday, 24th November, Guinness Nigeria commissioned a new Spirits production line at our Ogbá brewery in Lagos.

The line was commissioned by the President, Diageo Africa, John O’Keeffe along with the British Deputy High Commissioner to Nigeria, Mr. Ben Llewellyn-Jones and the Managing Director of Guinness Nigeria, Magunda, Baker.

According to John O’Keeffe, the “project is part of the mainstream spirit capacity expansion programme in order to satisfy the growing needs of our customers.



NGX Nigerian Exchange Group commemorates IWD 2022

DIGITAL CLOSING GONG CEREMONY
NGX CELEBRATES RECENTLY APPOINTED
FEMALE BOARD CHAIRS

 TEMİ FOLORUNSO CHIEF EXECUTIVE OFFICER NIGERIAN EXCHANGE LIMITED	 DR. OMOBOLA JOHNSON CHIEF GUINNESS NIGERIA PLC	 BOLA ADESOLA CHIEF ECONOMY NIGERIA LIMITED
 DR. ADERIBIGBE AMOSOLA, MFR CHAIRMAN ACCESS BANK PLC	 BIRELU ANSELMA ADERAYO CHIEF NEW REAL ESTATE LIMITED	 CATHERINE SCHMEDT CHIEF NEW REGULATOR LIMITED

WEDNESDAY
2 MARCH 2022

2:00 PM
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access NGX Guinness Ecobank NGX

IFC

NGX Group of Companies Commemorates IWD 2022, Rings the Bell for Gender Equality



NGX Celebrates Recently Appointed Female Board Chairs of Listed Companies



Ogba Brewery Water Recovery Plant

A while back, we set out on a journey to further expand our Water Stewardship commitments by exploring more opportunities to reduce water usage in our production processes as well as improve its efficiency - this quest birthed The Water Recovery Plant project idea - a system which takes treated water from our current effluent treatment plant and further purifies it using state of the art technology to the point where it becomes safe enough for human consumption.

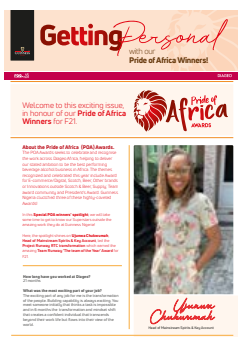
The recovered water is then re-introduced into our breweries (though not for any process directly involved with making our



products) for use in water hydrants, pasteurizers, conveyor lubrication, refrigeration, and other sanitation-related uses. This process results in the reduction of water taken from the environment by up to 800,000 cm³ per year - about the same as 350 Olympic sized swimming

pools! Amazing, right?

The Lagos State Environment Protection Agency during one of their inspection visits to our brewery declared that the project was first of its kind by any organization in the country.

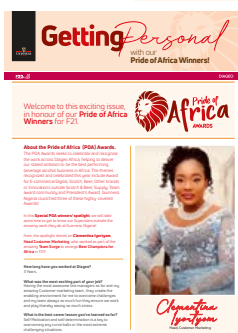


Diageo Africa holds an 'All Africa Zoom' & F21 Pride of Africa Awards

On July 30th 2021, Diageo held the F21 Pride of Africa Awards via Zoom, hosted by Diageo Africa Execs where they spoke to Africa's F21 Full year results in detail.

We also celebrated our African superstars whose outstanding contributions made our F21 results so stellar. We put in a number of nominations and a number of Guinness Nigeria employees won a couple of those Awards.

Another highlight of the event was that Guinness Nigeria employees were dressed in 'Naija-style' in our prints and colours and indeed passed on the Naija spirit to everyone else on the call.





Guinness Nigeria partners United Nations World Food Programme on Zero Hunger Sprint Project

Guinness Nigeria Plc along with four other multinational organizations partnered with the United Nations World Food Programme at the launch of The Zero Hunger Roundtable - a multi-sector forum aimed at collectively addressing food challenges as part of the UN's global mandate to achieve Zero Hunger by the year 2030. The initiative and the backing it receives will help to support and contribute to Nigeria's own efforts at achieving Sustainable Development Goal (SDG) 2 – which aims to bring an end to hunger.

The launch is a culmination of several weeks of rigorous screening processes where young Nigerian start-ups were given opportunities to pitch their innovative and practical ideas toward tackling the hunger problem in the country to a team of investors with the top 5 ideas winning N21,000,000 each.

As a business, we continue to seek collaborative opportunities to boost local capacity, create means of livelihood, enhance skills acquisition, and place more value and importance on local raw materials sourcing. We foresee a huge opportunity for backward integration with this project as

our choice Start Up – Zowasel – a multi-sided marketplace that provides quality crop testing and connects small holder farmers with access to premium buyers will be getting access to the much-needed funding and technical expertise to enable it to scale its operations to cover more smallholder farmers.

While speaking at the event, Rotimi Odusola said "We are pleased to be supporting Zowasel and the remarkable initiatives they have articulated especially to benefit small holder farmers that are female in furtherance of our commitment and focus on backward integration and local sourcing of raw materials for our production."




"In many instances, inequality and stereotypes are influenced by our traditional beliefs in Nigeria. Success for the Nigeria National Chapter of the Unstereotype Alliance should begin from decanting those regressive beliefs that hold women back, with progressive female representations, conversations, communications and actions to bring an end to all existing issues fueling the gender gap; like girl child labour, female genital mutilation, child bride system, domestic violence and many more."

ADENIKE ADEBOLA,
MARKETING & INNOVATIONS DIRECTOR,
GUINNESS NIGERIA PLC.





Partnership with United Nations Women to launch Unstereotype Alliance

In partnership with the United Nations, Guinness Nigeria launched the Unstereotype Alliance in Nigeria. We are proud to be part of the new #NigeriaNationalChapter, convened by UN Women. Together, we will work to dismantle harmful stereotypes across the local advertising industry.





EMBER MONTH CAMPAIGN

NEVER DRINK AND DRIVE

We kicked off our Annual Responsible Drinking programme – ‘Ember Months Campaign’ in collaboration with Nigeria’s Federal Road Safety Corp (FRSC) and other key stakeholders in the transportation industry earlier this week at the at National Union of Road Transport Workers (NURTW) Owena Bus terminus in Lagos.

This strategic partnership spanning close to two decades focuses on enlightening commercial drivers and other road users



on the harmful consequences of alcohol misuse while encouraging them never to drink and drive. We typically kick off this campaign towards the end of the year when travels and celebration are at the peak as people prepare for the holiday season and all the merriment that go with it – The core of our messaging remains the same – NEVER DRINK WHEN YOU DRIVE, AND NEVER DRIVE WHEN YOU DRINK!

While speaking at the event, Baker Magunda – MD Guinness Nigeria reiterated the essence of the “ember month” campaign noting that it is a strong commitment that Guinness Nigeria has made to continue to advise consumer to not just “drink responsibly” but also “drink better”.

Baker Magunda lectures Post-Graduate Students of Pan-Atlantic University



Our Managing Director, Magunda, Baker spent a day with Pan-Atlantic University (PAU)’s MSC Media and Communication FT14 class, speaking about sustaining business growth through purposeful leadership and it was indeed an wholesome experience.

In his words, “Purpose gives meaning to the work that we do. So what inspires you? What is your story? Remember, you can be everything you want to be with the right attitude, intentional actions and the zeal to acquire knowledge and even more knowledge. Never hold back!”

UK Nigeria Economic Development Forum - Guinness Nigeria shines bright

The Corporate Communications Manager, Ayodele Alabi, expertly represented Guinness Nigeria as host of a reception in celebration of the UK-Nigeria Economic Development Forum. In a room



full of British and Nigerian government officials including minister’s diplomats, policy makers and businessmen. Ayodele Alabi presented our credentials as a committed investor and employer in Nigeria, not to mention active member of the community

and promoter of responsible consumption. Diageo and Guinness Nigeria brands were showcased in the way we know best - at the bar, where we offered guests everything from a FES or Orijin bitters to a JW cocktail.



Make the difference

It's good to think seriously about your relationship with alcohol. If you'd like to change it, whatever that means for you, why not start with the difference you want to make?

What's the difference you'd like to make?



Are you drinking too much?
Understand your risk level



WRONG SIDE OF THE ROAD

E-Learning Drink Driving Module: launches in Nigeria!

The e-learning module aims to address the erroneous thinking that it is socially acceptable to drink and drive; it's a hard-hitting, gut-wrenching real-life experience of everyday people like you and I, who took the wrong decision to drive impaired; gotten into accidents and have now learnt a lesson or two which they want others to learn from.

This launch is so well-timed as it coincides with our annual peak season positive drinking campaign when we remind ourselves, consumers, family and

loved ones about the importance of responsible consumption of alcohol and the need to make moderation the watchword even as we celebrate.

Asides from running online/digital campaigns to create awareness around the module, we will be collaborating with the Federal Road Safety Corp to push its adoption by accredited Driving Schools across the nation; our endgame is to have the module included in the curriculum of these driving schools such that prospective seekers of National Driver's License are mandated to go through the course as part of the qualifying criteria.

Major stakeholders in the Transportation including the State Ministry of Transportation, Lagos State Driver's Institute, National Association of Road Transport Owners, Vehicle Inspection Service, Lagos State Transport Management Authority, Nigeria Civil Defense Corps were in attendance and lauded the initiative.

Guinness Nigeria holds its 1st Diversity & Inclusion Press Conference

In February 2022, Guinness Nigeria held its 1st Diversity and Inclusion press briefing to showcase our progress; as well as share the plans for the future. This is part of our commitment to create the most inclusive and diverse culture, one that ensures our people thrive, while shaping market-leading policies and practices.



2022 Valentines Day - Donation to Orphanages

In commemoration of this year's Valentine's Day celebration, employees within our Lagos and Benin sites took real steps towards showing love and care for the people within our host communities by donating household items and groceries which were then presented to orphanages in those locations.

The kids at the homes could not contain their excitement at seeing us and burst into songs to welcome us; we got to interact with them and came off with lovely memories of their boisterous 'performance' and priceless smiles. It was indeed an afternoon well spent.



Uk Minister Mike Freer MP, along with The British Deputy High Commissioner & his team visits Guinness Nigeria

On 12th May 2022, Guinness Nigeria played host to Mike Freer MP, Parliamentary Under Secretary of State (Minister for Exports) and Parliamentary Under Secretary of State (Minister for Equalities), Ben Llewellyn-Jones, British Deputy High Commissioner, and other members of the British Deputy High Commission.

Mike commended Guinness Nigeria on our economic and social investments in Nigeria, as well as our commitment to human rights, diversity, and Inclusion. He was also so excited about the Water recovery plant when he toured the Lagos brewery. He tried some of the locally made brands and he certainly loved Dubic Malt!



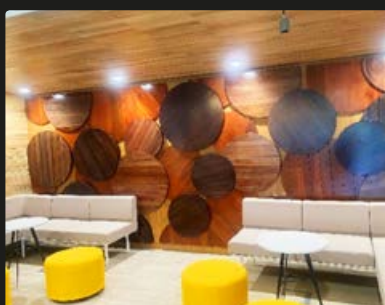
Guinness Nigeria celebrates 2022 World Anti-Counterfeiting Day

The World Anti-Counterfeiting Day was celebrated globally on 8th of June 2022. In commemoration of this event, the Brand Protection team lined up a series of programs such as virtual puzzles, daily prompts on Yammer and teasers which were used as screensavers, aimed at sensitizing employees prior to the event day.

The event held physically at the GNHQ Bar and was streamed

live to Benin. During the internal campaign, employees were engaged in various activities, some of which included: training on anti-counterfeiting, physical game teasers on how to identify counterfeits, virtual activity on counterfeit spotting, and of course award presentation to winners in various categories.

The highlight of the event was the signing of The Pact banner by all physical attendees, to reinforce their commitments to become Brand Protection Ambassadors. In all, the event was a huge success, and several participants were amazed by their inability to differentiate original products from counterfeits.



New Headquarters opened as we Celebrate 72 Years in Nigeria

In line with our long-term strategic expansion plans, and testament to our unwavering confidence in Nigeria, we opened the doors of our ultra-modern headquarters in the heart of Ogba-Ikeja Lagos on 28th April 2022. It was double congratulation for us in Guinness Nigeria as we also celebrated our 72nd year in Nigeria on 29th April 2022.

The GNHQ represents the Future of Work for us – where we will collaborate, create, and connect. It is an open plan workspace with a wide variety of bright, colorful, and multi-functional spaces with wellness-focused designs. Some of the features of our new facility include a fully equipped Gymnasium, disability access through-out; Zoom-enabled meeting spaces and collaborative hotspots, sound-proof phone booths; floor-to-ceiling windows; a stunning state-of-the-art bar, and many more....





Promote Positive Drinking - Sights and Sound from Smashed Live Tours in Nigeria

Smashed is our theatre -in-education programme targeted at tackling underage drinking amongst youth using drama and other interactive educational tools. The initiative is aimed at teaching students that no amount of under-age drinking is safe; and we do this by providing facts, causes, and consequences of under-age drinking. Smashed launched in the United Kingdom over a decade ago and has now been delivered in several countries around the world. At Guinness Nigeria, we piloted the programme in 2018 and we have since reached over 75,000 students across the country. The Smashed programme has now been adopted by the Beer Sectoral Group of MAN (Manufacturers Association of Nigeria), which we are a member of, as one of its major advocacy channels tackling alcohol misuse and formally endorsed by the Federal Ministry of Health.

Below are excerpts from the Smashed Live tours of public and private secondary schools in 2021 across Lagos and Akwa Ibom, Nigeria.

With about 60 schools and over 14,000 students reached, the reception has been awesome; steadily and surely, we are inching closer to educating 10million young people, parents and teachers globally about the dangers of under-age drinking...

Guinness Nigeria Skills Programme for F22

As part of our commitment to women empowerment and development, Guinness Nigeria held trainings and handover ceremonies in the cities of Owerri, Oshogbo and Benin under the Plan-W Initiative. Over 300 women benefitted from this program. This scheme is targeted at increasing employability and improving livelihood by providing simple business and arithmetic skills, as well as assets to under employed women within communities where Guinness Nigeria operates. Our commitment remains coming together and proffering long lasting solutions in building our host communities across the country.





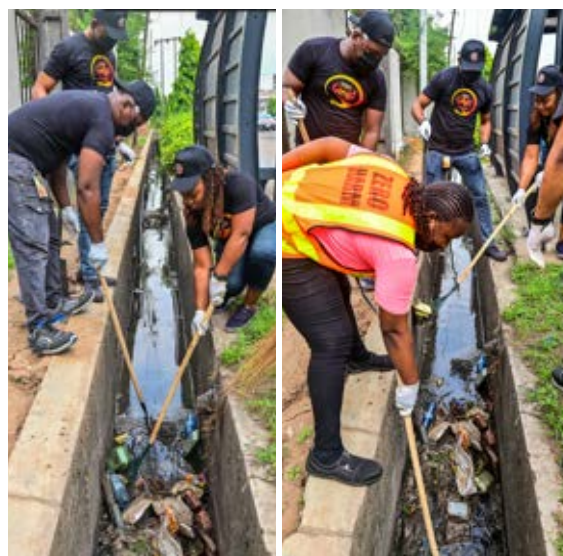
Guinness Nigeria holds its 1st Diageo Bar Academy (DBA) Diversity and Inclusion Bartending Programme

In May 2022, nine (9) women graduated from the Diageo Bar Academy (DBA) Diversity and Inclusion program after intense weeks of training and skills acquisition. This first-of-its-kind program is designed to address the gender stereotypes and skill gaps peculiar to females in the hospitality business.



2022 World Environment Day: Community Clean-Up

In commemoration of the 2022 World Environment Day which held on 5th June, employees of Guinness Nigeria took the responsibility of engaging in a Community Clean-Up. This is to reinforce our commitment to this year's campaign '#OnlyOneEarth', which is a call for collective and transformative action on a global scale to celebrate, protect and restore our planet.





Singleton has gained acceptability from consumers due to its unique taste and flavor growing at a fast rate and with the new brand purpose world “this will be good” which embeds Singleton in the food/treat culture.

We have partnered with food enthusiast and chefs like Afrolems, Fregz and foodie in Lagos to further drive relevance for Singleton in this space and amplified contents via Digital platforms.

The brand recently launched it's aged variant – The Singleton 15 & 18 – with HNIs, industry moguls and influencers in attendance. DOOH and digital platforms were the major channels used to reveal the two single malt aged variants entrance into the market.



Women Of Guinness



CÎROC

In order to establish Cîroc as an icon for luxury by ramping up awareness and embedding the brand in the luxury culture, we signed two influencers at the beginning of F22 that could help us reach this goal (Sunky O & Ozinna).

We also drove the brand purpose campaign messaging (Celebrate with Cîroc) on digital platforms and brought it to life in the ontrade and 3rd space. We activated Cîroc O' clock and an announcement part for both Ozinna and Sunky O.

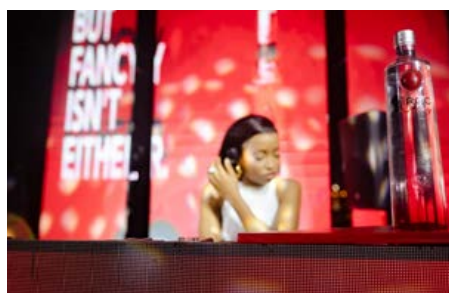
Ozinna Summer Brunch



Sunky CÎROC Party Island



CÎROC O'clock - ONTRADE









FINANCIAL STATEMENTS>

Statement of Directors' Responsibilities

FOR THE YEAR ENDED 30 JUNE 2022

The Companies and Allied Matters Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other regularities; and
- c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) and both the requirements of the Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors by:



Dr Omobola Johnson

Board Chairman

FRC/2018/IODN/00000018366

27 July 2022



Baker Magunda

MD/CEO

FRC/2019/IODN/000000019411

27 July 2022

Report of The Statutory Audit Committee

TO THE MEMBERS OF GUINNESS NIGERIA PLC FOR THE YEAR ENDED 30 JUNE 2022

In compliance with Section 404(7) of the Companies and Allied Matters Act, we have:

- (a) reviewed the scope and planning of the audit requirements;
- (b) reviewed the external auditor's memorandum of recommendations on accounting policies and internal controls together with management responses; and
- (c) ascertained that the accounting and reporting policies of the Company for the year ended 30 June 2022 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 30 June 2022 were adequate and the management's responses to the auditor's findings were satisfactory.



Mr. Moses Igbrude

FRC/2013/IMN/00000005585

Chairman

26 July 2022

Members of the Statutory Audit Committee

Mr. M. O. Igbrude	- Shareholder/Chairman
Mr. G. O. Ibhade	- Shareholder
Mr. Nnamdi Okwuadigbo, FCA	- Shareholder
Mrs. Z. Abdurrahman	- Director
N. Edozien (Ms.)	- Director



1.



2.



3.



4.



5.

Statement of Corporate Responsibility for Financial Reports

FOR THE YEAR ENDED 30 JUNE 2022

Pursuant to the provisions of Section 405 of the Companies and Allied Matters Act, 2020, we the Managing Director/CEO and the Finance & Strategy Director of Guinness Nigeria Plc ("the company") hereby certify that the officers who signed the audited financial statements for the year ended 30 June 2022 have reviewed the audited financial statements and based on their knowledge the:

- a) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- b) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements.

We further certify that the officers who signed the audited financial statements:

- a) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the company is made known to the officers by other officers of the company, particularly during the period in which the audited financial statements report is being prepared;
- b) have evaluated the effectiveness of the company's internal controls within 90 days prior to the date of its audited financial statements; and
- c) certify that the company's internal controls are effective as of that date.

In addition, we certify that the officers who signed the audited financial statements disclosed to the company's auditors, audit committee and board of directors:

- a) that there were no significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and
- b) that there are no fraud that involves management or other employees who have a significant role in the company's internal control

We confirm that there are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation.

Signed:



Baker Magunda

Managing Director

FRC/2019/IODN/000000019411

27 July 2022



Emmanuel Difom

Finance & Strategy Director

FRC/2022/PRO/ICAN/001/00000024174

27 July 2022



Made from Fine French Grapes

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Independent Auditor's Report

TO THE MEMBERS OF GUINNESS NIGERIA PLC

Report on the audit of the financial statements

Our opinion

In our opinion, Guinness Nigeria Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Guinness Nigeria Plc's financial statements comprise:

- the statement of financial position as at 30 June 2022;
 - the income statement for the year then ended;
 - the statement of comprehensive income for the year then ended;
 - the statement of changes in equity for the year then ended;
 - the statement of cash flows for the year then ended; and
 - the notes to the financial statements, which include a summary of significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment allowance on trade receivables (N4.49 billion) <i>(Refer to notes 40, 71(i), 190 and 29a to the financial statements.)</i> We focused on this area due to the materiality of the trade receivable balance of N13.97 billion and the resulting impairment allowance of N4.49 billion and because the directors exercised significant judgement, using subjective assumptions in determining the timing and amount of impairment allowance recognised on trade receivables. IFRS 9 'Financial Instruments' introduces a forward-looking expected credit loss (ECL) model for determining the impairment allowance on financial assets. The expected credit loss model requires significant judgement in measuring the ECL. The directors have adopted the simplified approach in assessing the impairment allowance for trade receivables. Areas where significant judgements were exercised by the directors include: • methodology used to determine the loss rates for the calculation of the lifetime expected credit losses; • estimating key behavioural parameters used within the expected credit loss models; • incorporating forward-looking information (forecasted inflation and gross domestic product) into the estimation of expected credit losses on trade receivables.	We adopted a combination of test of controls and substantive testing approach in assessing the impairment allowance recognised on trade receivables. Specifically, we performed the following procedures: • gained an understanding of the company's order to cash process, evaluated the design and tested the operating effectiveness of controls relating to customers' credits and collectability of trade receivables; • ascertained appropriateness of the provision matrix of the simplified approach used to determine the lifetime ECL based on the requirements of IFRS 9; • tested the reasonableness of data inputs used in the expected credit loss models by comparing to the company's underlying records; • engaged the services of our internal experts to: ○ review the methodology adopted by the directors in determining the loss rates used in estimating the expected credit losses; ○ review the models developed by the directors in estimating the key behavioural parameters used within the expected credit loss calculations; ○ assess the reasonableness of assumptions made by the directors with respect to how forward-looking information (forecasted inflation and gross domestic product) was incorporated into the expected credit loss estimation; ○ agreed the forward looking information to publicly available information. • checked accuracy and appropriateness of disclosures on impairment allowance on trade receivables in accordance with IFRS 9.

Other information

The directors are responsible for the other information. The other information comprises the Financial Highlights, Board of Directors and Corporate Information, Board of Directors and Company Secretary, Directors' Report, Statement of Directors' Responsibilities, Report of the Statutory Audit Committee, Statement of Corporate Responsibility for Financial Reports, Statement of Value Added, Five Year Financial Summary and Shareholders' Information (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Guinness Nigeria Plc 2022 Annual Report, which are expected to be made available to us after that date.

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

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

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

When we read the other sections of the Guinness Nigeria Plc 2022 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

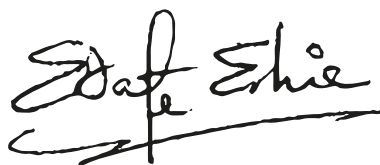
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

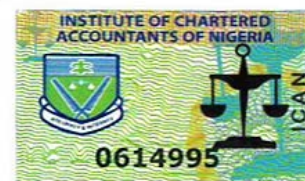
The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
 - iii) the company's statement of financial position, income statement and statement of comprehensive income are in agreement with the books of account and returns.
-



For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

Engagement Partner: **Edafe Erhie**
FRC/2013/ICAN/00000001143



28 July 2022

TRUE MOMENTS DESERVE TRUE WHISKY

THE SPIRIT OF TRUE FRIENDSHIP



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Statement of Financial Position

AS AT 30 JUNE 2022

	Notes	30 June 2022 ₦'000	30 June 2021 ₦'000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	15(a)	97,685,577	94,236,887
Right-of-use assets	24(a)	368,512	432,001
Intangible assets	16	326	2,092
Prepayments	17	4,757	—
Total non-current assets		98,059,172	94,670,980
<i>Current assets</i>			
Inventories	18	32,000,675	21,460,505
Trade and other receivables	19(a)	14,078,900	14,019,385
Prepayments	17	587,852	404,940
Restricted cash	20(a)	1,829,893	2,981,881
Cash and cash equivalents	20(b)	69,103,716	35,868,834
Total current assets		117,601,036	74,735,545
Total assets		215,660,208	169,406,525
Equity			
Share capital		1,095,191	1,095,191
Share premium		47,447,029	47,447,029
Retained earnings		41,437,171	25,744,355
Total equity		89,979,391	74,286,575
Liabilities			
<i>Non-current liabilities</i>			
Lease liabilities	24(b)	177,144	184,309
Employee benefits	25	1,327,970	1,099,329
Deferred tax liabilities	27	10,443,073	10,877,427
Total non-current liabilities		11,948,187	12,161,065
<i>Current liabilities</i>			
Current tax liabilities	13(d)	8,740,294	992,986
Dividend payable	22(a)	1,933,364	3,122,693
Loans and borrowings	23(a)	31,309,343	15,993,143
Employee benefits	25	200,205	165,201
Lease liabilities	24(b)	51	293,391
Contract liabilities	8(b)	1,866,384	715,937
Trade and other payables	28	69,682,989	61,675,534
Total current liabilities		113,732,630	82,958,885
Total liabilities		125,680,817	95,119,950
Total equity and liabilities		215,660,208	169,406,525

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



Dr Omobola Johnson
(Chairman)
FRC/2018/IODN/00000018366



Baker Magunda
(Managing Director)
FRC/2019/IODN/000000019411



Emmanuel Difom
(Finance & Strategy Director)
FRC/2022/PRO/ICAN/001/00000024174

The notes on pages 94 to 147 are integral parts of these financial statements.

Income Statement

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Year to date 30 June 2022 ₦'000	Year to date 30 June 2021 ₦'000
Revenue	8(a)	206,822,127	160,416,257
Cost of sales	11(c)	(134,159,371)	(114,706,338)
Gross profit		72,662,756	45,709,919
Other income	9	2,739,969	1,029,816
Marketing and distribution expenses	11(c)	(37,347,373)	(26,065,949)
Administrative expenses	11(c)	(13,708,522)	(10,316,895)
Net release of expected credit loss on financial assets	11(c)	96,045	48,004
Impairment loss on property, plant and equipment	11(c)	(542,815)	(533,397)
Profit from operating activities		23,900,060	9,871,498
Finance income	10(a)	1,904,144	529,159
Finance costs	10(b)	(2,130,043)	(4,631,147)
Net finance costs		(225,899)	(4,101,988)
Profit before income tax		23,674,161	5,769,510
Tax expense	13	(8,022,799)	(4,514,172)
Profit for the year		15,651,362	1,255,338
Earnings per share			
Basic and diluted earnings per share (kobo)	14	715	57

The notes on pages 94 to 147 are integral parts of these financial statements



Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Year to date 30 June 2022 €'000	Year to date 30 June 2021 €'000
Profit for the year		15,651,362	1,255,338
Other comprehensive income		-	-
<i>Items that will never be reclassified to the income statement</i>			
Remeasurement loss on defined benefit plan	25(a)	(73,752)	(9,861)
Tax credit on other comprehensive loss	27	22,126	2,958
Other comprehensive loss for the year, net of tax		(51,626)	(6,903)
Total comprehensive income for the year		15,599,736	1,248,435

The notes on pages 94 to 147 are integral parts of these financial statements

Statement of Changes In Equity

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Share capital €'000	Share premium €'000	Share based payment reserve €'000	Retained earnings €'000	Total equity €'000
Balance at 1 July 2020		1,095,191	47,447,029	—	24,495,920	73,038,140
Total comprehensive income						
Profit for the year		—	—	—	1,255,338	1,255,338
Other comprehensive loss for the year		—	—	—	(6,903)	(6,903)
Total comprehensive income for the year		—	—	—	1,248,435	1,248,435
Transaction with owners, recorded directly in equity						
Share-based payment charge	26	—	—	137,701	—	137,701
Share-based payment recharge	26	—	—	(137,701)	—	(137,701)
Total transactions with owners		—	—	—	—	—
Balance at 30 June 2021		1,095,191	47,447,029	—	25,744,355	74,286,575
Balance at 1 July 2021		1,095,191	47,447,029	—	25,744,355	74,286,575
Total comprehensive income						
Profit for the year		—	—	—	15,651,362	15,651,362
Other comprehensive loss for the year		—	—	—	(51,626)	(51,626)
Total comprehensive income for the year		—	—	—	15,599,736	15,599,736
Transaction with owners, recorded directly in equity						
Dividends to equity holders	22(a)	—	—	—	(1,007,576)	(1,007,576)
Unclaimed dividend written back	22(a)	—	—	—	1,100,656	1,100,656
Share-based payment charge	26	—	—	229,643	—	229,643
Share-based payment recharge	26	—	—	(229,643)	—	(229,643)
Total transactions with owners		—	—	—	93,080	93,080
Balance at 30 June 2022		1,095,191	47,447,029	—	41,437,171	89,979,391

The notes on pages 94 to 147 are integral parts of these financial statements



Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	12 months ended 30 June 2022 €'000	12 months ended 30 June 2021 €'000
Cash flows from operating activities			
Profit before income tax		23,674,161	5,769,510
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	15(a)	8,465,306	8,123,964
Depreciation of right-of-use assets	24(a)	140,758	358,133
Amortization of intangible assets	16(a)	1,765	102,370
Write-off of property, plant and equipment	15(b)	542,815	533,397
Gain on disposal of property, plant and equipment	15(g)	(1,693,480)	(280,911)
Impairment of inventories	18(a)	1,649,049	994,593
Provision release of inventories	18(a)	(603,637)	(1,685,886)
(Release of)/Charge for expected credit loss of trade and other receivables	19(b)	(405,354)	477,140
Long service awards	25(c)	261,925	(57,231)
Share-based payments	26	229,643	137,701
Other provisions	28(b)	(270,701)	709,767
Derecognition of contingent asset	19(a)	—	5,331,619
Finance income	10(a)	(1,904,144)	(529,159)
Finance costs	10(b)	2,130,043	4,631,147
		32,218,149	24,616,154
<i>Changes in working capital:</i>			
Inventories		(11,585,582)	5,657,041
Trade and other receivables	19(b)	1,213,136	(916,131)
Prepayments	17	(187,669)	60,680
Dividend payables	22(b)	(88,673)	(11,901)
Trade and other payables	28(b)	17,354,496	32,594,081
Cash generated from operating activities		38,923,857	61,999,924
Income tax paid	13(d)	(642,324)	(1,897,631)
Value added tax paid	28(b)	(9,935,557)	(7,559,012)
Gratuity paid	25(a)	(71,466)	(93,251)
Long service awards paid	25(b)	(155,717)	(69,391)
Net cash generated from operating activities		28,118,793	52,380,639
Cash flows from investing activities			
Interest received	10(a)	991,451	90,346
Proceeds from disposal of property, plant and equipment	15(g)	1,696,994	831,834
Acquisition of property, plant and equipment	15(f)	(9,532,565)	(12,299,150)
Net cash used in investing activities		(6,844,120)	(11,376,970)
Cash flows from financing activities			
Proceeds from loans and borrowings	23(b)	34,329,310	16,311,020
Repayment of loans and borrowings	23(b)	(19,139,420)	(23,747,989)
Repayment of the principal portion of the lease liabilities	24(b)	(377,774)	(119,639)
Interest paid	10(b)	(1,752,908)	(2,711,924)
Dividends paid	22(b)	(1,007,576)	—
Net cash generated from/(used in) financing activities		12,051,632	(10,268,532)
Net increase in cash and cash equivalents		33,326,305	30,735,137
Effect of foreign exchange rate changes on cash and cash equivalent		(91,423)	171,984
Cash and cash equivalents at 1 July		35,868,834	4,961,713
Cash and cash equivalents at 30 June	20(b)	69,103,716	35,868,834

The notes on pages 94 to 147 are integral parts of these financial statements

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

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NOTES TO THE FINANCIAL STATEMENTS

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 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 authorized for issue by the Board of Directors on 27 July 2022, and will be submitted for adoption to the Annual General Meeting of Shareholders.

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.

The Company has reported a total comprehensive income of N15.599 billion for the year ended 30 June 2022. The company has consistently generated positive cash flow from operating activities, net current asset was recorded during the fiscal year.

Management considered the factors above relating to the current and expected profitability, debt repayment schedules and potential sources of replacement financing and satisfied itself that the going concern basis is appropriate.

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 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. 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about assumptions and estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial

NOTES TO THE FINANCIAL STATEMENTS

statements are described in the following notes:

(a) Assumptions and estimation uncertainties

- Note 13 - Current taxes
- Note 15 - Depreciation of property, plant and equipment
- Note 15 - Impairment assessment of property, plant and equipment
- Note 24 - Extension of lease options
- Note 25 - Measurement of defined benefit obligations: key actuarial assumptions
- Note 26 - Share-based payments
- Note 27 - Deferred tax
- Note 29 - Expected credit loss in line with IFRS 9 'Financial Instruments'
- Note 30 - Contingent liabilities

(b) 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 recognized in the historical financial information:

Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 18 - Net realizable value of inventory
- Note 26 - Share-based payments
- Note 29 - Financial risk management and financial instruments

5. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items which have been measured on an alternative basis on each reporting date.

Items	Measurement bases
Non-derivative financial instruments	Initially measured at fair values and subsequently measured at amortized cost.
Employee benefits	Present value of defined benefit obligation.
Share-based payment transactions	Grant date fair value of the equity instrument issued.

NOTES TO THE FINANCIAL STATEMENTS

6. Changes in accounting policies and disclosures

(i) New and amended standards adopted by the Company

The following standards and amendments have been applied by the Company for the first time for the financial year beginning 1 July 2021:

Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform Phase 2

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide the following reliefs:

- When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.
- The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition. Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.

The application of the amendments had no material impact on the financial statements of the Company.

(ii) Relevant new standards not yet adopted by the Company

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g.: the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

The Directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements of the company.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

NOTES TO THE FINANCIAL STATEMENTS

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting disclosures. The effective date of the amendment is 1st of January 2023.

The Directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements of the company.

Amendments to IAS 8: Definition of Accounting Estimates

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The effective date of the amendment is 1st of January 2023.

The Directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements of the company.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognized in the retained earnings, or another component of equity, as appropriate.

The effective date of the amendment is 1st of January 2023.

The Directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements of the company.

Amendments to IAS 16: Property, Plant and Equipment - Proceeds before intended use

The amendment to IAS 16 Property, Plant and Equipment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

NOTES TO THE FINANCIAL STATEMENTS

The effective date of the amendment is 1st of January 2022.

The Directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements of the company.

Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognizing a separate provision for an onerous contract, the entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract. The effective date of the amendment is 1st of January 2022.

The Directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements of the company.

Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements to IFRS Standards 2018–2020 cycle make amendments to the following standards:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The effective date of the amendment is 1st of January 2022.

The Directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements of the company.

(iii) Early adoption of standards

The Company did not early adopt new or amended standards in the year ended 30 June 2022.

7. Significant accounting policies

Except for the changes explained in Note 6, the Company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the

NOTES TO THE FINANCIAL STATEMENTS

fair value was measured. Foreign currency translation differences are generally recognized in income statement. Non-monetary items that are measured based on historical cost in a foreign currency are not re-measured at every reporting date.

(b) Financial instruments

i. Financial assets

Financial assets and financial liabilities - Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company become a party to the contractual provisions of the instrument.

On initial recognition:

- Financial assets or financial liabilities classified as fair value through profit or loss are measured at fair value
- Trade receivables are measured at their transaction price
- All other categories of financial assets and financial liabilities are measured at their fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the instrument.

Financial assets - classification and subsequent measurement

The Company classifies its financial instruments into the following categories:

- Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortized cost
- Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at fair value through other comprehensive income
- All other financial assets are classified and measured at fair value through profit or loss
- Notwithstanding the above, the Company may:
 - on initial recognition of an equity investment that is held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income
 - on initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets held during the year were classified as at amortized cost: trade and other receivable and balances with related parties, restricted cash, cash and cash equivalents and investment securities.

The Company's financial assets include trade and other receivables. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income, dividend income and exchange gains and losses on monetary items are recognised in profit or loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognized as finance income/cost.

NOTES TO THE FINANCIAL STATEMENTS

ii. Financial liabilities

Classification and measurement

Financial liabilities are classified as either financial liabilities at amortized cost or financial liabilities at fair value through profit or loss. The Company's financial liabilities are classified as financial liabilities at amortized cost. The Company has no financial liabilities in any other category. Management determines the classification of financial liabilities at initial recognition.

The Company's financial liabilities include borrowings, trade and other payables, amount due to related parties and accrued expenses. They are classified as current liabilities if payment is within one year or less. Otherwise, they are classified as non-current liabilities.

Financial liabilities are recognized initially at fair value, net of any transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

Recognition and derecognition

The Company recognizes a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized immediately in the statement of profit or loss.

iii. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(c) Share capital

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

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

(d) Property, plant and equipment

i. Recognition, measurement and derecognition

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

NOTES TO THE FINANCIAL STATEMENTS

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The carrying amount of an item of property, plant and equipment shall be derecognized on disposal or when no future economic benefits are expected from its use.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in income statement.

The Company reviews the residual values and estimated useful life of its assets annually and where necessary adjustments are done to reflect significant changes.

General and specific 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 recognized in profit and loss in the period in which they are incurred.

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in income statement as incurred.

iii. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized in income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The residual value and the useful life of assets 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.

Given the current economic circumstances, the company has taken into consideration and continuously monitored the potential effects of COVID-19 that would trigger testing of tangible and intangible assets for impairment and/or reassessment of estimated useful lives. Currently no significant effect of COVID-19 was identified on the previously estimated useful lives, the company believes they are still adequate for the current economic situation.

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

Leasehold land	–	lease period
Buildings	–	10 to 60 years



NOTES TO THE FINANCIAL STATEMENTS

Plant and machinery	–	2 to 50 years
Furniture and equipment	–	5 to 10 years
Motor vehicles	–	4 to 5 years
Returnable packaging materials	–	5 to 10 years

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

iv. Impairment

Impairment reviews on property, plant and equipment assets are only required to be carried out if circumstances indicate that the carrying values may not be recoverable. Recoverable amount of property, plant and equipment is the higher of value in use and fair value less cost to dispose the asset. When an impairment loss is recognized, the useful economic life and residual value of the asset should be reviewed and revised if necessary. The change in the assumptions should be applied prospectively from the current accounting period: the revised carrying amount should be depreciated over the revised remaining useful economic life. This 'recalibration' of the depreciation charge will be effected from the last external reporting date prior to the impairment.

(e) Intangible assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. The Company's intangible assets with finite useful life comprises computer software, concession right and distribution right. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific intangible asset to which it relates, otherwise they are expensed.

Amortization is calculated over the cost of the asset, or other amount substituted for cost less its residual value. Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives for the current and preceding years are as follows:

Computer software- SAP	–	11 years
Computer software-others	–	5 years
Concession right	–	10 years
Distribution right	–	5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

An intangible asset is derecognized where it is certain that there would be no future flow of economic benefit to the Company as a result of holding such asset.

(f) Inventories

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

Raw materials, 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.

NOTES TO THE FINANCIAL STATEMENTS

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses. Inventory values are adjusted for obsolete, slow-moving or defective items. Aged spirit products are not included in obsolete provision.

(g) Prepayments

A prepaid expense is recognized in the balance sheet in case of short term leases (less than 12 months) and expenditures paid in advance for which the underlying asset will not be consumed until a future period. When the asset is eventually consumed, it is charged to expense. If consumed over multiple periods, there may be a series of corresponding charges to expense.

The company elected to apply the short-term lease recognition exemptions. Leases for less than 12 months or contractual value below 5,000 GBP (or equivalent in Naira) are recorded as prepayments.

(h) Impairment

i. Financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortized cost or fair value through other comprehensive income under IFRS 9: Financial instruments. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

Expected credit loss is calculated by:

- (1) identifying scenarios in which the trade receivable defaults;
- (2) estimating the cash shortfall that would be incurred under each scenario when a default were to happen;
- (3) multiplying that cash loss by the probability of the default happening; and
- 4) adding together the results of all possible default events.

In case of trade receivables the cash shortfall should be the difference between the amount of cash contractually due and the amount of cash the entity expects to receive over the lifetime of the receivable.

The company considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- Significant unfavourable changes in the operating results or financial position of the customer;
- Negative changes in the internal and/or external credit risk indicators applicable for the customer;
- Negative credit loss experience of other peer companies;
- Accounts has already been passed to legal or external agencies for collection;
- The customer is under the process of liquidation or bankruptcy;
- Accounts are overdue by 90 days or more.
- Adverse changes in the general business, finance and market conditions (e.g. significant increase in inflation).

NOTES TO THE FINANCIAL STATEMENTS

The simplified approach is applied for trade receivables from related party and third party customers. The simplified approach requires expected lifetime losses to be recognized from initial recognition of the receivables. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognized in profit or loss.

The gross carrying amount of the financial asset has to be reduced (written off) in case there is no reasonable expectation of recovering the contractual cash flows on the asset in its entirety or its portion only. A write off is considered to be the de-recognition of the debtor balance from the books..

ii. Non-financial assets

All non-financial assets like property, plant and equipment's, intangible assets, inventories and other non-financial assets are reviewed periodically, whether any indication of impairment exists. The carrying amount of the Company's non-financial assets, other than inventories (which are reviewed every month) are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, then the asset's recoverable amount is estimated.

Given the current economic circumstances, the company has taken into consideration and continuously monitored the potential effects of COVID-19 that would trigger testing of non-financial assets of the company for impairment. No significant effect of COVID-19 was identified which would trigger a significant impairment on non-financial assets.

The recoverable amount of an asset 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its 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 amortization, if no impairment loss had been recognized.

(i) Employee benefits

i. Defined contribution plan

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

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its management and non-management employees. Employee's contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to the income statement. The Company contributes 10% and 12% for management and non-management employees respectively while employees contribute 8% of their insurable earnings (basic, housing and transport allowance).

NOTES TO THE FINANCIAL STATEMENTS

ii. Gratuity

– *Defined benefit gratuity scheme*

Lump sum benefits payable upon retirement or resignation of employment are fully accrued over the service lives of management and non-management staff under the scheme. Employees under the defined benefit scheme are those who had served a minimum of 5 years on or before 31 December 2008 when the scheme was terminated. Independent actuarial valuations are performed periodically on a projected unit credit basis. Remeasurement gains/ losses arising from valuations are charged in full to other comprehensive income. The Company ensures that adequate arrangements are in place to meet its obligations under the scheme.

– *Defined contribution gratuity scheme*

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..

iii. Other long-term employee benefits

The Company's other long-term employee benefits represents Long Service Awards payable upon completion of certain years in service and accrued over the service lives of the employees. Independent actuarial valuations are performed periodically on a projected unit credit basis. Remeasurement gains or losses and curtailment gains or losses arising from valuations are charged in full to income statement.

iv. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

v. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

vi. Share-based payment transactions

The fair value of equity settled share options and share grants is initially measured at grant date based on the binomial or Monte Carlo models and is charged in the income statement over the vesting period. For equity settled share-based payments, the credit is included in share-based payment reserve in equity whereas for cash settled share-based payments a liability is recognized in the statement of financial position, measured initially at the fair value of the liability.

For cash settled share options and share grants, the fair value of the liability is remeasured at the end of each reporting period until the liability is settled, and at the date of settlement, with any changes in the fair value recognized in the income statement. Cancellations of share options are treated as an acceleration of the vesting period and any outstanding charge is recognized in income statement immediately.

(j) Leases

i. *Leases under which the Company is the lessee*

On the commencement date of each lease (excluding leases with a term of 12 months or less on commencement and leases for which the underlying asset is of low value), the Company recognizes a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted at the interest

NOTES TO THE FINANCIAL STATEMENTS

rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

For leases that contain non-lease components, the Company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components. As a practical expedient for land leases, the Company elected not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortized cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Company at the end of the lease term, the estimated useful life would not exceed the lease term.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognized in profit or loss on a straight-line basis over the lease period.

ii. Leases under which the Company is the lessor

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are recognized as income in the profit and loss account on a straight-line basis over the lease term.

(k) Provisions and contingent liabilities

Provisions

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

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

Contingent liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

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

(l) Revenue from Contracts with Customers

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Company's activities and it is stated net of value added tax (VAT), rebates 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.

The probability that a customer would make payment is ascertained based on management's evaluation. The Company is the principal in all of its revenue arrangement since it is the primary obligor in most of the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

Sale of goods

Sale of goods arises from sale of drinks to third parties and related parties. Revenue from the sale of goods is recognized when the control of the goods are transferred to the buyer. This occurs when the goods leave the Company's premises or picked up by the customers. This is at a point in time. The customer obtains the right to return goods that are bad or damaged after they have been delivered.

Revenue from sale of drinks is recognized based on the price specified in the contract, net of the estimated rebates and returns. Rebates are estimated at the inception of the contract.

Product returns for a refund or credit note

Returns on goods are estimated at the inception of the contract except where the timing between when the revenue is recognized and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur.

The Company allows customers to return products after delivery within a certain timeframe if 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 in trade and other receivables and a corresponding adjustment to Cost of sales.

A refund liability of N92.34 million (2021: N54.15 million) has been recognized for the expected refunds to customers and a corresponding adjustment to revenue for the year ended 30 June 2022. A right of recovery asset of N49.51 million (2021: N33.30 million) has also been recognized in other receivables for the products to be returned and a corresponding adjustment to Cost of sales for the year ended 30 June 2022.

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;

NOTES TO THE FINANCIAL STATEMENTS

(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 June 2022 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.

(m) 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.

(n) Finance income and finance costs

Finance income comprises interest income on funds invested. Finance income is recognized as it accrues in income statement, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

Finance costs comprise interest expense on borrowings, interest expense on lease liabilities, unwinding of the discount on provisions, interest expense on factoring of trade receivables recognized on financial assets, except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalized as part of the related assets, are recognized in income statement using the effective interest method.

Foreign currency gains and losses are reported separately as either finance income and finance cost respectively.

(o) Taxation

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

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

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.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

Significant judgement is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the current income tax

NOTES TO THE FINANCIAL STATEMENTS

and deferred income tax provisions in the period in which such determination is made. Disclosures on contingent liabilities with respect to tax are included in Note 30.

(p) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the earnings attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

(q) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, equity-settled share-based payments and other non-cash items are eliminated for the purpose of preparing the statement of cash flows. Dividends paid to ordinary shareholders are included in financing activities. Finance cost paid is also included in financing activities while finance income received is included in investing activities.

(r) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Guinness Leadership Team which comprises of the members of the Board of Directors and other Executive Officers.

Segment information is required to be presented in respect of the Company's business and geographical segment, where applicable. The Company's primary format for segment reporting is based on operating segments. The operating segments are determined by management based on the Company's internal reporting structure. Where applicable, segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(s) Service concession charges

Service concession charges represent fixed annual amounts payable to the grantor in respect of concession right to the concession asset. These amounts are charged to the income statement over the duration of the concession period, if immaterial.

(t) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

8. Revenue

(a) Disaggregation of revenue from contract with customers

	2022	2021
	₦'000	₦'000
Nigeria	204,869,529	158,946,729
Export	1,952,598	1,469,528
	206,822,127	160,416,257

Nigeria is the Company's primary geographical segment as over 99% 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 relating to contracts with customers	30 June 2022	30 June 2021
	₦'000	₦'000
Contract liabilities	1,866,384	715,937

Contract liabilities with customers as at 30 June 2022 amounting to N1,866 million (2021: N716 million) is included in current liabilities in statement of financial position.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities

	2022
	₦'000
Revenue recognized that was included in the contract liability balance at the beginning of the period	715,937

There was no revenue recognized in the current year from performance obligations satisfied in previous periods. There was no significant financing components in the contracts with customers.

9. Other income

(a) Other income comprises:

	2022	2021
	₦'000	₦'000
Income from leased assets (Note 15(j))	381,399	363,424
Sale of by-products	665,090	385,481
Gain on disposal of property, plant and equipment (Note 15(g))	1,693,480	280,911
	2,739,969	1,029,816

NOTES TO THE FINANCIAL STATEMENTS

10. Finance income and finance costs

(a) Finance income is as follows:

(i) Finance income per income statement

	2022	2021
	€'000	€'000
Total interest income arising from financial assets - received	991,451	90,346
Total interest income arising from financial assets - accrued	32,844	—
Gain on remeasurement of foreign currency balances	879,849	365,044
Interest impact on remeasurement of lease liability (Note 24(b))	—	73,769
	1,904,144	529,159

(ii) Finance income received in the statement of cash flows

	2022	2021
	€'000	€'000
Finance income per income statement	1,904,144	529,159
Unrealised exchange gain	(879,849)	(365,044)
Accrued finance income	(32,844)	—
Interest impact on remeasurement of lease liability (Note 24(b))	—	(73,769)
	991,451	90,346

(b) Finance costs are as follows:

(i) Finance costs per income statement

	2022	2021
	€'000	€'000
Finance expense on loans and borrowings (Note 23(b))	616,944	1,404,421
Interest expense on lease liabilities (Note 24(b))	3,477	34,700
Interest expense on employee benefits (Note 25(c))	155,151	131,557
Exchange difference on foreign currency intercompany loan (Note 23(b))	197,440	527,980
Loss on remeasurement of foreign currency balances	1,157,031	2,532,489
	2,130,043	4,631,147

(ii) Finance costs paid in the statement of cash flows

	2022	2021
	€'000	€'000
Finance costs per income statement	2,130,043	4,631,147
Interest expense on employee benefits (Note 25(c))	(155,151)	(131,557)
Unrealised foreign exchange loss	(221,984)	(1,787,666)
	1,752,908	2,711,924

NOTES TO THE FINANCIAL STATEMENTS

11. Profit before taxation

(a) Profit before taxation is stated after charging:

	2022	2021
	₦'000	₦'000
Depreciation of property, plant and equipment (Note 15(a))	8,465,306	8,123,964
Depreciation of right-of-use assets (Note 24(a))	140,758	358,133
Impairment loss on property, plant and equipment (Note 15(b))	542,815	533,397
Amortization of intangible assets (Note 16(a))	1,765	102,370
Auditor's remuneration	39,900	38,000
Personnel expenses (Note 12 (a))	13,792,197	11,338,154
Directors' remuneration (Note 11(b))	777,828	589,855
Gain on disposal of property, plant and equipment (Note 15(g))	(1,693,480)	(280,911)
Rental expenses	521,155	355,959
Royalty and technical service fees	1,267,667	918,201

In addition to the statutory audit fee above, PwC received N85.1 million (2021: N102.1 million) for SOx testing and Group reporting towards the integrated audit of Diageo Plc.

(b) Directors' remuneration

Remuneration, excluding gratuity and pension contributions for Directors of the Company, who discharged their duties mainly in Nigeria, was as follows:

	2022	2021
	₦'000	₦'000
Fees paid to Non-Executive Directors	71,010	87,695
Fees and remuneration paid to the Chairman	35,935	36,201
Remuneration paid to Executive Directors	670,883	465,959
	777,828	589,855

The remuneration (excluding gratuity and pension contributions) of the highest paid Director amounted to N505 million (2021: N243 million).

Remuneration paid to the Executive Directors is included as part of personnel cost in Note 12(a), while Fees and remuneration paid to the Non-Executive Directors and the Chairman is included as part of Other miscellaneous expenses in Note 11(c).

The table below shows the number of directors of the Company (excluding the Chairman) whose remuneration excluding certain benefits, gratuity and pension contributions (in respect of services to the Company) fell within the bands shown below:

	2022	2021
	Number	Number
N2,000,001 - N20,000,000	8	10
N100,000,001 and N200,000,000	1	1
N200,000,001 and above	1	1
	10	12



NOTES TO THE FINANCIAL STATEMENTS

(c) Analysis of expenses by nature

	2022	2021
	₦'000	₦'000
Raw materials and consumables (Note 18(a))	97,102,834	84,230,651
Freight costs	17,080,248	12,575,451
Advertising and promotion	20,267,125	13,490,498
Personnel expenses (Note 12(a))	13,792,197	11,338,154
Depreciation of property, plant and equipment (Note 15(a))	8,465,306	8,123,964
Depreciation of right-of-use assets (Note 24(a))	140,758	358,133
Amortization of intangible assets (Note 16(a))	1,765	102,370
Impairment loss on property, plant and equipment (Note 15(b))	542,815	533,397
Release of/(charge for) expected credit loss on (non-financial) other receivables (Note 19(a))	(309,309)	525,143
Release of expected credit loss on (financial) trade and other receivables (Note 29(a))	(96,045)	(48,004)
Rental expenses	521,155	355,959
Royalty and technical service fees (Note 31)	1,267,667	918,201
Repairs and maintenance	5,851,463	3,931,353
Travel and entertainment	1,599,406	736,406
Professional costs*	1,965,403	1,078,554
External labour costs	1,533,409	1,344,434
Facilities	2,274,636	1,741,232
IT service costs	1,011,471	659,735
Utilities	7,285,472	5,822,625
Cleaning of plant and machineries	3,739,206	2,772,077
Other miscellaneous expenses	1,625,054	984,242
Total expenses	185,662,036	151,574,575

*Included in professional costs above is the sum of N4 million (2021: N2 million) and N17.1 million (2021: N15.1 million) paid to Ernst & Young Professional Services in Nigeria for Actuarial and Tax services rendered to the company.

The name of the professional, FRC registration number of the professional, name of professional firm as well as the summary of the services rendered are as follows:

Name of signer	FRC number	Name of firm	Services rendered
Wise Chigudu	FRC/2022/PRO/NAS/00000024119	Ernst & Young	Actuarial valuation services
James Adeagbo	FRC/2020/004/000000021900	Ernst & Young	Tax compliance services

Total expenses is analysed as below:

	2022	2021
	₦'000	₦'000
Cost of Sales	134,159,371	114,706,338
Marketing and distribution expenses	37,347,373	26,065,949
Administrative expenses	13,708,522	10,316,895
Impairment loss on property, plant and equipment (Note 15(b))	542,815	533,397
Net release of expected credit loss on financial assets (Note 29(a))	(96,045)	(48,004)
	185,662,036	151,574,575

NOTES TO THE FINANCIAL STATEMENTS

12. Personnel Expenses

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

	2022	2021
	₦'000	₦'000
Salaries, wages and allowances	12,238,603	10,241,605
Contributions to defined contribution plans (Note 25(d) and Note 25(e))	1,097,563	1,011,123
Share-based payments expense (Note 26(c))	229,643	137,701
Other long term employee benefits (Note 25(c))	261,925	(57,231)
(Release of)/Charge for termination expense	(35,537)	4,956
Total personnel expenses	13,792,197	11,338,154

(b) The average number of persons employed during the year are:

	2022	2021
	Number	Number
Operations and Technical	298	374
Sales	430	375
Marketing	49	29
Finance, IT and Human Resources	50	45
Legal and Corporate Affairs	12	12
	839	835

(c) The average number of employees of the Company during the year, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration (excluding pension contributions and certain benefits) in the following ranges:

	2022	2021
	Number	Number
N100,000 – N500,000	2	5
N500,001 – N1,000,000	20	11
N1,000,001 – N1,500,000	6	31
N1,500,001 – N2,000,000	10	65
N2,000,001 – N2,500,000	8	95
N2,500,001 – N3,000,000	18	23
N3,000,001 – N3,500,000	10	33
N3,500,001 – N4,000,000	17	39
N4,000,001 – N4,500,000	42	65
N4,500,001 – N5,000,000	23	76
N5,000,001 – N5,500,000	37	42
N5,500,001 – N6,000,000	63	25
N6,000,001 – N6,500,000	29	33
N6,500,001 – N7,000,000	19	37
N7,000,001 – N7,500,000	16	29
N7,500,001 – N8,000,000	10	18
N8,000,001 – N8,500,000	17	21
N8,500,001 – N9,000,000	22	26
N9,000,001 – N9,500,000	28	19
N9,500,001 – N10,000,000	15	15
N10,000,001 and above	427	127
	839	835

13. Taxation

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



NOTES TO THE FINANCIAL STATEMENTS

(a) Amounts recognized in income statement

	2022 #’000	2021 #’000
Current tax expense:		
Income tax	7,688,148	405,219
Tertiary education tax	745,498	237,804
Capital Gains Tax	198	—
Police Trust Fund Levy	1,184	—
Prior years under-provision	—	1,503,390
	8,435,028	2,146,413
Deferred tax (credit)/expense:		
(Reversal)/Origination of temporary differences (Note 27(b))	(412,229)	2,367,759
Total tax expense	8,022,799	4,514,172

(b) Tax (expense)/credit recognized in other comprehensive income

	2022 #’000	2021 #’000
Deferred tax arising on remeasurement of defined benefit liability (Note 27(b))	22,126	2,958

(c) Reconciliation of effective tax rate

	2022 #’000	2021 #’000
Profit before taxation	23,674,161	5,769,510
Income tax using the statutory tax rate (30%)	7,102,248	1,730,853
Adjusted for:		
Impact of tertiary education tax	745,498	237,804
Police Trust Fund Levy	1,184	—
Capital Gains Tax	198	—
Minimum tax payable	—	405,219
Effect of tax incentives and exempted income	(75,159)	54,253
Non-deductible expenses	1,118,192	(318,249)
Prior years under-provision	—	1,503,390
Effect of timing differences	(869,362)	900,902
Total income tax expense in income statement	8,022,799	4,514,172

(d) Movement in current tax liability

	2022 #’000	2021 #’000
Balance at 1 July	992,986	744,204
Payments during the year	(642,324)	(1,897,631)
Charge for the year	8,435,028	2,146,413
Withholding tax credit notes, utilized in prior period	(45,396)	—
Balance at the end of period	8,740,294	992,98

14. Earnings and declared dividend per share

(a) Basic and diluted earnings per share

	2022	2021
Profit attributable to ordinary shareholders (N’000)	15,651,362	1,255,338
Weighted average number of shareholders (thousands)	2,190,383	2,190,383
Basic and diluted earning per share (kobo)	715	57

There were no dilutive ordinary potential shares during the years presented.

(b) Declared dividend per share

Dividend declared per share is 46 kobo (2021: Nil), based on total declared dividend of N1,007,576 (2021: Nil) on 2,190,382,819 (2021: 2,190,382,819) ordinary shares of 50 kobo each, being the ordinary shares in issue at the date the dividend was declared.

NOTES TO THE FINANCIAL STATEMENTS

15. Property, plant and equipment (PPE)

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

Note	Lesasehold Land	Buildings	Plant & Machinery	Furniture & Equipment	Motor Vehicles	Returnable Packaging Materials	Capital Work-in-Progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost								
At 1 July 2020	828,428	20,668,652	98,817,869	491,326	7,658,353	32,930,633	5,878,167	167,273,428
Reclassification from intangibles (Note 16)	—	—	556,862	(50,868)	—	—	—	505,994
Additions	7,500,000	47,211	1,282,640	—	2,071,256	1,460,886	1,959,484	14,321,477
Transfers	—	263,784	3,243,726	—	—	84,675	(3,592,185)	—
Write-offs	—	—	(2,657,875)	(1,995)	(6,713)	(2,521,470)	2,039	(5,186,014)
Disposal	—	—	(1,158,345)	(46,118)	(290,932)	(2,686,352)	—	(4,181,747)
At 30 June 2021	8,328,428	20,979,647	100,084,877	392,345	9,431,964	29,268,372	4,247,505	172,733,138
At 1 July 2021	8,328,428	20,979,647	100,084,877	392,345	9,431,964	29,268,372	4,247,505	172,733,138
Reclassification from intangibles (Note 15(i))	—	—	(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)
Disposals	—	—	—	—	(811,379)	—	—	(811,379)
At 30 June 2022	8,328,428	21,024,074	100,194,114	447,729	8,894,090	32,475,121	11,424,275	182,787,831
Depreciation and impairment								
At 1 July 2020	(144,120)	(4,099,911)	(42,616,147)	(489,009)	(6,042,455)	(24,962,742)	—	(78,354,384)
Reclassification from intangibles (Note 16)	—	—	(352,089)	50,745	—	—	—	(301,344)
Charge for the year	—	(495,039)	(4,752,278)	(947)	(600,946)	(2,274,754)	—	(8,123,964)
Write-offs	—	—	3,080,092	1,995	6,494	1,564,036	—	4,652,617
Disposals	—	—	(1,074,557)	46,096	288,059	2,222,112	—	3,630,824
At 30 June 2021	(144,120)	(4,594,950)	(43,565,865)	(391,120)	(6,348,848)	(23,451,348)	—	(78,496,251)
At 1 July 2021	(144,120)	(4,594,950)	(43,565,865)	(391,120)	(6,348,848)	(23,451,348)	—	(78,496,251)
Reclassification of opening balances (15(ii))	—	—	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
At 30 June 2022	(144,120)	(5,096,676)	(47,743,726)	(435,472)	(6,449,959)	(25,232,301)	—	(85,102,254)
Carrying amount								
At 30 June 2021	8,184,308	16,384,697	56,519,012	1,225	3,083,116	5,817,024	4,247,505	94,236,887
At 30 June 2022	8,184,308	15,927,398	52,450,388	12,257	2,444,131	7,242,820	11,424,275	97,685,577

All assets are domiciled in Nigeria.

NOTES TO THE FINANCIAL STATEMENTS

(b) Impairment loss on property, plant and equipment

i) During the year, the Company identified assets which are idle, damaged, obsolete and those relating to discontinued brands which are unable to generate future economic benefit to the Company through continued operational usage, hence, these assets were written off. The carrying value of assets written off is N543 million (2021: 533 million) as analysed below:

	Cost	Accumulated Depreciation	Net Book Value
	₦'000	₦'000	₦'000
Assets write-offs			
At 30 June 2021	5,186,014	(4,652,617)	533,397
At 30 June 2022	1,594,253	(1,051,438)	542,815

ii) The total impairment loss recognized in the year is as analysed below:

	Asset write-off	Additional impairment	Total
	₦'000	₦'000	₦'000
Impairment loss on property, plant and equipment			
At 30 June 2021	533,397	—	533,397
At 30 June 2022	542,815	—	542,815

Other than the write-offs executed during the year ended 30 June 2022 there was no further impairment charge arising from the impairment testing of the company as a cash generating unit ("CGU")

(c) Capital work-in-progress

Additions to capital work-in-progress during the year comprises the following:

	2022	2021
	₦'000	₦'000
Plant and machinery	7,600,743	1,959,484

(d) Included in property, plant and equipment are assets purchased during the year that had not been paid for and included in trade and other payables, amounting to N3.40 billion (2021: N2.55 billion). This has been adjusted for in the statement of cash flows. Refer to Note 15(f) and Note 28(b).

(e) Capital expenditure commitments at the year end authorized by the Board of Directors comprise:

	2022	2021
	₦'000	₦'000
Contracted	4,632,664	3,614,381
Not contracted	7,309,198	17,284,200
	11,941,862	20,898,581

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

	2022	2021
	₦'000	₦'000
Payments on prior year acquisitions	467,661	526,354
Unpaid invoices on current year acquisitions	(3,395,421)	(2,548,681)
	9,532,565	12,299,150

NOTES TO THE FINANCIAL STATEMENTS

(g) PPE disposed/written off in the statement of cash flows:

	2022	2021
	€'000	€'000
Cost of property, plant and equipment disposed (Note 15(a))	811,379	4,181,747
Accumulated depreciation on property, plant and equipment disposed (Note 15(a))	(807,865)	(3,630,824)
Net book value of property, plant and equipment disposed	3,514	550,923
Proceeds from disposal of property, plant and	(1,696,994)	(831,834)
Gain on disposal of property, plant and equipment (Note 9(a))	(1,693,480)	(280,911)
Cost of property, plant and equipment written off (Note 15(a))	1,594,253	5,186,014
Accumulated depreciation on property, plant and equipment written off (Note 15(a))	(1,051,438)	(4,652,617)
Carrying amount of property, plant and equipment written off	542,815	533,397
Impairment loss on property, plant and equipment	—	—
Net book value of property, plant and equipment written off	542,815	533,397

(h) No borrowing costs were capitalised during the year (2021: Nil).

(i) **Reclassification of opening balances**

There is an opening balance reclassification between cost and accumulated depreciation to align with the general ledger and the property, plant and equipment register. However, it has nil effect on the property, plant and equipment net book value, therefore, the balance in the statement of financial position - both in current and prior year - gives a true and fair view.

(j) j. Included in property, plant and equipment are motor vehicles, which the Company has leased out to third parties under operating lease arrangements. The net book value of the assets at the end of the year is N89 million (2021: N242 million). Income realized from these assets is included in other income as N381 million (2021: N363 million). Minimum lease payments receivable on leases of vehicles is N336 million (2021: N734 million), with the last billing date due in 2025.

NOTES TO THE FINANCIAL STATEMENTS

16. Intangible assets

(a) The movement in intangible assets during the year is as follows:

	Distribution Rights	Concession Rights	Computer software	Total
	₦'000	₦'000	₦'000	₦'000
Cost				
Balance at 1 July 2020	995,250	485,611	2,324,309	3,805,170
Reclassification to PPE (Note 15)	—	(485,611)	(20,383)	(505,994)
Write-offs	—	—	(1,588)	(1,588)
Balance at 30 June 2021	995,250	—	2,302,338	3,297,588
Balance at 1 July 2021	995,250	—	2,302,338	3,297,588
Write-offs	—	—	(2,069,507)	(2,069,507)
Balance at 30 June 2022	995,250	—	232,831	1,228,081
Amortization				
Balance at 1 July 2020	(895,725)	(302,830)	(2,297,503)	(3,496,058)
Reclassification to PPE (Note 15)	—	302,830	(1,486)	301,344
Disposals	—	—	1,588	1,588
Charge for the year	(99,525)	—	(2,845)	(102,370)
Balance at 30 June 2021	(995,250)	—	(2,300,246)	(3,295,496)
Balance at 1 July 2021	(995,250)	—	(2,300,247)	(3,295,497)
Charge for the year	—	—	(1,765)	(1,765)
Write-offs	—	—	2,069,507	2,069,507
Balance at 30 June 2022	(995,250)	—	(232,505)	(1,227,755)
Carrying amount				
At 30 June 2021	—	—	2,092	2,092
At 30 June 2022	—	—	326	326

(b) Concession right

In 2014, the Company entered into a concession agreement ("the Agreement") with the Edo State Government ("the Grantor"). Under the terms of the agreement, the Company was granted the right to build, operate, maintain, repair, control and ensure public access to the Iyoha Road ("the Road") for a period of ten (10) years from 1 June 2015 after which control of the Road reverts to the Grantor. The intangible asset represents the Company's right over the Road for the remaining concession period.

Under the Agreement, the Company has obligations to operate, maintain, repair, control, charge and collect tolls for its accounts only from the trucks utilising the Road for the Company's logistics operation, together with the payment of concession fee of five million Naira (N5,000,000) per annum. At the end of the concession period, the toll road will become the property of the Grantor and the Company will have no further involvement in its operation or maintenance requirements.

The Agreement contains an option for renewal at the instance of both parties. Either party to the Agreement reserves the right to terminate the Agreement if the other party commits a material breach in respect of the performance of its material obligations or is in material breach of any warranty given by it under the Agreement.

(c) The amortization charge of all intangible assets is included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

(d) Distribution rights relates to the distribution rights of Diageo plc's international premium spirits brands (IPS) in Nigeria. Guinness Nigeria Plc purchased the distribution rights to Diageo plc's international premium spirits (IPS) brands in Nigeria with effect from 1 January 2016 and the rights was amortized over a period of five (5) years which gives Guinness Nigeria Plc the right to distribute and market the IPS brands in Nigeria. The related amortization expense of Nil (2021: N99 million) is recognized in administrative expenses in the year. The distribution right remains in place after full amortization of the asset, but are granted by the brand owners at no cost to the company.

17. Prepayments

Prepayments comprise:

	30 June 2022	30 June 2021
	₦'000	₦'000
Prepaid rent	128,798	84,638
Other prepaid expenses	463,811	320,302
	592,609	404,940
Prepayments is analysed into:		
	₦'000	₦'000
Non-current	4,757	—
Current	587,852	404,940
	592,609	404,940

Other prepaid expenses relate to housing and education subsidies, leave allowance and insurance. Prepaid rent disclosed is out of scope of IFRS16, hence accounting policy in Note 7(g) has been applied.

18. Inventories

(a) Inventories comprise:

	30 June 2022	30 June 2021
	₦'000	₦'000
Finished products	10,240,778	4,762,042
Products in process	1,404,651	1,493,498
Raw materials and packaging materials	8,862,945	8,125,198
Engineering spares	8,413,550	2,195,531
Inventories in transit	3,078,751	4,884,236
	32,000,675	21,460,505

Inventory balances have been disclosed net of provision for impairment as at year end.

The value of raw and packaging materials, spare parts, changes in finished products and products in process recognized in cost of sales during the year amounted to N97,103 million (2021: N84,230 million) Note 11(c).

During the year, impairment on slow movement inventories was N1,649 million (2021: N995 million), meanwhile the provision release on inventories amounted to N604 million (2021: N1,686 million). The net effect in the income statement is N1,045 million (2021: N691 million). This write - down is included in cost of sales and has been adjusted for in the statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

19. Trade and other receivables

(a) Trade and other receivables comprise:

	30 June 2022	30 June 2021
	₦'000	₦'000
<i>Financial assets:</i>		
Trade receivables	13,971,886	13,645,718
Expected credit loss (Note 29(a))	(4,493,811)	(4,540,287)
	9,478,075	9,105,431
Other receivables	63,283	564,293
Expected credit loss (Note 29(a))	—	(134,689)
	63,283	429,604
Advance payments to suppliers	3,292,501	—
Amounts due from related parties (Note 31(b))	269,395	3,292,073
Total financial assets	13,103,254	12,827,108
<i>Non-financial assets:</i>		
Other receivables - current	1,176,341	1,753,347
Expected credit loss	(200,695)	(561,070)
Total non-financial assets	975,646	1,192,277
Total trade and other receivables	14,078,900	14,019,385

During the year, Guinness Nigeria Plc made advance payments to suppliers related to raw materials (Sorghum).

All items under Trade and other receivables are measured at amortized cost. The carrying amount is a reasonable approximation of fair value.

Movement of expected credit loss of non-financial assets is as follows:

	2022	2021
	₦'000	₦'000
Opening balance	(561,070)	(5,367,545)
Other non-financial receivables written-off	51,066	—
Write back of expected credit loss	309,309	35,926
Net increase in loss allowance recognized in profit or loss during the year	—	(561,070)
Derecognition of contingent asset (Note 30)	—	5,331,619
	(200,695)	(561,070)

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

	2022	2021
	₦'000	₦'000
Change in current trade and other receivables	(59,515)	4,699,569
Unrealized exchange gain	879,849	193,059
Accrued finance income (Note 10(a))	32,844	—
Withholding tax credit notes applied for tax settlement (Note 13(d))	(45,396)	—
Release of/(charge for) expected credit loss on (non-financial) other receivables (Note 19(a))	309,309	(525,143)
Release of expected credit loss on (financial) trade and other receivables (Note 29(a))	96,045	48,004
Derecognition to contingent asset (Note 30)	—	(5,331,619)
	1,213,136	(916,130)

NOTES TO THE FINANCIAL STATEMENTS

20. Cash and cash equivalents

(a) Restricted cash	30 June 2022	30 June 2021
	₦'000	₦'000
Restricted cash	1,829,893	2,981,881

Restricted cash relates to unclaimed dividends held in a separate interest bearing bank account in accordance with guidelines issued by the Securities and Exchange Commission (SEC). Under the SEC guidelines, these amounts are restricted from use by the Company.

(b) Cash and cash equivalents	30 June 2022	30 June 2021
	₦'000	₦'000
Bank balances	26,742,309	30,839,748
Short-term deposits	42,361,407	5,029,086
Cash and cash equivalents	69,103,716	35,868,834
Cash and cash equivalents in the statement of cash flows	69,103,716	35,868,834

Cash and cash equivalents have maturities less than three months. Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments and bank overdrafts.

21. Share capital and reserves

(a) Authorised ordinary shares of 50k each
in thousands of shares

	30 June 2022	30 June 2021
At the end of year	2,500,000	2,500,000

(b) Issued and fully paid-up ordinary shares of 50k each
in thousands of shares

	30 June 2022	30 June 2021
At the end of year	2,190,383	2,190,383

	₦'000	₦'000
Share capital	1,095,191	1,095,191

(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.

22. Dividends

(a) Declared dividend

The following dividends were declared and paid by the Company during the year:

	2022	2021
	₦'000	₦'000
46 kobo (2021: Nil)	1,007,576	—



NOTES TO THE FINANCIAL STATEMENTS

After the respective reporting dates, the following dividends were proposed by the Directors

	2022	2021
	₦'000	₦'000
714 kobo (2021: 46 kobo)	15,639,333	1,007,576
(b) Dividend payable		
	2022	2021
	₦'000	₦'000
At 1 July	3,122,693	3,134,594
Declared dividend (Note 22(a))	1,007,576	—
Unclaimed dividend transferred to retained earnings	(1,100,656)	—
Effect of accruals for unclaimed dividend with Registrar	(18,673)	171,331
Payments during the year:		
Paid by the registrar	(70,000)	(183,232)
Cash and cash equivalents	(1,007,576)	—
At 30 June	1,933,364	3,122,693

Dividend payable is represented by

	2022	2021
	₦'000	₦'000
Restricted cash	1,829,893	2,981,881
Unclaimed dividend with Registrar	103,471	140,812
At 30 June	1,933,364	3,122,693

(c). The balance of N1,830 million (2021: N2,982 million) represents unclaimed dividends, which is held in separate interest yielding bank accounts in line with the Security and Exchange Commission (SEC) guidelines.

(d). During the year, unclaimed dividends amounting to N1,101 million (2021: Nil) became statute barred and was transferred into retained earnings.

23. Loans and borrowings

(a) Loans and borrowings comprise:

	2022	2021
	₦'000	₦'000
Related party loans (Note 23(d))	9,411,892	9,214,452
Letters of credit (Note 23(d))	21,897,451	6,778,691
Total loans and borrowings	31,309,343	15,993,143

The total loans and borrowings is classified as follows:

	2022	2021
	₦'000	₦'000
<i>Current liabilities</i>		
Related party loans	9,411,892	9,214,452
Letters of credit	21,897,451	6,778,691
Total loans and borrowings	31,309,343	15,993,143

As at 30 June 2022, the Company had an outstanding related party loan of \$22.5 million (2021: \$22.5 million) included in loans and borrowing. The Naira equivalent is N9,412 million (2021: N9,214 million). The loan will mature in May 2023 at an interest rate of 3 months LIBOR plus 629 bps.

NOTES TO THE FINANCIAL STATEMENTS

(b) Movement in loans and borrowings

	2022	2021
	₦'000	₦'000
At 1 July	15,993,143	22,800,994
Proceeds from loans and borrowings obtained during the year	34,329,310	16,311,020
Finance cost:		
– Finance expense on loans and borrowings (Note 10(b))	616,944	1,404,421
Exchange difference on foreign currency loan (Note 10(b))	197,440	527,980
Interest paid	(688,073)	(1,303,283)
Loans repaid during the year	(19,139,420)	(23,747,989)
At the end of period	31,309,343	15,993,143

(c) Net debt

	30 June 2022	30 June 2021
	₦'000	₦'000
Cash and cash equivalents	69,103,716	35,868,834
Loans and borrowings - current	(31,309,343)	(15,993,143)
	37,794,373	19,875,691

For more information about the Company's exposure to interest rate, foreign currency and liquidity risks, see Note 29.

Terms and conditions of the outstanding loans and borrowings are as follows::

	Nominal Interest Rate	Maturity	Carrying Amount 2022	Face Value 2022	Amount 2021	Face Value 2021
			₦'000	₦'000	₦'000	₦'000
Letters of credit - SCB	3-months LIBOR + 4.25%	1 year	10,696,127	10,696,127	4,320,802	4,320,802
Letters of credit - CITI	3-months LIBOR +6%	1 year	2,056,315	2,056,315	648,101	648,101
Letters of credit - FBN	3-months LIBOR +10%	1 year	754,267	754,267	13,639	13,639
Letters of credit - STANBIC	3-months LIBOR +6%	1 year	3,255,317	3,255,317	1,602,986	1,602,986
Letters of credit - UBA	3-months LIBOR +7%	1 year	1,147,615	1,147,615	193,163	193,163
Letters of credit - FCMB	3-months LIBOR +7%	1 year	1,576,898	1,576,898	—	—
Letters of credit - Union	3-months LIBOR +4%	1 year	911,151	911,151	—	—
Letters of credit - Zenith	3-months LIBOR +9%	1 year	1,499,761	1,499,761	—	—
Intercompany loan	3-months LIBOR +6.29%	May 2023	9,411,892	9,411,892	9,214,452	9,214,452
			31,309,343	31,309,343	15,993,143	15,993,143

NOTES TO THE FINANCIAL STATEMENTS

24. Leases

(a) Right-of-use assets

Movement in right-of-use assets:

	Land & Building	Total
	€'000	€'000
Gross carrying value		
At 1 July 2020	1,224,193	1,224,193
Remeasurement of right-of-use assets (Note 24(b))	(153,078)	(153,078)
Write-off	(204,455)	(204,455)
At 30 June 2021	866,660	866,660
At 1 July 2021	866,660	866,660
Remeasurement of right-of-use assets (Note 24(b))	43,936	43,936
Additions (Note 24(b))	33,333	33,333
Write-off	(99,665)	(99,665)
At 30 June 2022	844,264	844,264
Accumulated depreciation		
At 1 July 2020	280,981	280,981
Depreciation charge (Note 11(c))	358,133	358,133
Write-off	(204,455)	(204,455)
At 30 June 2021	434,659	434,659
At 1 July 2021	434,659	434,659
Depreciation charge (Note 11(c))	140,758	140,758
Write-off	(99,665)	(99,665)
At 30 June 2022	475,752	475,752
Net book value at 30 June 2021	432,001	432,001
Net book value at 30 June 2022	368,512	368,512

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:

	€'000
At 1 July 2020	824,186
Additions	—
Remeasurement (Note 24(a))	(153,078)
Interest impact on remeasurement of lease liability (Note 10(a))	(73,769)
Interest expense on leases (Note 10(b))	34,700
Repayment of lease liabilities:	
Repayment of the principal portion of the lease liabilities	(119,639)
Interest paid on lease liabilities	(34,700)
At 30 June 2021	477,700
Presented as:	
Current lease liabilities	293,391
Non-current lease liabilities	184,309
At 30 June 2021	477,700

NOTES TO THE FINANCIAL STATEMENTS

	₦'000
At 1 July 2021	477,700
Additions (Note 24(a))	33,333
Remeasurement (Note 24(a))	43,936
Interest expense on leases (Note 10(b))	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	177,195
Presented as:	
Current lease liabilities	51
Non-current lease liabilities	177,144
At 30 June 2022	177,195

25. Employee benefits

The defined benefit obligation (gratuity) and long service award are based upon independent actuarial valuation conducted by Wise Chigudu (FRC/2022/PRO/NAS/00000024119) of Ernst & Young, Nigeria.

	30 June 2022	30 June 2021
	₦'000	₦'000
Present value of defined benefit obligation (Note 25(a))	270,424	238,558
Present value of long service awards (Note 25(b))	1,257,751	1,025,972
	1,528,175	1,264,530

(a) Movement in the present value of the defined benefit obligation (gratuity)

	2022	2021
	₦'000	₦'000
Defined benefit obligation at 1 July	238,558	296,859
Benefit paid by the plan	(71,466)	(93,251)
Interest expense on obligation	29,580	25,089
<i>Actuarial losses/(gains) recognized in other comprehensive income</i>		
Remeasurements arising from changes in assumption	19,289	(41,865)
Remeasurements arising from experience adjustment	54,463	51,726
	73,752	9,861
Defined benefit obligation at 30 June	270,424	238,558

The defined benefit obligation (gratuity) was discontinued and frozen with effect from 31 December 2008. Consequently, no current service costs have been recognized (2021: Nil). Interest cost on the plan amounted to N29.6 million in the current year (2021: N25 million).

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(b) Movement in the present value of the long service award during year is as follows:

	2022	2021
	€'000	€'000
Long service award at 1 July	1,025,972	1,046,126
Interest cost	125,571	106,468
Current service cost	117,027	131,751
Benefit paid by the plan	(155,717)	(69,391)
Actuarial losses/(gains):		
Remeasurements arising from changes in assumption	45,166	(151,578)
Remeasurements arising from experience adjustment	99,732	(37,404)
Long service award at 30 June	1,257,751	1,025,972

Expense recognized in the income statement for long service award:

	2022	2021
	€'000	€'000
Current service costs	117,027	131,751
Actuarial (gains)/losses:		
Remeasurements arising from changes in assumption	45,166	(151,578)
Remeasurements arising from experience adjustment	99,732	(37,404)
Net expense excluding interest on obligation	261,925	(57,231)
Interest expense on obligation	125,571	106,468
	387,496	49,237

(c) Total expense recognized on the income statement for defined benefit obligation and long service award includes:

	2022	2021
	€'000	€'000
Current service costs	117,027	131,751
Actuarial losses/(gains)		
Remeasurements arising from changes in assumption	45,166	(151,578)
Remeasurements arising from experience adjustment	99,732	(37,404)
	261,925	(57,231)
Interest expense on obligation		
Defined benefit obligation (gratuity) (Note 25(a))	29,580	25,089
Long service award (Note 25(b))	125,571	106,468
	155,151	131,557
	417,076	74,326

(d) Movement in the defined contribution gratuity plan during year is as follows:

	2022	2021
	€'000	€'000
At 1 July	—	—
Charge for the year	542,852	512,839
Payments during the year	(542,852)	(512,839)
At 30 June	—	—

(e) Pension payable

The balance on the pension payable account represents the amount due to the Pension Fund Administrators which was yet to be remitted as at the year end. The movement in this account during the year is as follows:

NOTES TO THE FINANCIAL STATEMENTS

	2022	2021
	₦'000	₦'000
At 1 July	2,620	2,568
Charge for the year (employer contribution)	554,711	498,284
Payments during the year (employer contribution)	(459,521)	(498,232)
At 30 June	97,810	2,620

Pension payable is recognized as part of other payables and accrued expenses in trade and other payables.

(f) Actuarial gains and losses recognized in other comprehensive income:

	2022	2021
	₦'000	₦'000
(Gains)/Losses recognized during the year		
Remeasurements arising from changes in assumption	19,289	(41,865)
Remeasurements arising from experience adjustment	54,463	51,726
Tax credit	(22,126)	(2,958)
	51,626	6,903

(g) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2022	2021
Long term average discount rate (per annum)	12.8 %	13.2 %
Notional interest rate on accrued gratuity (per annum)	5.0 %	5.0 %
Average pay increase (per annum)	13.0 %	13.0 %
Average rate of inflation (per annum)	12.0 %	12.0 %
Average length of service for current employees (years)	9.15	8.79

These assumptions depict management's estimate of the likely future experience of the Company.

Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are based on the rates published jointly by the Institute and Faculty of Actuaries in the United Kingdom (UK) as follows:

	2022	2021
<i>Mortality in service</i>	Number of deaths in year out of 10,000 lives	
Sample age		
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26
<i>Withdrawal from service</i>		
Age band	Rate	Rate
1 - 30	12.0 %	12.0 %
31 - 39	8.5 %	8.5 %
40 - 44	5.0 %	5.0 %
45 - 50	3.5 %	3.5 %
51 - 55	2.5 %	2.5 %

The estimated weighted average liability duration were 6.20 years (2021: 6.30 years) and 4.34 years (2021: 4.86 years) for the long service award and gratuity obligations respectively.



NOTES TO THE FINANCIAL STATEMENTS

(h) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions holding other assumptions constant would have affected the defined benefit obligation by the amounts shown below.

		2022	2022	2022	2021	2021	2021
		Gratuity	Long Service Awards	Net periodic benefit cost	Gratuity	Long Service Awards	Net periodic benefit cost
		₡'000	₡'000	₡'000	₡'000	₡'000	₡'000
Discount rate	+1%	(9,743)	(63,965)	(3,151)	(10,797)	(50,798)	(2,826)
	-1%	10,439	69,453	3,261	7,589	55,021	2,958
Inflation rate	+1%	—	8,923	2,548	—	8,797	2,583
	-1%	—	(8,802)	(2,331)	—	(8,681)	(2,361)
Salary increase	+1%	—	65,217	17,074	—	50,378	13,700
	-1%	—	(61,093)	(15,730)	—	(47,321)	(12,621)
Mortality	Age rated up by by 1 year	135	(3,189)	(702)	(1,745)	(2,553)	(562)
Experience	Age rated down by 1 year	(121)	2,294	627	(2,079)	1,723	501

Sensitivity to each actuarial assumption was determined while other assumptions were held constant. There has not been a change from the sensitivity approach adopted in prior years. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Risk exposure

Through its defined benefit obligation plans and long service awards, the Company is exposed to a number of risks, the most significant of which are detailed below:

- i) Liquidity risk The plan liabilities are not funded and as a result, there is a risk of the Company not having the required cash flow to fund future defined benefit obligations as they fall due.
- ii) Inflation risk This is the risk of an unexpected significant rise/fall of market interest rates. A rise leads to a fall in long term asset values and a rise in liability values.
- iii) Life expectancy The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.
- iv) Asset volatility The plan liabilities are calculated using a discount rate set with reference to federal government bond yields.

NOTES TO THE FINANCIAL STATEMENTS

Maturity profile for defined benefit obligation plans and long service awards

The expected maturity analysis of employee benefits is as follows:

	Less than 1 Year	Over 1 year	Total
	₦'000	₦'000	₦'000
<i>30 June 2022</i>			
Defined benefit obligation	39,966	230,458	270,424
Long service awards	160,239	1,097,512	1,257,751
Total	200,205	1,327,970	1,528,175
<i>30 June 2021</i>			
Defined benefit obligation	16,442	222,116	238,558
Long service awards	148,759	877,213	1,025,972
Total	165,201	1,099,329	1,264,530

26. Share based payments

- (a) Diageo plc ("Diageo"), has a number of executive share option and executive share award plans for Directors and key management staff including directors and employees of Guinness Nigeria Plc. A recharge arrangement exists between Diageo plc and Guinness Nigeria Plc (parent grants rights over its equity instruments to the employees of its subsidiary) whereby vested shares awards/share options delivered to employees by Diageo plc are recharged to Guinness Nigeria Plc.

The recharge transaction is recognized as an intercompany liability with a corresponding adjustment in the share-based payment reserve for the capital contribution recognized in respect of the share-based payment. The recharge process accommodates adjustments to the cumulative value of share-based payment expense recharged by Diageo plc to the Company.

If the amount of the intercompany charge exceeds the capital contribution, the excess should be treated as a distribution from the subsidiary to its parent. The Company recognize the recharge over the vesting period, on the basis that the recharge payment arises from the share-based payment arrangement in which employees are providing services.

- (b) The Company has a share appreciation rights scheme for senior management and other staff under which employees are granted the right to receive, at the date the right is exercised, cash equal to the appreciation in the Company's share price since the grant date. All the rights vest 3 years after the grant date. The rights have a contractual life of 10 years.
- (c) The employee benefit expense recognized in respect of equity settled share-based payments is as follows:

	2022	2021
	₦'000	₦'000
<i>Equity-settled share based payment transactions</i>		
Executive share award plans	229,643	137,701
Total expense recognized as employee costs	229,643	137,701

The principal executive share awards/options are as follows:

Diageo executive long term incentive plan (DELTIP)

Awards made to executives under the plan are in the form of shares and share options at the market value at the time of grant. Share awards vest/are released on the third anniversary of the grant date. Share options granted under this scheme may normally be exercised between three and ten years after the grant date. There are no performance conditions to be satisfied.



NOTES TO THE FINANCIAL STATEMENTS

Performance share plan (PSP)

Under the PSP, share awards can take a number of different forms. No payment is made for awards. To date, participants have been granted conditional rights to receive shares. Awards normally vest after a three-year period, the 'performance cycle', subject to achievement of three equally weighted performance tests:

- i. a comparison of Diageo's three-year total shareholder return (TSR) with a peer group of 17 companies including Diageo plc. The vesting range is 25% if Diageo's TSR produces a median ranking compared with the TSR of the peer group companies, up to 100% if Diageo is ranked first, second or third in the peer group;
- ii. compound annual growth in organic net sales over three years; and
- iii. total organic operating margin improvement over three years.

Targets for net sales and operating margin are set annually by the remuneration committee. The vesting range is 25% for achieving minimum performance targets, up to 100% for achieving the maximum target level. Re-testing of the performance condition is not permitted. Dividends are accrued on awards and are given to participants to the extent that the awards actually vest at the end of the performance cycle. Dividends can be paid in the form of cash or shares.

The calculation of the fair value of each share option/award used the Monte Carlo pricing model and the following weighted average assumptions:

	2022	2021
	£'000	£'000
Risk free interest rate		
Executive share options/awards	0.22 %	(0.11)%
Expected life		
Executive share options/awards	36 months	36 months
Dividend yield		
Executive share options/awards	2.05 %	2.77 %
Weighted average share price		
Executive share options/awards	2,960p	2,804p
Weighted average fair value of awards granted in the year		
Executive share options/awards	1,719p	1,964p
Number of awards granted in the year		
Executive share options/awards	16,690	26,192

Transactions on share-based payment

During the year, there were no transactions on share appreciation rights. Transactions on the executive share options/awards were as follows:

	Number of awards/options in units	
	2022	2021
Outstanding at 1 July	100,301	95,306
Adjustment on prior period	8,998	(699)
Granted	16,690	26,192
Exercised/awarded	(28,804)	(13,879)
Forfeited/expired/transferred	(15,506)	(6,619)
Outstanding at 30 June	81,679	100,301

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Some of the employee shares/options are not included in the current opening balance disclosed.

Analysis below shows the terms and conditions for outstanding shares based payment as at 30 June 2022:

Category	Date awarded	Number of units	Vesting conditions	Vest date	Grant price (€/unit)
Diageo executive long term incentive plan (DELTIP)	02/09/2019	4,683	3 years	02/09/2022	—
Diageo executive long term incentive plan (DELTIP)	03/09/2020	8,423	3 years	03/09/2023	—
Diageo executive long term incentive plan (DELTIP)	09/03/2021	427	3 years	09/03/2024	—
Diageo executive long term incentive plan (DELTIP)	03/09/2021	5,841	3 years	03/09/2024	—
Diageo executive long term incentive plan (DELTIP)	03/03/2022	869	3 years	03/03/2025	—
Diageo executive long term incentive plan (DELTIP)	02/09/2019	4,965	3 years	02/09/2022	17,647
Diageo executive long term incentive plan (DELTIP)	03/09/2020	4,531	3 years	03/09/2023	12,631
Diageo executive long term incentive plan (DELTIP)	03/09/2021	2,188	3 years	03/09/2024	17,905
Performance share plan (PSP)	02/09/2019	7,761	3 years	02/09/2022	—
Performance share plan (PSP)	03/09/2020	9,106	3 years	03/09/2023	—
Performance share plan (PSP)	03/09/2021	7,632	3 years	03/09/2024	—

At 30 June 2022, 25,253 (2021: 31,441) executive share options/awards were exercisable at a weighted average exercise price of 2,120 pence (2021: 1,885 pence).

27. Deferred tax liabilities

(a) Recognized net deferred tax liabilities are attributable to the following:

	Assets		Liabilities		Net liabilities)/ assets	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Property, plant and equipment	—	—	(12,666,219)	(13,791,684)	(12,666,219)	(13,791,684)
Right-of-use assets	—	13,710	(62,195)	—	(62,195)	13,710
Employee benefits	496,657	412,269	—	—	496,657	412,269
Unrealized exchange difference	—	417,694	(172,351)	—	(172,351)	417,694
Inventories	396,320	574,591	—	—	396,320	574,591
Trade and other receivables	1,564,716	1,495,992	—	—	1,564,716	1,495,992
	2,457,693	2,914,256	(12,900,765)	(13,791,684)	(10,443,073)	(10,877,428)

NOTES TO THE FINANCIAL STATEMENTS

(b) Movement in deferred tax liabilities during the year

	Balance as at 1 July 2021	Recognised in income statement	Recognised in other comprehensive income	Balance as at 30 June 2022	Balance as at July 1 2020	Recognised in income statement	Recognised in other comprehensive income	Balance as at 30 June 2021
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Property, plant & equipment	(13,791,684)	1,125,464		(12,666,219)	(12,154,918)	(1,636,766)	—	(13,791,684)
Right-of-use assets	13,710	(75,904)		(62,195)	(35,708)	49,418	—	13,710
Employee benefits	412,269	62,263	22,126	496,657	429,046	(19,735)	2,958	412,269
Unrealized exchange losses	417,694	(590,045)		(172,351)	538,024	(120,330)	—	417,694
Inventories	574,591	(178,271)		396,320	777,902	(203,311)	—	574,591
Trade and other receivables	1,495,992	68,723		1,564,716	1,569,373	(73,381)	—	1,495,992
Interest expense on foreign transaction disallowed	—	—		—	363,654	(363,654)	—	—
	(10,877,427)	412,229	22,126	(10,443,073)	(8,512,625)	(2,367,758)	2,958	(10,877,427)

There are no unrecognized deferred tax assets and liabilities at the end of the current and preceding year.

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28. Trade and other payables

(a) Trade and other payables comprise:

	30 June 2022	30 June 2021
	₦'000	₦'000
<i>Financial liabilities:</i>		
Trade payables	33,698,961	32,424,458
Other payables and accrued expenses	16,517,998	12,445,108
Amount due to related parties (Note 31(b(ii)))	18,250,414	15,393,734
Total financial liabilities	68,467,373	60,263,300
<i>Non-financial liabilities:</i>		
Refund liabilities	92,341	54,145
Other payables and accrued expenses	1,123,275	1,358,089
Total non-financial liabilities	1,215,616	1,412,234
Total trade and other payables	69,682,989	61,675,534

All items under Trade and other payables are measured at amortized cost. The carrying amount is the reasonable approximation of fair value.

(b) Changes in trade and other payables in the statement of cash flows

	30 June 2022	30 June 2021
	₦'000	₦'000
Change in trade and other payables	8,007,455	29,731,070
Change in contract liabilities	1,150,447	(777,939)
Change in restricted cash	1,151,988	110,282
Realized and unrealized exchange difference on foreign currency payables	(4,249)	(1,158,548)
Value added tax paid during the year	9,935,557	7,559,012
Effect of accruals for property, plant and equipment (Note 15(f))	(2,927,760)	(2,022,327)
Equity settled share based payment (Note 26 (c))	(229,643)	(137,701)
Effect of provisions on customer deposit liability and other write-offs	270,701	(709,767)
	17,354,496	32,594,082

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 29.

29. Financial risk management and financial instruments

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Risk Management Committee is responsible for developing and monitoring the Company's risk management policies which are established to identify and analyse the risks faced by the Company, to set appropriate risk limit and controls, and monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.



NOTES TO THE FINANCIAL STATEMENTS

The Company's Finance and Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, related parties and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date was:

	30 June 2022	30 June 2021
	€'000	€'000
Trade and other receivables (Note 19(a))	13,103,254	12,827,108
Cash and cash equivalents (Note 20(b))	69,103,716	35,868,834
Restricted cash (Note 20(a))	1,829,893	2,981,881
	84,036,863	51,677,823

Credit risk management policy

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit rating of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit risk on deposits with banking institutions is managed by dealing with institutions with good credit ratings.

Trade and other receivables exposure are managed locally by the finance department, and credit limits are set as deemed appropriate for the customer. The finance department analyse credit risk for each new customer before standard payment and delivery terms are offered, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The utilization of credit limits is monitored regularly. In addition, the Company manages credit risk by requiring the customers to provide financial guarantees.

The Company does not have any significant concentration of credit risk with respect to trade and other receivables as the Company has a large number of customers which are geographically dispersed. The credit risk associated with receivables is minimal and the allowance for expected credit losses that the Company has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

Trade and other receivables

Trade receivables

The Company applies the IFRS 9 simplified approach in measuring the expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. Trade receivables represent the amount of receivable from third-party customers for the sale of goods. No significant changes to estimation techniques or assumptions were made during the reporting period.

In determining the expected credit loss, the following parameters were used:

(a) Exposure at default (EAD)

Exposure at default is the trade receivables balance as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

(b) Collection past due (CPD) days

The CPD days represents the weighted average number of days amounts due from a customer are settled. The CPD days reflect the number of days the Company is expected to be exposed to credit risk on the customer. The expected credit loss on a customer increases exponentially as the CPD days increases.

(c) Loss rates

The loss rate is used as a proxy for the loss experience of the Company. The loss rate is determined as a weighted average of losses experienced by the Company over several years, as the ratio of provisions made to the total trade debtor balances as at the beginning of a year (this was carried out for an historical period of six years). The loss rates derived for each historical period is then measured against the total trade receivable balance to derive the Weighted Average Loss Rate (WALR). The Company assessed the average time of payment on invoices by individual customers over the last five years. The Company has reviewed all its trade receivables at year-end and those which were due or questionable were impaired based on specific assessment. The Company has taken into consideration the current economic situation in its expected credit loss calculation, but it has no material effect compared to prior year as most of the receivables affected were written-off by specific assessment.

(d) Average Time to Realisation (ATTR)

The Company assessed the average number of days taken to receive payment on invoices from the trade receivables. This has been considered based on the categories and assessed over an historical period of five years.

(e) Economic scenarios

The Company considered 3 scenarios; Optimistic, Base and Pessimistic. Each scenario looked at various levels of recoverability in the market as a result of COVID, forward-looking information such as forecasted inflation & GDP and possibility of price increase. Probability of the Optimistic happening is based on how quick the economy picks up and recovers as a result of COVID-19.

The maximum exposure to credit risk for trade receivables and related impairment loss at the reporting date was:

	30 June 2022	30 June 2021
	€'000	€'000
Gross carrying amount	13,971,886	13,645,718
Expected credit loss	(4,493,811)	(4,540,287)
Net carrying amount	9,478,075	9,105,431

Due from related parties

Due from related parties represents the amount of receivable from related party customers for the sale of goods, promotional support and other services. The expected credit loss rate for this receivable is determined using the simplified approach.

The simplified approach is based on an ageing analysis conducted to determine the ageing brackets of the outstanding balance as at the snapshot date. The receivables are then discounted using the expected time to payment experienced over the historical period.

Reconciliation of expected credit loss on financial assets (trade and other receivables)

(i) Movements of expected credit loss of trade receivables are as follows:

	2022	2021
	€'000	€'000
Opening loss allowance as at 1 July	4,540,287	4,717,759
Trade receivables written-off	(85,120)	(181,311)
Loss allowance recognized in profit or loss during the year	38,644	3,839
At 30 June	4,493,811	4,540,287



NOTES TO THE FINANCIAL STATEMENTS

(ii) Movements of expected credit loss of other receivables that are as follows:

	2022	2021
	₦'000	₦'000
Opening loss allowance as at 1 July	134,689	186,532
Write back of expected credit loss	(134,689)	(186,532)
Loss allowance recognized in profit or loss during the year	—	134,689
At 30 June	—	134,689

(iii) Movements of expected credit loss of trade and other receivables that are as follows:

	2022	2021
	₦'000	₦'000
Opening loss allowance as at 1 July	4,674,976	4,904,291
Trade receivables written-off	(85,120)	(181,311)
Write back of expected credit loss (Note 11(c))	(134,689)	(186,532)
Net increase in loss allowance recognized in profit or loss during the year (Note 11(c))	38,644	138,528
At 30 June	4,493,811	4,674,976

Trade and other receivables analysis

(i) **Specific impairment assessment:** The Company identifies customers for specific impairment based on available information that suggests a heightened risk of default on the Company's exposure to the customer. For such identified customers, the Company performs an assessment of the difference between the outstanding balance and present value of expected recoveries from the customer on the outstanding balances.

(ii) **Collective impairment assessment:** Where there is no specific evidence to suggest a heightened risk of default on the outstanding balance, the Company assesses the expected credit losses by assessing the trade receivables for expected lifetime credit losses.

The table below shows an analysis of balances that have been subjected to both the specific and collective assessment.

	As at 30 June 2022			As at 30 June 2021		
	₦'000 Exposure	₦'000 Expected Credit Loss	₦'000 Net Exposure	₦'000 Exposure	₦'000 Expected Credit Loss	₦'000 Net Exposure
<i>Trade receivables:</i>						
Specific assessment	4,964,496	(4,483,232)	481,264	4,943,890	(4,522,760)	421,130
Collective assessment	9,007,390	(10,579)	8,996,811	8,701,828	(17,527)	8,684,301
Total trade receivables	13,971,886	(4,493,811)	9,478,075	13,645,718	(4,540,287)	9,105,431
<i>Other receivables:</i>						
Specific assessment	63,283	—	63,283	564,293	(134,689)	429,604
Total other receivables	63,283	—	63,283	564,293	(134,689)	429,604
<i>Intercompany</i>						
Specific assessment	269,395	—	269,395	3,292,073	—	3,292,073
Total trade and other receivables	14,304,564	(4,493,811)	9,810,753	17,502,084	(4,674,976)	12,827,108

NOTES TO THE FINANCIAL STATEMENTS

The trade receivables analysis for specific assessment by expected recovery as at 30 June 2022 and 30 June 2021 is shown below:

	2022			2021		
	Outstanding Balance N'000	Expected Recovery N'000	Expected Credit Loss N'000	Outstanding Balance N'000	Expected Recovery N'000	Expected Credit Loss N'000
No expected recovery	4,385,666	—	4,385,666	3,821,539	—	3,821,539
Less than 5% expected	—	—	—	267,341	(5,321)	262,020
6% - 25% expected recovery	—	—	—	8,170	(870)	7,300
26% - 50% expected recovery	—	—	—	161,595	(67,480)	94,115
51% - 99% expected recovery	578,830	(481,264)	97,566	685,245	(347,459)	337,786
100% expected recovery	—	—	—	—	—	—
	4,964,496	(481,264)	4,483,232	4,943,890	(421,130)	4,522,760

The table below shows an analysis of balances that have been subjected to collective assessment..

As at 30 June 2022							
CPD days	0-30	31-60	61-90	91-180	181-360	Over 360	Total
Gross trade receivables(N'000)	8,958,667	13,307	14,188	5,202	16,026	—	9,007,390
Loss rate range:	0.00-0.19	0.00-0.19	0.00-0.19	0.00-0.19	0.00-0.19	0.00-0.19	Total
Expected credit loss (N'000)	10,036	233	248	42	20	—	10,579

The table below shows an analysis of balances that have been subjected to collective assessment..

As at 30 June 2021							
CPD days	0-30	31-60	61-90	91-180	181-360	Over 360	Total
Gross trade receivables (N'000)	8,510,884	22,460	17,567	78,323	72,594	—	8,701,828
Loss rate range:	0.00-1.30	0.00-1.30	0.00-1.30	0.00-1.30	0.00-1.30	0.00-1.30	Total
Expected credit loss (N'000)	16,556	270	2	—	699	—	17,527

The reconciliation of the gross carrying amount for trade receivables is as follows:

	2022	2021
	N'000	N'000
Gross carrying amount as at 1 July	13,645,718	7,224,184
Additions during the year	764,089,665	613,030,967
Receipts for the year	(763,763,497)	(606,609,433)
Gross carrying amount as at 30 June	13,971,886	13,645,718

Sensitivity analysis

This table shows the sensitivity of the expected credit loss (ECL) to changes in loss rates.

	2022	2021
	N'000	N'000
Increase/(decrease) in loss rates		
1%	90,074	87,018
(1%)	(90,074)	(87,018)

NOTES TO THE FINANCIAL STATEMENTS

Cash and cash equivalents

The Company held cash and cash equivalents of N69.104 million as at 30 June 2022 (2021: N35.869 million), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with reputable financial institutions in Nigeria, and these balances are subject to impairment. However the identified impairment loss is immaterial as a result of the credit ratings of the banks where funds are held.

Restricted cash

The Company's unclaimed dividend as of 30 June 2022 of N1.830 million (2021: N2.982 million) held in short-term deposit with a reputable financial institution in Nigeria. This represents the Company's maximum credit exposure on this asset.

Credit quality of cash and cash equivalents and restricted cash

	2022	2021
	₦'000	₦'000
Credit ratings		
AAA	—	229,504
A+	—	19,282,124
B	—	2,659,543
B-	29,449,897	2,413,708
BBB+	41,483,712	—
BBB	—	14,265,836
Cash and cash equivalents	70,933,609	38,850,715

Bank overdrafts has been excluded from this rating.

Credit rating keys

A - A financial institution of good financial condition and strong capacity to meet its obligations as and when they fall due. Adverse changes in the environment (macro-economic, political and regulatory) will result in a medium increase in risk attributable to an exposure to this financial institution. However, financial condition and ability to meets its obligations as and when they fall due should remain largely unchanged.

AAA - A financial institution with the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

B - A financial institution where a material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

BBB - A financial institution of satisfactory financial condition and adequate financial capacity to meet its obligations as and when they fall due. It may have one major weakness which, if addressed, should not impair its ability to meets obligations as and when they fall due. Adverse changes in the environment (macro-economic, political and regulatory) will result in a medium increase in risk attributable to an exposure to this financial institution.

A+ (plus) or – (minus) may be added to a rating. A plus added to a rating indicates that the rating may be raised. A minus means that the rating may be lowered. When no plus or minus is added to the rating, this means that the rating is unlikely to change. A positive or negative added to a rating is therefore a reflection of the rating outlook.

The credit ratings were sourced from Fitch Ratings Inc, Global Credit Rating Company Limited and Augusto & Co. Limited.

All other financial assets are not rated.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

NOTES TO THE FINANCIAL STATEMENTS

Management performs cash flow forecasting and monitor rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Company's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

The credit terms with customers and payment terms to its vendors are favourable to the Company in order to help provide sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company had no drawn down overdraft facilities with its banks as at 30 June 2022 (2021: Nil). The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Carrying Amount R'000	Total Contractual Cashflows R'000	6 months or Less R'000	6-12 months R'000	1-5years R'000	5+ years R'000
<i>Non-derivative financial liabilities</i>						
<i>30 June 2022</i>						
Lease liabilities	177,195	177,195	—	51	280	176,865
Dividend payable	1,933,364	1,933,364	1,933,364	—	—	—
Trade and other payables	68,467,373	68,467,373	68,467,373	—	—	—
Loans and borrowings	31,309,343	31,863,328	22,174,443	9,688,884	—	—
	101,887,275	102,441,260	92,575,180	9,688,935	280	176,865
<i>Non-derivative financial assets</i>						
Cash and cash equivalents	69,103,716	69,103,716	69,103,716	—	—	—
Trade and other receivables	13,103,254	13,103,254	13,103,254	—	—	—
Restricted cash	1,829,893	1,829,893	1,829,893	—	—	—
	84,036,863	84,036,863	84,036,863	—	—	—
Liquidity gap	17,850,412	18,404,397	8,538,317	9,688,935	280	176,865
<i>30 June 2021</i>						
<i>Non-derivative financial liabilities</i>						
Lease liabilities	477,700	477,700	—	293,391	34,055	150,254
Dividend payable	3,122,693	3,122,693	3,122,693	—	—	—
Trade and other payables	60,263,300	60,263,300	60,263,300	—	—	—
Loans and borrowings	15,993,143	16,535,506	7,049,873	9,485,633	—	—
	79,856,836	80,399,199	70,435,866	9,779,024	34,055	150,254
<i>Non-derivative financial assets</i>						
Cash and cash equivalents	35,868,834	35,868,834	35,868,834	—	—	—
Trade and other receivables	12,827,108	12,827,108	12,827,108	—	—	—
Restricted cash	2,981,881	2,981,881	2,981,881	—	—	—
	51,677,823	51,677,823	51,677,823	—	—	—
Liquidity gap	28,179,013	28,721,376	18,758,043	9,779,024	34,055	150,254

NOTES TO THE FINANCIAL STATEMENTS

(c) Market risk

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

The Company manages market risks by keeping costs low through different cost optimization initiatives and productivity agenda. Furthermore market developments are monitored constantly through scenario planning and events assessed regularly with view to taking mitigating actions where necessary.

(i) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the Naira. The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. In managing currency risk, the Company aims to reduce the impact of short-term fluctuations on earnings. Although the Company employs various measures including matching sales and purchase currencies to mitigate exposure to foreign exchange rate movement, over the longer term, however, permanent changes in exchange rates would have an impact on earnings. The Company monitors the movement in the currency rates on an ongoing basis. The Company's exposure to foreign currency risk in notional terms is as follows:

	30 June 2022			30 June 2021		
	GBP (£) 000	Euro (€) 000	US (\$) 000	GBP (£) 000	Euro (€) 000	US (\$) 000
Financial assets						
Cash and cash equivalents	1,025	10	1,133	1,531	18	2,455
Trade and other receivables	5	—	593	—	—	2,998
	1,030	10	1,726	1,531	18	5,453
Financial liabilities						
Financial liabilities						
Trade and other payables	(9,481)	(4,924)	(26,530)	(7,615)	(5,389)	(23,522)
Letters of credit	(2,694)	(9,875)	(38,735)	(702)	(1,472)	(11,331)
Related party loan	—	—	(22,478)	—	—	(22,478)
	(12,175)	(14,799)	(87,743)	(8,317)	(6,861)	(57,331)
Net exposure	(11,145)	(14,789)	(86,017)	(6,786)	(6,843)	(51,878)

The following significant exchange rates were applied during the year::

	Average rate		Reporting date spot rate	
	2022 ₦	2021 ₦	2022 ₦	2021 ₦
GBP (£) 1	552.59	535.37	506.65	569.81
Euro (€) 1	468.30	473.78	436.77	487.02
US (\$) 1	415.48	396.57	418.72	409.94

Sensitivity analysis on foreign currency rates

A five percent (5%) strengthening of the Naira, against the Euro, Dollar and GBP at 30 June would have increased/ (decreased) equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period and has no impact on equity. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2021, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below.

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	(Decrease)/ Increase in equity ₦'000
30 June 2022	
GBP (£)	282,345
Euro (€)	322,955
US (\$)	1,800,856
30 June 2021	
GBP (£)	193,338
Euro (€)	166,608
US (\$)	1,064,601

A five percent (5%) weakening of the Naira against the above currencies would have had the equal but opposite effect on the above currencies to the magnitude of the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2022 ₦'000	2021 ₦'000
Fixed rate instruments		
Short-term bank deposits	44,191,300	8,010,967
	44,191,300	8,010,967
Variable rate instruments		
Related party loans	(9,411,892)	(9,214,452)

The Company does not account for any fixed rate financial assets and liabilities at fair value through income statement. Therefore a change in interest rates at the end of the reporting period would not affect income statement.

Sensitivity

The Company is exposed to cash flow interest rate risk on loans and borrowings. The table below shows the impact on the post-tax profit of the Company. There is no impact on equity.

	Impact on post-tax profit 2022 ₦'000	2021 ₦'000
Interest rates – increase by 100 basis points	941,189	921,445
Interest rates – decrease by 100 basis points	(941,189)	(921,445)

(d) Capital management

The Board of Directors policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. The Company considers total equity in the statement of financial position to be its capital.

The Company's management is committed to enhancing shareholder value in the long term by investing in the businesses and brands to improve the return on investment. In addition, the Company continuously manages its capital structure to achieve capital efficiency, maximise flexibility and give the appropriate level of access to debt markets at attractive cost levels.

NOTES TO THE FINANCIAL STATEMENTS

The Company regularly assesses its debts and equity capital levels against its stated policy for capital structure. The Company's management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. Management also monitors the level of dividends to all shareholders.

The Company's return on capital as at the end of the reporting period is as follows:

	2022	2021
	₦'000	₦'000
Result from operating activities	23,900,060	9,871,498
Total shareholders' equity	89,979,391	74,286,575
Return on capital	26.56 %	13.29 %

Furthermore, the Company's adjusted net debt to equity ratio at the end of the reporting period is as follows:

	2022	2021
	₦'000	₦'000
Total liabilities	125,680,817	95,119,950
Cash and cash equivalents	(69,103,716)	(35,868,834)
Adjusted net debt	56,577,101	59,251,116
Total equity	89,979,391	74,286,575
Adjusted net debt to equity ratio:	0.63	0.80

There was no change in the Company's approach to capital management during the current and preceding year. There is no externally imposed capital requirement on the Company.

30. Contingencies

(a) Contingent assets

As at 30 June 2022, the Company has a contingent asset arising from Export Expansion Grant (EEG) of N6.06 billion (2021: N5.62 billion) due from the Nigerian Export Promotion Council (NEPC). EEG is an incentive from the Federal Government of Nigeria to stimulate local production activities for export. The Company has met the eligibility criteria for the amount of EEG and has submitted its claim in this regard to the NEPC.

EEG receivable has not been recognized in the financial statements effective 30 June 2022 because of the historical trend of issuance of Export Credit Certificate (ECC) for its settlement by the NEPC. The issuance of ECC, its eventual receipt and subsequent utilization is entirely within the control of NEPC and the timing of occurrence of these events is not certain.

Prior to 2021 financial year, EEG receivable was recognized in the statement of financial position but with associated 100% provision thereby having a Nil impact on the net asset of the company.

(b) Guarantee and contingent liabilities

Contingent liabilities at the reporting date arising in the ordinary course of business out of guarantees relating to customs bond amounted to N3,146 million (2021: N2,900 million). In the opinion of the Directors, no material loss is expected to arise from these guarantees.

(c) Pending litigations and claims

The Company is subject to various claims and other liabilities arising in the normal course of business. The contingent liabilities in respect of pending litigation and other liabilities amounted to N958 billion as at 30 June 2022 (2021: N950 billion). In the opinion of the Directors and based on legal advice, no material loss is expected to arise from these claims.

NOTES TO THE FINANCIAL STATEMENTS

(d) Financial commitments

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

31. Related Parties transactions and balances

(a) Parent and ultimate controlling entity

Related parties include the parent and ultimate controlling Company, Diageo plc and other Diageo group entities. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are considered as related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

As at 30 June 2022, Guinness Overseas Limited and Atalantaf Limited owned 50.18% (2021: 50.18%) and 7.84% (2021: 7.84%) respectively of the issued share capital of the Company. The remaining 41.98% (2020: 41.98%) is held by a diverse group of Nigerian individuals and institutional shareholders

(b) Transactions with related parties

The Company has transactions with its parent and other related parties who are related by virtue of being members of the Diageo group. The total amounts due to related parties by nature of the transactions are shown below.

(i) Trademark and technology licences

Diageo plc, through some of its members, has given Guinness Nigeria Plc exclusive rights to the know-how, manufacturing, distribution and marketing of its international brands in Nigeria namely, Guinness Foreign Extra Stout, Guinness Smooth, Guinness Gold, Malta Guinness, Satzenbrau Lager, Harp Lager, Smirnoff X1, Smirnoff Ice, Smirnoff Ice - Double Black & Guarana, Gordons Moringa, Baileys Delight, Snapp, Orijin variants (namely Orijin Bitters, Orijin Gin, Orijin Ready to Drink, and Orijin Zero non-alcoholic), MrDowells and Royal Challenge. In consideration of this, a royalty of 0.5% of net sales value and a technical service fee of 2% of net sales value are payable by Guinness Nigeria Plc to its related parties for Trademark and technology licences respectively. The royalty and technical service fees payable by Guinness Nigeria Plc under these agreements for the current financial year is N1,268 million (2021: N918 million).

All of the transactions are conducted in accordance with Diageo's Transfer Pricing methodologies which have been designed to be consistent with the arm's length principle, the governing international principle of related party transactions. Where Guinness Nigeria's undertakes activities under agreements with Diageo's brand owning entities, those brand owning entities may provide financial support on a year-by-year basis to the extent that the financial performance of Guinness Nigeria Plc in relation to those transactions falls below an arm's length range. Any contributions made to Guinness Nigeria Plc by Diageo's brand owning entities are intended to deliver an arm's length outcome.



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(ii) Purchases, sales, promotional support, other services and dividend

	Transaction Value		Balance due (to)/ from	
	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'000
<i>Purchases, promotional support and other services</i>				
Other related parties	(2,228,483)	(4,154,339)	(11,340,709)	(9,112,226)
<i>Royalties and technical services fees</i>				
Other related parties	(1,267,667)	(918,201)	(6,909,705)	(6,281,508)
	(3,496,150)	(5,072,540)	(18,250,414)	(15,393,734)
<i>Sales and other services</i>				
Other related parties	(3,022,678)	(11,293,139)	269,395	3,292,073
	(3,022,678)	(11,293,139)	269,395	3,292,073
<i>Related party loan and finance costs (Note 23)</i>	(197,440)	(527,980)	(9,411,892)	(9,214,452)
	Transaction Value		Balance due (to)/ from	
	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'000
<i>Purchases, promotional support and other services</i>				
Diageo Ireland Unlimited Company	(408,277)	(1,317,451)	(4,922,559)	(4,514,283)
Diageo Brands B.V.	(248,956)	(1,801,559)	(3,393,778)	(3,144,822)
Diageo Great Britain Limited	(912,911)	(254,522)	(1,478,784)	(565,873)
Diageo North America, Inc.	28,791	(788,985)	(766,573)	(795,363)
Uganda Breweries Limited	(503,614)	(5,365)	(530,146)	(26,532)
Guinness Ghana Breweries Plc	(129,820)	—	(129,820)	—
East African Breweries PLC	(106,579)	50,124	(119,048)	(12,469)
United Spirits Limited	52,882	(51,533)	—	(52,882)
Serengeti Breweries Limited	2	(2)	—	(2)
Diageo Business Services Ltd	—	8,014	—	—
Diageo Scotland Limited	—	6,939	—	—
	(2,228,483)	(4,154,339)	(11,340,709)	(9,112,226)
<i>Technical service fees and royalties</i>				
Diageo Ireland Unlimited Company	(22,051)	(37,262)	(3,148,326)	(3,423,733)
Diageo Great Britain Limited	(599,822)	(452,863)	(1,865,867)	(1,448,268)
Diageo North America, Inc.	(446,573)	(280,880)	(1,222,600)	(900,513)
Diageo Brands B.V.	(146,618)	(96,748)	(350,572)	(239,258)
United Spirits Limited	(52,603)	(50,447)	(322,340)	(269,737)
	(1,267,667)	(918,201)	(6,909,705)	(6,281,508)
<i>Sales and other services</i>				
Guinness Cameroun S.A	(2,770,194)	(11,181,892)	242,461	3,012,654
R&A Bailey & Co	13,260	—	13,260	—
Diageo Scotland Limited	(170,520)	—	11,087	181,607
Kenya Breweries Limited	1,836	—	1,836	—
Diageo Southern Africa Markets (Pty) Ltd	(14,590)	2,544	15,320	—
East African Maltings Limited	22	—	22	—
Diageo plc	(1,905)	—	—	1,905
Guinness Ghana Breweries Plc	(58,861)	24,756	—	58,861
Diageo Americas Supply, Inc.	(11,036)	—	—	11,036
Diageo Business Services Ltd	(10,457)	—	—	10,457
Diageo Americas, Inc.	(137)	—	—	137
Diageo España S.A.	(95)	—	—	95
Diageo Great Britain Limited	—	(138,547)	—	—
	(3,022,678)	(11,293,139)	269,395	3,292,073

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	Transaction Value		Balance due (to)/ from	
	2022	2021	2022	2021
	€'000	€'000	€'000	€'000
<i>Related party loan and finance costs</i>				
Diageo Finance plc	(197,440)	(527,980)	(9,411,892)	(9,214,452)
	(197,440)	(527,980)	(9,411,892)	(9,214,452)

(c) Transactions with key management personnel

Key management personnel compensation:

In addition to their salaries, the Company also provides non-cash benefits to executive directors and executive officers and contributes to post employment defined benefit and defined contribution plans on their behalf. In accordance with the terms of the plans, directors and executive officers retire at the age of 55 years at which time they become entitled to receive post-employment benefits.

Executive officers also participate in share-based payment plans (see Note 26) and the Company's long service awards benefit plan. Key management personnel compensation comprised:

	2022	2021
	€'000	€'000
<i>Short-term employee benefits</i>		
Salaries and wages - Executive Directors (Note 11(b))	670,883	465,959
Salaries and wages - Executive Officers	474,433	312,092
<i>Share-based payments plan</i>		
Diageo executive share options/awards	229,643	137,701
	1,374,959	915,752

32. 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 June 2022 that have not been adequately provided for or disclosed in the financial statements.

33. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.



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Statement of Value Added

FOR THE YEAR ENDED 30 JUNE 2022

	2022 €'000	%	2021 €'000	%
Revenue	206,822,127		160,416,257	
Bought-in materials and services				
- Local	(124,168,676)		(96,492,460)	
- Imported	(38,137,384)		(35,166,397)	
	44,516,067		28,757,400	
Other income	2,739,969		1,029,816	
Finance income	1,904,144		529,159	
Valued added	49,160,180	100 %	30,316,375	100 %
Distribution of Value Added:				
To Government:				
Tax expense	8,022,799	16 %	4,514,172	15 %
To Employees:				
Salaries, wages and fringe benefits	13,792,197	29 %	11,338,154	38 %
To Providers of Finance:				
Finance costs	2,130,043	4 %	4,631,147	15 %
Retained in the Business:				
For replacement of property, plant and equipment	8,465,306	17 %	8,123,964	27 %
For replacement of right-of-use assets	140,758	— %	358,133	1 %
For replacement of intangible assets	1,765	— %	102,370	— %
Declared dividend	1,007,576	2 %	—	— %
To augment reserve	15,599,736	32 %	1,248,435	4 %
	49,160,180	100 %	30,316,375	100 %

The value added represents the wealth created through the use of the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, capital providers, government and that retained for future creation of wealth.

Five-Year Financial Summary

Income Statement

	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
Revenue	206,822,127	160,416,257	104,376,015	131,498,373	142,975,792
Operating profit/(loss)	23,900,060	9,871,498	(12,832,256)	8,966,036	13,386,248
Profit/(loss) before taxation	23,674,161	5,769,510	(17,073,641)	7,103,630	9,943,164
Profit/(loss) for the year	15,651,362	1,255,338	(12,578,818)	5,483,732	6,717,605

Statement of comprehensive income

Profit/(loss) after taxation	15,651,362	1,255,338	(12,578,818)	5,483,732	6,717,605
Other comprehensive income/(loss) net of tax	(51,626)	(6,903)	(114,122)	2,090	(32,584)
Comprehensive income/(loss) for the year	15,599,736	1,248,435	(12,692,940)	5,485,822	6,685,021

Per 50k share data (in kobo)

Basic earnings per share	715	57	(574)	250	330
Declared dividend per share	46	—	152	184	64

Statement of financial position

	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
Employment of funds					
Property, plant and equipment	97,685,577	94,236,887	88,919,044	100,801,064	97,602,019
Right-of-use assets	368,512	432,001	943,212	—	—
Intangible assets	326	2,092	309,112	641,059	1,000,214
Prepayments	4,757	—	1,675	6,482	42,688
Other receivables	—	—	—	—	—
Net current (liabilities)/assets	3,868,406	(8,223,340)	(6,625,438)	10,487,549	11,762,932
Loans and borrowings - non current	—	—	—	(8,104,582)	(8,116,367)
Lease liabilities	(177,144)	(184,309)	(653,855)	—	—
Employee benefits	(1,327,970)	(1,099,329)	(1,342,985)	(970,547)	(1,104,749)
Deferred tax liabilities	(10,443,073)	(10,877,427)	(8,512,625)	(13,800,562)	(13,598,563)
Net assets	89,979,391	74,286,575	73,038,140	89,060,463	87,588,174
Funds employed					
Share capital	1,095,191	1,095,191	1,095,191	1,095,191	1,095,191
Share premium	47,447,029	47,447,029	47,447,029	47,447,029	47,447,029
Retained earnings	41,437,171	25,744,355	24,495,920	40,518,242	39,045,954
Shareholders' funds	89,979,391	74,286,575	73,038,140	89,060,462	87,588,174
Net assets per share (kobo)	4,108	3,391	3,334	4,066	3,999

Shareholders' Information

Share Capital History

The share capital history of the Company is as shown below. The issued and paid-up share capital of the Company as at 30 June 2022 is:

DATE	AUTHORISED SHARE CAPITAL		ISSUED AND FULLY PAID		CONSIDERATION
	VALUE (N)	SHARES	VALUE (K)	SHARES	
31/08/72	3,000,000	6,000,000	3,000,000	6,000,000	Conversion to Naira
14/12/72	5,000,000	10,000,000	5,000,000	10,000,000	Script Issue (2:3)
30/03/76	8,000,000	16,000,000	8,000,000	16,000,000	Script Issue (3:5)
5/11/76	10,000,000	20,000,000	10,000,000	20,000,000	Public Issue
11/3/77	15,000,000	30,000,000	15,000,000	30,000,000	Script Issue (1:2)
28/09/78	25,000,000	50,000,000	25,000,000	50,000,000	Script Issue (2:3)
21/02/80	37,500,000	75,000,000	37,500,000	75,000,000	Script Issue (1:2)
25/02/82	50,000,000	100,000,000	50,000,000	100,000,000	Script Issue (1:3)
15/03/84	75,000,000	150,000,000	75,000,000	150,000,000	Script Issue (1:2)
13/03/84	100,000,000	200,000,000	100,000,000	200,000,000	Script issue (1:3)
26/07/90	150,000,000	300,000,000	150,000,000	300,000,000	Script Issue (1:2)
18/07/90	200,000,000	400,000,000	180,000,000	360,000,000	Rights Issue(1:5)
29/09/95	350,000,000	700,000,000	270,000,000	540,000,000	Right Issue (1:2)
2/1/97	350,000,000	700,000,000	339,519,721	679,039,441	Conversion of ICLS to Shares
19/06/97	400,000,000	800,000,000	350,519,721	679,039,441	Scrip Dividend to Shares
16/07/97	400,000,000	800,000,000	350,733,576	701,467,151	Scrip Dividend to Shares
13/07/98	400,000,000	800,000,000	353,982,125	707,964,249	Increase in authorized
20/11/02	1,000,000,000	2,000,000,000	353,982,125	707,964,249	Share Capital
20/11/03	1,000,000,000	2,000,000,000	89,970,207	1,179,940,415	Bonus Issue (2:3)
16/11/06	1,000,000,000	2,000,000,000	737,462,759	1,474,925,519	Bonus Issue (1:4)
10/7/08	1,250,000,000	2,500,000,000	737,462,759	1,474,925,519	Increase in Authorized Share Capital
2/11/12	1,250,000,000	2,500,000,000	752,944,094	1,505,888,188	Scrip Dividend to Shares
9/22/17	1,250,000,000	2,500,000,000	1,095,191,410	2,190,382,819	Right Issue (5:11)

Substantial Interest in Shares:

According to the register of members, the following persons held more than 5% of the issued share capital of the Company as at 30 June 2022

Shareholders	Number of Shares	Percentage
Guinness Overseas Limited	1,099,230,804	50.18 %
Atalantaf Limited	171,712,564	7.84 %
Stanbic IBTC Nominees Limited/C026 Main	136,610,979	6.24 %
Mutima Opportunity Fund LP-Trading	112,502,111	5.14 %

SHAREHOLDERS' INFORMATION

Statistical Analysis of Shareholding

a) The shares of the Company are held in the ratio of 41,98% by Nigerians and 58,02% by offshore investors.

Nigerian Investors **41.98%**

41.98%

Offshore Investors **58.02%**

58.02%

b) The Company's issued shares of 2,190,382,819 as at year end are held by shareholders as follows:

Statistical analysis of shareholding as at 30 June 2022				
Range	Total Holders	%	Units	%
1 - 1,000	31,644	44.86 %	12,008,504	0.55 %
1,001 - 5,000	27,733	39.32 %	71,065,130	3.24 %
5,001 - 10,000	6,193	8.78 %	44,965,504	2.05 %
10,001 - 50,000	4,051	5.74 %	79,058,702	3.61 %
50,001 - 100,000	440	0.62 %	31,297,000	1.43 %
100,001 - 500,000	377	0.53 %	75,769,425	3.46 %
500,001 - 1,000,000	54	0.08 %	36,736,061	1.68 %
1,000,001 - above	42	0.07 %	1,839,482,493	83.98 %
Grand Total	70,534	100.00 %	2,190,382,819	100.00 %

Dividend History

Year	Profit After Taxation(₦)	Dividend Proposed(₦)	Dividend per Share (k)
2010	13,736,359,000	12,168,135,531	825
2011	17,927,933,821	14,749,255,190	1,000
2012	14,671,194,963	11,799,404,152	800
2013	11,863,726,504	10,541,217,309	700
2014	9,570,223,809	4,818,842,202	320
2015	7,794,899,000	4,818,842,202	320
2016	(2,015,886,000)	752,944,094	50
2017	1,923,720,000	963,768,440	64
2018	6,717,605,142	4,030,563,085	184
2019	5,483,732,000	3,329,381,885	152
2020	(12,578,818,000)	0	0
2021	1,255,338,000	1,007,576,097	46

SHAREHOLDERS' INFORMATION

NOTICE! – UNCLAIMED DIVIDENDS

Guinness Nigeria Plc. hereby informs all our esteemed Shareholders and the general public that some dividend warrants and share certificates have been returned to the Registrar's office because the addresses of the shareholders could not be traced.

Shareholders are hereby reminded to check the list of unclaimed dividends which can be accessed at the offices of our Registrars provided below. Shareholders may also check unclaimed dividends using the search function below: <http://www.veritasregistrars.com/UnclaimedDividends.aspx>

We also encourage all our Shareholders to opt for the e-dividend and e-bonus options available online - <http://www.veritasregistrars.com/>

For enquiries and support, please contact the Registrars of Guinness Nigeria Plc.:

Veritas Registrars Limited

Plot 89A, Ajose Adeogun Street
Victoria Island
Lagos
Nigeria

Website: <http://www.veritasregistrars.com/>

Tel: 234-1-2708930-4

E-mail: enquiry@veritasregistrars.com

Veritasregistrars@veritasregistrars.com

Shareholders can also access the list of Unclaimed Dividends on the Guinness Nigeria website www.guinness-nigeria.com.



Rotimi Odusola

Company Secretary/Corporate Relations Director

Unclaimed Dividends With Dates

Dividends	Dates Declared
76	24/11/2006
77	15/11/2007
78	10/07/2008
79	28/11/2008
80	03/11/2009
81	15/11/2010
82	10/11/2011
83	05/11/2012
84	15/11/2013
85	14/11/2014
86	26/11/2015
87	23/11/2016
88	25/10/2017
89	24/10/2018
90	23/10/2019
91	26/10/2021

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Complaints Management Policy

1. Introduction

Guinness Nigeria Plc ("GNPLC" or "the Company") is committed to providing excellent service to all our shareholders. Our aim is to continuously improve our service to ensure we are meeting their needs and expectations and to encourage feedback on our performance. This Policy provides comprehensive guidelines for the management of shareholders' issues and complaints by the Company and our Registrar.

We recognize that complaints and compliments provide unique information about the quality of service our shareholders receive. The management of a complaint provides the opportunity for complainants to have their issues resolved promptly and efficiently ensures that any identified risks are managed appropriately, and that action is taken to minimize or eliminate those risks.

Guinness Nigeria Plc has therefore issued this Complaint Management Policy ("the Policy") in line with the requirements of the Securities and Exchange Commission's Rules Relating to the Complaints Management Framework of the Nigerian Capital Market ("SEC Rules")

issued on 16th February, 2015 and the Nigerian Exchange Group Plc (NGX)'s Directive (NSE/ LARD/ LRD/CIR6/15/04/22) to all Listed Companies ("the NSE Directive") issued on 22nd April, 2015.

2. Objectives

The objectives of this Complaints Management Policy are to:

1. Assist the Company with the timely and effective management of complaints.
2. Establish a standard approach to complaints handling including the establishment of performance indicators to monitor compliance.
3. Ensure that the relevant employees of the Company and our Registrar are aware of their responsibilities and are empowered to manage complaints
4. Ensure that complaints and enquiries from the Company's shareholders are managed in a fair, impartial and efficient timely manner.

3. Principles

This Complaints Management Policy is underpinned by the following guiding principles:

- The management of Guinness Nigeria Plc and our Registrar are committed to providing quality service to all our shareholders.
- Shareholders are encouraged and enabled to provide feedback about the service they

receive from the Company and our Registrar.

- All complaints are acknowledged and responded to promptly.
- All complaints are dealt with in a manner that is effective, complete, fair to all parties and provides just outcomes.
- Complaint information is openly communicated while protecting confidentiality and personal privacy.
- All complaints are recorded to enable review of individual cases and report on aggregated complaints information.
- Our Complaint Management Policy and practices are regularly evaluated and the information is used to improve services.

4. Scope

4.1 This Policy shall apply to issues, enquiries or complaints from shareholders to the Company or the Registrar regarding shareholders' rights, interests or privileges and requiring a formal or informal response.

4.2. The Policy shall not apply to complaints on matters that are sub-judice or which do not relate to shareholders' rights, interests or privileges.

5. Roles and Responsibilities

5.1 The Company Secretary

The Company Secretary has ultimate responsibility for ensuring that shareholders' complaints are received and attended to in a timely and efficient manner and shall

ensure that the Registrar and all employees of the Company charged with the implementation of this Policy discharge their responsibilities efficiently and in a timely manner.

5.2 The Registrar

The Registrar shall be the first point of call for all shareholders' issues and complaints and shall ensure that these are attended to courteously, promptly and efficiently.

6. Steps in the Complaints Management Process

6.1 Complaints and enquiries by shareholders may be made as follows:

- a) Contact the Registrar: Shareholders who wish to make a complaint/enquiry shall in the first instance contact the Registrar. The Registrar manages all the registered information relating to all shareholdings, including shareholder name(s), shareholder address and dividend payment instructions amongst others.

Upon receipt of a complaint or an enquiry, the Registrar shall immediately provide the relevant details of such complaint or enquiry to Guinness Nigeria Plc for monitoring, record keeping and reporting purposes.

In resolving complaints or enquiries, the Registrar shall be guided by the timelines stipulated in clause 5 (c-f) of this Policy.

- b) Contact Guinness Nigeria Plc's Company Secretary:

If the Registrar is unable to satisfactorily address and resolve a complaint, issue or enquiry by a shareholder within ten (10) working days, the shareholder may contact the office of the Company Secretary.

6.2. Where a complaint or an enquiry is sent to Guinness Nigeria Plc directly, the Company upon receipt of the complaint or enquiry, shall use its best endeavours to ensure that:

- a) relevant details of the complaint or enquiry are immediately recorded.
- b) a response is provided by the Company or the Registrar within the time frame set out in sub-clauses c-f below.
- c) complaints or enquiries received by e-mail are acknowledged within two (2) working days of receipt.
- d) complaints or enquiries received by post are responded to within five (5) working days of receipt.
- e) all other complaints or enquiries are resolved within ten (10) working days of receipt.
- f) The Nigerian Exchange Group Plc (NGX) is notified, within two (2) working days, of the resolution of a complaint or enquiry.
- g) where a complaint/enquiry cannot be resolved within the stipulated timeframe set out above, the shareholder shall be notified that the matter is being

investigated. It should be noted that delays may be experienced in some situations, including where documents need to be retrieved from storage.

- h) the same or similar medium that was used for the initial enquiry is used in providing a response (whether by email, phone, post or fax), unless otherwise notified to or agreed with the shareholder.

7. Electronic Complaints Register

7.1 The Company shall maintain an electronic complaints register.

7.2 The electronic complaints register shall include the following information:

- The date that the enquiry or complaint was received.
- Complainant's information (including name, address, telephone number, e-mail address).
- Nature and details of the enquiry or complaint.
- Action taken/status.
- Date of the resolution of the complaint.

The Company shall also provide information on the details and status of complaints to the Securities and Exchange Commission and The Nigerian Exchange Group Plc (NGX) on a quarterly basis.

8. Liaison with the Registrar

During the course of investigating a shareholder's enquiry, complaint or feedback,



COMPLAINTS MANAGEMENT POLICY

the Company may liaise with the Registrar to:

- determine the facts;
- determine what action has been undertaken by the Registrar (if any); and
- coordinate a response with the assistance of the Registrar.

9. Contact Details of the Registrar

The Registrar may be contacted as follows: Veritas Registrars Limited (formerly Zenith Registrars Limited) Plot 89A, Ajoose Adeogun Street, Victoria Island, Lagos

Telephone:

+234 1 2708930 -4;

+234 1 2793873;

+234 1 2716116

E-mail:

enquiry@veritasregistrars.com

Website:

www.veritasregistrars.com

10. Contact Details of the Company Secretary

Shareholders seeking to escalate unresolved complaints are invited to contact the Company Secretary as follows:

The Company Secretary
Guinness Nigeria Plc
24, Oba Akran Avenue P.M.B.

21071, Ikeja, Lagos

Telephone: +234 1 2709100

E-mail: cosecgn@diageo.com

website:

www.guinness-nigeria.com

11. Communication of this Policy

This Policy shall be communicated as follows:

- The Policy shall be available on Guinness Nigeria Plc's website (www.guinness-nigeria.com).
- A shareholder may request a copy of this by contacting the Office of the Company Secretary.
- The Policy shall be made available for perusal at General Meetings of the Company.

12. Cost

Wherever possible, and subject to statutory requirements, the Company will not charge shareholders for making enquiries, giving feedback, providing a response or for any aspect in the course of resolving a shareholder matter.

However, in some circumstances, the Registrar may charge shareholders a fee (for example, to resend previous dividend statements

upon request by the shareholder).

13. Review of this Policy

This Policy may be reviewed from time to time by management and all changes, amendments or subsequent versions of this Policy will be published on Guinness Nigeria Plc website (www.guinness-nigeria.com).

Approved by the Board of Guinness Nigeria Plc and signed on its behalf by:



Baker Magunda

Managing Director/Chief Executive Officer



Rotimi Odusola

Company Secretary

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FUNKY STORES
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HART- G ASSOCIATES LIMITED
HGOTET OIL NIGERIA LIMITED
HYCO INTERGRATED RES
IHECHIDERE ENT NIG LTD
IJ DESIRES LTD
IMMACULATE BEVERAGES LIMITED
INNOVATION ERA
J OGUNGBOLA & SONS LTD
J.JOCAC CO.NIG LTD
JIBOTS GLOBAL LINKS LIMITED
JIMHANSON RESOURCES
JINDA C.K NIG LTD
JOCEAN VENTURES NIGERIA LIMITED
JURITE DELIGHT SERVICES LTD
K. C. INVESTMENT NIG
KARMA MART LIMITED
LASARO DYNAMIC OPTIO
LEXICAN INVESTMENTS
LUCKY DONASON WINES NIG. LIMITED
MABILCO ENTERPRISE
MAINFRAMES INT. TECH CONCEPT
MAWLAT VENTURES
MERCY MENTRACO &SONS
MODUPE FOLARIN NIG LTD
MOOVIG NIGERIA LTD
MULTIBRIGHTY RESOURCES
NATHAN OFOMA & SONS
ND INVESTMENTS
NEXTIME INT. TRADING COMPANY LTD
O - FAGE NIG. LTD
OBI NDU GLOBAL COMPANY LTD
OBIANCO INT NIG LTD
OLAGUNSOYE WILLIAMS (NIG) CO
OLIZUS GLOBAL LIMITE
OMOTAYO STORES
OYEDOH NIG ENT
OZONE F&L TRADING COMPANY LIMIT
P.N.IGWE AND SONS
PATRICK TELFORD AND COMPANY LIMITED
PAVACHI RESOURCES LIMITED
PETERCO GLOBAL INVES
RAYD GLOBAL
RESOURCE DIVINE ENERGY & LOGISTICS
SANEG NIG LTD
SENNA ATLANTIC LIMITED
SOUTH COAST BAR & LOUNGE
STEVE IMAFIDON & SON
TASHO NIGERIA LTD
THAMES AGHEDO
THE EDGE SHOPPERS WAREHOUSE LTD
UGONNAYA UGONNA
UNIVERSAL FINANCE CONSULT& INVESTMENT
V C AZUBOGU & SONS
VATQUB GLOBAL RESOURCES LTD
VICMOND ADE ENT. LTD
VIKKY JOSH NIG LTD
VIVID PURITY INT. LTD
YOUNG OKOBIZ VENTURES LTD
YTTT DISTRIBUTION LTD



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72nd Annual General Meeting of the Members of Guinness Nigeria Plc to be held at the Idera Hall of the Radisson Blu Anchorage Hotel, Ozumba Mbadiwe road, Victoria Island on Tuesday, 25th October 2022 at 11.00 O'clock.

I/We*

Being a member/members of Guinness Nigeria Plc, hereby appoint**

or failing him/her, Dr. Omobola Johnson, or failing her Mr. Baker Magunda or failing him Prof. Fabian Ajogwu, or failing him Ms. Ngozi Edozien as my /our proxy to act and vote for me/us and on my/our behalf at the Annual General meeting of the Company to be held on Tuesday, 25 October 2022 and at any adjournment thereof.

Dated this day of 2022

Shareholder's signature

*Delete as necessary

- 1 A member (shareholder) entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. All proxies should be deposited at the Registered Office not less than 48 hours before the time of holding the Meeting. In the case of joint shareholders, any of such may complete the form, but the names of all joint shareholders must be stated.
- 2 If the Shareholder is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorised.
- 3 Provision has been made on this form for some Directors of the Company to act as your proxy, but if you wish, you may insert in the blank spaces on the form (marked **) the name of any of the below listed proposed Proxies who will attend the meeting and vote on your behalf instead of the Directors.
- 4 Please sign the above proxy form and send it so as to reach the address of the Registrars, Veritas Registrars Limited, Plot 89A, Ajose Adeogun Street, Victoria Island, Lagos not less than 48 hours before the time of the holding of the Meeting. You may also scan and send the completed Proxy form to the Company's Registrars at enquiry@veritasregistrars.com.
- 5 The proxy must produce the Admission Card sent with the Notice of Meeting to obtain entrance to the meeting.

NUMBER OF SHARES

RESOLUTION	FOR	AGAINST	ABSTAIN
To declare a dividend			
To confirm the appointment of the following Directors: 1. Emmanuel Difom (Cameroonian) 2. Dayalan Nayager (South African) 3. Mrs. Tariye Gbadegesin			
To re-elect as Director, Dr. Omobola Johnson			
To re-elect as Director, Mr. Mark Sandys			
To re-elect as Director, Mr. Leo Breen			
To authorize Directors to fix the remuneration of the independent auditors			
To elect members of the Statutory Audit Committee			
To fix the remuneration of the Directors			
To approve that the Company's Directors be and are hereby authorized to take steps to comply with the requirements of s.124 of the Companies and Allied Matters Act (CAMA) 2020 and the Companies Regulations 2021 as it relates to unissued shares; by effecting the cancellation of all unissued shares of the Company.			
To approve the amendment of clause 5 of the Memorandum of Association of the Company pursuant to the cancellation of the unissued shares.			
To renew the general mandate of the Company to enter into recurrent transactions with related parties for the Company's day to day operation			

Please indicate with an "X" in the appropriate box how you wish your votes to be cast on the resolution set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

List of Proposed Proxies:

- | | |
|----------------------------|-----------------------------|
| 1. Dr. Omobola Johnson | 9. Dr. Anthony Omojola |
| 2. Mr. Baker Magunda | 10. Hon. Bright Nwabughogu |
| 3. Prof. Fabian Ajogwu SAN | 11. Barr. Adetutu Siyanbola |
| 4. Ms. Ngozi Edozien | 12. Chief Timothy Adesiyun |
| 5. Mrs. Bisi Bakare | 13. Mrs. Efunyemi Obideyi |
| 6. Sir Sunny Nwosu | 14. Mr. Matthew Akinlade |
| 7. Mr. Nornah Awoh | 15. Alhaji Sarata Balogun |
| 8. Mr. Patrick Ajudua | 16. Mrs. Esther Augustine |

Please Admit

To the Annual General Meeting of Guinness Nigeria Plc which will be held at Idera Hall of the Radisson Blu Anchorage Hotel, Ozumba Mbadiwe road, Victoria Island, Lagos State on Tuesday, 25th October 2022.

This admission card must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.



Rotimi Odusola Company Secretary

.....
Name of Shareholder

.....
Address of Shareholder

**Number of
Shares held**





**Affix
Current
Passport**

(To be Stamped by Bankers)

Please write your name at the
back of your passport
photograph

e-DIVIDEND MANDATE FORM

Please complete all sections of this form to make it eligible for processing and return to the address below:



*The Registrar,
Veritas Registrars Limited.
Plot 89A, Ajose Adeogun Street, Victoria Island, Lagos*

Date :

--	--	--	--	--	--	--	--	--	--

I/We hereby request that henceforth, all my/our dividend payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below

Please note that Only Clearing Banks are acceptable

Surname/Company Name First Name Other Names

Address

City

State

Country

Previous Address

Bank:

Bank Account No.:

Account Opening Date:

BVN 1:

BVN 2:

(for joint signatories)

Clearing House Number (CHN)

Mobile Telephone 1

Mobile Telephone 2

E-mail Address



By signing this form, I/we hereby consent that Veritas Registrars Limited can collect and process my/our personal data for the purpose of managing my/our records in the companies for which Veritas Registrars Limited act as Registrars. I/we also confirm that I/we have read and accept the extent to which data can be collected and processed as contained in <http://veritasregistrars.com/privatepolicy.aspx>

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

Company Seal/Incorporation No. (Corporate Shareholder)

Head Office: Plot 89A, Ajose Adeogun Street, P.O. Box 75315, Victoria Island, Lagos, Nigeria.

Telephone: +234 (1) 2784167, 2784168, 2784169; 0704 499 7048 (Text Messages only)

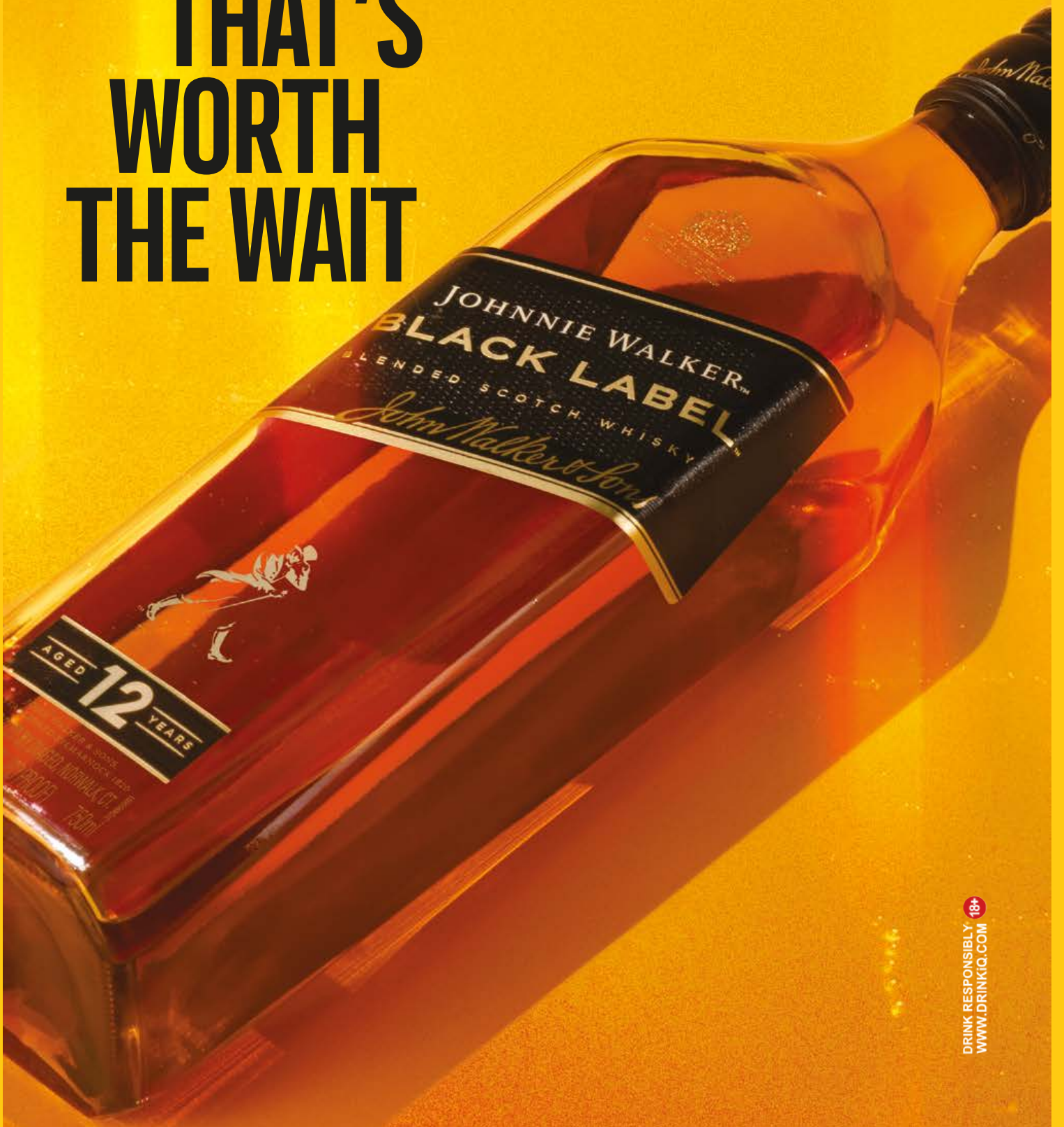
E-mail: enquiry@veritasregistrars.com veritasregistrars@veritasregistrars.com; Website: www.veritasregistrars.com



NOTES



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KEEP WALKING



KEEP WALKING



KEEP WALKING



NEW

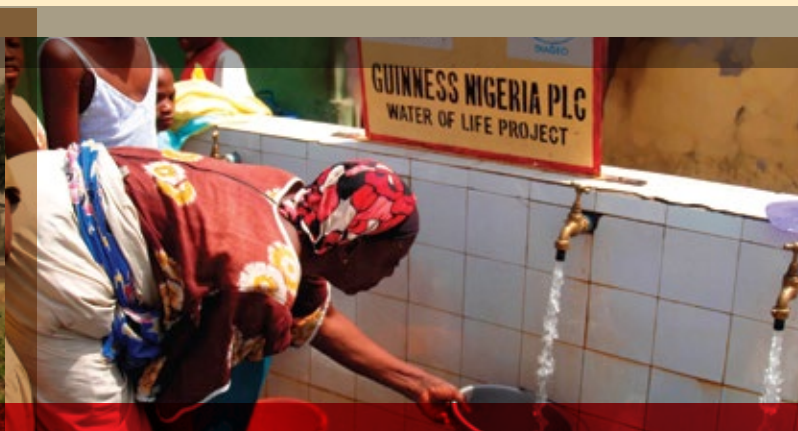
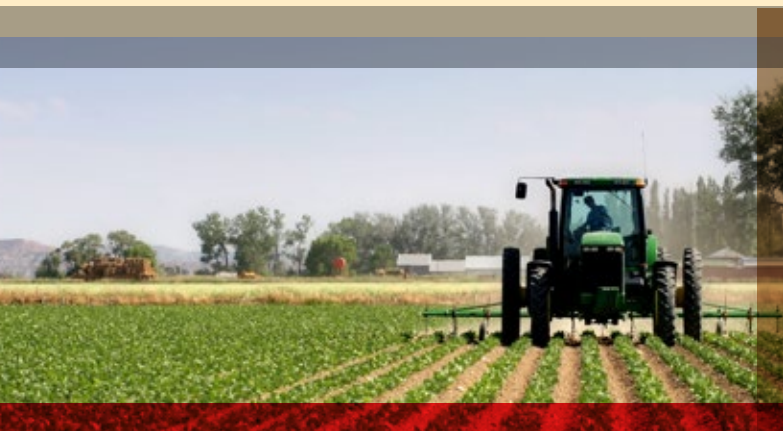


THERE'S A
**NEW CAPTAIN
IN TOWN**

Captain Morgan



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WWW.DRINKIO.COM **18+**

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