



Nigerian Breweries Plc
RC: 613

Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2023

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Condensed interim income statement

	Notes	31st March 2023 Group ₦'000	31st March 2023 Company ₦'000	31st March 2022 Group ₦'000	31st March 2022 Company ₦'000
Net Revenue		123,313,951	123,271,246	137,771,644	137,746,648
Cost of Sales	6	<u>(79,430,019)</u>	<u>(79,430,019)</u>	<u>(75,318,946)</u>	<u>(75,318,946)</u>
Gross Profit		43,883,932	43,841,227	62,452,698	62,427,702
Other Income		356,227	356,227	859,347	859,347
Selling and Distribution Expenses	6	(33,697,147)	(33,697,147)	(32,588,208)	(32,588,208)
Administrative Expenses	6	(8,217,543)	(8,040,919)	(7,451,554)	(7,247,713)
Net (release)/charge of expected credit loss on financial assets		<u>(441,634)</u>	<u>(441,634)</u>	<u>451,510</u>	<u>451,510</u>
Results from operating activities		<u>1,883,835</u>	<u>2,017,754</u>	<u>23,723,793</u>	<u>23,902,638</u>
Finance income	7a	39,872	39,872	73,514	73,514
Net loss on foreign exchange transactions		(14,641,051)	(14,641,051)	(1,876,640)	(1,876,640)
Finance costs	7b	<u>(4,719,716)</u>	<u>(4,719,716)</u>	<u>(1,157,982)</u>	<u>(1,181,208)</u>
Net Finance costs		<u>(19,320,895)</u>	<u>(19,320,895)</u>	<u>(2,961,108)</u>	<u>(2,984,334)</u>
Profit before tax		(17,437,060)	(17,303,141)	20,762,685	20,918,304
Income tax expenses	8	<u>6,721,857</u>	<u>6,721,857</u>	<u>(7,149,092)</u>	<u>(7,143,961)</u>
Profit/(Loss) after tax		<u>(10,715,203)</u>	<u>(10,581,284)</u>	<u>13,613,593</u>	<u>13,774,343</u>
Profit for the year attributable to:					
Owners of the Company		(10,715,203)	(10,581,284)	13,611,764	13,774,343
Non-controlling interest		<u>-</u>	<u>-</u>	<u>1,829</u>	<u>-</u>
Profit/(Loss) for the period		<u>(10,715,203)</u>	<u>(10,581,284)</u>	<u>13,613,593</u>	<u>13,774,343</u>
Earnings per share					
Basic Earnings per share (kobo)		(129)	(128)	169	171
Diluted earnings per share (kobo)		(129)	(128)	169	171

Condensed interim statement of other comprehensive income

	31st March 2023 Group N'000	31st March 2023 Company N'000	31st March 2022 Group N'000	31st March 2022 Company N'000
Notes				
Profit/(Loss) for the period	(10,715,203)	(10,581,284)	13,613,593	13,774,343
Other comprehensive income, net of tax				
Total comprehensive income for the period	(10,715,203)	(10,581,284)	13,613,593	13,774,343
Total comprehensive income for the quarter attributable to:				
Owners of the Company	(10,715,203)	(10,581,284)	13,611,764	13,774,343
Non-controlling interest	-	-	1,829	-
Total comprehensive income for the period	(10,715,203)	(10,581,284)	13,613,593	13,774,343

The notes on pages 11 to 15 are an integral part of these interim financial statements

Condensed interim statement of financial position

As at:

	Notes	31st March 2023		31st December 2022	
		Group 2023 N'000	Company 2023 N'000	Group 2022 N'000	Company 2022 N'000
ASSETS					
Property, plant and equipment	9	361,983,018	361,021,989	358,967,704	357,922,963
Right-of-use assets		9,587,114	9,540,315	9,901,779	9,828,656
Intangible assets and goodwill		93,068,559	93,068,559	93,425,102	93,425,102
Investments		150,000	929,625	150,000	929,625
Other receivables		2,105,004	2,105,004	2,022,169	2,022,169
Non-current assets		<u>466,893,695</u>	<u>466,665,492</u>	<u>464,466,754</u>	<u>464,128,515</u>
Inventories		105,009,454	104,807,378	83,517,310	83,344,213
Trade and other receivables		51,055,251	53,257,298	40,709,753	42,837,156
Prepayments		2,771,664	2,771,664	1,958,201	1,958,201
Deposit for imports		7,200,875	7,200,875	6,898,323	6,898,323
Cash and cash equivalents		19,855,232	19,842,182	22,180,841	22,151,846
Assets held for sale		157,500		157,500	
Current assets		<u>186,049,976</u>	<u>187,879,397</u>	<u>155,421,928</u>	<u>157,189,739</u>
Total assets		<u>652,943,671</u>	<u>654,544,889</u>	<u>619,888,682</u>	<u>621,318,254</u>
EQUITY					
Share capital		5,138,066	5,138,066	5,138,066	5,138,066
Share premium		82,943,935	82,943,935	82,943,935	82,943,935
Share based payment reserve		1,161,777	1,161,777	944,383	944,383
Retained earnings		80,058,691	81,271,411	90,773,894	91,852,695
Equity attributable to owners of the Company	11	<u>169,302,469</u>	<u>170,515,189</u>	<u>179,800,278</u>	<u>180,879,079</u>
Non-controlling interest		113,437	-	113,437	-
Total equity		<u>169,415,906</u>	<u>170,515,189</u>	<u>179,913,715</u>	<u>180,879,079</u>
LIABILITIES					
Loans and borrowings		2,096,701	2,096,701	2,425,875	2,425,875
Lease liabilities		9,985	9,985	14,622	14,622
Employee benefits		11,413,291	11,413,291	11,422,347	11,422,347
Deferred tax liabilities		11,823,322	11,823,322	18,407,463	18,407,463
Non-current liabilities		<u>25,343,299</u>	<u>25,343,299</u>	<u>32,270,307</u>	<u>32,270,307</u>
Loans and borrowings		190,734,490	190,734,490	119,824,926	119,824,926
Lease liabilities		17,474	17,474	17,313	17,313
Current tax liabilities		12,864,968	12,864,968	13,002,683	13,002,683
Dividend payable		8,357,782	8,357,782	9,007,012	9,007,012
Trade and other payables		240,382,605	240,884,540	264,089,648	264,553,856
Provisions		5,827,147	5,827,147	1,763,078	1,763,078
Current liabilities		<u>458,184,466</u>	<u>458,686,401</u>	<u>4,07,704,660</u>	<u>408,168,868</u>
Total liabilities		<u>483,527,765</u>	<u>484,029,700</u>	<u>439,974,967</u>	<u>440,439,175</u>
Total equity and liabilities		<u>652,943,671</u>	<u>654,544,889</u>	<u>619,888,682</u>	<u>621,318,254</u>

Approved by the Board of Directors on 25th April, 2023 and signed on its behalf by:


Chief Kolawole B. Jamodu
Chairman
FRC/2013/ICAN/00000001617


Mr. Hans Essaadi
Managing Director/CEO
FRC/2022/PRO/DIR/003/195502


Mr. Bernardus A. Wessels Boer*
Finance Director

*Mr. Wessels Boer has a waiver from the Financial Reporting Council of Nigeria ("FRCN") to sign the Financial Statements while processing his FRCN registration with the Council.

The notes on pages 11 to 15 are an integral part of these interim financial statements

Condensed interim statement of changes in equity

Group

	Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total	Non- Controlling Interest	Total Equity
Notes	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 st January 2023	5,138,066	82,943,935	944,383	90,773,894	179,800,278	113,437	179,913,715
Profit/(Loss) for the period	-	-	-	(10,715,203)	(10,715,203)	-	(10,715,203)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(10,715,203)	(10,715,203)	-	(10,715,203)
Transaction with owners, recorded directly in equity							
Contributions and distributions							
Issue of ordinary shares	-	-	-	-	-	-	-
Share based payment charge	-	-	217,394	-	217,394	-	217,394
Share based payment recharge	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Unclaimed dividends written back	-	-	-	-	-	-	-
Total contributions and distributions	-	-	217,394	-	217,394	-	217,394
Changes in ownership interest							
Total transactions with owners of the company	-	-	217,394	(10,715,203)	(10,497,809)	-	(10,497,809)
Balance as at 31st March, 2023	5,138,066	82,943,935	1,161,777	80,058,691	169,302,469	113,437	169,415,906

Condensed interim statement of changes in equity

Company

	Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total Equity
Notes	N'000	N'000	N'000	N'000	N'000
Balance at 1 st January 2023	5,138,066	82,943,935	944,383	91,852,695	180,879,079
Profit/(Loss) for the period	-	-	-	(10,581,284)	(10,581,284)
Other comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	(10,581,284)	(10,581,284)
Transaction with owners, recorded directly in equity					
Contributions and distributions					
Issue of ordinary shares	-	-	-	-	-
Share based payment charge	-	-	217,394	-	217,394
Share based payment recharge	-	-	-	-	-
Dividends	-	-	-	-	-
Unclaimed dividends written back	-	-	-	-	-
Total contributions and distributions	-	-	217,394	-	217,394
Changes in ownership interest					
Total transactions with owners of the company	-	-	217,394	(10,581,284)	(10,363,890)
Balance as at 31st March, 2023	5,138,066	82,943,935	1,161,777	81,271,411	170,515,189

The notes on pages 11 to 15 are an integral part of these interim financial statements

Condensed interim statement of changes in equity

Group

	Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total	Non- Controlling Interest	Total Equity
Notes	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance at 1 st January 2022	4,037,916	77,499,797	170,753	90,094,911	171,803,377	108,887	171,912,264
Profit/(Loss) for the period	-	-	-	13,611,764	13,611,764	1,829	13,613,593
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	13,611,764	13,611,764	1,829	13,613,593
Transaction with owners, recorded directly in equity							
Contributions and distributions							
Issue of ordinary shares	-	-	-	-	-	-	-
Share based payment charge	-	-	74,546	-	74,546	-	74,546
Share based payment recharge	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Unclaimed dividends written back	-	-	-	376,144	376,144	-	376,144
Total contributions and distributions	-	-	74,546	376,144	450,690	-	450,690
Changes in ownership interest							
Total transactions with owners of the company	-	-	74,546	13,987,908	14,062,454	1,829	14,064,283
Balance as at 31st March, 2022	4,037,916	77,499,797	245,299	104,082,819	185,865,831	110,716	185,976,547

Condensed interim statement of changes in equity

Company

	Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total Equity
Notes	N'000	N'000	N'000	N'000	N'000
Balance at 1 st January 2022	4,037,916	77,499,797	170,753	90,430,837	172,139,303
Profit/(Loss) for the period	-	-	-	13,774,343	13,774,343
Other comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	13,774,343	13,774,343
Transaction with owners, recorded directly in equity					
<i>Contributions and distributions</i>					
Issue of ordinary shares	-	-	-	-	-
Share based payment charge	-	-	74,546	-	74,546
Share based payment recharge	-	-	-	-	-
Dividends	-	-	-	-	-
Unclaimed dividends written back	-	-	-	376,144	376,144
Total contributions and distributions	-	-	74,546	376,144	450,690
Changes in ownership interest					
Total transactions with owners of the company	-	-	74,546	14,150,487	14,225,033
Balance as at 31st March, 2022	4,037,916	77,499,797	245,299	104,581,324	186,364,336

The notes on pages 11 to 15 are an integral part of these interim financial statements

Nigerian Breweries Plc
Unaudited Condensed Interim Financial Statements
For the Three Months Ended 31st March, 2023

Condensed interim statement of cash flows

	Group	Company	Group	Company
	2023	2023	2022	2022
Notes	₦'000	₦'000	₦'000	₦'000
Profit/(Loss) for the period	(10,715,203)	(10,581,284)	13,613,593	13,774,343
Adjustments for:				
Depreciation	11,316,462	11,206,426	8,878,484	8,791,528
Amortization of intangible assets	408,218	408,218	385,960	385,960
Finance income	(39,872)	(39,872)	(73,514)	(73,514)
Interest expenses	4,719,716	4,719,716	1,158,044	1,181,270
Gratuity, employee benefit and share based payment charges	625,124	625,124	670,749	670,749
Loss/(Gain) on sale of property, plant and equipment	(30,164)	(30,164)	(466,028)	(466,028)
Changes in provisions	4,064,069	4,064,069	-	-
Income tax expense	(6,721,857)	(6,721,857)	7,149,093	7,143,962
	3,626,493	3,650,376	31,316,381	31,408,270
Changes in:				
Inventories	(21,492,144)	(21,463,165)	(6,269,541)	(6,190,043)
Trade and other receivables	(10,428,333)	(10,502,977)	(9,907,166)	(9,738,850)
Prepayments	(813,463)	(813,463)	(1,162,275)	(1,162,275)
Trade and other payables	(31,098,027)	(31,060,300)	(9,643,923)	(9,979,077)
Deposit for imports	(302,552)	(302,552)	336,915	336,915
	(60,508,026)	(60,492,081)	4,670,391	4,674,940
Cash generated from operating activities				
Income tax paid	-	-	-	-
Gratuity paid	(187,100)	(187,100)	(175,022)	(175,022)
Other long term employee benefits paid	(555,097)	(555,097)	(457,681)	(457,681)
VAT paid*	(6,615,916)	(6,615,916)	(7,946,217)	(7,946,217)
Net cash from operating activities	(67,866,139)	(67,850,194)	(3,908,529)	(3,903,980)
Cash flows from investing activities				
Finance income	39,872	39,872	73,514	73,514
Proceeds from sale of property, plant and equipment	31,809	31,809	17,771	17,771
Acquisition of property, plant and equipment	(2,362,461)	(2,362,461)	(7,429,066)	(7,428,642)
Acquisition of right-of-use asset	(34,872)	(34,872)	(152,584)	(133,463)
Acquisition of intangible assets	(51,675)	(51,675)	(11,930)	(11,930)
Net cash used in investing activities	(2,377,327)	(2,377,327)	(7,502,295)	(7,482,750)
Cash flows from financing activities				
Proceeds from loans and borrowings	145,738,242	145,738,242	19,579,840	19,579,840
Repayment of loans and borrowings	(75,157,850)	(75,157,850)	(718,535)	(718,535)
Interest paid	(2,009,185)	(2,009,185)	(714,293)	(737,519)
Payment of Lease Liability	(4,120)	(4,120)	(100,962)	(100,962)
Dividends paid	(649,230)	(649,230)	(318,757)	(318,757)
Net cash used in financing activities	67,917,857	67,917,857	17,727,293	17,704,067
Net increase/(decrease) in cash and cash equivalents	(2,325,609)	(2,309,664)	6,316,469	6,317,337
Cash and cash equivalents at 1 st January	22,180,841	22,151,846	16,730,029	16,720,040
Cash and cash equivalents at 31st March	19,855,232	19,842,182	23,046,498	23,037,377
Represented by:				
Cash balance	19,855,232	19,842,182	23,046,498	23,037,377
	19,855,232	19,842,182	23,046,498	23,037,377

The notes on pages 11 to 15 are an integral part of these interim financial statements

* Value Added Tax (VAT) paid shown separately above has been adjusted for in deriving the change in trade and other payables

Notes to the condensed interim financial statements

1. REPORTING ENTITY

Nigerian Breweries Plc, a public Company quoted on The Nigerian Stock Exchange, was incorporated in Nigeria on 16th November 1946, under the name, Nigerian Brewery Limited. The name was changed on 7th January 1957, to Nigerian Breweries Limited and thereafter to Nigerian Breweries Plc in 1990 when the Companies and Allied Matters Act of that year came into effect. The Company is a subsidiary of Heineken N.V., a company domiciled in the Netherlands, the latter having approximately 56% interest in the equity of Nigerian Breweries Plc. The Company's registered office address is 1, Abebe Village Road, Iganmu, Lagos. The condensed interim financial statements of the Company as at and for the three-months period ended 31st March 2023 comprise the Company and its subsidiaries financial position.

The financial statements of Nigerian Breweries Plc as at and for the year ended 31st December 2022 are available on the Company's registered website www.nbplc.com/investor-relations.html

2. REGULATIONS FOR DEALING IN NB PLC'S SHARES AND SECURITIES

In compliance with The Nigerian Stock Exchange's Rules, Nigerian Breweries Plc has in place Regulations to guide the Board, employees and other persons classified as insiders when effecting transactions in the Company's shares and securities. The Company's Regulations for Dealing in Shares and other Securities provide amongst others, the period when transactions are not allowed to be effected on the Company's shares and securities ("Closed Period") as well as disclosure requirements when effecting such transactions. All concerned are obliged to observe the provisions of the Regulations when dealing in the Company's shares and securities. The Company has made inquiries of all affected persons and is not aware of any infringement of the policy during the period.

3. BASIS OF PREPARATION

a. Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of Nigerian Breweries Plc as at and for the year ended 31st December 2022.

b. Functional and presentation currency

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

c. Use of estimates and judgements

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31st December 2022.

Notes to the condensed interim financial statements

4. SIGNIFICANT ACCOUNTING POLICIES

a. General

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31st December 2022.

b. Income tax

Income tax expenses are recognised based on management's best estimation of the weighted average expected full year income tax rate.

5. SEASONALITY

The performance of the Company is subject to seasonal fluctuations as a result of weather conditions and festivities. The Company's full year results and volumes are dependent on the performance in the peak-selling season, typically resulting in higher revenue and profitability in the last quarter of the year. The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

6. ANALYSIS OF EXPENSES BY NATURE

For the Three -month period ended 31st March

	Group 2023 ₦'000	Company 2023 ₦'000	Group 2022 ₦'000	Company 2022 ₦'000
Raw materials and consumables	53,514,990	53,514,990	54,608,530	54,608,530
Advertising and sales expenses	10,606,556	10,606,556	14,038,381	14,038,381
Depreciation	11,316,462	11,206,426	8,878,484	8,791,528
Amortization	408.218	408.218	385,960	385,960
Employee benefits	18,903,291	18,898,553	13,514,060	13,514,060
Distribution	15,304,515	15,304,515	11,466,382	11,466,382
Repairs and Maintenance	3,972,788	3,972,788	3,937,817	3,937,817
Royalty and technical service fees	3,110,991	3,110,991	3,436,723	3,436,723
Others	4,206,898	4,145,048	4,640,861	4,523,976
Total cost of sales, marketing & distribution and administration expenses	121,344,709	121,168,085	114,907,198	114,703,357

7. INTEREST INCOME, INTEREST EXPENSES AND OTHER NET FINANCE EXPENSES

Net finance income and expenses for the three-month period ended 31st March 2023 amounted to ₦19 billion (Three-month period ended 31st March 2022: ₦3 billion).

a. Finance income

Interest income for the three-month period ended 31st March 2023 amounted to ₦39.8 million (three-month period ended 31st March 2022: ₦73.5 million).

Notes to the condensed interim financial statements

b. Finance expense

Interest expenses for the three-month period ended 31st March 2023 amounted to ₦4.7 billion (three-month ended 31st March 2022 ₦1.2 billion expenses).

Other net finance expenses for the three-months period ended 31st March 2023 amounted to ₦11.2 billion (three-months ended 31st March 2022: ₦1.8 billion expenses).

The interest expenses on the net pension liability for the period ended 31st March 2023 amounted to ₦219 million (three-month period ended 31st March 2022: ₦296 million).

8. INCOME TAX EXPENSES

The Company's effective tax rate in respect of continuing operations for the three-months period ended 31st March 2023 was 39 per cent (for the three-months period ended 31st March 2022: 34 per cent).

9. PROPERTY PLANT AND EQUIPMENT

Acquisitions

During the three-months period ended 31st March 2023 the Company acquired, plant and equipment with a cost of ₦2.4 billion (three-month period ended 31st March 2022: ₦7.4 billion).

Capital commitments

As at 31st March 2023, the Company's capital expenditure commitments for property, plant and equipment amounted to ₦118 billion (31st March 2022: ₦98 billion).

10. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk management

The aspect of the Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31st December 2022.

11. EQUITY

Reserves

The reserves consist of share premium, share-based payment, equity contribution reserves and retained earnings.

Weighted average number of shares (basic and diluted)

For the three-months period ended 31st March
 In shares

	2023	2022
1 st January		
Weighted average number of shares	8,298,839,837	8,042,944,463
<hr/>		
31 st March		
Weighted average number of shares	8,298,839,837	8,042,944,463
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Notes to the condensed interim financial statements

12. NET CASH COVERAGE /INTEREST BEARING DEBT POSITION

	Group 31st March 2023 ₦'000	Company 31st March 2023 ₦'000	Group 31st December 2022 ₦'000	Company 31st December 2022 ₦'000
Loans and Borrowings	190,734,490	190,734,490	119,824,926	119,824,926
Cash, cash equivalents and current	(19,855,232)	(19,842,182)	(22,180,841)	(22,151,846)
(Net cash coverage position)/Interest bearing debt position	170,879,258	170,892,308	97,644,085	97,673,080

The Company has revolving credit facilities with two Nigerian banks to finance its working capital. The approved limit of the loan with each of the banks are ₦6 billion to ₦15 billion (total of ₦21 billion).

13. CONTINGENCIES

No material updates in comparison with 2022 year-end reporting were identified that need to be reported.

14. RELATED PARTY TRANSACTIONS

The Company has related party relationships with its parent company, Heineken N.V. and Heineken group entities. These transactions are conducted on terms comparable to transactions with third parties. The related party transactions in the first three-month period ended 31st March 2023 do not, in substance deviate from the transactions as reflected in the financial statements as at and for the year 31st December 2022.

	Transaction value		Balance due (to)/from	
	March-23 ₦'000	March-22 ₦'000	March-23 ₦'000	March-22 ₦'000
Purchases - other related parties	(29,269,679)	(30,919,623)	(30,159,466)	(34,709,910)
Contract brewing services with:				
- Other related parties	-	-	971,590	245,413
Technical Service fees & royalties				
- Parent	(693,588)	(516,182)	(5,907,670)	(1,339,238)
- Other related parties	(2,422,689)	(2,920,541)	(28,804,997)	(7,061,926)
Total Technical and Royalty	(3,116,277)	(3,436,723)	(34,712,667)	(8,401,164)
Sales and others				
- Other related parties	5,119,376	864,691	(4,926,809)	(17,688,982)

Notes to the condensed interim financial statements

15. SUBSEQUENT EVENTS

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 31st March 2023 that have not been adequately provided for or disclosed in these condensed interim financial statements.