



ANNUAL REPORT & FINANCIAL STATEMENTS  
2001-2002





**GUINNESS GHANA LIMITED**

**FINANCIAL STATEMENTS  
30TH JUNE 2002**







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## BOARD OF DIRECTORS



1. D.H.C. Hampshire
2. D.M. Hainsworth
3. F.C. Damali
4. D. Armstrong
5. P.V. Obeng
6. R.N. Kinuthia
7. J. Wheelhouse
8. P. Djamson-Tettey
9. J.W. Acheampong
10. S.K. Gollo



**THE YEAR IN SUMMARY**  
**JUNE, 2002.**

	30/6/02	30/6/01	%
	c000	c000	Change
Turnover	256,921,901	190,643,212	35
Profit before Tax	48,172,841	26,288,896	82
Taxation	12,983,292	8,030,110	62
Profit after Taxation	35,189,549	18,358,786	92
Dividends	20,559,000	10,573,200	94
Retained Profit	14,612,549	7,785,586	88
Capital Expenditure	26,422,128	10,016,167	164
Depreciation	13,589,317	9,480,264	43
Shareholders Fund	85,235,078	70,604,529	21
Earnings per Share	299.54	224.62	33
Dividend per Share	175.00	90.00	94
Net Assets per Share	725.53	600.99	21

**Elmina 2002 Management Conference.**  
Aligning employees  
behind business objectives.



**Building Trade Partners.**  
Key Distributors Conference,  
Elmina 2002



**The Guinness Action Hero, Michael Power**  
meets Hon. Osei Kwaku, Minister of Sports



## BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE

BOARD OF DIRECTORS	David Herbert Campbell Hampshire (Chairman) Devlin Hainsworth (Managing) Joseph Woahen Acheampong Frank Cudjoe Damali Paul Victor Obeng Augustine Kwame Addo David Armstrong John Wheelhouse Robert Njoya Kinuthia (Appointed 20/05/02) Pamela Djamson-Tettey (Appointed 20/05/02) Christopher Ojareda Enase (Resigned 15/03/02) Francis Wussar-Narh (Resigned 31/12/01)
SECRETARIES	Sena Chartered Secretaries Limited 3rd Floor, Mobil House Liberia Road P. O. Box 5520 Accra
REGISTERED OFFICE	Guinness Brewery Industrial Area, Kaasi P. O. Box 1536 Kumasi
AUDITORS	KPMG Chartered Accountants 2nd Floor, Mobil House Liberia Road P. O. Box 242 Accra
REGISTRARS	Merchant Bank (Ghana) Limited 57 Examination Loop North Ridge Accra
SOLICITORS	Sam Okudzeto & Associates 3rd Floor, Mobil House Liberia Road P. O. Box 5520 Accra
BANKERS	Barclays Bank of Ghana Limited Ecobank Ghana Limited Ghana Commercial Bank Limited SSB Bank Limited Standard Chartered Bank Ghana Limited



# NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the next Annual General Meeting of Guinness Ghana Limited will be held at Prempeh Assembly Hall, Kumasi on 19 November, 2002 at 11 o'clock in the forenoon for the following purposes.

## AGENDA

1. To receive the Report of the Directors, Balance Sheet as at 30 June 2002 together with the Profit and Loss and Income Surplus Accounts for the year ended on that date and the Report of the Auditors thereon.
2. To declare a Dividend.
3. To elect Directors in place of those retiring.
4. To approve Non-Executive Directors' Fees.
5. To approve the terms of appointment of two Directors.
6. To authorize the Directors to fix the remuneration of the Auditors.

A Member of the company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not also be a Member.

A form of proxy is attached and for it to be valid for the purpose of the Meeting it must be completed and deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

Dated 11 October, 2002.

BY ORDER OF THE BOARD  
SENA CHARTERED SECRETARIES LTD.

Registered Office:  
Guinness Brewery  
Kaasi Industrial Area  
P.O. Box 1536  
Kumasi.

## DIVIDEND WARRANTS

If the dividend recommended is approved, payment will be made on 18 December, 2002 to the holders of shares whose names are registered in the Register of Members on 8 October, 2002.





## REPORT OF THE DIRECTORS

### PRINCIPAL ACTIVITIES

The principal activities of the Company continue to be brewing, packaging (Product Supply), marketing and sale (Product Demand) of Foreign Extra Stout, Malta Guinness and Gordon's Spark.

### TURNOVER

The Company's sales performance for the year was impressive when considered against the competitive environment in which it operated.

Turnover (net of taxes) grew year on year by 35% from €190.6 billion to €256.9 billion.

### TRADING PROFIT

The Company earned an operating profit before tax of €48 billion; that is, a year on year increase of 82.5% and the highest in the Company's history.

The increase in profit was due mainly to effective cost and working capital control, improved performance of our brands, which recorded a 24% volume growth over the previous year.

### TAX

Guinness Ghana Limited paid a total of €112 billion in Excise Duty and VAT during the year, an increase of 27% over the previous year. Additionally, the Company paid € 8 billion in corporate tax including National Reconstruction Levy.

### DIVIDENDS

In view of the satisfactory results, the Directors are pleased to recommend to Members, the payment of a final dividend of €15,272,400,000 that is €130 per share before deduction of tax at source at the appropriate rate. This added to the interim dividend paid in April 2002 would make a total dividend of €20,559,000,000, which is €175 per share, that is, 94.4% increase over the previous year.

### BOARD CHANGES

Since the Annual General Meeting held on 20 November 2001 Messrs F Wussar-Narh and C O Enase resigned from the office of Director of the Company and Mr Robert Njoya Kinuthia and Mrs Pamela Djamson-Tettey were appointed to fill the casual vacancy arising thereof.

Mr F C Damali, our former Marketing Director was appointed to the post of Deputy Managing Director with effect from 1 January 2002.

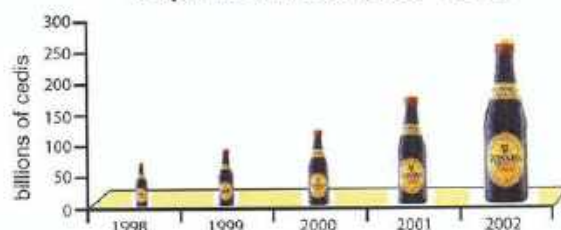
In accordance with the Regulations of the Company Messrs R N Kinuthia, F C Damali and Mrs P Djamson - Tettey retire at the Annual General Meeting and being eligible, offer themselves for re-election.

The names of the Directors who were in office during the year under review are as published in this Annual Report.

### COMPANY'S REGULATIONS

As you must have read from the Agenda for this meeting the Directors are seeking Members' authority for the Company to purchase its own shares up to a maximum of 10% of the number of shares issued.

#### Corporate Turnover (1998 - 2002)



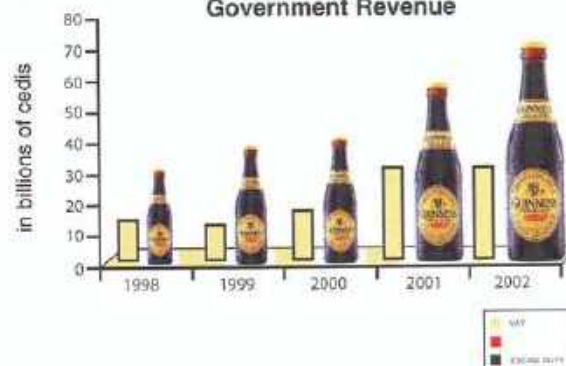
#### Dividend per share



#### Net assets per share



#### Government Revenue



**AUDITORS**

In accordance with Section 134(5) of the Companies Code 1963, the Auditors, KPMG, continue in office as Auditors of the Company.

**BY ORDER OF THE BOARD**

( D. M. Hainsworth )  
Director

( F. C. Damali )  
Director

Corporate Sales Volume (1998 - 2002)



Profit before Tax



Earnings per share







# CHAIRMAN'S STATEMENT

## GUINNESS GHANA ANNUAL STATEMENT OF ACCOUNTS

### July 2001 – June 2002

Distinguished shareholders, Nananom, ladies and gentlemen, on behalf of the Board of Directors, I am delighted to welcome you to the 30th Annual General Meeting of your company. I shall present to you, this morning, the Annual Report and Financial Statements for the financial year, 1st July 2001 to 30th June 2002.

#### THE BUSINESS ENVIRONMENT.

Though Ghana's economy has shown a greater degree of stability during the year under review, the Cedi devalued by 18% over the twelve months and has continued to decline against major currencies.

With Bank of Ghana prime lending rate at 24.5%, interest rates appear to have stabilised and the rate of domestic price inflation has started to come down. Notwithstanding these positive developments, the cost of running our operations has increased by 36.5%, driven by the continuing devaluation of the Cedi and high inflation. Allowing for increased volumes, the underlying cost inflation is running at 10.5%.

In view of the economic environment, we decided against increasing prices in line with inflation. Our operating margins, subsequently, came under significant pressure.

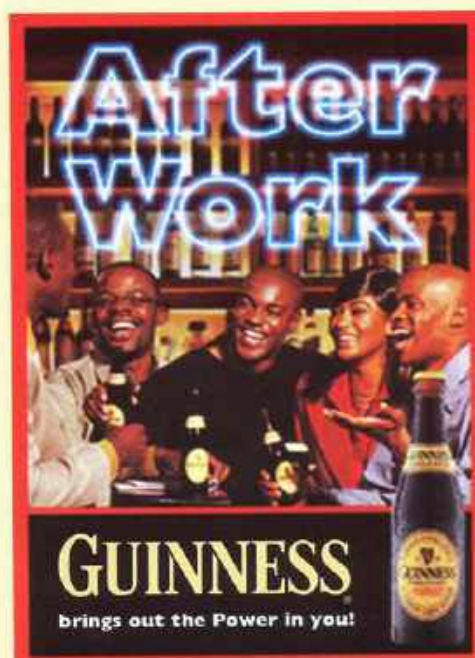
#### THE BEER & MALT DRINKS INDUSTRY.

Severe competition for volume in the retail trade also restrained prices for beer and malt drinks from rising with the double digit inflation in the period under review. The resulting creation of value to the consumer grew total beer volumes up 6.2% and malt drinks up 41.0%.

Despite severe attack from cheaper stout brands, your Company invested significantly and successfully in very creative marketing initiatives. This secured for the Guinness Stout brand a volume growth of 5.1%, a volume share of 26.3% and a value share of total beer of 40.0%, up 2.0 share points over the same period last year. This was an excellent performance.

Malta Guinness volumes were up 43.0% on the same period last year. The brand recorded a volume share of circa 90% of total malt sales. The creation of very competitive consumer value through quality, stable prices and ease of access through our network of vending points will continue to drive the growth of this brand.

After an exhaustive research into new drinker needs, your company in May 2001 launched a new brand, Gordon's Spark into the Ready to Drink category of the Ghana alcoholic beverage market. Consumer reception has been outstanding. Gordon's Spark, from consumer feedback, is already a market leader in its category.







## Guinness in the Community

### OUR PERFORMANCE & DIVIDEND PROPOSAL

In the year under review, the Management and Staff of your Company built on the strong performance of the year before. Gross turnover (net of taxes) was up 35% principally due to a combined volume growth of 24%.

Our decision not to raise prices in line with inflation has resulted in erosion to our margins. Fortunately, prudent controls on costs and working capital, increased productivity arising out of further investment in technology and an outstanding sales performance have resulted in a substantial increase in earnings.

I would like to emphasize, at this point, the excellent sustained performance that all of our employees have shown. This has delivered an outstanding year in a very difficult and competitive market.

### SOCIAL RESPONSIBILITY

Your Company is an active part of the local community and believes in its responsibility as a good corporate citizen. We continue to support projects involving the environment, health, education, sports and culture.

### ENVIRONMENT

Guinness Ghana is upgrading its environmental controls to fully comply with international best practice. As an initial step, your company has acquired an Environmental Monitoring Unit, AQUASCAN, for installation at the Kaasi Plant. Additionally a new Effluent Treatment Plant will soon be commissioned. The EPA continues to monitor all aspects of your companies operations regularly.

### HEALTH.

Your company has continued to provide support to the Cardio-Thoracic Unit at the Korle-bu Teaching Hospital. This support and that of some other areas in the national health delivery will continue in the years ahead.

### EDUCATION

The bulk of our support for education is now channelled through the Otumfuor's Education Fund. In addition, under the Chevening Scholarship, which is supervised by The British High Commission, your Company, supported by its parent company, Diageo, has offered post-graduate training in the United Kingdom for 2 Ghanaians.

### SPORTS

This year, we have maintained our support for the National Soccer Team, The Black Stars, We have also sponsored the prestigious National



A Guinness Float at the Odwira Festival, Amanokrom



A Durbar of Chiefs



MD takes the "kickoff" - Guinness Football Gala





Challenge Gold Cup, the Guinness Golf Open, and the Guinness Football Gala. All these events were immensely successful.

**CULTURE**

Your company is proud of its Ghanaian identity and has supported a wide range of cultural activities in the year under review. The Amanokrom Odwira Festival, Bakatue, Kloyo Mountain Climbing, Kontonkyi and Ga Homowo, are some of these.

**OPERATIONS**

**PRODUCT SUPPLY.**

Your company achieved a record output last year. Production efficiencies, quality management and operating practices continue to deliver first world standards. Our aim is to ensure that we continue to be the highest quality and lowest cost producer in Ghana.

Your company has initiated a pilot sorghum project in Northern Ghana to develop local sources of raw material for our brewing operations and generate new business and job opportunities for Ghanaians. The investment is approximately six billion Cedis.



**Aligning Employees behind Corporate Goals.  
MD reviewing performance at Management Conference**

**TRADE DEVELOPMENT:**

Accessibility of our brands for all consumers in order to secure sustained growth has been a major area of focus for our sales operations. Your Company has invested behind the development of a trade partnership scheme, which seeks to build the capabilities of our key distributors and retailers to enhance distribution and improve both service quality and consumer satisfaction. This project is delivering good results with mutual benefits to your company and our trade partners. We shall continue to exploit new opportunities in this area.

**TRAINING & DEVELOPMENT.**

People are key to our success. Our objective is to release the best in every employee. Coaching is seen as a critical factor and the development of coaching skills has been given priority. We link our reward strategies to skill, competencies, correct job behaviours and good performance. These schemes are instrumental in driving the record performance that your company continues to deliver.

**PROSPECTS.**

Distinguished shareholders, the Board of Directors, thanks all of you sincerely for your continuing confidence in the Company. The focus of the Board is to create increasing value for our shareholders. We have achieved a good result in 2001/02 and intend to maintain this trend.

Thank you.

David Hampshire.



**Building Trade Partnership.  
Director of Sales presenting the Distributor of the Year Prize**



**REPORT OF THE AUDITORS TO THE MEMBERS  
GUINNESS GHANA LIMITED**

We have audited the financial statements on pages 12 to 19, which have been prepared in accordance with Ghana Accounting Standards. We have obtained all the information and explanations we required.

**Respective Responsibilities of Directors and Auditors**

These financial statements are the responsibility of the directors. Our responsibility is to express an independent opinion on these financial statements based on our audit.

**Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion, proper books have been kept and the financial statements, which are in agreement therewith, comply with the Companies Code, 1963 (Act 179) and give a true and fair view of the financial position of the company at 30th June 2002 and of the results of its operations and cash flows for the year then ended.

*U P M G*

**CHARTERED ACCOUNTANTS  
2ND FLOOR, MOBIL HOUSE  
LIBERIA ROAD  
P. O. BOX 242  
ACCRA**

13th September 2002





## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2002

	Note	2002 €'000	2001 €'000
<b>TURNOVER</b>	3	256,921,901	190,643,212
Cost of Sales		(143,482,110)	(104,276,807)
<b>GROSS PROFIT</b>		113,439,791	86,366,405
General Administrative and Selling Expenses		(66,338,222)	(49,403,824)
<b>TRADING PROFIT</b>		47,101,569	36,962,581
Other Income	4	1,320,161	239,785
<b>PROFIT BEFORE INTEREST AND TAXATION</b>	5	48,421,730	37,202,366
Net Interest Charges	6	(248,889)	(10,813,470)
<b>PROFIT BEFORE TAXATION</b>		48,172,841	26,388,896
Taxation including Reconstruction Levy	7	(12,983,292)	(8,030,110)
<b>PROFIT AFTER TAXATION</b> transferred to Income Surplus Account		<u>35,189,549</u>	<u>18,358,786</u>

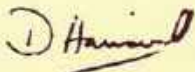
## INCOME SURPLUS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2002

	2002 €'000	2001 €'000
Balance at 1st July	59,968,434	52,182,848
Profit for the year	35,189,549	18,358,786
	95,157,983	70,541,634
Proposed dividend €175 (2001: €90) per share	(20,559,000)	(10,573,200)
Balance at 30th June	<u>74,598,983</u>	<u>59,968,434</u>

## BALANCE SHEET AT 30TH JUNE 2002

	Note		2002 €'000	2001 €'000
<b>FIXED ASSETS</b>	8		81,293,722	68,460,901
<b>INVESTMENTS</b>	9		3,346,122	3,346,122
<b>CURRENT ASSETS</b>				
Stocks	10	36,404,738	26,912,170	
Debtors	11	20,186,907	10,352,669	
Taxation	7	-	3,258,467	
Cash and Bank balances		21,501,375	16,492,599	
		<u>78,093,020</u>	<u>57,015,905</u>	
<b>CURRENT LIABILITIES</b>				
Bank Overdraft	12	525,367	8,416,881	
Creditors	13	34,881,750	19,436,342	
Taxation	7	6,644,243	-	
Dividends	14	15,272,400	8,760,458	
Amount due to related companies	15	9,828,472	10,817,498	
		<u>67,152,232</u>	<u>47,431,179</u>	
<b>NET CURRENT ASSETS</b>			10,940,788	9,584,726
			<u>95,580,632</u>	<u>81,391,749</u>
Deferred Taxation	7		(10,345,554)	(10,787,220)
<b>NET ASSETS</b>			<u>85,235,078</u>	<u>70,604,529</u>
<b>FINANCED BY:</b>				
<b>STATED CAPITAL</b>	16		7,686,032	7,686,032
<b>CAPITAL SURPLUS</b>	17		2,950,063	2,950,063
<b>INCOME SURPLUS</b>			74,598,983	59,968,434
			<u>85,235,078</u>	<u>70,604,529</u>



DIRECTOR



DIRECTOR



## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2002

	2002 €'000	2001 €'000
<b>Operating profit</b> (before investment returns and servicing of finance)	48,421,730	37,116,235
Depreciation charges	13,589,317	9,480,264
Profit on sale of fixed assets	-	(102,091)
(Increase)/Decrease in stocks	(9,492,568)	5,385,777
(Increase)/Decrease in debtors	(9,834,238)	881,374
Increase in creditors	15,445,408	9,097,028
Decrease in related company balances	(989,026)	(37,982,338)
	-----	-----
<b>Net cash flow from operating activities</b>	<b>8,718,893</b>	<b>(13,239,986)</b>
	-----	-----
	57,140,623	23,876,249
<b>Investment returns and servicing of finance</b>		
Dividends paid	(14,047,058)	(12,897,212)
Dividends received	-	86,131
Interest paid	(939,022)	(11,413,169)
Interest received	690,133	599,699
	-----	-----
	(14,295,947)	(23,624,551)
<b>Tax paid</b>	<b>(3,522,248)</b>	<b>(2,943,287)</b>
<b>Investing activities</b>		
Fixed assets purchased	(26,422,138)	(10,016,167)
Proceeds from sale of fixed assets	-	153,599
	-----	-----
	(26,422,138)	(9,862,568)
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>12,900,290</b>	<b>(12,554,157)</b>
	=====	=====
<b>Analysis of changes in cash and cash equivalents during the year</b>		
Balance at 1st July	8,075,718	20,629,875
Net cash inflow/(outflow)	12,900,290	(12,554,157)
	-----	-----
Balance at 30th June	20,976,008	8,075,718
	=====	=====
<b>Analysis of balances of cash and cash equivalents as shown in the balance sheet</b>		
Cash and bank balances	21,501,375	16,492,599
Bank Overdraft	(525,367)	(8,416,881)
	-----	-----
Balance at 30th June	20,976,008	8,075,718



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2002

## 1. BASIS OF ACCOUNTING

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

## 2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company's financial statements:

### a. Depreciation

Depreciation is provided for on a straight-line basis at rates calculated to write off the gross value of each fixed asset over its estimated useful life. The annual rates generally in use are as follows:

Leasehold, Land and Buildings	-	3.125%
Plant and Machinery	-	6.5% - 12.5%
Motor Vehicles and Computers	-	25%
Furniture and Equipment	-	12.5%
Wooden Pallets	-	16.67%

### b. Stocks

Stocks are valued on a first in first out basis, at the lower of cost and net realisable value. Cost includes all direct expenses incurred in bringing stocks to their present condition and location. Work-in-progress and finished goods are valued at average production cost which includes all relevant direct costs and production overheads.

### c. Debtors

Debtors are stated after providing for specific debts considered to be doubtful.

### d. Foreign Exchange

Transactions denominated in foreign currencies are translated into cedis at the rates of exchange ruling at the dates of the transactions. Balances in foreign currencies are translated into cedis at the rates of exchange ruling at the balance sheet date.

Differences arising from changes in exchange rates are dealt with through the profit and loss account.

### e. Deferred Taxation

Provision is made for deferred taxation using the liability method on material timing differences to the extent that an asset or liability will crystallise.

### f. Post Balance Sheet Events

Events subsequent to the balance sheet date are reflected only to the extent that they relate directly to the financial statements and the effect is material.

## 3. TURNOVER

		2002 c'000	2001 c'000
Gross Sales		369,037,225	278,956,278
Less: Excise Duty	(71,111,188)	(57,317,924)	
VAT	(41,004,136)	(30,995,142)	
		(112,115,324)	(88,313,066)
		<u>256,921,901</u>	<u>190,643,212</u>



#### 4. OTHER INCOME

Profit on disposal of fixed assets	-	102,091
Sundry income	798,033	51,563
Exchange Gain	522,128	-
Dividends received	-	86,131
	<u>1,320,161</u>	<u>239,785</u>

#### 5. PROFIT BEFORE INTEREST AND TAXATION is stated after charging:

Auditor's remuneration	120,000	100,000
Depreciation	13,589,317	9,480,264
Directors' remuneration	865,790	510,478
Donations	14,230	35,651
Net exchange gain	(522,128)	(892,866)
Provision for impairment of fixed assets	2,027,812	-
	<u>2,027,812</u>	<u>-</u>

#### 6. NET INTEREST (CHARGES)/INCOME

Interest Income	690,133	599,699
Interest Charge	(939,022)	(11,413,169)
	<u>(248,889)</u>	<u>(10,813,470)</u>

#### 7. TAXATION

	Balance at 01/07/01 €'000	Payments €'000	Charge to P & L €'000	Balance at 30/06/02 €'000
<b>Income Tax</b>				
1997/98	(119,107)	-	-	(119,107)
1998/99	(759,010)	-	759,010	-
1999/00	(3,700,000)	-	2,405,766	(1,294,234)
2000/01	1,294,234	-	-	1,294,234
2001/02	-	(2,949,996)	9,063,889	6,113,893
	<u>(3,283,883)</u>	<u>(2,949,996)</u>	<u>12,228,665</u>	<u>5,994,786</u>
<b>National Reconstruction Levy</b>				
2000/01	25,416	-	-	25,416
2001/02	-	(572,252)	1,196,293	624,041
	<u>(3,258,467)</u>	<u>(3,522,248)</u>	<u>13,424,958</u>	<u>6,644,243</u>
<b>Deferred Tax</b>	10,787,220	-	(441,666)	10,345,554
	<u>7,528,753</u>	<u>(3,522,248)</u>	<u>12,983,292</u>	<u>16,989,797</u>

The tax liabilities are subject to the agreement with Internal Revenue Service.

*National Reconstruction Levy:* This relates to a levy imposed on companies by the government on profits before tax for the years 2001 and 2002. The rate applicable to manufacturing companies is 2.5%.



## 8. FIXED ASSETS

	Leasehold Land & Buildings €'000	Plant Machinery €'000	Motor Vehicles €'000	Capital Work in- Progress €'000	Furniture Equipment/ Wooden Pallets €'000	Total €'000
<b>Cost/Valuation</b>						
At 1/7/01	4,770,280	75,765,335	3,003,045	11,706,552	2,063,883	97,309,095
Additions	120,164	264,144	1,566,133	19,540,056	4,931,641	26,422,138
Transfers	4,124,381	14,918,822	-	(23,400,178)	4,356,975	-
At 30/6/02	<u>9,014,825</u>	<u>90,948,301</u>	<u>4,569,178</u>	<u>7,846,430</u>	<u>11,352,499</u>	<u>123,731,233</u>
<b>Depreciation</b>						
At 1/7/01	1,234,991	25,043,384	1,322,961	-	1,246,858	28,848,194
Charge for the year	745,752	9,100,903	814,471	-	2,928,191	13,589,317
At 30/6/02	<u>1,980,743</u>	<u>34,144,287</u>	<u>2,137,432</u>	<u>-</u>	<u>4,175,049</u>	<u>42,437,511</u>
<b>Net Book Value</b>						
At 30/6/02	<u>7,034,082</u>	<u>56,804,014</u>	<u>2,431,746</u>	<u>7,846,430</u>	<u>7,177,450</u>	<u>81,293,722</u>
At 30/6/01	<u>3,535,289</u>	<u>50,721,951</u>	<u>1,680,084</u>	<u>11,706,552</u>	<u>817,025</u>	<u>68,460,901</u>

Certain buildings, plant and machinery were professionally revalued by Nationwide Estate Services, Real Estate Valuers, Land Surveyors and Estate Managers on 31st December 1992 based on their open market values.

### Disposal of fixed assets

	2002 €'000	2001 €'000
Cost of assets disposed off	-	408,713
Accumulated depreciation	-	(357,205)
Net book value	-	51,508
Proceeds on disposal	-	153,599
Profit on disposal of fixed assets	-	<u>102,091</u>

### Depreciation has been charged in the financial statements as follows:-

	2002 €'000	2001 €'000
Cost of sales	9,100,903	8,470,361
General, administrative and selling expenses	4,488,414	1,009,903
	<u>13,589,317</u>	<u>9,480,264</u>

## 9. INVESTMENTS

Trade investments	<u>3,346,122</u>	<u>3,346,122</u>
-------------------	------------------	------------------

This relates to investments in the ordinary shares of a listed company and is shown at cost.



## 10. STOCKS

	2002 €'000	2001 €'000
Raw and packaging materials	29,161,242	10,992,784
Work-in-progress	1,064,496	425,175
Finished products	1,092,339	4,286,053
Engineering and consumables	5,086,661	5,067,814
Goods in transit	-	6,140,344
	<u>36,404,738</u>	<u>26,912,170</u>

## 11. DEBTORS

Trade debtors	12,966,620	6,653,408
Staff debtors	97,196	28,223
Sundry debtors	7,123,091	3,671,038
	<u>20,186,907</u>	<u>10,352,669</u>

The maximum amount due from officers of the company during the year was €97 million (2001: €41 million).

## 12. BANK OVERDRAFT

This represents amounts drawn by the company under facilities granted by its bankers to support its working capital requirements. Unutilised facilities at the year-end amounted to €69,475 million (2001: €61,583 million).

## 13. CREDITORS

	2002 €'000	2001 €'000
Trade creditors	9,310,700	1,172,781
Sundry creditors	8,654,749	8,402,647
Accruals and provisions	16,916,301	9,860,914
	<u>34,881,750</u>	<u>19,436,342</u>

## 14. DIVIDENDS

Balance at 1st July	8,760,458	11,084,470
Proposed Dividend	20,559,000	10,573,200
	<u>29,319,458</u>	<u>21,657,670</u>
Payment during the year	(14,047,058)	(12,897,212)
Balance at 30th June	<u>15,272,400</u>	<u>8,760,458</u>

## 15. AMOUNTS DUE TO RELATED COMPANIES

Materials and equipment	6,920,545	8,661,934
Royalty and technical service fees	2,907,927	2,155,564
	<u>9,828,472</u>	<u>10,817,498</u>



**16. STATED CAPITAL**

	Number of Shares		Proceeds	
	2002 '000	2001 '000	2002 €'000	2001 €'000
<b>Authorised</b>				
Ordinary shares of no par value	150,000	150,000		
<b>Issued</b>				
For Cash	24,208	24,208	4,935,584	4,935,584
Transfer from Surplus	93,272	93,272	2,750,448	2,750,448
	117,480	117,480	7,686,032	7,686,032

There is no share in treasury and no call or installment unpaid on any share.

**17. CAPITAL SURPLUS**

	2002 €'000	2001 €'000
Balance at 30th June	2,950,063	2,950,063

**18. CAPITAL COMMITMENTS**

Capital commitments authorised but not expended at the balance sheet date, amounted to €44,500 million (2001: €13,200 million).

**19. CONTINGENT LIABILITIES**

Contingent liabilities, in respect of possible claims and lawsuits at the year-end, amounted to €704 million (2001: €650 million).

**20. RELATED PARTY TRANSACTIONS**

i. The company is a subsidiary of Diageo plc, a U.K. registered company. Diageo is the beneficial holder of the shares in Guinness Overseas Limited and Atalantaf Limited.

ii. Raw materials costing €103,808,553,921 was procured from Guinness Overseas Limited.

iii. Included in cost of sales is an amount of €11,219,406,390 in respect of technical and management services fees payable to Guinness Overseas Limited.



Michael Power at the brewery



Launching Gordon's Spark,  
the new product in our premium range



## VALUE ADDED STATEMENT JUNE, 2001

In thousands of cedis

	30/6/02		30/6/01
	€'000	%	€'000
Gross Sales Proceeds	369,037,225		278,956,278
Excise Duties	(71,111,188)		(57,317,924)
Sales Tax/Vat	(41,004,136)		(30,995,142)
Turnover	256,921,901		190,643,212
Other Income	2,010,294		839,484
	258,932,195		191,482,696
Bought in Materials & Services	(186,124,819)		(138,539,803)
VALUE ADDED	72,807,376	100	52,942,893
Applied as follows			
To pay employees salaries			
Wages & benefits	10,106,196	14	5,660,564
To provide for Depreciation	13,589,317	19	9,480,264
To pay for Taxation	12,983,292	18	8,030,110
To pay Dividends	20,559,000	28	10,573,200
To pay Interest charges	939,022	1	11,413,169
Retained for company growth	14,630,549	20	7,785,586
	72,807,376	100	52,942,893



# SHAREHOLDING INFORMATION

JUNE, 2002

## DIRECTORS SHAREHOLDINGS

David H.C.Hampshire 4,000

TOTAL 4,000

## ANALYSIS OF SHAREHOLDINGS

no.of shares	no.of holdings	%	no. of holders	%
1-1000	459,782	0.39	1477	54.26
1001-5000	1,277,715	1.09	457	16.79
5001-10000	3,891,915	3.31	480	17.63
10001 and over	111,850,588	95.21	308	11.32
Totals	117,480,000	100.00	2722	100

## 20 LARGEST SHAREHOLDERS

		%
1	GUINNESS OVERSEAS	55,590,088 47.32
2	SSNIT	18,151,032 15.45
3	ATALANTAF LIMITED	15,331,140 13.05
4	BBGN/CHASE MANHATTAN OFFSHORE	3,906,408 3.33
5	BBG NOMINEE./CHASE MANHATTAN ONSHORE	3,050,979 2.60
6	CAL MERCHANT BANK LTD	2,184,683 1.86
7	DM VENTURES	1,931,265 1.64
8	BBG NOM.LTD/CHASE MANHATTAN	1,903,737 1.62
9	BBG NOMINEE./CHASE MANHATTAN ONSHORE	1,606,810 1.37
10	GHANAIAAN EMPLOYEES OF GUINNESS	1,050,374 0.89
11	MIHL NOMINEES/BOSTON SAFE DEPOSIT&TRUST	634,277 0.54
12	BBG NOM. LTD/SSB GEN. ELECTRIC	447,300 0.38
13	MIHL NOMINEES/BROWN BROTHERS HARRIMAN	432,827 0.37
14	BBG NOM. LTD/SSB CALVERT AFRICA	339,900 0.29
15	GHANA REINSURANCE ORGANISATION	329,900 0.28
16	BBGN/UNILEVER GHANA MANAGERS	224,480 0.19
17	EPAC INVESTMENT FUND LIMITED	113,705 0.10
18	BBGN/UNILEVER GHANA PROVIDENT FUND	109,000 0.09
19	RETCO COMPANY LIMITED	105,600 0.09
20	MR S ODURO - MINTAH	99,900 0.09
	TOTAL	107,543,405 91.54
	Others	9,936,595 8.46
	GRAND TOTAL	117,480,000 100.00



## FINANCIAL SUMMARIES

### JUNE, 2002.

(In thousands of cedis)	12 mths to 30/6/02 ¢000	12 mths to 30/6/01 ¢000	12 mths to 30/6/00 ¢000	12 mths to 30/6/99 ¢000	12 mths to 30/6/98 ¢000
<b>RESULTS</b>					
Turnover	256,921,901	190,643,212	125,360,500	96,517,325	68,178,796
Profit before Tax	48,172,841	26,388,896	11,149,452	33,993,104	20,702,190
Taxation	(12,983,292)	8,030,110	(704,956)	(13,083,646)	(3,001,934)
Profit after Tax	35,189,549	18,358,786	10,444,496	20,909,458	17,700,256
Dividends	(20,559,000)	(10,573,200)	(8,223,600)	(8,223,600)	(4,699,200)
Retained earnings	14,630,549	7,785,586	2,220,896	12,685,858	13,001,056
<b>BALANCE SHEET</b>					
Fixed Assets	81,293,722	68,460,901	67,976,504	47,599,867	28,244,916
Investments	3,346,122	3,346,122	3,346,122	3,346,122	1,623,507
Cash & Cash Equivalents	21,501,375	16,492,599	40,404,530	36,339,965	23,371,684
Other Current Assets	56,591,645	40,523,306	48,110,107	25,923,962	22,270,223
Total Assets	162,732,864	128,822,928	159,837,265	113,209,916	75,510,330
Total Liabilities	(77,497,786)	(58,218,399)	(97,018,322)	(52,611,869)	(27,598,141)
Net Assets	85,235,078	70,604,529	62,818,943	60,598,047	47,912,189
State Capital	7,686,032	7,686,032	7,686,032	7,686,032	7,686,032
Capital Surplus	2,950,063	2,950,063	2,950,063	2,950,063	2,950,063
Income Surplus	74,598,983	59,968,434	52,182,848	49,961,952	37,276,094
Shareholders Fund	85,235,078	70,604,529	62,818,943	60,598,047	47,912,189
<b>REVENUE COLLECTED</b>					
<b>FOR GOVERNMENT</b>					
Excise Duties	71,111,188	57,317,924	37,758,825	34,066,483	30,379,699
Sales Tax/Vat	41,004,136	30,995,142	16,590,078	13,258,592	14,769,771
Total	112,115,324	88,313,066	54,348,903	47,325,075	45,149,470
<b>STATISTICS</b>					
Eps (¢)	229.38	156.27	88.90	177.98	150.67
Div. per share (¢)	175.00	90.00	70.00	70.00	40.00
Net assets per share (¢)	725.53	600.99	534.72	515.82	407.83
Current ratio (%)	1.16:1	1.2:1	0.98:1	1.36:1	1.90:1
Return on Shareholders fund (%)	41.26	26.00	16.63	34.51	36.94
Return on net sales value (%)	13.69	9.63	8.33	21.66	25.96



# PROXY FORM

ANNUAL GENERAL MEETING to be held at 11 a.m. on 19 November 2002 at the Prempeh Assembly Hall, Kumasi.

I/we .....

being a member(s) of GUINNESS GHANA LIMITED hereby appoint :-

\* .....

Or failing him the Chairman of the Meeting as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of that Company to be held on 19 November, 2002 and at any and every adjournment thereof.

Date this ..... day of ..... 2002

.....

Shareholder's Signature

For Company's Use		
Number of Shares		
Resolution	For	Against
1. To declare a dividend		
2. To re-elect Mr R N Kinuthia		
3. To re-elect Mrs P Djamson-Tettey		
4. To re-elect Mr F C Damali		
5. To approve Directors' Fees		
6. To approve the terms of appointment of two Directors		
7. To fix the remuneration of the Auditors		

Please indicate with an 'X' in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his discretion.



**THIS PROXY FORM SHOULD NOT BE SENT TO THE SECRETARY IF THE MEMBER WILL BE ATTENDING THE MEETING.**

Notes:-

1. A Member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above Proxy Form has been prepared to enable you to exercise your vote if you cannot personally attend.
2. Provision has been made on the Form for the Chairman of the Meeting to act as your proxy but, if you wish, you may insert in the blank space marked \* the name of any person whether a Member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.
3. In the case of joint holders, each holder should sign.
4. If executed by a Corporation, the Proxy Form should bear its Common Seal or be signed on its behalf by a Director.
5. Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 10 a.m. on 18 November, 2002.
6. The Proxy must produce the Admission Card sent with the Notice of the Meeting to obtain entrance to the Meeting.





## NOTES



## NOTES





*Ghana's favourite drinks company*