



Guinness Ghana Limited

Annual Report & Financial Statements 2003

*Believing in Ghana,
Believing in Growth*





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■ GUINNESS



Board of directors



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David Herbert Campbell Hampshire 1

★ Devlin Hainsworth 2

Joseph Woahen Acheampong 3

Paul Victor Obeng 4

David James Armstrong 5

John Wheelhouse 6

Robert Njoya Kinuthia 7

Pamela Djamson-Tetty 8

Simon Kodzo Gollo 9



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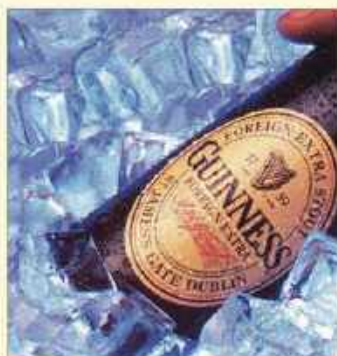


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Financial highlights

	year ended 30 June 2003	year ended 30 June 2002	movement
	€000	€000	%
Turnover	362,080,199	256,921,901	41%
Profit before Taxation	65,188,228	48,172,841	35%
Taxation	14,557,320	12,983,292	12%
Profit after Taxation	50,630,908	35,189,549	44%
Dividends	29,370,000	20,559,000	43%
Retained Profit	21,260,908	14,630,549	45%
Capital Expenditure	88,096,838	26,422,138	233%
Depreciation	15,263,488	13,589,317	12%
Shareholders Fund	106,495,986	85,235,078	25%
Earnings per Share (€)	430.97	299.54	44%
Dividend per Share (€)	250.00	175.00	43%
Net Assets per Share (€)	906.50	725.53	25%



GUINNESS



Have you had your Malta Guinness today?



SPARK UP YOUR LIFE



DISCOVER TRUE SMOOTHNESS

GUINNESS



Board of directors, officials and registered office

Board of directors

David Herbert Campbell Hampshire (Chairman)
Devlin Hainsworth (Managing)
Prof Joseph Woahen Acheampong
Paul Victor Obeng
David James Armstrong
John Wheelhouse
Robert Njoya Kinuthia
Pamela Djamson-Tetty
Frank Cudjoe Damali (Retired 31/12/02)
Augustine Kwame Addo (Resigned 14/06/03)

Secretaries

Sena Chartered Secretaries Limited
25 Liberia Road
P. O. Box 5520
Accra

Registered office

Guinness Brewery
Industrial Area, Kaasi
P. O. Box 1536
Kumasi

Auditors

KPMG
Chartered Accountants
25 Liberia Road
Accra

Registrars

Merchant Bank (Ghana) Limited
57 Examination Loop
North Ridge
Accra

Solicitors

Sam Okudzeto & Associates
25 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
Stanbic 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 25 November 2003 at 10 o'clock in the forenoon for the following purposes:

Agenda

1. To receive the Report of the Directors, Balance Sheet as at 30 June 2003 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 authorise 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 them. 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 15 October 2003

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 2 December 2003 to the holders of shares whose names are registered in the Register of Members on 22 October 2003.

GUINNESS



Chairman's statement

Distinguished shareholders, Nananom, ladies and gentlemen, it is my pleasure to welcome you to the 31st Annual General Meeting of your Company and present to you the Annual Report and Financial Statements for the period 1 July 2002 to 30 June 2003.

The business environment

Prior to February month-on-month inflation had been relatively stable. However, February's 90% increase in the ex-pump price of petrol and the period adjustments made for water and electricity saw inflation surge, peaking at 30% in March 2003. Since then domestic price inflation has resulted in a very challenging business environment. Operating costs, margins and business profitability have been under pressure. In this context your Company's results are very good.

The Beer and Malt drinks market

Both the Beer and Malt drink markets have recorded strong growth, up 20.6% and 7.7% respectively on the prior year. I am delighted to record your Company has grown volume and share ahead of the market. Guinness Foreign Extra Stout and Gordon's Spark combined to achieve volume growth of 35.1%, gaining over 3 percentage points of the Beer market. Malta Guinness also continues to dominate the Malt drinks sector with a share of 81.4%. Our advertising and promotions, particularly the movie "Critical Assignment", as well as the quality of our Brands has fuelled this growth.

I am also pleased to report that in August 2003 your Company launched a fourth premium brand "Guinness Extra Smooth". Ghana is the first market globally to launch Guinness Extra Smooth and was chosen because of the track record of successful delivery and the discerning taste of the Ghanaian consumer. This is part of your Company's ongoing commitment to identify new consumer opportunities and to invest behind its Brands to drive value.

Our performance

Net turnover has grown 41% year-on-year from ₵257 billion to ₵362 billion, while profit after taxation is up 44%. While the macro-economic environment has continued to put pressure on margins, this has been astutely managed by driving top-line growth combined with effective cost and working capital control, and investment in more efficient processes. Please join me in congratulating the Executive team, management and staff on delivering yet another set of impressive results in a very challenging and competitive operating environment.

Dividend

Reflecting the strong results recorded for the year, a final dividend of ₵192 per share before tax is proposed bringing the total for the year to ₵250 per share, up 43% on the previous year. The total dividend pay out for the year under review is ₵29.37 billion. We are also pleased to note that during the 2003 calendar year our share price has been the number one performer on the Ghana Stock Exchange, further increasing value creation for our Shareholders.

Social responsibility

Your Company continues to support programmes that improve the quality of life in the communities we operate in. Our focus areas are community health, education, sports and culture. In response to the very important health issue of HIV/AIDS we are pleased to announce the launch, with the support of our parent company Diageo, of a major new initiative to provide all our employees with access to free anti-retroviral drugs. Other important health initiatives include support for the Cardiothoracic Centre and the provision of clean drinking water in a number of communities.

We also continue to honour our commitment to the Otumfuo Education Fund, the Chevening Scholarship Programme, the national team the "Black Stars" and a range of socio-cultural events across Ghana.



Chairman's statement

Future prospects

Your Company has the Brands, the People and the Strategy to deliver superior performance. We continue to focus on the four Strategic initiatives of brand building including innovation, trade development, greater operational efficiency and inspiring exceptional people performance. It is the consistent focus and strong implementation of these strategic initiatives that has driven our success.

Your Company is now entering a period of significant investment to increase capacity. A world class packaging line will be commissioned in November which will double capacity and enable us to fully meet consumer demand over the years to come. Given supportive macro-economic conditions, your Company is ideally positioned to deliver strong sustainable growth and good returns to our Shareholders.

Thank you for your continued support.

David Hampshire
Chairman



The movie Critical Assignment continues to thrill Ghanaian viewers and consumers alike.



David Armstrong, Commercial Director Diageo Africa confirms Guinness Ghana Limited's support to the Catholicosoc Centre.



Guinness Ghana Limited is committed to the Otumfuo Education Trust.



The world class packaging line, to be commissioned in November 2003, increasing capacity to 40,000 bottles per hour



Michael Power presenting the cheque for £100,000,000 to Gordon Mamba, Country Representative Water Aid Ghana during the premier of Critical Assignment.

GUINNESS



Report of the directors

The Directors present their report and the financial statements of the Company for the period 1 July 2002 to 30 June 2003.

Financial statements

The results for the year are set out in the financial statements on pages 13 to 22. The Directors consider the state of the Company's affairs to be satisfactory.

Nature of business

There was no change in the nature of the business of the Company during the year.

Our performance

Turnover

Sales performance for the year was impressive, especially when considered against the competitive environment in which we operated.

Net turnover grew by 41% to ₵362 billion, fuelled principally by a 16% increase in volume. This was also the first full year for Gordon's Spark.

Taxation

A total of ₵164 billion in Excise Duty and VAT was collected on behalf of the Government during the year, an increase of 46% over the previous year.

Additionally, ₵15 billion in Corporation Tax including National Reconstruction Levy was charged, totalling ₵179 billion in Government Revenues.

Profit

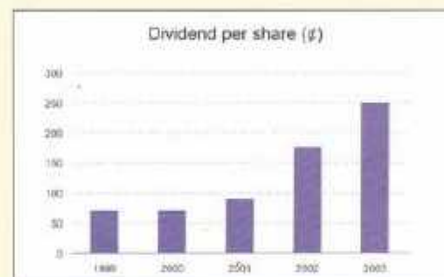
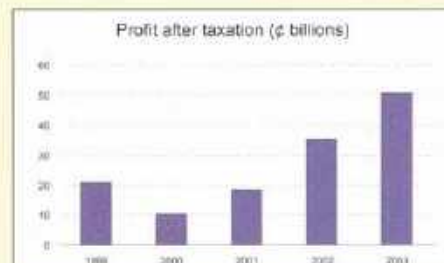
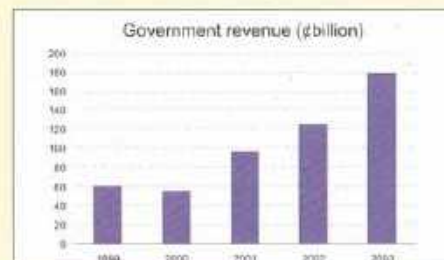
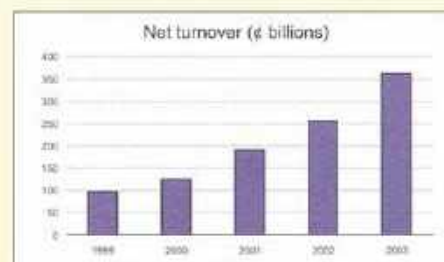
Profit after taxation increased from 44% to ₵51 billion. The increase in profit was due to the improved performance of our Brands, which recorded a 16% volume growth, combined with their premium price positioning. While the macro-economic environment continues to put pressure on margins, these have been offset by effective cost and working capital control, and investment in more efficient processes.

Shareholder value creation

It is proposed to recommend to Members the payment of a final dividend of ₵192 per share before the deduction of tax at source at an appropriate rate. This added to the interim dividend paid in May 2003 would make a total dividend of ₵29.37 billion or ₵250 per share, representing a 43% increase over the previous year.



MD Davlin Hainsworth presents Guinness Ghana Limited's "Facts behind the figures" for the year ending 2003 to the Ghana Stock Exchange.



Report of the directors

The other very important component of shareholder value creation is driving the growth of our share price through the consistent delivery of strong financial performance. We are especially proud of our performance on the Ghana Stock Exchange where our shares have been the number one performer during 2003, recording an increase of 290% up to the week ending 26 September.



Our people

We continue to invest in the growth and development of our People as they contribute directly to the performance and results of our business. We are committed to inspiring exceptional people performance.



The Guinness Ghana Limited Management Team at the 2003 Conference, Elmina.

Social Responsibility

We believe that the communities in which we operate, should benefit from our presence.

Health

As noted previously we have just announced an exciting new HIV/AIDS initiative. Support also continues for Cardiothoracic unit at the Korle-bu Teaching Hospital and the provision of clean drinking water to communities nation-wide.

Education

A major component of our activity is channelled through the Otumfuo's Education Fund. Additionally through the Chevening Scholarship Programme we have supported two Ghanaians to pursue postgraduate studies in the United Kingdom.



MD Devlin Hainsworth presents the prizes at The Guinness Golf Open, 2003.

Sports

We continue to play a central role in sports development in Ghana, maintaining our support for the national soccer team the "Black Stars", Guinness Golf Open and Guinness National Challenge Cup.



The Elders of the Oguaa Traditional Council thank Marketing Director, Francis Vongbe for Guinness Ghana Limited's support of Fetu Afahye Festival 2003

Culture

Our Ghanaian culture is unique. It defines our People and is central to the success of our Brands. As a result we recognise the important role that we have to play in supporting cultural festivals and community related activities.

Environment

We recognise that our operations can impinge on the natural world and take our environmental responsibility seriously. During the year we received the "Continuous Environmental Improvement" award for 2002 from the Environmental Protection Agency (EPA).

GUINNESS



Report of the directors

Future growth

Guinness Ghana Limited is now entering the next phase of its growth, which is to be fuelled through our commitment to invest in the capital expenditure necessary to increase capacity in line with demand. We will be continuing to focus on our four strategic initiatives that have been central to our success: brand building including innovation; trade development; greater operational efficiency and inspiring exceptional people performance.

We believe that, given the macro-economic stability of the Ghanaian economy, we have the Brands, the People and the Strategy to deliver strong, sustainable growth and thus returns to our Shareholders.

Board changes

Since the Annual General Meeting held on 19 November 2002 Messrs F C Damali and A K Addo resigned from the office of Director of the Company. Mr K. Sarfo-Mensah was appointed to fill the vacancy arising out of the resignation of Mr A K Addo.

In accordance with the Regulations of the Company Messrs K. Sarfo-Mensah, D J Armstrong and Prof J W Acheampong 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

Holding company

The company is a subsidiary of Guinness Overseas Limited, a company incorporated in the United Kingdom.

Auditors

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

By the order of the board

Director
D. M. Hainsworth

Director
P. Djamson-Tettey



MD Devin Hainsworth launches the new addition to the Guinness family, Guinness Extra Smooth.



The new packaging line that will support Guinness Ghana Limited's next phase of growth.



Corporate governance

Introduction

Guinness Ghana Limited recognises the importance of achieving the highest standards of corporate governance, corporate responsibility and risk management in controlling the business. It is also committed to conducting its business responsibly and in accordance with all laws and regulations to which our business activities are subject.

Board of directors

It is the responsibility of the board of directors and the management team to ensure that the highest standards of corporate governance are achieved in directing and controlling the business.

The audit sub-committee

The audit sub-committee is responsible for monitoring the adequacy and effectiveness of the Company's system of internal controls through its review and follow-up of the recommendations of the internal audit function and the external auditors.

Risk management and internal control

A risk assessment is performed at least annually as part of the strategic planning process. The risk assessment and the activities planned to manage those risks are reviewed by management on a quarterly basis.

Additionally, a control self-assessment is completed annually against control objectives and criteria defined within the relevant business processes. This enables the evaluation of controls to ensure that appropriate ones are in place to manage a broad range of risks arising from day-to-day business activities. Action plans are developed to drive enhancements and progress is monitored by both the management team and the audit sub-committee.

Occupational health and environmental safety

Guinness Ghana Limited is firmly committed to ensuring the health, safety and welfare of our People. Everyone plays a critical role in ensuring the quality and safety of the working conditions. In this regard, all aspects of our operations shall be conducted in strict compliance with all applicable health and safety laws and regulations, company policies and best practices pertaining to workplace safety.

GUINNESS



Report of the auditors

We have audited the financial statements on pages 13 to 22, 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 30 June 2003 and of the results of its operations and cash flows for the year then ended.

U P M G

Chartered accountants
25 Liberia Road
Accra

Dated 26 September 2003



Profit and loss and income surplus accounts

Profit and loss account for the year ended 30 June 2003

	Note	year ended 30 June 2003 €000	year ended 30 June 2002 €000
Turnover	3	362,080,199	256,921,901
Cost of Sales		(214,814,657)	(143,482,110)
Gross profit		147,265,542	113,439,791
General administrative and selling expenses		(85,687,958)	(66,338,222)
Trading profit		61,577,584	47,101,569
Other income	4	3,636,748	1,320,161
Profit before interest and taxation	5	65,214,332	48,421,730
Net interest charges	6	(26,104)	(248,889)
Profit before taxation		65,188,228	48,172,841
Taxation including Reconstruction Levy	7	(14,557,320)	(12,983,292)
Profit after taxation		50,630,908	35,189,549
transferred to income surplus account			

Income surplus account for the year ended 30 June 2003

	year ended 30 June 2003 €000	year ended 30 June 2002 €000
Balance at 1 July	74,598,983	59,968,434
Profit for the year	50,630,908	35,189,549
	125,229,891	95,157,983
Proposed dividend €250 (2002: €175) per share	(29,370,000)	(20,559,000)
Balance at 30 June	95,859,891	74,598,983

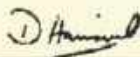
GUINNESS



Balance sheet

Balance sheet at 30 June 2003

	Notes	at 30 June 2003		at 30 June 2002	
		€000	€000	€000	€000
Fixed assets	8	150,199,858		81,293,722	
Investments	9	3,346,122		3,346,122	
Current assets					
Stocks	10	57,772,391		36,404,738	
Debtors	11	19,463,708		20,186,907	
Cash and bank balances		46,698,630		21,501,375	
		123,934,729		78,093,020	
Current liabilities					
Bank overdraft	12	15,994,528		525,367	
Creditors	13	67,961,185		34,881,750	
Taxation	7	5,405,576		6,644,243	
Dividends	14	21,835,903		15,272,400	
Amount due to related companies	15	47,010,301		9,828,472	
		158,207,493		67,152,232	
Net current (liabilities)/assets		(34,272,764)		10,940,788	
		119,273,216		95,580,632	
Deferred Taxation	7	(12,777,230)		(10,345,554)	
Net assets		106,495,986		85,235,078	
Financed by					
Stated capital	16	7,686,032		7,686,032	
Capital surplus	17	2,950,063		2,950,063	
Income surplus		95,859,891		74,598,983	
		106,495,986		85,235,078	


Director


Director



Cash flow statement

Cash flow statement for the year ended 30 June 2003

	year ended 30 June 2003		year ended 30 June 2002	
	€000	€000	€000	€000
Operating profit (before investment returns and servicing of finance)		65,059,297		48,421,730
Depreciation charges	15,263,488		13,589,317	
Increase in stocks	(21,367,653)		(9,492,568)	
Decrease/(increase) in debtors	723,199		(9,834,238)	
Increase in creditors	33,079,435		15,445,408	
Increase/(decrease) in related company balances	37,181,829		(989,026)	
Profit on sale of fixed assets	(793,483)		-	
		64,086,815		8,718,893
Net cash flow from operating activities		129,146,112		57,140,623
Investment returns and servicing of finance				
Dividends paid	(22,806,497)		(14,047,058)	
Dividends received	155,035		-	
Interest paid	(649,223)		(939,022)	
Interest received	623,119		690,133	
		(22,677,566)		(14,295,947)
Tax paid		(13,364,311)		(3,522,248)
Investing activities				
Fixed assets purchased	(88,096,838)		(26,422,138)	
Proceeds from sale of fixed assets	4,720,697		-	
		(83,376,141)		(26,422,138)
Increase in cash and cash equivalents		9,728,094		12,900,290
Analysis of changes in cash and cash equivalents during the year				
Balance at 1 July		20,976,008		8,075,718
Net cash inflow		9,728,094		12,900,290
Balance at 30 June		30,704,102		20,976,008
Analysis of balances of cash and cash equivalents as shown in the balance sheet				
Cash and Bank balances		46,698,630		21,501,375
Bank overdraft		(15,994,528)		(525,367)
Balance at 30 June		30,704,102		20,976,008



Notes forming part of the financial statements

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:

	depreciation %
Leasehold, land and buildings	3.125%
Plant and machinery	6.5% - 12.5%
Motor vehicles and computers	25%
Furniture and equipment	12.5%

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 may 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.



Notes forming part of the financial statements

3. Turnover

	year ended 30 June 2003		year ended 30 June 2002	
	€000	€000	€000	€000
Gross sales		526,083,955		369,037,225
Less:				
Excise Duty	(105,549,983)		(71,111,188)	
VAT	(58,453,773)		(41,004,136)	
		(164,003,756)		(112,115,324)
		362,080,199		256,921,901

4. Other income

	year ended 30 June 2003		year ended 30 June 2002	
	€000	€000	€000	€000
Sundry income	2,343,487		798,033	
Net exchange gain	344,743		522,128	
Dividends received	155,035		-	
Profit on disposal of fixed assets	793,483		-	
	3,636,748		1,320,161	

5. Profit before interest and taxation is stated after charging

	year ended 30 June 2003		year ended 30 June 2002	
	€000	€000	€000	€000
Auditor's remuneration	230,000		120,000	
Depreciation	15,263,488		13,589,317	
Directors' remuneration	1,277,726		865,790	
Donations	104,295		14,230	
Provision for impairment of fixed assets	-		2,027,812	

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Notes forming part of the financial statements

6. Net interest charges

	year ended 30 June 2003	year ended 30 June 2002
	€000	€000
Interest income	623,119	690,133
Interest charges	(649,223)	(939,022)
	(26,104)	(248,889)

7. Taxation

	balance at 1 July 2002	payments	charge to P&L	balance at 30 June 2003
	€000	€000	€000	€000
Income Tax				
1997/98	(119,107)	-	-	(119,107)
2001/02	6,113,893	(5,802,844)	-	311,049
2002/03	-	(6,078,796)	10,495,938	4,417,142
	5,994,786	(11,881,640)	10,495,938	4,609,084
National Reconstruction Levy				
2000/01	25,416	-	-	25,416
2001/02	624,041	(730,746)	-	(106,705)
2002/03	-	(751,925)	1,629,706	877,781
	6,644,243	(13,364,311)	12,125,644	5,405,576
Deferred Tax	10,345,554	-	2,431,676	12,777,230
	16,989,797	(13,364,311)	14,557,320	18,182,806

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 to 2005. The rate applicable to manufacturing companies is 2.5%.



Notes forming part of the financial statements

8. Fixed assets

	leasehold land and buildings	plant and machinery	motor vehicles	capital work-in-progress	furniture and office equipment	total
	€000	€000	€000	€000	€000	€000
Cost/Valuation						
At 1 July 2002	9,014,825	90,948,301	4,569,178	7,846,430	11,352,499	123,731,233
Additions	27,853	340,853	3,350,800	82,566,848	1,810,484	88,096,838
Disposals	(4,309,600)	(309,404)	-	-	(677)	(4,619,681)
Transfers	573,104	70,505,011	-	(71,523,701)	445,586	-
At 30 June 2003	5,306,182	161,484,761	7,919,978	18,889,577	13,607,892	207,208,390
Depreciation						
At 1 July 2002	1,980,743	34,144,287	2,137,432	-	4,175,049	42,437,511
Charge for the year	184,463	10,672,379	1,294,189	-	3,112,457	15,263,488
Release on Disposal	(645,950)	(46,517)	-	-	-	(692,467)
At 30 June 2003	1,519,256	44,770,149	3,431,621	-	7,287,506	57,008,532
Net Book Value						
At 30 June 2003	3,786,926	116,714,612	4,488,357	18,889,577	6,320,386	150,199,858
At 30 June 2002	7,034,082	56,804,014	2,431,746	7,846,430	7,177,450	81,293,722

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

Disposal of fixed assets

	at 30 June 2003	at 30 June 2002
	€000	€000
Cost of assets disposed off	4,619,681	-
Accumulated depreciation	(692,467)	-
Net book value	3,927,214	-
Proceeds on disposal	(4,720,697)	-
Profit on disposal of fixed assets	793,483	-

Depreciation has been charged in the financial statements as follows:

	at 30 June 2003	at 30 June 2002
	€000	€000
Cost of sales	10,672,379	9,100,903
General, administrative and selling expenses	4,591,109	4,488,414
	15,263,488	13,589,317

GUINNESS



Notes forming part of the financial statements

9. Investments

	at 30 June 2003	at 30 June 2002
	€000	€000
Trade investments	3,346,122	3,346,122

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

10. Stocks

	at 30 June 2003	at 30 June 2002
	€000	€000
Raw and packaging materials	46,544,074	29,161,242
Work-in-progress	1,619,866	1,064,496
Finished products	1,980,915	1,092,339
Engineering and consumables	7,627,536	5,086,661
	57,772,391	36,404,738

11. Debtors

	at 30 June 2003	at 30 June 2002
	€000	€000
Trade debtors	8,281,383	12,966,620
Sundry debtors	11,182,325	7,220,287
	19,463,708	20,186,907

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 €59,005 million (2002: €69,475 million).

13. Creditors

	at 30 June 2003	at 30 June 2002
	€000	€000
Trade creditors	12,613,142	9,310,700
Sundry creditors	7,901,090	8,654,749
Accruals and provisions	47,446,953	16,916,301
	67,961,185	34,881,750



Notes forming part of the financial statements

14. Dividends

	at 30 June 2003	at 30 June 2002
	€000	€000
Balance at 1 July	15,272,400	8,760,458
Proposed Dividends	29,370,000	20,559,000
	44,642,400	29,319,458
Payments during the year	(22,806,497)	(14,047,058)
Balance at 30 June	21,835,903	15,272,400

15. Amounts due to related companies

	at 30 June 2003	at 30 June 2002
	€000	€000
Materials and equipment	43,676,638	6,920,545
Royalty and technical service fees	3,333,663	2,907,927
	47,010,301	9,828,472

16. Stated capital

	Number of shares		Proceeds	
	2003	2002	2003	2002
	'000	'000	€000	€000
Authorised				
Ordinary shares of no par value	150,000	150,000		
Issued				
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 instalment unpaid on any share.

17. Capital surplus

	2003	2002
	€000	€000
Balance at 30 June	2,950,063	2,950,063

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Notes forming part of the financial statements

18. Capital commitments

Capital commitments authorised but not expended at the balance sheet date, amounted to €69,833 million (2002: €44,500 million).

19. Contingent liabilities

Contingent liabilities, in respect of possible claims and lawsuits at the year-end, amounted to €894 million (2002: €704 million).

20. Related party transactions

- i. The ultimate holding company is Diageo plc, a company registered in the United Kingdom. Diageo is the beneficiary holder of the shares in Guinness Overseas Limited and Atalantaf Limited.
- ii. Raw materials costing €128,205,438,325 were procured from Guinness Overseas Limited.
- iii. Included in cost of sales is an amount of €15,494,083,822 in respect of technical and management services fees payable to Guinness Overseas Limited.



GUINNESS

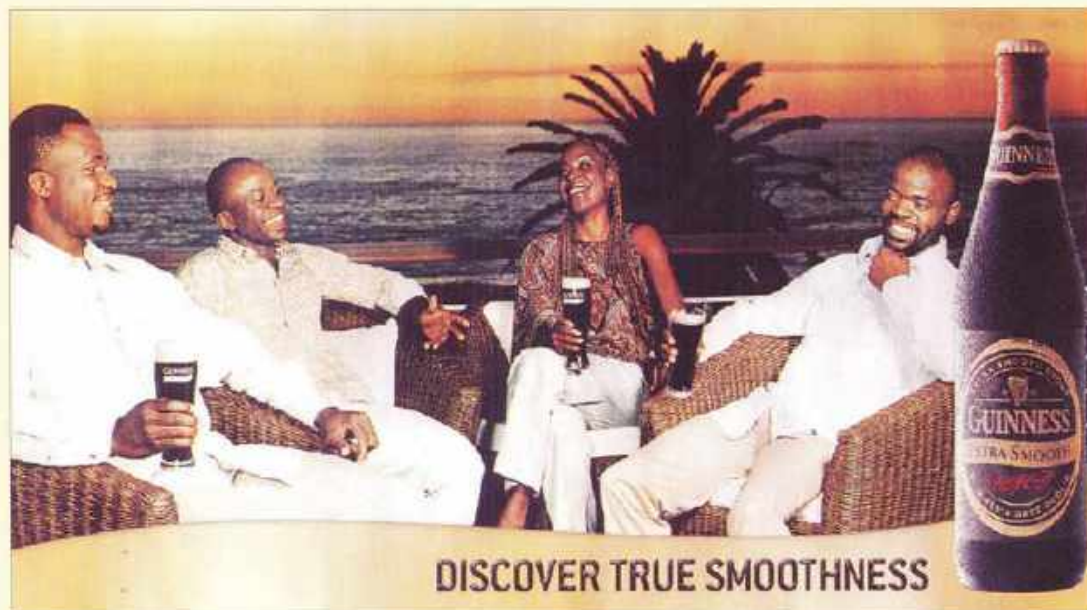


Statement of value added

	year ended 30 June 2003		year ended 30 June 2002	
	€000	%	€000	%
Gross Sales Proceeds	526,083,955		369,037,225	
Excise Duties	(105,549,983)		(71,111,188)	
Sales Tax/VAT	(58,453,773)		(41,004,136)	
Turnover	362,080,199		256,921,901	
Other Income	4,259,867		2,010,294	
Bought in Materials & Services	(270,246,386)		(186,124,819)	
Value added	96,093,680	100%	72,807,376	100%

Applied as follows:

To pay employees salaries, wages & benefits	14,992,741	16%	10,106,196	14%
To provide for Depreciation	15,263,488	16%	13,589,317	19%
To pay for Taxation	14,557,320	15%	12,983,292	18%
To pay Dividends	29,370,000	30%	20,559,000	28%
To pay Interest charges	649,223	1%	939,022	1%
Retained for company growth	21,260,908	22%	14,630,549	20%
	96,093,680	100%	72,807,376	100%



GUINNESS



Shareholder information

Directors shareholding

	number of shares
David HC Hampshire	4,000
Total	4,000

Analysis of shareholding

number of shares	number of holdings	%	number of holders	%
1 - 1,000	517,441	0.44%	1,661	55.53%
1,001 - 5,000	1,463,711	1.25%	540	18.05%
5,001 - 10,000	3,810,194	3.24%	475	15.88%
10,001 and over	111,688,654	95.07%	315	10.53%
	117,480,000	100.00%	2,991	100.00%

20 largest shareholders

	number of holdings	%
1 Guinness Overseas Ltd	55,590,088	47.32%
2 Social Security & National Insurance Trust	18,151,032	15.45%
3 Atalantaf Limited	15,331,140	13.05%
4 BBGN/Chase Manhattan	5,161,037	4.39%
5 BBGN/Chase Manhattan Offshore	3,906,408	3.33%
6 D M Ventures	1,931,265	1.64%
7 Daniel Ofori	1,343,578	1.14%
8 BBGN/Epack Investment Fund Ltd.	1,132,424	0.96%
9 Ghanaian Employees of Guinness	1,050,374	0.89%
10 BBGN/Boston Safe Deposit & Trust Co	634,277	0.54%
11 BBGN/Unilever Ghana Managers Pension	633,470	0.54%
12 BBGN/Unilever Ghana Provident Fund	548,059	0.47%
13 State Insurance Company Limited	400,000	0.34%
14 Ghana Reinsurance Organisation	329,900	0.28%
15 Enterprise Insurance Company Limited	200,000	0.17%
16 BBGN/GTP Provident Fund	162,500	0.14%
17 Dr.R.H.M.Nanka-Bruce	156,669	0.13%
18 Teachers Fund	143,800	0.12%
19 RETCO Company Limited	105,600	0.09%
20 W A Wiafe	91,080	0.08%
Total	107,002,701	91.07%
Others	10,477,299	8.93%
Grand total	117,480,000	100.00%



Five year financial summaries

	2003	2002	2001	2000	1999
	€000	€000	€000	€000	€000
Results					
Turnover	362,080,199	256,921,901	190,643,212	125,360,500	96,517,325
Profit before Taxation	65,188,228	48,172,841	26,388,896	11,149,452	33,993,104
Taxation	(14,557,320)	(12,983,292)	(8,030,110)	(704,956)	(13,083,646)
Profit after Taxation	50,630,908	35,189,549	18,358,786	10,444,496	20,909,458
Dividends	(29,370,000)	(20,559,000)	(10,573,200)	(8,223,600)	(8,223,600)
Retained earnings	21,260,908	14,630,549	7,785,586	2,220,896	12,685,858

Balance sheet

Fixed Assets	150,199,858	81,293,722	68,460,901	67,976,504	47,599,867
Investments	3,346,122	3,346,122	3,346,122	3,346,122	3,346,122
Cash & Cash Equivalents	46,698,630	21,501,375	16,492,599	40,404,530	36,339,965
Other Currents Assets	77,236,099	56,591,645	40,523,306	48,110,107	25,923,962
Total Assets	277,480,709	162,732,864	128,822,928	159,837,265	113,209,916
Total Liabilities	(170,984,723)	(77,497,786)	(58,218,399)	(97,018,322)	(52,611,869)
Net Assets	106,495,986	85,235,078	70,604,529	62,818,943	60,598,047

Share 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	95,859,891	74,598,983	59,968,434	52,182,848	49,961,952
Shareholders Funds	106,495,986	85,235,078	70,604,529	62,818,943	60,598,047

Revenue collected for Government

Excise Duties	105,549,983	71,111,188	57,317,924	37,758,825	34,066,483
Sales Tax/VAT	58,453,773	41,004,136	30,995,142	16,590,078	13,258,592
Total	164,003,756	112,115,324	88,313,066	54,348,903	47,325,075

Statistics

EPS (€)	430.97	299.54	156.27	88.90	177.98
Dividend per share (€)	250.00	175.00	90.00	70.00	70.00
Net Assets per share (€)	906.50	725.53	600.99	534.72	515.82
Current ratio	0.78:1	1.16:1	1.2:1	0.98:1	1.36:1
Return on shareholders fund (%)	47.54	41.26	26.00	16.63	34.51
Return on net sales value (%)	13.98	13.69	9.63	8.33	21.66

GUINNESS



Proxy form

Annual General Meeting to be held at 10 a.m. on 25 November 2003 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 25 November 2003 and at any and every adjournment thereof.

For Company's Use		
Number of shares		
Resolution	For	Against
1. To declare a dividend		
2. To re-elect Mr K Sarfo-Mensah		
3. To re-elect Mr D J Armstrong		
4. To re-elect Prof J W Acheampong		
5. To approve Directors' Fees		
6. To fix 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 their discretion.		

Date thisday of2003

Shareholder's Signature

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 to 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 to us at the address page 27 not later than 10 a.m. on 24 November 2003.
6. The Proxy must produce the Admission Card sent with the Notice of the Meeting to obtain entrance to the Meeting.

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Notes

The Company Secretary
Guinness Ghana Limited
P. O. Box 1636
kumasi



Notes

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GUINNESS *Ghana's Favourite Drinks Company*