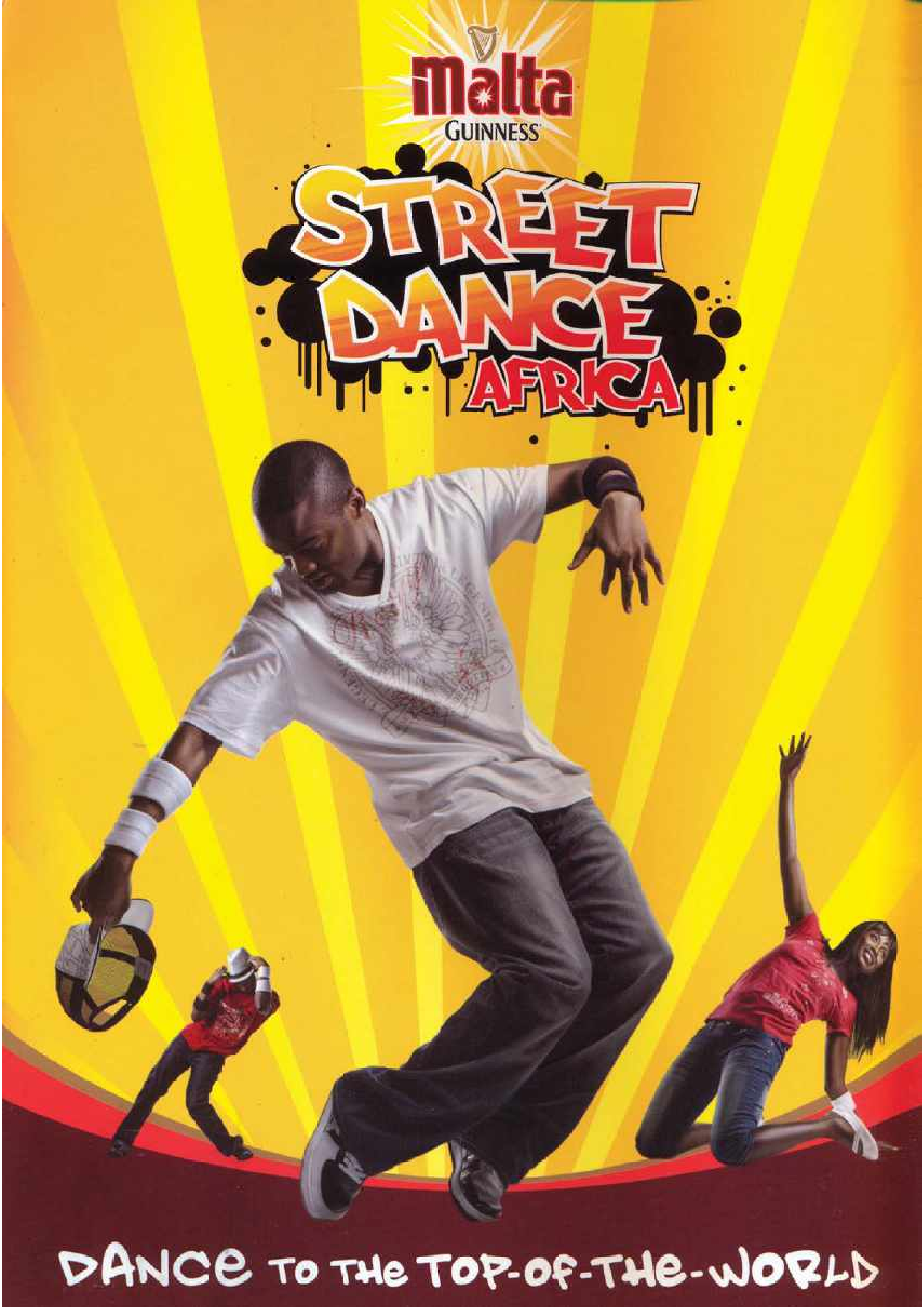
2008

GUINNESS GHANA BREWERIES LIMITED

Annual Report & Financial Statements


Malta
GUINNESS
STREET
DANCE
AFRICA
DANCE TO THE TOP-OF-THE-WORLD

Contents

Corporate Information

Board of Directors	Position
Nick Blazquez	Chairman, non-Executive Director
Seni Adetu	Managing Director and Vice-Chairman
Pamela Djamson-Tettey	Executive Director and Corporate Relations Director
Robert Pilkington	Executive Director and Finance Director (Appointed 2nd May 2008)
Paul Victor Obeng	Non-Executive Director
Kwaku Sarfo-Mensah	Non-Executive Director
Joseph Woahen Acheampong	Non-Executive Director
Kwame Donkoh Fordwor	Non-Executive Director
Ebenezer Magnus Boye	Non-Executive Director
Thomas Arie de Man	Non-Executive Director
David Harlock	Non-Executive Director (Appointed 2nd May 2008)
John Lloyd	Non-Executive Director (Appointed 2nd October 2008)
Bruce Kidner	Resigned. 2nd May 2008
Enselmo Linares	Resigned. 30th June 2008

Board Secretary
Preba Greenstreet

Secretaries

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

Registered Office

Guinness Brewery,
Plot No. 1 Block 'L',
Industrial Area, Kaasi,
P O Box 1536,
Kumasi.

Auditors

KPMG, Chartered Accountants,
25 Liberia Road,
P O Box 242,
Accra.

Registrars

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

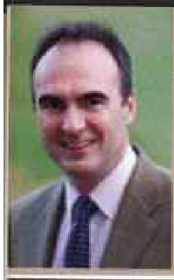
Solicitors

Sam Okudzeto & Associates,
25 Liberia Road,
P O Box 5520,
Accra.

Bankers

Barclays Bank Ghana Limited.
Ghana Commercial Bank.
SG-SSB Bank Limited.
Standard Chartered Bank Ghana Limited.

Board of Directors



Nick Blazquez. Board Chairman

Nick is the Managing Director of Diageo Africa Region and the Chairman of the Board of Guinness Ghana Breweries Limited since May 2005. Before joining Diageo Africa, he was the Managing Director of Diageo Asia Key Markets, responsible for Diageo interests in Japan, Korea, Taiwan and Thailand. He enjoys rock and ice climbing and sailing.

Seni Adetu. Vice Board Chairman and Managing Director.

Seni was appointed Managing Director and Vice Board Chairman of GGBL in September 2006. Prior to joining Diageo and GGBL, he worked with Coca-Cola for 14 years where he held various positions as Marketing Director, Commercial Director and Country General Manager in different countries including Ghana, Kenya and Nigeria.

Pamela Djamson-Tettey. Corporate Relations Director.

In August 2001, Pamela joined Guinness Ghana Ltd, as the External Affairs Director. Earlier she worked with Ashanti Gold fields Co. Ltd holding senior positions in investor relations and public affairs.

Robert Pilkington. Executive Director and Finance Director.

Robert Pilkington was appointed the Finance Director in May 2008. Prior to this appointment he had worked in a number of senior finance roles in Brandhouse, a Diageo affiliated company in South Africa.

Paul Victor Obeng. Non-Executive Director.

Paul is the Chief Consultant of O B Associates. He held various high positions in Ghana's political structure and government.

Kwaku Sarfo-Mensah. Non-Executive Director.

Kwaku worked for Aetna Insurance Company, a major US financial company for twenty years. Currently, he is the General Manager for operations at TRI-STAR Financial Group and the SSNIT representative on the board.

Joseph Woahen Akyeampong. Non-Executive Director.

Joseph was appointed a Non - Executive Director in 1994. He is a professor of medicine and a consultant physician.

Kwame Donkor Fordwor. Non-Executive Director.

Kwame was the President of African Development Bank from 1976 to 1980. He was a former Director of GBL.

Ebenezer Magnus Boye. Non-Executive Director.

Magnus was the Managing Partner of Coopers & Lybrand from 1981 to 1995 and served on a number of private and public boards including Unilever Ghana Ltd and Ghana Ports & Harbours Authority. He was a former Director of GBL

Thomas Arie de Man. Non-Executive Director.

Thomas was the Managing Director of Heineken's Operating Companies, Participations and Licence operations in Sub-Saharan Africa from 2003. In May 2005, he was appointed to Heineken's Executive Committee in the capacity of Regional President Africa and the Middle East.

David Harlock. Non-Executive Director.

David qualified as a solicitor in the London law firm Lovells in 1985 where he became a partner. He joined Diageo in 1996 and has handled a wide range of legal work in many parts of the world.He is curently the General Counsel to Diageo's International Region comprising Africa, Latin America,Middle East and worldwide Duty Free.

John Lloyd. Non-Executive Director.

John Lloyd joined Diageo in 1996 and has extensive international experience in spirits and wine, having worked in Great Britain and Austrlia. John has also performed the role of Global Manager for Diageo. He has been in Africa for the last five years and is currently the General Manager, Key Markets, Venture Africa.

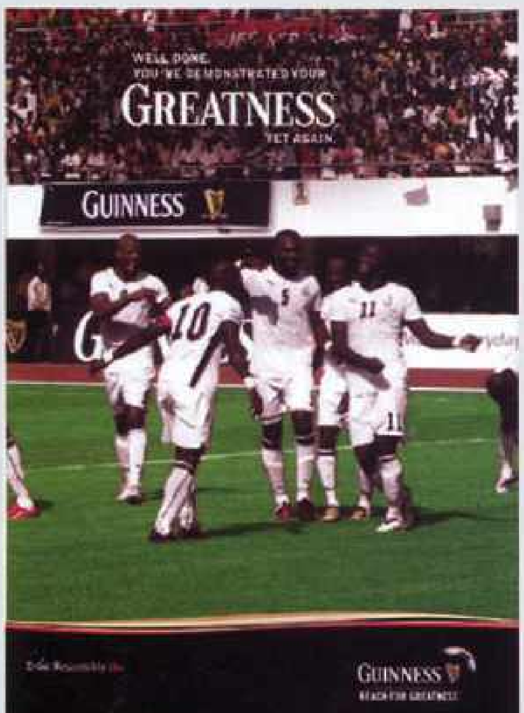
Preba Greenstreet. Board Secretary.

Preba joined Guinness Ghana Breweries Ltd in January 2007 and was appointed Company Secretary in May 2007. She has many years previous experience as a company secretary for another listed company.

Financial Highlights for the year ended 30th June, 2008

	The Group			The Company		
	2008	2007		2008	2007	
		Restated			Restated	
	GH¢'000	GH¢'000	Movement	GH¢'000	GH¢'000	Movement
Turnover	164,441	124,848	32%	137,475	93,575	47%
Profit before Taxation	23,082	15,199	52%	19,607	14,189	38%
Taxation	-6,412	-1,105		-5,914	-1,105	
Profit After Taxation	16,670	14,094		13,693	13,084	
Dividends Proposed	-7,986	-7,064	13%	-7,986	-7,064	13%
Capital Expenditure	24,212	8,720		24,212	6,375	
Depreciation	5,941	5,582		4,985	3,793	
Shareholders Funds	62,165	64,394		62,165	60,015	
Earnings per Share (GHc)	0.1001	0.0854		0.0830	0.0793	
Dividend Paid per Share (GHc)	0.0485	0.0429		0.0485	0.0429	

F07 figures have been restated in line with the adoption of IFRS in preparing these financial statements



Believe in our Greatness

Our Performance

"the company performed creditably on all key performance metrics. Sales volume across all the major brands grew by about 9%, turnover increased to GH¢ 164.44m compared to GH¢ 124.85m for the same period last year, an increase of 32%; and profit after tax increased by 18%."

Notice of Annual General Meeting

Notice is hereby given that the 36th Annual General Meeting of Guinness Ghana Breweries Limited will be held at the Accra International Conference Center, on 24th November 2008 at 10 o'clock in the forenoon for the following purposes:

Agenda

1. To receive the Report of the Directors, the Balance Sheet as at 30th June 2008 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 amend by special resolutions of the company as per the attached appendix.

3. To declare a Dividend.

4. To elect Directors in place of those retiring.

5. To approve the appointment of Directors.

6. To approve Non-Executive Directors' Fees

7. 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 30th October 2008

By Order of the Board
Sena Chartered Secretaries Ltd

Registered Office:
Guinness Ghana Breweries Ltd.
Kaasi Industrial Area,
P O Box 1536,
Kumasi.

Dividend Warrants

If the dividend recommended is approved, payment will be made on 12th December 2008 to the holders of shares registered in the Register of Members on 13th November 2008.

Chairman's Statement

Introduction

Nananom, Distinguished Ladies and Gentlemen. You are most welcome to the 36th Annual General Meeting of Guinness Ghana Breweries Limited (GGBL). It is my pleasure once again to report to you at the end of another good financial year. Before I do that, I would like to take this opportunity to acknowledge what was clearly, a remarkable year for Ghana - a year in which the country superbly hosted the 47th African Cup of Nations football tournament, witnessed a growth in its economy and was increasingly recognised on the international stage as a leading light in Africa.

I shall be presenting to you the Annual Report and Financial Statements of your Company for the financial year 1st July, 2007 to 30th June, 2008. In this year, your Company delivered a solid financial performance matched by the growth of over 120% in the GGBL share price on the Ghana Stock Exchange. Indeed your Company continues to deliver excellent value to all stakeholders, including you our shareholders.

During the 2008 Financial Year, the business completed a journey commenced in 2005 with the acquisition by Guinness Ghana Limited (as it then was) of the majority shareholding in Ghana Breweries Limited (GBL), and the subsequent change in the company's name to Guinness Ghana Breweries Limited to reflect this broadening of our business. I am pleased to announce that on 21st February 2008 at an Extraordinary General Meeting of GBL called for this purpose, the remaining shareholders of GBL unanimously voted to accept an offer made by GGBL to acquire the assets and assume the liabilities of GBL. The two companies are now legally 'One Company' as they have been operationally since the share acquisition, reflecting the commendable strides we have made in the cultural and social integration of all our people into one business entity. Accordingly, Group accounts are reported as such only until February 2008. This is the last year when we shall report in this manner as the business now operates under the corporate name of Guinness Ghana Breweries Limited.

The Operating Environment

In the financial year under review, the economy was relatively stable. However, consumer spending was affected negatively in the second half by inflationary pressures (from 12.81% in January to 15.3% in April) mainly attributable to the rising petroleum costs stemming from the volatile world oil prices, increasing utility tariffs and the increase in the prime rate from 13.5% to 16%.

These coupled with the depreciation of the Ghana Cedi against its major trading currencies and worldwide shortages of cereals meant that there was an upward pressure on our cost base.

As was reported last year, the business again faced a number of challenges relating to utility supply such as power and water; and for a business so dependent on these utilities the impact on our business was significant. We had to create alternative supply sources periodically, to sustain our manufacturing operations resulting in further increases in operating costs.
While efficiency increases mitigated these to some extent, there was nonetheless an unavoidable direct impact on our operating margins.

The economy is however resilient as demand and economic activities remain robust despite these conditions. We are particularly encouraged by the stable political and social environment which portrays good signs for the economy in the medium to long term.

The business continued to invest in the market place. Following the previous year's investment in new glass for the small (330ml) Guinness FES bottle, this year we upgraded the large (625ml) Star bottle as well as the large (500ml) Guinness bottle. The capacity of the Accra site was expanded from 600khl to 800khl per annum and we are continuing our capital investment programmes in both Accra and Kumasi to improve the efficiency and capability within our supply footprint.

In addition, in line with our commitments to be a leader, from an environmental perspective, we have started the construction of a Waste Water Treatment Plant in the Achimota site. This plant will be fully operational by March 2009.

The Market Dynamics

The Ghanaian consumer continues to be at the centre of all our marketing strategies and activities; consequently, we strive to truly understand consumer needs and trends so as to satisfy them and stay ahead of the competition, while driving profitable volume and share growth.

The year was full with engaging brand activities, especially on our flagship brand, Guinness. We implemented the Guinness Football programmes, which included the Guinness Football Greatness Campaign, a National Consumer Promotion - the "Believe In Our Greatness Campaign", the CAN 2008 sponsorship as "Official Beer" and ultimately the renewal of the Black Stars contract for the next three years starting from August 2008.

In the domain of lagers, Star our biggest lager brand, benefited from a packaging renovation involving the bottle and label change. This has truly enhanced the brand's fortunes, propelling it to double-digit growth.

Malta Guinness also launched the "Bounce Campaign" that truly brings to life the key brand benefits of "energy for a vibrant life", a packaging renovation involving a label change and the engagement of consumers on a very entertaining energetic dance platform dubbed "The Malta Guinness Street Dance Africa Competition".

The Market Dynamics

"The Ghanaian consumer continues to be at the centre of all our marketing strategies and activities; consequently, we strive to truly understand consumer needs and trends so as to satisfy them and stay ahead of the competition, while driving profitable volume and share growth."

The introduction of Malta Guinness Quench created an opportunity to expand our foothold in the premium adult non-alcoholic drinks segment and strengthen our off-trade route to market capability. The performance of Malta Guinness Quench has been phenomenal contributing almost 3% to total portfolio in its first year, on a limited rollout.

Overall the performance of our total GGBL portfolio was quite strong growing by 8.9% over last year. Guinness Foreign Extra Stout grew by 5.6%, Star by 22.7%, and the Malts grew by 8.6% with Malta Guinness Quench making a clear contribution to this Malt performance. The Ready To Drink products (RTDs) were however down by 12.7% (due in part to capacity constraints).

Our Performance

As earlier mentioned, we did have some challenges resulting from increased cost of production and capacity constraints. Notwithstanding, the company performed creditably on all key performance metrics. Sales volume across all the major brands grew by about 9%, turnover for increased to GH¢ 164.44m compared to GH¢ 124.85m for the same period last year, an increase of 32%; and profit after tax increased by 18%. The attached Account Statements provide further detail of the year under review.

The Board is therefore, pleased to recommend a final dividend of GH¢ 0.0388 per share resulting in a total dividend for this year of GH¢ 0.0485 per share, an increase of 13% over last year. As always we remain committed to returning value to our shareholders.

Although cost pressures on the business continue to have a major impact on the bottom line, it is expected that our renewed drive towards pursuing greater cost discipline across the business will enable us achieve our goals in the coming year.

Corporate Social Responsibility

Corporate Social Responsibility remains a priority of your company as a leader in the beverage industry in Ghana.

Our support in the areas of Sorghum initiatives with farmers, Education, Health as well as Responsible Drinking, confirm GGBL's commitment to enriching the communities in which we operate, and improving the quality of life in our communities.

Significantly, this year GGBL made enormous strides in the provision of safe potable water for Ghanaians. In total, we completed projects that have given access to over 150,000 Ghanaians. Indeed our reputation as a socially responsible corporate citizen of Ghana is based on this consistent focus.

A more detailed overview of our social responsibility agenda can be found in the latter pages of this report.

Our People

At GGBL, we are committed to creating the "Best Place To Be" and attaining the position of "Employer of Choice", in the service of our vision to be the "Most Celebrated Business" in Ghana. In this regard, the renewed focus placed on our people over the past year has yielded immeasurable results. Whilst the talent market remains competitive, especially, in the face of strong challenges from new entrants and existing competition, we have been able to attract a significant number of capable personnel over the last year. We have also retained the core pool of our increasingly able employees, whose capability is attested to industry-wide.

In achieving the milestone in the year under review, we implemented a number of People-focused initiatives including joint manager-staff conference, improved reward, and inspirational leadership as manifested by quality coaching of our employees

Our People

"We have also retained the core pool of our increasingly able employees, whose capability is attested to industry-wide."

and increased bonding between managers and their reports. The result is that in the annual value surveys where we measure employee engagement to the company, the company recorded an outstanding positive feedback as majority of them reported being "super engaged" to the company.

This transformation in employee perception of the leaders and engagement to the company led to the successful creation of one culture under the single GGBL business thus completing the process that started in 2005. We are confident that we shall continue to see the benefits of this transformation for many years to come.

Looking Forward

The recent discoveries of significant oil deposits within the Nation's territorial waters, rising export prices for the county's two major exports, gold and cocoa, and improved fiscal management all driving the steady growth in the private sector, lead us to believe that the economy will continue to perform well in the next twelve months. Furthermore, the proposed Economic Partnership Agreement (EPA) between Ghana and her EU partners should liberalise trade, thus enabling Ghana earn valuable foreign currency through export. This added to the benefits that may arise from the duty reduction on specific imported materials should have a positive impact on costs.

In addition, as predicted last year, we expect to continue to face pressure from rising international prices for raw materials although we are taking steps to mitigate the situation. Also of concern is the continued rise in the price of crude oil, which to an extent affects all our base inputs, as well as continues to assert general inflationary pressure on the economy. These, coupled with rising energy prices, and insufficiency of supply of energy and other key inputs (such as water), imply there would be further pressure on our cost of goods sold and overheads.

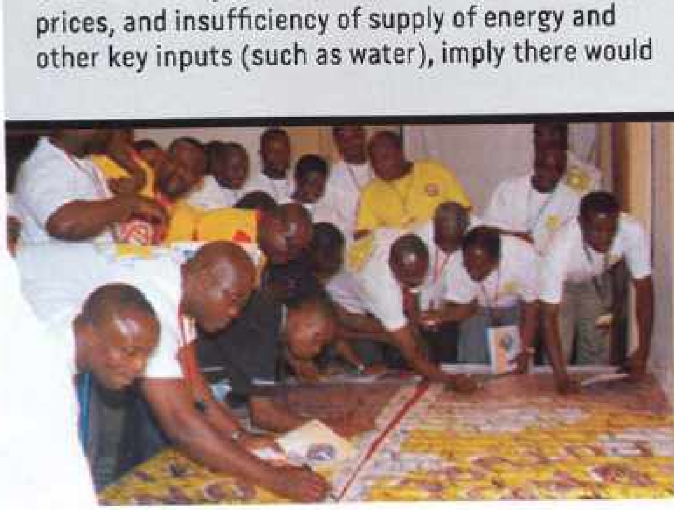
These factors give added impetus to our business commitment to reduce costs by a judicious use of resources, elimination of waste and reduction in costs of materials wherever possible.

Notwithstanding, in general, the macro-economic picture remains bright. In addition GGBL remains committed to focusing its attention on taking advantage of the opportunities that we identify within the market, to deliver the consistency in growth that you have come to expect of your business. We are confident that in the coming year, we shall continue to grow and strengthen the Company, to the benefit of all our stakeholders.

On behalf of the Directors, Management and Staff of GGBL, I sincerely thank you for your support and goodwill throughout the 2008 Financial Year and look forward to another "Great" year in 2008 - 2009.

Finally, I wish Ghana a very peaceful election this December.

Dr. Nicholas Blazquez



Looking Forward

"GGBL remains committed to focusing its attention on taking advantage of the opportunities that we identify within the market, to deliver the consistency in growth that you have come to expect of your business."

Report of Directors

The directors present their report and the consolidated financial statements of the company for the year ended 30 June 2008.

Director's Responsibility Statement
The company's directors are responsible for the preparation and fair presentation of the consolidated financial statements, comprising the balance sheet at 30 June 2008, income statement and cash flow statement for the year then ended, and the note to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Code, 1963 (Act 179) of Ghana.

The directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

Financial statements and dividend
The results for the year are as set out in the attached financial statements.

The directors recommend the payment of a dividend of 4.85Gp per share amounting to GH¢7,986,566 (2007: GH¢7,064,400) for the year under review.

The directors consider the state of the company's affairs to be satisfactory.

Nature of business
The company manufactures, sells and deals in beer, stout, malt drinks and their ancillary products.

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

Holding company
The company is a subsidiary of Diageo Highlands BV, a company incorporated in Holland.

Turnover

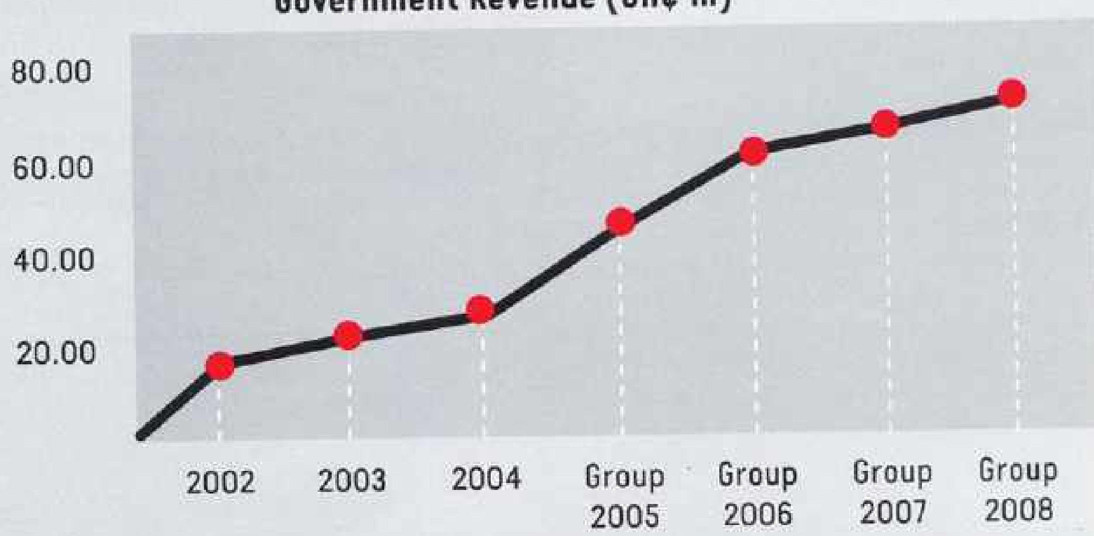
Group turnover at GHc 164.4 million was 32% above prior year. This is the result of volume growth of 9% and sales price increase across the portfolio during the year.

Turnover (GH¢'m)

Taxation

Group Government Revenue including Income Tax, Excise duty and VAT amounted to GHc 66.4 million in the year. This amounted to an increase of 9% over last year.

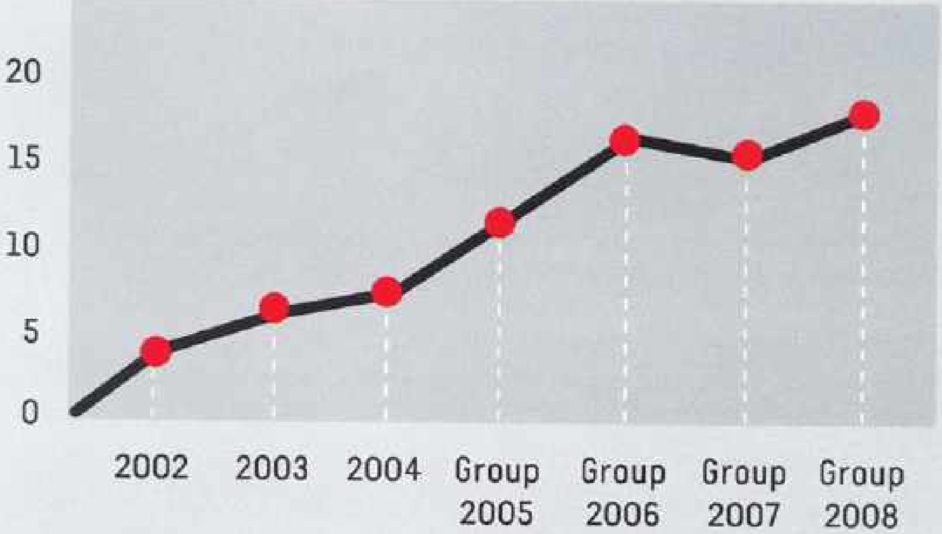
Government Revenue (GH¢'m)



Profit after tax

Group profit after tax was GH¢16.6 million. This was 18% above the previous year.

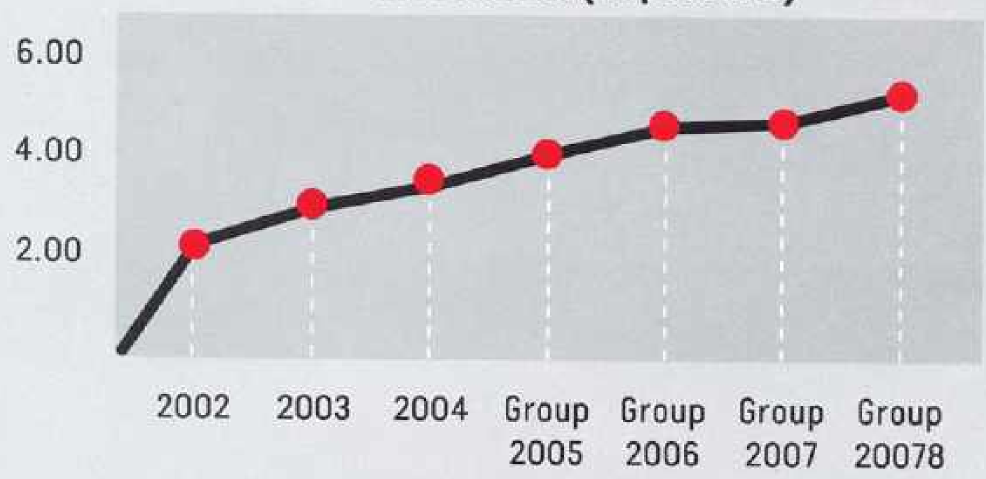
Profit After Taxation (GH¢'m)

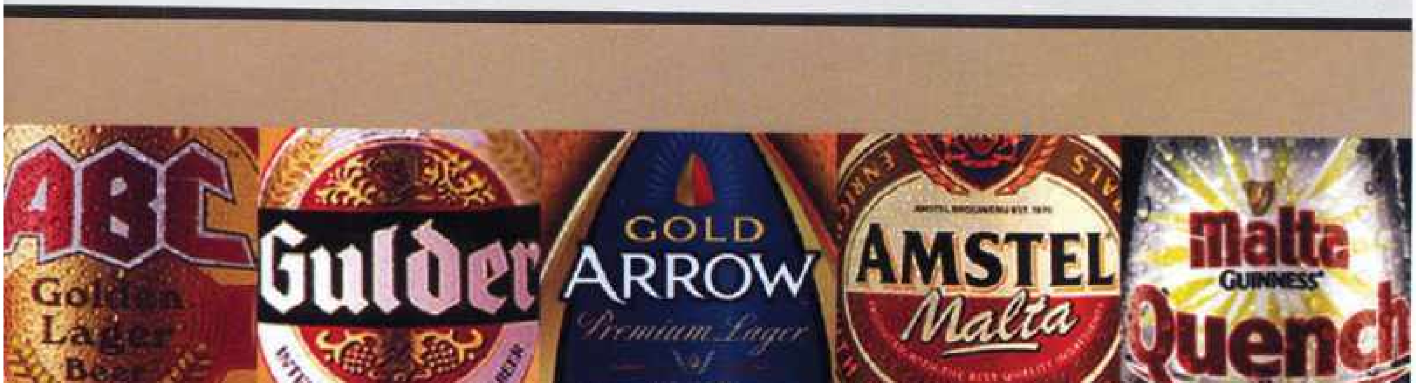


Shareholder value creation

The Board recommends a full year dividend of GHp 4.85. This represents a 13% increase over last year.

Full Year Divident (GHpesewas)





Subsidiary
The company held a 99.7% stake in Ghana Breweries Limited (GBL), a company incorporated in Ghana to manufacture, sell and deal in beer and soft drink, until 21st February 2008 when the company took over the assets and liabilities of GBL, as part of a merger arrangement.

Changes in directorship
Within the year under review, three directors were appointed and two directors resigned their positions on the Board of directors as follows:

- Rob Pilkington appointed to the position of Finance Director on 2nd May 2008;
- David Harlock appointed on 2nd May 2008;
- John Lloyd appointed 2nd October 2008;
- Bruce Kidner resigned the position of Finance Director on 2nd May 2008; and
- Enselmo Enriques Linares appointed on 13th November 2007 and resigned on 30th June 2008.

Changes in financial reporting framework
In line with changes in the financial reporting framework announced by the Institute of Chartered Accountants of Ghana in consultation with other regulatory bodies, the company adopted International Financial Reporting Standards (IFRSs), as the reporting framework with effect from 1st July 2007.

As a result, the attached financial statements have been prepared in accordance with IFRS. Comparative financial information, which was prepared in accordance with Ghana Accounting Standards, has been restated accordingly.

The impact of the changes in comparative results and position has been disclosed in note 37 of the attached financial statements.

Approval of financial statements
The financial statements of the company were approved by the board of directors on 26th September 2008 and are signed on its behalf by:

Managing Director

Finance Director

Independent Auditor's Report To The Members Of Guinness Ghana Breweries Limited

We have audited the accompanying consolidated and separate financial statements of Guinness Ghana Breweries Limited, which comprise the balance sheet at 30 June 2008, the income statement, the statement of recognised income and expense and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 68.

Directors' Responsibility for the Financial Statement

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179) of Ghana. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

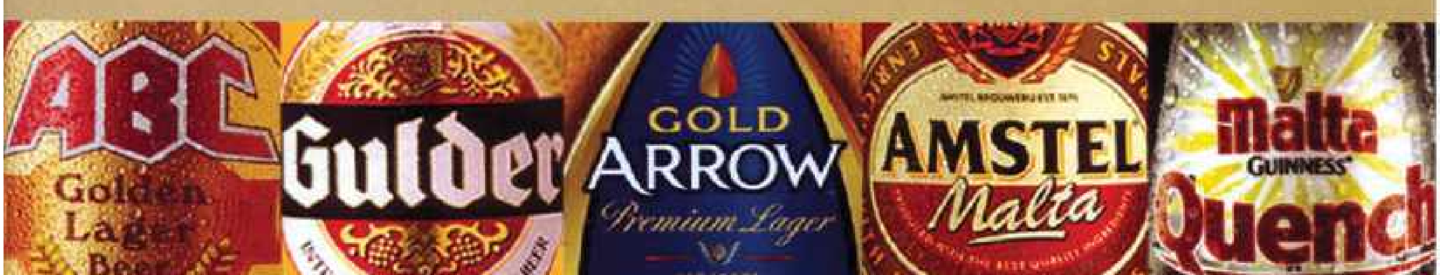
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Guinness Ghana Breweries Limited at 30 June 2008, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179) of Ghana.



Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179) of Ghana.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, and the balance sheet, income statement and loss and income surplus accounts are in agreement with the books of account.

KPMG

CHARTERED ACCOUNTANTS
MARLIN HOUSE
13 YIYIWA DRIVE
P.O. BOX GP 242
ACCRA

26th September 2008

OTUMFUO VISITS OSEI TUTU II INSTITUTE FOR ADVANCED ICT STUDIES, GHANA

Otumfuo Osei Tutu II, the Asantehene, recently paid a working visit to the Osei Tutu II Institute Advanced ICT Studies, Ghana in Kumasi where he met the representatives of one of the main sponsors of the Institute, Guinness Ghana Breweries Limited (GGBL) and the students.

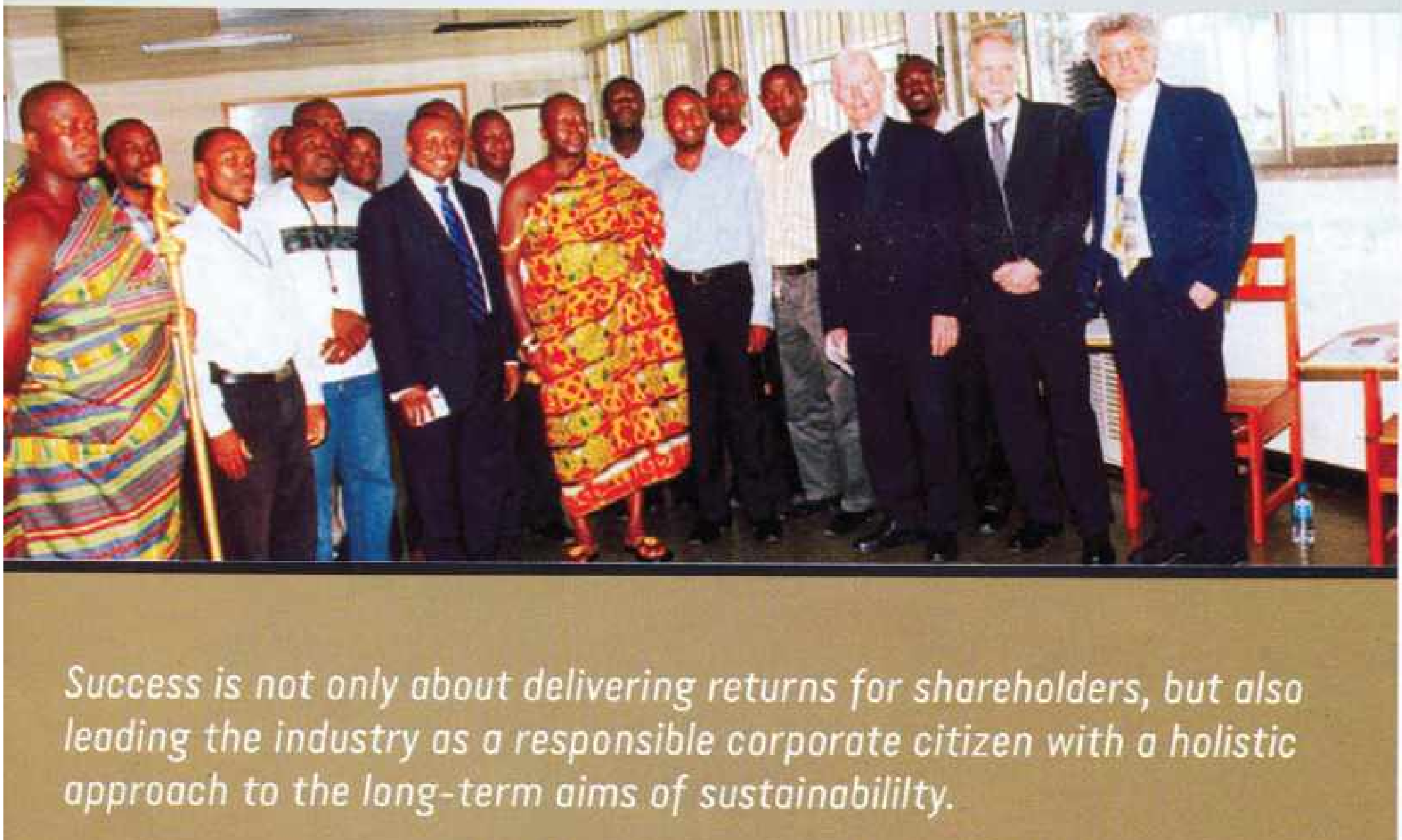
The visit was also to acquaint himself with the operations of the Institute since its official commissioning last year.

In his welcome address, the Rector of the Institute, Professor Looijen thanked Otumfuo for his visit and revealed that the Institute, which is based upon two pillars, has students from other African countries.

"The two pillars of the Institute are the educational programme and its quality and the sponsorship and support from Ghanaian companies. The Managing Director of Guinness Ghana Breweries Limited, Mr. Seni Adetu, on his part, said GGBL was delighted that its premises at Ahinsan is being used to champion this important educational Institute which gives quality ICT post-graduate qualifications to our future leaders in Ghana and Africa.

He commended the Government of Ghana for creating an enabling environment for investment and thanked Otumfuo Osei-Tutu II, the Asantehene for his guidance and continued support to GGBL.

Otumfuo Osei Tutu II, the Asantehene said, Asanteman and the people of Ghana are grateful to Guinness Ghana Breweries Limited, the Dutch Government, Diageo, Heineken International and all other sponsors of the Institute for their role in the socio-economic development of the nation.

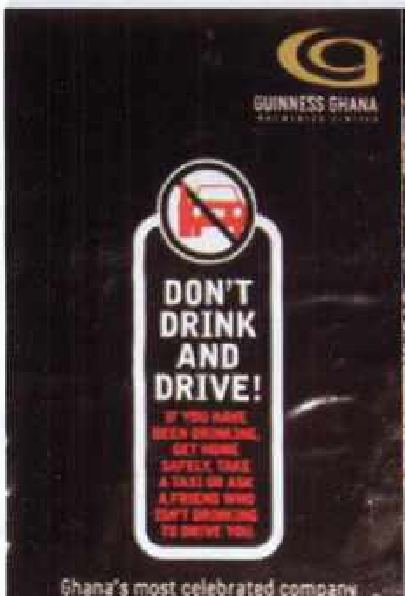


Success is not only about delivering returns for shareholders, but also leading the industry as a responsible corporate citizen with a holistic approach to the long-term aims of sustainabililty.

Being a good corporate citizen involves all the ways that our business and products interact with society and the natural world and encompasses the balance between acting responsibly and the right to trade freely. It includes our ethical approach to business, governance, and our relationships with employees, consumers, customers and our suppliers as well as the communities we operate in, and our approach to environmental issues.
Success is not only about delivering returns for shareholders, but also leading the industry as a responsible corporate citizen with a holistic approach to the long-term aims of sustainability.

Water:
This year GGBL has made enormous strides in the provision of safe potable water for Ghanaians. In total, GGBL completed projects that have given access to over 150,000 Ghanaians.
This achievement has been possible with the collaborative assistance of NGO's in the water provision sector.
In July, GGBL commissioned fifteen boreholes in the Upper East and Upper West Regions of Ghana, and specifically in sorghum growing districts. These districts include farmers who continue to contribute to the success of the West Africa Sorghum Value Chain Project initiated by GGBL. Additionally, GGBL has completed a borehole and water piping distribution project at Adasawase in the Eastern Region of Ghana. Other borehole projects have been completed at Kwabre East and Ampabaame in the Ashanti Region and Gbledi-Gbogame in the Volta Region.

Health, Environment & Agriculture:
Your company has continued to support the Ghana Heart Foundation. Additionally, The Burns and Reconstructive surgery Unit at the Korle-bu Teaching Hospital has received support.
On World Aids Day 2007, employee volunteers from the Achimota, Kaase and Ahinsan breweries carried out HIV/AIDS awareness campaigns within our communities.
Following the floods that devastated parts of the Northern regions, GGBL supplied water purification tablets to be used at Hospitals in the flood prone areas. All these activities support GGBL's



Water

This year GGBL has made enormous strides in the provision of safe potable water for Ghanaians. In total, GGBL completed projects that have given access to over 150,000 Ghanaians. This achievement has been possible with the collaborative assistance of NGO's in the water provision sector.

commitment to enriching the communities in which we operate, and improving the quality of life in our communities.

Work has commenced to construct a Waste-Water Treatment Plant at the Achimota Brewery. The Plant is to be commissioned in 2009.
In line with Diageo zero waste to land fill initiative, GGBL will collaborate with the Kwame Nkrumah University of Science and Technology (KNUST) to re-cycle by product from the WWTP (Waste-Water Treatment Plant) for use as natural fertilizers.

The West Africa Sorghum Value Chain Project has continued its sterling performance. This year the project increased its sorghum yield from 920 to 1,300 metric tonnes.

Education & Sports:
GGBL has continued to support the development of Education in Ghana, donating an amount of 10,000 cedis to this cause.
The Osei-Tutu II Institute of Advanced ICT Studies was officially commissioned in November 2007.
This year Ghana hosted the CAN 2008 Football Tournament and our flagship brand - Guinness Foreign Extra Stout was very visible as the "official beer" of the tournament as well as the "beverage sponsor" of the national soccer team, The Black Stars. Guinness mounted a massive 'FanPark' at the Accra Polo Club to enable spectators watch football matches in an entertaining and exciting outdoor experience. The concept was a great success, and hosted a maximum of 25,000 spectators at a single match!

Responsible Alcohol Education:
In the year under review, your company undertook various initiatives to communicate the message of Responsible Drinking widely. During the CAN 2008 Football Tournament, a responsible drinking campaign was launched at the FanPark in Accra and also at key outlets close to the various national stadia.

Additionally prior to and during the Easter festivities, GGBL launched an Easter Safe Drive Campaign. The message communicated GGBL's message not to drink and drive and was carried on key FM stations, and supported by press. Posters were displayed at petrol stations and forecourt shops reminding motorists of their responsibility. Additionally, teams visited transport stations to reinforce the message and advise drivers not to drink and drive. The campaign was very successful and management has taken the decision to repeat this activity during key festivities.

Sharing the Nation's Passion-Football
Official Beverage Sponsor of the Black Stars.

During the financial year under review the Guinness Ghana Breweries Limited reinforced its commitment to achieving the highest standards of corporate governance, corporate responsibility and risk management.

Board of Directors

The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the company's affairs. The Board:

- provides leadership of the Company with a framework of prudent and effective controls which enable risk to be assessed and managed;
- provides input into the development of the long-term objectives and overall commercial strategy for the company and is responsible for the oversight of the company's operations while evaluating and directing the implementation of the company's controls and procedures;
- provides oversight of the Company's strategic aims, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives, as well as reviewing management performance; and
- upholds the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

Pursuing these ideals, the Board in this financial year, commenced a review of its operations and members with a view towards the improvement of the Board structures and effectiveness. This review will continue into the next financial year. As a result of this, Board Corporate Governance Guidelines were agreed by Board and issued to all directors to aid them in the performance of their duties; and a new sub-committee of the Board was established (see below). Further, a review of the Regulations of the company was undertaken to ensure that the company continues to operate with accepted world best practice principles; at the company's Annual General Meeting we shall be asking the shareholder's to pass some resolutions to effect changes to the Regulations.

Audit Sub-Committee

Your Audit Sub-Committee (ASC) continues to exert a high level of oversight over the Company's operations and financial reporting. In line with requirements, the ASC assists the Board in fulfilling its oversight responsibilities relating to the integrity of the financial statements, compliance with legal and regulatory requirements, the independent auditor's qualifications, independence and remuneration, the performance of the internal audit function and the performance of our independent auditor's KPMG. The ASC ensures that recommendations by the auditors and the ASC itself, for procedural improvements and rectification, are duly completed by the Company. In this respect the ASC has reviewed the KPMG's proposed Audit Programme for the Company for the upcoming financial year and will be recommending that you authorise the Board to fix their remuneration.

Nominations Committee

During the last financial year the Board Established the Nominations Committee, which currently has responsibility for Director's Remuneration as well. The Nominations Committee makes recommendations to the Board on all matters concerning corporate governance and Directorship practices including development of corporate governance guidelines, evaluation of the Board, Committees and individual Directors, identification and selection of new Board nominees, and oversight of the Company's policies relating to social and environmental issues. Until the establishment of a Remuneration Committee, the

Nominations Committee shall also evaluate and determine compensation policies and recommend compensation for Non-Executive Directors. Following on the Sub-committee's recommendations the Board shall place before the shareholders at this year's AGM, proposals for the appointment and re-appointment of directors to the Board, and concerning the remuneration of the directors. This follows a comprehensive review conducted on directors remuneration, and is designed to bring us in line with market practices as well ensuring transparency in payments to the Board.

Occupational Health and Environmental Safety

The Company renewed its commitment towards providing the highest standards of health, safety and welfare for its employees, and responsibility towards minimising our environmental footprint, and to our neighbours at our sites. During the year significant progress was made in our safety agenda with each employee being trained in safety and additional vigilance adopted by all, so much so that we experienced a significant decrease in "Lost Time Accidents" on our sites. This improvement arose out of the policy adopted by your Company during the year of "Zero Harm" for all on our sites.

Building on the construction of the 4m Effluent Treatment Plant in Kaasi last year, the business has invested in the installation of a similar facility in Achimota at broadly similar costs. Significant progress has been made in reducing the water usage in our operations particularly in Kumasi. We are confident that we shall report continued progress in these initiatives in the next financial year as well.

Guinness Ghana Breweries Ltd invests in groundbreaking SAP/SBM and GSS implementation to drive Destination 2011

GGBL has embarked on an ambitious programme to enhance its efficiency and planning capability by updating its technology and processes, using the world class Systems, Applications and Products (SAP) software being rolled out across the Diageo world as well as establishing best practice across its markets, ensuring we have simpler, better and faster processes across the business.

This new way of working, supported by SAP, enables companies to analyse information recorded in day-to-day operations, plus structured and unstructured information from across the enterprise, which means they are able to respond faster to market dynamics. It integrates all the operational functions of an enterprise, making the flow of information simpler and faster.

The implementation will improve efficiencies and reduce operation costs incurred where various different software programs are utilised in different sections of the business and is part of a global drive towards common systems and processes across the Diageo Group. With integration, it will also enhance teamwork and establish a seamless, well-oiled machine enabling us reach new heights of performance.

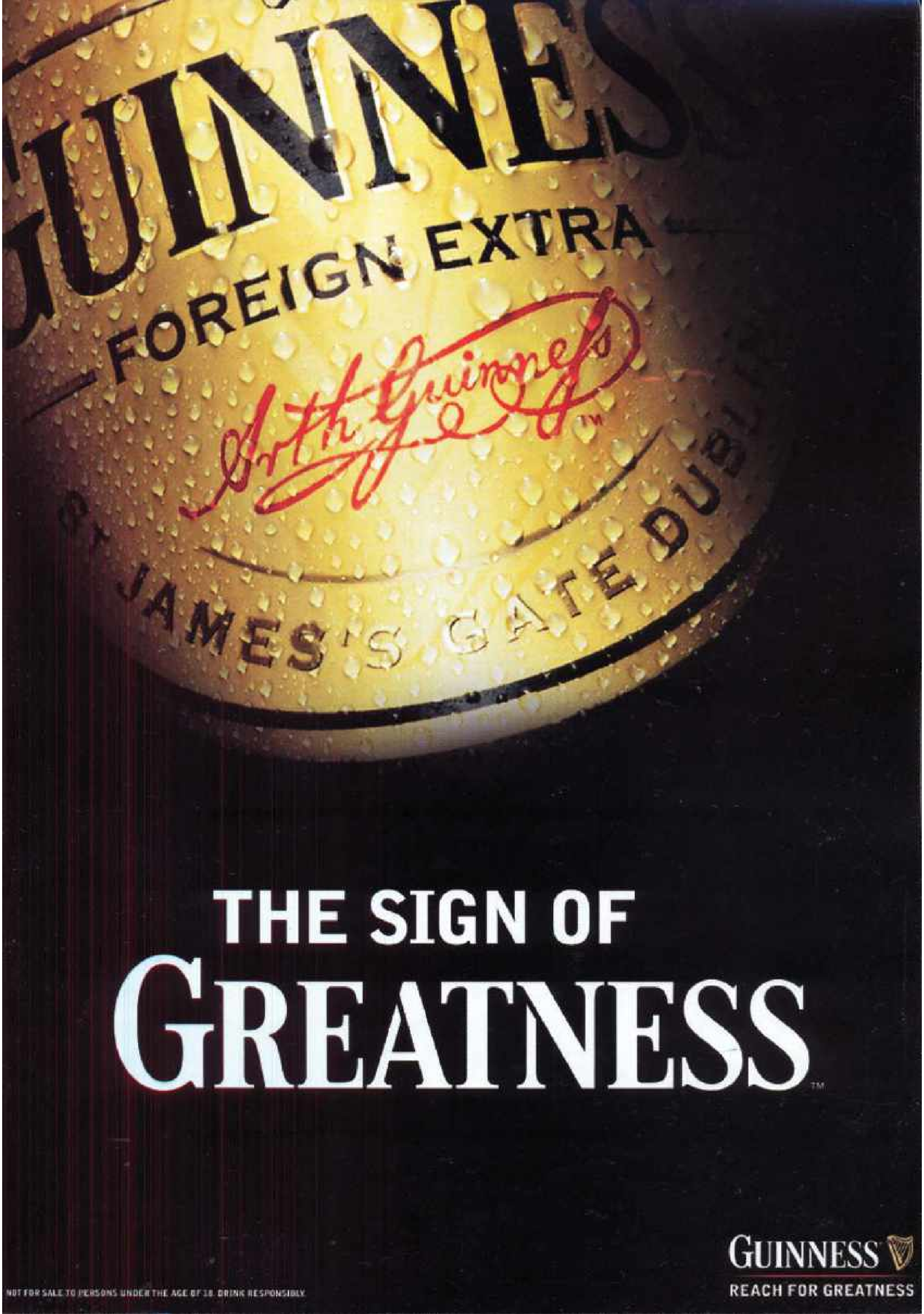
From September 2008, GGBL is using this new way of working, dubbed the 'Simple Business Model' or SBM for short, supported by the SAP system, to harmonise every aspect of its operations from end to end, from manufacturing right through to product dispatch.

The move to standardise our systems and processes across Diageo also covers the transition to the Global Shared Services (GSS) platform in September 2008.

The GSS journey means migrating some of our back office processing in the areas of Purchase to Pay (PTP); Record to Report (RTR) and Master Data from our offices here in Ghana to Accenture offices in Manila, Philippines. We are doing this as part of a global move across the Diageo world to sharpen our commercial focus by transferring some of our processes to a global partner, Accenture, who are to handle the same processes for all Diageo markets across the world more efficiently by leveraging economies of scale. GSS represents a new era for our business - we'll be able to operate faster and more efficiently to beat the competition and drive Destination 2011.

SAP/SBM

"From September 2008, GGBL is using this new way of working, dubbed the 'Simple Business Model' or SBM for short, supported by the SAP system, to harmonise every aspect of its operations from end to end, from manufacturing right through to product dispatch.


FOREIGN EXTRA
THE SIGN OF
GREATNESS
GUINNESS
REACH FOR GREATNESS
NOT FOR SALE TO PERSONS UNDER THE AGE OF 18. DRINK RESPONSIBLY.

"2PUFF-Malta Guinness Street Dance
Pan-African Champions"

• One of 4 pitch panels @ stadium
• Hawking & hawker branding

Gulder Men Of Quality

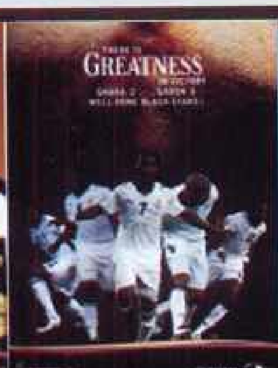

Sports
Guinness Launches 'Football Greatness'

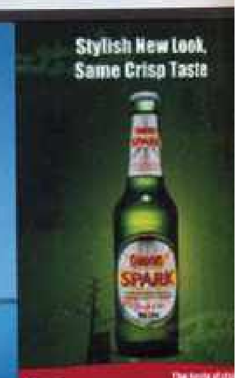
Guinness Football

Bus Donation

Black Stars Contract Renewal

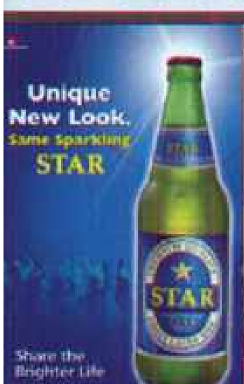
Malta Guinness Street Dance

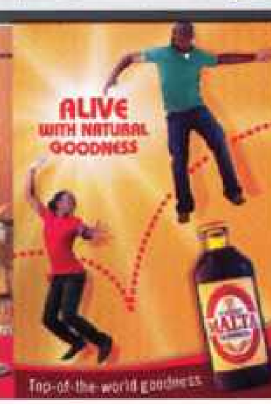




Believe Campaign

Malta Guinness Quench Launch





Consolidated Income Statement
For The Year Ended 30 June 2008

		The Group		The Company	
			Restated		Restated
		2008	2007	2008	2007
	Note	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Turnover	6	164,441	124,848	137,475	93,575
Cost of Sales		(100,043)	(80,115)	(83,329)	(58,211)
Gross Profit		64,398	44,733	54,146	35,364
General Administrative and Selling Expenses		(36,824)	(23,059)	(30,083)	(14,651)
Trading Profit		27,574	21,674	24,063	20,713
Other Income	7	805	1,138	736	539
Profit before Exceptional items, Net Finance Cost and Taxation		28,379	22,812	24,799	21,252
Exceptional items	8		(2,494)		(2,494)
Profit before Net Finance Cost and Taxation	9	28,379	20,318	24,799	18,758
Net Finance Cost	11	(5,297)	(5,119)	(5,192)	(4,569)
Profit before Taxation		23,082	15,199	19,607	14,189
Taxation	12(i)	(6,412)	(1,105)	(5,914)	(1,105)
Profit for the year		16,670	14,094	13,693	13,084
Attributable to:					
Equity shareholders of the parent company		16,662	14,092	13,693	13,084
Minority interests	28	8	2		
Profit for the year		16,670	14,094	13,693	13,084
Basic earnings per share (Ghana cedi per share)	23	GH¢0.1001	GH¢0.0854	GH¢0.0830	GH¢0.0793
Diluted earnings per share (Ghana cedi per share)	23	GH¢0.1001	GH¢0.0854	GH¢0.0830	GH¢0.0793

The notes on pages 31 to 68 are an integral part of these financial statements.

Consolidated Statement of recognised Income and Expense For The Year Ended 30 June 2008

	The Group		The Company	
			Restated	Restated
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Profit for the year	16,670	14,094	13,693	13,084
Total recognised income and expense for the year	16,670	14,094	13,693	13,084
Attributable to:				
Equity shareholders of the parent company	16,662	14,092	13,693	13,084
Minority interests	8	2	-	-
Total recognised income and expense for the year	16,670	14,094	13,693	13,084

The notes on pages 31 to 68 are an integral part of these financial statements.

Balance Sheet At 30 June 2008

		The Group		The Company	
			Restated		Restated
		2008	2007	2008	2007
	Note	GH¢'000	GH¢'000	GH¢'000	GH¢'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	-	77,681	93,701	45,513
Goodwill	16	-	6,574	-	-
Intangible assets	14	-	254	6,299	254
Investment	15	-	-	-	34,960
Total Non-Current Assets		-	**84,509**	**100,000**	**80,727**
Current assets					
Inventories	17	-	24,424	33,561	17,433
Income tax asset	12	-	-	-	39
Trade and other receivables	18	-	18,684	15,617	11,857
Amount due from related companies	27	-	-	155	3,724
Cash and cash equivalents	19	-	5,010	6,070	1,234
Total Current Assets		-	48,118	55,403	34,287
Total assets		-	132,627	155,403	115,014
EQUITY AND LIABILITIES					
Equity attributable to equity shareholders of the parent					
Share Capital	22	-	26,252	26,252	26,252
Retained Earnings	22	-	38,047	35,913	33,763
		-	64,299	62,165	60,015
Minority Interest	28	-	95	-	-
Total equity		-	64,394	62,165	60,015
Non-current liabilities					
Medium-term loans	21	-	27,000	18,000	27,000
Deferred tax liability	12 (iv)	-	886	9,232	1,479
Total non-current liabilities		-	27,886	27,232	28,479
Current liabilities					
Bank overdraft	20	-	11,008	8,557	7,248
Short-term loans	21	-	2,367	9,000	2,367
Trade and Other payables	24	-	17,393	14,761	7,704
Income tax liability	12	-	378	1,528	-
Amount due to related companies	27	-	8,850	27,862	8,850
Provisions	25	-	351	4,298	351
Total current liabilities		-	40,347	66,006	26,520
Total liabilities		-	68,233	93,238	54,999
Total equity and liabilities		-	132,627	155,403	115,014

Director

Director

The annexed notes on pages 31 to 68 are an integral part of these financial statements.

Statement Of Cash Flow For The Year Ended 30 June 2008

		The Group		The Company	
			Restated		Restated
		2008	2007	2008	2007
	Note	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash Flows Operating Activitiets					
Profit before taxation		-	15,199	19,607	14,189
Adjustment for:					
Depreciation charges		-	5,582	4,985	3,793
Loss/ (Profit) on sale of property, plant and equipment		-	(651)	1,202	(52)
Property, plant and equipment written off		-	450	127	450
Net interest expense		-	5,119	5,192	4,569
Tax provision relating merger arrangement		-	-	498	-
Net balances on merger		-	-	4,517	-
		-	**25,699**	**36,128**	**22,949**
Increase in inventories		-	(7,098)	(16,128)	(5,167)
Decrease /Increase in trade and other receivables		-	(3,241)	(3,760)	(3,042)
Increase/ (Decrease) in creditors		-	(6,160)	6,706	(7,635)
Increases in related company balances		-	3,897	22,581	1,601
Increase in provisions		-	-	4,298	-
Cash flow from operations		-	13,097	49,825	8,706
Income taxes paid		-	(3,474)	(2,525)	(3,286)
Interest paid		-	(5,128)	(5,267)	(4,578)
Net Cash flow from operating activities		-	4,495	42,033	842
Cash Flows Investing Activities					
Additions to property, plant and equipment		-	(8,720)	(24,212)	(6,375)
Additions to intangible assets			(254)	(6,045)	(254)
Investment in subsidiary		-	(3)	-	(3)
Proceeds from sale of property, plant and equipment		-	761	154	57
Interest received		-	9	75	9
Net cash flow from investing activities		-	(8,207)	(30,028)	(6,566)

The annexed notes on pages 31 to 68 are an integral part of these financial statements.

Statement Of Cash Flow For The Year Ended 30 June 2008

		The Group		The Company	
			Restated		Restated
		2008	2007	2008	2007
	Note	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash flow from financing activities					
Dividends paid		-	(6,059)	(6,111)	(6,059)
Net movement in loan balances		-	22,578	(2,367)	22,886
Net cash flow from financing activities		-	16,519	(8,478)	16,827
Increase/ (Decrease) in cash and cash equivalents		-	12,807	3,527	11,103
Analysis of changes in cash and cash equivalents during the year					
Balance at 1 July		-	(18,805)	(6,014)	(17,117)
Net cash flow		-	12,807	3,527	11,103
Balance at 30 June		-	(5,998)	(2,487)	(6,014)
Analysis of balances of cash and cash equivalents as shown in the balance sheet					
Bank and cash balances		-	5,010	6,070	1,234
Bank overdraft		-	(11,008)	(8,557)	(7,248)
Balance at 30 June		-	(5,998)	(2,487)	(6,014)

The notes on pages 31 to 68 are an integral part of these financial statements.

1. REPORTING ENTITY

Guinness Ghana Breweries Limited (GGBL) is a company registered and domiciled in Ghana. The address of the company's registered office can be found on page 2 of the annual report. The company manufactures sells and deals in beer, stout, malt drinks and their ancillary products.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB). These are the company's first set of financial statements prepared in accordance with IFRS and IFRS 1 has been applied. In accordance with the transitional requirements of these standards, the company has provided full comparative information. An explanation of how the transition to IFRS has affected the reported financial position, performance and cash flows of the company is provided in note 37.

b. Basis of measurement

The financial statements are prepared on the historical cost basis except for financial assets and liabilities that are stated at fair values.

c. Functional and presentational currency

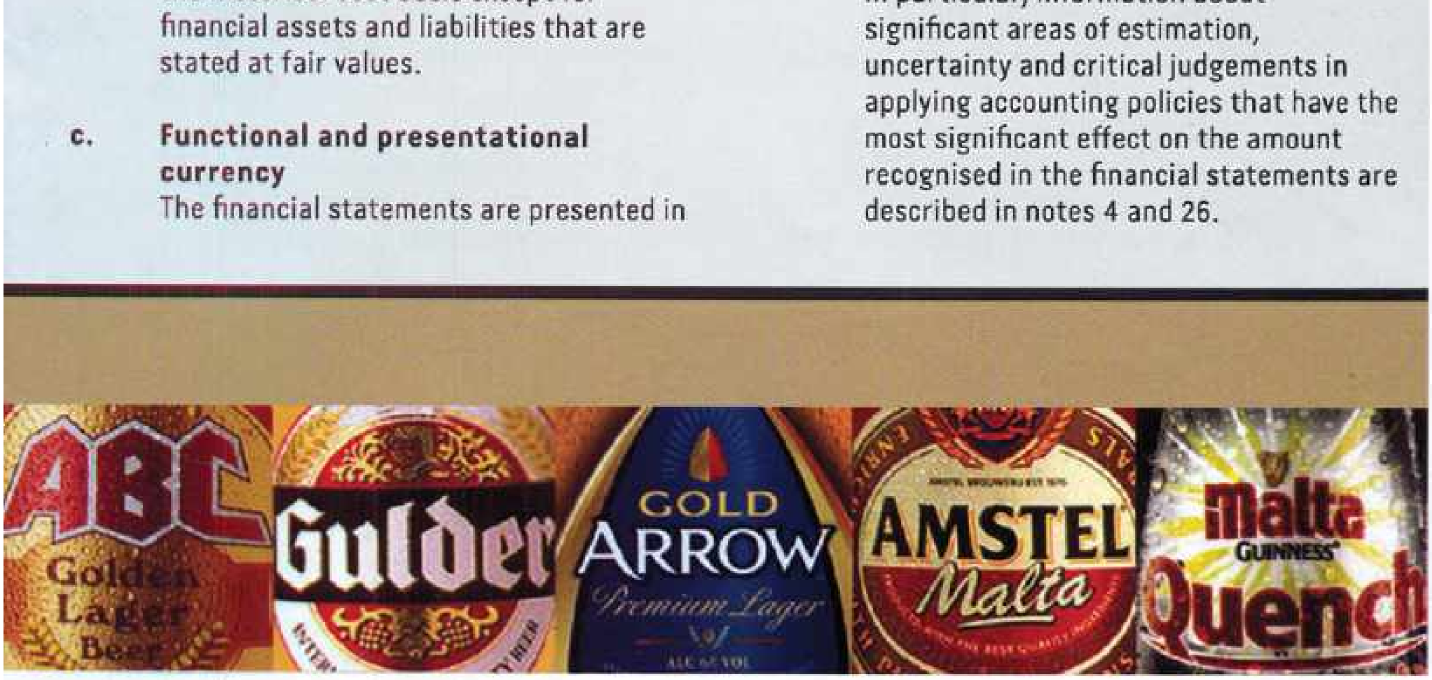
The financial statements are presented in Ghana cedis (GH¢), which is the company's functional and presentational currency.

d. Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in notes 4 and 26.



3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the company and in preparing an opening balance sheet at 1 July 2007 for the purpose of transition to IFRS.

a. Foreign currency transactions

The company's foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost or exchange rates at the date that fair value was determined if held at fair value, and the resulting foreign exchange gains and losses are recognised in the income statement or shareholders' equity, as appropriate.

b. Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are categorised, as follows:

- Loans and receivables - these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortised cost using the effective interest rate method, less any impairment losses.
- Financial liabilities measured at amortised cost - this relates to all other liabilities that are not designated at fair value through profit or loss.
- Available for Sale: These are non-derivative financial assets that are designated as available for sale or are not classified as financial asset at fair value through profit or loss; loans and receivables and held to maturity.

Non-derivative financial instruments are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition non-derivative financial instruments other than available for sale financial assets are measured at amortised cost using the effective interest rate method, less any impairment losses, if any.

Available for sale financial assets are measured at fair value with the resultant fair value changes recognised in equity. The fair value changes on available -for sale financial assets are recycled to income statement when the underlying asset is sold; matured or derecognized. Available -for sale assets for which there is no realistic basis of determining fair values are measured at cost.

(ii) *Off setting*

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(iii) *Amortised cost measurement*

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

c. Leases

(i) *Classification*

Leases that the company assumes substantially all the risks and rewards of ownership of the underlying assets are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and present value of the minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases.

(ii) *Lease Payments*

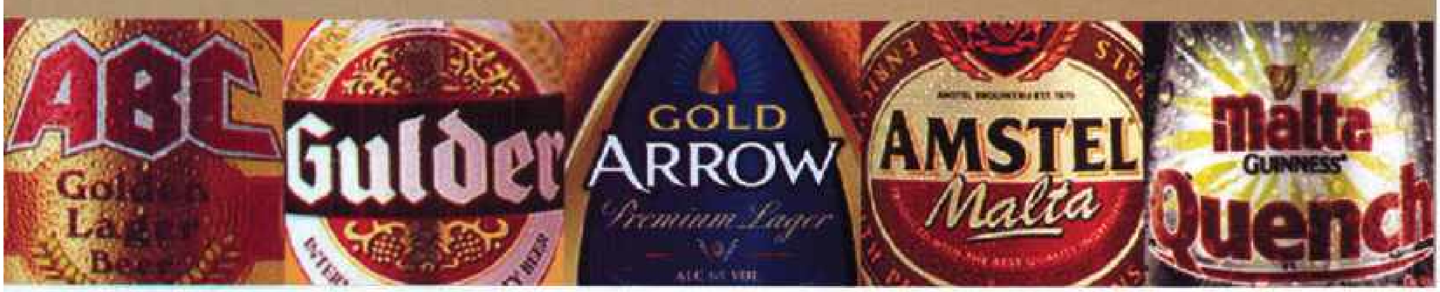
Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.
Minimum lease payments made under finance leases are apportioned between the finance expense and as reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

d. Property, plant and equipment

(i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components).



(ii) *Subsequent costs*

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

(iii) *Depreciation*

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:
The annual rates generally in use are as follows:-

Buildings	-	life of lease up to 50 years
Plant and Machinery	-	3.33% - 12.5%
Motor Vehicles and Computers	-	20% - 33.33%
Furniture and Office Equipment	-	12.5% - 20%

Depreciation methods, useful lives and residual values are reassessed at each reporting date. Gains and losses on disposal of property, plant and equipment are included in the income statement.

e. Goodwill and Intangible Assets

Goodwill

Goodwill arising on acquisition represents the excess of acquisition costs over the company's interest in the fair value of net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment loss.

Goodwill is not amortised, rather it is reviewed for impairment annually. Any impairment loss is charged in the income statement.

Negative goodwill is not recognised. Any excess of fair value of net assets acquired over and above the total cost of acquisition is recognised in the income statement in the period of acquisition.

Software

Software acquired by the company is stated at cost less accumulated amortisation and accumu lated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future

economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred. Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three years.

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

g. Trade and Other Receivables

Trade receivables are stated at amortised costs, less impairment losses. Specific allowances for doubtful debts are made for receivables of which recovery is doubtful, general allowances for doubtful debts are recorded for the remaining receivables taking into account past experiences.

Other receivables are stated at their cost less impairment losses.

h. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and bank balances and these are carried at amortised cost in the balance sheet.

i. Employee Benefits

Defined contribution plans

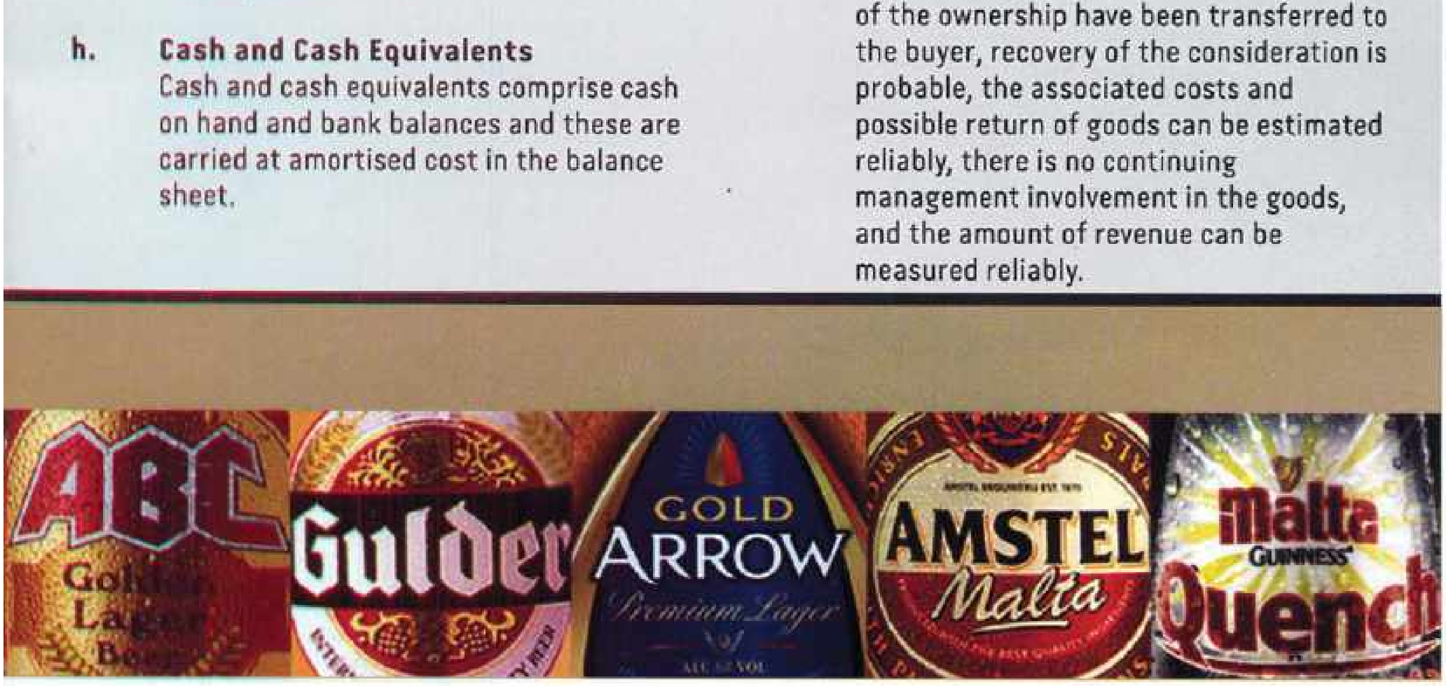
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution schemes are recognised as an expense in the income statement when they are due.

j. Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

k. Revenue - Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, taxes and volume rebates. Revenue is recognised when the significant risks and rewards of the ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement in the goods, and the amount of revenue can be measured reliably.



l. Finance Income and Expenses

Finance income comprises interest income on funds invested and is recognised in the income statement using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the income statement using the effective interest method.

m. Share capital (Stated capital)

Ordinary Shares

Proceeds from issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of or dinary shares are recognised as a deduction from equity, net of any tax effects.

n. Impairment

(i) Financial assets

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.
All impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be re lated objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

o. Income tax

Income tax expense comprises current and deferred tax. The company provides for income taxes at the current tax rates on the taxable profits of the company.

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

p. Dividend

Dividend payable is recognised as a liability in the period in which they are declared.

q. Post Balance Sheet Events

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

r. Segment reporting

A segment is a distinguishable component of the company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

s. Earnings per share

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

t. Comparatives

Where necessary the comparative information has been reclassified to agree to the current year presentation.

u. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 June 2008, and have not been applied in preparing these financial statements.

- IFRS 8 Operating Segments introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the company's 2009 financial statements, will require the

disclosure of segment information based on the internal reports regularly reviewed by the company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the company presents segment information in respect of its business segments (see note 5).

- Revised IAS 23 - Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, as part of the cost of that asset. The revised IAS 23 will become mandatory for the company's 2010 financial statements and will constitute a change in accounting policy for the company. In accordance with the transitional provisions, the company will apply the revised IAS 23 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date.

- ***IAS 32 - Financial Instruments:***
  Presentation and IAS 1 Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation will become mandatory for the 30 June 2010 financial statements. This amendment requires certain puttable instruments that meet the definition of a financial liability to be classified as equity if and only if they meet the required conditions. It is not expected to have any impact on the financial statements.

- ***IFRS 2 amendment Share based payment:***
  vesting conditions and cancellations will become mandatory for the 30 June 2010 financial statements and applies retrospectively. The amendments apply to equity-settled share-based payment transactions and clarify what are vesting and "non-vesting conditions". Vesting conditions are now limited to service conditions (as defined in the current IFRS 2 and performance conditions. Non-vesting conditions are conditions that do not determine whether the entity receives the services that entitle the counterparty to a share-based payment are non-vesting conditions. Non-vesting conditions are taken into account in measuring the grant date fair value and thereafter there is no "true-up" for differences between expected and actual outcomes. These changes will have no impact on the company's financial statements.

- IFRS 3 Business Combinations will become mandatory for the 30 June 2010 financial statements. This standard requires all future transaction costs relating to business combinations to be expensed and contingent purchase consideration recognised at fair value at acquisition date. For successive share purchases, any gain or loss for the difference between the fair value and the carrying amount of the previously held equity interest in the acquiree must be recognised in income statement. It is not expected to have any impact on the company's financial statements.

- IFRIC 11 IFRS 2 - Bank and Treasury Share Transactions requires a share-based payment arrangement in which an entity receives goods or services as consideration for its own equity instruments to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instrumentsare obtained. IFRIC 11 will become mandatory for the company's 2009 financial statements, with retrospective application required. It is not expected to have any impact on the f inancial statements.

- IFRIC 12 Service Concession Arrangements provides guidance on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. IFRIC 12, which becomes mandatory for the company's 2008 financial statements, is not expected to have any effect on the financial statements.

- IFRIC 13 Customer Loyalty Programmes addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes for their customers. It relates to customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13, becomes mandatory for the company's 2009 financial statements.

- IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements (MFR) on such assets. It also addresses when a MFR might give rise to a liability. IFRIC 14 will become mandatory for the company's 2009 financial statements, with retrospective application required. It is not expected to have any impact on the financial statements.

v. Subsidiaries

Subsidiaries are all entities including special purpose entities over which the company has the power to directly or indirectly govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

Subsidiaries are fully consolidated from the date on which the company effectively obtains control. They are de-consolidated from the date the control ceases.

The company accounts for common control on acquisition or disposals of subsidiaries on cost basis and the resultant gains and losses are recognised in the income statement.

4. DETERMINATION OF FAIR VALUES

A number of the company's accounting policies and disclosures require the de termination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the

following methods. Where applicable, fur ther information about the assumptions made in determining fair values is disclosed in the notes specific to that as set or liability.

The following sets out the company's basis of determining fair values of financial instruments disclosed under note 26.

(i) *Trade and other receivables*

The estimated fair value of trade and other receivables represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates of instruments with similar credit risk profile and maturity. Receivables due within a 6 month period are not discounted as they approximate their fair values.

(ii) *Cash and cash equivalents*

The fair value of cash and cash equivalents approximates their carrying values.

(iii) *Investment in Subsidiary*

The fair value of investment in subsidiary (unlisted) approximates its cost as its fair value cannot be reliably measured.

(v) *Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the current market rate of interest of instruments with similar maturity profile at the reporting date. Instruments with maturity period of 6 months are not discounted as carrying values approximates fair values.

5. SEGMENTAL REPORTING

Segmental information is presented in respect of the company's business segments. The primary format and business segments is based on the company's management and internal reporting structure. The company's results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses, which are managed centrally.

The company's main business segment is the manufacture, sales and dealing in beer, stout, malt drinks and their ancillary products.

The two main business segments are:

- Continuing operations
- Discontinued operations

The company does not have a geographical segment.

5. SEGMENTAL REPORTING (CONT.)

The Group

Class of business

	Continuing Operations		Discontinued Operations		Total	
	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Segment revenue	164,441	124,848	-	-	164,441	124,848
Segment results	64,398	44,733	-	-	64,398	44,733
Net Unallocated expenses					(36,019)	(24,415)
Results from operating activities					28,379	20,318
Net finance costs					(5,297)	(5,119)
Income tax expense					(6,412)	(1,105)
Profit for the year					16,670	14,094
Total assets					-	132,627
Total liabilities					-	68,233
Other segment items						
Depreciation and amortisation					5,941	5,582

The Company

Class of business

	Continuing Operations		Discontinued Operations		Total	
	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Segment revenue	137,475	93,575	-	-	137,475	93,575
Segment results	54,146	35,364	-	-	54,146	35,364

5. SEGMENTAL REPORTING (CONT.)

	Continuing Operations		Discontinued Operations		Total	
	2008	2007	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Net Unallocated expenses					(29,347)	(16,606)
Results from operating activities					24,799	18,758
Net finance costs					(5,192)	(4,569)
Income tax expense					(5,914)	(1,105)
Profit for the year					13,693	13,084
Total assets					155,403	115,014
Total liabilities					93,238	54,999
Other segment items						
Depreciation and amortisation					4,985	3,793

6. REVENUE

	The Group		The Company	
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross Sales Value	227,555	182,800	187,325	133,872
Taxes collected for Government				
Excise Duty	33,335	33,993	25,318	22,755
Value Added Tax	29,779	23,959	24,532	17,542
	63,114	57,952	49,850	40,297
Net Sales Value	**164,441**	**124,848**	**137,475**	**93,575**

7. OTHER INCOME

	The Group		The Company	
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Sundry income	766	428	736	428
Net exchange gain	39	59	-	59
Profit on disposal of property, plant and equipment	-	651	-	52
	805	1,138	736	539

8. EXCEPTIONAL ITEM

Stock write off	-	2,494	-	2,494

9. PROFIT BEFORE NET FINANCE COST AND TAXATION is stated after charging:

	The Group		The Company	
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Personnel cost (note 10)	11,971	8,120	8,064	4,038
Directors' Remuneration	395	238	395	161
Auditors' Remuneration	125	110	90	65
Depreciation	5,941	5,582	4,985	3,793
Net finance cost (note 11)	5,297	5,119	5,192	4,569
Donations	39	-	38	-

10. PERSONNEL COSTS

Wages and salaries	4,867	4,576	3,086	2,145
Social security contributions	688	485	486	262
Contributions to provident fund	730	524	484	317
Other staff expenses	5,686	2,535	4,008	1,314
	11,971	8,120	8,064	4,038

The average number of persons employed by the company during the year was 589 (2007: 521).

11. NET FINANCE COST

Interest income	75	9	75	9
Interest expense	(5,372)	(5,128)	(5,267)	(4,578)
	(5,297)	(5,119)	(5,192)	(4,569)

12. TAXATION

(i) Income tax expense

	The Group 2008 GH¢'000	The Group 2007 GH¢'000	The Company 2008 GH¢'000	The Company 2007 GH¢'000
Current tax expense (note 12(ii))	3,335	3,125	2,837	3,125
Deferred tax (credit)/expense (note 12(iv))	3,077	(2,020)	3,077	(2,020)
	6,412	1,105	5,914	1,105

(ii). Income tax – The Group

	Balance at 1/7/07 GH¢'000	Released/ Transferred GH¢'000	Charge to I& S GH¢'000	Balance at 30/6/08 GH¢'000
Income Tax				
1998 -2003	145	-	-	145
2004	103	-	-	103
2005	(714)	-	-	(714)
2006	868	-	-	868
2007	(14)	-	-	(14)
2008	-	(3,723)	3,335	(388)
	388	(3,723)	3,335	-
National Reconstruction Levy	(10)	10	-	-
	378	(3,713)	3,335	-

There was no income tax balance for the group at the balance sheet date as a result of a merger arrangement under which the company took over assets and liabilities of the subsidiary on 21st February 2008.

(iii). Income tax – The Company

	Balance At 1/7/07 GH¢'000	Merger Balance Assumed at 1/7/07 GH¢'000	Payments GH¢'000	Charge to I & S GH¢'000	Balance at 30/6/08 GH¢'000
Income Tax					
2004	103	30	-	-	133
2005	(85)	(172)	-	-	(257)
2006	(54)	923	-	-	869
2007	(14)	-	-	-	(14)
2008	-	-	(2,525)	3,335	810
	(50)	781	(2,525)	3,335	1,541
Capital gains Tax	-	11	-	-	11
National Reconstruction Levy	11	(35)	-	-	(24)
	(39)	757	(2,525)	3,335	1,528

12. TAXATION (CONT'D)

Tax liabilities for the respective years 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 for the year 2005 was 1.5%. The NRL has been abolished since the year 2005. Therefore no provision has been made in the financial statements in respect of this levy.

(iv) Reconciliation of effective tax rate

	The Group		The Company	
	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Profit before taxation	23,082	15,199	19,607	14,189
Income tax using the domestic tax rate (25%)	5,771	3,780	4,902	3,547
Non-deductible expenses	7,041	7,296	7,412	7,529
Tax exempt revenues	(8,326)	(6,522)	(8,326)	(6,522)
Tax incentives not recognised in the income statement	(1,151)	(1,429)	(1,151)	(1,429)
Deferred tax charges	3,077	(2,020)	3,077	(2,020)
Current tax charge	6,412	1,105	5,914	1,105
Effective tax rate	28%	7%	30%	8%

(v) Deferred Taxation

	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Balance at 1 July	-	2,906	886	3,499
Charged/(Credit)for the year	-	(2,020)	3,077	(2,020)
Deferred taxes on acquired on merger assets acquired	-	-	2,137	-
Effect of prior year deferred tax charges	-	-	3,132	-
Balance at 30 June	-	886	9,232	1,479

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2008			2007		
	Assets GH¢'000	Liabilities GH¢'000	Net GH¢'000	Assets GH¢'000	Liabilities GH¢'000	Net GH¢'000
Property and equipment	-	9,232	9,232	-	886	886
Net tax (assets)/liabilities	-	9,232	9,232	-	886	886

13. PROPERTY, PLANT AND EQUIPMENT

The Group

2007	Buildings GH¢'000	Plant Machinery GH¢'000	Motor Vehicles GH¢'000	Furniture/ Office Equip. GH¢'000	Capital Work in-Progress GH¢'000	Total GH¢'000
Cost						
At 1/7/06	12,467	62,160	1,642	2,627	11,213	90,109
Additions	-	247	837	524	7,112	8,720
Disposals	(1)	(247)	(422)	(92)	-	(762)
Transfers	1,098	14,121	5	160	(15,384)	-
Write off	-	-	-	-	(450)	(450)
At 30/6/07	13,564	76,281	2,062	3,219	2,491	97,617
Depreciation						
At 1/7/06	733	11,768	1,014	1,491	-	15,006
Charge for the year	343	4,058	460	721	-	5,582
Released on disposals	(1)	(146)	(417)	(88)	-	(652)
At 30/6/07	1,075	15,680	1,057	2,124	-	19,936
Net Book Value						
At 30/6/07	12,489	60,601	1,005	1,095	2,491	77,681
At 30/6/06	11,734	50,392	628	1,136	11,213	75,103

There were no group property, plant and equipment at the balance sheet date as a result of merger arrangement with the subsidiary during the year as disclosed under note 15.

The Company
2008

	Buildings GH¢'000	Plant Machinery GH¢'000	Motor Vehicles GH¢'000	Furniture/ Office Equip. GH¢'000	Capital Work in-Progress GH¢'000	Total GH¢'000
Cost						
At 1/7/07	1,159	53,976	2,044	2,888	1,610	61,677
Additions	21	300	608	747	22,536	24,212
Disposals	(8)	(3,925)	(69)	(344)	-	(4,346)
Transfers	309	5,493	6	715	(6,523)	-
Write off	-	(3)	-	(124)	-	(127)
Acquired through merger arrangement	4,359	33,284	41	777	1,311	39,772
At 30/6/08	5,840	89,125	2,630	4,659	18,934	121,188
Depreciation						
At 1/7/07	225	13,080	1,099	1,760	-	16,164
Charge for the year	80	3,725	400	780	-	4,985
Released on disposals	(2)	(2,738)	(31)	(219)	-	(2,990)
Recognised through merger arrangement	1,308	7,492	28	500	-	9,328
At 30/6/08	1,611	21,559	1,496	2,821	-	27,487
Net Book Value						
At 30/6/08	4,229	67,566	1,134	1,838	18,934	93,701
At 30/6/07	934	40,896	945	1,128	1,610	45,513

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company

2007	Buildings GH¢'000	Plant Machinery GH¢'000	Motor Vehicles GH¢'000	Furniture/ Office Equip. GH¢'000	Capital Work in-Progress GH¢'000	Total GH¢'000
Cost						
At 1/7/06	691	40,944	1,375	2,319	10,593	55,922
Additions	-	247	837	513	4,778	6,375
Disposals	-	-	(170)	-	-	(170)
Transfers	468	12,785	2	56	(13,311)	-
Write off	-	-	-	-	(450)	(450)
At 30/6/07	1,159	53,976	2,044	2,888	1,610	61,677
Depreciation						
At 1/7/06	194	10,249	892	1,201	-	12,536
Charge for the year	31	2,831	372	559	-	3,793
Released on disposals	-	-	(165)	-	-	(165)
At 30/6/07	225	13,080	1,099	1,760	-	16,164
Net Book Value						
At 30/6/07	934	40,896	945	1,128	1,610	45,513
At 30/6/06	497	30,695	483	1,118	10,593	43,386

Disposal of property, plant and equipment

	The Group 2008 GH¢'000	The Group 2007 GH¢'000	The Company 2008 GH¢'000	The Company 2007 GH¢'000
Cost	4,570	762	4,346	170
Less: Accumulated depreciation	3,198	652	2,990	165
Net book value	1,372	110	1,356	5
Less: Proceeds	560	761	154	57
(Loss)/gain on disposals released to Income statement	(812)	651	(1,202)	52

Depreciation has been charged in the profit and loss account as follows:-

	The Group 2008 GH¢'000	The Group 2007 GH¢'000	The Company 2008 GH¢'000	The Company 2007 GH¢'000
Cost of sales	4,443	4,383	3,725	2,844
General, administrative and selling expenses	1,498	1,199	1,260	949
	5,941	5,582	4,985	3,793

14. INTANGIBLE ASSETS

	The Group		The Company	
	2008	2007	2008	2007
Cost	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 July	-	496	750	496
Acquisition	-	254	6,045	254
Balance at 30 June	-	750	6,795	750
Amortisation				
Balance at 1 July	-	496	496	496
Amortisation for the year	-	-	-	-
Balance at 30 June	-	496	496	496
Carrying amount				
At 30 June	-	254	6,299	254

15. INVESTMENT (Unquoted)

Balance at 30 June	-	-	-	34,960

This represents the cost of acquiring a majority stake in the company's subsidiary. Under a merger arrangement, the assets and liabilities of the subsidiary were taken over by the company on 21st February 2008. At that date, the investment in the subsidiary was derecognised.

16. GOODWILL

	The Group		The Company	
		Restated		
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Purchase consideration	-	34,960	-	-
Less: Fair value of net assets acquired	-	28,386	-	-
Goodwill	-	6,574	-	-

17. INVENTORIES

Raw and packaging materials	-	18,700	25,882	14,153
Work-in-progress	-	534	881	257
Finished products	-	569	1,963	508
Engineering and consumables	-	4,621	4,835	2,515
	-	24,424	33,561	17,433

18. TRADE & OTHER RECEIVABLES

	The Group		The Company	
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Trade receivables	-	14,782	11,034	9,389
Other receivables	-	3,707	3,634	2,311
Prepayments	-	195	949	157
	-	18,684	15,617	11,857

19. CASH & CASH EQUIVALENTS

	The Group		The Company	
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Bank balances	-	4,997	6,039	1,230
Cash balances	-	13	31	4
	-	5,010	6,070	1,234

20. BANK OVERDRAFT

	The Group		The Company	
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Standard Chartered Bank Ltd	-	4,497	6,516	4,497
Barclays Bank Limited	-	6,098	2,041	2,751
Ecobank Ghana Ltd	-	413	-	-
	-	11,008	8,557	7,248

Standard Chartered Bank

The company has an overdraft facility of GH¢500,000 with the bank to augment the company's working capital requirements. Interest rate is at SCB base rate minus 4.99% payable monthly. This facility in addition to the bank loan (note 21) is secured by a debenture agreement between the company and SCB (EUR 4.9 million), Ecobank (EUR 2.36 million), SG-SSB (EUR 2.5 million) and an inter-branch indemnity from SCB London to cover GH¢4.84 million.

Barclays Bank Limited

The company had an overdraft facility of GH¢ 300,000 with the bank to assist with the company's working capital requirements. Interest rate was at 17.25% per annum. The facility expired on 7th April 2007 and the company is in the final process of renewing the facility. The overdraft is not secured.

21. SHORT AND MEDIUM-TERM LOANS

The outstanding balances due have been disclosed in the financial statements as follows:-

	The Group		The Company	
	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Short-term loans	-	2,367	9,000	2,367
Medium-term loans	-	27,000	18,000	27,000

This loan facility is a medium term loan borrowed from Standard Chartered Bank for the financing of core working capital and capital expenditure projects. The facility attracts interest at 14.5% p.a. and is secured by a debenture agreement as disclosed under note 20.

There was a 12 month moratorium on principal repayment. Half yearly principal repayment of GH¢5 million will commence in August 2008. Interest is being paid during the moratorium period.

22. CAPITAL & RESERVES

(i) **Reconciliation of movement in capital and reserves**

The Group

2007	Share Capital GH¢'000	Revaluation Surplus GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 July 2006 (Restated)	26,252	-	31,334	57,586
Prior year adjustment (note 29)	-	-	(1,320)	(1,320)
Total recognised income and expense	-	-	14,092	14,092
Dividend paid	-	-	(6,059)	(6,059)
Balance at 30 June 2007	26,252	-	38,047	64,299

There were no capital and reserves for the group at the balance sheet date as a result of a merger arrangement under which the company took over assets and liabilities of the subsidiary on 21st February 2008 as disclosed in note 15.

The Company

2007	Stated Capital GH¢'000	Revaluation Surplus GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 July 2006 (Restated)	26,252	-	28,058	54,310
Prior year adjustment (note 29)	-	-	(1,320)	(1,320)
Total recognised income and expense	-	-	13,084	13,084
Dividend paid	-	-	(6,059)	(6,059)
Balance at 30 June 2007	26,252	-	33,763	60,015

(i) **Reconciliation of movement in capital and reserves (Cont'd)**

The Company

2008	**Share Capital GH¢'000**	**Revaluation Surplus GH¢'000**	**Retained Earnings GH¢'000**	**Total Equity GH¢'000**
Balance at 1 July 2007 (Restated)	26,252	-	33,763	60,015
Prior year adjustment			(163)	(163)
Deferred tax on assets acquired under merger arrangements	-	-	(2,137)	(2,137)
Prior years' deferred tax adjustments	-	-	(3,132)	(3,132)
Total recognised income and expenses	-	-	13,693	13,693
Dividend paid	-	-	(6,111)	(6,111)
Balance at 30 June 2008	26,252	-	35,913	62,165

(ii) **Share Capital (Stated Capital)**

(a) Ordinary Shares

	Number of Shares		**Proceeds**	
	2008 'm	**2007 'm**	**2008 GH¢'000**	**2007 GH¢'000**
Authorised:				
Ordinary shares of no par value	200	200		
Issued and fully paid				
For Cash	37	37	7,051	7,051
For consideration other than cash	35	35	18,926	18,926
Transfer from Income Surplus Account	93	93	275	275
	165	165	26,252	26,252

The holders of the ordinary share are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the company.

(b) Shares in treasury

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

(iii) **Revaluation Surplus**

This represented gain arising on revaluation of property and equipment prior to the adoption of IFRS. In its first time adoption of IFRS, the company is accounting for property, plant and equipment using the cost model. The accumulated gains have been transferred to the retained earnings.

(iv) **Retained earnings (Income surplus)**

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

23. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 30 June 2008 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders

	The Group		The Company	
	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Net Profit attributable to ordinary shareholders	16,622	14,092	13,693	13,084

Weighted average number of ordinary shares

	'000	'000	'000	'000
Weighted average number of ordinary shares	165,000	165,000	165,000	165,000

At the Balance sheet date, the basic earnings per share and the diluted earning per share were the same. There were no outstanding shares with potential dilutive effect on the weighted average number of ordinary shares in issue.

24. TRADE & OTHER PAYABLES

	The Group		The Company	
	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Trade payables	-	10,777	5,684	3,978
Non-trade payables and accrued expenses	-	6,967	8,974	4,077
Minority Interest in Subsidiary (note 28)	-	-	103	-
	-	17,744	14,761	8,055

25. PROVISIONS

	The Group		The Company	
	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Integration	-	-	239	-
Service Fees	-	351	3,113	351
Restructuring	-	-	946	-
	-	351	4,298	351

Integration

Balance at 1 July 2007	-	-	-	-
Provisions made during the year	-	-	300	-
Payments/Releases made during the year	-	-	(61)	-
Balance at 30 June 2008	-	-	239	-

Ghana Breweries Limited (GBL), a subsidiary of the company, was put under voluntary liquidation on 21 February 2008. The provision relates primarily to professional charges that would be incurred during the liquidation process. The amount is based on estimates of professional and other company closure-related costs that will be incurred.

25. PROVISIONS (CONT'D)

Service Fee	The Group		The Company	
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 July 2007	-	351	-	351
Provisions made during the year	-	-	3113	-
Releases made during the year	-	(351)	-	(351)
Balance at 30 June 2008	-	-	3,113	-

This provision relates to technical service fees payable to Guinness Overseas Ltd and Heineken upon the renewal of the royalty and technical service contractual agreement. The company's royalty and technical service contractual agreement with Heineken expired in December 2005 whereas that with Guinness Overseas Ltd expired in 2007. The agreements at balance sheet date were under renewal and approval process with the Ghana Investment Promotion Council. The estimate is based on net proceeds of sales and weighted against certain percentages that were explicitly stated in the agreements.

Restructuring	The Group		The Company	
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Provisions made during the year	-	-	946	-
Payments/Releases made during the year	-	-	-	-
Balance at 30 June 2008	-	-	946	-

In May 2008, the company announced plant to close its operating plant at Ahinsan, Kumasi. This provision relates to termination benefits payable to employees and estimate of property, plant and equipment and other assets that would be impaired as a result of the closure of the Ahinsan plant.

26. FINANCIAL RISK MANAGEMENT

Overview

The company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risks

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

26. FINANCIAL RISK MANAGEMENT (CONT'D)

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board's Audit Committee is responsible for monitoring compliance with the company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the company.

The Audit Committee gain assurance in relation to the effectiveness of internal control and risk management from: summary information in relation to the management of identified risks; detailed review of the effectiveness of management of selected key risks; results of management's self assessment process over internal control; and the independent work of the Global Audit and Risk function, which ensures that the audit committee and management understand the company's key risks and risk management capability; sets standards on governance and compliance; and provides assurance over the quality of the company's internal control and management of key risks.

The company has established the Executive Management Committee (EMC), which is responsible for developing and monitoring the company's risk management policies. This committee meets weekly to discuss corporate plans, evaluate progress reports and action plans to be taken. Risk issues that may have financial reporting implications are brought to the attention of the Finance Director for the necessary action to be taken.

The company also has in place a Control Assurance and Risk Management (CARM) function, which monitors compliance with internal procedures and processes and also assess the effectives of internal controls.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from customers.

Trade receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit control committee has established a credit policy under which a new customer is analysed individually for credit worthiness before the company's standard payment terms and conditions are offered. The company generally trades with pre-defined and selected customers. Credit exposure on trade receivable is covered by customers issuing post-dated cheques to cover amount owed, as well as using landed properties as collateral.

26. FINANCIAL RISK MANAGEMENT (CONT'D)

Allowances for impairment

The company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for homogeneous assets in respect of losses that have been incurred but have not yet been identified. The collective loss allowance is determined based on historical data of payment for similar financial assets.

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	The Group		The Company	
	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Trade and other receivables	-	18,684	15,617	11,857
Amount due from related companies	-	-	155	3,724
Cash and cash equivalent	-	5,010	6,070	1,234
	-	23,694	21,842	16,815

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	The Group		The Company	
	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Key Distributors	-	15,878	14,285	10,428
Non-Key Distributors	-	3,427	3,718	1,140
	-	19,305	18,601	11,568

Impairment losses

The aging of trade receivables at the reporting date was:

The Group

	2008		2007	
	Gross GH¢'000	Impairment GH¢'000	Gross GH¢'000	Impairment GH¢'000
Current(less than 30 days)	-	-	14,826	-
Due but not impaired (30-180 days)	-	-	421	-
Impaired (more than 180 days)	-	-	4,058	1,405
	-	-	19,305	1,405

26. FINANCIAL RISK MANAGEMENT (CONT'D)

The Company

	2008		2007	
	Gross GH¢'000	Impairment GH¢'000	Gross GH¢'000	Impairment GH¢'000
Current(less than 30 days)	14,285	-	8,884	-
Due but not impaired (30-180 days)	406	-	252	-
Impaired (more than 180 days)	3,370	2,109	2,432	215
	18,601	2,109	11,568	215

The movement in impairment allowance in respect of trade receivables during the year was as follows:

	The Group		The Company	
	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Balance at 1 July	-	1,230	215	430
Impairment loss/ (release) recognised	-	175	1,894	(215)
Balance at 30 June	-	1,405	2,109	215

Based on historical default rates, the company believes that no impairment is necessary in respect of trade receivables past due up to 180 days. However, impairment loss has been recognised for specific customers whose debts are considered impaired.
No impairment loss was recognised for financial assets other than trade receivables.

(ii) Liquidity risk

Liquidity risk is the risk that the company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

The following are contractual maturities of financial liabilities:

The Group

30 June 2008

	Amount GH¢'000	6 mths or less GH¢'000	6-12mths GH¢'000
Non-derivative financial liability			
Secured bank loans	-	-	-
Trade and other payables	-	-	-
Bank overdraft	-	-	-
Balance at 30 June 2008	-	-	-

26. FINANCIAL RISK MANAGEMENT (CONT'D)

30 June 2007

	Amount GH¢'000	6mths or less GH¢'000	6-12mths GH¢'000
Non-derivative financial liability			
Secured bank loans	29,367	2,367	27,000
Trade and other payables	26,594	26,594	-
Bank overdraft	11,008	11,008	-
Balance at 30 June 2007	66,969	39,969	27,000

The Company

30 June 2008

	Amount GH¢'000	6mths or less GH¢'000	6-12mths GH¢'000
Non-derivative financial liability			
Secured bank loans	27,000	4,500	22,500
Trade and other payables	14,761	14,761	-
Amount due to related companies	8,850	27,862	-
Bank overdraft	8,557	8,557	-
Balance at 30 June 2008	59,168	55,680	22,500

30 June 2007

	Amount GH¢'000	6mths or less GH¢'000	6-12mths GH¢'000
Non-derivative financial liability			
Secured bank loans	29,367	2,367	27,000
Trade and other payables	8,055	8,055	-
Amount due to related companies	8,850	8,850	-
Bank overdraft	7,248	7,248	-
Balance at 30 June 2007	53,520	26,520	27,000

(iii) **Market risks**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

26. FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk

The company is exposed to currency risk on purchases and borrowings that are denominated in currencies other than the functional currency. The currencies in which these transactions primarily are denominated are Euro, Great British Pounds and US Dollars.

Currency Risk

The company's exposure to foreign currency risk was as follows based on notional amounts.

The Group

	30 June 2008			30 June 2007		
	EURO '000	**USD '000**	**GBP '000**	**EURO '000**	**USD '000**	**GBP '000**
Trade payables	-	-	-	323	677	-
	==	==	==	===	===	==

The Company

	30 June 2008			30 June 2007		
	EURO '000	**USD '000**	**GBP '000**	**EURO '000**	**USD '000**	**GBP '000**
Trade payables	648	194	-	323	677	-
	==	==	==	===	===	==

The following significant exchange rates applied during the year:

	Average Rate		Reporting Date	
	2008	**2007**	**2008**	**2007**
Cedis				
Euro 1	1.46		1.67	1.26
USD 1	0.98		1.06	0.93
GBP 1	1.97		2.10	1.86

Sensitivity analysis

A 10% strengthening of the cedi against the following currencies at 30 June would have increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2007.

26. FINANCIAL RISK MANAGEMENT (CONT'D)

Effect in cedis

	The Group	The Company
	Profit or loss GH¢'000	Profit or loss GH¢'000
30 June 2008		
Euro	-	108
USD	-	21
GBP	-	-

	The Group	The Company
	Profit or loss GH¢'000	Profit or loss GH¢'000
30 June 2007		
Euro	41	41
USD	63	63
GBP	-	-

A 10% weakening of the cedi against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Profile

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

Carrying amounts

	The Group		The Company	
	2008 GH¢'000	2007 GH¢'000	2008 GH¢'000	2007 GH¢'000
Variable rate instrument				
Financial liabilities	-	-	27,000	29,367
	==	==	=====	=====

Fair value sensitivity analysis for fixed rate instrument

The company did not have fixed rate instrument at 30 June 2008 and also at 30 June 2007.

Cash flow sensitivity analysis for variable rate instrument

A change of 200 basis points in interest rate at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2007.

26. FINANCIAL RISK MANAGEMENT (CONT'D)

	The Group		The Company	
	200bp Increase GH¢'000	200bp Decrease GH¢'000	200bp Increase GH¢'000	200bp Decrease GH¢'000
Effect in cedis				
30 June 2008				
Variable rate instrument	-	-	766	(766)
	==	===	==	===
30 June 2007				
Variable rate instrument	666	(666)	666	(666)
	===	===	===	===

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

The Group

	30 June 2008		30 June 2007	
(i) **Loans and receivables**	Carrying Amount GH¢'000	Fair Value GH¢'000	Carrying Amount GH¢'000	Fair Value GH¢'000
Trade and other receivables	-	-	18,684	18,684
Cash and cash equivalents	-	-	5,010	5,010
	----	-----	--------	-------
	-	-	23,694	23,694
	===	===	=====	=====

The Company

	30 June 2008		30 June 2007	
(i) **Loans and receivables**	Carrying Amount GH¢'000	Fair Value GH¢'000	Carrying Amount GH¢'000	Fair Value GH¢'000
Trade and other receivables	15,617	15,617	11,857	11,857
Amount due from related companies	155	155	3,724	3,724
Cash and cash equivalents	6,070	6,070	1,234	1,234
	--------	--------	--------	---------
	21,842	21,842	16,815	16,815
	=====	=====	=====	=====
(ii) **Available-for-Sale**				
Investment in subsidiary	-	-	34,960	34,960
	=====	=====	=====	=====

26. FINANCIAL RISK MANAGEMENT (CONT'D)

Fair values versus carrying amounts

The Group

(ii) **Other financial liabilities**	**30 June 2008** Carrying Amount GH¢'000	Fair Value GH¢'000	**30 June 2007** Carrying Amount GH¢'000	Fair Value GH¢'000
Secured bank loan	-	-	29,367	27,274
Trade and other payables	-	-	17,744	17,744
Amount due to related companies	-	-	8,850	8,850
Bank overdraft	-	-	11,008	11,008
	-	-	66,969	64,876

The Company

(ii) **Other financial liabilities**	**30 June 2008** Carrying Amount GH¢'000	Fair Value GH¢'000	**30 June 2007** Carrying Amount GH¢'000	Fair Value GH¢'000
Secured bank loan	27,000	26,080	29,367	27,274
Trade and other payables	14,761	14,761	8,055	8,055
Amount due to related companies	27,862	27,862	8,850	8,850
Bank overdraft	8,557	8,557	7,248	7,248
	78,180	77,260	53,520	51,427

27 RELATED PARTY TRANSACTIONS

i. The company is a subsidiary of Diageo Highlands BV, a company registered in Holland.

ii. Raw materials and consumables costing GH¢14.46 million (2007: GH¢13.82 million) were procured from Diageo Great Britain Limited.

iii. Included in cost of sales is an amount of GH¢8.9 million (2007: GH¢3 million) in respect of technical and management services fees payable to Diageo Ireland and Diageo Brand BV.

Outstanding balances in respect of transactions with related parties at the year end were as follows:

Due to related companies

	The Group 2008 GH¢'000	2007 GH¢'000	The Company 2008 GH¢'000	2007 GH¢'000
Goods and services supplied	-	3,060	12,571	3,060
Royalties and technical service fees	-	5,790	15,291	5,790
	-	8,850	27,862	8,850

27 RELATED PARTY TRANSACTIONS (CONT'D)

	The Group		The Company	
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Amount due from related companies	-	-	155	3,724
Amount due to related companies	-	8,850	27,862	8,850

28. MINORITY INTEREST

	The Group		The Company	
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 July	-	95	95	95
Share of net profit of subsidiary	-	2	8	2
	-	97	103	97
Re-classified (note 24)	-	(2)	(103)	(2)
Balance at 30 June	-	95	-	95
Comprising				
Share of net assets of subsidiary	-	93	-	93
Share of net profit of subsidiary	-	2	-	2
Balance at 30 June	-	95	-	95

29. PRIOR YEAR ADJUSTMENT

Stock write-off	-	1,320	-	1,320
Goodwill amortised	-	500	-	-
Pre-merge reserves	-	-	163	-
	-	1,820	163	1,320

30. DIVIDENDS

After the balance sheet date the following dividends were proposed by the directors. The dividends have not been provided for and there are no income taxes consequences on the company's position.

	The Group		The Company	
	2008	2007	2008	2007
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
4.85Gp per qualifying ordinary shares (2007: 4.29Gp)	-	7,064	7,987	7,064

31. EMPLOYEE BENEFITS

Defined Contribution Plans

(i) *Social Security and National Insurance Trust (SSNIT)*

Under a National Deferred Benefit Pension Scheme, the company contributes 12.5% of employees' basic salary to the SSNIT for employee pensions. The company's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

(ii) Provident Fund

The company has a provident fund scheme for staff under which the company contributes 15% of staff basic salary. The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the fund manager.

(iii) End of Service Benefits

The company has an end of service plan that has been designed to help its permanent junior staff build up their savings over a period of time to meet their future financial obligations. The company contributes 5% of the employee's monthly basic salary to the plan on a monthly basis. The plan is not funded and has no interest bearing in the individual staffs' accounts.

The fund is managed internally by the company and accrual for the fund liability is made on monthly basis. The related liability at the balance sheet date is GH¢122,741 (2007: GH¢19,299).

32. CAPITAL COMMITMENTS

Capital commitments authorised but not expended at the balance sheet date, amounted to GH¢5,017,830 (2007: GH¢ nil).

33. CONTINGENT LIABILITIES

Contingent liabilities, in respect of possible claims and lawsuits at the year-end amounted to GH¢245,650 (2007: ¢770,000).

34. STAFF STRENGTH

The total number of staff employed by the company at 30 June 2008 was 587 (2007: 521).

35. REDENOMINATION

The Bank of Ghana re-denominated the currency with effect from 1 July 2007 by exchanging ¢10,000 (ten thousand Cedis) for GH¢1(One Ghana cedi). The comparative 2007 figures have been converted to Ghana Cedis.

36. MERGER ARRANGEMENTS

Under a merger arrangement, the assets and liabilities of the subsidiary were taken over by the company on 21st February 2008.

37. EXPLANATION OF TRANSITION TO IFRS RECONCILIATION IN EQUITY

As stated in note 2(a), these are the company's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 30 June 2008, the comparative information presented in these financial statements for the year ended 30 June 2007 and in the preparation of an opening IFRS balance sheet at 1 July 2006 (the company's date of transition).

In preparing its opening IFRS balance sheet, the company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting - Ghana Accounting Standards (GAS). An explanation of how the transition from the previous GAAP to IFRS has affected the company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

(i) Reconciliation of Opening and Comparative Balance Sheet.

The Group

		GAS	Effect of transition to IFRSs	IFRSs	GAS	Effect of transition to IFRSs	IFRSs
		GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
	Note		1-Jul-06			30-Jun-07	
ASSETS							
Non-current assets							
Property, plant and equipment	(a)	75,103	-	75,103	77,935	(254)	77,681
Intangible assets	(a)	-	-	-	-	254	254
Goodwill	(b)	6,574	-	6,574	5,994	580	6,574
Total non-current assets		**81,677**	**-**	**81,677**	**83,929**	**580**	**84,509**
Current Assets							
Inventories		18,645	-	18,645	24,424	-	24,424
Trade and other receivables		15,443	-	15,443	18,684	-	18,684
Cash and bank balances		4,507	-	4,507	5,010	-	5,010
Total current assets		**38,595**	**-**	**38,595**	**48,118**	**-**	**48,118**
Total Assets		**120,272**	**-**	**120,272**	**132,047**	**580**	**132,627**

(i) Reconciliation of Opening and Comparative Balance Sheet (CONT'D)

The Group

		GAS	Effect of transition to IFRSs	IFRSs	GAS	Effect of transition to IFRSs	IFRSs
		GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
	Note		1-Jul-06			30-Jun-07	
EQUITY AND LIABILITIES							
Equity							
Share Capital		26,252	-	26,252	26,252	-	26,252
Retained Earnings	(b), (c) & (d)	25,391	5,943	31,334	30,518	7,529	38,047
Revaluation Surplus		295	(295)	-	295	(295)	-
		51,938	**5,648**	**57,586**	**57,065**	**7,234**	**64,299**
Minority Interest		95	-	95	95	-	95
Total Equity		**52,033**	**5,648**	**57,681**	**57,160**	**7,234**	**64,394**
Non-current liabilities							
Medium-term loans		545	-	545	27,000	-	27,000
Deferred Taxation		2,906	-	2,906	886	-	886
Total non-current liabilities		**3,451**	-	**3,451**	**27,886**	-	**27,886**
Current Liabilities							
Bank overdraft		23,313	-	23,313	11,008	-	11,008
Short-term loans		6,243	-	6,243	2,367	-	2,367
Trade and other payables		23,904	-	23,904	17,393	-	17,393
Provisions		-	-	-	351	-	351
Taxation		727	-	727	378	-	378
Dividends	(d)	5,648	(5,648)	-	6,654	(6,654)	-
Due to related company		4,953	-	4,953	8,850	-	8,850
Total current liabilities		**64,788**	**(5,648)**	**59,140**	**47,001**	**(6,654)**	**40,347**
Total liabilities		**68,239**	**(5,648)**	**62,591**	**74,887**	**(6,654)**	**68,233**
Total Equity and Liabilities		**120,272**	-	**120,272**	**132,047**	**580**	**132,627**

(i) **Reconciliation of Opening and Comparative Balance Sheet (CONT'D)**

The company

		GAS	Effect of transition to IFRSs	IFRSs	GAS	Effect of transition to IFRSs	IFRSs
		GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
	Note		1-Jul-06			30-Jun-07	
ASSETS							
Non-current Assets							
Property, plant and equipment	(a)	43,386	-	43,386	45,767	(254)	45,513
Intangible assets	(a)	-	-	-	-	254	254
Investment		34,958	-	34,958	34,960	-	34,960
Total non-current assets		**78,344**	-	**78,344**	**80,727**	-	**80,727**
Current Assets							
Inventories		13,586	-	13,586	17,433	-	17,433
Trade and other receivables		8,814	-	8,814	11,857	-	11,857
Taxation		-	-	-	39	-	39
Due from related company		1,427	-	1,427	3,724	-	3,724
Cash and bank balances		2,600	-	2,600	1,234	-	1,234
Total current assets		**26,427**	-	**26,427**	**34,287**	-	**34,287**
Total Assets		**104,771**	-	**104,771**	**115,014**	-	**115,014**
EQUITY AND LIABILITIES							
Equity							
Share Capital		26,252	-	26,252	26,252	-	26,252
Retained Earnings	(c) & (d)	22,115	5,943	28,058	26,814	6,949	33,763
Revaluation Surplus	(c)	295	(295)	-	295	(295)	-
Total Equity		**48,662**	**5,648**	**54,310**	**53,361**	**6,654**	**60,015**
Non-current liabilities							
Medium-term loans		545	-	545	27,000	-	27,000
Deferred Taxation		3,499	-	3,499	1,479	-	1,479
Total non-current liabilities		**4,044**	-	**4,044**	**28,479**	-	**28,479**

(ii) **Reconciliation of 2007 Profit**

The Group

	Note	GAS	Effect of transition to IFRS	IFRS
		GH¢'000	GH¢'000	GH¢'000
Revenue	(e)	122,411	2,437	124,848
Cost of Sales		(80,115)	-	(80,115)
Gross profit		**42,296**	2,437	**44,733**
General &Admin. Expenses	(e) & f	(20,702)	(2,357)	(23,059)
Trading Profit		**21,594**	**80**	**21,674**
Other Income		1,138	-	1,138
Profit before Exceptional items, Net Finance Cost and Taxation		**22,732**	**80**	**22,812**
Exceptional items		(2,494)	-	(2,494)
Profit before Net Finance Cost and Taxation		**20,238**	**80**	**20,318**
Net Finance Cost		(5,119)	-	(5,119)
Profit before Taxation		**15,119**	**80**	**15,199**
Taxation		(1,105)	-	(1,105)
Profit after Taxation		**14,014**	**80**	**14,094**
Minority Interest		**(2)**	-	**(2)**
Profit for the year		**14,012**	**80**	**14,092**

The effects of adjustments on the income statement are described below:

(e) Under the prior GAAP (Ghana Accounting Standards), discounts and allowances given to distributors/customers to recover part of cost of breakages and redistribution of products were recognised as a reduction in revenue. However, under IFRS, these transactions are not recognised as reduction in revenue in order to present the fair value of revenue.
This has therefore resulted in reclassification of discounts and breakages & re-distribution allowances amounting to GH¢2,437,751 in the prior year revenue and marketing & selling expenses.

(f) Under IFRS, goodwill acquired in a business combination should not be amortised. Instead, goodwill should be tested annually for impairment. Under previous GAAP, goodwill was being amortised over a specified period. This has therefore resulted in reclassification of prior year goodwill amortisation of GH¢80,000 to goodwill and General and Administrative expenses.

(ii) Reconciliation of 2007 Profit

The company

	Note	GAS	Effect of transition to IFRS	IFRS
		GH¢'000	GH¢'000	GH¢'000
Revenue	(e)	91,994	1,581	93,575
Cost of Sales		(58,211)	-	(58,211)
Gross profit		**33,783**	**1,581**	**35,364**
General &Admin. Expenses	(e)	(13,070)	(1,581)	(14,651)
Trading Profit		**20,713**	-	**20,713**
Other Income		539	-	539
Profit before Exceptional items, Net Finance Cost and Taxation		**21,252**	-	**21,252**
Exceptional items		(2,494)	-	(2,494)
Profit before Net Finance Cost and Taxation		**18,758**	-	**18,758**
Net Finance Cost		(4,569)	-	(4,569)
Profit before Taxation		**14,189**	-	**14,189**
Taxation		(1,105)	-	(1,105)
Profit for the year		**13,084**	-	**13,084**

The effects of adjustments on the income statement are described below:

(e) Under the prior GAAP (Ghana Accounting Standards), discounts and allowances given to distributors/customers to recover part of cost of breakages and redistribution of products are recognised as a reduction in revenue. However, under IFRS, these transactions are not recognised as reduction in revenue in order to present the fair value of revenue. This has therefore resulted in reclassification of discounts and breakages & re-distribution allowances amounting to GH¢1,581,473 in the prior year revenue and marketing & selling expenses.

	The Group				The Company			
			Restated				Restated	
	30/6/08		30/6/07		30/6/08		30/6/07	
	GH¢'000	%	GH¢'000	%	GH¢'000	%	GH¢'000	%
Gross Sales Proceeds	227,555		182,800		187,325		133,872	
Excise Duties	(33,335)		(33,993)		(25,318)		(22,755)	
Value Added Tax	(29,779)		(23,959)		(24,532)		(17,542)	
Turnover	164,441		124,848		137,475		93,575	
Other Income	805		1,138		736		539	
Interest Receivable	75		9		75		9	
Bought in Materials and Services	(118,955)		(89,472)		(100,363)		(65,031)	
Value Added	46,366	100	36,523	100	37,923	100	29,092	100
Applied as follows:								
To pay employees salaries, wages and benefits	11,971	26	8,120	22	8,064	21	4,038	14
To provide for depreciation	5,941	13	5,582	15	4,985	13	3,793	13
To provide for taxation	6,412	14	1,105	3	5,914	16	1,105	4
To pay dividends	6,111	13	6,059	17	6,111	16	6,059	21
To pay interest charges	5,372	11	5,128	14	5,267	14	4,578	16
Retained for company growth	10,559	23	10,529	29	7,582	20	9,519	32
	46,366	100	36,523	100	37,923	100	29,092	100

Analysis of Shareholding

(i) Number of Shareholders

The company had 5,134 ordinary shareholders at 30 June 2008 distributed as follows:

Holding	No. of Holders	Total Holding	% Holding
1 – 1,000	3,589	963,512	0.59
1,001 – 5,000	759	1,973,652	1.20
5,001 – 10,001	483	3,843,858	2.33
10,001 – 100,000,000	303	157,890,452	95.88
	5,134	164,671,474	100.00

(ii) List of twenty largest shareholders as at 30 June 2008

	Name	No. of Shares	% Holding
1	Diageo Highlands BV	83,982,452	51.00
2	Heineken Ghanaian Holdings BV	32,934,295	20.00
3	Social Security and National Insurance Trust	18,151,032	11.02
4	BBGN/BBH (LUX) SCA Custodian	10,601,722	6.44
5	DM Ventures	1,931,265	1.17
6	BBGN/EPACK Investment Fund Limited	1,400,894	0.85
7	SSNIT SOS Fund	740,616	0.45
8	Standard Bank Nominees TVL (PTY) LTD	423,441	0.26
9	State Insurance Company	400,000	0.24
10	BBGN/Unilever Ghana Provident Fund	300,059	0.18
11	Enterprise Insurance Company Limited	300,000	0.18
12	BBGN/Unilever Ghana Managers	266,217	0.16
13	STD Bank Nominees TVL (PTY) LTD	259,208	0.16
14	Ghana Reinsurance Organization	200,000	0.12
15	Teachers Fund	186,264	0.11
16	E.N. Safo-Nyame	167,533	0.10
17	Stanbic Bank GH LTD	122,200	0.07
18	BBGN/Ghana Textiles Print Prov	112,500	0.07
19	Retco Company Limited	105,600	0.06
20	Merchant Bank/ Registrars	102,900	0.06
	Reported Totals	152,688,198	92.72
	Not Reported	11,983,276	7.28
	Company Total	164,671,474	100.00

(iii) Directors' Shareholding

The Director named below held the following number of shares in the company as at 30 June 2008:

Ordinary Shares	**2008**	**2007**
Paul Victor Obeng	-	340
Joseph Woahen Acheampong	-	2,555
Pamela Djamson- Tettey	4,883	4,883
Ebenezer M.Boye	1,000	1,000
K Donkoh Fordwor	29,480	29,480
	--------- -	-------
Total	35,363	38,258
	=====	=====

	The Group			The Company				
	2008 ¢'000	2007 ¢'000	2006 ¢'000	2008 ¢'000	2007 ¢'000	2006 ¢'000	2005 ¢'000	2004 ¢'000
Results								
Turnover	164,441	124,848	104,760	137,475	93,575	75,545	63,085	52,721
Exceptional income	-	-		-	-	-	-	603
Profit before taxation	23,082	15,119	19,053	19,607	14,189	17,048	11,121	7,732
Taxation	(6,412)	(1,105)	(4,044)	(5,914)	(1,105)	(3,018)	(2,620)	(1,382)
Profit after taxation	16,670	14,094	15,009	13,693	13,084	14,030	8,501	6,350
Minority interest	(8)	(2)	(3)	-	-	-	-	-
Profit after taxation and minority interest	16,662	14,092	15,006	13,693	13,084	14,030	8,501	6,350
Dividends paid	(6,111)	(6,059)	(6,126)	(6,111)	(6,059)	(6,126)	(5,945)	(3,524)
Retained profit	10,551	8,033	8,880	7,582	7,025	7,904	2,556	2,826
Balance Sheet								
Property, plant & equipment	-	77,681	75,103	93,701	45,513	43,386	34,345	29,156
Intangibles	-	254	-	6,299	254	-	-	-
Investments	-	-	-		34,960	34,958	34,958	-
Goodwill	-	6,574	6,573	-	-	-	-	-
Deferred expenditure	-	-	-	-		-	-	2,706
Cash and cash equivalents	-	5,010	4,507	6,070	1,234	2,600	4,106	1,577
Other currents assets	-	43,108	34,089	49,333	33,053	23,827	12,941	12,538
Total Assets	-	132,627	120,272	155,403	115,014	104,771	86,350	45,977
Total liabilities	-	(68,328)	(68,334)	(93,238)	(54,999)	(56,109)	(44,836)	(32,503)
Net Assets	-	64,299	51,938	62,165	60,015	48,662	41,514	13,474
Share Capital	-	26,252	26,252	26,252	26,252	26,252	26,252	769
Other Reserves	-	-	295	-	-	295	295	295
Retained Earnings	-	38,047	25,391	35,913	33,763	22,115	14,967	12,410
Shareholders' funds	-	64,299	51,938	62,165	60,015	48,662	41,514	13,474
Revenue collected for Government								
Excise duties	33,335	33,993	30,657	25,318	22,755	20,171	18,560	15,531
Sales tax/Value Added Tax	29,779	23,959	21,770	24,532	17,542	15,533	12,278	8,532
Total	63,114	57,952	52,427	49,850	40,297	35,704	30,838	24,063
Statistics								
EPS (GH¢)	0.10	0.09	0.09	0.08	0.08	0.09	0.05	0.05
Dividend per share (GH¢)	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.03
Net assets per share (GH¢)	-	0.39	0.31	0.38	0.36	0.29	0.25	0.11
Current ratio	-	1.02:1	0.60:1	0.85:1	1.30:1	0.51:1	0.49:1	0.60:1
Return on shareholders fund (%)	-	21.99	28.89	22.03	21.80	28.83	20.48	47.12
Return on net sales value (%)	10.13	11.29	14.32	9.96	13.98	18.57	13.48	12.04

Proxy Form

For Company's Use
Number of Shares..

Resolution	For	Against
1. To declare a dividend		
2. To re-elect Dr. Nicholas Blazquez		
3. To re-elect Prof. (Sir) Joseph W. Acheampong		
4. To approve Mr. David Harlock as Director		
5. To approve Mr. Robert Pilkington as Director		
6. To approve Mr. John Lloyd as Director		
7. To approve Non-Executive Directors' Fees		
8. To authorise the Directors to fix the remuneration of the Auditors		
9. To amend the regulations of the company		

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.

ANNUAL GENERAL MEETING to be held at 10 a.m. on 24th November 2008 at the Accra International Conference Center.

I/we ....
being a member(s) of GUINNESS GHANA BREWERIES 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 the above-named Company to be held on 13th November, 2008 and at any and every adjournment thereof.

Dated this .... day of 2008

....
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.

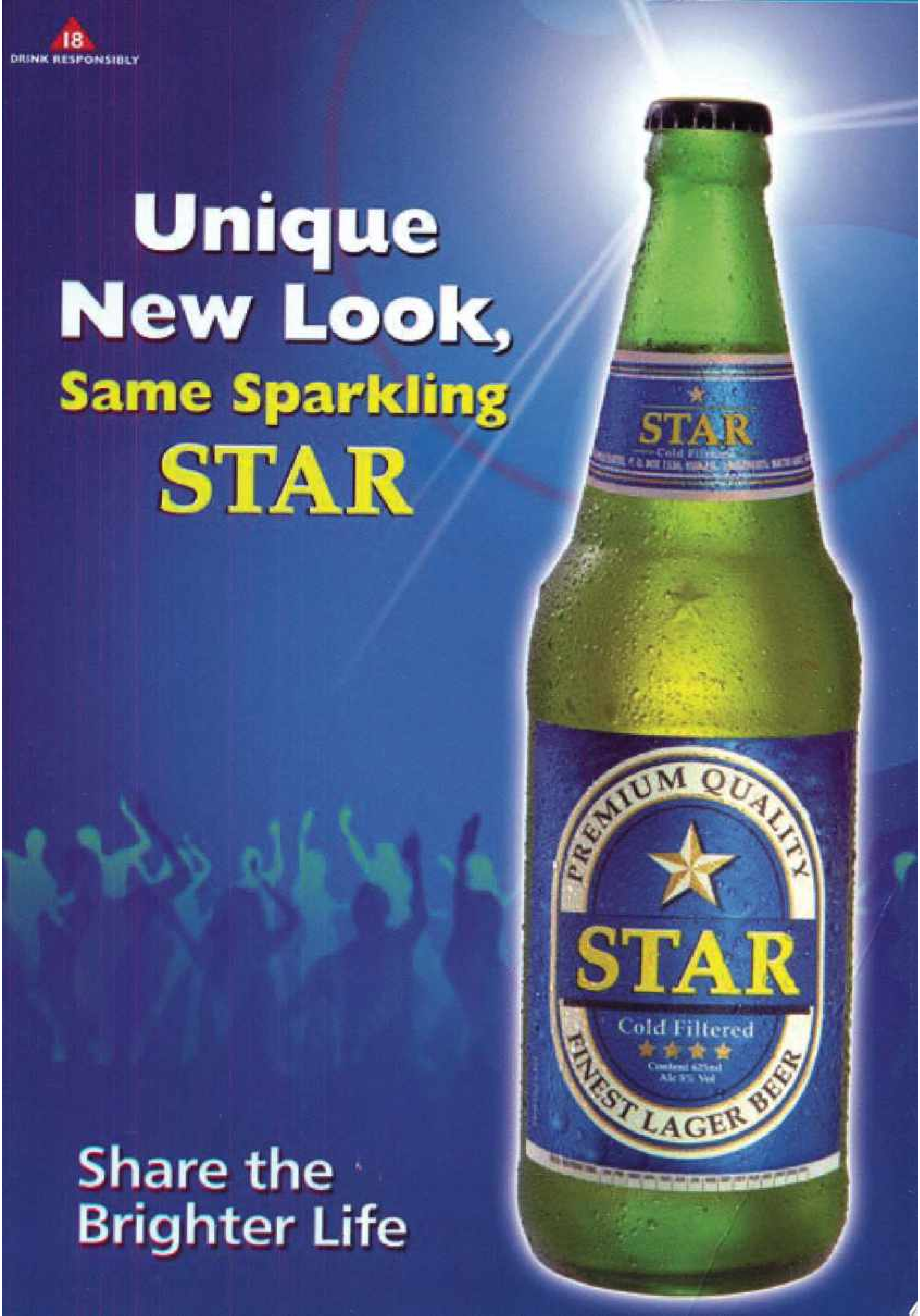
5. Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 11 a.m. on 12th November 2008.

6. The Proxy must produce the Admission Card sent with the Notice of the Meeting to obtain entrance to the Meeting.

RESOLUTIONS OF THE SHAREHOLDERS OF GUNINESS GHANA BREWERIES LIMITED AMENDING THE REGULATIONS OF THE COMPANY IN ACCORDANCE WITH THE COMPANIES CODE 169 (ACT 179)

Resolution	For	Against
Resolution 9.1 That Regulation 2(a) of the Regulations of Guinness Ghana Breweries Limited be amended by the deletion of the words "beer, stout, mineral waters" and the insertion of the words "alcoholic and non-alcoholic beverages" in their place.		
Resolution 9.2 That Regulation 11(2) of the Regulations of Guinness Ghana Breweries Limited be deleted.		
Resolution 9.3 That Regulation 77 of the Regulations of Guinness Ghana Breweries Limited be amended by the deletion of the word "not" and "No Director or alternate Director shall perform any of the duties of a Director or do any act as a Director except during such times as he shall actually be in Ghana."		
Resolution 9.4 That Regulation 94(d) of the Regulations of Guinness Ghana Breweries Limited be deleted.		

Rsln.	Regulation No.	AMENDMENT	Reason
9.1	2 (a)	a) To manufacture, sell and deal in alcoholic and non-alcoholic beverages and their ancillary products and to carry on such other activities as, in the opinion of the Directors, may conveniently be carried on in connection or together with, or incidental, or ancillary to any of the foregoing.	To broaden the scope of the nature of the businesses that GGBL is authorised to carry out.
9.2	11(2)		This regulation is no longer relevant.
9.3	77	The proceedings of the Directors shall be regulated by section 200 of the Code save that the quorum necessary for the transaction of business of the Directors and of every committee of Directors may be fixed by the Directors and unless so fixed shall be a majority of Directors for the time being in office. In the event of an equality of votes at a Meeting of the Directors the chairman shall have a second or casting vote and the Board of Directors may delegate any of their powers to committees of the Directors in accordance with section 200 of the Code.	Two amendments are proposed to this regulation: a) Firstly the deletion of "not" shall confer on the GGBL chairman a casting vote in general meetings. This should ensure that we do not have situations where a matter cannot be decided at a meeting. (b) The second deletion will ensure that the Company can take advantage of current technology and utilise its directors in full.
9.4	94(d)		This regulation is no longer relevant.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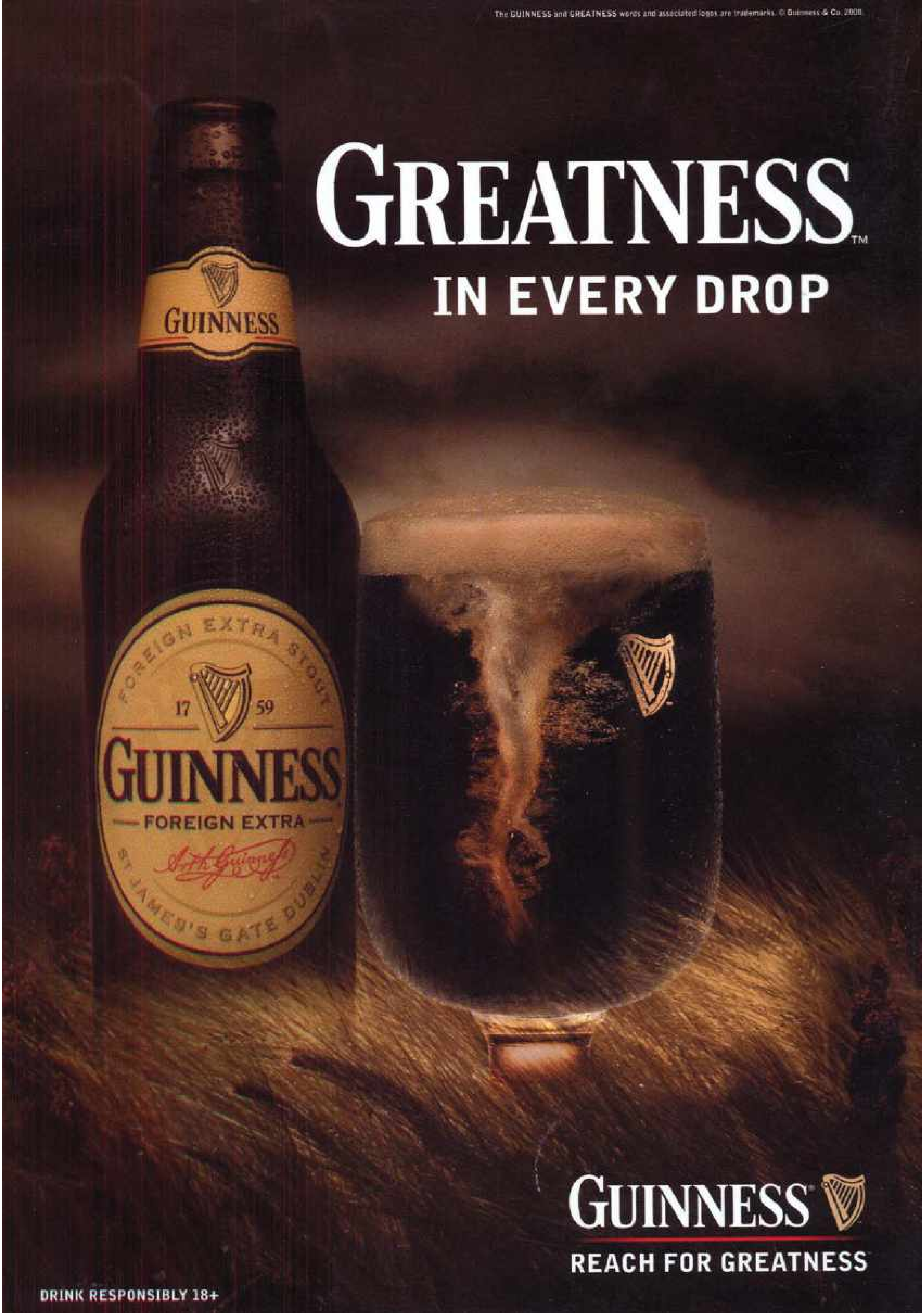
Brighter Life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