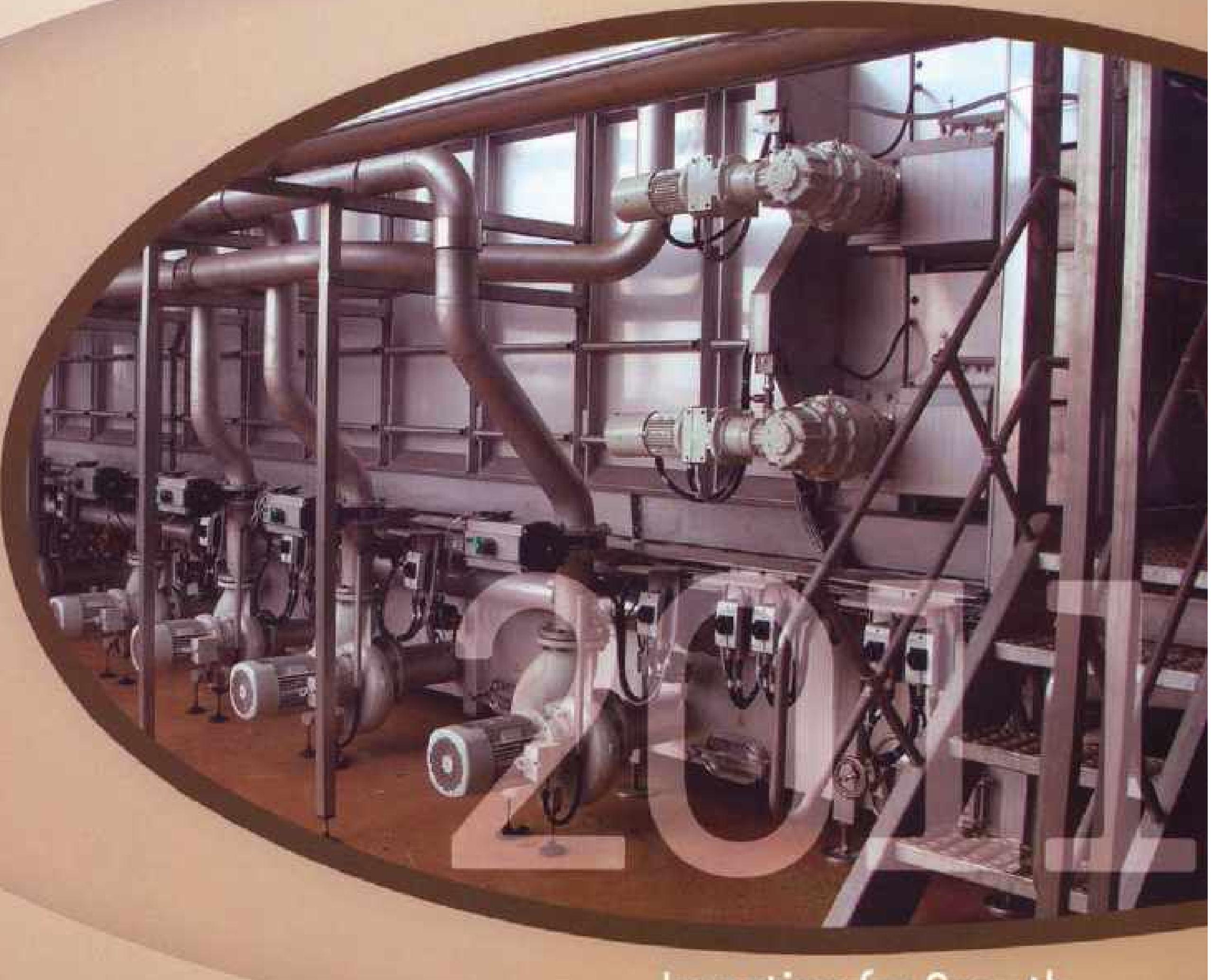
GUINNESS GHANA
BREWERIES LIMITED

GUINNESS GHANA BREWERIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENT



Investing for Growth

GUINNESS GHANA

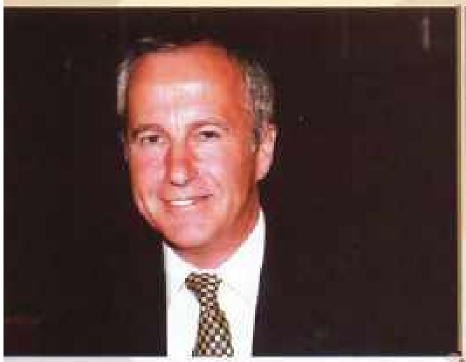
CONTENT PAGE

Corporate **Information**

BOARD OF DIRECTORS	David Harlock (Board Chairman) Ekwunife Okoli (Managing Director) Robert Pilkington (Finance Director) Ebenezer Magnus Boye Johnnie Lloyd Prof. Joseph Woahen Acheampong Paul Victor Obeng Stephen Christopher Gannon (Appointed February 2011) Zooullis Mina (Appointed February 2011) James Kweku Inkoom (Appointed May 2011) Peter Ndegwa (Appointed September 2011) Kwaku Sarfo-Mensah (Resigned February 2011) Leanne Wood (Resigned February 2011) Thomas Arie de Man (Resigned February 2011) Emmanuel Jojo Bonney (Resigned July 2011)
SECRETARY	Afua Oduro Asante Guinness Ghana Breweries Limited P. O. Box 3610 Accra
REGISTERED OFFICE	Guinness Ghana Breweries Limited Industrial Area, Kaasi P. O. Box 1536 Kumasi
AUDITORS	KPMG Chartered Accountants 13 Yiyiwa Drive, Abelenkpe P. O. Box GP 242 Accra
REGISTRARS	Merchant Bank (Ghana) Limited 57 Examination Loop North Ridge Accra
SOLICITORS	Bentsi-Enchill, Letsa and Ankomah 1st Floor Teachers' Hall Complex Education Loop (Off Barnes Road) P. O. Box GP 1632 Accra
BANKERS	Standard Chartered Bank (Ghana) Limited Guaranty Trust Bank (Ghana) Limited Stanbic Bank (Ghana) Limited Inter-Continental Bank (Ghana) Limited SG-SSB Bank Limited United Bank for Africa (Ghana) Limited Zenith Bank (Ghana) Limited

Board

Members



David Harlock

David Harlock was appointed the Board Chairman in June 2009. He is a qualified solicitor and has worked with Diageo since 1995. He is currently the Associate General Counsel for Mergers, Acquisitions and Global Functions for Diageo

Ekwunife Okoli

Ekwunife Okoli was appointed as the Managing Director and Vice Chairman in July 2009. Prior to his appointment, he was the Managing Director for Guinness Cameroun. He brings to the position a wealth of experience having worked with Diageo for over 20 years in different capacities.

Robert Pilkington

Robert Pilkington has occupied the role of Finance Director since May 2008. Prior to his appointment he occupied Senior Finance roles in Brandhouse - a Diageo affiliated Drinks Company in South Africa.

Joseph W. Acheampong

Joseph Woahen Acheampong is a Professor of medicine and a consultant physician. He has been on the GGBL Board since 1994.

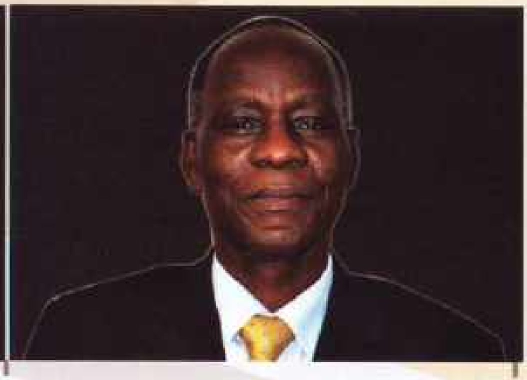
Ebenezer M.Boye

Ebenezer Magnus Boye is a former Director of Ghana Breweries Ltd. He is currently on the board of Barclays Bank of Ghana Limited and has served on a number of public and private boards including Unilever Ghana Limited and Ghana Ports and Harbours Authority. He was appointed to the GGBL Board in July 2004.

Stephen C. Gannon

Stephen C. Gannon is the Managing Director of Guinness Cameroun Hub and has held this position since April 2009. He has over 11 years experience in the beverage industry and has worked in several senior positions with Diageo's operations in Africa and Europe. He has a BSC in Biochemistry from Brunel University and also attended Henley Management College. He was appointed to the GGBL Board in February 2011.

Board
Members



John Lloyd

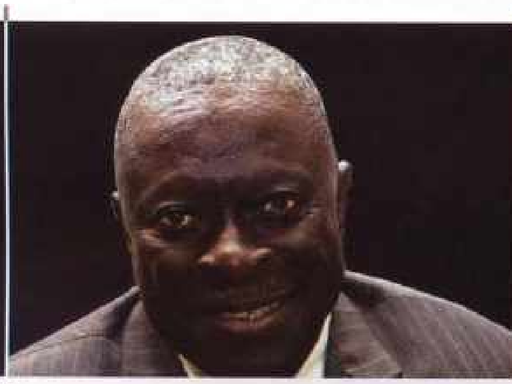
John Lloyd has been with Diageo since 1996 and has extensive international experience in spirits and wines having worked in Great Britain and Australia. He is currently a director for New Business Ventures, Diageo Africa and was appointed to the GGBL Board in October 2008.

James K. Inkoom

James Kweku Inkoom is currently the General Manager for MIS at the Social Security and National Insurance Trust ("SSNIT") and has worked with SSNIT since 1976 in several senior positions. He holds a BSC in Computer Science from KNUST and an MA in Records and Archival Administration from the University of Ghana, Legon. He was appointed to the GGBL Board in May 2011.

Zooullis Mina

Zooullis Mina is the Financial Director for Heineken Africa and Middle East and has held this position since 2008. He has over 22 years experience in the beverage industry .He is a Chartered Accountant and an Associate of the Chartered Institute of Management Accountants(UK) and holds a Bachelor of Commerce and a Bachelor of Accounting both from the University of Witwatersrand Johannesburg. He was appointed to the GGBL Board in February 2011.



Peter Ndegwa

Peter Ndegwa is the Group Finance Director for East African Breweries Limited (EABL) and a member of EABL's Board of Directors and has held this position since July 2008. He has 19 years experience spanning finance, sales, strategy, and professional advisory experience. He is a certified public accountant and a member of the Institute of Certified Public Accountants of Kenya. He holds an MBA from London Business School and a BA in Economics from University of Nairobi. He was appointed to the GGBL Board in September 2011.

Paul V.Obeng

Paul Victor Obeng is the Chief Consultant of OB Associates and the Chairman of the National Development Planning Commission. He has also held various high profile positions in Ghana's political landscape. He was appointed to the GGBL Board in August 1998.

Afua Oduro Asante

Afua Oduro Asante joined GGBL in December 2009 as the Legal Counsel after having worked for several years as the Legal Adviser and Company Secretary for Unilever Ghana Limited and Benso Oil Palm Plantations Limited. She was appointed Company Secretary in February 2010.

Notice of Annual General Meeting

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of Guinness Ghana Breweries Limited will be held at the Golden Tulip Hotel, Kumasi on 26th October 2011 at 10 o'clock in the forenoon for the following purposes:

AGENDA

- To receive the Report of the Directors, the Financial Statements for the year ended 30th June 2011 and the Report of the Auditors thereon.
- To elect Directors.
- To approve Non-Executive directors' fees.
  To authorise the Directors to fix the remuneration of the Auditors.

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not also be a Member. A proxy form is attached and for it to be valid for the purpose of the Meeting, it must be completed and deposited at the Registrars', Merchant Bank Ghana Ltd.'s offices not less than 48 hours before the Meeting.

Dated this 20th day of September 2011
By order of the Board
Afua Oduro Asante
Company Secretary

BOARD OF DIRECTORS & SECRETARY

David Harlock (Chairman), Ekwunife Okoli (Managing Director), Robert Pilkington, Joseph Woahen Acheampong, Ebenezer Magnus Boye, Stephen Christopher Gannon, James Kweku Inkoom,John Lloyd, Zooullis Mina, Paul Victor Obeng,Peter Ndegwa, Afua Oduro Asante.

EXECUTIVE MANAGEMENT COMMITTEE:

Ekwunife Okoli, Robert Pilkington, Patrick Awotwi, Elizabeth Arhin, Steve Waters, Nana Yaa Ofori-Atta, Afua Oduro Asante

AUDIT COMMITTEE:

Joseph Woahen Acheampong, Ebenezer Magnus Boye and Robert Pilkington

NOMINATIONS COMMITTEE:

David Harlock, Paul Victor Obeng, James Kweku Inkoom and Robert Pilkington

REGISTERED OFFICE:

Guinness Ghana Breweries Limited, Kaasi Industrial Area, P.O. Box 1536, Kumasi.

REGISTRARS' OFFICE:

Merchant Bank Ghana Limited, Registrars Department, 57 Examination Loop, North Ridge, P.O. Box 401, Accra, Ghana.

Chairman's
Statement

INTRODUCTION

Nananom, Ladies and Gentlemen, welcome to the 39th Annual General Meeting of Guinness Ghana Breweries Limited. This meeting, held in Kumasi, the capital of the Ashanti region, is of particular significance as our flagship brewery in Kaasi, celebrates its 40th anniversary.

I am particularly proud that Kaasi has maintained a zero Lost Time Accidents (LTA) record for 2 consecutive years and that our adult premium non-alcoholic drink, Alvaro, was adjudged and won for the second consecutive year, the prestigious Product of the Year award by the Chartered Institute of Marketing Ghana.

Congratulations, Ayeeko, to the men and women who work so hard, every day, to make our Company a success.

In June of this year, an Extraordinary General Meeting (EGM) authorised a Rights Issue to raise GH¢ 70 million to restructure the finances of the business, address the high cost of borrowing and place the business in a strong position to invest and be well positioned to take advantage of future growth opportunities in Ghana. The rights Issue opened on October 17th, and is open to you, our existing shareholders. Our Company is selling GH¢1.50 for each of the 46, 666, 667 new shares on offer. The Offer is in a ratio of 1 new share for every existing 3.5287 share held.
It is in the best interests of the Company that we achieve a successful Rights Issue and maintain our position as the leading total beverage company in Ghana. Ladies and Gentlemen, I will now present you with the Annual Report and Financial Statements of our Company for the period July 1, 2010 to June 30, 2011.

THE OPERATING ENVIRONMENT

The operating environment during the year continued to be a positive one in which we saw interest and inflation rates continue to decrease, steady foreign currency rates, continued increase in foreign direct investment , steady success in oil production and revenues, a relaxation albeit small in excise rates and a continued stable political environment . All of these indicators bode well for the future of the country.

Despite the above, the year under review was not without its challenges as the company focused on recovering volume declines that it had experienced, following the adverse reaction by consumers to the change in excise regime in January 2010. In addition, the business faced continued challenges in the supply arena, arising from the inconsistent supply of utilities, especially water, coupled with the significant increase in utility costs that has impacted all Ghanaians.

I am proud of the way the company met the challenge around water supply bythe purchase and delivery of more than 2,000 tankers of water to the business. Water supply to Achimota stabilised in mid April and the business has been significantly less affected since that date.

OUR PERFORMANCE

Ladies and Gentlemen, the company began its year in a depressed market as consumers grappled with the effects of the excise increase in January 2010. With the benefits of the improving economy and with increased investment behind the company's brands, notably Guinness FES and Star, we saw recovery in volumes from quarter two onwards and finished the year almost 3% up on prior year. It is notable that although off a small base we grew our spirits business by over 180%.

The business is committed to improving its margins,therefore given the increased cost pressures we increased prices towards the end of the fiscal year and recommended to the trade resale prices that we believed represented a fair price for consumers to pay for their favourite brands. As a result of the above the Company grew its turnover by 18% versus the same period last year.

The business faced increased cost of production, arising from the increase in utility prices, commodity prices, major overhauls on our plant and machinery and an increase in the amount of imported goods due to local supply constraints arising from water supply issues. This resulted in an overall increase of 21% in the cost of goods sold. The company's gross profit increased however by 11.6%.

The Company implemented a number of cost initiatives during the year and despite inflationary costs restricted its core general, selling and administrative costs to a 4% increase year on year. However the business experienced a number of one offs relating to prior year issues such as the finalization of a tax audit for the years 2004 to 2008. As a result total general, selling and administrative costs increased by 24% on prior year.The business generated strong trading profits of GH¢20.6m.

Financing costs remain a key cost to the business and remained high at GH¢20m. During the year, with restructuring and lower rates by the Bank of Ghana the company was able to reduce its interest burden by 24% on last year's cost. With the benefit of the reduction in finance costs our Company has been able to post a profit after tax and financing costs of GH¢0.5m versus a loss for the same period last year of GH¢4.6m. The proceeds from the Rights Issue for GH¢70m will significantly reduce the cost of finance to the business.

OUR BRANDS

Ladies and Gentlemen, our Company produces premium brands and I would like to bring you highlights of how some of our key brands fared over the year.

Alvaro

In November 2010 we launched the Alvaro passion fruit drink and increased the adult soft drink consumers' range of options with a unique, sophisticated and refreshing choice. The continued success of Alvaro is proof of the company's success in innovation which was recognized by Alvaro winning the Chartered Institute of Marketing Ghana's Award 'Product of the year' for the second year running.

Star

The Company re-launched Star beer in February 2011 with a reformulated liquid and a new look. Consumer reaction supported by the Star @ 50 campaign has been very positive. The business intends to leverage our 50 years of brewing excellence to continuously improve our products.

Guinness FES

Football is truly the passion of Ghana and over the years, our Company has invested behind Guinness FES supporting the beautiful game. In the last financial year we launched the highly successful Guinness Football Challenge. The football game show, is adult entertainment. The value of it lies in the combination of mental and physical skill as well as teamwork required by the contestants. The Guinness Football Challenge show has supported 2 clear business objectives:

demonstrating and bringing to life the key benefits of our FES stout; and creating an opportunity to reward both contestants and our loyal consumers. We look forward to a new season of the Guinness Football Challenge supporting the brand's performance.

Spirits
Across the world, Johnnie Walker Black Label is the number one deluxe Scotch whisky. As you know, since 2009, Johnnie Walker has been part of our Company's brand portfolio. As in the rest of the world, here in Ghana, Johnnie Walker Black Label is consumed on special occasions. Last year the business launched the JWBL More Campaign in selected premium pubs and hotel premium pubs over a 5 month period. The campaign has driven sales of this premium spirit and delivered sterling results.

Enriching The Communities in Which We Live and Work
Ladies and Gentlemen, as a Corporate Citizen, a key commitment for us is to enrich the communities in which we live and work. Our Company strives to deliver 3 sustainable projects in Corporate Social Responsibility: Water of Life; Alcohol in Society and a sustainable agricultural project in Sorghum, a locally resourced material (LRM).

Water of Life
In the period under review, we delivered 14 new boreholes and a water health center providing access to safe drinking water to an additional 98,000 people across Ghana. As you know, our Water of Life project began in 2007, with a commitment by our Company and Diageo PLC, a major shareholder, to provide leadership in supporting the United Nations to meet one of the Millennium Development Goals (MDGs). Our specific target, MDG 7, was to halve the proportion of the world's population without access to safe drinking water. In Ghana, we are proud to have delivered since the inception of the Water of Life program, a total of 65 water projects in 9 regions.
Our practical results oriented and quiet work in this area was deepened further when with support from Diageo's Employee Giving for Good program, this year our Company donated 3,500 water filters to health centers in the Greater Accra and Western regions as well as in the Ashanti region. There is a direct correlation between access to safe drinking water, quality of life and the opportunities for economic and social development for people. Our Water of Life strategy fully recognizes this.

Sorghum
Ladies and Gentlemen, over the last year, working with Technoserve (TNS) and jointly funded by the Common Fund for Commodities, the business continued to develop a high quality and sustainable sorghum supply chain by establishing linkages between more than 5,000 rural farmers and their families. Through enhanced farming practices and the introduction of high-yielding sorghum varieties which this partnership delivered, we have supported the improvement of sustainable farming incomes.
Our Company has begun discussions to ensure that our further engagement in LRMs is both commercially viable as well as sustainable - creating new employment, ensuring farm incomes, opportunities and revenues for the business and the government.

Alcohol in Society
GGBL is a founding member and now chair of the Association of Alcohol Manufacturers and Industry (AAMI). As a business and as a member of the AAMI we continue to seek the development of a pragmatic and enforceable National Alcohol Policy to define a transparent, competitive and predictable regulatory environment for our industry.

Chairman's
Statement

In the period under review we also supported the National Road Safety Commission with a Responsible Drinking campaign and directly engaged key audiences through our world class Drink IQ workshops that provide evidence based and culturally relevant information for adults to make informed decisions about alcohol use.

Environment

Ladies and Gentlemen, as a Company and a socially responsible Corporate Citizen, the business continues to prioritize Environment, Safety, Efficiency and Sanitation. In and around our sites here in Kumasi and in Accra, these are key deliverables. Consequently, we have developed a plan to 2015 that involves:

I. A 30% improvement in the way we use water, a precious resource, efficiently;
II. Cutting our carbon emissions in half;
III. A 60% reduction in Biological Oxygen Demand (ability to support aquatic life); and
IV. A zero waste to landfill record.

As you know, we have invested in a modern Effluent Treatment Plant (ETP) for the Achimota brewery. In addition to this investment, over the last financial year our Company revamped the existing ETP at the Kaasi brewery to optimize its efficiency.

We have continued to invest for growth and invest behind our brands as well as support our key priorities around environment, safety, efficiency and sanitation. The new pasteurizer for Line 3 here in Kumasi is evidence of a practical investment and our commitment to the environment, our business and Ghana.

We have installed a new pasteurizer for Line 3 which will improve line efficiency, deliver higher volume targets and product quality. The pasteurizer will rationalize energy consumption in Kaasi, enhance a safe working environment and reduce water usage.

Our People

Ladies and Gentlemen, in the last financial year, the Government instituted a new three tier scheme for pension funds and our Company liquidated the then Provident Fund, paying out entitlements to those who requested monies. In July 2010 our Company established a new Provident Fund with new trustees and a new structure under the third tier.

We are proud of our people and as a business we make particular effort to ensure that we invest in our Human Resources. In January 2011, we engaged twelve new graduates into our pool of employees. We are particularly proud that we have increased the number of female graduates - one female joined the Sales team and of the four graduates who went into the Supply function three of them were female. The Company also established the Guinness Ghana Breweries Women's Network to further promote inclusion amongst our people.

Looking Forward

Ladies and Gentlemen, looking forward the macro economics for Ghana continue to look very favourable with low inflation and stable interest and currency rates. The positive estimated double digit GDP rates is indicative of the continued investment in the country and we believe that with the right investment our Company is well placed to take advantage of this.

It is essential that the business can efficiently produce and deliver our premium products. Investment has begun with and a number of activities such as the major overhauls of certain production lines began in 2011. In addition to improve our ability to supply product from the Achimota brewery we commissioned two new fermentation vessels and overhauled our steam boilers. We have improved our logistics and warehouse operations. The business has invested GHS9.375 million in a pasteurizer for Line 3 in the Kaasi plant, here in Kumasi. This is one example of the investment required for the future growth of the business. More will be needed.

Chairman's
Statement

In order to ensure that the Company is optimally positioned to take advantage of the opportunities that lie ahead in Ghana, it is important that the business addresses its capital structure, reduces its finance cost burden and continues to invest in capital items to ensure it can meet consumer demands and significantly improve its returns to shareholders.
The Rights Offer that will enable us to achieve these objectives ends on November 14th, 2011. Please do review the prospectus that you will have received and consider carefully the benefits that a successful offer will bring to the business.

Mr.David Harlock

Report of
Directors

REPORT OF THE DIRECTORS TO THE MEMBERS OF GUINNESS GHANA BREWERIES LIMITED

The Directors in submitting to the shareholders their report and financial statements of the company for the year ended 30 June 2011 report as follows:

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Code, 1963 (Act 179) and for such control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe that the Company 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 do not recommend payment of dividend 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 alcoholic and non-alcoholic beverages and their ancillary products.

HOLDING COMPANY

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

CHANGES IN DIRECTORSHIP

During the year under review four directors resigned and four directors were appointed as follows:

- Kwaku Sarfo-Mensah, Leanne Wood and Thomas Arie de Man resigned in February 2011 and Emmanuel Jojo Bonney resigned in July 2011.
- Steve Gannon and Zooullis Mina were appointed in February 2011, James Kweku Inkoom was appointed in May 2011 and Peter Ndegwa was appointed in September 2011.

DIRECTORS RETIRING AND SEEKING RE-ELECTION

In accordance with the Ghana Stock Exchange Rules, the Company's Regulations and the Companies Code, 1963(Act 179), the newly appointed directors namely Stephen Christopher Gannon, Zooullis Mina, James Kweku Inkoom and Peter Ndegwa will be retiring and seeking re-election by shareholders at the upcoming Annual General Meeting and the Board would like to recommend that shareholders support their re-election.

Report of
Directors

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the company were approved by the Board of Directors on 20 September 2011 and signed on its behalf by:

Managing Director
EKWUNIFE OKOLI

Financial Director
ROBERT PILKINGTON

Corporate Governance

Report

Guinness Ghana Breweries Limited (GGBL) is committed to achieving the highest standards of corporate governance, corporate responsibility and risk management when conducting its business. GGBL is also committed to carrying out its business responsibly and in accordance with all laws and regulations which its business activities are subject to. The Board and management team are as a whole collectively responsible for ensuring that the highest standards of corporate governance are achieved when directing and controlling the business.

BOARD OF DIRECTORS

The Board is comprised of two full time executive directors and nine non-executive directors who are highly qualified and experienced in their professional areas of expertise. The Board which is chaired by a non-executive director is 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;
- Upholds the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met; and

  Ensures timely and accurate financial reporting to shareholders.

There were seven well-attended meetings of the Board of Directors during the year under review, scheduled to ensure that the Directors could provide the appropriate guidance and necessary approvals and perform their statutory obligations.

THE EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee which comprises the Managing Director and all the other functional directors is responsible for the day to day management of the company and for all the operational aspects of the business. The Executive Management Committee meets regularly to review the performance of the business, to assess the operations of the business, to devise and implement strategic pathways for the company and to ensure that adequate internal controls and compliance systems are in place and that they are adhered to.The Committee also identifies the company's risk profile and ensures that all the relevant steps are taken to mitigate and address the said risks.

AUDIT SUB-COMMITTEE (ASC)

The audit sub committe of the board is comprised of three directors two of whom are non-executive directors. It is chaired by a non-executive director and is required to exert a high level of oversight over, and scrutiny into, the Company's operations and financial reporting and internal controls and compliance systems. 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 compliance function and the performance of our independent auditors (Messrs 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 line with these requirements the ASC met four times this year and was fully engaged in reviewing both the internal and external audit reports and ensuring that the Company followed through on issues to be addressed. In addition the ASC reviewed in detail the Company's financial statements to ensure that they provide a true and accurate record of the state of the Company's affairs.

NOMINATIONS COMMITTEE

The Nominations Committee which is chaired by a non-executive director is comprised of four directors of whom three are non-executive directors. 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. The Nominations Committee also evaluates and determines compensation policies and recommends compensation for Non-Executive Directors. The Nominations Committee met three times this year and had very productive deliberations on issues in respect of corporate governance and the appointment/ nomination of directors and the remuneration of non executive directors.

RISK MANAGEMENT AND INTERNAL CONTROL

Your company is proud of its commitment to operate in a compliant and prudent manner and to this end undergoes a stringent programme of internal and external auditing each year. This year in addition to the annual financial audit undertaken by KPMG (external audit) the Company underwent internal audits and reviews in key areas of its operations. We also underwent the Controls Assessment and Risk Mitigation (CARM) process to drive improvement and adherence to controls.

OCCUPATIONAL HEALTH AND ENVIRONMENTAL SAFETY

Your company is committed to providing the highest standards of health, safety and welfare for its employees, and to its responsibility to minimise its environmental footprint. All aspects of our operations are therefore conducted in compliance with applicable health and safety laws and regulations and company policies.

CODE OF BUSINESS CONDUCT

Your company is committed to operating with integrity and has a Code of Business Conduct in place which establishes the level of professionalism and integrity required of all employees and the third parties that the company deals with. The Code clearly spells out the high ethical, professional and moral standards expected which include the requirement for reliable and accurate financial reporting, compliance with all applicable laws, the prohibition of all improper payments facilitating payments and bribes and the commitment to act as a socially responsible Company with respect to the environment, the communities that we operate in and our employees. Your company is also committed to promoting responsible drinking and the highest standards of responsible marketing as captured in our Marketing Code.

In conclusion we are happy to inform you that we have created an environment where our employees derive joy and pride from doing the right thing and acting with integrity.

Corporate Social
Responsibility

Creating a positive role for Alcohol in society

We continue to lead the industry's effort to creating a positive role for Alcohol in Ghana. In collaboration with the National Road Safety Commission, we continue to rollout targeted and impactful seasonal Responsible Drinking campaigns across key stakeholders in the Golden Triangle - Greater Accra, Ashanti and Western regions.

Clean-up

GGBL Women's Network ('WN') was launched on International Women's day on 8th March 2011.

Among the activities of WN was the donation of clothes and money by members and well-wishers within the business, to flood victims in Birim, in the Eastern region of Ghana. Closer to home, as we wanted to make our presence felt in the communities local to our brewery sites we undertook a cleanup exercise in Accra and Kumasi. WN members were thoroughly enthused by this activity, and have committed to do more in our communities as time progresses.

Sustainability and Responsibility

This lies at the core of our business-from a more balanced role for alcohol in society, to minimizing our environmental footprint and supporting our communities. We are committed to building our reputation as a thought leader and development partner for our local communities and country at large.

Our flagship community investment programme - Water of Life continues to enable access to clean drinking water for thousands of Ghanaians every year, in support of Diageo's commitment to contributing significantly to target 10 of the Millennium Development Goal (MDG) 7.

Since 2007, we have invested and supported several communities through the programme - translating into 65 active projects across nine regions. We have a forward looking approach and are committed to partnering with like-minded corporate and civil society partners to further expand our footprint, fashion tailor-made solutions for our communities. We do believe, strongly, that a collective challenge such as the provision of access to drinking water, demands a collective and strategic approach. We are passionate about this programme and we will continue to invest and leverage partnerships to impact and touch many more lives in a sustainable way in the coming years.

Water of Life
- Enriching our Communities

Northern

Coming Soon

Upper East

Azupupunga, Sapaligu,
Tambiug Pusiga,
Senebaga Kpatua,
Banakpesir Werikambo

Upper West

Brong Ahafo

Kookoso, Mentukwa, Dantano,
Twumasikrom, Debibi, Grohani,
Brodi, Sabiye, Namasa,
Banda Ahenkro, Nasala,
Band Boase

Ashanti

Bekwai, Abosanatwegye,
Bamang, Bodomase,
Wonoo, Ameepe,
Aduabeng, Asipong,
Konongo, Ampabame

Western

Bibiani, Wassa Akropong,
Sefwi Wiawso

Eastern

Adukrom, Aboano, Suhum,
Maamfe, Amanokrom,
Koforidua, Adasewase

Central

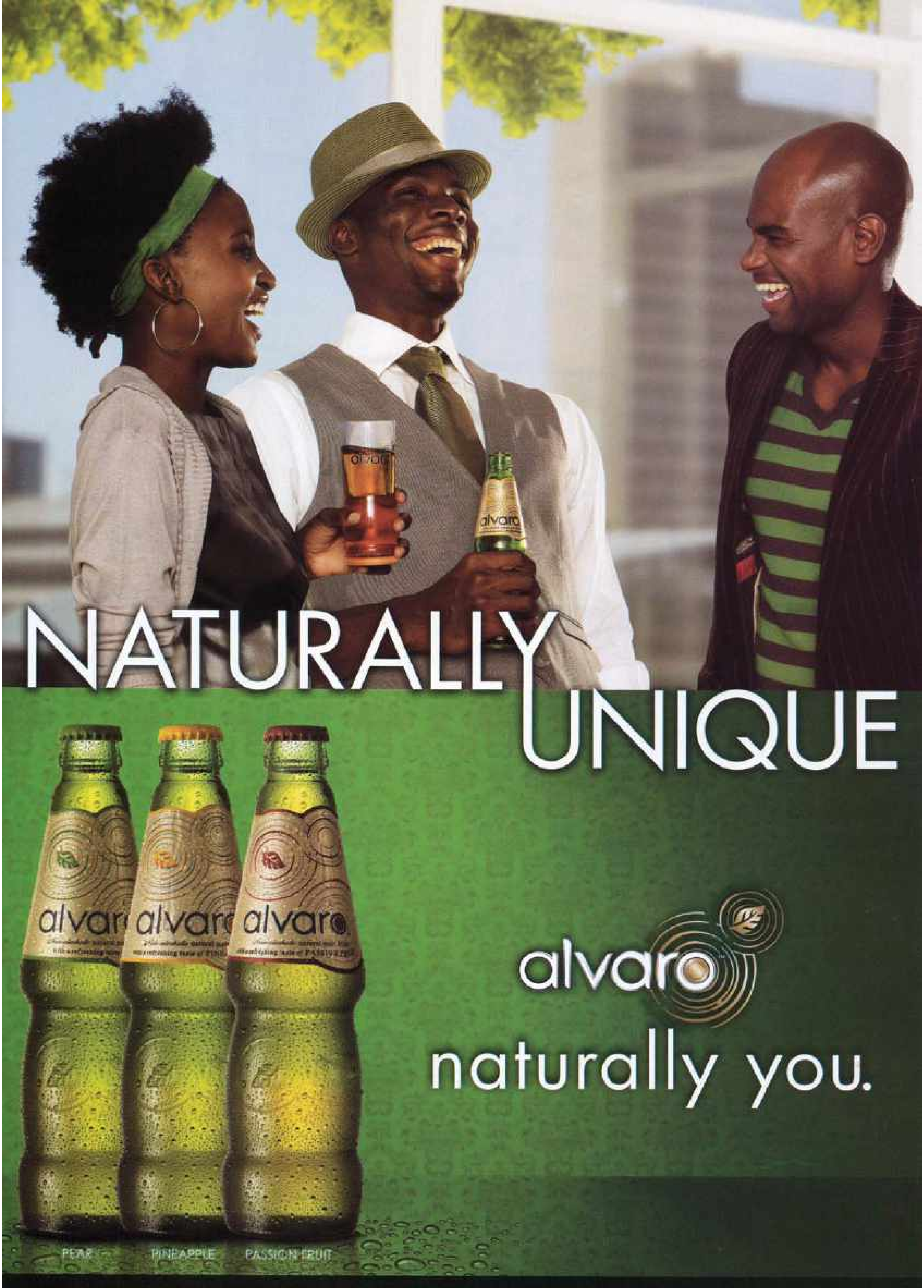
Adieso, Agona Swedru,
Agona Nsaba, Assin Fosu,
Bawjiase, Gomoa Mpotoa,
Budumburam

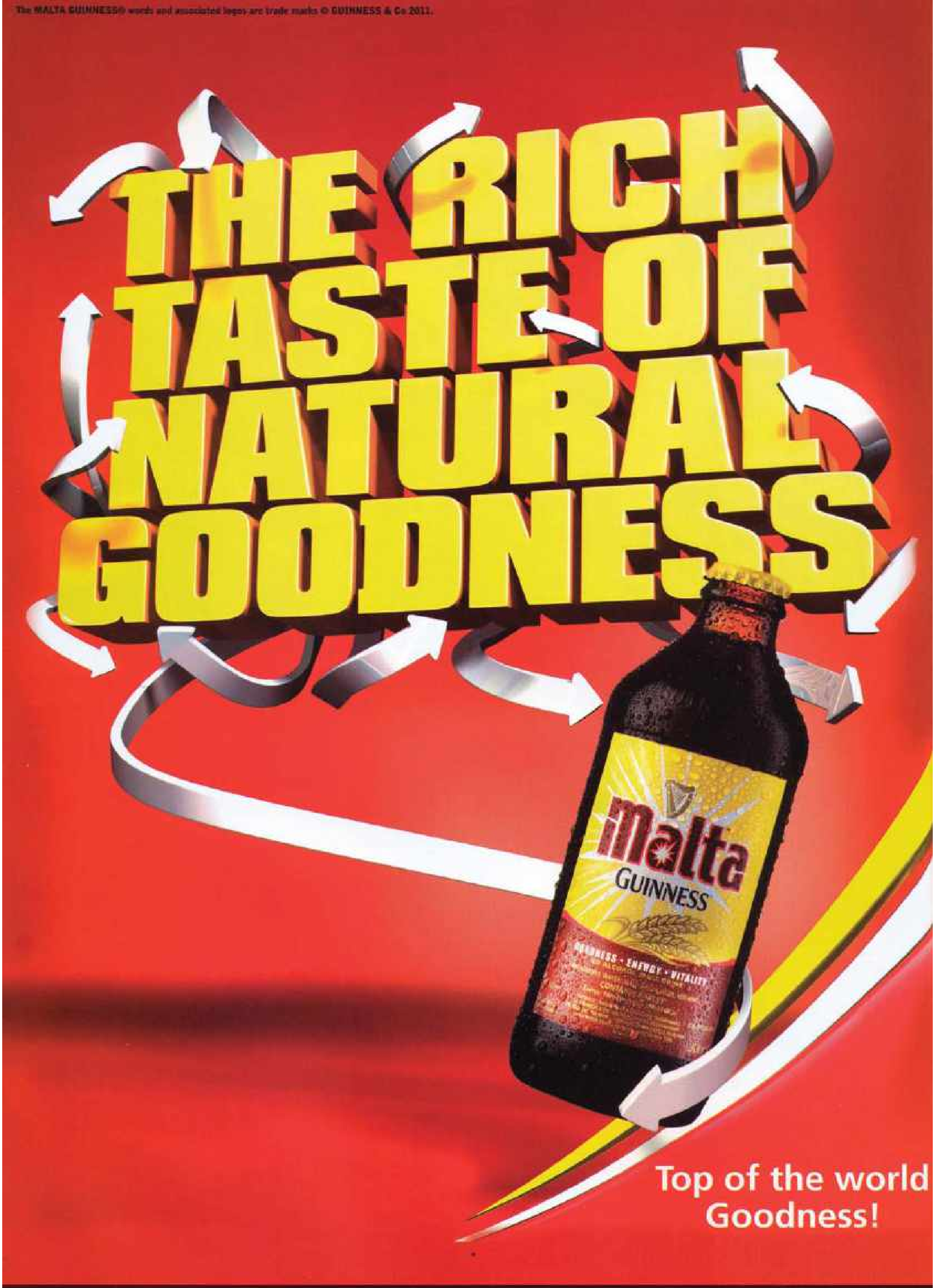
Volta

Gledzi Gbogame

Greater Accra

Zenu - Ashaiman, Taifa,
Kpobikope, Madina Oblogo,
Akotoshie, Gakope, Agomeda


NATURALLY UNIQUE
alvaro
naturally you.
PEAR
PINEAPPLE
PASSION FRUIT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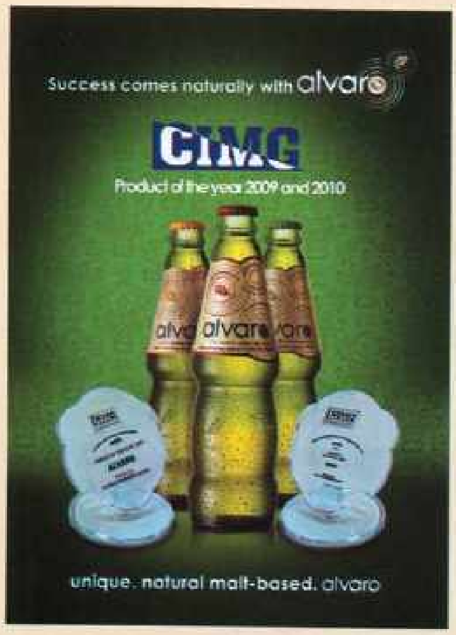

ALVARO CIMG AWARD FOR THE PRODUCT OF THE YEAR (2009 AND 2010).

BAILEYS' VISIBILITY DAY

GUINNESS FOOTBALL CHALLENGE WINNERS

DELIVERING PREMIUM DRINKING EXPERIENCES THROUGH THE JOHNNIE WALKER MENTORSHIP PROGRAMME

STAR @ 50 RELAUNCH

MALTA GUINNESS STREET DANCE PAN AFRICAN FINALISTS

DJ BLACK HOSTS A SMIRNOFF PARTY

Independent Auditor's
Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUINNESS GHANA BREWERIES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Guinness Ghana Breweries Limited, which comprise the statement of financial position at 30 June 2011, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies set out on pages 22 to 58.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 judgment, 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 control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, 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, the financial statements give a true and fair view of the financial position of Guinness Ghana Breweries Limited at 30 June 2011 and of its financial performance and 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).

Independent Auditor's
Report

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance With The Requirements Of Section 133 of the Companies Code, 1963 (Act 179)

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 statements of financial position and comprehensive income are in agreement with the books of account.

KPMG

CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P. O. BOX GP 242
ACCRA

20TH SEPTEMBER 2011

Statement of Financial
Position

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 GH¢'000	2010 GH¢'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	156,535	143,643
Intangible assets	13	5,503	7,291
		162,038	150,934
Current assets			
Inventories	14	27,936	28,627
Trade and other receivables	15	5,636	6,103
Amounts due from related companies	22	1,300	533
Cash and cash equivalents	16	5,634	2,849
Income tax asset	11(ii)	1,644	-
		42,150	38,112
Total assets		204,188	189,046
EQUITY AND LIABILITIES			
Share capital	19(i)	26,252	26,252
Retained earnings	19(ii)	19,444	18,911
Total equity		45,696	45,163
Non-current liabilities			
Medium-term loans	18(ii)	20,428	45,989
Employee benefit obligations	24	625	490
Deferred tax liability	11(iv)	7,772	5,798
Total non-current liabilities		28,825	52,277
Current liabilities			
Bank overdraft	16, 17	7,993	28,858
Short-term loans	18(i)	31,950	13,011
Trade and other payables	21	37,143	27,559
Income tax liability	11(ii)	-	439
Amounts due to related companies	22	50,170	19,328
Dividend liability	23	2,411	2,411
Total current liabilities		129,667	91,606
Total liabilities		158,492	143,883
Total equity and liabilities		204,188	189,046

Ekwunife Okoli
Managing Director

Robert Pilkington
Financial Director

Statement of Comprehensive
Income

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 GH¢'000	2010 GH¢'000
Turnover	6	244,293	206,499
Cost of Sales		(172,577)	(142,230)
Gross Profit		71,716	64,269
General, Administrative and Selling Expenses		(52,575)	(42,486)
Trading Profit		19,141	21,783
Other Income	7	1,540	203
Profit before Net Finance Cost and Taxation		20,681	21,986
Finance Income		17	31
Finance Costs		(20,236)	(26,427)
Profit/(Loss) before Taxation	8	462	(4,410)
Taxation	11(i)	71	(230)
Profit/(Loss) for the year		533	(4,640)
Other Comprehensive Income		-	-
Total Comprehensive Income		533	(4,640)
Basic earnings per share (Ghana cedi per share)	20	GH¢0.003	GH¢(0.028)
Diluted earnings per share (Ghana cedi per share)	20	GH¢0.003	GH¢(0.028)

Statement of changes in EQUITY

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Share Capital GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
30 June 2011			
Balance at 1 July 2010	26,252	18,911	45,163
Total Comprehensive Income			
Profit for the year	-	533	533
	--------	--------	-------
	26,252	19,444	45,696
Transaction with Owners			
Dividend to shareholders	-	-	-
	--------	--------	-------
Balance at 30 June 2011	26,252	19,444	45,696
	=====	====	====
30 June 2010			
Balance at 1 July 2009	26,252	27,813	54,065
Total Comprehensive Income			
Loss for the year	-	(4,640)	(4,640)
	--------	--------	--------
	26,252	23,173	49,425
Transaction with Owners			
Dividend to shareholders	-	(4,262)	(4,262)
	--------	--------	-------
Balance at 30 June 2010	26,252	18,911	45,163
	=====	====	====

Statement of

Cashflows

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2011

	2011 GH¢'000	2010 GH¢'000
Cash flows from operating activities		
Profit/(Loss) before taxation	462	(4,410)
Adjustment for:		
Depreciation charges	18,580	14,765
Amortisation	1,863	1,860
Profit on sale of property, plant and equipment	(818)	(73)
Property, plant and equipment written off	341	652
Net interest expense	20,219	26,396
Impairment of property plant and equipment	269	1,037
	40,916	40,227
Change in:		
Inventories	691	261
Trade and other receivables	467	15,695
Trade and other payables	9,584	(10,619)
Related company balances	30,075	(40,725)
Employee benefit obligations	135	256
Cash flow from operations	81,868	5,095
Income taxes paid	(38)	(368)
Interest paid	(20,236)	(26,427)
Net cash flow from operating activities	61,594	(21,700)
Cash flows from investing activities		
Additions to property, plant and equipment	(32,482)	(34,756)
Additions to intangible assets	(75)	-
Proceeds from sale of property, plant and equipment	1,218	78
Interest received	17	31
Net cash flow from investing activities	(31,322)	(34,647)

Statement of

Cashflows

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2011

	2011 GH¢'000	2010 GH¢'000
Cash flow from financing activities		
Dividends paid	-	(8,921)
Net movement in loan balances	(6,622)	32,000
Net cash flow from financing activities	(6,622)	23,079
Increase/(Decrease) in cash and cash equivalents	23,650	(33,268)
Cash and cash equivalents at 1 Jun	(26,009)	7,259
Cash and cash equivalents at 30 June	(2,359)	(26,009)

Notes to the Financial

Statements

GUINNESS GHANA BREWERIES LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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 alcoholic and non-alcoholic beverages 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 (IFRS).

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 PRESENTATION CURRENCY

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

D. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities and 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 judgements about the 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 amounts recognised in the financial statements are described in notes 4 and 25.

3.SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

A. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the functional currency using 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 recognized in the statement of comprehensive income. 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 recognized in the statement of comprehensive income 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 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 assets at fair value through profit or loss; loans and receivables and held to maturity.

(ii) Non-derivative financial instruments
Non-derivative financial instruments are recognised initially at fair value plus, for instruments 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, less any impairment losses.

(ii) Non-derivative financial instruments (cont'd)
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 the statement of comprehensive income when the underlying asset is sold; matured or derecognised. Available for sale assets for which there is no realistic basis of determining fair values are measured at cost.

(iii) Off setting
Financial assets and liabilities are set off and the net amount presented in the statement of financial position 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 accounting standards or for gains and losses arising from a group of similar transactions.

(iv)Amortized 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 are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are stated as assets of the company at the lower of their fair value and the present value of minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.Finance costs are charged to the statement of comprehensive income over the term of the relevant lease so as to produce a constant periodic interest charge on the remaining balance of the obligation for each accounting period.

Where significant portions of risks and rewards of ownership of leases are retained by the lessor, such leases are classified as operating leases.

(ii)Lease payments
Payments made under operating leases are charged to the statement of comprehensive income 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 finance costs and a reduction of the outstanding lease liability. The finance cost 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.

Notes to the Financial **Statements**

D.PROPERTY, PLANT AND EQUIPMENT(PPE)

(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 related equipment is capitalized 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 day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income, as incurred.

(iii) Depreciation
Depreciation is recognised in the statement of comprehensive income 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 their useful lives.

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

The annual rates generally in use are as follows:-

Leasehold land	-	over period of lease
Buildings	-	over period of lease up to 50 years
Plant and machinery	-	8 years to 25 years
Motor vehicles and computers	-	3 years to 5 years
Furniture and office equipment	-	5 years to 8 years
Returnable bottles	-	5 years
Returnable crates	-	10 years

Depreciation methods, useful lives and carrying amount are reassessed at each reporting date. The carrying amounts of property, plant and equipment are assessed whether they are recoverable in the form of future economic benefits. If the recoverable amount of a PPE has declined below its carrying amount, an impairment loss is recognised to reduce the value of the assets to its recoverable amount. In determining the recoverable amount of the assets, expected cash flows are discounted to their present value.

(iii)Depreciation (cont'd)
Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amounts of property, plant and equipment and are recognised in the statement of comprehensive income as other income.

E.INTANGIBLE ASSETS

Software
Software acquired is stated at cost less accumulated amortization and 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.

Amortization is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful life of the software, from the date that it is available for use.

F.INVENTORIES

Inventories are measured at lower of cost and net realisable value using the weighted average cost principle. The cost of inventories includes expenditure incurred in acquiring 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 cost, 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 cost less impairment losses.

H.CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, bank balances and investments in short term deposits and are carried at amortised cost.

I.EMPLOYEE BENEFITS

(i)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 statement of comprehensive income when they are due.

(ii)Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liabilities of the company arising from defined benefit obligations and related current service costs are determined on an actuarial basis using the projected unit of credit method. The company uses this method to determine the present value of defined benefit obligations, related current service costs and, where applicable, past service costs. Actuarial gains and losses, which arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and what actually occurred, are recognised in the period in which they occur directly in equity in the statement of changes in equity.

(iii)Short-term benefits

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

J.PROVISIONS

A provision is recognised 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 significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, 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.NET FINANCE COST

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

Finance costs comprise interest expense on borrowings. All borrowing costs are recognised in the statement of comprehensive income 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 ordinary 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 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.

(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.

All impairment losses are recognised in the statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

O.INCOME TAX

Income tax expense comprises current and deferred tax. The company provides for taxation at the current rates of tax on taxable incomes.

Income tax is recognised in the statement of comprehensive income 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 end of the reporting period 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 corresponding amounts used for purposes of taxation.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, based on 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.

Notes to the Financial
Statements

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 2011 and have not been applied in preparing these financial statements. Except for those listed below, the other new standards and amendments will not have any impact on the company's financial statements:

Amendment To IAS 1 Presentation Of Financial Statements

The amendment to IAS 1 will be adopted by the company for the first time for its financial reporting period ending 30 June 2012.

The company will present those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. The related tax effects for the two sub-categories will be shown separately.

This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements. This amendment will be applied retrospectively and comparative information will be restated.

Amendments To IAS 19 Employee Benefits: Defined Benefit Plans

The amendments to IAS 19 will be adopted by the company for the first time for its financial reporting period ending 30 June 2013.

In terms of the amendments, the following key changes will have an impact on the company:

- Actuarial gains and losses are recognized immediately in other comprehensive income. The corridor method and the recognition of actuarial gains and losses in profit or loss will no longer be permitted.
- Past service costs as well as gains and losses on curtailments/settlements shall be recognized in profit or loss.
- Expected returns on plan assets are calculated based on rates used to discount the defined benefit obligation.
- The definitions of short-term and other long-term employee benefits have been amended and the distinction between the two will depend on when the entity expects the benefit to be settled.

Additional amendments are of a presentation nature and will not have a significant impact on the company's financial statements.

IFRS 9 Financial Instruments

IFRS 9 will be adopted by the company for the first time for its financial reporting period ending 30 June 2015. The standard will be applied retrospectively, subject to transitional provisions. IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39.

Under IFRS 9 there are two options in respect of classification of financial assets, namely financial assets measured at amortized cost or at fair value. Financial assets are measured at amortized cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host. This may impact the measurement of the company's financial assets.

IFRS 13 Fair Value Measurement

IFRS 13 will be adopted by the company for the first time for its financial reporting period ending 30 June 2013. The standard will be applied prospectively and comparatives will not be restated.

IFRS 13 introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosure requirements for fair value measurements.

The key principles in IFRS 13 are as follows:

Fair value is an exit price

Measurement considers characteristics of the asset or liability and not entity-specific characteristics

IFRS 13 Fair Value Measurement

Measurement assumes a transaction in the entity's principle (or most advantageous) market between market participants.

- Price is not adjusted for transaction costs.
- Measurement maximises the use of relevant observable inputs and minimises the use of unobservable inputs.
- The three-level fair value hierarchy is extended to all fair value measurements.

Below is a summary of amendments/improvements to standards and interpretations that are not yet effective.

Standard	Interpretation	Effective date
IAS 1 amendment	Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income	Annual periods beginning on or after 1 July 2012
IAS 19 amendment	Employee Benefits: Defined benefit plans	Annual periods beginning on or after 1 January 2013
IFRS 9 (2010)	Financial Instruments	Annual periods beginning on or after 1 January 2015
IFRS 13	Fair Value Measurement	Annual periods beginning on or after 1 January 2013

4.DETERMINATION OF FAIR VALUES

A number of the company's accounting policies and disclosures require the determination 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, further information about the assumptions made in determining fair values is disclosed in notes specific to that asset or liability.

The following sets out the company's basis of determining fair values of financial instruments disclosed under note 25:

(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.

(ii)Cash and cash equivalents
The fair value of cash and cash equivalents approximates their carrying values.

(iii)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.

5.SEGMENT REPORTING

The company operates as one single business and geographical segment. Consequently, no segment reporting is provided in the financial statements.

6.REVENUE

(i)	2011 GH¢'000	2010 GH¢'000
Gross Sales Value	379,686	301,893
Taxes collected for Government		
Excise Duty	81,426	51,169
Value Added Tax	48,339	38,748
	129,765	89,917
Volume and financial discount	5,628	5,477
Net Sales Value	244,293	206,499

(ii)Analysis of net sales

	2011 GH¢'000	2010 GH¢'000
Local sales	244,019	205,988
Export sales	274	511
Net sales value	244,293	206,499
Sales to non-affiliates	244,019	205,988
Sales to affiliates	274	511
	244,293	206,499

Notes to the Financial

Statements

7.OTHER INCOME

	2011 GH¢'000	2010 GH¢'000
Sundry income	722	130
Profit on disposal of property, plant and equipment	818	73
	1,540	203

8.PROFIT/(LOSS) BEFORE TAXATION

is stated after charging:		
Personnel costs (note 9)	28,852	26,206
Directors' remuneration	1,835	1,730
Auditors' remuneration	138	132
Depreciation	18,580	14,765
Amortisation	1,863	1,860
Net finance costs (note 10)	20,219	26,396
Donations	2	44
Net exchange difference	694	1,373

9.PERSONNEL COSTS

Wages and salaries	19,089	16,939
Social security contributions	1,124	1,036
Contributions to provident fund	1,064	1,108
Contribution to defined benefit plan	146	256
Other staff expenses	7,429	6,867
	28,852	26,206

The total number of staff employed by the company at the year-end was 1,104 (2010: 1,222).

10.NET FINANCE COST

	2011 GH¢'000	2010 GH¢'000
Finance income	(17)	(31)
Finance costs	20,236	26,427
	20,219	26,396

11.TAXATION

(i)Income tax expense

	2011 GH¢'000	2010 GH¢'000
Current tax expense (Note 11(ii))	(2,045)	-
Deferred tax expense (Note 11(iv))	1,974	230
	(71)	230

(ii)Income tax

	Opening Balance GH¢'000	Payments GH¢'000	Charge to I & S GH¢'000	Closing Balance GH¢'000
Income Tax				
Up to 2008	1,528	-	(2,083)	(555)
2009	(721)	-	-	(721)
2010	(368)	-	-	(368)
2011	-	-	-	-
	439	-	(2,083)	(1,644)
National Stabilisation Levy	-	(38)	38	-
	439	(38)	(2,045)	(1,644)

Tax liabilities up to 2008 have been agreed with the Revenue Authorities. The remaining years of assessment are subject to agreement with the Revenue Authorities.

(iii)Reconciliation of effective tax rate

	2011 GH¢'000	2010 GH¢'000
(Loss)/Profit before taxation	462	(4,410)
Income tax using the domestic tax rate (25%)	116	(1,102)
Non-deductible expenses	5,069	5,792
Tax audit adjustments / tax exempt revenues	(2,083)	(2,206)
Capital allowance	(5,185)	(2,484)
Deferred tax charges	1,974	230
National Stabilisation Levy	38	-
Current tax charge	(71)	230
Effective tax rate	(15)%	(5)%

(iv)Deferred Taxation

	2011 GH¢'000	2010 GH¢'000
Balance at 1 July	5,798	5,568
Charge for the year	1,974	230
Balance at 30 June	7,772	5,798

(v)Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2011			2010		
	Assets GH¢'000	Liabilities GH¢'000	Net GH¢'000	Assets GH¢'000	Liabilities GH¢'000	Net GH¢'000
Property, plant and equipment	(6,271)	13,466	7,195	(5,566)	12,971	7,405
Provisions	(118)	-	(118)	(971)	-	(971)
Exchange difference	-	695	695	(636)	-	(636)
Net tax liabilities	(6,389)	14,161	7,772	(7,173)	12,971	5,798

12.PROPERTY, PLANT AND EQUIPMENT

2011	Buildings GH¢'000	Plant & Machinery GH¢'000	Motor Vehicles GH¢'000	Furniture & Equipment GH¢'000	Bottles & Crates GH¢'000	Capital Work in-Progress GH¢'000	Total GH¢'000
Cost							
At 1/7/10	7,947	129,718	3,592	3,000	46,050	7,076	197,383
Additions	147	5,641	1,490	1,147	11,512	12,545	32,482
Disposals	-	(287)	(247)	-	(701)	-	(1,235)
Transfers	437	8,131	-	120	1,038	(9,726)	-
Write off	-	(704)	-	(55)	-	(14)	(773)
Re-classification	-	(198)	-	-	198	-	-
At 30/6/11	8,531	142,301	4,835	4,212	58,097	9,881	227,857
Accumulated Depreciation							
At 1/7/10	1,903	34,860	2,060	1,868	13,049	-	53,740
Charge for the year	219	8,650	856	669	8,186	-	18,580
Released on disposals	-	(81)	(244)	-	(510)	-	(835)
Released on write off	-	(377)	-	(55)	-	-	(432)
Re-classification	-	(59)	-	-	59	-	-
Impairment loss	10	257	2	-	-	-	269
At 30/6/11	2,132	43,250	2,674	2,482	20,784	-	71,322
Net Book Value							
At 30/6/11	6,399	99,051	2,161	1,730	37,313	9,881	156,535

PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2010	Buildings GH¢'000	Plant & Machinery GH¢'000	Motor Vehicles GH¢'000	Furniture & Equipment GH¢'000	Bottles & Crates GH¢'000	Capital Work in-Progress GH¢'000	Total GH¢'000
Cost							
At 1/7/09 - Restated	6,044	101,783	2,969	5,296	27,900	23,451	167,443
Additions	-	-	993	108	16,716	16,939	34,756
Disposals	-	-	(157)	(6)	-	-	(163)
Transfers	1,732	30,093	-	55	1,434	(33,314)	-
Write off	(80)	(1,909)	(213)	(2,395)	-	-	(4,597)
Re-classification	251	(249)	-	(2)	-	-	-
Reclassification to intangibles	-	-	-	(56)	-	-	(56)
At 30/6/10	7,947	129,718	3,592	3,000	46,050	7,076	197,383
Accumulated Depreciation							
At 1/7/09 - Restated	1,782	27,858	1,749	3,599	7,062	-	42,050
Charge for the year	194	7,271	653	660	5,987	-	14,765
Released on disposals	-	-	(157)	(1)	-	-	(158)
Released on write off	(80)	(1,301)	(185)	(2,379)	-	-	(3,945)
Re-classification	7	(5)	-	(2)	-	-	-
Impairment loss	-	1,037	-	-	-	-	1,037
Reclassification to intangibles	-	-	-	(9)	-	-	(9)
At 30/6/10	1,903	34,860	2,060	1,868	13,049	-	53,740
Net Book Value							
At 30/6/10	6,044	94,858	1,532	1,132	33,001	7,076	143,643

Disposal Of Property, Plant And Equipment

	2011 GH¢'000	2010 GH¢'000
Cost	1,235	163
Accumulated depreciation	(835)	(158)
Net book value	400	5
Proceeds on disposal	1,218	78
Profit on disposal	818	73

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Disposal Of Property, Plant And Equipment (Cont'd)

	2011 GH¢'000	2010 GH¢'000
Depreciation has been charged in the statement of comprehensive income as follows:-		
Cost of sales	16,607	13,258
General, administrative and selling expenses	1,973	1,507
	18,580	14,765

13.INTANGIBLE ASSETS

	2011 GH¢'000	2010 GH¢'000
Cost		
Balance at 1 July	10,668	10,612
Addition during the year	75	-
Reclassification from property, plant and equipment	-	56
Balance at 30 June	10,743	10,668
Amortisation		
Balance at 1 July	3,377	1,508
Amortisation for the year	1,863	1,860
Reclassification from property, plant and equipment	-	9
Balance at 30 June	5,240	3,377
Carrying amount		
At 30 June	5,503	7,291

14.INVENTORIES

	2011 GH¢'000	2010 GH¢'000
Raw and packaging materials	13,827	12,918
Goods in transit	1,401	3,530
Work-in-progress	2,489	2,488
Finished products	2,388	3,833
Engineering and consumables	7,831	5,858
	27,936	28,627

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15. TRADE AND OTHER RECEIVABLES

	2011 GH¢'000	2010 GH¢'000
Trade receivables	3,340	3,174
Other receivables	597	1,684
Staff debtors	16	44
Prepayments	1,683	1,201
	5,636	6,103

The maximum amount due from officers of the company during the year was approximately GH¢41,238 (2010: GH¢44,000).

16. CASH AND CASH EQUIVALENTS

	2011 GH¢'000	2010 GH¢'000
Bank balances	5,634	2,849
Bank overdraft (note 17)	(7,993)	(28,858)
Cash and cash equivalents	(2,359)	(26,009)

17. BANK OVERDRAFT

Guaranty Trust Bank (Ghana) Limited	4,656	4,663
Intercontinental Bank Ghana Limited	1,069	2,863
SG-SSB Limited	609	4,896
United Bank of Africa (Ghana) Limited	1,659	2,669
Standard Chartered Bank Limited	-	10,996
Zenith Bank Limited	-	2,771
	7,993	28,858

The terms of the overdraft are as follows:

Guaranty Trust Bank (Ghana) Limited

The overdraft facility of GH¢5million was arranged to finance raw materials purchases and the payment of royalties. Interest accrues at 21.5% per annum and is subject to review in line with prevailing market conditions. This facility is secured by a letter of comfort from Diageo Holdings Netherlands B.V. and expires on 25 October 2011.

Intercontinental Bank (Ghana) Limited

The overdraft facility of GH¢7million was arranged to pay local bills. Interest is at 2.75% below the bank's annual base rate. The company has given the bank a negative pledge for this facility. The facility expired on 26 July 2011.

SG-SSB Limited

The overdraft facility of GH¢5million was arranged to augment working capital. The facility is available for trade transactions and working capital support. Interest is at 4%, below the bank's annual base rate and is payable monthly and subject to change at the discretion of the bank in line with prevailing market conditions. This facility is secured by a letter of comfort from the Diageo group. The facility expires on 31 January 2012.

United Bank for Africa (Ghana) Limited

The facility of GH¢3million was arranged to finance stock purchases and other working capital components. Interest is at the bank's annual base rate minus 3% and is payable monthly and subject to change at the discretion of the bank in line with prevailing market conditions. This facility is secured by a letter of comfort from Diageo Holdings Netherlands B.V. The facility expires on 11 October 2011.

18.SHORT AND MEDIUM-TERM LOANS

	2011 GH¢'000	2010 GH¢'000
Guaranty Trust Bank (Ghana) Limited	7,778	10,000
Stanbic Bank Ghana Limited	10,000	-
Standard Chartered Bank Ghana Limited	32,000	41,000
United Bank of Africa (Ghana) Limited	2,600	3,000
Zenith Bank Ghana Limited	-	5,000
	52,378	59,000
(i)Due within one year	31,950	13,011
(ii)Due after one year	20,428	45,989

Guaranty Trust Bank (Ghana) Limited

The company secured a GH¢10 million medium term loan facility from Guaranty Trust Bank (Ghana) Limited in the previous year for the payment of liabilities incurred in the ordinary course of trading activities. Interest accrues at GT Bank's base rate minus 2.5% per annum. This facility is secured by a letter of comfort from Diageo Holdings Netherlands B.V. This facility has an 18 month moratorium on principal repayments. Interest is required to be paid during the moratorium period. Monthly principal repayments commenced in February 2011. The loan matures on 31 July 2012.

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Stanbic Bank (Ghana) Limited

The company secured a 4 year medium term loan facility of GH¢10 million from Stanbic Bank Ghana Limited to re-finance a portion of its indebtedness. Interest is at 3% more than the 91-Day Government of Ghana Treasury bill rate. The interest rate is reset on a quarterly basis and determined based on the average of 91-Day T-Bill rates for the preceding 3 months as published by the Bank of Ghana. This loan is secured by a letter of comfort from Diageo Holdings Netherlands B.V.

There is a 12 month moratorium on both principal and interest repayment. The loan will however be amortized in twelve equal installments 3 months after expiration of the moratorium. The loan matures on 31 January 2015.

Standard Chartered Bank Ghana Limited

Loan 1

The company secured a medium term loan facility of GH¢27million from Standard Chartered Bank Ghana Limited in the previous year to enable it restructure its balance sheet following the financing of core working capital and capital expenditure projects with short term funds after the acquisition of Ghana Breweries Limited.

Interest is at SCB's base rate minus 0.5% and is subject to change in line with prevailing market conditions. A 15 month moratorium on principal repayment has been agreed. Interest is however payable monthly and is required to be paid during the moratorium period.

Quarterly principal repayments commenced in January 2011. The facility matures on 30 April 2012.

Loan 2

The company secured a medium term loan facility of GH¢14m from Standard Chartered Bank Ghana Limited in the previous year for refinancing and general corporate purposes. This facility accrues interest at 21% and has a 24 month moratorium on principal repayments. Quarterly interest payments commenced in January 2010 whilst principal repayment is due to commence in November 2011. This loan matures on 30 October 2013.

United Bank for Africa (Ghana) Limited

The company secured a GH¢3m medium term loan facility from United Bank for Africa (Ghana) Limited, exclusively to pay for liabilities incurred in the ordinary course of its trading, including payment of inter-company obligations. Interest accrues at UBA's base rate minus 3% and is payable monthly commencing from the last day of the month of disbursement. This facility is secured by a letter of comfort from Diageo Holdings Netherlands B.V.

An eighteen month moratorium on principal repayment has been agreed. Interest is payable during the moratorium period. Monthly principal repayments commenced in March 2011. The loan matures on 13th August 2013.

Zenith Bank (Ghana) Limited

The company arranged a GH¢5 million medium term loan facility from Zenith Bank (Ghana) Limited to finance accounts payable. Interest is at Zenith Bank's base rate minus 1% per annum subject to periodic reviews. Interest is payable monthly commencing from the last day of the month of disbursement. This loan is secured by a letter of comfort from Diageo Holdings Netherlands B.V.

There is an 18 month moratorium on principal repayments. Interest is required to be paid during the moratorium period. Monthly principal repayments commenced in February 2011. Although, the loan matures in July 2013, the company paid off the loan balance in full before the year-end.

19.CAPITAL AND RESERVES

(i)Share Capital (Stated Capital)

(a)Ordinary Shares

	Number of Shares		Proceeds	
	2011	2010	2011	2010
	'm	'm	GH¢'000	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 retained earnings	93	93	275	275
	-----	-----	--------	--------
	165	165	26,252	26,252
	===	===	=====	=====

The holders of ordinary shares 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.

(ii)Retained Earnings (Income Surplus)

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

20.EARNINGS PER SHARE

Basic and diluted earnings per share
The calculation of basic and diluted earnings per share at 30 June 2011 was based on profits attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders

	2011 GH¢'000	2010 GH¢'000
Profit/(Loss) attributable to ordinary shareholders	533	(4,640)
	==	=====

Weighted average number of ordinary shares

Weighted average number of ordinary shares	164,671	164,671
	=====	=====

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

21.TRADE AND OTHER PAYABLES

	2011 GH¢'000	2010 GH¢'000
Trade payables	16,415	14,416
Non-trade payables and accrued expenses	20,728	13,143
	--------	--------
	37,143	27,559
	=====	=====

22.RELATED PARTY TRANSACTIONS

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

(ii)Raw materials, plant, equipment and consumables amounting to GH¢29.07 million (2010: GH¢24.36 million) were purchased from related parties during the year.

(iii)Included in the income statement is an amount of GH¢10.5 million (2010: GH¢6.2 million) in respect of royalties and technical services fees accruing to Diageo Ireland, Diageo North America, Diageo Brand BV, Great Britain and Heineken.

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

Amounts due to related companies

	2011 GH¢'000	2010 GH¢'000
Goods and services supplied	40,619	13,337
Royalties and technical service fees	9,551	5,991
	50,170	19,328
Amounts due from related companies	1,300	533

23.DIVIDENDS

Balance at 1 July	2,411	7,070
Dividend declared	-	4,262
	2,411	11,332
Dividend paid	-	(8,921)
Balance at 30 June	2,411	2,411

24.EMPLOYEE BENEFIT OBLIGATIONS

Defined Contribution Plans

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

Under the National Deferred Benefit Pension Scheme, the company contributes 13% of each employee's basic salary to SSNIT as employee pensions. The company's obligation is limited to the relevant contributions, which are settled on due dates. Pension liabilities and obligations rest with SSNIT.

(ii)Provident Fund

The company has a provident fund scheme for staff under which the company contributes 12% and 15% of basic salaries for junior and senior staff respectively. Obligations under the plan are limited to the relevant contributions, which are settled on due dates to the fund manager.

Defined Benefit Plan

(i)End of Service Benefits

The company has an end of service plan that has been designed to help its permanent junior staff build up savings over a period of time to meet their future financial obligations. The company contributes 5% of each 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 a monthly basis. Employees who leave employment on grounds of ill-health or retire are entitled to 100% of their contributions or two (2) years of their basic salary, whichever is higher.

Employee benefit obligations recognized in the statement of financial position

	2011 GH¢'000	2010 GH¢'000
Pension fund: defined benefit plan	625	490
	===	===

Reconciliations of assets and employee benefit obligations recognized in the statement of financial position

	2011 GH¢'000	2010 GH¢'000
Defined benefit pension plan		
Present value of funded obligation	-	-
Present value of unfunded obligations	625	490
	-----	-----
	625	490
Net unrecognized actuarial gains/(losses)	-	-
Unrecognized assets	-	-
	----	----
Net employee benefit obligations recognized in the statement of financial position	625	490
	===	===

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(i)End of Service Benefits (cont'd)

Movement in defined benefit obligations, net

	2011 GH¢'000	2010 GH¢'000
Balance at 1 July	490	234
Employer's contribution	135	256
Balance at 30 June	625	490

Movement in the present value of defined benefit obligations

	2011	2010
Unfunded defined benefit obligations as at 1 July	490	234
Current service costs	135	256
Past service costs	-	-
Interest expense	-	-
Recognised actuarial losses/(gains)	-	-
Total present value of defined benefit obligations as at 30 June	625	490

Expenses recognized in the income statement

	2011	2010
Current service costs	135	256
Interest expense	-	-
Expected return of plan assets	-	-
Net actuarial losses/(gains) recognized in the year	-	-
Total defined benefit expense	135	256

Principal actuarial assumptions used

	2011 %	2010 %
Discount rate	14.25	12.50
Expected rate of salary increase	12.00	10.00

The assumptions are assessed on a yearly basis and valuation of the plan is carried out accordingly.

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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 risks and the company's management of capital.

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 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 an 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 Process Improvement function, which monitors compliance with internal procedures and processes and also assesses the effectiveness of internal controls.

The company's risk management policies are established to identify and analyse 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 assessed 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.

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:

	2011 GH¢'000	2010 GH¢'000
Trade and other receivables	5,636	6,103
Amounts due from related companies	1,300	533
	6,936	6,636

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

	2011 GH¢'000	2010 GH¢'000
Key Distributors	3,340	3,174

Impairment losses

The aging of trade receivables at the reporting date was:

	2011	2010
Current (less than 30 days)	3,245	1,556
Due but not impaired (31-120 days)	257	1,398
Impaired (more than 120 days)	53	4,103
	3,555	7,057
Impairment loss	215	3,883

Impairment losses (cont'd)
The movement in impairment allowance in respect of trade receivables during the year was as follow:

	2011 GH¢'000	2010 GH¢'000
Balance at 1 July	3,883	2,747
(Bad debts provision written off)/Impairment loss recognized	(3,668)	1,136
	------	-------
Balance at 30 June	215	3,883
	====	====

Impairment losses
Impairment losses have been recognised for specific customers whose debts are considered impaired. Based on historical default rates, no additional impairment losses are considered necessary in respect of trade receivables.

No impairment loss was recognised for financial assets other than trade receivables.

(ii)Liquidity risk
Liquidity risk is the risk that the company would either 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 maintains adequate liquidity to meet its liabilities as and when they fall due.

The following are contractual maturities of financial liabilities:

30 June 2011

	Amount GH¢'000	6mths or less GH¢'000	6-12mths GH¢'000	1-5 yrs GH¢'000
Non-derivative financial liability				
Bank loans	52,378	14,683	17,267	20,428
Trade and other payables	37,143	37,143	-	-
Amounts due to related companies	50,170	50,170	-	-
Bank overdraft	7,993	7,993	-	-
	----------	---------	-------	--------
Balance at 30 June 2011	147,684	109,989	17,267	20,428
	=====	=====	=====	=====

(ii)Liquidity risk (cont'd)

30 June 2010

	Amount GH¢'000	6mths or less GH¢'000	6-12mths GH¢'000	1-5 yrs GH¢'000
Non-derivative financial liability				
Bank loans	59,000	-	13,011	45,989
Trade and other payables	27,559	27,559	-	-
Amounts due to related companies	19,328	19,328	-	-
Bank overdraft	28,858	28,858	-	-
Balance at 30 June 2010	134,745	75,745	13,011	45,989

(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 optimizing returns.

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 Euros, US Dollars, Great British Pounds, South African Rands and Kenyan Shillings.

Currency risk

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

	30 JUNE 2011					30 JUNE 2010				
	EURO '000	USD '000	GBP '000	ZAR '000	KE '000	EURO '000	USD '000	GBP '000	ZAR '000	KE '000
Cash and bank balances	403	138	7	-	-	-	-	466	10	-
Trade Payables	(1,007)	(665)	(208)			(1,033)	(424)	(348)	-	-
Receivables	-	-	-	-	-	-	124	946	-	-
Related company balances	(3,846)	(11,792)	(5,689)			(1,753)	(5,219)	(3,322)	-	(2,929)
Gross exposure	(4,450)	(12,319)	(5,890)	-	-	(2,786)	(5,519)	(2,258)	10	(2,929)

Currency risk

The following significant exchange rates applied during the year:

	Average Rate		Reporting Date	
	2011	2010	2011	2010
Cedis				
Euro 1	2.18	1.74	2.20	1.77
USD 1	1.52	1.43	1.52	1.44
GBP 1	2.46	2.11	2.44	2.16
ZAR 1	-	0.19	-	-
KE 1	-	0.02	-	0.02

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of the GH¢ against other foreign currencies on the company's statement of comprehensive income. This sensitivity analysis indicates the potential impact on the statement of comprehensive income based upon the foreign currency exposures recorded at 30 June (see "currency risk" above) and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the closing exchange rate and the average exchange rate per currency recorded in the course of the respective financial year.

A strengthening/weakening of the GH¢, by the rates shown in the table, against the following currencies at 30 June would have increased/decreased equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

As of 30 June	2011			2010		
Currency	%	Statement of Comprehensive Income impact: Strengthening GH¢'000	Statement of Comprehensive Income impact: Weakening GH¢'000	% Change	Statement of Comprehensive Income impact: Strengthening GH¢'000	Statement of Comprehensive Income impact: Weakening GH¢'000
Euro	±1%	45	(45)	±2%	47	(47)
US$	-	-	-	±1%	38	(38)
GBP	±0.8%	47	(47)	±3%	52	(52)
KE	-	-	-	-%	-	-

Interest rate risk profile

	Carrying amounts	
	2011	2010
	GH¢'000	GH¢'000
Fixed rate instruments		
Financial Liabilities	14,000	14,000
	=====	=====
Variable rate instrument		
Financial Liabilities	46,371	73,858
	=====	=====

Fair value sensitivity analysis for fixed rate instruments

The company does not account for fixed rate financial liabilities at fair value through profit and loss account therefore changes in interest rates are not expected to affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 200 basis points in interest rate at the reporting date would have an increased/ (decreased) effect on equity and profit and 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 2010.

As of 30 June	2011			2010		
	% Change	Profit and Loss impact: GH¢'000	Equity GH¢'000	% Change	Profit and Loss impact: GH¢'000	Equity GH¢'000
Overdraft	±2%	± 499	± 499	±2%	± 577	± 577
Loans	±2%	± 1,449	± 1,449	±2%	± 900	± 900

FAIR VALUES

Fair values versus carrying amounts

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

2011	Loans and Receivables GH¢'000	Other Financial Liabilities GH¢'000	Total Carrying Value GH¢'000	Fair Value GH¢'000
Trade and other receivables	5,636	-	5,636	5,608
Amounts due from related parties	1,300	-	1,300	1,300
Cash and cash equivalents	5,634	-	5,634	5,634
	12,570	-	12,570	12,542
Bank loans	-	52,378	52,378	52,378
Trade and other payables	-	37,143	37,143	37,143
Amounts due to related parties	-	50,170	50,170	50,170
Bank overdraft	-	7,993	7,993	7,993
		147,684	147,684	147,684
2010				
Trade and other receivables	6,103	-	6,103	6,143
Amounts due from related parties	533	-	533	533
Cash and cash equivalents	2,849	-	2,849	2,849
	9,485	-	9,485	9,525
Bank loans	-	59,000	59,000	59,967
Trade and other payables	-	27,559	27,559	27,559
Amounts due to related parties	-	19,328	19,328	19,328
Bank overdraft -	-	28,858	28,858	28,858
	-	134,745	134,745	135,712

26. CAPITAL COMMITMENTS

Capital commitments authorised but not expended at the end of reporting period date, amounted to GH¢10,291,351 (2010: GH¢4,043,152).

27.CONTINGENT LIABILITIES

Contingent liabilities, in respect of possible claims and lawsuits at the year-end amounted to GH¢522,517 (2010: GH¢424,399).

28.COMPARATIVE INFORMATION

Comparative financial information; where considered necessary have been re-classified to achieve consistency with presentation of current year figures. The reclassification relates to volume discounts and royalty accruals which were classified as trade and other payables respectively. The effect of the reclassification is shown below:

		Amount per prior year financial statement GH¢'000	Volume Discount Liability and Royalty accruals Reclassified GH¢'000	Reclassified amount GH¢'000
Trade and other receivables	(a)	14,138	(8,035)	6,103
Trade and other payables	(b)	37,320	(9,761)	27,559
Amounts due to related companies	(c)	17,602	1,726	19,328

(a)This relates to volume discount liability reclassified from trade and other payables to trade receivables for consistency with the current year figures.

(b)The total amount of GH¢9,760,928 representing volume discount liability of GH¢8,034,928 and royalty accruals of GH¢1,726,097 has been reclassified from trade and other payables to trade receivables and amounts due to related companies.

(c)An amount of GH¢1,726,097 relating to royalties has been reclassified from trade and other payables to amounts due to related companies.

Shareholder
Information

Appendix I

GUINNESS GHANA BREWERIES LIMITED SHAREHOLDER INFORMATION AND ANALYSIS OF SHAREHOLDING

(I)Number Of Shareholders

The Company Had 4,779 Ordinary Shareholders At 30 June 2011 Distributed As Follows:

Holding	No. Of Holders	Total Holding	% Holding
1 - 1,000	3,399	874,506	0.53
1,001 - 5,000	671	1,715,067	1.04
5,001 - 10,000	430	3,394,696	2.06
10,001 - 999,999,999	279	158,687,206	96.37
	-------	--------------	-------
	4,779	164,671,475	100.00
	====	========	====

(II)List Of Twenty Largest Shareholders As At 30 June 2011

	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	Scbn/Bbh (Lux) Sca Custodian	10,601,722	6.44
5	Scbn/Hsbc -Fund Service	1,949,765	1.18
6	Scbn/Ssb Tst X71 Ax 71	1,012,700	0.61
7	Scbn/Jpmc Coronation Africa	918,148	0.56
8	Scbn/Citibank London Robeco	454,200	0.28
9	Scbn/ Ssb & T Russel T.C.C. Emp	426,600	0.26
10	State Insurance Company	400,000	0.24
11	Scbn/Unilever Ghana Provident Fund	300,059	0.18
12	Enterprise Insurance Company Limited	300,000	0.18
13	Std Noms Tvl Pty/Bnym/Sanv	299,200	0.18
14	Scbn/Unilever Ghana Managers'	266,217	0.16
15	Scbn/Chase Offshore 6179C	263,861	0.16
16	Scbn/Rbc Dexia Investor Service	217,200	0.13
17	Ghana Reinsurance Organisation	200,000	0.12
18	Std Noms(Tvl) Pty/Standard Bank London Plc	192,200	0.12
19	Cocobod End Of Service Benefit Scheme	183,943	0.11
20	Teachers' Fund	186,264	0.11
		--------------	------
Reported Totals		153,239,858	93.06
Not Reported		11,431,617	6.94
		--------------	--------
Company Total		164,671,475	100.00
		=========	=====

Shareholder
Information

(iii)Directors' Shareholding

The Directors named below held the following number of shares in the company as at 30 June 2011:

Ordinary Shares	2011	2010
Joseph Woahen Acheampong	2,555	2,555
Ebenezer M.Boye	1,000	1,000
Emmanuel Jojo Bonney	43	43
Total	3,598	3,598

Five year financial
Summary

	2011 GH¢'000	2010 GH¢'000	2009 GH¢'000	2008 GH¢'000	2007 GH¢'000
Results					
Turnover	244,293	206,499	200,968	135,810	93,575
Profit/(Loss) before tax	462	(4,410)	6,905	17,564	14,189
Taxation	71	(230)	(2,326)	(5,376)	(1,105)
Profit after taxation	533	(4,640)	4,579	12,188	13,084
Dividend paid	-	(8,921)	(2,777)	(6,111)	(6,059)
Retained profit/(loss)	533	(13,561)	1,802	6,077	7,025
Statement of Financial Position					
Property, plant and equipment	156,535	143,643	125,393	110,300	45,513
Intangible assets	5,503	7,291	9,104	6,299	254
Investments	-	-	-	-	34,960
Cash and cash equivalents	5,634	2,849	13,965	6,070	1,234
Other current assets	36,516	35,263	50,907	33,840	33,053
Total assets	204,188	189,046	199,369	156,509	115,014
Total liabilities	(158,492)	(143,883)	(145,304)	(97,176)	(54,999)
	45,696	45,163	54,065	59,333	60,015
Share capital	26,252	26,252	26,252	26,252	26,252
Retained earnings	19,444	18,911	27,813	33,081	33,763
	45,696	45,163	54,065	59,333	60,015
Revenue collected for Government					
Excise duty	81,426	51,169	32,758	25,318	22,755
Sales tax/value added tax	48,339	38,748	35,614	24,532	17,542
	129,765	89,917	68,372	49,850	40,297
Statistics					
EPS (GH¢)	0.003	(0.03)	0.03	0.04	0.08
Dividend per share (GH¢)	-	0.02	0.04	0.04	0.04
Net asset per share (GH¢)	0.28	0.27	0.33	0.36	0.36
Current ratio	0.33:1	0.47:1	0.46:1	0.56:1	1:30:1
Return on shareholders' fund (%)	1.17	(10.27)	8.47	20.54	21.80
Return on net sales value (%)	0.22	(2.25)	2.28	8.87	13.98

Proxy

Form

Proxy Form

For Company's Use
Number of Shares ....

Resolution	For	Against
1. To re-elect Mr. Stephen C. Gannon as a director		
2. To re-elect Mr. Zooullis Mina as a director		
3. To re-elect Mr. James Kweku Inkoom as a director		
4. To re-elect Peter Ndegwa as a director		
5. To approve non-executive directors' fees.		
6. To authorise the Directors to fix the remuneration of the Auditors.		

Please indicate with an 'X' in the appropriate square how you wish your votes to be cast on the resolution 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 26th October 2011 at the Golden Tulip, Kumasi.

*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 on my/our behalf at the Annual General Meeting of the Company to be held on the 26th October 2011 and at any adjournment thereof.

Dated this .... day of 2011

....
Shareholder's Signature

*Strike out whichever is not desired.

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 on your behalf instead of the Chairman of the Meeting.

3. In the case of joint holders, each holder must sign.

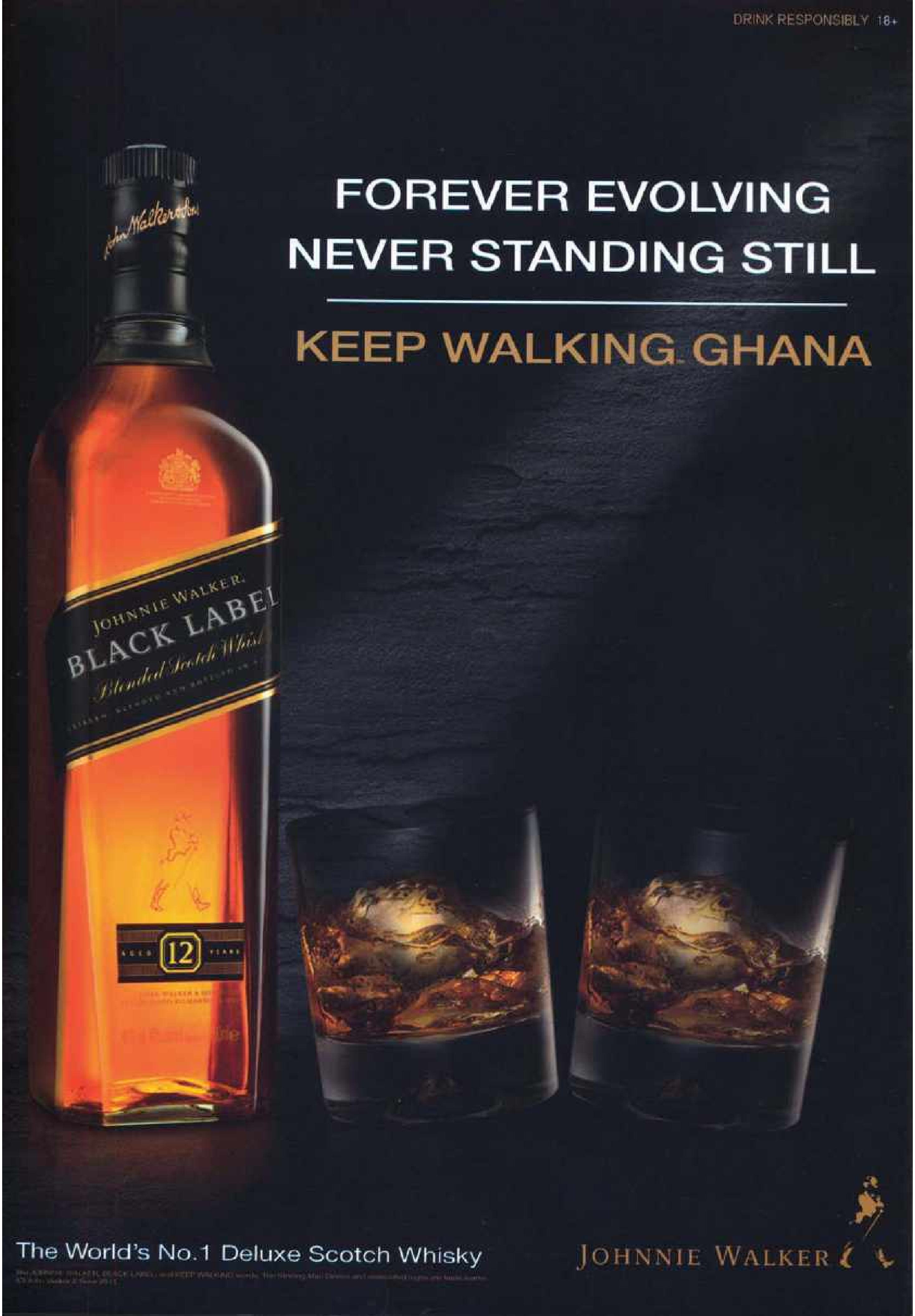
4. If executed by a corporation, the Proxy Form should bear its Common Seal or be signed on its behalf by a Director.

5. Please sign the above Proxy Form and post it so as to reach the address shown below no later than 10 a.m. on 24th October 2011: **The Registrars, Merchant Bank Ghana Limited, Registrars Department, 57 Examination Loop, North Ridge, P.O. Box 401, Accra, Ghana**

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

Notes

Notes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NEVER STANDING STILL
KEEP WALKING GHANA
JOHNNIE WALKER
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12
The World's No.1 Deluxe Scotch Whisky
JOHNNIE WALKER


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