GUINNESS GHANA
BREWERIES LIMITED

GUINNESS GHANA BREWERIES LIMITED

2012 ANNUAL REPORT & FINANCIAL STATEMENTS

The Most Vibrant and Iconic Business in Ghana

DRINK RESPONSIBLY 18+

Contents

Corporate Information

BOARD OF DIRECTORS	David Harlock (Chairman) Peter Ndegwa (Managing Director) Charles Kimeria Mwangi (Finance Director) (Appointed, May 2012) Prof. Joseph Woahen Acheampong Ebenezer Magnus Boye Stephen Christopher Gannon James Kweku Inkoom Didier Francis Martial Leleu (Appointed, January 2012) Paul Victor Obeng Ekwunife Okoli Katherine Joana Seljeflot (Appointed, May 2012) John Lloyd (Resigned, May 2012) Zooullis Mina (Resigned, January 2012) Rob Pilkington (Resigned, May 2012)
SECRETARY	Afua Oduro Asante Guinness Ghana Breweries Limited, Achimota 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	Access Bank (Ghana) Limited Barclays Bank of Ghana Guaranty Trust Bank (Ghana) Limited Standard Chartered Bank (Ghana) Limited SG-SSB Bank Limited Stanbic Bank (Ghana) Limited Zenith Bank (Ghana) Limited

Board Members

David Harlock - BOARD CHAIRMAN

David Harlock was appointed the Board Chairman in June 2009. He is a qualified solicitor and has worked with Diageo since 1995 in several senior legal positions. He is currently the Associate General Counsel for Diageo Africa

Peter Waititu Ndegwa - MANAGING DIRECTOR

Peter Ndegwa is the Managing Director and Vice Chairman of the board of GGBL. He joined the GGBL Board as a Non-Executive Director in September 2011 and subsequently in December 2011 when he was appointed GGBL's Managing Director, he became an Executive Director and the Vice Chairman of the Board. Prior to this, he was the Group Finance Director for East African Breweries Limited (EABL) and a member of EABL's Board of Directors. 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 the University of Nairobi.

Charles Kimeria Mwangi - FINANCE DIRECTOR

Charles Mwangi joined GGBL in May 2012 as the Finance Director and was appointed to the Board of Directors on May 29, 2012. Prior to joining GGBL, he worked for Avago Technologies in the USA as Finance Director. After a brief career in Kenya, he relocated to the USA where he worked in senior finance positions with various companies including the Intel Corporation, Yahoo Incorporated and Cisco Incorporated. Charles has a BSC in Engineering from the University of Nairobi, an MBA in Finance from USIU, San Diego and an MSC in Applied Economics & Statistics from California State University. He is also a Chartered Accountant and a member of the Association of Chartered Certified Accountants, he is also a CMA and a CFM with the American Institute of Management Accountants

Joseph Woahen Acheampong - NON-EXECUTIVE DIRECTOR

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

Ebenezer Magnus Boye - NON-EXECUTIVE DIRECTOR

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 Christopher Gannon - NON-EXECUTIVE DIRECTOR

Stephen C. Gannon is the Managing Director of Serengeti Breweries Ltd, Tanzania, and has held this position since July 2012. Prior to that he was the Managing Director of Guinness Cameroun Hub a position he held since 2009. He was appointed to the Board of Guinness Ghana Breweries Limited in February 2011.

Board Members

James Kweku Inkoom - NON-EXECUTIVE DIRECTOR

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 was appointed to the GGBL Board in May 2011.

Didier Francis Martial Leleu - NON-EXECUTIVE DIRECTOR

Mr. Didier Francis Martial Leleu is the Finance Director for Heineken's Africa and Middle East Operations. Prior to this he worked as the Finance Director for Heineken France from 2003 to 2012. He has worked in senior finance positions with United Biscuits' Northern Europe business, Warner Lambert's French operating company, the animal health business of American Home Product Corporation's Europe operation and the French Animal Health subsidiary of Solvay Pharma. He is a graduate of the French Business School. He was appointed to the GGBL Board in January 2012.

Paul Victor Obeng - NON-EXECUTIVE DIRECTOR

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.

Ekwunife Okoli - NON-EXECUTIVE DIRECTOR

Ekwunife Okoli who was appointed to the Board in July 2009 resigned as the Managing Director of GGBL and Vice Chairman of the Board in December 2011 to take up an appointment as the General Manager for Diageo, Africa Regional Markets but remains on the board as a non executive director. He has over 20 years working experience with Diageo in different capacities.

Katherine Joanna Seljeflot - NON-EXECUTIVE DIRECTOR

Katherine Joanna Seljeflot is the HR Director for Diageo's Africa Business and has held this position since September 2011 and prior to this she was the Global HR Shared Services Director, Diageo Plc. Kate joined Diageo from Shell UK in June 2002 and has held several senior HR roles including the HR Director for Diageo's Global Finance operations, Commercial HR Director for Diageo Great Britain and the European HR Shared Services Director for Diageo Plc. Kate is a Member of the Chartered Institute of Personnel and Development (UK) and holds a BA (Hons) in French Studies from the University of Manchester. She was appointed to the GGBL Board in May 2012.

Afua Oduro Asante - COMPANY SECRETARY

Afua 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 is hereby given that the 40th Annual General Meeting of Guinness Ghana Breweries Limited will be held at the National Theatre, Accra on 14th November 2012 at 10 o'clock in the forenoon for the following purposes:

AGENDA

1. To receive the Report of the Directors, the Financial Statements for the year ended 30th June 2012 and the Report of the Auditors thereon.
2. To receive approval to pay a dividend.
3. To re-elect Directors.
4. To approve non-executive directors' fees.
5. To authorise the Directors to fix the remuneration of the Auditors.

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. 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 19th day of September 2012

By order of the Board
Afua Oduro Asante
Company Secretary

BOARD OF DIRECTORS & SECRETARY

David Harlock (Chairman), Peter Waititu Ndegwa (Managing Director), Charles Kimeria Mwangi (Finance Director), Joseph Woahen Acheampong, Ebenezer Magnus Boye, Stephen Christopher Gannon, James Kweku Inkoom, Didier Francis Martial Leleu, Paul Victor Obeng, Ekwunife Okoli, Katherine Joanna Seljeflot, Afua Oduro Asante(Secretary)

EXECUTIVE MANAGEMENT COMMITTEE:

Peter Waititu Ndegwa, Andrews Akolaa, Afua Oduro Asante, Agnes Essah, Charles Kimeria Mwangi, Nana Yaa Ofori-Atta, Robert O'Toole, Steve Waters

AUDIT COMMITTEE:

Joseph Woahen Acheampong, Ebenezer Magnus Boye and Charles Kimeria Mwangi

NOMINATIONS COMMITTEE:

David Harlock, Paul Victor Obeng, James Kweku Inkoom and Charles Kimeria Mwangi

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

Nii mei, Naa mei, Ladies and Gentlemen, Members of the Board of Directors and Members of the Executive Management Team, welcome to the 40th Annual General Meeting of your company.

I have had the honour and pleasure of working for Diageo for 17 years and serving since 2009 as a member and then subsequently Chairman of your Board of Directors. As I look back over the past financial year, Guinness Ghana Breweries Limited (GGBL), has seen some significant and positive changes.

First of all Mr. Ekwunife Okoli, our former Managing Director was promoted to a more senior role in Diageo. He is now the Managing Director of Diageo's Africa Regional Markets which covers all markets in Africa outside Nigeria, East Africa and South Africa. Ekwunife has kindly agreed to remain on your board as a Non Executive Director, so we can benefit from his experience to continue to grow this business.

I am also delighted to formally introduce Mr. Peter Ndegwa, the 13th Managing Director of your business. Peter was appointed as your Managing Director in December 2011 from the East African Breweries Limited (EABL) one of the largest businesses listed on the Kenyan stock exchange, where he was the Group Finance Director and an Executive member of the EABL Board of Directors. Peter has been working in senior positions in the beverage industry for 9 years having previously spent 12 years in consulting and corporate finance both in Africa and the United Kingdom. With less than 12 months in role, Peter has been making a very positive impact on the management of our business.

We have also had a number of directors and senior management team changes including the Finance Director. We have brought in an equally strong and experienced set of directors and executive management team with varied experiences. As your Board Chairman, I would like to inform you that the Board and I are satisfied with the seamless transition within your Executive Management as well as the experience and diversity of the new team to grow our business.

Ladies and Gentleman, your company is proudly the only beverage company still listed on the Ghana Stock Exchange providing an opportunity for the investing public to participate in and shape decisions and the fortunes of Ghana's Only Total Beverage Company. Indeed, following your overwhelming support at the Extraordinary General Meeting held here in June 2011, we had a highly successful Rights Issue that enabled us to raise GHC 70 million to recapitalize your business. As you will see from reading the financial statements for the year ending 30 June 2012, the Rights Issue has allowed your business to address the issues stated in the Rights Issue prospectus.

Our company continues to be a great innovator. As you are no doubt aware 3 years ago we capitalized on being the first beverage business to introduce Ready To Drink brands including Smirnoff Ice to the market and we also forged a new path in the Adult Premium Non Alcoholic Drinks experience by launching Alvaro. The brand, now available in three flavours, has gone on to win two consecutive Product of the Year Awards from the Chartered Institute of Marketing Ghana. I am delighted to inform you that in May 2012, your business expanded the bandwidth of its leadership of innovation by becoming the first market in Diageo Africa to introduce and launch Armstrong which is an innovative new alcoholic drink made of a premium blend of spirits, malt and hops that further expands the choice of drinks available for our consumers.

THE BUSINESS ENVIRONMENT AND OUR PERFORMANCE

As a consumer business, our fortunes are tied to the health of the economy. The forecasts for the Ghanaian economy remain positive with expected growth trending well above other emerging as well as developed economies. The external environment was positive for nine months of the past financial year with improved macroeconomic indicators including GDP growth, lower and stable inflation, stable interest rates and consumer dynamics, which led to growth in our business. The beverage industry also grew during the period under review and there has been increased competition. From March this year however, some of the economic parameters have deteriorated especially the depreciation of the (Cedi) currency and increase in interest rates. Following the Rights Issue, our business is in a stronger financial position to weather and manage these challenges, but we acknowledge the risks as we progress in the new financial year.

Your executive management team aim for GGBL to be the most **Vibrant** and **Iconic** business in Ghana. We will demonstrate being Iconic in the way we deliver sustainable value for our shareholders and the positive impact we make in the communities in which we operate by adding value in a sustainable manner. We therefore want to increase our focus on the local sourcing of our inputs for production which will impact positively on local farming communities and we also want to focus our community investment through our Water of Life projects. We will demonstrate that we are vibrant through the way we market our premium brands and roll out new innovations and the way we grow in the market. Finally, we will also drive efficiency to reduce the cost of our goods, delivering quality products to the market on time and in full and of the right quality, responding with agility to new opportunities that enable us in a fast changing world where today, consumers have many options. Our products, in cost of production, quality, marketing, accessibility, price and range of choices must and will compete with the best of the world. This is our vision.

And we have started the required work. We have focused on the effectiveness of our route to market and capability of our sales force and ensuring our key distributors are set up for success.

As you can see, the journey to becoming Ghana's most **Vibrant** and **Iconic** business is well underway and I am extremely pleased to announce that GGBL has delivered impressive growth, in Net Sales Values (NSV), profit before tax and on cash flows.

OUR BRANDS

Spirits

Ladies and Gentlemen, during the period under review, I am pleased to inform you that the Diageo triad of spirits - Johnnie Walker, Smirnoff and Baileys continued to lead the market. Your company launched the new Johnnie Walker "Walk with Giants" advertisement featuring an iconic Ghanaian businessman, Prince Kofi Amoabeng, the Managing Director of UT Bank, who has joined the ranks of world class legends in delivering the incomparable line - "Keep Walking". The JW Giant in Ghana also breaks new ground as he ends his inspirational message in the advertisement with a Responsible Drinking reminder.

Armstrong

In May this year, we launched an innovation, the first of its kind in the Africa market. Armstrong is an alcoholic premium blend of spirit, malt and hops. It is available at an accessible price giving a wide range of consumers the opportunity to enjoy a refreshing new drinking experience with the highest standard of quality that GGBL is known for.

Star

Investing in our value chain has always been key to our business. In the course of the year Star engaged over 1500 bar staff in 450 outlets across Ghana and launched the bar staff incentive program to motivate them as well as promote our product credential message to consumers. We will maintain and nurture such healthy relationships with members of our value chain as they form an important part of our success.

Malta Guinness

Over the past five years, Malta Guinness Street Dance (MGSD) has fuelled the rise of the nation's dance talent to an exciting level. This year, in the recently launched Season 5, MGSD is catapulting the nation's number one dance crew to an international level that gives Ghana's top street dance crew the opportunity of a lifetime to literally, dance to the top of the world as they will face dance crews from around the globe at a dance championship to be held in Germany. There is a direct and positive correlation between the investment we make in this platform and others with consumer awareness and the loyalty that supports our brand.

Guinness FES

GGBL continues to invest in the passion of the nation, football. Season 2 of the Guinness football challenge featured four of Africa's greatest footballers, Rigobert Song, Kalusha Bwalya, Marcel Desailly and Jay Jay Okocha who illustrate the key brand benefits of our Iconic Guinness FES as well as rewarded contestants and our loyal consumers.

SUSTAINABILITY AND RESPONSIBILITY

Your business was awarded the first Best Taxpayer of the Year (Beverage category) by the Ghana Revenue Authority. In addition, during the financial year we led the beverage industry to develop a proposal to Government to introduce a new tax regime that encourages and rewards beverage companies for investing in and substituting expensive imports for quality local raw materials such as sorghum, maize and cassava. Our proposal for a sliding tax regime on import substitution was accepted and specifically referred to in the November 2012 budget.

I am pleased to inform you that in all key aspects of our Corporate Social Responsibility agenda, we have made substantial progress.

SORGHUM AND LOCAL RAW MATERIALS

As you know, we are arguably the first beverage company to take the initiative and invest our own funds in supporting farmers in the three Northern regions to improve their knowledge and skills in sorghum farming. Within the pilot areas, farmers tripled their yields, above the national average.

WATER OF LIFE

Your company has also taken a strategic decision to diversify its portfolio in community investment to ensure that it can now deploy a flexible water access solution. From providing ground water through boreholes to small and rural communities, water filters to individuals, families and communities where there is unsafe water, extending pipelines to increase coverage and reduce re-infection from Guinea Worm through to investing in mechanized water health centers that can deliver the quality and quantities of water required by large peri urban communities, we are committed to delivering on water of life.

ALCOHOL IN SOCIETY

From research through production and marketing, we continually engage stakeholders to ensure we apply and maintain global standards in our activities. An estimated 30 to 50 percent of the alcohol industry in Ghana is illicit meaning they are not subject to rules and regulations and neither do they pay taxes. The implications for public health and safety, excise and fair competition are manifold. Your company has a clear standard, alcohol is part of our culture, it brings pleasure, abuse is however associated with harm. Thus although Ghana does not have a mandatory national minimum standard on alcohol marketing nevertheless we have applied strictly the global Diageo Marketing Code to our activities and we continue to engage stakeholders to progress and enforce modern legislation to regulate the industry. In addition, on our own initiative, to ensure that young adults are educated and can make informed choices about whether or not to drink alcohol, we progressed previous interventions and engaged 1,400 university students on a bespoke alcohol education course.

ENVIRONMENT

Ladies and Gentlemen, since we met last year and announced our integrated 2016 environment goal - reduce our environmental footprint, reduce operating costs to improve internal efficiency and our impact on the community. Permit me to remind you of our pledge:

- A 30% improvement in the way we use water;
- Cutting our carbon emissions in half;
- A 60% reduction of Biological Oxygen Demand (ability to support aquatic life); and
- zero waste to landfill

I am happy to say we have progressed in this area substantially..

In the period under review, our assiduous effort to prioritize environment, safety, efficiency and sanitation has begun to yield positive results. Our Achimota site won Gold and Bronze in the Diageo GREENIQ 2012 competition, Water Category for excellence in water conservation and ways of working respectively. We won by reducing our water use by 28%, by investing in new equipment and reinforcing a culture shift among employees.

We continue to invest in environmentally sustainable projects that reduce our footprint and improve the lives of people in our communities. In terms of our zero waste to landfill goal, you should know that over the years, GGBL has provided support to 7 farmer associations with 75 registered pig farmers in Kumasi with spent grains and yeast, a by-product in the process of beer brewing, to feed their pigs, and with storage tanks to transport the yeast from the brewery to their farms. We continue to invest in state of the art equipment and innovations such as the revamping of Effluent Treatment Plant at our Kaasi brewery. I am extremely proud to tell you of our investment and commitment to the first ever biogas project across Diageo markets which will recycle waste gas into fueling the boilers in our production process in the Achimota site.

The Environmental Protection Agency (EPA) rated GGBL 100% on its Complaints Management and Community Relations, a commendation for our commitment to excellent compliance and safety for our environment.

OUR PEOPLE

Ladies and Gentlemen, this year, we have recorded a number of **firsts** in the industry and for our business. We are now three years LTA (Lost Time Accident) free at our headquarters, the Kaasi site in Kumasi, a testament to our commitment to the health and safety of our people. Join me in applauding the team that made this possible.

We continue to be proud of our people and as a business we make particular effort to ensure that we invest in employees. In the past financial year, we have doubled the intake of Early Career Trainees increasing the opportunities we offer to young university graduates. We are passionate about building the future Ghanaian managers of this business and as part of a multinational we are determined to showcase Ghanaian talent abroad and have thus posted a number of GGBL employees overseas in Diageo to take and spread the Ghana management experience abroad and bring back new ideas and energy.

During the coming year we intend to continue investing strongly in our people to develop them, grow their capability and to inculcate a winning performance driven culture across our business.

LOOKING FORWARD

We step into our new financial year with an economy that has been growing and a business back to profitability. We will look to leverage the growth in the country to grow our business and meet consumer needs. We plan to invest in additional capacity to expand our production capabilities. We will also continue to invest in our brands and people.

However, we face a number of challenges not least the depreciation of the currency, high interest rates and also unstable supply of utilities which we will continue to seek to manage judiciously.

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 2012, 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 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.

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 recommend the payment of a dividend of GH¢ 0.024 (2011: nil) per share amounting to GH¢ 5,072,115 (2011: nil).

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 the Netherlands.

CHANGES IN DIRECTORSHIP

Three directors resigned during the year. Three new directors were appointed to fill the vacancies created.

Details of changes in directorship are as follows:

- Ekwunife Okoli resigned as Managing Director and Vice Chairman in 2011 but still remains on the board as a Non-exective Director.

- Peter Waititu Ndegwa was appointed Managing Director and Vice Chairman in December 2011 from Non-executive Director.
- Zooullis Mina resigned in January 2012 and was replaced by Didier Francis Martial Leleu in January 2012.
- Rob Pilkington and John Lloyd resigned in May 2012 and were replaced by Charles Kimeria Mwangi and Katherine Joana Seljeflot respectively, who were both appointed in May 2012.

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 Charles Kimeria Mwangi, Didier Francis Martial Leleu and Katherine Joana Seljeflot will be retiring and seeking re-election by shareholders at the upcoming Annual General Meeting. The Board would like to recommend that shareholders support their re-election.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the company were approved by the Board of Directors on 19 September 2012 and signed on its behalf by:

Managing Director
PETER NDEGWA

Finance Director
CHARLES MWANGI

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. Indeed, during this financial year the Board amended its Board guidelines to include additional best practice procedures and requirements which will further enhance the effectiveness of the Board and promote best practice corporate governance.

BOARD OF DIRECTORS

The Board is comprised of two full time executive directors and eight 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 four 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-Committee (ASC) 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, 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 Committee 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 three of whom 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 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 operation 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.

Sustainability and Responsibility

INSPIRING HOPE, ENRICHING LIVES AND EMPOWERING COMMUNITIES

Sustainability and Responsibility are growth drivers for our business. We believe that our fortunes as a business are interwoven with those of our communities. Our business grows when our communities grow. We are commited to partnering and supporting local communities through our integrated Sustainability and Responsibility strategy- providing access to safe drinking water, setting standards and improving health, sanitation and our environmental footprint and developing a positive role for Alcohol in Society.

WATER OF LIFE

The Water of Life Programme continues to support Diageo's commitment to contributing significantly to achieving the UN Millennium Development Goal (MDG) 7 - to reduce by half the world's population without access to clean drinking water by 2015.

ENVIRONMENT, HEALTH AND SANITATION

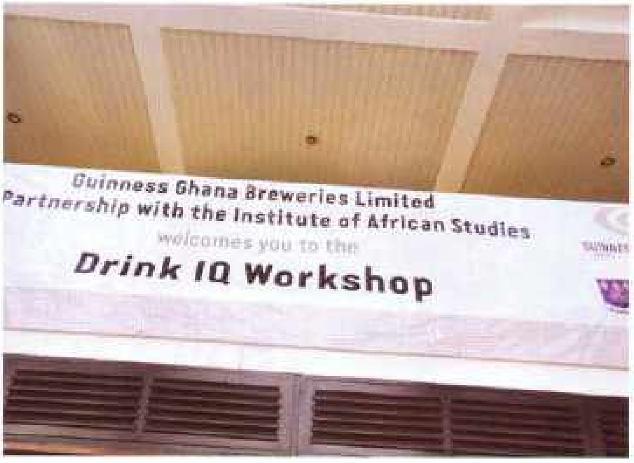
We continue to invest in environmentally sustainable projects that reduce our environmental footprint and improve the lives of people in our communities, such as the revamping of Effluent Treatment Plant at our Kaasi brewery, providing spent grains for pig farmers and conserving water in our breweries. These efforts have been awarded by our parent company Diageo PLc and the Environmental Protection Agency.

Our headquarters, the Kaasi brewery in Kumasi has delivered a West Africa first - a full working brewery functioning for a record Three Years without a Lost Time Accident (LTA). This is a testament to our commitment to the health and safety of our people.

We will continue to drive invest in our people and drive culture shift to ensure the sustenance of such feat across breweries.

ALCOHOL AND SOCIETY

Our Alcohol in Society programme - aimed at creating a more positive role for alcohol in the Ghanaian society is leading the industry's effort to engineer attitudinal and behavioural change through targeted initiatives. This financial year, GGBL partnered with the Institute of African Studies to take 1,400 students of the University of Ghana through a bespoke alcohol education programme, equipping them with the facts required to make informed decisions on whether or not to drink alcohol. We have ensured internal self regulation, applying global standards to all our alcohol marketing and sharing this and best practive with others in the industry. We have also engaged with partners to upweight road safety through interventions over the easter period.



Enriching lives, empowering communities – GGBL's Water of Life programme

Since 2007, Guinness Ghana Breweries Ltd (GGBL) through its **flagship community investment programme** - Water of Life (WoL) - has, and continues to enrich lives and empower local communities through access to clean drinking water.

The Water of Life programme supports Diageo (GGBL's parent company) commitment to enable **access to clean drinking water to 1 million people** across Africa every year until 2015. The programme also supports and contributes to the United Nation's Millennium Development Goal (MDG) 7 - to reduce by half the proportion of the World's population without access to clean drinking water and adequate sanitation.

Determined by local needs, projects adopt a diversified portfolio approach **supporting practical solutions that meet community needs** such as boreholes - to provide ground water to small rural communities, mechanized, small town water delivery and extension systems for fairly large peri-urban communities, WaterHealth Centres for larger peri-urban and urban communities extending pipelines to formerly endemic guinea worm communities and point of use filtration systems for household use.

Projects that are supported by the programme must meet strict selection criteria to be considered. These include, but not limited, to overall sustainability, impact, local need and ownership.

GGBL and Diageo continue to demonstrate their commitment to investing in the WoL programme year on year. For the just ended financial year (ended June 30, 2012) GGBL, Diageo Africa, Diageo North America, Diageo Ireland and the **Diageo Foundation have invested over GHC 1.2 million into 6 WaterHealth Centres –** in Kpembe and Makango (Northern region), Akropong (Eastern region), Ziope and Volu (Volta region), Zeenu (Greater Accra region). A further 2 extension works in Koblimahigu and Kakpagyili (Northern region) - to support the Ministry of Health's effort to make Ghana guinea worm free.

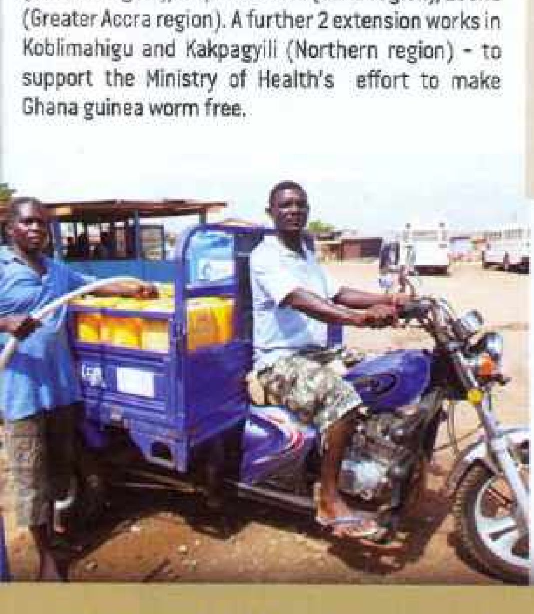
Through our 2012 **investment alone, an estimated 55,000** Ghanaians in vulnerable communities now have access to a sustainable source of drinking water

Water of Life acts as a catalyst – significantly improving the basic wellbeing and opportunity for socio-economic development of vulnerable communities through:

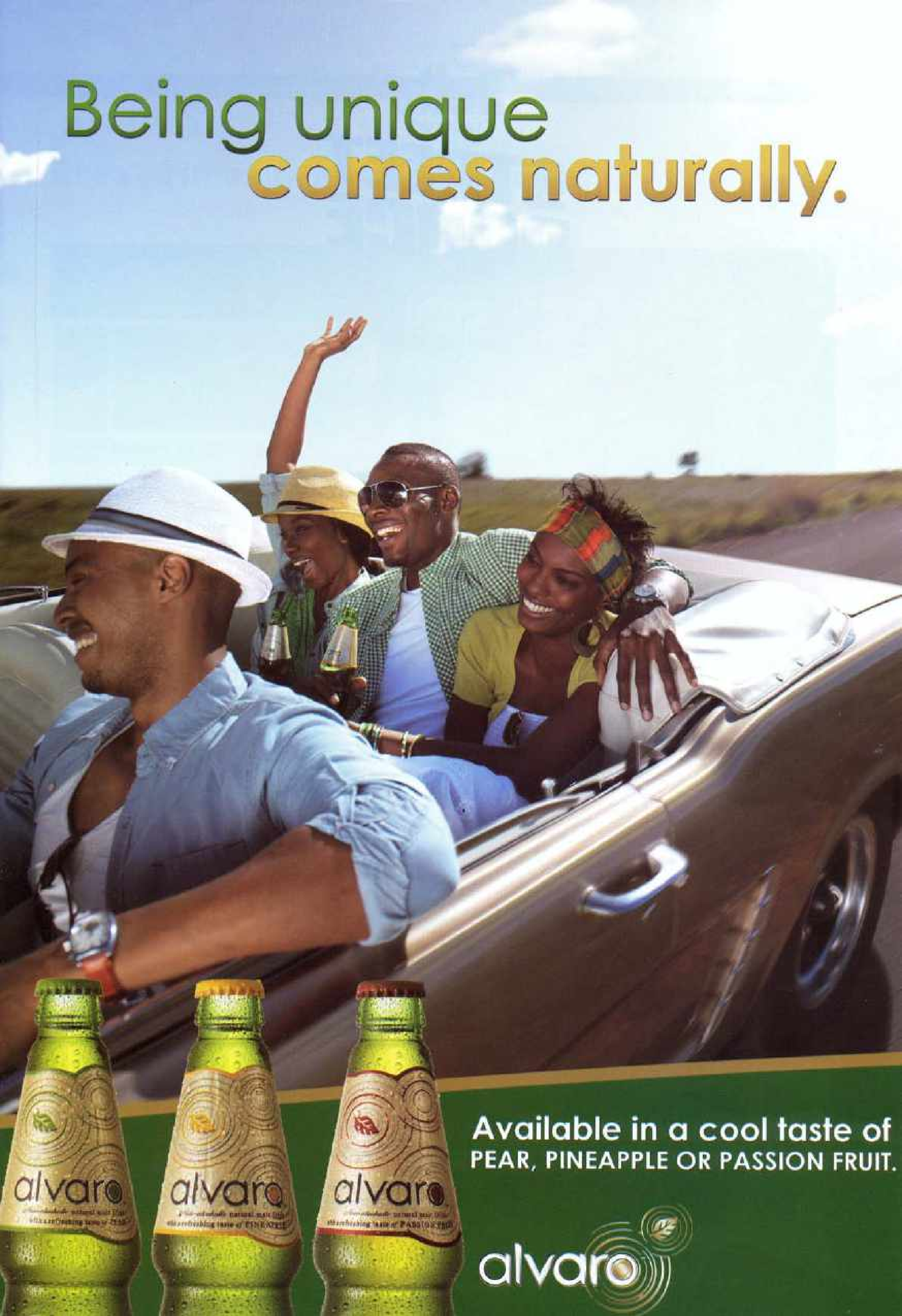
- reduction of water-borne diseases, Neglected Tropical Diseases (NDTs) and infant mortality;
- Fostering community building through the shared management of a valuable community asset (e.g. community organisation running a water station), and
- Providing a source of livelihood, supporting local cottage enterprises

Our Water of Life footprint

Our WoL programme footprints across all 10 regions since 2007 include 4 projects in Upper East, 10 projects in Upper West, 4 projects in Northen, 12 Projects in Brong Ahafo, 7 projects in Ashanti, 6 projects in Eastern, 7 projects in Greater Accra, 4 projects in Central. Projects in the Western Region are currently under review.



Water of Life - inspiring hope, enriching lives and empowering local communities through sustainable access to safe drinking water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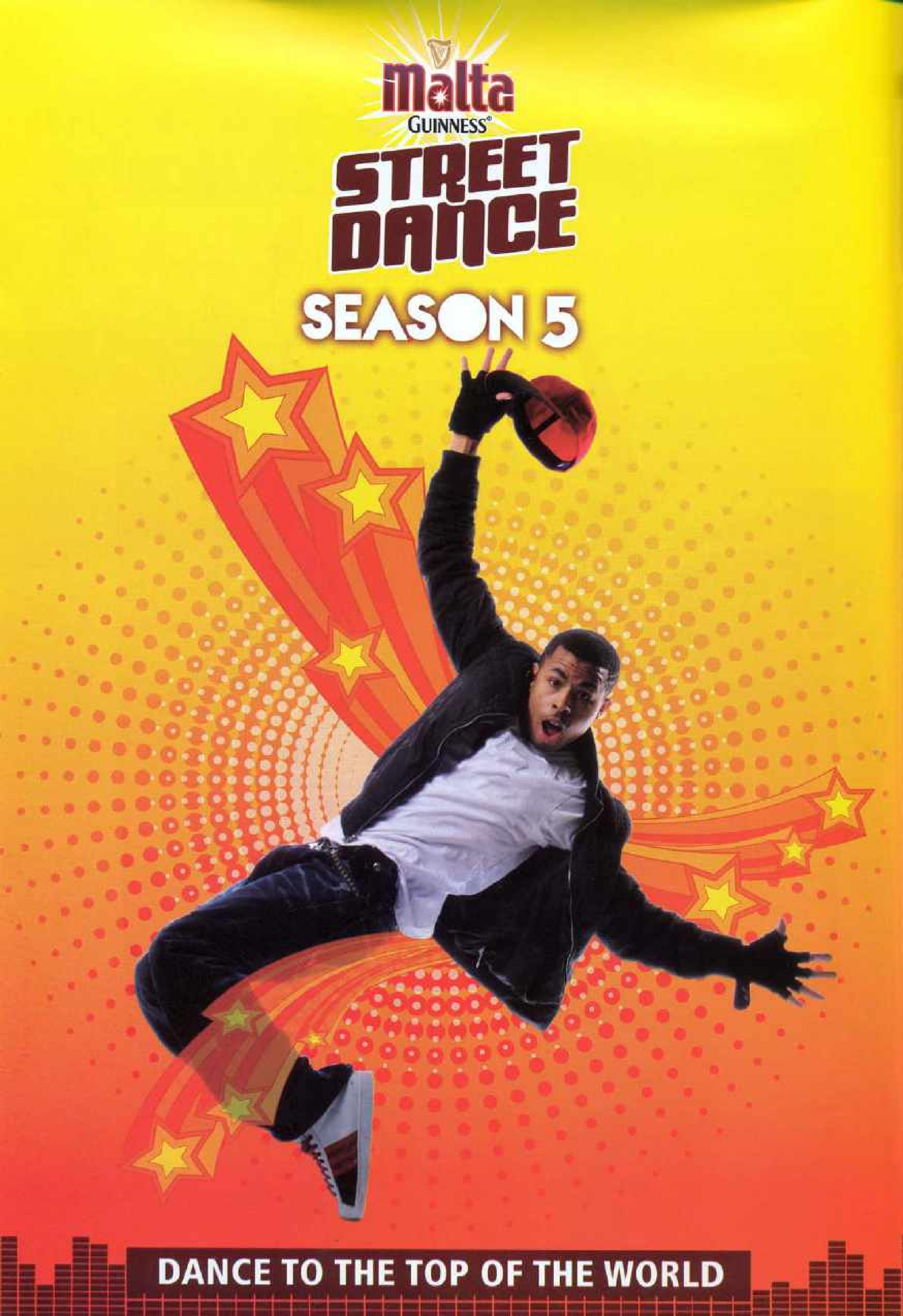

Malta
GUINNESS®
STREET DANCE
SEASON 5
DANCE TO THE TOP OF THE WORLD

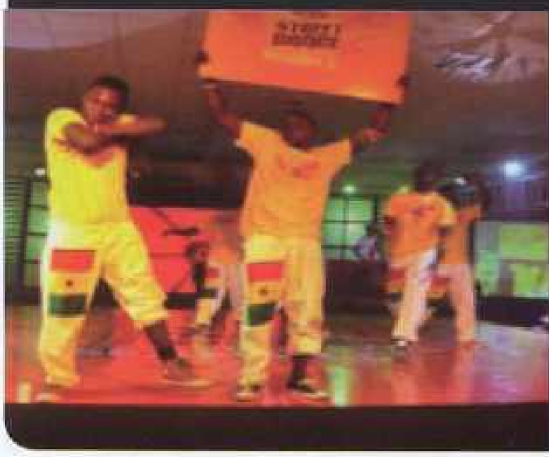
Great Times Great Experiences

A Ghana specific adaptation of the global Johnnie Walker "Walk with Giants" campaign featuring entrepreneur Prince Kofi Amoabeng was outdoored. The campaign, which was launched on 30th May, 2012, seeks to bring Johnnie Walker's mission to inspire personal progress to Ghanaian consumers and reinforce Johnnie Walker as the number one choice for consumers in the premium and super-premium whisky categories. The campaign features two 60 second TV commercials, Outdoor, print and digital executions with a strong responsible drinking focus.

In May Smirnoff Ice and Smirnoff Vodka gave Ghanaian partygoers an original night out to remember. For one night only the Accra International Conference Centre was transformed into the "Smirnoff a Night in New York city experience". Over 1,000 invited guests were treated to truly original Smirnoff cocktails and superstar artist performances that brought to life the brand's call to action- "Don't wish you were there. Be there". The event was broadcast live around the country on Joy FM and was amplified through press, radio and digital channels targeted at consumers who are 18-29 years.

Armstrong was launched at the Prempeh Assembly Hall, Kumasi on 11th May, 2012 in further entrenching our position in Ghana as pacesetters in innovation. Armstrong is a 5% ABV drink formulated with spirits as the base. It's presented in a 62.5cl format that consumers can enjoy in the bar, at every drinking occasion with friends. Armstrong gives consumers the opportunity to enjoy a new drinking experience that only the refreshing taste of Armstrong can offer.

Season 2 of the Guinness football challenge featured four of Africa's greatest footballers. The heroes brought their football prowess back one more time as they stepped up to demonstrate physical challenges and then teamed up as contestants on the show with four deserving Ghanaians in what was an epic and iconic finale to the season. The question still remains: if Marcel Desailly had more footballs would he have hit target six to clock GHS 71, 000? Watch out for the next season!



Ghana's iconic and vibrant malt drink, Malta Guinness, is passionate about championing talents in our country and is awarding these talents with a once in a lifetime opportunity through the Malta Guinness Street Dance competition (MGSD). Over the past five years, MGSD has fuelled the rise of the nation's dance talents to an exciting extent. This year, MGSD is catapulting the nation's number one dance crew to an international level that gives the top street dance crew the opportunity to literally, dance to the top of the world as they face crews from around the globe at a dance championship in Germany.

Heineken rode on the massive popularity of the UEFA Champions League Football competition and the grandeur, style and skill associated with the event to create an outstanding Heineken UCL Public Screening at the Banquet Hall State House.

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 2012, 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 and other explanatory notes as set out on pages 23 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 on 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 2012 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).

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

19 September 2012

Statement Of Financial Position

As at 30 June 2012

	Note	2012 GH¢'000	2011 GH¢'000
ASSETS			
Property, plant and equipment	12	161,329	156,535
Intangible assets	13	3,615	5,503
Total non-current assets		164,944	162,038
Inventories	14	33,537	27,936
Trade and other receivables	15	9,051	5,636
Amounts due from related companies	23	887	1,300
Cash and cash equivalents	16	35,390	5,634
Income tax asset	11(ii)	290	1,644
Total current assets		79,155	42,150
Total assets		244,099	204,188
EQUITY AND LIABILITIES			
Share capital	20(i)	96,252	26,252
Retained earnings	20(ii)	42,705	19,444
Total equity		138,957	45,696
Deferred tax liability	11(iv)	13,619	7,772
Medium-term loans	18(ii)	7,583	20,428
Obligations under finance lease	19	2,102	-
Employee benefit obligations	25	1,429	725
Total non-current liabilities		24,733	28,925
Bank overdraft	17	-	7,993
Short-term loans	18(i)	10,333	31,950
Obligations under finance lease	19	596	-
Trade and other payables	22	49,078	37,043
Amounts due to related companies	23	20,402	50,170
Dividends	24	-	2,411
Total current liabilities		80,409	129,567
Total liabilities		105,142	158,492
Total equity and liabilities		244,099	204,188

PETER NDEGWA
MANAGING DIRECTOR

CHARLES MWANGI
FINANCE DIRECTOR

The notes on pages 28 to 58 form an integral part of these financial statements.

Statement of Comprehensive Income

For the Year Ended 30 June 2012

	Note	2012 GH¢'000	2011 GH¢'000
Turnover	6	292,318	244,293
Cost of sales		(192,923)	(172,577)
Gross profit		99,395	71,716
General, administrative and selling expenses		(59,114)	(52,575)
Other income	7	339	1,540
Results from operating activities		40,620	20,681
Finance income		354	17
Finance costs		(7,757)	(20,236)
Profit before taxation	8	33,217	462
Income tax expense	11(i)	(8,212)	71
Profit for the year		25,005	533
Other comprehensive income			
Actuarial loss on defined benefit obligations, net of tax	25	(445)	-
Other comprehensive income for the year		(445)	-
Total comprehensive income for the year		24,560	533
Basic earnings per share (Ghana cedi per share)	21	GH¢0.133	GH¢0.003
Diluted earnings per share (Ghana cedi per share)	21	GH¢0.133	GH¢0.003

The notes on pages 28 to 58 form an integral part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2012

	Share Capital GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
30 June 2012			
Balance at 1 July 2011	26,252	19,444	45,696
Total comprehensive income			
Profit for the year	-	25,005	25,005
Other comprehensive income			
Actuarial loss on defined benefit obligations, net of tax	-	(445)	(445)
Total comprehensive income for the year	-	24,560	24,560
Transactions with owners recorded directly in equity			
Contributions by and distributions to owners			
Proceeds from the issue of shares	70,000	-	70,000
Transaction costs on share issue	-	(1,299)	(1,299)
	70,000	(1,299)	68,701
Balance at 30 June 2012	96,252	42,705	138,957
30 June 2011			
Balance at 1 July 2010	26,252	18,911	45,163
Total comprehensive income			
Profit for the year	-	533	533
Other Comprehensive Income	-	-	-
	-	533	533
Transactions with owners recorded directly in equity			
Contributions by and distributions to owners	-	-	-
Balance at 30 June 2011	26,252	19,444	45,696

The notes on pages 28 to 58 form an integral part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2012

	2012 GH¢'000	2011 GH¢'000
Cash flows from operating activities		
Profit before taxation	33,217	462
Adjustments for:		
Depreciation charges	21,465	18,580
Amortisation	1,888	1,863
Profit on sale of plant and equipment	(219)	(818)
Provision no longer required for plant and equipment	(120)	-
Plant and equipment written off	-	341
Net finance cost	7,403	20,219
Plant and equipment impaired	-	269
Actuarial loss on employee benefit obligations	(564)	-
	63,070	40,916
Changes in:		
- Inventories	(5,601)	691
- Trade and other receivables	(3,415)	467
- Trade and other payables	12,035	9,584
- Related company balances	(29,355)	30,075
- Employee benefit obligations	704	135
Cash generated from operating activities	37,438	81,868
Income taxes paid	(892)	(38)
Interest paid	(7,757)	(20,236)
Net cash flow from operating activities	28,789	61,594
Cash flows from investing activities		
Additions to property, plant and equipment	(23,264)	(32,482)
Additions to intangible assets	-	(75)
Proceeds from sale of plant and equipment	219	1,218
Interest received	354	17
Net cash flow from investing activities	(22,691)	(31,322)

The notes on pages 28 to 58 form an integral part of these financial statements.

	2012 GH¢'000	2011 GH¢'000
Cash flow from financing activities		
Proceeds from the issue of shares	70,000	-
Transaction costs on share issue	(1,299)	-
Dividends paid	(2,411)	-
Net movement in loan balances	(34,462)	(6,622)
Repayment of finance lease	(177)	-
Net cash flow from financing activities	31,651	(6,622)
Increase in cash and cash equivalents	37,749	23,650
Cash and cash equivalents at 1 July	(2,359)	(26,009)
Cash and cash equivalents at 30 June	35,390	(2,359)

The notes on pages 28 to 58 form an integral part of these financial statements.

Notes To The Financial Statements

For the Year Ended 30 June 2012

1. REPORTING ENTITY

Guinness Ghana Breweries Limited (GGBL) is a company registered and domiciled in Ghana. The address of the company's registered office is Guinness Ghana Breweries Limited, Industrial Area, Kaasi, P. O. Box 1536, Kumasi. 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) and its interpretations as adopted by the International Accounting Standards Board (IASB).

(b) BASIS OF MEASUREMENT

The financial statements are prepared on the historical cost basis except for financial assets and liabilities that are measured 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 26.

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

Transactions in foreign currencies 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 re-translation, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. 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 recognised in profit or loss 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:

- Held to maturity - These are non-derivative assets with fixed or determinable payments and fixed maturity that the company has the intent and ability to hold to maturity and which are not designated at fair value through profit or loss or available-for-sale.

  Held to maturity assets are carried at amortized cost using the effective interest method less any impairment losses. Any sale or reclassification of a significant amount of held to maturity asset not close to their maturity would result in the reclassification of all held to maturity assets as available-for-sale with the difference between amortized cost and fair value being accounted for in other comprehensive income.

- Financial assets at fair value through profit and loss- This category comprises two sub-categories: financial assets classified as held for trading and financial assets designated at fair value through profit or loss upon initial recognition.

  A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if part of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actual patterns of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effectively used as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market paper, traded loans, equity instruments and financial assets with embedded derivatives.

  Financial instruments designated at fair value through profit or loss are recognised at fair value. Transaction costs are recognized directly in profit or loss. Gains and losses arising from changes in fair value are recognized in profit or loss.

- 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.

  Loans and receivables comprise of trade and other receivables and amounts due from related parties.

  Cash and cash equivalents comprise of cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and which are used in the management of short term commitments.

- Available for Sale - These are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices that are not classified as loans and receivables, held-to-maturity or financial assets at fair value through profit or loss.

  Available-for-sale financial assets are initially recognized at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognized in other comprehensive income is recognized in profit and loss.

- Financial liabilities measured at amortised cost - this relates to all other liabilities that are not designated at fair value through profit or loss.

(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.

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 profit or loss 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) **Amortised cost measurement**

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

(c) LEASES

(i) Classification

Leases 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 profit or loss 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 profit or loss 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 lessee 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.

(d) PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item, if it is probable that 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 profit or loss, as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life 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 amounts 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 has declined below its carrying amount, an impairment loss is recognised to reduce the value of the asset to its recoverable amount. In determining the recoverable amount of assets, expected cash flows are discounted to their present value.

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 income statement as other income.

(e) INTANGIBLE ASSETS

Software

Software acquired is stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred. Amortisation is recognised in profit or loss 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. Inventories are stated less allowance for obsolescence and slow moving items.

(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 past experiences into account.

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 contributio ans

A defined contributic ın is a post-employment benefit plan under which an entity pays fixed contributions to a sep :e 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 profit or loss 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 charged to other comprehensive income.

(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 expected future cash flows at pre-tax rates that reflect current market assessments of the time value of money and, where appropriate, risks specific to the liability.

(k) REVENUE - SALE OF GOODS

Revenue from the sale of goods is measured at the fair value of 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, there is no continuing management involvement in the goods, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably and the amount of revenue can be measured reliably.

(l) NET FINANCE COSTS

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

Finance costs comprise interest expense on borrowings. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. Other borrowing costs are recognised in profit or loss using the effective interest method.

(m) SHARE CAPITAL (STATED CAPITAL)

Ordinary Shares

Proceeds from the 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 tax.

(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 profit or loss. 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 income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on 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.

(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 only to the extent that they relate to the financial statements and the effect is material.

(r) SEGMENT REPORTING

Operating segments are components within an entity whose results are reported to executive management to enable decisions on resource allocations and assessments of performance to be made. Segment results may include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(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, comparative information has been reclassified to agree to the current year's presentation.

(u) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective. Except for those listed below, the other new standards and amendments may not apply to the company for financial reporting purposes.

Standard/Interpretation		Effective Date (Annual periods beginning on or after)
IAS 1 amendment	*Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income*	1 July 2013
IFRS 13	*Fair Value Measurement*	1 Jan 2013
IAS19 amendments	*Employee Benefits: Defined Benefit Plans*	1 Jan 2013
IFRS 7 amendment	*Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 Jan 2013
IAS 32	*Offsetting Financial Assets and Financial Liabilities*	1 Jan 2014
IFRS 9	*Financial Instruments*	1 Jan 2015

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 2013.

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.

IFRS 13 Fair Value Measurement

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
- Measurement assumes a transaction in the entity's principal (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

This amendment will not have a significant impact on the company's financial statements.

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 definitions of short-term and other long-term employee benefits and the distinction between the two will depend on when the entity expects the benefit to be settled.

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

Amendments to IFRS 7 Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities

The amendments contain new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position; or are subject to enforceable master netting arrangements or similar agreements. This may impact the measurement of the company's financial assets and liabilities.

Amendments to IAS 32 Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities

The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is:
- not contingent on a future event; and
- enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties

This amendment will not have a significant impact on the company's financial statements.

IFRS 9 Financial Instruments

IFRS 9 addresses the initial measurement and classification of financial assets and financial liabilities 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 amortised cost or at fair value. Financial assets are measured at amortised 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.

The classification and measurement requirements of financial liabilities are the same as per IAS 39, except for the following two aspects:

- Fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.

- Derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

The standard will be applied retrospectively, subject to transitional provisions.

This amendment will not have a significant impact on the company's financial statements.

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 26:

(i) **Trade and other receivables**
The estimated fair value of trade and other receivables represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates of instruments with similar credit risk profiles and maturities.

(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 as the present value of future principal and interest cash flows, discounted at the current market rate of interest of instruments with similar maturity profiles at the reporting date.

5. SEGMENT REPORTING

The company operates as one business unit dealing in spirits, alcoholic and non-alcoholic beverages. No segment reporting is provided in the financial statements as the company does not internally manage or review its business along reporting segment lines. Furthermore, none of the quantitative thresholds for determining reportable segments are met.

6. REVENUE

(i)

	2012 GH¢'000	2011 GH¢'000
Gross Sales Value	448,393	379,686
Taxes collected for Gove ment		
Excise Duty	92,900	81,426
Value Added Tax	57,471	48,339
	150,371	129,765
Volume and financial discounts	5,704	5,628
Net Sales Value	292,318	244,293

(ii) *Analysis of net sales*

	2012 GH¢'000	2011 GH¢'000
Local sales	292,151	244,019
Export sales	167	274
Net sales value	292,318	244,293
Sales to non-affiliates	292,151	244,019
Sales to affiliates	167	274
	292,318	244,293

7. OTHER INCOME

	2012 GH¢'000	2011 GH¢'000
Sundry income	-	722
Profit on sale of plant and equipment	219	818
Provision for property, plant and equipment no longer required	120	-
	339	1,540

	2012 GH¢'000	2011 GH¢'000

8. PROFIT BEFORE TAXATION
is stated after charging:

	2012 GH¢'000	2011 GH¢'000
Personnel costs (note 9)	43,437	28,852
Directors' remuneration	2,804	1,835
Auditors' remuneration	134	138
Depreciation	21,465	18,580
Amortisation	1,888	1,863
Net finance costs (note 10)	7,403	20,219
Donations	-	2
Net exchange differences	(315)	694

9. PERSONNEL COSTS

	2012 GH¢'000	2011 GH¢'000
Wages and salaries	24,486	19,089
Social security contributions	1,647	1,124
Contributions to provident fund	1,757	1,064
Contribution to defined benefit plan	850	146
Other staff expenses	14,697	7,429
	43,437	28,852

The total number of staff employed by the company at the year-end was 1,141 (2011: 1,104).

10. NET FINANCE COST

	2012 GH¢'000	2011 GH¢'000
Finance income	(354)	(17)
Finance costs	7,757	20,236
	7,403	20,219

11. TAXATION

(i) **Income tax expense**

	2012 GH¢'000	2011 GH¢'000
Current tax expense (Note 11(ii))	2,246	(2,045)
Deferred tax expense (Note 11(iv))	5,966	1,974
	8,212	(71)

(ii) **Income tax**

	Opening Balance GH¢'000	Payments GH¢'000	Charge for the year GH¢'000	Closing Balance GH¢'000
Income Tax				
2008-2011	(1,644)	-	-	(1,644)
2012	-	(631)	1,985	1,354
	(1,644)	(631)	1,985	(290)
National Stabilisation Levy	-	(261)	261	-
	(1,644)	(892)	2,246	(290)

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**

	2012 GH¢'000	2011 GH¢'000
Profit before taxation	33,217	462
Income tax using the domestic tax rate (25%)	8,304	116
Non-deductible expenses	8,681	5,069
Tax incentives/Tax audit adjustments	(365)	(2,083)
Capital allowance	(14,635)	(5,185)
Deferred tax charges	5,966	1,974
National stabilisation levy	261	38
Current tax charge	8,212	(71)
Effective tax rate	25%	(15)%

(iv) **Deferred Taxation**

	2012	2011
Balance at 1 July	7,772	5,798
Charge for the year	5,966	1,974
Deferred tax on actuarial loss in equity	(119)	-
Balance at 30 June	13,619	7,772

(v) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2012 Assets GH¢'000	2012 Liabilities GH¢'000	2012 Net GH¢'000	2011 Assets GH¢'000	2011 Liabilities GH¢'000	2011 Net GH¢'000
Property, plant and equipment	-	15,223	15,223	(6,271)	13,466	7,195
Provisions	(698)	-	(698)	(118)	-	(118)
Exchange differences	(787)	-	(787)	-	695	695
Deferred tax on actuarial loss in equity	(119)	-	(119)	-	-	-
Net tax (asset)/ liabilities	(1,604)	15,223	13,619	(6,389)	14,161	7,772

12. PROPERTY, PLANT AND EQUIPMENT

2012	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 1/7/11	8,531	142,301	4,835	4,212	58,097	9,881	227,857
Additions	201	575	3,115	278	4,620	17,350	26,139
Disposals	-	(260)	(436)	-	-	-	(696)
Transfers	5	14,299	-	77	1,485	(15,866)	-
Write off	-	(1,181)	-	-	-	-	(1,181)
At 30/6/12	8,737	155,734	7,514	4,567	64,202	11,365	252,119
Accumulated Depreciation							
At 1/7/11	2,132	43,250	2,674	2,482	20,784	-	71,322
Charge for the year	241	9,834	1,017	740	9,633	-	21,465
Released on disposals	-	(78)	(436)	-	-	-	(514)
Released on write off	-	(926)	-	-	-	-	(926)
Impairment release	-	(557)	-	-	-	-	(557)
At 30/6/12	2,373	51,523	3,255	3,222	30,417	-	90,790
Carrying amounts							
At 30/6/12	6,364	104,211	4,259	1,345	33,785	11,365	161,329

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
Carrying amounts							
At 30/6/11	6,399	99,051	2,161	1,730	37,313	9,881	156,535

The carrying amount of leased vehicles at the year-end amounted to GH¢2,752,974 (2011: nil)

Disposal of plant and equipment

	2012 GH¢'000	2011 GH¢'000
Cost	696	1,235
Accumulated depreciation	(514)	(835)
Impairment released on disposal	(182)	-
Net book value	-	400
Proceeds on disposal	(219)	(1,218)
Profit on disposal	(219)	(818)

Plant and equipment written off

	2012 GH¢'000	2011 GH¢'000
Cost	1,181	773
Accumulated depreciation	(926)	(432)
Net book value	255	341
Release of impairment	(255)	-
Loss on write-off	-	341

	2012 GH¢'000	2011 GH¢'000
Depreciation has been charged in the statement of comprehensive income as follows:-		
Cost of sales	20,064	16,607
General, administrative and selling expenses	1,401	1,973
	21,465	18,580

13. INTANGIBLE ASSETS

Cost		
Balance at 1 July	10,743	10,668
Additions during the year	-	75
Balance at 30 June	10,743	10,743
Amortisation		
Balance at 1 July	5,240	3,377
Amortisation for the year	1,888	1,863
Balance at 30 June	7,128	5,240
Carrying amount		
At 30 June	3,615	5,503

14. INVENTORIES

Raw and packaging materials	13,094	13,827
Goods in transit	4,000	1,401
Work-in-progress	3,540	2,489
Finished products	2,958	2,388
Engineering and consumables	9,945	7,831
	33,537	27,936

15. TRADE AND OTHER RECEIVABLES

Trade receivables	3,714	3,340
Other receivables	3,486	597
Staff debtors	42	16
Prepayments	1,809	1,683
	9,051	5,636

The maximum amount due from officers of the company during the year was approximately GH¢ 124,039 (2011: GH¢41,238).

16. CASH AND CASH EQUIVALENTS

	2012 GH¢'000	2011 GH¢'000
Bank balances	35,390	5,634
Cash and cash equivalents	35,390	5,634
Bank overdraft (note 17)	-	(7,993)
Cash and cash equivalents	35,390	(2,359)

17. BANK OVERDRAFT

	2012	2011
Guaranty Trust Bank (Ghana) Limited	-	4,656
Intercontinental Bank Ghana Limited	-	1,069
SG-SSB Limited	-	609
United Bank of Africa (Ghana) Limited	-	1,659
	-	7,993

The terms of the overdrafts 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. Amounts totalling GH¢ 4.7 million that had been utilized at the beginning of the year was fully repaid during the year. Interest on this facility was at 21.5% per annum and was subject to review in line with prevailing market conditions. This facility was secured by a letter of comfort from Diageo Holdings Netherlands B.V.

Intercontinental Bank (Ghana) Limited
The overdraft facility of GH¢7million was arranged to pay local bills. Amounts totaling GH¢ 1.07 million that had been utilized at the beginning of the year was fully repaid during the year. Interest on this facility was at 2.75% below the bank's annual base rate. The facility was unsecured.

SG-SSB Limited
The overdraft facility of GH¢5million was arranged to augment working capital. Amounts totaling GH¢ 0.6 million that had been utilized at the beginning of the year was fully repaid during the year using funds generated from the share issue. Interest on this facility was at 4% below the bank's annual base rate and was payable monthly, subject to changes made at the bank's discretion in line with prevailing market conditions. The facility was unsecured.

United Bank for Africa (Ghana) Limited
This facility of GH¢3million was arranged to finance stock purchases and other working capital components. Amounts totaling GH¢ 1.7 million that had been utilized at the beginning of the year was fully repaid during the year. Interest on this overdraft was at the bank's annual base rate minus 3% and was payable monthly, subject to changes made at the bank's discretion in line with prevailing market conditions. This facility was secured by a letter of comfort from Diageo Holdings Netherlands B.V.

18. SHORT AND MEDIUM - TERM LOANS

	2012 GH¢'000	2011 GH¢'000
Guaranty Trust Bank (Ghana) Limited	-	7,778
Stanbic Bank Ghana Limited	9,166	10,000
Standard Chartered Bank Ghana Limited	8,750	32,000
United Bank of Africa (Ghana) Limited	-	2,600
	17,916	52,378
(i) Due within one year	10,333	31,950
(ii) Due after one year	7,583	20,428

Guaranty Trust Bank (Ghana) Limited

The company secured a GH¢10 million medium term loan facility from Guaranty Trust Bank (Ghana) Limited in 2009 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 had an 18 month moratorium on principal repayments. Interest was, however, required to be paid during the moratorium period. Monthly principal repayments commenced in February 2011.The outstanding balance on the loan was paid off during the year.

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 in the previous year. Interest is at 3% above 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 was at SCB's base rate minus 0.5% and was subject to changes in line with prevailing market conditions. A 15 month moratorium on principal repayments has been agreed. Interest was, however, payable monthly and was required to be paid during the moratorium period.

Quarterly principal repayments commenced in January 2011. The outstanding balance on the facility was paid off during the year.

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 initially accrued interest at 21% per annum but currently attracts interest at 18% per annum. It has a 24 month moratorium on principal repayments. Quarterly interest payments commenced in January 2010, whilst principal repayment commenced in November 2011. This loan matures on 30 October 2013. This loan facility is not secured.

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 trading, including payment of inter-company obligations. Interest accrues at UBA's base rate minus 3% and was payable monthly commencing from the last day of the month of disbursement. This facility was secured by a letter of comfort from Diageo Holdings Netherlands B.V.

An eighteen month moratorium on principal repayment was agreed. Interest was payable during the moratorium period. Monthly principal repayments commenced in March 2011. The outstanding balance on the loan was paid off during the year.

19. OBLIGATIONS UNDER FINANCE LEASE

	Future minimum lease payments	Interest	Present value of minimum lease payments	Present value of minimum lease payments
	2012	2012	2012	2011
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Obligations payable within one year	978	382	596	-
Obligations payable after one year	2,597	495	2,102	-
	3,575	877	2,698	-

The company entered into a finance lease arrangement with Stanbic Bank Ghana Ltd. The purpose of the lease was to finance the purchase of motor vehicles and coolers. The lease is for a period of 4 years. The lease arrangement attracts an interest rate of 14.5% per annum. Total principal lease payments made in the year totaled GHS 177,028.

20. CAPITAL AND RESERVES

(i) Share Capital (Stated Capital)

(a) *Ordinary Shares*

	Number of Shares		Proceeds	
	2012	2011	2012	2011
	'm	'm	GH¢'000	GH¢'000
Authorised:				
Ordinary shares of no par value	400	200		
Issued and fully paid:				
For cash	83	37	77,051	7,051
For consideration other than cash	35	35	18,926	18,926
Transfer from retained earnings	93	93	275	275
	211	165	96,252	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.

21. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 30 June 2012 was based on profits attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders

	2012	2011
	GH¢'000	GH¢'000
Profit attributable to ordinary shareholders	25,005	533

Weighted average number of ordinary shares

Weighted average number of ordinary shares	188,005	164,671

At the reporting 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.

22. TRADE AND OTHER PAYABLES

	2012 GH¢'000	2011 GH¢'000
Trade payables	24,608	16,415
Non-trade payables and accrued expenses	24,470	20,628
	49,078	37,043

23. RELATED PARTY TRANSACTIONS

(i) The company is a subsidiary of Diageo Highlands BV, a company registered in the Netherlands. The company is affiliated with other companies in the group through common control and directorship.

(ii) Raw materials, plant, equipment and consumables amounting to GH¢ 52 million (2011: GH¢29.07 million) were purchased from related parties during the year.

(iii)Included in the income statement is an amount of GH¢ 11.7 million (2011: GH¢10.5 million) in respect of royalties and technical services fees accruing to Diageo Ireland, Diageo North America, Diageo Brand BV, Diageo Great Britain and Heineken.

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

(i) *Amounts due to related companies*

	2012 GH¢'000	2011 GH¢'000
Goods and services supplied	15,000	40,619
Royalties and technical service fees	5,402	9,551
	20,402	50,170
Amounts due from related companies	887	1,300

(ii) *Key Management Compensation*

	2012	2011
Executive directors remuneration	2,752	1,782
Directors fees	52	53
	2,804	1,835

	2012 GH¢'000	2011 GH¢'000

24. DIVIDENDS

	2012 GH¢'000	2011 GH¢'000
Balance at 1 July	2,411	2,411
Dividend paid	(2,411)	-
Balance at 30 June	-	2,411

The Directors wish to propose a dividend of GH¢ 0.024 (2011: nil) per share amounting to GH¢ 5,072,115 (2011: nil) at the forthcoming Annual General Meeting.

25. EMPLOYEE BENEFIT OBLIGATIONS

Defined Contribution Plans

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

Under the National Pension Scheme, the company contributes 13% of each employee's basic salary to SSNIT for employee pensions. The company's obligation is limited to the relevant contributions which have been provided for in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

(ii) *Provident Fund*

The company has a provident fund scheme for staff under which the company contributes 12% and 15% of basic salaries for junior and senior staff respectively. Obligations under the plan are limited to the relevant contributions, which have been provided for in the financial statements.

Defined Benefit Plan

(i) *End of Service Benefits*

The company has an end of service benefit 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 individual staff account balances do not bear interest.

The fund is managed internally by the company and accruals for liabilities to the fund are 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

	2012 GH¢'000	2011 GH¢'000
Pension fund: defined benefit plan	1,429	725

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

	2012 GH¢'000	2011 GH¢'000
Defined benefit pension plan		
Present value of funded obligations	-	-
Present value of unfunded obligations	1,429	725
	1,429	725
Net unrecognised actuarial gains/(losses)	-	-
Unrecognised assets	-	-
Net employee benefit obligations recognised in the statement of financial position	1,429	725
Movement in the present value of defined benefit obligations		
Unfunded defined benefit obligations as at 1 July	725	590
Current service costs	98	135
Past service costs	-	-
Interest expense	189	-
Recognised actuarial losses in equity	564	-
Benefits paid	(147)	-
Total present value of defined benefit obligations as at 30 June	1,429	725
Actuarial (gain)/loss recognised in other comprehensive income		
Actuarial loss recognised during the year	564	-
Less deferred tax asset (note 11 iv)	(119)	-
	445	-
Expenses recognised in the statement of comprehensive income		
Current service costs	98	135
Interest expense	189	-
Expected return of plan assets	-	-
Total charge to profit	287	135

The principal actuarial assumptions at the reporting date were:

	2012 %	2011 %
Discount rate	13.0	14.25
Future salary increases	11.5	12.00

26. FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risk

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 gains assurances on the effectiveness of internal control and risk management from: summary information relating to the management of identified risks; detailed reviews of the effectiveness of management of selected key risks; results of management's self assessment processes over internal control; and independent work carried out by the Global Audit and Risk function, which provide the audit committee and management with results of procedures carried out on key risks, including extent of compliance with standards set on governance; and assurances over the quality of the company's internal control.

The company also has a controls, compliance and ethics function in place, which monitors compliance with internal procedures and processes and assesses the effectiveness of internal controls.

The company's risk management policies are established to identify and analyse risks faced by the company, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. Through training, standards and procedures, the company aims to maintain 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 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 new customers are 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 amounts 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 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:

	2012 GH¢'000	2011 GH¢'000
Trade and other receivables	7,242	3,953
Amounts due from related companies	887	1,300
Cash and cash equivalents	35,390	5,634
	43,519	10,887

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

	2012 GH¢'000	2011 GH¢'000
Key distributors	3,714	3,340

Impairment losses

The aging of trade receivables at the reporting date was:

	2012	2011
Current (less than 30 days)	1,769	3,245
Due (31-120 days)	1,945	257
Impaired (more than 120 days)	568	53
	4,282	3,555
Impairment loss	568	215

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

	2012 GH¢'000	2011 GH¢'000
Balance at 1 July	215	3,883
Impairment loss recognized/ (bad debts provision written off)	353	(3,668)
Balance at 30 June	568	215

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 the contractual maturities of financial liabilities:

30 June 2012

	Amount GH¢'000	6mths or less GH¢'000	6-12mths GH¢'000	1-5 yrs GH¢'000
Non-derivative financial liability				
Bank loans	17,916	5,166	5,167	7,583
Obligations under finance lease	2,698	291	305	2,102
Trade and other payables	49,078	49,078	-	-
Amounts due to related companies	20,402	20,402	-	-
Balance at 30 June 2012	90,094	74,937	5,472	9,685

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	37,043	37,043	-	-
Amounts due to related companies	50,170	50,170	-	-
Bank overdraft	7,993	7,993	-	-
Dividends	2,411	2,411	-	
Balance at 30 June 2011	149,995	112,300	17,267	20,428

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising 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 are primarily denominated are Euros, US Dollars, Great Britain 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 2012					30 June 2011				
	EURO '000	USD '000	GBP '000	ZAR '000	KES '000	EURO '000	USD '000	GBP '000	ZAR '000	KES '000
Bank balances	1,004	1,559	1,438	-	-	403	138	7	-	-
Trade payables	(1,626)	(264)	(266)	-	-	(1,007)	(665)	(208)		
Receivables	-	766	-	-	-	-	-	-	-	-
Related company balances	(716)	(2,077)	(1086)	(98)	(41,551)	(3,846)	(11,792)	(5,689)	-	-
Gross exposure	(1,338)	(16)	86	(98)	(41,551)	(4,450)	(12,319)	(5,890)	-	-

The following significant exchange rates were applied during the year:

	Average Rate		Reporting Rate	
	2012	2011	2012	2011
Cedis				
Euro 1	2.26	2.18	2.46	2.20
USD 1	1.70	1.52	1.94	1.52
GBP 1	2.69	2.46	3.05	2.44
ZAR 1	0.22	-	0.24	-
KES 1	0.02	-	0.02	-

Sensitivity analysis on currency risks

A 2% strengthening of the cedi against the following currencies at 30 June 2012 would have impacted equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 30 June 2011.

As of 30 June	2012			2011		
Currency	% Change	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	±2	27	(27)	±2	89	(89)
US$	±2	-	-	±2	246	(246)
GBP	±2	2	(2)	±2	118	(118)
KES	±2	831	(831)	-	-	-
ZAR	±2	2	(2)	-	-	-

Interest rate risk profile

	Carrying amounts 2012 GH¢'000	2011 GH¢'000
Fixed rate instruments		
Bank loans and overdraft	8,750	14,000
Obligations under finance lease	2,698	-
	11,448	14,000
Variable rate instrument		
Bank loans and overdrafts	9,166	46,371

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 rates 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 2011.

As of 31 December	2012			2011		
	% Change	Profit and Loss impact: GH¢'000	Equity GH¢'000	% Change	Profit and Loss impact: GH¢'000	Equity GH¢'000
Overdraft	±2%	-	-	±2%	±499	±499
Loans	±2%	±196	±196	±2%	±1,449	±1,449

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:

2012	Loans and Receivables GH¢'000	Other Financial Liabilities GH¢'000	Total Carrying Value GH¢'000	Fair Value GH¢'000
Trade and other receivables	7,242	-	7,242	7,174
Amounts due from related parties	887	-	887	887
Cash and cash equivalents	35,390	-	35,390	35,390
	43,519	-	43,519	43,451
Bank loans	-	17,916	17,916	17,916
Obligations under finance lease	-	2,698	2,698	2,698
Trade and other payables	-	49,078	49,078	49,078
Amounts due to related parties	-	20,402	20,402	20,402
	-	90,094	90,094	90,094
2011				
Trade and other receivables	3,953	-	3,953	3,925
Amounts due from related parties	1,300	-	1,300	1,300
Cash and cash equivalents	5,634	-	5,634	5,634
	10,887	-	10,887	10,859
Bank loans	-	52,378	52,378	52,378
Trade and other payables	-	37,043	37,043	37,043
Amounts due to related parties	-	50,170	50,170	50,170
Bank overdraft	-	7,993	7,993	7,993
	-	147,584	147,584	147,584

27. CAPITAL COMMITMENTS

Capital commitments authorised but not expended at the year end, amounted to GH¢ 9,168,610 (2011: GH¢10,291,351).

28. CONTINGENT LIABILITIES

Contingent liabilities, in respect of possible claims and lawsuits at the year-end amounted to GH¢ 450,684.3 (2011: GH¢522,517).

Appendix I

Shareholder Information
Analysis Of Shareholding

(I) Number of Shareholders

The company had 4,562 ordinary shareholders at 30 June 2012 distributed as follows:

Holding	No. of Holders	Total Holding	% Holding
1 - 1,000	3,200	816,522	0.39
1,001 - 5,000	663	1,653,534	0.78
5,001 - 10,000	422	3,317,977	1.57
10,001 - 999,999,999	277	205,550,109	97.26
	4,562	211,338,142	100.00

(ii) List of twenty largest shareholders as at 30 June 2012

Name	No. of Shares	% Holding
1. Diageo Highlands BV	110,778,193	52.42
2. Heineken Ghanaian Holdings BV	42,267,561	20.00
3. Social Security and National Insurance Trust	23,294,862	11.02
4. SCBN/BBH (LUX) SCA Custodian	13,606,149	6.44
5. SCBN/HSBC -Fund Service	2,587,110	1.22
6. SCBN/SSB TST X71 AX 71	1,623,588	0.77
7. SCBN/JPMC Coronation Africa	1,300,615	0.62
8. SCBN/Citibank London Robeco	732,688	0.35
9. State Insurance Company	418,480	0.20
10. STD NOMS TVL PTY/BNYM/SANV/	394,662	0.19
11. SCBN/Unilever Ghana Provident Fund	385,093	0.18
12. SCBN/Chase Offshore 6179c	348,049	0.17
13. SCBN/Unilever Ghana Managers'	341,660	0.16
14. SCBN/RBC Dexia Investor Service	321,489	0.15
15. SCBN/JPMC T. Fulcram AF All Cap MST	317,944	0.15
16. Enterprise Group Ltd	300,000	0.14
17. SCBN/SSB T Russel T.C.C. EMP	297,494	0.14
18. SCBN/RIF PLC Frontier Equity Fund	250,000	0.12
19. Teachers Fund	239,049	0.11
20. Ghana Reinsurance Organisation	200,000	0.09
Reported Totals	200,004,686	94.64
Not Reported	11,333,456	5.36
Company Total	211,338,142	100

(iii) Directors' Shareholding

The Directors named below held the following number of shares in the company at 30 June 2012:

Ordinary Shares	2012	2011
Joseph Woahen Acheampong	3,279	2,555
Ebenezer Magnus Boye	1,283	1,000
Emmanuel Jojo Bonney	-	43
Total	4,562	3,598

Appendix II

Five Year Financial Summary

	2012 GH¢'000	2011 GH¢'000	2010 GH¢'000	2009 GH¢'000	2008 GH¢'000
Results					
Turnover	292,318	244,293	206,499	200,968	135,810
Profit/(Loss) before tax	33,217	462	(4,410)	6,905	17,564
Taxation	(8,212)	71	(230)	(2,326)	(5,376)
Profit after taxation	25,005	533	(4,640)	4,579	12,188
Dividend paid	-	-	(8,921)	(2,777)	(6,111)
Retained profit/(loss)	25,005	533	(13,561)	1,802	6,077
Statement of Financial Position					
Property, plant and equipment	161,329	156,535	143,643	125,393	110,300
Intangible assets	3,615	5,503	7,291	9,104	6,299
Cash and cash equivalents	35,390	5,634	2,849	13,965	6,070
Other current assets	43,765	36,516	35,263	50,907	33,840
Total assets	244,099	204,188	189,046	199,369	156,509
Total liabilities	(105,142)	(158,492)	(143,883)	(145,304)	(97,176)
	138,957	45,696	45,163	54,065	59,333
Share capital	96,252	26,252	26,252	26,252	26,252
Retained earnings	42,705	19,444	18,911	27,813	33,081
	138,957	45,696	45,163	54,065	59,333
Revenue collected for Government					
Excise duty	92,900	81,426	51,169	32,758	25,318
Sales tax/value added tax	57,471	48,339	38,748	35,614	24,532
	150,371	129,765	89,917	68,372	49,850
Statistics					
EPS (GH¢)	0.133	0.003	(0.03)	0.03	0.04
Dividend per share (GH¢)	-	-	0.02	0.04	0.04
Net asset per share (GH¢)	0.74	0.28	0.27	0.33	0.36
Current ratio	0.99:1	0.33:1	0.47:1	0.46:1	0.56:1
Return on shareholders' fund (%)	17.99	1.17	(10.27)	8.47	20.54
Return on net sales value (%)	8.55	0.22	(2.25)	2.28	8.87

Proxy Form

For Company's Use
Number of Shares ____________________

Resolution	For	Against
1. To approve the payment of a dividend		
2. To re-elect Mr. Didier Francis Martial Leleu as a director		
3. To re-elect Mr. Charles Kimeria Mwangi as a director		
4. To re-elect Mrs. Katherine Joana Seljeflot 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 14th November 2012 at the National Theatre, Accra.

*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 14th November 2012 and at any adjournment thereof.

Dated this ______ day of __________ 2012

____
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 12th November 2012: **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.

AGM 2012

Admission Card

GUINNESS GHANA BREWERIES LIMITED

ANNUAL GENERAL MEETING to be held at 11.00 a.m. on Wednesday, November 14, 2012 at the National Theatre, Accra

Name of Shareholder ____________________

____

Address ____________________

____

Important This admission card must be produced By the Shareholder or his proxy.

NUMBER OF SHARES
No.

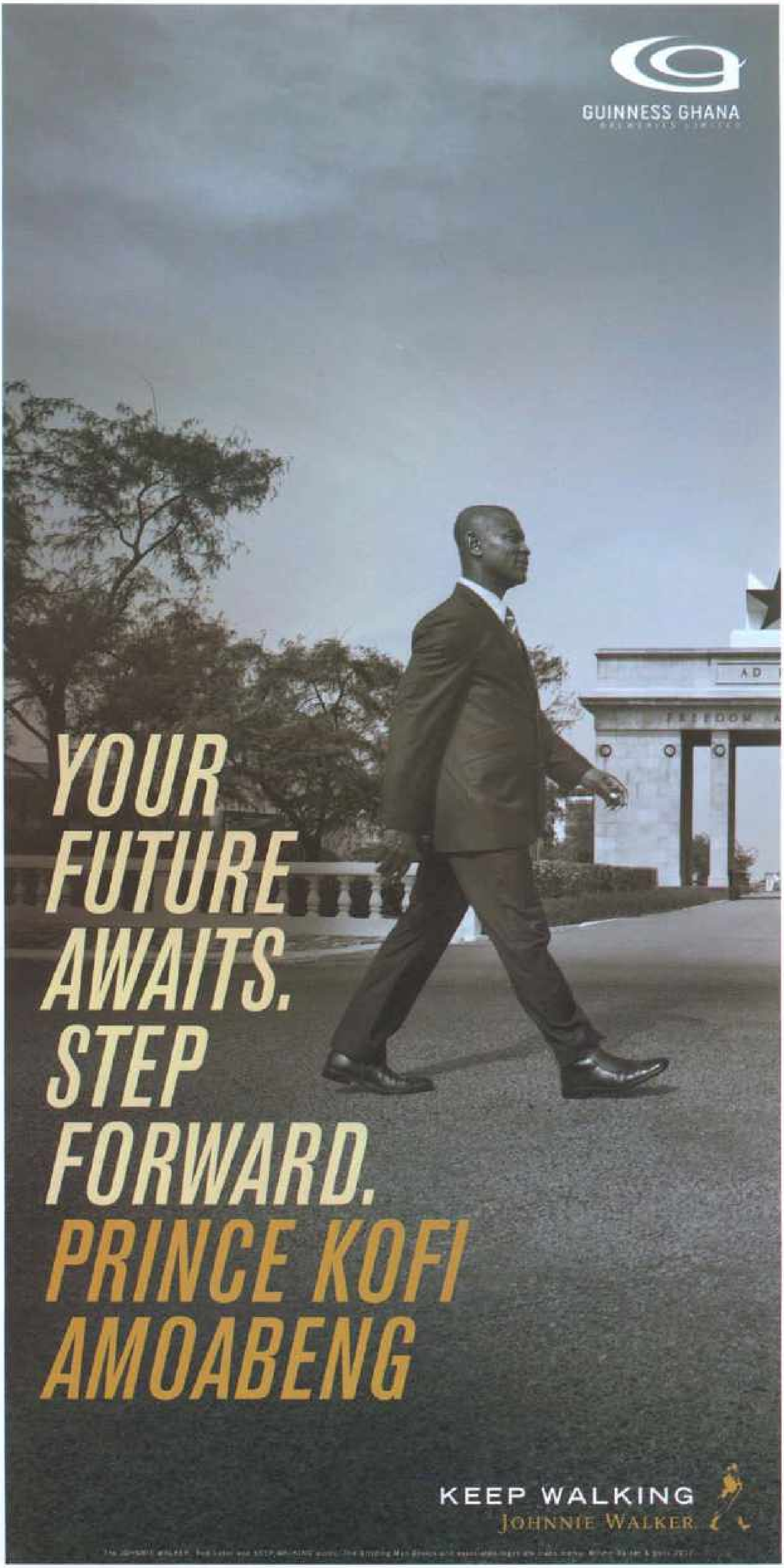
GUINNESS GHANA BREWERIES LIMITED

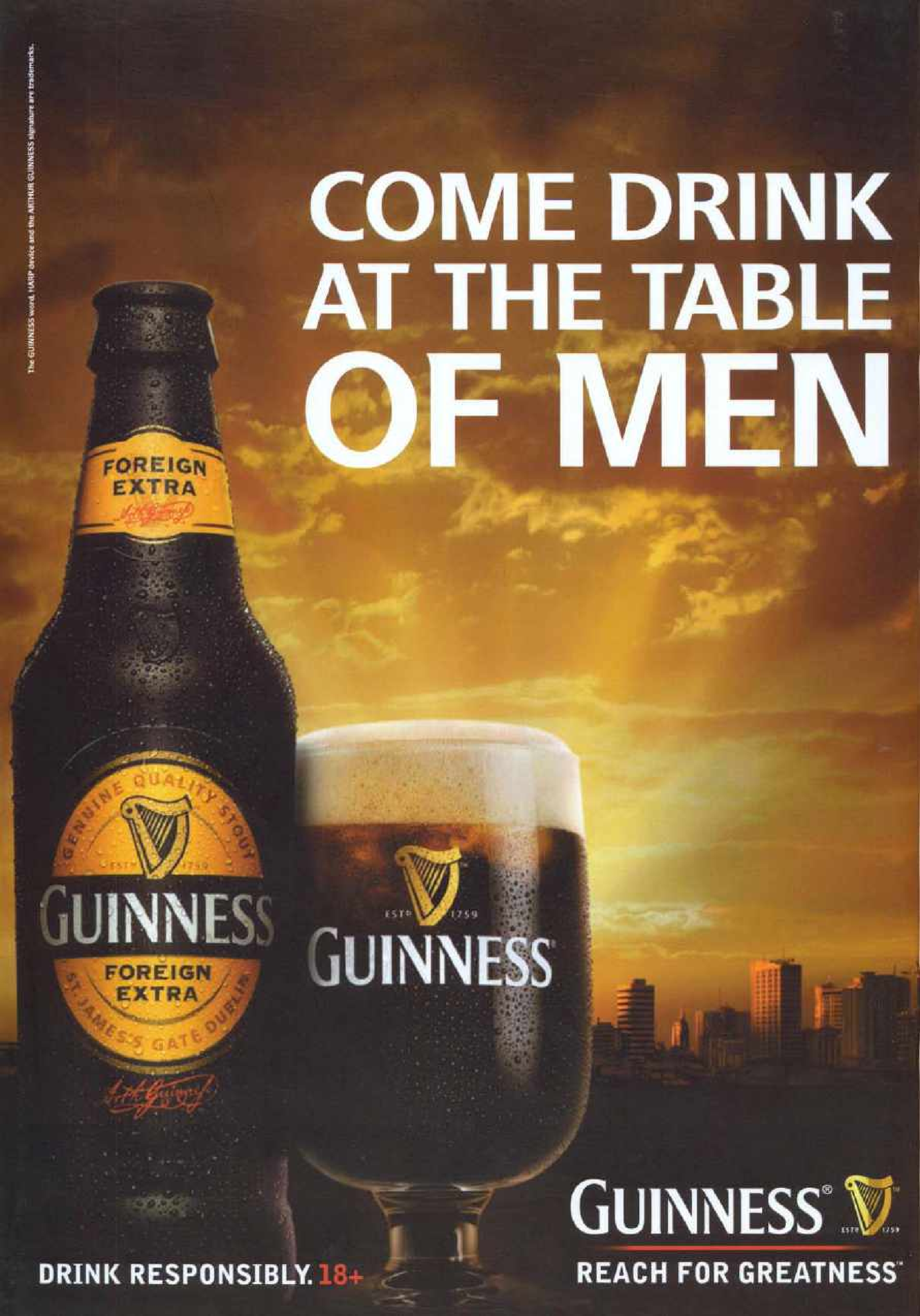
GUINNESS GHANA BREWERIES LIMITED

NUMBER OF SHARES
No.

Name of Shareholder ____________________


DRINK RESPONSIBLY. 18+


GUINNESS GHANA
YOUR FUTURE AWAITS. STEP FORWARD.
PRINCE KOFI AMOABENG
KEEP WALKING
JOHNNIE WALKER.



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FOREIGN EXTRA
GENUINE QUALITY STOUT
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FOREIGN EXTRA
ST. JAMES'S GATE DUBLIN
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