GUINNESS GHANA
BREWERIES LIMITED

GUINNESS GHANA BREWERIES LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS

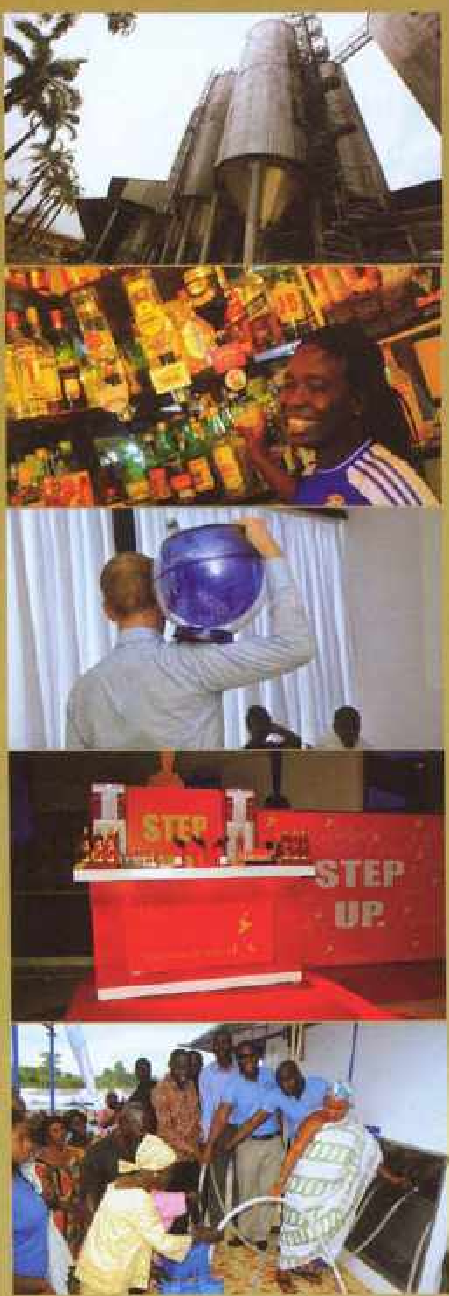
— 2013 —

The Most Vibrant and Iconic Business in Ghana

DRINK RESPONSIBLY 18+


DRINK RESPONSIBLY 18+
OVER 260
QUALITY CHECKS
...from grain to glass
PREMIUM QUALITY
STAR
Cold Filtered
STAR The nation's favourite beer

Content



Corporate Information

BOARD OF DIRECTORS	David Harlock (Chairman) Peter Ndegwa (Managing Director) Charles Kimeria Mwangi (Finance Director) Prof. Joseph Woahen Acheampong Ebenezer Magnus Boye Agnes Emefa Essah (Appointed, February 2013) James Kweku Inkoom Didier Francis Martial Leleu Paul Victor Obeng Ekwunife Okoli Katherine Joana Seljeflot Stephen Christopher Gannon (resigned, February 2013)
SECRETARY	H. Essie Humphrey-Ackumey 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, Turkey, Russia and Eastern Europe.

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.

Agnes Emefa Essah-MARKETING DIRECTOR

Agnes joined GGBL in March 2002 as a Senior Brands Manager and over the years has taken up different roles in the marketing function in Diageo Africa's Regional Office based in London and Namibia Breweries Limited, also a subsidiary of Diageo PLC.

She is a member of the Ghana Advertisers' Boards, a Full Chartered Member of the Chartered Institute of Marketing Ghana (CIMG) and serves on the CIMG examiners board.

Before joining GGBL, Agnes worked in various capacities in different industries including the Telecoms, Government Sector and Tourism. She holds a first degree in Languages and MBA in Marketing.

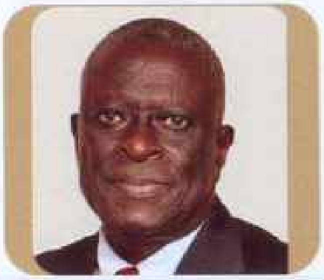
Board Members

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.

H. Essie Humphrey-Ackumey – COMPANY SECRETARY

Essie has over 20 years' experience in Banking and Finance, Company Law and Practice, Human Rights, Insurance and Labour related issues.

Prior to joining Guinness Ghana Breweries Limited she was the Head, Legal and Company Secretary of Fidelity Bank Ghana Limited and Company Secretary of Fidelity Asia Bank Limited, Kuala Lumpur, Malaysia.

Notice of Annual General Meeting

Notice is hereby given that the 41st Annual General Meeting of Guinness Ghana Breweries Limited will be held at the Golden Tulip Hotel, Kumasi on 30th October, 2013 at 10 o'clock in the forenoon for the following purposes:

AGENDA

1. To receive the Report of Directors, the Financial Statements for the year ended 30th June 2013 and the Report of the Auditors thereon.
2. To receive approval to declare 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 9th day of September, 2013

By order of the Board
H. Essie Humphrey-Ackumey
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, James Kweku Inkoom, Didier Francis Martial Leleu, Agnes Emefa Essah, Paul Victor Obeng, Ekwunife Okoli, Katherine Joanna Seljeflot, H. Essie Humphrey-Ackumey (Secretary)

EXECUTIVE MANAGEMENT COMMITTEE:

Peter Waititu Ndegwa, Andrews Akolaa, Agnes Emefa Essah, Charles Kimeria Mwangi, Robert O'Toole, Preba Greenstreet, H. Essie Humphrey-Ackumey, Sharon Agyapong, Andy Jones .

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

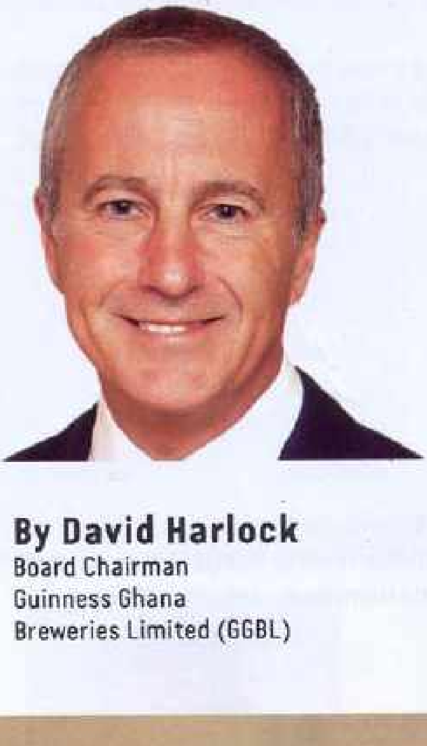
REGISTERED OFFICE

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



By David Harlock
Board Chairman
Guinness Ghana
Breweries Limited (GGBL)

Nananom, Shareholders, Members of the Board of Directors, Members of the Executive Management Team, welcome to the 41st Annual General Meeting of your company, Guinness Ghana Breweries Limited.

For over six years, I have had the honour and pleasure of serving as a member and Chairman of your Board of Directors. Once again I shall be presenting to you the Annual Report and Financial Statements of your Company for the financial year 1st July, 2012 to 30th June, 2013. The past financial year has been a mixed year with significant successes and challenges.

Nananom, Ladies and Gentlemen, this year your company has seen a number of positive changes.

I will start by presenting the changes on the Board. There is one change in the directors with Agnes Emefa Essah appointed to take the place of Stephen Christopher Gannon.

I am also delighted to introduce Harriette Essie Humphrey Ackumey, GGBL's Legal Counsel who was appointed Company Secretary by the Board on 22 May 2013. Essie is an experienced legal practitioner and company secretary having worked for over 20 years in a number of top ranked businesses in Ghana.

Essie takes over from Afua Oduro-Asante who has moved into a new role within the Diageo group having ably served as our company secretary for just over three years. We thank her and wish her well. The Board and I continue to be proud and satisfied with the changes within our executive management.

Ladies and Gentleman, your company continues as the only beverage company listed on the Ghana Stock Exchange providing an opportunity for the investing public to participate in this sector of industry. We greatly appreciate the confidence our shareholders continue to have in our business.

I wish to highlight some key successes for this financial year. This year, Guinness Ghana Breweries Limited introduced to the Ghanaian public Ruut Extra Premium Beer, Ghana's first cassava based beer, brewed with cassava from the soil of Ghana. The production of Ruut Extra arose directly from our partnership with industry and government to spearhead an approach that encourages increased use of local raw materials (such as cassava, maize and sorghum). This approach has seen the creation of real economic growth in other countries where Diageo PLC, our parent company operates, providing livelihoods for local farmers, a guaranteed purchaser of produce at a market price, enabling them provide for and educate their children as well as expand their operations.

Since its launch in December, Ruut Extra has been a great success with consumers, for its quality and affordable price point, and with other stakeholders who appreciate the value we are adding to the local communities, processing partners and Ghana's economy.

Within the year, we invested GHC80million to increase our production capacity in Kumasi. This project will increase the capacity of the business by introducing additional state of the art brewing equipment, to better enable our business meet consumer demand.

In December last year we also launched Africa's most adored non-alcoholic drink Malta Guinness in a modern new bottle with an impressive event at the independence square in Accra.

These successes give me the belief that your company can achieve its vision of being the most Vibrant and Iconic business in Ghana.

THE BUSINESS ENVIRONMENT AND OUR PERFORMANCE

Ladies and Gentlemen, our performance in the first half of F13 was positive as we thrived on the fortunes of a stable economy and good performance of our brands. In the second half of our financial year however, GGBL together with other Ghanaian industries was impacted by the erratic supply of utilities especially water and power. The near total decline of piped water to our Achimota brewery significantly affected production and cost of operation. In addition sales were also affected by the irregular power supply which impacted the ability of our retailers to provide our products at the cold temperature at which they are best served.
To mitigate the shortfall in water supply we tankered in water at a higher cost and also supplemented shortfalls in supply through imports of finished products.

Macroeconomic indicators such as GDP growth, lower and stable inflation, stable interest rates and consumer dynamics, generally worsened in the second half of the year; with a protracted election dispute between the two major political parties in Ghana through the courts, investors holding on to major investment decision and inconsistent supply of utilities, industries in general were faced with performance challenges and ours was no exception. As a result our second half performance declined compared to the first half of the year.

Despite these challenges however, our business continues to make strides internally and externally. At our last Annual General Meeting I shared with shareholders the new vision carved by your executive management team - to be the most Vibrant and Iconic Business in Ghana. I am pleased to provide an update on this Journey.

We called out four key measurable areas that will make us the most Vibrant and Iconic business in Ghana. First of all, we have advanced in our quest to improve the performance of our core brands through many exciting promotions, developing best ways of reaching our final consumer, producing winning innovation, building and sustaining valued relationships with our key stakeholders.

As your chairman I am confident that we are indeed on the journey of achieving our vision.

We will continue to 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. With the introduction of Ruut Extra for example I am assured of the positive impact our local sourcing will deliver to local farming communities. We have identified this as an opportunity to transform the landscape further by moving beyond the corporate social responsibility initiatives that we had traditionally played in, in particular the provision of water to the vulnerable and poor through our 'Water of Life' programme, to integrating our aspirations for local communities as part of the core of our business. Thus, mapping back into the Company's supply chain, locally sourced raw materials.

We also continue to demonstrate our vibrancy through the responsible way we market our premium brands and develop winning innovations that will entrench our very purpose of celebrating life every day, everywhere. We are committed to maintaining and progressing our market leadership focused on driving efficiency to reduce production cost, delivering quality products to the market on time and in full and to deliver value to our shareholders.

OUR BRANDS

Spirits

Ladies and Gentlemen, during the period under review, I am pleased to inform you that we introduced some of Diageo's Reserve brands - Johnnie Walker Blue, Gold, Platinum Labels, Ciroc vodka, Don Julio, just to mention a few. We are currently selling in the premium outlets in the three major cities in Ghana - Accra, Kumasi and Takoradi. Johnnie Walker Red and Black Labels, Smirnoff and Baileys continue to lead the market. Our spirits business continues to grow and contributed 31% to our NSV in the year under review. We understand the enormous opportunity available in this market and we intend to take full advantage of it.

Innovation – Ruut Extra Premium Beer

In December 2012, Ruut Extra Premium Beer, Ghana's first ever cassava based beer was launched in a record time. It is brewed from the very best local raw materials sourced from around the country and brewed to the highest international standard; it is an authentic beer with a pleasant aroma and a distinctive refreshing taste with just the right level of bitterness. Ruut Beer is available at an affordable price and gives consumers the opportunity to enjoy a refreshing new drinking experience.

Star

Our Star Beer sought to reward consumers through a National Consumer Campaign in the year under review. The campaign offered the opportunity to consumers to win amazing prizes. We continue to seek new and exciting ways to grow Ghana's favourite beer.

Malta Guinness

The Malta Guinness new bottle launch event was one of the most successful events ever held by GGBL with award winning performances from local and international artistes. This launch and the introduction of the new bottle has given a refreshing look to the adored Malta Guinness.

Guinness FES

Football remains the passion of the nation and our flagship brand Guinness continues to invest in the passion of football. In the period under review we launched season 3 of the Guinness Football Challenge with representatives from Ghana making it to the finals and placing second in the international competition. Guinness also launched a digital interactive platform for football lovers. This platform connects our passion to this adored brand that amplifies the key brand benefits of our Iconic Guinness FES.

SUSTAINABILITY AND RESPONSIBILITY

Ladies and Gentlemen, in the year under review your business received many accolades, a testament to our commitment to lead in the market and to lead in the impact we create for our people and the communities in which we live and work.

Our Water of Life programme, which seeks to provide sustainable access to clean drinking water for vulnerable communities earned us the best company in Corporate Social Responsibility at the Ghana Industry Awards by the Association on Ghana Industries, 2nd Best Company in Corporate Social Responsibility by the Ghana Investment Promotion Council and Recognition by CSR Diary and Awards - for its positive impact in the Ghanaian society. I am also delighted that we have discovered the opportunity to transform this landscape further by moving beyond our traditional corporate social responsibility initiatives to drive value for the business by investing in local raw materials such as sorghum and cassava whilst improving the livelihoods of local farmers as well as their dependents and thereby the communities in which they live.

WATER OF LIFE

Nananom, Ladies and Gentlemen, your company has 'stepped up' its approach in meeting our commitment to provide clean drinking water to an integrated Water, Health and Sanitation programmes. This financial year has recorded the highest number of beneficiaries, 169,000 in a one financial year since we started this programme in 2007. We see this not just as our responsibility to give back to our communities but also empower them through job creation and contribution to revenue base of local assemblies. With support from the Diageo Foundation we will continue to demonstrate our thought leadership in this area.

ALCOHOL IN SOCIETY

As the only listed total beverage business in the country, we remain committed to creating a positive role for alcohol in the Ghanaian society through targeted and measured initiatives to tackle alcohol misuse - working with industry and relevant stakeholders. We seek to strengthen an industry that defines a transparent, competitive and predictable regulatory environment.

In demonstrating our leadership and responsibility to promote the responsible use of alcohol, Diageo, together with other global drinks companies under the Global Alcohol Producers Group (GAP G), signed up to 5 commitments to tackle alcohol abuse:

- Reduce underage drinking via enforcement of current laws and encouraging governments to introduce and enforce minimum purchase ages.

- Continuing to strengthen and expand marketing codes of practices that are rooted in our resolve not to engage in marketing that could encourage excessive and irresponsible consumption, with a particular focus on digital marketing

- Marketing responsible product innovation and developing easily understood symbols or equivalent words to discourage drinking and driving and consumption by pregnant women and underage youth

- Reducing drinking and driving by collaborating with government and NGOs to educate and enforce existing laws

- Enlisting the support of retailers to reduce harmful drinking and create 'guiding principles of responsible beverage and alcohol retailing'.

ENVIRONMENT

Ladies and Gentlemen, we continue to pursue our environmental pledge to reduce our environmental footprint, reduce operating costs to improve internal efficiency and our impact in the community in which we live and work. 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

OUR PEOPLE

Nananom, Ladies and Gentlemen, we are proud of our people and we make particular effort to ensure their wellbeing. This year, we introduced a comprehensive health care insurance scheme for our employees and their dependents.

I am also delighted that as a multinational business, we continue to offer opportunities to young graduates locally and internationally to acquire knowledge and professional experience in a diverse environment. A total of 15 young graduates joined the business on our Early Career Programme whiles some of the early batches continue to grow steadily within the organization to senior management.

We continue to promote gender diversity in our business and I am proud to say that we currently have four female members out of a nine executive management team in GGBL. The GGBL Women Network established in 2011 continues to support women in the business through many empowering programmes.

LOOKING FORWARD

We have many achievements to recognize - from investing in our production lines to providing premium drinks to our consumers; to developing winning innovation that sources its raw materials from our local communities thereby providing sustainable livelihoods to developing our people to be the best in the industry and finally developing a reputation we are all proud of - GGBL, the most Vibrant and Iconic business in Ghana.

There are challenges in the macro environment; depreciation of the currency, high interest rates and also unstable supply of utilities. We will continue to manage these prudently.

I say, thank you our shareholders for continuing to support our business.

Report of Directors

Peter Waititu Ndegwa
Managing Director
Guinness Ghana
Breweries Limited (GGBL)

REPORT OF 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 2013, 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¢0.01729 (2012: GH¢0.024) per share amounting to GH¢3,655,466 (2012: GH¢5,072,115).

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

One Director resigned during the year and one new Director was appointed to fill the vacancy created.

Details of changes in directorship are as follows:

- Steve Christopher Gannon resigned in February 2013 and was replaced by Agnes Emefa Essah in February 2013.

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 director namely Agnes Emefa Essah will be retiring and seeking re-election by shareholders at the upcoming Annual General Meeting, also Prof. Joseph Woahen Acheampong and Paul Victor Obeng 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 18 September, 2013 and signed on its behalf by:

Managing Director
PETER WAITITU NDEGWA

Finance Director
CHARLES KIMERIA MWANGI

Corporate Governance Report

Guinness Ghana Breweries Limited (GGBL) is committed to achieving the highest standards of corporate governance, corporate responsibility and risk management in the conduct of 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 collectively responsible for ensuring that the highest standards of corporate governance are achieved when directing and controlling the business.

BOARD OF DIRECTORS

The Board is made up of three full time executive directors and eight non-executive directors, the third full time executive joined in February 2013. These Directors are highly qualified and experienced in their professional areas of expertise. The Board, chaired by a non- executive director, is responsible for promoting 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 is made up of the Managing Director and all the other functional Directors and is responsible for the day to day management of the Company and for all the operational aspects of the business. The 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 system 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 required to exert a high level of oversight and scrutiny into the company's operations and financial reporting and internal controls and compliance system.

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 auditors 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 Nomination 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 Executive Directors.

RISK MANAGEMENT AND INTERNAL CONTROL

Your Company is proud of its commitment to external auditing each year. This year in addition to the annual financial audit undertaken by KPMG 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 has taken major strides in ensuring minimal effluent discharge. 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 improper payments and bribes and the commitment to act as a socially responsible company with respect to the environment, the communities 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

ENRICHING LIVES, EMPOWERING COMMUNITIES

Our commitment to investing in local communities through our integrated Sustainability and Responsibility initiatives is unparalleled. Ours is a business that believes in the deep-rooted philosophy of the interconnected relationship between business and local communities - we know this too well that businesses grow when communities thrive. There is ample evidence that doing good is good for business and many responsible businesses, like ours, have managed to attract more investors, reduced risks and addressed stakeholder concerns through creating and perpetuating shared value.

This financial year, we upscaled our investment in S&R, charted a mutually beneficiary arrangement with the government of Ghana and small holder farmers that resulted in the first cassava beer and provided a platform for our employees to actively volunteer in community projects.

WATER OF LIFE PROGRAMME

Our flagship Water of Life programme continues to empower local communities through access to clean drinking water. This financial year, we received substantial support from the Diageo Foundation. Together with the Diageo Foundation, we invested GHC 600,000 to provide sustainable access to clean drinking water to 169,000 beneficiaries. We partnered with the Ministry of Health to revamp the water delivery system of three health centres - Tamale West & Central and the Maamobi Hospitals.
We also invested in a state of the art WaterHealth Centre for Domeabra - a farming community in the Ahafo Ano South District of the Ashanti region.

Ms. Sherry Ayittey, Minister of Health breaking grounds for the construction of water delivery system for the Maamobi Hospital. Helping her are Preba Greenstreet, corporate relations director of GGBL and other dignitaries.

ALCOHOL IN SOCIETY

We remain committed to reducing alcohol misuse and to chart a course for the responsible use of alcohol in the society. This financial year, we have led industry discussions aimed at advancing the CEO's commitment towards reducing alcohol abuse.

We also activated a highly visible media campaign - the Responsible Drinking (RD) and Hosting campaign - using members of our Executive management team to provide factual RD tips to consumers during the Christmas and New Year festivities.

EMPLOYEE VOLUNTEERING PROGRAMME

We provided a platform for all our employees to actively participate in community volunteering initiatives through the Arthur's Day celebration - commemorated in September every year in honour of the philanthropic legacies of Arthur Guinness. Our employees researched, selected and volunteered in several initiatives in communities within 10KM of our breweries in Kaasi and Achimota. Some of the projects supported include; refurbishing the children's block of the Achimota and Amakom Hospitals, refurbishing classroom blocks of the Kaasi JHS and the Alogboshie Cluster of Schools in Achimota.

Some employees interacting with a driver and bus conductor on road safety as part of Arthur's Day celebrations

GGBL'S WATER OF LIFE PROGRAMME

INSPIRING HOPE, ENRICHING LIVES AND EMPOWERING COMMUNITIES ACROSS GHANA

63 water projects in 57 communities and counting...

Brong Ahafo Region

Kookoso
Mentukwa
Dantano
Twumasikrom
Debibi
Brohani
Sabiye
Namasa
Banda Ahenkro
Nasala
Banda Boase

Ashanti Region

Bamang
Bodomase
Wonoo
Amaape
Bekwai
Abosomtweagya
Asipong
Konongo
Ampabame
Domeabra

Northern Region

Kakpagyili
Koblimahigu
Kpembe
Makango
Tamale West Hospital
Tamale Central Hospital

Upper West Region

Poyengtanga
Sibretang
Beyinetang

Greater Accra

Zeenu
Taifa
Kpobikope
Akotoshie
Gakope
Agomeda
Atadela
Maamobi Hospital

Central Region

Adieso
Agona Nsaba
Otopease

Eastern Region

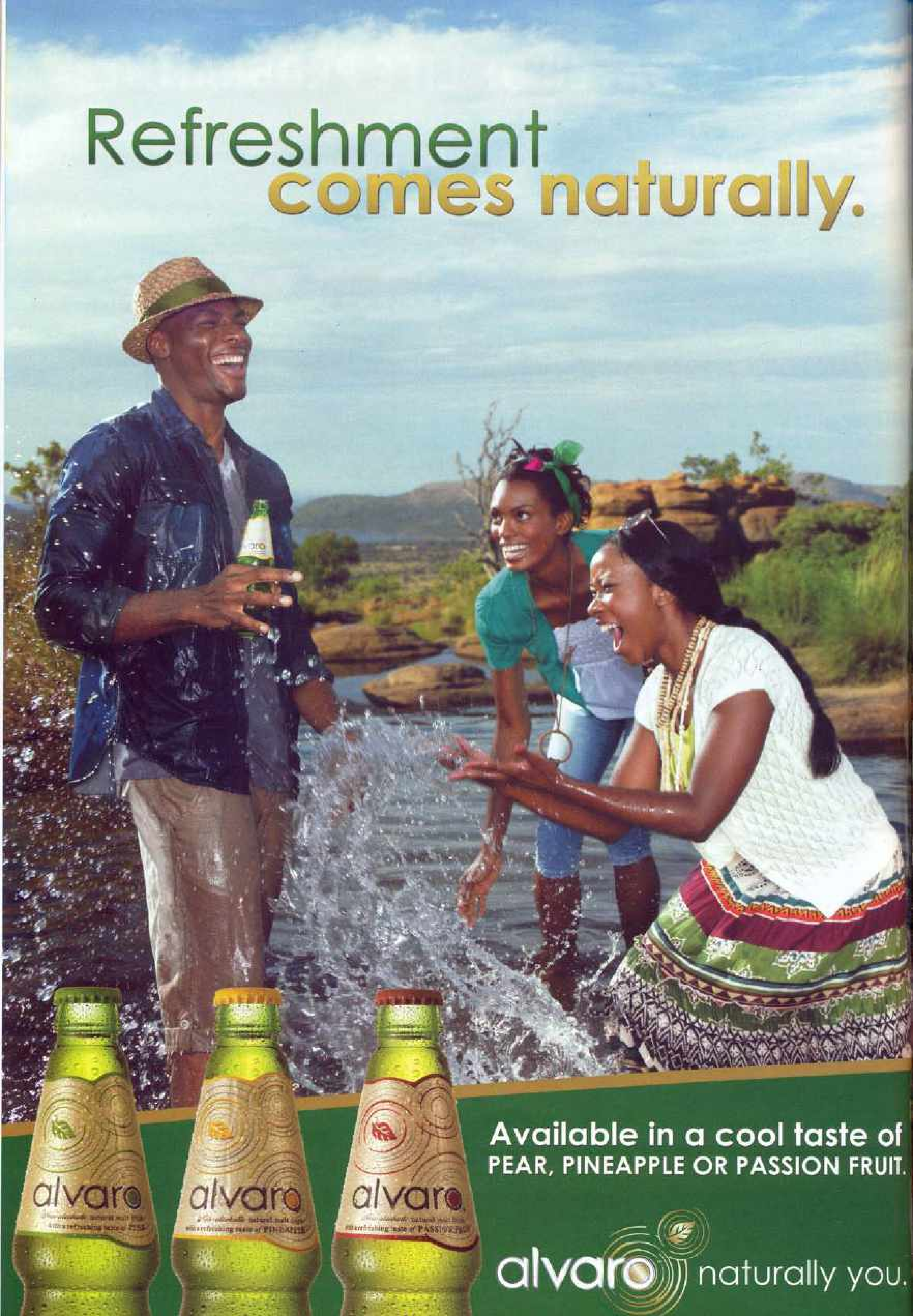
Aboano
Maamfe
Amanokrom
Adasewase
Akropong

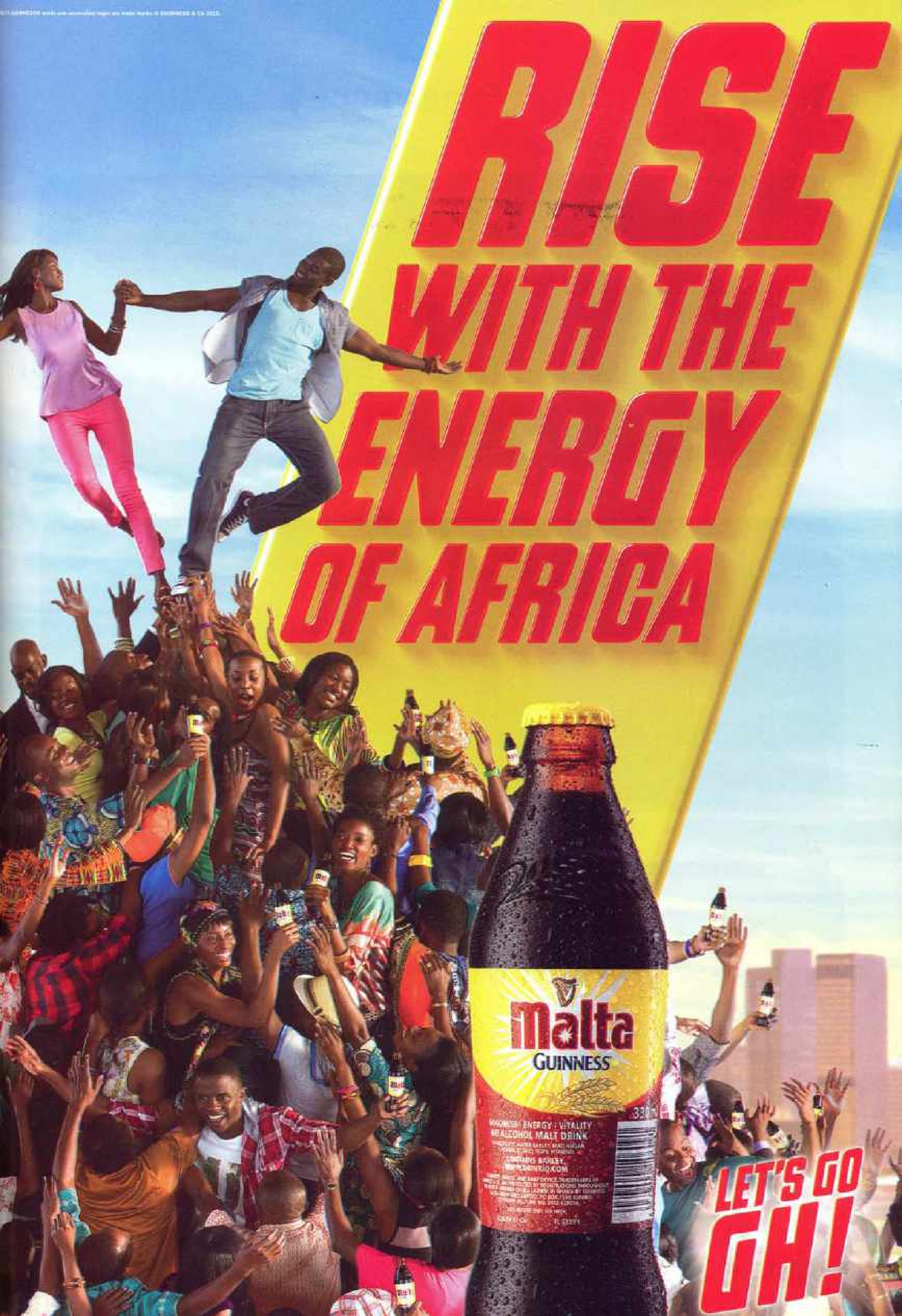
Volta Region

Gbledzi Gborgame
Volo
Ziope

Upper East Region

Azupupunga
Sapaligu
Tambiug Pusiga
Senebaga Kpatua
Banakpesir Werimkambo


Refreshment
comes naturally.
alvaro
alvaro
alvaro
Available in a cool taste of
PEAR, PINEAPPLE OR PASSION FRUIT.
alvaro naturally you.


RISE
WITH THE
ENERGY
OF AFRICA
Malta
GUINNESS
LET'S GO
GH!

Great Times Great Experiences

Malta Guinness New Bottle Launch

Ghana's most adored soft drink Malt Guinness, launched its fantastic new bottle with an exciting open air concert. The impressive event was graced by Africa's finest musical talents; P Square from Nigeria, Sarkodie and Samini from Ghana. They thrilled the over 40,000 consumers at the Independence Square with exciting performances.

For months running, the iconic event was the talk on many social media sites The event provided an opportunity for Malta Guinness to connect with its consumers and further entrenched the brands position as the leading malt drink in Ghana.

Johnnie Walker Red Label Step Up Campaign

Johnnie Walker Red Label Step up campaign, an in bar mentorship programme was activated throughout the year in 50 selected bars across the country. The campaign sought to demonstrate the superior attributes of Johnnie Walker Red Label - Big, Bold Flavours in a stylish and engaging manner to recruit new consumers into the Walker family.

With an impactful set up and eloquent mentors, consumers were taken through a memorable journey on the various taste and flavour profiles of Johnnie Walker Red Label when mixed in different ways. Over 10,000 consumers were reached through the Johnnie Walker Red Label Step Up Campaign.

Guinness VIP launch and roll-out

In September 2012, Guinness launched its new exciting digital platform for football lovers, Guinness VIP (GVIP). Developed to meet the growing number 18 to 24 year olds and their interest in digital media, GVIP has already attracted over 20,000 patrons to the interactive platform.
Launched at the plush Movenpick Ambassador hotel, the venue was transformed into a cyber-world showcasing a variety of cyber cues and bringing digital culture to life.

Join our community for free. **[www.m.guinnessvip.com][www.facebook.com/Guinness.Gh] [Send "Yes" and your date of birth to 1759]**

Ruut Extra Beer: Y'asaase yen Sa

RUUT EXTRA PREMIUM BEER, Ghana's first cassava based beer was launched in December after a breakthrough initiative with the government of Ghana to encourage increased use of local raw materials such as cassava, maize and sorghum in the brewing industry by providing graduated concessionary excise rates where a given percentage of local raw materials were used in production.

RUUT EXTRA PREMIUM BEER is brewed to the highest international standard that offers consumers a premium and refreshing taste. It is available in most of the regions of Ghana at **1.60p per bottle,** and offers Ghanaians the opportunity to express their national pride and to contribute to the growth of Ghana.

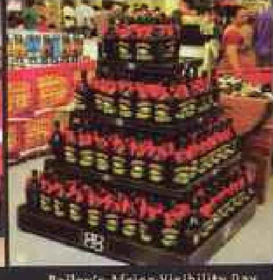
Ruut Extra is a beer borne from our own soil, Y'asaase, yen sa

YPO MEMBERSHIP DRIVE DINNER – June 2013

The Young President's Organization (YPO) is a global organization that connects business leaders and decision makers in over 140 countries around a singular mission: BETTER LEADERS THROUGH EDUCATION AND IDEA EXCHANGE. The Ghana chapter opened its doors officially in November 2011 and as part of the yearly activities, hosted the YPO International Chair who visited Ghana as part of duty tour. The guests were taken through a JOHNNIE WALKER PLATINUM LABEL mentoring experience to demonstrate the brands unique characteristics and what it stand for - 'THE PRIVATE BLEND'

Baileys Day & Mother's Day

Baileys Mother's Day



Bailey's Africa Visibility Day

Baileys, arguably the most celebrated brand by women with class, organized 2 exclusive events in the year. Africa Baileys Day, a Diageo regional competition aimed at increasing the visibility of Baileys across African markets.
615 employees and key trading partners rallied behind the brand and increased brand awareness through 83 connection points of our target consumer. This massively over delivered target numbers for December and won us (GGBL) the Baileys Africa Visibility contest in Diageo Africa.

Internally, Baileys offered women an extra ordinary Mother's Day with a glamorous black carpet event. The ladies were treated to make up sessions by professional make up artistes, exciting karaoke and photography sessions.

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 as at 30 June 2013, the statements of profit and loss and other 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 information as set out on pages 29 to 65.

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 Act, 1963 (Act 179) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of Guinness Ghana Breweries Limited at 30 June 2013 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 Act, 1963 (Act 179).

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the requirements of Section 133 of the Companies Act, 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 profit and loss and other comprehensive income are in agreement with the books of account.

SIGNED BY: NII AMANOR DODOO (ICAG/P/1055)
FOR AND ON BEHALF OF:
KPMG: (ICAG/F/0036)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

18th September, 2013

Statement Of Financial Position

As at 30 June 2013

	Note	2013 GH¢'000	2012 GH¢'000
ASSETS			
Property, plant and equipment	11	225,900	161,329
Intangible assets	12	3,154	3,615
Total non-current assets		229,054	164,944
Inventories	13	45,108	33,537
Trade and other receivables	14	11,109	9,051
Amounts due from related companies	22(i)	1,201	887
Cash and cash equivalents	15	11,519	35,390
Income tax asset	10(ii)	-	290
Total current assets		68,937	79,155
Total assets		297,991	244,099
EQUITY AND LIABILITIES			
Share capital	19(i)	96,252	96,252
Retained earnings	19(ii)	56,550	42,705
Total equity		152,802	138,957
Deferred tax liability	10(iv)	15,309	13,619
Medium-term loans	17(ii)	2,941	7,583
Obligations under finance lease	18	2,356	2,102
Employee benefit obligations	24	1,390	1,429
Total non-current liabilities		21,996	24,733
Bank overdraft	16	15,688	-
Income tax liability	10(ii)	146	-
Short-term loans	17(i)	5,670	10,333
Obligations under finance lease	18	959	596
Trade and other payables	21	40,251	49,078
Amounts due to related companies	22(i)	28,424	20,402
Intercompany loan	22(i)	24,543	-
Provisions	25	7,512	-
Total current liabilities		123,193	80,409
Total liabilities		145,189	105,142
Total equity and liabilities		297,991	244,099

PETER NDEGWA
MANAGING DIRECTOR

CHARLES MWANGI
FINANCE DIRECTOR

The notes on pages 29 to 62 form an integral part of these financial statements.

Statement Of Profit And Loss & Other Comprehensive Income

For the Year Ended 30 June 2013

	Note	2013 GH¢'000	2012 GH¢'000
Revenue	5	321,017	292,318
Cost of sales	26	(228,793)	(192,923)
Gross profit		92,224	99,395
Advertising and marketing expenses	27	(28,986)	(24,895)
Administrative expenses	27	(13,350)	(14,022)
Other expenses	27	(20,810)	(20,197)
Other income	6	2,085	339
Results from operating activitie		31,163	40,620
Finance income		815	354
Finance costs		(4,110)	(7,757)
Profit before taxation	7	27,868	33,217
Income tax expense	10(i)	(9,591)	(8,212)
Profit for the year		18,277	25,005
Other comprehensive income			
Items that are not subsequently reclassified to profit or loss:			
Actuarial gain/(loss) on defined benefit obligations, net of tax	24	640	(445)
Other comprehensive income for the year		640	(445)
Total comprehensive income for the year		18,917	24,560
Basic earnings per share (Ghana cedi per share)	20	GH¢0.086	GH¢0.133
Diluted earnings per share (Ghana cedi per share)	20	GH¢0.086	GH¢0.133

The notes on pages 29 to 62 form an integral part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2013

	Share Capital GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
30 June 2013			
Balance at 1 July 2012	96,252	42,705	138,957
Total comprehensive income			
Profit for the year	-	18,277	18,277
Other comprehensive income			
Actuarial loss on defined benefit obligations, net of tax	-	640	640
Total comprehensive income for the year	-	18,917	18,917
Transactions with owners recorded directly in equity			
Contributions by and distributions to owners			
Dividend to shareholders	-	(5,072)	(5,072)
Balance at 30 June 2013	96,252	56,550	152,802
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

The notes on pages 29 to 62 form an integral part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2013

	2013 GH¢'000	2012 GH¢'000
Cash flows from operating activities		
Profit before taxation	27,868	33,217
Adjustments for:		
Depreciation charges	28,295	21,465
Amortisation	461	1,888
Profit on sale of plant and equipment	(2,085)	(219)
Impairment charges for property, plant and equipment no longer required	-	(120)
Net finance cost	3,295	7,403
Actuarial gain/(loss) on employee benefit obligations	811	(564)
Unrealised exchange difference on cash	1,008	(1,610)
	59,653	61,460
Changes in:		
- Inventories	(11,571)	(5,601)
- Trade and other receivables	(2,058)	(3,415)
- Trade and other payables	(8,827)	12,035
- Related company balances	7,708	(29,355)
- Employee benefit obligations	(39)	704
- Provisions	7,512	-
Cash generated from operating activities	52,378	35,828
Income taxes paid	(7,636)	(892)
Interest paid	(4,110)	(7,757)
Net cash flow from operating activities	40,632	27,179
Cash flows from investing activities		
Additions to property, plant and equipment	(91,764)	(23,264)
Proceeds from sale of plant and equipment	2,282	219
Interest received	815	354
Net cash flow from investing activities	(88,667)	(22,691)

The notes on pages 29 to 62 form an integral part of these financial statements.

	2013 GH¢'000	2012 GH¢'000
Cash flow from financing activities		
Proceeds from the issue of shares	-	70,000
Transaction costs on share issue	-	(1,299)
Dividends paid	(5,072)	(2,411)
Net movement in loan balances	(9,305)	(34,462)
Repayment of finance lease	(682)	(177)
Related party loans	24,543	-
Net cash (used in)/from financing activities	9,484	31,651
Net (decrease)/increase in cash and cash equivalents	(38,551)	36,139
Cash and cash equivalents at 1 July	35,390	(2,359)
Effect of exchange rate fluctuations on cash held	(1,008)	1,610
Cash and cash equivalents at 30 June	(4,169)	35,390

The notes on pages 29 to 62 form an integral part of these financial statements.

Notes To The Financial Statements

For the Year Ended 30 June 2013

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). Additional information required under the Companies Act 1963, (Act 179) have also been included where appropriate.

b. BASIS OF MEASUREMENT

The financial statements are prepared on the historical cost basis.

c. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Ghana cedis (GH¢), which is the company's functional and presentation currency. All financial information in Ghana cedis has been rounded to the nearest thousand.

d. USE OF ESTIMATES AND JUDGEMENTS

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. 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 (Fair value measurement) and 28 (Financial Risk Management).

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, trade and other payables and amounts due from and to related parties.

The company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognized initially on the trade date which is the date the company becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

The company derecognises a financial asset when the contractual rights to cashflows from the asset expire, or it transfers the rights to receive contractual cashflows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in such transferred financial asset that is created or retained by the company is recognised as a separate asset or liability.

Non-derivative financial instruments are categorised, as follows:

- Loans and receivables - these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortised cost using the effective interest method less appropriate allowances for doubtful receivables. Allowances for doubtful receivables represents the company's estimate of incurred losses arising from the failure or inability of customers to make payments when due. These estimates are based on the age of customer balances, specific credit circumstances and the receivables historical experience.

  Loans and receivables comprise cash and cash equivalents, trade and other receivables and amounts due from related parties.

  Cash and cash equivalents - these comprise 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 is used by the company in managing its short term commitments.

- Financial liabilities measured at amortised cost - this relates to all other liabilities that are not designated at fair value through profit or loss. The company classifies non-derivative financial liabilities into other financial liabilities category.

  Other financial liabilities comprise loans and borrowings, amounts due to related parties, bank overdraft and trade and other payables.

  The company initially recognises financial liabilities on the trade date, which is the date the company becomes a party to the contractual provisions of the instrument.

  The company derecognises a financial liability when the contractual obligations are discharged or expire.

(ii) **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.

(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.

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 profit or loss as other income.

(e) INTANGIBLE ASSETS

Software

Software acquired is stated at cost less accumulated amortisation and impairment losses.
The estimated useful life for software is 5 years.

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 methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. During the year, the Diageo Group carried out a review of the entire SAP platform. This resulted in a change to the useful life of the software. The software was previously amortised on a straight line basis over a period of five years from the date of capitalization. The software is now expected to be used until the end of the financial year 2020.

(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 costs, less impairment losses. Specific allowances for doubtful debts are made for receivables of which recovery is doubtful, collective loan loss allowances are recorded for the remaining receivables taking into account past experiences.

Other receivables are stated at cost less impairment losses.

(h) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and bank balances and are carried at amortised cost. Bank overdrafts that are repayable on demand, and which form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cashflows.

(i) EMPLOYEE BENEFITS

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution schemes are recognised as an expense in profit or loss in periods during which services are rendered by employees.

(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.

(iv) Other long-term benefits

The company's obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the rate on long dated Government of Ghana bonds. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

(i) 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.

(j) RESTRUCTURING

A provision for restructuring is recognized when the company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly.

(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 not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

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. Objective evidence that financial assets are impaired include default by a customer and indication that a debtor will enter bankruptcy.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) **Non-financial assets**

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount is the asset's fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The impairment test can also be performed on a single asset when the fair value less cost to sell can be reliably determined. Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

(o) TAXATION

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

Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at tax rates that are expected to be applied to the 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 for unused tax losses, tax credits and deductible temporary differences 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(p) **DIVIDEND**

Dividend payable is recognised as a liability in the period in which they are declared and the shareholders right to receive payment has been established.

(q) **SEGMENT REPORTING**

Operating segments reflect the company's management structure and the way financial information is regularly reviewed by the Chief Operating Decision Maker (CODM). Operating segments are reported in a manner consistent with internal reporting provided to the CODM.

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 segment lines.

(r) **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.

(s) **COMPARATIVES**

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

(t) **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 for the year ended 30 June 2013. Except for those listed below, the other new standards and amendments would not have any impact on the company's financial statements.

Standard/Interpretation		Effective Date (Annual periods beginning on or after)
IFRS 2009-2011	*Annual improvement to various Standards*	1 January 2013
IAS 19 amendments	*Employee benefits*	1 January 2013
IFRS 7 amendment	*Offsetting financial assets and liabilities*	1 January 2013
IFRS 13	*Fair value measurement*	1 January 2013
IAS 32 amendments	*Offsetting financial assets and financial liabilities*	1 January 2014
IFRS 9 (2009)	*Financial Instruments*	1 January 2015
IFRS 9 (2010)	*Financial Instruments*	1 January 2015

IFRS 2009-2011 Annual improvement to various Standards

(i) IAS 1 *Presentation of Financial Statements (Comparative information beyond minimum requirements)*
IAS 1 is amended to clarify that only one comparative period - which is the preceding period, is required for a complete set of financial statements.

If an entity presents additional comparative information, the additional information need not be in the form of complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS.

(ii) IAS 1 *Presentation of the opening statement of financial position and related notes*
IAS 1 requires the presentation of an opening balance of financial position (sometimes referred to as the 'third statement of financial position') when an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification. IAS 1 is amended to clarify that:

- The opening statement of financial position is required only if:
- a change in accounting policy;
- a retrospective restatement; or
- a reclassification

has an effect on the information in that statement of financial position;

- Except for disclosures required under IAS 8, notes relating to the opening statement of financial position are no longer required; and

- The appropriate date for the opening statement of financial position is the beginning of the preceding period, rather than the beginning of the earliest comparative period presented. This is regardless of whether an entity provides additional comparative information beyond the minimum comparative information requirements.

The amendment explains that the requirement for the presentation of notes relating to additional comparative information and opening statement of financial statements are different, because the underlying objectives are different.

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

Amendments to IAS 19 Employee Benefits

The amendment has introduced the following key changes which are not expected to have any impact on the company's financial statements.

- Actuarial gains and losses are recognised immediately in other comprehensive income. The corridor method and the recognition of actuarial gains and losses in profit or loss is no longer permitted.

- Past service costs as well as gains and losses on curtailments/settlements are recognised in profit or loss.

- Expected returns on plan assets are calculated based on rates used to discount defined benefit obligations.

- The definitions of short-term and other long-term employee benefits have been amended and the distinction between the two depends on when the entity expects the benefit to be settled.

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

Amendments to IFRS 7 Financial Instruments: Disclosures

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.

Based on the new disclosure requirements the company will have to provide information about what amounts have been offset in the statement of financial position and the nature and extent of rights of set-off under master netting arrangements or similar agreements.

The amendments are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods.

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

IFRS 13 Fair Value Measurement

IFRS 13 will be adopted for the first time for the financial reporting period ending 31 December 2013. The standard will be applied prospectively and comparatives will not be restated.

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

Amendments to IAS 32 Financial Instruments: Presentation

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.

The amendments are effective for annual periods beginning on or after 1 January 2014 and interim periods within those annual periods. Earlier application is permitted.

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

IFRS 9 (2009) Financial Instruments

IFRS 9 will be adopted for the first time for the financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39.

Under IFRS 9 there are two options in respect of the 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.

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

IFRS 9 (2010) Financial Instruments

IFRS 9 (2010) will be adopted for the first time for the financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 (2010) addresses the measurement and classification of financial liabilities and will replace relevant sections of IAS 39.

Under IFRS 9 (2010), 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 the 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.

- Under IFRS 9 (2010) 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.

  IFRS 9 (2010) incorporates guidance in IAS 39, dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 Reassessment of Embedded Derivatives.

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

4. DETERMINATION OF FAIR VALUES

Some 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. 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:

(i) **Trade and other receivables**
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the current market rate of instruments with similar credit risk profiles and maturity at the reporting date less provision for any impairment.

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

(iii) **Non-derivative financial liabilities**
Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5. REVENUE

(i)

	2013 GH¢'000	2012 GH¢'000
Gross Sales Value	483,567	448,393
Taxes collected for Government		
Excise Duty	92,888	92,900
Value Added Tax	63,230	57,471
	156,118	150,371
Volume and Financial Discounts	6,432	5,704
Net Sales Value	321,017	292,318

(ii) *Analysis of net sales*

Local Sales	321,017	292,151
Export Sales	-	167
Net sales value	321,017	292,318
Sales to Non-affiliates	321,017	292,151
Sales to Affiliates	-	167
	321,017	292,318

6. OTHER INCOME

Profit on sale of plant and equipment	2,085	219
Impairment charges for property, plant and equipment no longer required	-	120
	2,085	339

	2013 GH¢'000	2012 GH¢'000

7. PROFIT BEFORE TAXATION

is stated after charging:

	2013 GH¢'000	2012 GH¢'000
Personnel costs (Note 8)	44,153	43,437
Directors' remuneration	3,253	4,067
Auditors' remuneration	113	134
Depreciation	28,295	21,465
Amortisation	461	1,888
Net finance costs (Note 9)	3,295	7,403
Net exchange differences	1,905	(699)

8. PERSONNEL COSTS

	2013 GH¢'000	2012 GH¢'000
Wages and salaries	26,390	24,486
Social security contributions	1,938	1,647
Contributions to provident fund	2,070	1,757
Contribution to defined benefit plan	892	287
Other staff expenses	12,863	15,260
	44,153	43,437

The total number of staff employed by the company at the year-end was 677 (2012: 664).

9. NET FINANCE COST

	2013 GH¢'000	2012 GH¢'000
Finance income	(815)	(354)
Finance costs	4,110	7,757
	3,295	7,403

10. TAXATION

(i) **Income tax expense**

	2013 GH¢'000	2012 GH¢'000
Current tax expense (Note 10(ii))	8,072	2,246
Deferred tax expense (Note 10(iv))	1,519	5,966
	9,591	8,212

(ii) **Income tax**

	Opening Balance GH¢'000	Payments GH¢'000	Charge for the year GH¢'000	Closing Balance GH¢'000
Income Tax				
Up to 2012	(290)	(1,928)	1,913	(305)
2013	-	(5,708)	6,159	451
	(290)	(7,636)	8,072	146

Tax liabilities up to the 2012 year of assessment have been agreed with the tax authorities. The remaining tax position is, however, subject to agreement with the tax authorities.

(iii) **Reconciliation of effective tax rate**

	2013 GH¢'000	2012 GH¢'000
Profit before taxation	27,868	33,217
Income tax using the domestic tax rate (25%)	6,967	8,304
Effect of permanent differences	290	640
Tax incentives	(755)	(365)
Change in recognition of temporary differences	1,176	(628)
Tax undercharge in prior years	1,913	-
Tax charged at different rate	-	261
Current tax charge	9,591	8,212
Effective tax rate	34%	25%

(iv) **Deferred Taxation**

	2013	2012
Balance at 1 July	13,619	7,772
Charge for the year	1,519	5,966
Deferred tax on actuarial gain/(loss) in equity	171	(119)
Balance at 30 June	15,309	13,619

(v) **Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	2013 Assets GH¢'000	2013 Liabilities GH¢'000	2013 Net GH¢'000	2012 Assets GH¢'000	2012 Liabilities GH¢'000	2012 Net GH¢'000
Property, plant and equipment	-	18,441	18,441	-	15,223	15,223
Provisions	(2,493)	-	(2,493)	(698)	-	(698)
Exchange differences	(691)	-	(691)	(787)	-	(787)
Cumulative deferred tax on actuarial (loss)/gain in equity	-	52	52	(119)	-	(119)
Net tax (asset)/liabilities	(3,184)	18,493	15,309	(1,604)	15,223	13,619

11. PROPERTY, PLANT AND EQUIPMENT

2013	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 1/7/12	8,737	155,734	7,514	4,567	64,202	11,365	252,119
Additions	-	196	1,103	55	-	91,709	93,063
Disposals	-	(169)	(316)	(392)	(1,875)	-	(2,752)
Transfers	519	16,822	-	-	57,608	(74,949)	-
At 30/6/13	9,256	172,583	8,301	4,230	119,935	28,125	342,430
Accumulated Depreciation and impairment							
At 1/7/12	2,373	51,523	3,255	3,222	30,417	-	90,790
Charge for the year	227	10,647	1,659	557	15,205	-	28,295
Released on disposals	-	(95)	(302)	(381)	(1,777)	-	(2,555)
At 30/6/13	2,600	62,075	4,612	3,398	43,845	-	116,530
Carrying amounts							
At 30/6/13	6,656	110,508	3,689	832	76,090	28,125	225,900

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 and impairment							
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

The carrying amount of leased assets at the year-end amounted to GH¢3,143,050 (2012: GH¢2,752,974).

Included in capital work-in-progress are capitalised borrowing cost amounting of GH¢904,996 (2012: nil), this relates to the construction of a new production line with a capitalization rate of 23% (2012: not applicable).

Disposal of plant and equipment

	2013 GH¢'000	2012 GH¢'000
Cost	2,752	696
Accumulated depreciation	(2,555)	(514)
Impairment released on disposal	-	(182)
Net book value	197	-
Proceeds on disposal	(2,282)	(219)
Profit on disposal	(2,085)	(219)

Depreciation has been charged in the statement of comprehensive income as follows:-

	2013 GH¢'000	2012 GH¢'000
Cost of sales	25,670	20,064
General, administrative and selling expenses	2,625	1,401
	28,295	21,465

12. INTANGIBLE ASSETS

	2013 GH¢'000	2012 GH¢'000
Cost		
Balance at 1 July and 30 June	10,743	10,743
Amortisation		
Balance at 1 July	7,128	5,240
Charge for the year	461	1,888
Balance at 30 June	7,589	7,128
Carrying amount		
At 30 June	3,154	3,615

Change in estimate

During the year, the Diageo Group carried out a review of the entire SAP platform. This resulted in a change to the useful life of the software. The software was previously amortised on a straight line basis over a period of five years from the date of capitalization. The software is now expected to be used until the end of the financial year 2020.

The effect of the change on actual and expected amortization expense, included in cost of sales and other expenses in the current and future years respectively is as follows:

	2013 GH¢'000	2014 GH¢'000	2015 GH¢'000	2016 GH¢'000	2017 GH¢'000	Later GH¢'000
(Decrease)/increase in amortization expense	(1,346)	(1,355)	452	452	452	1,345

13. INVENTORIES

	2013 GH¢'000	2012 GH¢'000
Raw and packaging materials	16,778	13,094
Goods in transit	5,685	4,000
Work-in-progress	2,828	3,540
Finished products	7,245	2,958
Engineering and consumables	12,572	9,945
	45,108	33,537

14. TRADE AND OTHER RECEIVABLES

	2013 GH¢'000	2012 GH¢'000
Trade receivables	5,511	3,714
Other receivables	3,427	3,394
Staff debtors	166	134
Prepayments	2,005	1,809
	11,109	9,051

The maximum amount due from officers of the company during the year was approximately GH¢198,264 (2012: GH¢134,000).

15. CASH AND CASH EQUIVALENTS

	2013 GH¢'000	2012 GH¢'000
Bank balances	11,519	35,390
Cash and cash equivalents	11,519	35,390
Bank overdraft (Note 16)	(15,688)	-
Cash and cash equivalents	(4,169)	35,390

16. BANK OVERDRAFT

Guaranty Trust Bank (Ghana) Limited	4,086	-
Barclays Bank of Ghana Limited	5,619	-
Societe Generale Ghana	4,396	-
Standard Chartered Bank Ghana Limited	1,587	-
	1,587	-

The terms of the overdrafts are as follows:

Guaranty Trust Bank (Ghana) Limited
The overdraft facility of GH¢5million was arranged to pay local and foreign suppliers of raw materials. Interest accrues at 19.5% per annum and is subject to review in line with prevailing market conditions. This facility is supported by a letter of comfort from Diageo Highlands B.V. The facility is unsecured and expires on 4 November 2013.

Barclays Bank of Ghana Limited
The overdraft facility of GH¢15million was arranged to supplement working capital in meeting operational expenses. Interest on this facility is at 3.58% above the 91-day weighted average Treasury bill rate. The facility is unsecured.

Societe Generale Ghana
The overdraft facility of GH¢5million was arranged to augment working capital. The facility matured on 30 April 2013. Interest on this facility is at 15% per annum fixed over tenor. A penal interest of 6% per annum above the interest rate applies on due but unpaid sums. The facility is secured by a letter of comfort from Parent company (Diageo group).

Standard Chartered Bank Ghana Limited
The overdraft facility of GH¢5million was arranged to augment working capital requirements. Interest on this facility is at 15% per annum subject to change in line with prevailing market conditions. The facility is unsecured.

17. SHORT AND MEDIUM - TERM LOANS

	2013 GH¢'000	2012 GH¢'000
Stanbic Bank Ghana Limited	6,861	9,166
Standard Chartered Bank Ghana Limited	1,750	8,750
	8,611	17,916
(i) Due within one year	5,670	10,333
(ii) Due after one year	2,941	7,583

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

There is a 12 month moratorium on both principal and interest repayment. Interest during the moratorium period is to be capitalized, where moratorium on interest is exercised. 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
The company secured a medium term loan facility of GH¢8.75 million from Standard Chartered Bank Ghana Limited 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 31 August 2013. This facility is not secured.

18. OBLIGATIONS UNDER FINANCE LEASE

	Future minimum lease payments	Unearned Interest	Present value of minimum lease payments	Future minimum lease payments	Unearned Interest	Present value of minimum lease payments
	2013 GH¢'000	2013 GH¢'000	2013 GH¢'000	2012 GH¢'000	2012 GH¢'000	2012 GH¢'000
Within one year	1,531	572	959	978	382	596
Between two and five years	2,877	521	2,356	2,597	495	2,102
	4,408	1,093	3,315	3,575	877	2,698

The company entered into a finance lease arrangement with Stanbic Bank Ghana Limited. 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 interest at a rate of 14.5% per annum. Total principal lease payments made in the year totaled GH¢682,472 (2012: GH¢ 177,028).

19. CAPITAL AND RESERVES

(i) **Share Capital (Stated Capital)**

(a) *Ordinary Shares*

	Number of Shares		Proceeds	
	2013 'm	2012 'm	2013 GH¢'000	2012 GH¢'000
Authorised: Ordinary shares of no par value	400	400		
Issued and fully paid:				
For cash	83	83	77,051	77,051
For consideration other than cash	35	35	18,926	18,926
Transfer from retained earnings	93	93	275	275
	211	211	96,252	96,252

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

(b) **Shares in treasury**

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

(ii) **Retained Earnings (Income Surplus)**

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

20. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 30 June 2013 was based on profits attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders

	2013 GH¢'000	2012 GH¢'000
Profit attributable to ordinary shareholders	18,277	25,005

Weighted average number of ordinary shares

Weighted average number of ordinary shares	211,338	188,005

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 numbe of ordinary shares in issue.

21. TRADE AND OTHER PAYABLES

	2013 GH¢'000	2012 GH¢'000
Trade payables	26,495	24,608
Non-trade payables and accrued expenses	13,756	24,470
	40,251	49,078

22. RELATED PARTY TRANSACTIONS

a. 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.

b. Raw materials, plant, equipment and consumables amounting to GH¢28 million (2012: GH¢52 million) were purchased from other related parties during the year.

c. Included in profit or loss is an amount of GH¢13 million (2012: GH¢11.7 million) in respect of royalties and technical services fees accruing to Diageo Ireland, Diageo North America, Diageo Brand BV, Diageo Great Britain and Heineken.

d. Included in capital work-in-progress are capitalized borrowing cost amounting to GH¢904,996 on loan fron Diageo Finance Plc.

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

(i) *Amounts due to related companies*

	2013 GH¢'000	2012 GH¢'000
Goods and services supplied	21,246	15,000
Royalties and technical service fees	6,581	5,402
Interest on loan	597	-
	28,424	20,402
Amounts due from related companies	1,201	887

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

	2013 GH¢'000	2012 GH¢'000
Intercompany Loan (Diageo Finance Plc)	24,543	-

The company contracted an internal loan facility of GH¢30 million from Diageo Finance Plc. Interest on the loan is at an applicable rate equal to 91 day government of Ghana treasury bills plus a margin of 50 basis points to be determined on an ongoing basis by reference to the group's transfer pricing policy. At anytime throughout the loan the lender may require the borrower to repay, either in full or in part the loan together with any accrued interest and all other amounts outstanding under the loan agreement.

ii. *Key management compensation*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly including any Director (whether executive or otherwise) of the company.

Key management personnel compensation included the following:

	2013 GH¢'000	2012 GH¢'000
Short term benefits	3,168	4,006
Post employment benefits	85	61
	3,253	4,067

23. DIVIDENDS

The Directors wish to propose a dividend of GH¢0.01729 (2012: GH¢0.024) per share amounting to GH¢3,655,466 (2012: GH¢5,072,115) at the forthcoming annual general meeting.

24. 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 as employee pensions. The company's obligation is limited to the relevant contributions which is charged to profit or loss as and when they fall due. The pension liabilities and obligations, however, rest with SSNIT.

(ii) *Provident Fund*

The company has a provident fund scheme for staff to which the company contributes 12% and 15% of the basic salaries of junior and senior staff respectively. Obligations under the plan are limited to the relevant contributions, which are charged to profit or loss as and when they fall due.

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.

(ii) *Long Service Benefits*

The company operates a long service benefit plan for all employees, both management staff and junior staff, who have served the company for ten (10) years and beyond. The plan is not funded.

The awards vary depending on the number of years served by employees who meet the criteria above.

	End of service benefits	Long service benefits	combined benefits	End of service benefits	Long service benefits	combined benefits
	2013 GH¢'000	2013 GH¢'000	2013 GH¢'000	2012 GH¢'000	2012 GH¢'000	2012 GH¢'000
Change in liability						
Balance at 1 July	1,429	-	1,429	725	-	725
Current service costs	33	54	87	98	-	98
Interest costs	182	86	268	189	-	189
Past service costs	-	610	610	-	-	-
Recognised actuarial (gains)/losses	(811)	(73)	(884)	564	-	564
Benefits paid	(120)	-	(120)	(147)	-	(147)
Balance at 30 June	713	677	1,390	1,429	-	1,429
Change in plan assets						
Contribution by participants:						
Employer	120	-	120	147	-	147
Benefits paid	(120)	-	(120)	(147)	-	(147)
Balance at 30 June	-	-	-	-	-	-
Funding level						
Projected benefit obligations	(713)	(677)	(1,390)	(1,429)	-	(1,429)
Plan assets	-	-	-	-	-	-
Liability	(713)	(677)	(1,390)	(1,429)	-	(1,429)
Statement of financial position (SFP)						
Projected benefit obligations	713	677	1,390	1,429	-	1,429
Income statement						
Service costs	33	54	87	98	-	98
Interest costs	182	86	268	189	-	189
Actuarial gains recognized	-	(73)	(73)	-	-	-
Past service costs	-	610	610	-	-	-
Amount recognized in profit or loss	215	677	892	287	-	287
Other comprehensive income (OCI)						
Actuarial loss recognized	(811)	-	(811)	564	-	564
Less deferred tax liability/(asset)	171	-	171	(119)	-	-
	(640)	-	(640)	445	-	445

	End of service benefits	Long service benefits	combined benefits	End of service benefits	Long service benefits	combined benefits
	2013 GH¢'000	2013 GH¢'000	2013 GH¢'000	2012 GH¢'000	2012 GH¢'000	2012 GH¢'000
Reconciliation of statement of financial position items						
Balance at 1 July	1,429	-	1,429	725	-	725
Employer contribution	(120)	-	(120)	(147)	-	(147)
Amount recognized in income statement	215	677	892	287	-	287
Amount recognized in OCI	(811)	-	(811)	564	-	564
Balance at 30 June	713	677	1,390	1,429	-	1,429
Key assumptions						
Discount rate	23%	23%	23%	13%	13%	13%
Salary inflation	10%	10%	10%	10%	10%	10%

25. PROVISIONS

Restructuring

During the year, a provision of GH¢7.5 million was made to cover costs associated with restructuring the supply chain function in line with changes to the operating model across Global Diageo supply. Estimated restructuring costs include employee termination benefits.

Other restructuring costs in respect of the outsourcing of back office operations amounting to GH¢873,062 are included in administrative expenses (2012: nil)

26. COST OF SALES

	2013 GH¢'000	2012 GH¢'000
Direct production costs	98,925	81,085
Production overheads	91,646	84,914
Other costs	38,222	26,924
	228,793	192,923

Raw materials, consumables and changes in finished goods and work-in-progress recognized as expense in cost of sales amounted to GH¢98,925 thousand (2012: GH¢81,085 thousand).

27. SELLING, GENERAL AND ADMIN EXPENSES

	2013 GH¢'000	2012 GH¢'000
(i) Advertising and marketing	28,986	24,895
(ii)Administrative expenses		
Staff cost	3,264	1,401
Auditors' remuneration	113	134
Insurance	1,269	1,102
Office related expenses	3,024	2,856
Professional/consultancy costs	1,241	1,071
Communication costs	640	600
Other costs	3,799	6,858
	13,350	14,022

	2013 GH¢'000	2012 GH¢'000
(iii) Other expenses		
Depreciation and amortisation	3,086	3,289
Provision for bad debts	225	353
Expensed engineering spares	8,578	7,854
Net foreign exchange differences	1,905	(699)
Sundry expenses	7,016	9,400
	20,810	20,197

28. 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 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 control, 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 been identified. The collective loss allowance is determined based on historical data of payment for similar financial assets.

Exposure to credit risks

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

	2013 GH¢'000	2012 GH¢'000
Trade and other receivables	9,104	7,242
Amounts due from related companies	1,201	887
Bank balances	11,519	35,390
	21,824	43,519

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

	2013 GH¢'000	2012 GH¢'000
Key distributors	5,511	3,714

Impairment losses

The aging of trade receivables at the reporting date was:		
Current (less than 30 days)	4,622	1,769
Due (31-120 days)	889	1,945
Impaired (more than 120 days)	793	568
	6,304	4,282
Impairment loss	793	568

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

	2013 GH¢'000	2012 GH¢'000
Balance at 1 July	568	215
Impairment loss recognized	225	353
Balance at 30 June	793	568

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.

Amount due from related parties

The company's exposure to credit risk in respect of amounts due from related parties is minimized. The company has transacted business with related parties over the years, and there have been no defaults in payment of outstanding debts.

Cash and cash equivalents

The company held cash and cash equivalent of GH¢9.93 million at 31 December 2013 (2012: GH¢35.39 million) which represents its maximum exposure. The cash and cash equivalents are held with the company's bankers.

(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 2013

Non-derivative financial liability	Amount GH¢'000	6mths or less GH¢'000	6-12mths GH¢'000	1-5 yrs GH¢'000
Bank loans	8,611	3,710	1,960	2,941
Obligations under finance lease	3,315	465	494	2,356
Trade and other payables	40,251	40,251	-	-
Amounts due to related companies	28,424	28,424	-	-
Bank overdraft	15,688	15,688	-	-
Loan from related party	24,543	-	24,543	-
Balance at 30 June 2013	120,832	88,538	26,997	5,297

30 June 2012

Non-derivative financial liability	Amount GH¢'000	6mths or less GH¢'000	6-12mths GH¢'000	1-5 yrs GH¢'000
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

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates will affect the company's income or the value of its holdings of financial instruments. The objectives 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, Kenyan Shillings, Australian Dollars and CFA Franc.

Currency risk

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

30 June 2013

	EURO '000	USD '000	GBP '000	ZAR '000	KES '000	AUD '000	XAF '000
Bank balances	251	(350)	29	-	-	-	-
Trade payables	(1,855)	(1,831)	(304)	(10)	-	-	-
Receivables	-	620	-	-	-	-	-

Related company balances	(60)	(12,713)	(71)	(205)	(66,551)	(95)	(108)
Net exposure	(1,664)	(14,274)	(346)	(215)	(66,551)	(95)	(108)

30 June 2012

	EURO '000	USD '000	GBP '000	ZAR '000	KES '000	AUD '000	XAF '000
Bank balances	1,004	1,559	1,438	-	-	-	-
Trade payables	(1,626)	(264)	(266)	-	-	-	-
Receivables	-	766	-	-	-	-	-
Related company balances	(716)	(2,077)	(1,086)	(98)	(41,551)	-	-
Net exposure	(1,338)	(16)	86	(98)	(41,551)	-	-

The following significant exchange rates were applied during the year:

	Average Rate		Reporting Date	
	2013	2012	2013	2012
Cedis				
Euro 1	2.50	2.41	2.64	2.46
USD 1	1.93	1.92	2.03	1.94
GBP 1	3.03	2.99	3.09	3.05
ZAR 1	0.22	0.23	0.21	0.24
KES 1	0.02	0.02	0.02	0.02
AUD 1	1.98	-	1.86	-
XAF 1	0.004	-	0.004	-

Sensitivity analysis on currency risks

A 2% strengthening of the cedi against the following currencies at 30 June 2013 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 2012.

As of 30 June	2013			2012		
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	88	(88)	±2	27	(27)
US$	±2	579	(579)	±2	-	-
GBP	±2	21	(21)	±2	2	(2)
KES	±2	27	(27)	±2	831	(831)
ZAR	±2	1	(1)	±2	2	(2)
AUD	±2	4	(4)	±2	-	-
XAF	±2	-	-	±2	-	-

Interest rate risk profile

	Carrying amounts 2013 GH¢'000	Carrying amounts 2012 GH¢'000
Fixed rate instruments		
Bank loans and overdraft	6,146	8,750
Obligations under finance lease	3,315	2,698
	9,461	11,448

	Carrying amounts 2013 GH¢'000	Carrying amounts 2012 GH¢'000
Variable rate instrument		
Bank loans and overdrafts	18,153	9,166
Loan from related party	24,543	-
	42,696	9,166

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 2012.

As of 31 December	**2013**			**2012**		
	% Change	Profit and Loss impact: GH¢'000	Equity GH¢'000	% Change	Profit and Loss impact: GH¢'000	Equity GH¢'000
Overdrafts and loans	±2%	±191	±191	±2%	±196	±196
Loan from related party	±2%	±81	±81	±2%	-	-

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:

2013	Loans and Receivables GH¢'000	Other Financial Liabilities GH¢'000	Total Carrying Value GH¢'000	Fair Value GH¢'000
Trade and other receivables	9,104	-	9,104	9,064
Amounts due from related parties	1,201	-	1,201	1,201
Cash and cash equivalents	11,519	-	11,519	11,519
	21,824	-	21,824	21,824
Bank overdrafts	-	15,688	15,688	15,688
Bank loans	-	8,611	8,611	8,611
Obligations under finance lease	-	3,315	3,315	3,315
Trade and other payables	-	40,251	40,251	40,251
Amounts due to related parties	-	28,424	28,424	28,424
Loan from related party	-	24,543	24,543	24,543
	-	120,832	120,832	120,832

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

29. CAPITAL COMMITMENTS

Capital commitments authorised but not expended at the year end, amounted to GH¢52,464,041 (2012: GH¢9,168,610).

30. CONTINGENT LIABILITIES

Contingent liabilities, in respect of possible claims and lawsuits at the year-end amounted to GH¢336,433 (2012: GH¢450,684).

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	3,165	797,326	0.38
1,001 - 5,000	651	1,612,363	0.76
5,001 - 10,000	425	3,347,713	1.58
10,001 - 999,999,999	278	205,580,740	97.28
	4,519	211,338,142	100.00

(ii) List of twenty largest shareholders as at 30 June 2013

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	1,341,015	0.63
8. SCBN/Citibank London Robeco Africa	532,688	0.25
9. SCBN/ELAC Policy Holders Fund	421,816	0.20
10. State Insurance Company	418,480	0.20
11. STD NOMS TVL PTY/BNYM/SANV/	394,662	0.19
12. SCBN/Unilever Ghana Manager's Pension Fund	341,660	0.16
13. SCBN/RBC Dexia Investor Service	321,489	0.15
14. SCBN/JPMC T. Fulcram AF All Cap MST	317,944	0.15
15. SCBN/Chase Offshore 6179c	307,649	0.15
16. Enterprise Group Limited	300,000	0.14
17. SCBN/RIF PLC Frontier Equity Fund	250,000	0.12
18. Teachers Fund	239,049	0.12
19. STD/NOMS TVL PTY/BNYM/UNIV of Notre Damme Du Lac	210,400	0.10
20. SBG/STD/NOMS TVLPTY/BNYM LUX/East Spring Invest.	200,000	0.09
Reported Totals	199,754,315	94.52
Not Reported	11,583,827	5.48
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 2013:

Ordinary Shares	2013	2012
Joseph Woahen Acheampong	3,279	3,279
Ebenezer Magnus Boye	1,283	1,283
Total	4,562	4,562

Five Year Financial Summary

	2012 GH¢'000	2011 GH¢'000	2010 GH¢'000	2009 GH¢'000	2008 GH¢'000
Results					
Revenue	321,017	292,318	244,293	206,499	200,968
Profit/(loss) before tax	27,868	33,217	462	(4,410)	6,905
Taxation	(9,591)	(8,212)	71	(230)	(2,326)
Profit after taxation	18,277	25,005	533	(4,640)	4,579
Dividend paid	(5,072)	-	-	(8,921)	(2,777)
Retained profit/(loss)	13,205	25,005	533	(13,561)	1,802
Statement of Financial Position					
Property, plant and equipment	225,900	161,329	156,535	143,643	125,393
Intangible assets	3,154	3,615	5,503	7,291	9,104
Cash and cash equivalents	9,932	35,390	5,634	2,849	13,965
Other current assets	57,418	43,765	36,516	35,263	50,907
Total assets	296,404	244,099	204,188	189,046	199,369
Total liabilities	(143,602)	(105,142)	(158,492)	(143,883)	(145,304)
	152,802	138,957	45,696	45,163	54,065
Share capital	96,252	96,252	26,252	26,252	26,252
Retained earnings	56,550	42,705	19,444	18,911	27,813
	152,802	138,957	45,696	45,163	54,065
Revenue collected for Government					
Excise duty	92,888	92,900	81,426	51,169	32,758
Sales tax/value added tax	63,230	57,471	48,339	38,748	35,614
	156,118	150,371	129,765	89,917	68,372
Statistics					
EPS (GH¢)	0.086	0.133	0.003	(0.03)	0.03
Dividend per share (GH¢)	0.02	-	-	0.02	0.04
Net asset per share (GH¢)	0.72	0.74	0.28	0.27	0.33
Current ratio	0.69:1	0.99:1	0.33:1	0.47:1	0.46:1
Return on shareholders' fund (%)	11.96	17.99	1.17	(10.27)	8.47
Return on net sales value (%)	5.69	8.55	0.22	(2.25)	2.28

Proxy Form

For Company's Use
Number of Shares ____________________

Resolution	For	Against
1. To approve the payment of a dividend		
2. To re-elect Paul Victor Obeng as a director		
3. To re-elect Joseph Woahen Acheampong as a director		
4. To re-elect Agnes Emefa Essah 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 30th October 2013 at the Golden Tulip Hotel, Kumasi.

*I/We ____________________ being a member(s) of GUINNESS GHANA BREWERIES LIMITED hereby appoint ** ________________________________ or failing him the Chairman of the Meeting as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 30th October 2013 and at any adjournment thereof.

Dated this ______ day of __________ 2013

____
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 28th October 2013: **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.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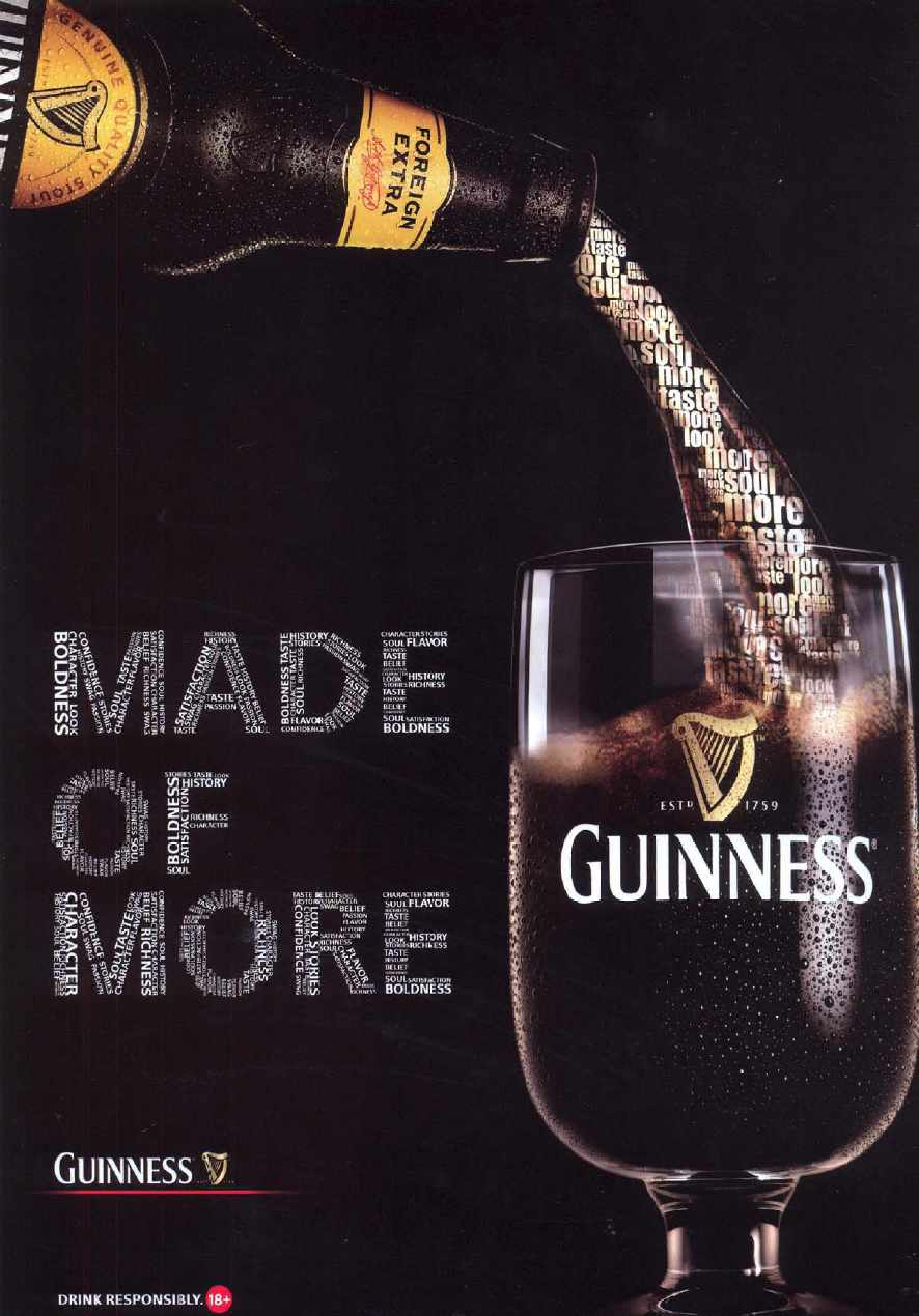
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