GUINNESS GHANA
BREWERIES LIMITED

2014 ANNUAL REPORT

& FINANCIAL STATEMENTS

The Most Vibrant and Iconic Business in Ghana

DRINK RESPONSIBLY 18+


DRINK RESPONSIBLY 18+
STAR
Cold Filtered
PREMIUM QUALITY
STAR
Cold Filtered
FINEST LAGER BEER
New
STAR
No added sugar.
Price dey bii waaa.
STAR
IT'S WHO WE ARE.

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GGBL CORPORATE INFORMATION 2014

BOARD OF DIRECTORS

David Harlock	(Chairman)
Peter Waititu Ndegwa	(Managing Director)
Charles Kimeria Mwangi	(Resigned, November 2013)
Prof. Joseph Woahen Acheampong	
Ebenezer Magnus Boye	
Agnes Emefa Essah	
James Kweku Inkoom	(Resigned, October 2013)
Didier Francis Martial Leleu	(Resigned, July 2013)
Paul Victor Obeng	(Deceased, May 2014)
Ekwunife Okoli	
Katherine Joana Seljeflot	(Resigned, April 2014)
Oladele Ajayi	(Appointed in October 2013)
Stephen Nirenstein	(Appointed in May 2014)
Prince William Ankrah	(Appointed in May 2014)

SECRETARY

H. Essie Humphrey-Ackumey
Guinness Ghana Breweries Limited
P.O. Box 3610
Accra

REGISTERED OFFICE

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

AUDITORS

KPMG
Chartered Accountants
13 Yiyiwa Drive, Abelenkpe
P. O. Box GP 242
Accra

REGISTRARS

Universal 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

Legal Ink Solicitors & Notaries
House No. F 89/7 Emmaus Road
Off 2nd Labone Street, Labone
P.O. Box 24, Kanda
Accra

BANKERS

Barclays Bank of Ghana Limited
Guaranty Trust Bank (Ghana) Limited
Standard Chartered Bank Ghana Limited
Societe Generale Ghana 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 General Counsel Corporate Centre, Global Supply & Procurement and 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 he was appointed GGBL's Managing Director. He has over 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.

Stephen Nirenstein
Finance Director

Stephen is currently the Finance Director of Guinness Ghana Breweries Limited. Prior to his current role, he was the Group Financial Planning and Analysis Director in Diageo Budapest. Before then, Stephen spent three years as the Financial Controller for the Diageo Red Stripe business in Jamaica and also worked as the commercial finance manager for Diageo International Beer Supply based in London.

Stephen is a member of the South Africa Institute of Chartered Accountants and an alumnus of the University of Cape Town.

BOARD MEMBERS

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 Limited. He is currently on the Board of Barclays Bank 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 Essah 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' Board, 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.

BOARDMEMBERS

Ekwunife Okoli
Non Executive Director

Ekwunife Okoli was appointed to the Board in July 2009 while serving as Managing Director of GGBL. He resigned as Managing Director and Vice Chairman of the Board in December 2011 to take up an appointment as the Managing Director 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.

Oladele Ajayi
Non Executive Director

Mr. Ajayi is currently the Managing Director of Heineken Central and East Africa and has worked with Heineken for over 24years. Prior to his current role he was the Managing Director for Heineken Hungary and also worked in various capacities in Nigeria, Amsterdam and Canarias.

He holds a PHD in Mechanical and Process Engineering from the University of Strathclyde, Glasgow, UK.

Prince William Ankrah
Non Executive Director

Prince William Ankrah joined the GGBL Board in May 2014. He is the General Secretary of the Mineworkers Union, Trade Union Congress Ghana and has a wealth of experience in Industrial Relations Management. He serves on a number of Boards in Ghana and is a chartered member of the Chartered Institute of Personnel and Development – UK.

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 of 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 42nd Annual General Meeting of Guinness Ghana Breweries Limited will be held at the African Regent Hotel, Accra on 29th October, 2014 at 10 o'clock in the forenoon for the following purposes:

AGENDA

1. To receive the Report of the Directors, the Financial Statements for the year ended 30th June 2014 and the Report of the Auditors thereon.
2. To re-elect Directors
3. To approve non-executive directors' fees.
4. 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', Universal Merchant Bank Ghana Ltd.'s offices not less than 48 hours before the meeting.

Dated this 23rd day of September, 2014
By order of the Board
H. Essie Humphrey-Ackumey
Company Secretary

BOARD OF DIRECTORS & SECRETARY

David Harlock (Chairman)
Peter Waititu Ndegwa (Managing Director)
Stephen Nirenstein (Finance Director)
Joseph Woahen Acheampong
Ebenezer Magnus Boye
Oladele Ajayi
Prince William Ankrah
Agnes Emefa Essah
Ekwunife Okoli
H. Essie Humphrey-Ackumey (Secretary)

EXECUTIVE MANAGEMENT COMMITTEE

Peter Waititu Ndegwa
Stephen Nirenstein
Eric Otoo
Eric Adadevoh
Preba Greenstreet
Nick Cook
H. Essie Humphrey-Ackumey
Andy Jones
Judith Osei-Ampofo

AUDIT COMMITTEE

Joseph Woahen Acheampong
Ebenezer Magnus Boye
Stephen Nirenstein

NOMINATIONS COMMITTEE

David Harlock, Peter Waititu Ndegwa

REGISTERED OFFICE

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

REGISTRARS' OFFICE

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

CHAIRMAN'S STATEMENT

Nii Mei, Naa Mei, shareholders, ladies and gentlemen. Welcome to the 42nd Annual General Meeting of Guinness Ghana Breweries Limited.

BOARD APPOINTMENTS

Ladies and Gentlemen, let me start by announcing the changes to our Board.

Mr. Didier Francis Martial Leleu who served on the Board from January 2012, resigned in July 2013 and was replaced by Oladele Ajayi in October 2013.

Mr. James Kweku Inkoom resigned in October 2013 after serving on the Board for 3 years. He was replaced by Prince William Ankrah in May 2014.

Mr. Stephen Nirenstein took over from Mr. Charles Kimeria Mwangi who resigned in November 2013. Stephen is currently the Finance Director of Guinness Ghana Breweries Limited.

Katherine Joana Seljeflot resigned in April 2014.

Very sadly, Mr. Paul Victor Obeng who served ably on our Board for over 15 years died in May 2014 - May his soul Rest in Peace.

You will have the opportunity to hear about the achievements of our new directors prior to confirmation of their appointments.

BUSINESS ENVIRONMENT AND PERFORMANCE

This financial year has seen a number of macroeconomic challenges which have impacted our performance. As with many industries in Ghana today, GGBL was affected by the deterioration in the Ghanaian economy characterised by the steep increase in the rate of inflation and unprecedented fall in the value of the cedi against the major international currencies. The position was worsened by the accompanying dampening of demand and the continued erratic supply of utilities especially water and the unavailability of RFO and diesel in both our Achimota and Kaasi breweries. In all, we experienced forex losses of approximately GBP 10million. These among other challenges adversely affected our performance in F14.

Despite these macroeconomic challenges however, we are confident of the future prospects for our business. In the year under review, we continued pursuing our vision of becoming the most vibrant and iconic business in Ghana with focus on six strategic areas:

STRENGTHENING AND ACCELERATING OUR PREMIUM CORE BRANDS.

These include our flagship brand Guinness FES, Star Premium Lager and Malta Guinness. We focused on refreshing Guinness FES and Star Premium Lager with exciting new looks and engaged consumers concerns on Star. We also expanded availability of Malta Guinness.

WINNING IN RESERVE.

We grew our premium reserve brands; Johnnie Walker Blue, Gold, and Platinum Labels, Ciroc, Zacapa, Don Julio etc. In the period under review, Ciroc performed incredibly well, growing by 231% versus the previous year.

INNOVATING AT SCALE TO MEET NEW CONSUMER NEEDS.

This focuses on our commitment to innovate and engineer brands, equipment and efficient ways of working to maintain our leadership position in the industry. I am proud to say that GGBL was the first market in Diageo to invest in the Cube, an innovative portable spirits processing plant in Achimota which currently produces Gilbeys Dry Gin launched in 2013. We also launched Smirnoff Double Black unto the Ghanaian market, and continued to expand availability of Ruut Extra, our flagship innovation that uses local raw material.

ROUTE TO CONSUMER.

In the year under review we took a detailed look at our route to consumer.

As a result we have made significant changes in how and where we sell and provide better support to our partner distributors than ever before. We have also

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Despite these macroeconomic challenges however, we are confident of the future prospects for our business.

“

worked with our distributor and wholesale partners to improve our coverage and reach of our brands. We are beginning to see the positive results of this work which we will present to you subsequently.

DRIVING OUT COSTS TO INVEST IN GROWTH.

To improve our operational efficiencies as a business we initiated projects to improve efficiency and reduce waste.

GUARANTEEING OUR PLANS WITH THE RIGHT PEOPLE AND CAPABILITIES.

In a competitive market for the best people we have leveraged our iconic brands and credentials to attract and improved engagement to ensure that our people feel better connected than ever before. This improvement was evidenced by an outstanding engagement score in our internal employee feedback which was one of the best in Diageo.

PERFORMANCE

Performance varied across the various categories in which we compete. Malta Guinness and mainstream spirits grew, whiles our performance in our beer portfolio declined. However in the second half of the year we have seen Star return to growth after re-launching and driving our quality campaign of 'no added sugar'. Ruut Extra also delivered strong growth.

In 2014, we also made significant investments in Guinness to attract new consumers.

We also streamlined our operations across the business to improve our efficiency according to best practices globally.

Overall, the business performance was behind our plan but I am confident that the interventions made with our areas of strategic focus and direction of the executive management team will move the business forward in the years to come.

Building an iconic business requires 'trust' and 'respect' and we are determined to deliver our vision with them in mind. In 2012, the Global Alcohol Producers Group of which Diageo is a member, made 5 commitments to reduce the harmful effect of alcohol globally. In the period under review, we made significant strides through our partnerships to create a positive role for alcohol in the Ghanaian society. We launched a unique pilot 'don't drink and drive' campaign 'Twa Kwano Mmom' stepped up our alcohol education programme for university students and undertook nationwide research to identify the key issues related to alcohol use, abuse, the drinking culture and stakeholder opinions on alcohol use across the country. The results from the research have provided us with great insights that will be fully utilised in the design and execution of targeted programmes to prevent and reduce abuse going forward.

We will continue to work with relevant stakeholders to execute these and other commitments pertaining to our market.

In the previous year, we reported on our drive to increase the amount of local raw materials utilised in our production. I am pleased to say that our Local Raw Material sourcing is steadily progressing, positively impacting livelihoods in our communities, broadening and deepening the tax net to the benefit of all. I am happy to say that as at June 2013, our products included 40% of local raw materials, a significant shift from our base usage of 11% in 2012. Our aim is to achieve 50% usage by end 2015. The impact of this project is already appreciable and we have no doubt that with the support of government and industry, Ghana can develop one of the most sustainable agricultural supply chains in the sub-region.

OUR PEOPLE

GGBL is committed to creating the best conditions for our people. Ladies and Gentlemen, I am proud of our people. I say ayeeko to all employees of GGBL and I urge all of us to continue exhibiting the skills that will deliver our commercial success.

LOOKING AHEAD

Finally, it is a privilege to serve as your Board Chairman. The Board and I are confident that we have the right strategies and right people to grow this business into the most vibrant, iconic, trusted, respected and the best consumer product company in Ghana.

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GGBL is committed to creating the best conditions for our people. Ladies and Gentlemen, I am proud of our people. I say ayeeko to all employees ...

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REPORT OF DIRECTORS

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 2014, 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 do not recommend the payment of a dividend for the year ended 30 June 2014. (2013: GHS0.01729 per share amounting to GHS3, 655,466).

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. The ultimate parent company is Diageo Plc, a company incorporated in the United Kingdom.

CHANGES IN DIRECTORSHIP

Four Directors resigned and one Director died during the year, and three new Directors were appointed to fill the vacancies created.

Details of changes in directorships are as follows:

- Didier Francis Martial Leleu resigned in July 2013 and was replaced by Oladele Ajayi in October 2013
- James Kweku Inkoom resigned in October 2013 and was replaced by Prince William Ankrah in May 2014.
- Charles Kimeria Mwangi resigned in November 2013 and was replaced by Stephen Nirenstein in May 2014.
- Katherine Joana Seljeflot resigned in April 2014.
- Paul Victor Obeng died in May 2014.

DIRECTORS RETIRING AND SEEKING RE-ELECTION

In accordance with the Companies Act, (Act 179), the Company's Regulations and the Ghana Stock Exchange Rules, the newly appointed directors, namely Oladele Ajayi, Stephen Nirenstein and Prince William Ankrah 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 23rd September, 2014 and signed on its behalf by:

Managing Director
PETER WAITITU NDEGWA

Finance Director
STEPHEN NIRENSTEIN

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 six non-executive directors. 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 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.

"*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.*"

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

With the resignation of James Kweku Inkoom and Charles Mwangi from the board in October and November 2013 respectively, the Nominations Committee is now comprised of two directors.

The Nominations Committee makes recommendations to the board of 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 twice this year and had very productive deliberations on issues in respect of corporate governance and the appointment/nomination of directors and the remuneration of non executive directors.

RISK MANAGEMENT AND INTERNAL CONTROL

Your company is proud of its commitment to external auditing each year. This year in addition to the annual financial audit undertaken by KPMG [external audit] the Company underwent internal audits and reviews in key areas of its operations. We also underwent the Controls Assessment and Risk Mitigation [CARM] process to drive improvement and adherence to controls.

OCCUPATIONAL HEALTH AND ENVIRONMENTAL SAFETY

Your company is committed to providing the highest standards of health, safety and welfare for its employees and 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.

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"

SUSTAINABILITY AND RESPONSIBILITY PAGE - ANNUAL REPORT 2014

ENRICHING COMMUNITIES, TRANSFORMING THE VALUE CHAIN AND REDUCING ALCOHOL ABUSE

We have step-changed our approach to Sustainability and Responsibility focusing on high impact programmes and initiatives that sustain our entire value chain, transform communities, reduce alcohol abuse and protect our marketing freedoms.

This financial year, we up-weighted our investment behind our Alcohol in Society programmes - delivering targeted initiatives aimed at reducing abuse, long term attitudinal and behavioural change. We continue to invest behind our local sourcing programme working with the government of Ghana and small holder farmers to create sustained value across the value chain. Our Water of Life programme continues to provide vulnerable communities with access to clean drinking water.

ALCOHOL IN SOCIETY PROGRAMME

This financial year, we invested the equivalent of 2% of our A&P spend in service of our Alcohol in Society strategy. We invested in a nationwide study to identify the key issues related to alcohol use, abuse, the drinking culture and key stakeholder opinions on alcohol use across the country. The results from this study have provided us with great insights that will be fully utilized in the design and execution of targeted programmes to prevent and reduce abuse.

We also developed the most comprehensive, multi-stakeholder Don't Drink and Drive programme - Twa Kwano Mmom - comprising education, random breathalyser testing and embedded measurement and evaluation to track attitudinal and behavioural change.

A driver being tested for alcohol at the bus terminal

Piloted in 5 transport terminals - Tudu, Kaneshie and the Tema Cargo village (Greater Accra region), Kejetia and Asafo (Ashanti region), the Twa Kwano Mmom campaign aimed to reduce drink driving over the Christmas and New Year period with positive results.

During the period of the campaign, clinical psychologists from the University of Ghana Medical School provided information on the effects of alcohol to 1,230 participating commercial drivers while random breathalyser tests were set up at the terminals' exit points. Any driver who tested positive for alcohol - a blood alcohol concentration (BAC) of more than 0.08 - were replaced by their union executives. Drivers who behaved responsibly during the programme were rewarded.

Of the 1,500 breathalyser tests in the campaign's first week, 33 drivers tested positive for alcohol. The total 4,841 tests conducted in subsequent weeks, however, resulted in no positive tests at all - ensuring 100% compliance.

The campaign has been endorsed by the key stakeholders from the Ministry of Health, the Ghana Police Motor Transport and Traffic Department, the National Road Safety Commission, and the Ministry of Transport and provides a credible blueprint for future Don't Drink and Drive campaigns.

We continued our What's Your DrinkiQ educational programme for tertiary students in collaboration with clinical psychologists from the University of Ghana Medical School. A total of 2,000 students from the University of Ghana Legon and the Kwame Nkrumah University of Science and Technology were successfully taken through the programme.

SUSTAINABILITY AND RESPONSIBILITY PAGE - ANNUAL REPORT 2014

ENRICHING COMMUNITIES, TRANSFORMING THE VALUE CHAIN AND REDUCING ALCOHOL ABUSE

A Focus Group Discussion with local famers at Ofodoa in the Central Region

OUR LOCAL RAW MATERIALS PROGRAMME POWERING OUR INNOVATION

We continue to work with local stakeholders along the value chain to increase the use of local raw materials in our operations. This financial year, we increased our overall uptake from 11% when we started to 40% this financial year. We continue to invest in and provide technical support to the Ayensu Starch Factory to guarantee supply of starch for the production of Ruut Premium Lager.

Investing in the local raw material space provides a win-win situation for all involved - we are guaranteed sustainable supply of raw materials for our production, we are a ready off-taker thereby providing a sustainable source of income for local farmers and aggregators - thereby ensuring the sustainability of the entire value chain.

Minister of Health Sherry Ayitey commissioning a WoL project in Maamobi Hospital

WATER OF LIFE PROGRAMME

Since 2007, Guinness Ghana Breweries Ltd (GGBL) Water of Life (WoL) programme has provided access to safe drinking water to more than 500,000 beneficiaries across 68 project sites - contributing significantly to sustainable water delivery to vulnerable communities that would otherwise be without access to potable water. The programme supports the Millennium Development Goal (MDG) 7c - which aims to reduce by half the population of the world without access to clean drinking water and adequate sanitation by 2015.

This financial year, GGBL in collaboration with the Diageo Foundation invested over GHC 500,000 to provide sustainable access to clean drinking water and sanitation to 103,000 beneficiaries across four communities - the Nungua Cluster of Schools and Maamobi Hospital (Greater Accra Region), the Akropong School for the Blind (Eastern region), Pabiochor and the Bawjiase Health Center in the Central Region. The last two beneficiary communities are in areas where we locally source cassava for our production - demonstrating a renewed investment strategy to support communities we source from.

EMPLOYEE VOLUNTEERING PROGRAMME

We continue to provide a platform for our employees to actively volunteer in selected community projects through Arthur's Day celebrations. A day set aside to celebrate the philantropic legacy of Arthur Guinness. This year's Arthur's Day gave employees the opportunity to raise funds and volunteer in causes they are passionate about within close proximity to our breweries.

Projects supported in Achimota included the building of a classroom block and the setting up of a community health post for the Alogboshie community - about 1km from our brewery. Projects supported in Kaasi included the refurbishment of classroom blocks and donation of books to the Kaasi LA Junior High School and a health screening exercise for the Kaasi community.

WATER OF LIFE PROGRAMME

GUINNESS GHANA BREWERIES LIMITED

Enriching Lives. Empowering Communities.

The Water of Life programme is Guinness Ghana Breweries Ltd's (GGBL) flagship community investment programme launched in 2007 to provide sustainable access to clean drinking water and sanitation to vulnerable communities across Ghana. The programme supports and contributes to the United Nation's Millennium Development Goal on Water and Sanitation.Since its inception, the programme has supported over 500,000 beneficiaries in more than 60 communities across the country.

HEALTH CARE DELIVERY

Reduction in waterborne related diseases from

15% - 3%

in communities with active projects

91%

Reported client satisfaction across hospital projects

SUPPORTING GIRL CHILD EDUCATION

A reported

92%

Increase in girl child school attendance

93%

increase in academic performance in communities with active projects

JOBS & LIVELIHOODS SUPPORTED

79%

of households in beneficiary communities depend on WoL project

34,000

local jobs and livelihoods are supported by the WoL programme.

WOMEN EMPOWERMENT

94%

household surveys agree WoL projects contributes to women empowerment initiatives

37%

of women utilize WoL projects for their commercial activities

33% Reduction

in time used insourcing water by women

LOCAL ASSEMBLY REVENUE

PROJECTED

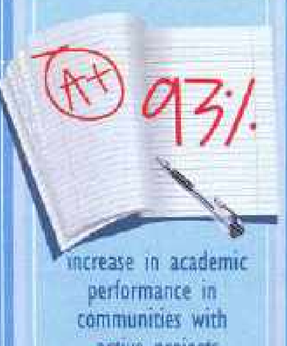
GHC 2.2M

Contribution to Local Government revenue

being minimum level of taxes for different classes of business & jobs supported by WoL

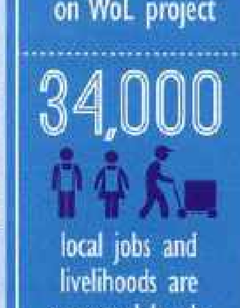
This project means more than providing access to clean drinking water; it has renewed the sense of community among every resident in Makango. We are forever grateful to Guinness Ghana for this gesture.

Iusah Ibrahim, Assemblyman, Makango



Since the WaterHealth centre is very close to our house, my siblings and I don't have to trek long distances just to fetch water. Now I am never late for school

Atimatu, 17 year old pupil of Kpembe local school



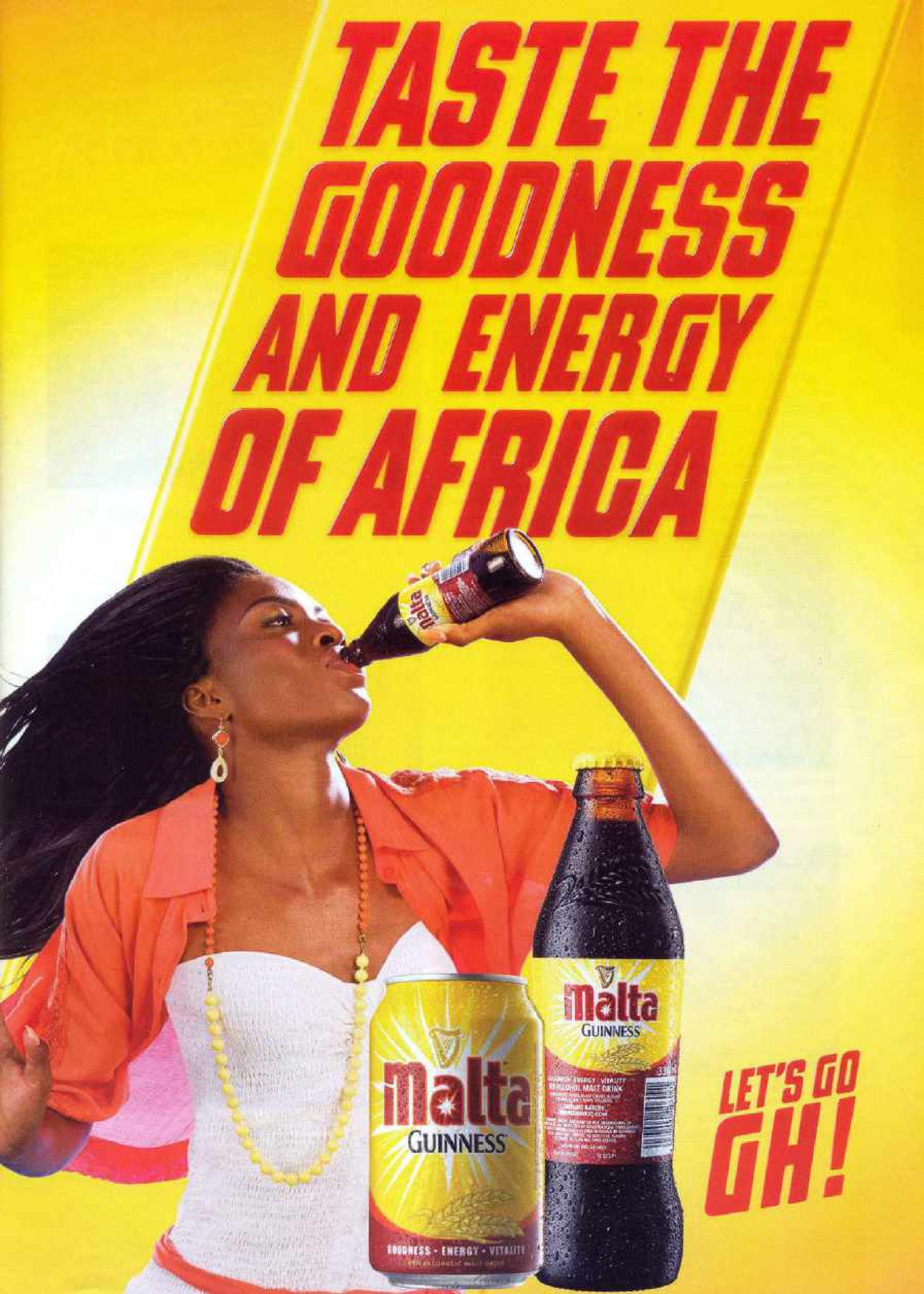
Before the centre opened, I did not enjoy fetching water from the river because all my friends used to laugh at me. But now they all join me to fetch water from the centre.

Inusah, Vendor, WaterHealth Centre Makango

The opening of the WaterHealth Centre has provided an assured source of income for my family and many others. The joy on people's face when they come to buy water makes me feel proud to work here.

Fatila, koko and akala vendor, Makango

My family and I had no choice but to use unclean water from the river. Now that the WaterHealth centre has been opened, it has provided us with clean drinking water and I now have clean water for my koko and akala business. Thank you Guinness Ghana



TASTE THE GOODNESS AND ENERGY OF AFRICA
Malta GUINNESS
GOODNESS • ENERGY • VITALITY
Malta GUINNESS
LET'S GO GH!

GREAT TIMES, GREAT EXPERIENCES

MALTA GUINNESS

Malta Guinness Africa Rising Campaign

Malta Guinness in July, 2013 launched an exciting campaign to build on the momentum generated from the successful new bottle launch in December 2012. The campaign dubbed 'Rise with the Energy of Africa' sought to further strengthen the brand's equity, reinforce its leadership and help the Malta Guinness brand own a distinct emotional space in the minds of consumers.

The campaign celebrated the unique vibrant collective energy of Africans, and showed how Malta Guinness is fuelling Ghana/ Africa to rise and shine at the world stage.

The 'Rise with the Energy of Africa' campaign featured five celebrities, namely Kofi Okyere Darko(KOD), Ameyaw Debrah, Jeremie Van-Garshong, Naa Ashorkor and Jefferson Sackey, in an inspiring way, these celebrities shared their stories on what is fuelling the creative energy of Ghana and encouraged young Ghanaians to strive to contribute to this rise. The campaign delivered significant growth in the Malta Guinness' brand equity and appeal to target consumers.

STAR BEER

Star Beer, It's who we are

The 'It's who we are' Star Beer campaign sought to establish and celebrate our respect for Ghanaian tradition while embracing the insatiable desires of the future and also count for something in our communities.

The campaign used one of the most awarded Hiplife artistes R2Bees to bring this message to life. R2Bees represent how true Ghanaians, take a leap to change their life and 'become who they want to be'. The campaign TVC was shot as an engaging and distinctive music video and was complimented by other media channels such as Radio and Outdoor and counts as one of the successful campaigns of Star Beer, exceeding benchmarks among the target audience.

BAILEYS

Baileys New Bottle launch & Style Day

Saturday 30th November 2013 was a day to remember for Baileys consumers who visited the Accra Mall. The purpose of the Baileys Style day was to celebrate women in Ghana with a day's luxury shopping experience. Any first time visitor to the Accra Mall could be forgiven for thinking it was called Baileys mall and to the regular visitor, Christmas appeared to have arrived early with the entire mall enveloped in Baileys.

A sleek and stylish new bottle was unveiled for Baileys, the original Irish Cream the night before the Baileys Style day at an exclusive VIP event at the plush Movenpick Ambassador Hotel. The Baileys Style Day was a continuation of this special launch and gave consumers a chance to experience this stylish new bottle in all its splendour.

GREAT TIMES,
GREAT EXPERIENCES

SMIRNOFF DOUBLE BLACK ICE

An innovation from GGBL, Smirnoff Double Black ice is a vodka mix drink with a hint of lime and triple filtered with a bold black look. Smirnoff Double Black ice is a variant of an already established brand- SMIRNOFF and it has a strong relevance to 18 to 29 year old Ghanaian consumers due to :

- Masculine Packaging (Black Color)
- 7% ABV (higher than the 5.5% for Red)
- A Crisp, Clean Bite taste

Smirnoff Double Black Ice was launched in September, 2013 at three main venues in Accra, Kumasi and Takoradi amidst various engaging events to demonstrate the brand purpose. The brand is packaged in a 300ml glass bottle and is now sold in most popular bars across the country.

GILBEY'S DRY GIN:

Made Smooth Launched in Accra in November 2013, Gilbey's Dry Gin is the first mainstream spirit produced and packaged in an innovative - line in a cube technology, by Guinness Ghana Breweries Limited. To bring the brand purpose to life, Albert Osei, Chief Executive Officer of Koko King Limited and Tonyi Senayah, CEO of Horseman shoes were rewarded during the launch.

Gilbey's is an international quality spirit, with 40% alcohol level and has existed for over 150 years. With a superior liquid, the brand is packaged in a 750ml and 200ml PET bottles and is sold at Gh¢ 6.50 and Gh¢ 3.00 (Usually sold at 50 Ghp/tot) in most outlets in Ghana to celebrate the entrepreneurial spirits of the Ghanaian consumer.

GUINNESS

Guinness Launches Iconic New Look

In November 2013, Accra came to a standstill as Guinness the flagship brand of GGBL reinforced its position as the most iconic and distinctive brand in Ghana with the launch of a premium new look.

The launch, dubbed, the Guinness Big Eruption, saw about 40,000 fans, consumers and adorers of Guinness gather at the Accra Sports Stadium to witness the unveiling of the new iconic look of Guinness amidst world class performances from international artistes, Akon, Big Sean and Wiz Kid and local artistes such as Samini and Shatta Wale .

The launch has been adjudged by the entertainment industry critiques as the best outdoor event in the history of Ghana.

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

Report on the Financial Statements

We have audited the financial statements of Guinness Ghana Breweries Limited, which comprise the statement of financial position at 30 June 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory information as set out on pages 21 to 56.

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 2014 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 comprehensive income are in agreement with the books of account.

KPMG

SIGNED BY: ANTHONY KWASI SARPONG
(ICAG/P/1057)
FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2014/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

23 SEPTEMBER 2014

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

	Note	2014 GH¢'000	2013 GH¢'000
ASSETS			
Property, plant and equipment	13	292,009	225,900
Intangible assets	14	2,698	3,154
Total non-current assets		294,707	229,054
Inventories	15	79,121	45,108
Trade and other receivables	16	33,182	11,109
Amounts due from related companies	24(ii)	632	1,201
Cash and bank balances	17	11,736	11,519
Total current assets		124,671	68,937
Total assets		419,378	297,991
EQUITY AND LIABILITIES			
Share capital	21(i)	96,252	96,252
Retained earnings	21(ii)	44,367	56,550
Total equity		140,619	152,802
Deferred tax liability	12(iv)	10,102	15,309
Medium-term loans	19(ii)	-	2,941
Obligations under finance lease	20	5,586	2,356
Intercompany loan	24(iii)	159,663	-
Employee benefit obligations	26	1,259	1,390
Total non-current liabilities		176,610	21,996
Bank overdraft	18	18,414	15,688
Current tax liability	12(ii)	203	146
Short-term loans	19(i)	2,941	5,670
Obligations under finance lease	20	2,081	959
Trade and other payables	23	44,657	40,251
Amounts due to related companies	24(i)	28,141	28,424
Intercompany loan	24(iii)	-	24,543
Provisions	27	5,712	7,512
Total current liabilities		102,149	123,193
Total liabilities		278,759	145,189
Total equity and liabilities		419,378	297,991

DIRECTOR

DIRECTOR

The notes on pages 26 to 56 form an integral part of these financial statements.

GUINNESS GHANA BREWERIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 GH¢'000	2013 GH¢'000
Revenue	7	330,645	321,017
Cost of sales	28	(259,585)	(228,793)
Gross profit		71,060	92,224
Advertising and marketing expenses	29	(32,685)	(28,986)
Administrative expenses	29	(28,481)	(21,928)
Other expenses	29	(27,145)	(12,232)
Other income	8	22,918	2,085
Results from operating activities		5,667	31,163
Finance income	11	30	815
Finance costs	11	(17,176)	(4,110)
(Loss)/profit before taxation	9	(11,479)	27,868
Taxation	12(i)	2,857	(9,591)
(Loss)/profit for the year		(8,622)	18,277
Other comprehensive income			
Items that are not subsequently reclassified to profit or loss:			
Actuarial gain on defined benefit obligations, net of tax		95	640
Other comprehensive income		95	640
Total comprehensive income for the year		(8,527)	18,917
Basic earnings per share (Ghana cedi per share)	22	(GH¢0.041)	GH¢0.086
Diluted earnings per share (Ghana cedi per share)	22	(GH¢0.041)	GH¢0.086

The notes on pages 26 to 56 form an integral part of these financial statements.

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Share Capital GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
30 June 2014			
Balance at 1 July 2013	96,252	56,550	152,802
Total comprehensive income			
Loss for the year	-	(8,622)	(8,622)
Other comprehensive income			
Actuarial gain on defined benefit obligations, net of tax	-	95	95
Total comprehensive income for the year	-	(8,527)	(8,527)
Transactions with owners recorded directly in equity			
Contributions by and distributions to owners			
Dividend to Shareholders	-	(3,656)	(3,656)
Balance at 30 June 2014	96,252	44,367	140,619
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 gain 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

The notes on pages 26 to 56 form an integral part of these financial statements.

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 GH¢'000	2013 GH¢'000
Cash flows from operating activities			
(Loss)/Profit after tax		(8,622)	18,277
Adjustments for:			
-Depreciation	13	36,677	28,295
-Amortisation	14	456	461
-Profit on sale of property, plant and equipment	13	(8,532)	(2,085)
-Reversal of impairment provision for property, plant and equipment	13	(737)	-
- Impairment loss on trade receivables	29(iii)	430	225
-Finance cost	11	17,176	4,110
-Finance income	11	(30)	(815)
-Actuarial gain on long service awards		(168)	(73)
-Unrealised exchange difference		3,260	3,262
-Tax expense	12(i)	(2,857)	9,591
		37,053	61,248
Changes in:			
-Inventories		(34,013)	(11,571)
-Trade and other receivables		(19,150)	(2,136)
-Trade and other payables		303	(9,850)
-Related party balances		(9,624)	5,708
-Employee benefit obligations		158	845
-Provisions		(1,800)	7,512
Cash generated from operating activities		(27,073)	51,756
Interest paid		(7,874)	(4,110)
Taxes paid	12(ii)	(2,319)	(7,636)
Net cash (used in)/ from operating activities		(37,266)	40,010
Cash flows from investing activities			
Acquisition of property, plant and equipment		(97,220)	(91,764)
Proceeds from sale of property, plant and equipment		6,052	2,282
Interest received	11	30	815
Net cash used in investing activities		(91,138)	(88,667)

The notes on pages 26 to 56 form an integral part of these financial statements.

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

	Note	2014 GH¢'000	2013 GH¢'000
Cash flows from financing activities			
Dividends paid		(3,656)	(5,072)
Repayment of bank loans		(5,670)	(9,305)
Repayment of finance lease		(1,097)	(682)
Intercompany loan received	24(iii)	135,120	24,543
Net cash from financing activities		124,697	9,484
Net decrease in cash and cash equivalents		(3,707)	(39,173)
Cash and cash equivalents at 1 July		(4,169)	35,390
Effect of movements in exchange rates on cash held		1,198	(386)
Cash and cash equivalents at 30 June	17	(6,678)	(4,169)

The notes on pages 26 to 56 form an integral part of these financial statements.

1. REPORTING ENTITY

Guinness Ghana Breweries Limited (GGBL) is a Company registered and domiciled in Ghana. These financial statements represent the Company's performance and position.

2. BASIS OF ACCOUNTING

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1963 (Act 179).

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 judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. 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 5 (Determination of fair values). Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment within the next financial year are included in note 26 (Employee benefit obligations).

3. SIGNIFICANT ACCOUNTING POLICIES

Except as indicated in note 4 the Company has consistently applied the following accounting policies 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 liablities 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

Recognition and derecognition

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, short and medium term loans, amount due from and to related companies, intercompany loan, bank overdraft and trade and other payables.

The Company initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date. Short-duration receivables and payables with no stated interest rate are measured at their original invoice amount unless the effect of imputing interest would be significant.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows 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 assets or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position, when and only when, the Company has the legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Measurement

The company classifies non derivative financial assets into loans and receivable category and other non-derivative financial liabilities into the other financial liabilities category.

Loans and receivables comprise cash and cash equivalents, trade and other receivables and amounts due from related companies. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

In the statement of cash flows, cash and cash equivalents include bank overdrafts that are repayable on demand and forms an integral part of the Company's cash management.

Non-derivative financial liabilities are initially recognized at fair values less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise short and medium-term loans, amount due to related parties, trade and other payables, bank overdrafts and intercompany loans.

(iii) Share capital (Stated capital)

Ordinary Shares

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

(c) 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.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor will enter bankruptcy, adverse changes in the payment status of borrowers, economic conditions that correlate with defaults.

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.

The Company considers evidence of impairment of these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustments if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested historical trends.

All impairment losses are recognised in profit or loss and reflected in an allowance account. Interest on the impaired asset continues to be recognised. 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 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 its cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflect current market assessments of the time value of money and the risk specific to the asset.

A previously recognised impairment loss is reversed where there has been a change in circumstances or in the basis of estimation used to determine the recoverable value, but only to the extent that the asset's net carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) 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 the 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 obligations for each accounting period.

Leases where significant portions of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(ii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Minimum lease payments made under finance leases are apportioned between the finance expense and as reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(e) 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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

(ii) Subsequent costs

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

Spare parts, stand-by and servicing equipment held by the Company generally are classified as inventories. However, if major spare parts and stand-by equipment are expected to be used for more than one period or can be used only in connection with an item of property, plant and equipment, then they are classified as property, plant and equipment.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives.

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

The annual rates generally in use are as follows:-

Buildings -over period of lease up to 50 years

Plant and machinery-8 years to 25 years

Motor vehicles -3 years to 5 years

Furniture and equipment -3 years to 8 years

Bottles and crates-5 years to 10 years

Depreciation methods, useful lives and residual values 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.

(iv) Capital work in progress

Property, plant and equipment under construction is stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate category of property, plant and equipment when commissioned and ready for its intended use.

(f) Intangible assets

(i) Software

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

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful life of the software from the date it is available for use. The estimated useful life for software is 12 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) 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.

(h) Employee benefits

(i) 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.

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. 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.

(b) Social Security Contribution

Under a national pension scheme, the Company contributes 13% of employee's basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Company's obligation is limited to the relevant contributions, which have been recognized in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

(ii) Provident Fund

The Company has a provident fund scheme for staff 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.

(iii) Defined benefit plans

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

The company determines the net interest expense on the net defined benefits liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then -defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iv) Other long-term benefit

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.

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of VAT, returns, discounts, and other similar deductions.

No revenue is recognised if recovery of the consideration is not considered probable or the revenue and associated costs cannot be measured reliably.

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. Transfer of risks and rewards occurs when the goods are delivered to the customer.

(j) Finance income and finance costs

Finance income comprises interest income on funds invested or held in bank accounts. Interest income is recognised in profit or loss using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(k) Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use.

The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

(l) Taxation

Tax expense comprises current and deferred tax. The Company provides for income taxes at 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.

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

A deferred tax asset is recognised 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 realised simultaneously.

(m) 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.

(n) 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. The unwinding of the discount is recognised as finance costs.

(i) 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.

(o) 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.

(p) 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.

(q) New standards and interpretations not yet adopted

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective. These include the following Standards and Interpretations that may have an impact on future financial statements:

	Standard/Interpretation	Date issued by IASB	Effective date (Annual periods beginning on or after)
IAS 32	Offsetting financial assets and financial liabilities	December 2011	1 January 2014
IAS 19	Defined Benefit Plans: Employee Contributions	November 2013	1 July 2014
IFRS 15	Revenue from contracts with customers	May 2014	1 January 2017
IFRS 9	Financial Instruments	July 2014	1 January 2018

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

The amendments clarify when an entity can offset financial assets and financial liabilities. This amendment will result in the Company no longer offsetting two of its master netting arrangements. This amendment is effective for annual periods beginning on or after 1 January 2014 with early adoption permitted.

The Company will adopt the amendment for the year ending 30 June 2015. The standard will not have a significant impact on the Company's financial statement.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

The amendments introduce relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. Such contributions are eligible for practical expedient if they are:

- set out in the formal terms of the plan;
- linked to service; and
- independent of the number of years of service.

When contributions are eligible for the practical expedient, a company is permitted (but not required) to recognise them as a reduction of the service cost in the period in which the related service is rendered. The Company's defined benefit plan meets these requirements and consequently the Company intends to apply this amendment and will recognise the contributions as reduction of the service costs in the period in which the related service is rendered.

The amendments apply retrospectively for annual periods beginning on or after 1 July 2014 with early adoption permitted. The effect of this amendment is unknown. The Company will adopt the amendment for the year ending 30 June 2015.

IFRS 15 Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Company is currently in the process of performing a more detailed assessment of the impact of this standard on the Company and will provide more information in the year ending 30 June 2015 financial statements.

The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted under IFRS. The Company will adopt the amendment for the year ending 30 June 2018.

IFRS 9 Financial Instruments

On 24 July 2014 the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will not have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Company.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted. The Company will adopt the amendment for the year ending 30 June 2019.

4. CHANGES IN ACCOUNTING POLICY

Except for the changes below, the Company has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

a. IFRS 13 Fair Value Measurement

b. IAS 19 Employee Benefits

(a) Fair value measurement

In accordance with the transitional provisions of IFRS 13, the Company has applied the new definition of fair value, as set out in Note 5 prospectively. The change had no significant impact on the measurements of the Company's assets and liabilities, but the Company has included new disclosures in the financial statements, which are required under IFRS 13. These new disclosure requirements are not included in the comparative information as the Company has prospectively applied the new fair value measurement guidance.

(b) Post-employment defined benefit plans

As a result of IAS 19 (2011), the Company has changed its accounting policy with respect to the basis for determining the income or expense related to its post retirement defined benefit plans.

The change did not have a significant impact on the Company's financial statements. The Company previously recognized actuarial gains and losses on post-employment benefit plan in other comprehensive income and not directly in profit or loss, which is consistent with the requirements of IAS 19 (2011).

5. 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. The Company regularly reviews significant unobservable inputs and valuation adjustments. When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in determining fair values is included in Note 30 financial instrument - fair value and risk management.

6. OPERATING SEGMENT

	Alcoholic Beverages GH¢'000	Non-alcoholic Beverages GH¢'000	Spirits GH¢'000	Total GH¢'000
2014				
External revenue	188,373	124,380	17,892	330,645
2013				
External revenue	189,322	111,694	20,001	321,017

	2014 GH¢'000	2013 GH¢'000
Revenue In country of domicile	330,645	321,017
Non-current assets In country of domicile	294,707	229,054

7. REVENUE

		2014 GH¢'000	2013 GH¢'000
Gross Sales Value		464,511	483,567
Taxes collected for Government			
Excise Duty		62,060	92,888
Value Added Tax		65,075	63,230
		127,135	156,118
Volume Discounts		6,731	6,432
Net Sales Value		330,645	321,017

8. OTHER INCOME

Profit on disposal of property, plant and equipment	8,532	2,085
Income from assignment of leasehold interest in land*	11,647	-
Sundry income	2,091	-
Provision for restructuring no longer required	648	-
	22,918	2,085

*This relates to net consideration for an assignment of the Company's interest in a portion of land at Ahinsan, Kumasi.

9. (LOSS)/PROFIT BEFORE TAXATION

is stated after charging:

	2014 GH¢'000	2013 GH¢'000
Personnel costs (Note 10)	50,240	44,153
Directors' remuneration and expenses	3,600	3,253
Auditors' remuneration	120	113
Depreciation	36,677	28,295
Amortisation	456	461
Net exchange differences	7,310	1,905

10. PERSONNEL COSTS

	2014 GH¢'000	2013 GH¢'000
Wages and salaries	32,228	26,390
Social security contributions	2,450	1,938
Contributions to provident fund	2,319	2,070
Defined benefit plan	191	215
Increase in liability for long service award	69	677
Other staff expenses	12,983	12,863
	50,240	44,153

The total number of staff employed by the company at the year-end was 639 (2013: 677).

11. FINANCE INCOME AND COSTS

Finance income - loans and receivables		
Interest on savings	(30)	(815)
Finance costs - financial liabilities measured at amortised costs		
Interest on intercompany loan	10,675	-
Interest on bank loans	5,479	3,411
Finance lease interest	969	635
Other finance cost	53	64
	17,176	4,110

12.TAXATION

(i) Income tax expense		
Current tax expense (Note 12(ii))	2,376	8,072
Deferred tax expense (Note 12(iv))	(5,233)	1,519
	(2,857)	9,591

(ii) Current tax

	Opening balance GH¢'000	Payments GH¢'000	Charge for the year GH¢'000	Closing balance GH¢'000
Corporate tax				
Up to 2012	(305)	-	-	(305)
2013	451	(451)	-	-
2014	-	(1,868)	8	(1,860)
	146	(2,319)	8	(2,165)
Capital gains tax	-	-	2,368	2,368
	146	(2,319)	2,376	203

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

	2014 GH¢'000	2013 GH¢'000
Profit before taxation	(11,479)	27,868
Income tax using the domestic tax rate (25%)	(2,870)	6,967
Non-deductible expenses	3,510	1,401
Non-taxable income	(6,107)	(521)
Tax incentives	-	(860)
Changes in estimates relating to prior years	234	691
Tax undercharge in prior years	-	1,913
Tax charged at different rate	2,376	-
Current tax charge	(2,857)	9,591
Effective tax rate	(25)%	34%

(iv) Deferred taxation

(a) Movement in deferred tax balances

Balance at 1 July	15,309	13,619
(Release)/charge for the year	(5,233)	1,519
Deferred tax on actuarial gain in OCI	26	171
Balance at 30 June	10,102	15,309

(b) Amount recognized in OCI

	2014			2013		
	Before tax GH¢'000	Tax benefit GH¢'000	Net of tax GH¢'000	Before tax GH¢'000	Tax benefit GH¢'000	Net of tax GH¢'000
Measurement of defined benefit liability	121	26	95	811	171	640

(v) Recognised deferred tax assets and liabilities

2014	Net at 1/7 GH¢'000	Recognised in profit or loss GH¢'000	Recognised in OCI GH¢'000	Net at 30/6 GH¢'000	Deferred tax assets GH¢'000	Deferred tax liabilities GH¢'000
Property, plant and equipment	18,441	4,356	-	22,797	-	22,797
Provision for doubtful debts	(176)	(85)	-	(261)	(261)	-
Stock provisions	(342)	312	-	(30)	(30)	-
Provision for pension	(308)	39	-	(269)	(269)	-
Provision for restructuring	(1,667)	763	-	(904)	(904)	-
Unrealised exchange differences	(691)	(747)	-	(1,438)	(1,438)	-
Unutilized capital allowance	-	(9,871)	-	(9,871)	(9,871)	-
Cumulative deferred tax on end-of-service benefits	52	-	26	78	-	78
Net tax liabilities (assets)	15,309	(5,233)	26	10,102	(12,773)	22,875

2013

Property, plant and equipment	15,223	3,218	-	18,441	-	18,441
Provision for doubtful debts	(120)	(56)	-	(176)	(176)	-
Stock provisions	(297)	(45)	-	(342)	(342)	-
Provision for pension	(281)	(27)	-	(308)	(308)	-
Provision for restructuring	-	(1,667)	-	(1,667)	(1,667)	-
Unrealised exchange differences	(787)	96	-	(691)	(691)	-
Cumulative deferred tax on end-of-service benefits	(119)	-	171	52	-	52
Net tax liabilities (assets)	13,619	1,519	171	15,309	(3,184)	18,493

13. PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

2014	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 1/7/13	9,256	172,583	8,301	4,230	119,935	28,125	342,430
Additions	-	877	4,712	22	-	97,058	102,669
Disposals	(29)	(1,420)	(138)	(1,440)	(4,786)	-	(7,813)
Transfers	9,780	70,536	-	1,880	29,626	(111,822)	-
At 30/6/14	19,007	242,576	12,875	4,692	144,775	13,361	437,286

(a) Reconciliation of carrying amount (cont'd)

2014	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
Accumulated depreciation and impairment losses							
At 1/7/13	2,600	62,075	4,612	3,398	43,845	-	116,530
Charge for the year	340	11,729	1,668	372	22,568	-	36,677
Released on disposals	(17)	(877)	(138)	(1,439)	(4,722)	-	(7,193)
Reversal of impairment loss	-	(737)	-	-	-	-	(737)
At 30/6/14	2,923	72,190	6,142	2,331	61,691	-	145,277
Carrying amounts							
At 30/6/14	16,084	170,386	6,733	2,361	83,084	13,361	292,009
2013							
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 losses							
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

(b) Leased plant and equipment

The Company has a lease arrangement with Stanbic Bank Ghana Limited to finance the purchase of motor vehicles and coolers for operational purposes. At 30 June 2014, the carrying amount of leased assets was GH¢7,310,379 (2013: GH¢3,143,050).

During the year, the Company acquired motor vehicles and equipment under finance lease of GH¢5,449,791 (2013: GH¢1,299,417).

(c) Capitalised borrowing costs

Borrowing costs of GH¢8,036,779 (2013: GH¢904,996) relating to the construction of a new packaging line was capitalised during the year with a capitalization average rate of 24% (2013: 23%). The asset was transferred from capital work in progress to plant and machinery during the year when it was commissioned and ready for its intended use.

(d) Security

As at 30 June 2014, there were no restrictions on title for the assets and no assets had been pledged as security with the exception of motor vehicles acquired under lease arrangements.

Disposal of plant and equipment

	2014 GH¢'000	2013 GH¢'000
Cost	7,813	2,752
Accumulated depreciation	(7,193)	(2,555)
Net book value	620	197
Proceeds on disposal	(9,152)	(2,282)
Profit on disposal	(8,532)	(2,085)
Depreciation has been charged in the statement of comprehensive income as follows:-		
Cost of sales	34,430	25,670
General, administrative and selling expenses	2,247	2,625
	36,677	28,295

14. INTANGIBLE ASSETS

(a) Reconciliation of carrying amount

Cost		
Balance at 1 July and 30 June	10,743	10,743
Amortisation		
Balance at 1 July	7,589	7,128
Charge for the year	456	461
Balance at 30 June	8,045	7,589
Carrying amount At 30 June	2,698	3,154

Amortisation of intangible assets is recorded in other expenses.

(b) Security

As at 30 June 2014, there were no restrictions on title for intangible assets and no assets had been pledged as security.

15. INVENTORIES

	2014 GH¢'000	2013 GH¢'000
Raw and packaging materials	32,173	16,778
Work-in-progress	3,110	2,828
Finished products	22,567	7,245
Engineering and consumables	14,532	12,572
Goods in transit	6,739	5,685
	79,121	45,108

As at 30 June 2014, there were no inventories pledged as security (2013: Nil).

16. TRADE AND OTHER RECEIVABLES

Trade receivables	11,039	5,511
Other receivables	19,910	3,427
Staff debtors	353	166
Prepayments	1,880	2,005
	33,182	11,109

The maximum amount due from officers of the Company during the year was approximately GH¢352,979 (2013: GH¢198,264).

17. CASH AND CASH EQUIVALENTS

	2014 GH¢'000	2013 GH¢'000
Bank balances	11,736	11,519
Cash and bank balances (statement of financial position)	11,736	11,519
Bank overdraft (Note 18)	(18,414)	(15,688)
Cash and cash equivalents in the statement of cash flows	(6,678)	(4,169)

There were no restrictions on the Company's cash and cash equivalent at the year end (2013: Nil).

18. BANK OVERDRAFT

	2014 GH¢'000	2013 GH¢'000
Guaranty Trust Bank (Ghana) Limited	3,977	4,086
Barclays Bank of Ghana Limited	10,781	5,619
Societe Generale Ghana Limited	3,640	4,396
Standard Chartered Bank Ghana Limited	16	1,587
	18,414	15,688

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 23% 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 8 January 2015.

Barclays Bank of Ghana Limited

The overdraft facility of GH¢15 million was arranged to supplement working capital in meeting operational expenses. Interest on this facility is at Barclays Bank Base rate plus 5.17%. The facility is unsecured.

Societe Generale Ghana Limited

The overdraft facility of GH¢5 million was arranged to augment working capital. The facility matured on 30 May 2014. Interest on this facility is at 23% 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). The renewal of this facility is in progress.

Standard Chartered Bank Ghana Limited

The overdraft facility of GH¢5million was arranged to augment working capital requirements. Interest on this facility is at 18% per annum subject to change in line with prevailing market conditions. The facility is unsecured.

19. SHORT AND MEDIUM-TERM LOANS

	2014 GH¢'000	2013 GH¢'000
Stanbic Bank Ghana Limited	2,941	6,861
Standard Chartered Bank Ghana Limited	-	1,750
	2,941	8,611
(i) Due within one year	2,941	5,670
(ii) Due after one year	-	2,941

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 Stanbic base rate plus a margin of 2.57%. This loan is secured by a letter of comfort from Diageo Holdings Netherlands B.V. The loan matures on 31 January 2015.

20. OBLIGATIONS UNDER FINANCE LEASE

	Future minimum lease payments 2014 GH¢'000	Unearned Interest 2014 GH¢'000	Present value of minimum lease payments 2014 GH¢'000	Future minimum lease payments 2013 GH¢'000	Unearned Interest 2013 GH¢'000	Present value of minimum lease payments 2013 GH¢'000
Less than one year	3,627	1,546	2,081	1,531	572	959
Between two and five years	7,360	1,774	5,586	2,877	521	2,356
	10,987	3,320	7,667	4,408	1,093	3,315

20. OBLIGATIONS UNDER FINANCE LEASE (CONT'D)

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 23.09% per annum. Total principal lease payments made in the year totaled GH¢1,097,174 (2013: GH¢682,472).

21.CAPITAL AND RESERVES

(i) Share Capital (Stated Capital)

(a) Ordinary shares

	Number of Shares		Proceeds	
	2013 'm	2014 'm	2014 GH¢'000	2013 GH¢'000
	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.

22. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 30 June 2014 was based on profits attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders

	2014 GH¢'000	2013 GH¢'000
(Loss)/profit attributable to ordinary shareholders	(8,622)	18,277
Weighted average number of ordinary shares		
Weighted average number of ordinary shares	211,338	211,338

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

23. TRADE AND OTHER PAYABLES

	2014 GH¢'000	2013 GH¢'000
Trade payables	31,120	26,495
Non-trade payables and accrued expenses	13,537	13,756
	44,657	40,251

24. RELATED PARTY TRANSACTIONS

a. The Company is a subsidiary of Diageo Highlands BV, a Company registered in the Netherlands. The Ultimate Parent Company is Diageo Plc, a Company incorporated in the United Kingdom. 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¢97.8 million (2013: GH¢28 million) were purchased from other related parties during the year.

c. Included in profit or loss is an amount of GH¢12.2 million (2013: GH¢13 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. Finance costs of GH¢10.7 million (2013: nil) was charged to profit or loss on account of loan from Diageo Finance Plc. Additional interest of GH¢8 million (2013: 0.9 million) on the same loan was capitalised in connection with the construction of a new packaging line.

e. Transactions with other related parties included human resources and project costs recharges.

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

(i) Amounts due to other related parties

	2014 GH¢'000	2013 GH¢'000
Diageo Great Britain	2	4,148
Diageo Ireland Limited	12,708	10,191
Diageo Plc	20	-
Diageo Northern Ireland	8	-
Diageo Scotland Limited	298	229
Diageo Brands B.V	677	1,557
Diageo North America Inc	809	532
East Africa Brewery Limited	123	1,290
Guinness Nigeria	1,694	7,731
Guinness Cameroun S.A	12	124
Sichuan Chengdu Shuijingfang Group	25	-
Diageo Australia Limited	47	176
Diageo America Supply	-	31
Seychelles Breweries	-	64
Premium Beverage International B.V	2,415	1,754
Diageo Finance Plc (Interest on loan)	9,303	597
	28,141	28,424

(ii) Amounts due from other related parties

	2014 GH¢'000	2013 GH¢'000
Diageo Great Britain	74	278
Kenya Brewery Limited	36	71
Guinness Cameroun SA	110	10
Meta Abo Brewery	301	93
Diageo South Africa (Pty)	111	-
Diageo Ireland	-	1
R & A Barley & Co	-	1
Uganda Breweries	-	164
Serengeti Breweries	-	46
Guinness Nigeria	-	473
Seychelles Breweries	-	64
	632	1,201

The Company bought supplies (raw material and finished goods) from related parties. Amounts are billed on normal market rates for such supplies and were due and payable under normal credit terms.

All outstanding balances with these related parties are to be settled in cash. None of the balances are secured.

(iii) Intercompany loan

	2014 GH¢'000	2013 GH¢'000
Balance at 1 July	24,543	-
Additional loan	135,120	24,543
	159,663	24,543

The Company contracted an internal loan facility of GH¢160 million (2013: 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. Prior to 1 July 2015, all or part of the principal amount of the loan may be repaid at the option of the company. Subsequent to this, the lender may require the Company to repay the loan either in part or in full.

(iv) 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:

	2014 GH¢'000	2013 GH¢'000
Short term benefits	3,599	3,253
Other long term benefit	1	-
	3,600	3,253

25. DIVIDENDS

Dividend of GH¢0.01729 (2013: GH¢0.024) per share amounting to GH¢3,655,466 (2013: GH¢5,072,115) was declared and paid by the Company during the year for the years ended 30 June 2013 and 30 June 2012 respectively.

The Directors do not recommend the payment of a dividend for the year ended June 30 2014 (2013: GH¢0. 01729 per share amounting to GH¢3,655,466).

26. EMPLOYEE BENEFIT OBLIGATIONS

Defined Benefit Plan

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.

Employees who retire as junior staff are given two (2) years' annual salary.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

Other long-term benefits

Long Service Awards

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.

(a) Employee benefits liabilities

	2014 GH¢'000	2013 GH¢'000
Defined benefit liability	513	713
Liability for long service awards	746	677
	1,259	1,390
(b) Movement in net defined benefit liabilities		
Balance at 1 July	713	1,429
Included in profit or loss		
Current service costs	27	33
Interest costs	164	182
	191	215
Included in OCI		
Actuarial gain	(121)	(811)
Others		
Benefits paid	(270)	(120)
Balance at 30 June	513	713

26. EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)

(c) Actuarial assumption

The following were the principal actuarial assumptions at the reporting date.

	2014	2013
Discount rate	23%	23%
Salary inflation	10%	10%

(d) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

30 June 2014	Defined benefit obligations	
	Increase GH¢'000	Decrease GH¢'000
Discount rate (1% movement)	(9)	156
Salary inflation (1% movement)	16	(14)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

27. PROVISIONS

	2014 GH¢'000	2013 GH¢'000
Restructuring	4,230	7,512
Royalties	1,482	-
	5,712	7,512
Restructuring		
Balance at 1 July	7,512	-
Additional provision made during the year	4,230	7,512
Amount used during the period	(6,864)	-
Unused amount reversed during the period	(648)	-
	4,230	7,512

During the year, a provision of GH¢4.2 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. The Company expects to settle the liability over the next three months.

27. PROVISIONS (CONT'D)

Royalties

This relates to royalties on Alvaro and Smirnoff Ice due to Diageo Great Britain and Diageo North America. The agreements expired during the year. The renewal process has commenced, the approval is, however, yet to be obtained from the Ghana Investment Promotion Centre (GIPC) at the year end. Under the Technology Transfer Regulations, agreements which have not been approved by GIPC are unenforceable.

28. COST OF SALES

	2014 GH¢'000	2013 GH¢'000
Direct production costs	106,163	98,925
Production overheads	115,881	91,646
Other costs	37,541	38,222
	259,585	228,793

Raw materials, consumables and changes in finished goods and work-in-progress recognized as expense in cost of sales amounted to GH¢106,163,000 (2013: GH¢98,925,000).

29. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2014 GH¢'000	2013 GH¢'000
(i) Advertising and marketing	32,685	28,986
(ii) Administrative expenses		
Staff cost	12,747	10,984
Auditors' remuneration	120	113
Insurance	1,598	1,269
Office related expenses	4,819	3,882
Professional/consultancy costs	2,591	1,241
Communication costs	720	640
Other costs	5,886	3,799
	28,481	21,928
(iii) Other expenses		
	2014 GH¢'000	**2013 GH¢'000**
Depreciation and amortisation	2,703	3,086
Provision for bad debts	430	225
Net foreign exchange differences	7,310	1,905
Sundry expenses	16,702	7,016
	27,145	12,232

30. FINANCIAL INSTRUMENT - FAIR VALUES AND RISK MANAGEMENT

(a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

2014	Carrying amount		Total GH¢'000	Fair value Level 2 GH¢'000
	Loans and receivables GH¢'000	Other financial liabilities GH¢'000		
Financial assets not measured at fair value				
Trade and other receivables	31,302	-	31,302	
Amounts due from related parties	632	-	632	
Cash and bank balances	11,736	-	11,736	
	43,670	-	43,670	
Financial liabilities not measured at fair value				
Trade and other payables	-	44,657	44,657	
Bank overdraft	-	18,414	18,414	
Bank loans	-	2,941	2,941	
Obligation under finance lease (Note 20)	-	7,667	7,667	7,140
Amounts due to related party	-	29,624	29,624	
Loan from related party	-	159,664	159,664	
	-	262,967	262,967	
2013				
Financial assets not measured at fair value				
Trade and other receivables	9,104	-	9,104	
Amounts due from related parties	1,201	-	1,201	
Cash and bank balances	11,519	-	11,519	
	21,824	-	21,824	

(a) Accounting classification and fair values (cont'd)

2013	Carrying amount		Total GH¢'000	Fair value Level 2 GH¢'000
	Loans and receivables GH¢'000	Other financial liabilities GH¢'000		
Financial liabilities not measured at fair value				
Trade and other payables	-	40,251	40,251	
Bank overdraft	-	15,688	15,688	
Bank loans	-	8,611	8,611	
Obligation under finance lease (Note 20)	-	3,315	3,315	3,106
Amounts due to related party	-	28,424	28,424	
Loan from related party	-	24,543	24,543	
	----	------	------	
	-	120,832	120,832	
	===	======	======	

The fair value of obligation under finance lease is based on discounted cash flow techniques applying the rates of similar maturities and terms.

(b) Risk management

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 and bank guarantees.

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 for trade and other receivables at the reporting date was:

	2014 GH¢'000	2013 GH¢'000
Key distributors	11,039	5,511
Individuals and companies	19,910	3,427
Employees	353	166
	31,302	9,104

Impairment losses

The aging of trade receivables at the reporting date was:

	2014 GH¢'000	2013 GH¢'000
Current (less than 30 days)	7,945	4,622
Due (31-120 days)	2,401	889
Impaired (more than 120 days)	1,917	793
	12,263	6,304
Impairment loss	1,224	793

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

	2014 GH¢'000	2013 GH¢'000
Balance at 1 July	793	568
Impairment loss recognized	431	225
Balance at 30 June	1,224	793

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 bank balances

The Company held cash and cash equivalent of GH¢11.74 million at 30 June 2014 (2013: GH¢11.52 million) which represents its maximum exposure. The cash and bank balances 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 Company assesses its debt position every month. The Company also monitors the level of expected cash inflows on trade and other receivables on a daily basis. Diageo Finance Plc, the finance unit of the Group, makes available borrowings to the Company to support its operations.

The following are contractual maturities of financial liabilities:

		Contractual cash flows			
	Carrying amount GH¢	Total GH¢	6mths or less GH¢	6-12mths GH¢	1-5years GH¢
31 December 2014					
Non-derivative financial liability					
Trade and other payables	44,657	(44,657)	(44,657)	-	-
Bank loan	2,941	(3,003)	(2,023)	(980)	-
Bank overdraft	18,414	(18,739)	(18,739)	-	-
Obligations under finance lease	7,667	(10,987)	(1,814)	(1,814)	(7,359)
Amounts due to related companies	28,141	(28,141)	(28,141)	-	-
Loan from related party	159,663	(162,919)	(162,919)	-	-
Balance at 31 December 2014	261,483	(268,446)	(258,293)	(2,794)	(7,359)
31 December 2013					
Non-derivative financial liability					
Bank loan	8,611	(8,766)	(3,865)	(1,960)	(2,941)
Obligations under finance lease	3,315	(4,405)	(774)	(756)	(2,875)
Trade and other payables	40,251	(40,251)	(40,251)	-	-
Bank overdraft	15,688	(15,909)	(15,909)	-	-
Amounts due to related companies	28,424	(28,242)	(28,242)	-	-
Loan from related party	24,543	(25,034)	(25,034)	-	-
Balance at 31 December 2013	120,832	(122,607)	(114,075)	(2,716)	(5,816)

(iii) Market risk

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

Currently, there is no formal policy designed by management to mitigate the effect of volatilities in market prices. The Company's management committee, however, monitors market trends on a weekly basis to manage any risk exposure. Significant items of expenditure are incurred when market prices and other economic indicators are favorable.

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 (EUR), US Dollars (USD), Great Britain Pounds (GBP), South African Rands (ZAR), Kenyan Shillings (KES), Australian Dollars (AUD) and CFA Franc (XAF).

Currency risk

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

30 June 2014

	EUR '000	USD '000	GBP '000	ZAR '000	KES '000	AUD '000	XAF '000
Bank balances	34	577	205	-	-	-	-
Trade payables	(629)	(1,918)	(148)	-	-	-	-
Trade Receivables	-	194	-	-	-	-	-
Related company balances	(54)	1,288	671	-	(5,437)	(15)	-
Net exposure	(649)	141	728	-	(5,437)	(15)	-

30 June 2013

	EUR '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)

The following significant exchange rates were applied during the year:

	Average Rate		Reporting Date	
	2014	2013	2014	2013
GHS				
EUR 1	3.59	2.50	4.58	2.64
USD 1	2.51	1.93	3.35	2.03
GBP 1	4.19	3.03	5.73	3.09
ZAR 1	0.24	0.22	0.32	0.21
KES 1	0.03	0.02	0.04	0.02
AUD 1	2.30	1.98	3.17	1.86
XAF 1	0.005	0.004	0.007	0.004

Sensitivity analysis on currency risks

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

A strengthening/weakening of the GH¢, by the rates shown in the table, against the following currencies at 30 June would have increased/decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

As of 30 June	2014			2013		
Currency	% Change	Profit or loss impact: Strengthening GH¢'000	Profit or loss impact: Weakening GH¢'000	% Change	Profit or loss impact: Strengthening GH¢'000	Profit or loss impact: Weakening GH¢'000
EURO	±55.3	1,608	(1,608)	±6.37	282	(282)
US$	±33.29	(157)	157	±3.97	1,136	(1,136)
GBP	±38.66	(1,613)	1,613	±2.73	29	(29)
KES	±31.99	67	(67)	±4.25	66	(66)
ZAR	-	-	-	±7.68	3	(3)
AUD	±37.49	18	(18)	±2.88	5	(5)

Interest rate risk profile

	Carrying amounts 2014 GH¢'000	Carrying amounts 2013 GH¢'000
Fixed rate instruments		
Bank overdraft	3,640	6,146

	Carrying amounts 2014 GH¢'000	Carrying amounts 2013 GH¢'000
Variable rate instrument		
Bank loans and overdrafts	17,715	18,153
Intercompany loan	159,663	24,543
Obligations under finance lease	7,667	3,315
	185,045	46,011

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 2013

As of 30 June	2014			2013		
	% Change	Profit and Loss impact: GH¢'000	Equity GH¢'000	% Change	Profit and Loss impact: GH¢'000	Equity GH¢'000
Overdrafts and loans	±2%	±314	±314	±2%	±191	±191
Intercompany loan	±2%	±868	±868	±2%	±81	±81
Obligations under finance lease	±2%	±95	±95	-	-	-

31. CAPITAL COMMITMENTS

Capital commitments authorised but not expended for property, plant and equipment at the year end, amounted to GH¢3,321,361 (2013: GH¢52,464,041).

32. CONTINGENT LIABILITIES

Contingent liabilities, in respect of possible claims and lawsuits at the year-end amounted to GH¢468,610 (2013: GH¢468,610). Judgement in respect of these cases had not been determined as at 30 June 2014. No provision has been made as professional advice on the case that it is unlikely that any significant loss will arise.

APPENDIX I

SHAREHOLDER INFORMATION
ANALYSIS OF SHAREHOLDING

(i) Number of Shareholders

The Company had 4,514 ordinary shareholders at 30 June 2014 distributed as follows:

	Holding No. of Holders	Total Holding	% Holding
1 - 1,000	3,174	790,747	0.37
1,001 - 5,000	653	1,617,162	0.77
5,001 - 10,000	416	3,287,227	1.55
10,001 - 999,999,999	271	205,643,006	97.31
	4,514	211,338,142	100.00

(ii) List of twenty largest shareholders as at 30 June 2014

	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	12,925,849	6.12
5	SCGN/HONKONG SHANGAI ARISAG A.C.F	3,438,794	1.63
6	SCBN/JPMC Coronation Africa	1,341,015	0.63
7	SCGN/SSB & TRUST AS CUSTODIAN FOR WASATCH FRONTIER	1,074,765	0.51
8	SCGN/NORTHERN TRUST GLOBAL SERVICES	840,888	0.25
9	SCBN/ELAC Policy Holders Fund	421,816	0.40
10	STD NOMS TVL PTY/BNYM/SANV/CORONATION ASSET MGT	394,662	0.20
11	SCGN/STATE STREET BANK & TRUST CO. /	381,432	0.19
12	SCBN/Unilever Ghana Manager's Pension Fund	341,660	0.18
13	SBG/STD/NOMS TVLPTY/BNYM LUX/East Spring Invest.	320,000	0.16
14	SCBN/Chase Offshore 6179c	307,649	0.15
15	SCGN/JP MORGAN CHASE VICTORIE AFRICA INDEX	300,600	0.15
16	SCBN/EPACK INVESTMENT FUND LTD	278,000	0.14
17	SCBN/STATE STREET LOND C/O SSB BOST	255,340	0.13
18	SCGN/JPMC T.FULCRAM AF ALL CAP MST	242,244	0.11
19	TEACHERS FUND	239,049	0.11
20	SCBN/CITIBANK LONDON ROBECO AFRICA	232,688	0.11
	Reported Totals	199,677,067	94.48
	Not Reported	11,661,075	5.52
	Company Total	211,338,142	100

APPENDIX I (CONT'D)

(iii) Directors' Shareholding

The Directors named below held the following number of shares in the Company at 30 June 2014:

Ordinary Shares	2014	2013
Joseph Woahen Acheampong	3,279	3,279
Ebenezer Magnus Boye	1,283	1,283
Total	4,562	4,562

APPENDIX II

FIVE YEAR FINANCIAL SUMMARY

	2014 GH¢'000	2013 GH¢'000	2012 GH¢'000	2011 GH¢'000	2010 GH¢'000
Results					
Revenue	330,645	321,017	292,318	244,293	206,499
(Loss)/Profit before tax	(11,479)	27,868	33,217	462	(4,410)
Taxation	2,857	(9,591)	(8,212)	71	(230)
(Loss)/ Profit after taxation	(8,622)	18,277	25,005	533	(4,640)
Dividend paid	(3,656)	(5,072)	-	-	(8,921)
Retained (loss)/profit	(12,278)	13,205	25,005	533	(13,561)
Statement of Financial Position					
Property, plant and equipment	292,009	225,900	161,329	156,535	143,643
Intangible assets	2,698	3,154	3,615	5,503	7,291
Cash and cash equivalents	11,736	11,519	35,390	5,634	2,849
Other current assets	112,935	57,418	43,765	36,516	35,263
Total assets	419,378	297,991	244,099	204,188	189,046
Total liabilities	(278,759)	(145,189)	(105,142)	(158,492)	(143,883)
	140,619	152,802	138,957	45,696	45,163
Share capital	96,252	96,252	96,252	26,252	26,252
Retained earnings	44,367	56,550	42,705	19,444	18,911
	140,619	152,802	138,957	45,696	45,163

Revenue collected for Government					
Excise duty	62,060	92,888	92,900	81,426	51,169
Sales tax/value added tax	65,075	63,230	57,471	48,339	38,748
	127,135	156,118	150,371	129,765	89,917
Statistics					
EPS (GH¢)	(0.041)	0.086	0.133	0.003	(0.03)
Dividend per share (GH¢)	0.02	0.02	-	-	0.02
Net asset per share (GH¢)	0.67	0.72	0.74	0.28	0.27
Current ratio	1.22:1	0.56:1	0.99:1	0.33:1	0.47:1
Return on shareholders' fund (%)	(6.13)	11.96	17.99	1.17	(10.27)
Return on net sales value (%)	(2.61)	5.69	8.55	0.22	(2.25)

PROXY FORM

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

	Resolution	For	Against
1.	To approve the payment of a dividend		
2.	To re-elect Oladele Ajayi as a director		
3.	To re-elect Stephen Nirenstein as a director		
4.	To re-elect Prince William Ankrah 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 29th October 2014 at the African Regent Hotel, Accra.

*I/We.. being a member(s) of GUINNESS GHANA BREWERIES LIMITED hereby appoint **:.. or failing him the Chairman of the Meeting as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 29th October 2014 and at any adjournment thereof.

Dated this .... day of .... 2014 ....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 27th October 2014: The Registrars, Universal 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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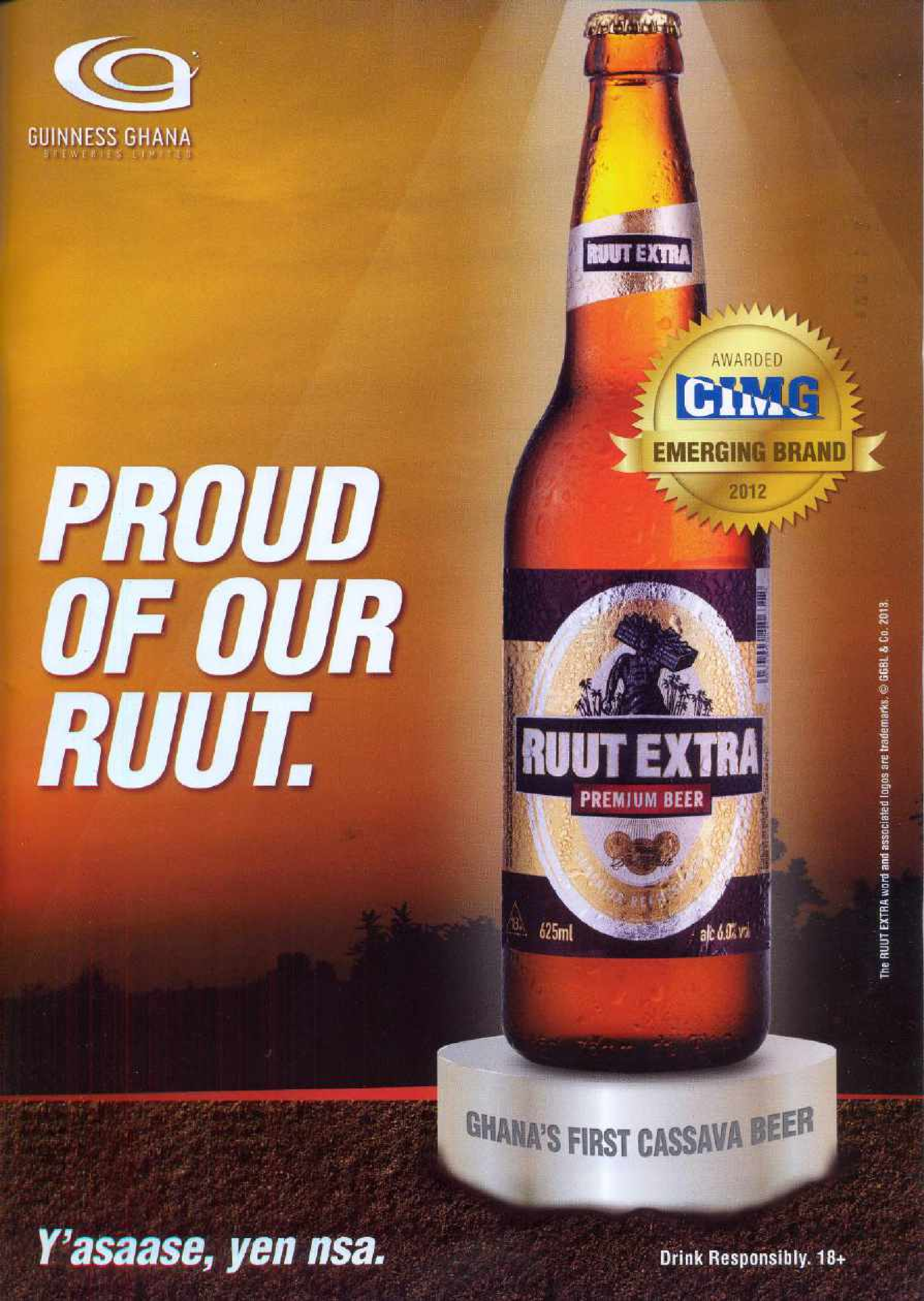
JOHNNIE WALKER

NOTES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BREWERIES LIMITED
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PREMIUM BEER
625ml
GHANA'S FIRST CASSAVA BEER
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Drink Responsibly. 18+
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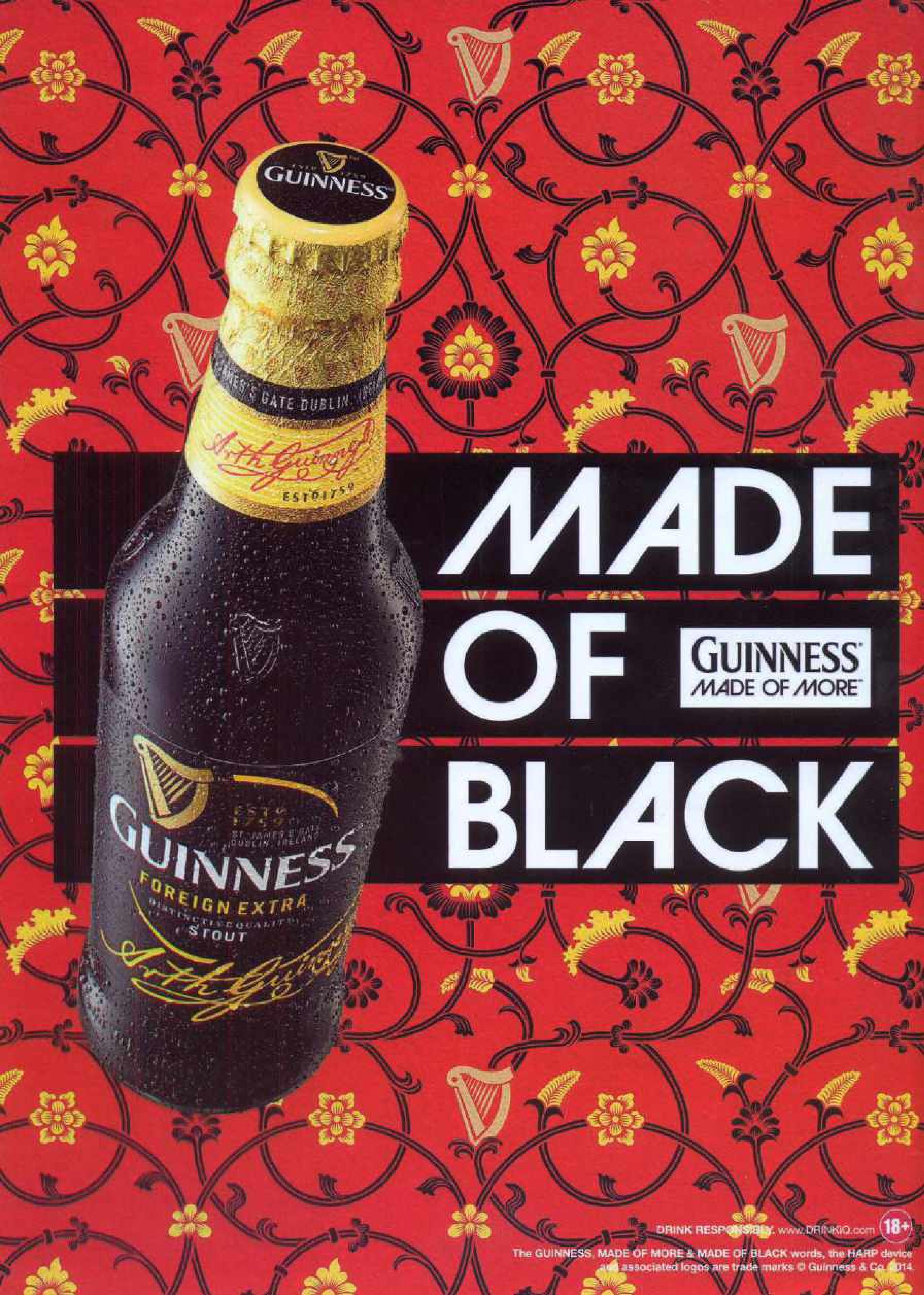
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