GUINNESS GHANA
BREWERIES LIMITED

2015
ANNUAL REPORT
& FINANCIAL STATEMENTS

The Most Vibrant and Iconic Business in Ghana

DRINK RESPONSIBLY 18+

CONTENTS

01 CORPORATE INFORMATION

Board of Directors:

David Harlock *(Chairman)*
Peter Ndegwa *(Managing Director)*
Ebenezer Magnus Boye
Agnes Emefa Essah *(Resigned in July 2014)*
Ekwunife Okoli
Prof. Joseph Woahen Acheampong *(Resigned in May 2015)*
Oladele Ajayi *(Resigned in May 2015)*
Stephen Nirenstein
Prince William Ankrah
Preba Greenstreet *(Appointed in September 2014)*
Mark Sandys *(Appointed in October 2014)*
Martyn Mensah *(Appointed in October 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
123 Kwame Nkrumah Avenue
Sethi Plaza
Adabraka - Accra

Solicitors:

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
Guaranty Trust Bank (Ghana) Limited
Standard Chartered Bank (Ghana) Limited
Societe Generale Ghana
Stanbic Bank (Ghana) Limited
Zenith Bank (Ghana) Limited

02 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 legal positions. He is currently the General Counsel Corporate Centre, Global Supply & Procurement for Africa, Turkey, Russia and Eastern Europe.

Peter Waititu Ndegwa

Managing Director as at June 30th 2015

Peter is an accomplished business professional with over 22 years' experience in roles spanning General Management, Sales, Strategy, Finance and Business Advisory across a number of sectors including manufacturing, FMCGs and financial services.

Peter's career started with PricewaterhouseCoopers [PwC] where he worked for 11 years, in a variety of senior roles both in Eastern Africa and in the UK.

Peter joined Diageo PLC in 2004 as Director of Strategy of East Africa Breweries Limited (EABL) – Diageo subsidiary in East Africa

Since December 2011, Peter has been the Managing Director and Board Member of Guinness Ghana Breweries Limited (GGBL).

Peter's professional qualifications include: MBA Finance and Strategy, London Business School, 1999; Advanced Management Program; University of IESE Spain & Strathmore University, 2008; Certified Public Accountant (CPA Finalist 1993); and BA Economics, University of Nairobi, 1992.

02 BOARD MEMBERS

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.

Mark Sandys

Non Executive Director

Mark Sandys is a graduate of Balliol College, Oxford University and has over fifteen years' experience working in Diageo. He is currently the Guinness Global Brand Director.

He has previously through the period of 1999 to 2014 in Diageo held the positions of Category Director for Whisky & Reserve in the Asia Pacific, Marketing & Innovation Director in Diageo Russia & Eastern Europe, Global Marketing Strategy & Innovation Director in respect of Baileys, Marketing Manager Gordon's Gin and Guinness Brand Manager.

02 BOARD MEMBERS

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 Harbour Authority. He was appointed to the GGBL Board in July 2004.

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.

02 BOARD MEMBERS

Martyn Mensah

Non Executive Director

Martyn Mensah holds a Master's in Business Administration and a Diploma from the Imperial College of Science, Medicine & Technology in London. He also holds a degree in Electrical and Electronic Engineering from the University of Bath in the United Kingdom.

Currently, Martyn is the Chief Executive Officer of UT Holdings, owners of a diversified Group of subsidiaries. He also serves on the board of UT Bank, Enablis Ghana, Maridav Ghana Limited, the Zawadi Foundation and the chairman of the board of Petra Trust, a pension's trustee.

Preba Efua Greenstreet

Executive Director

Preba joined Diageo about 9 years ago as the Legal Counsel and Company Secretary for Guinness Ghana (GGBL), she then moved into an Assistant Regional Counsel role for Africa based in London where she was instrumental in driving best practice and consistency around many areas for the legal team across Africa.

Preba has an in-depth knowledge in the areas of regulatory, tax and public policy gained from her previous positions within Diageo and her previous employment which include banking and international donor agencies.

She was the Corporate Relations Director of GGBL as at June 30, 2015.

02 BOARD MEMBERS

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 GGBL, 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.

03 NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of Guinness Ghana Breweries Limited will be held at the Golden Tulip Hotel, Kumasi on 27th January, 2016 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 2015 and the Report of the Auditors thereon.
2. To elect Directors.
3. To authorise the Directors to appoint and fix the remuneration of the Auditors.
4. To consider and if thought fit to pass ordinary resolutions authorising the Company to raise additional capital through a Renounceable Rights Issue and to approve the modalities of same.

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 Limited's offices not less than 48 hours before the meeting.

Dated this 5th day of November, 2015

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), Ebenezer Magnus Boye, Prince William Ankrah, Ekwunife Okoli, Preba Efua Greenstreet, Mark Sandys, Martyn Mensah, 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, Kweku Sekyi-Cann, Luck Ochieng.

Audit Committee

Ebenezer Magnus Boye and 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, 123 Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, P.O. Box GP 401, Accra, Ghana.

04 CHAIRMAN'S STATEMENT

Nananom, shareholders, ladies and gentlemen, welcome to the 43rd Annual General Meeting of Guinness Ghana Breweries Limited (GGBL).

Let me start by introducing the members of the Board who are here with us today.

Stephen Nirenstein: Stephen joined the Board in April 2014 and 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.

Simon Harvey: Simon replaced Ekwunife Okoli as Managing Director of the Africa Regional Markets in September. Africa Regional Markets is a division of Diageo that covers Ghana and all sub Saharan countries other than Nigeria and East and South Africa. Prior to joining Diageo, Simon was the Operations Director, West Africa and Managing Director with SABMiller based in Nigeria. Simon joined the board in September 2015.

Leo Breen: Leo is currently the Finance & Strategy Director for Africa Regional Markets. Between 2002 to 2006, Leo was the Finance Director for 16 markets in Southern Europe. He also worked as the finance director for Diageo China and joined the GGBL Board in September 2015.

Mark Sandys: He has over fifteen years' experience working in Diageo. He is currently the Guinness Global Brand Director. Mark was appointed to the board in October 2014.

Kofi Sekyere: Kofi is an experienced engineer with an extensive education and professional background spanning engineering and finance. He has worked in the US, UK and Africa and is currently the CEO of TAH Capital (Pty) limited based in Johannesburg, South Africa. Kofi joined the Board in September 2015.

Essie Humphrey-Ackumey: Essie has over 20 years' experience as a lawyer in Banking and Finance, Company Law and Practice, Human Rights, Insurance and Labour related issues. She is currently the Head of Legal and company secretary of GGBL.

Magnus Boye: Magnus is 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 and also a member of the GGBL Audit Sub-committee.

Martyn Mensah: Martyn is the Chief Executive Officer of UT Holdings, owners of a diversified Group of subsidiaries. He also serves on the board of UT Bank, Enablis Ghana, Maridav Ghana Limited, the Zawadi Foundation and the chairman of the board of Petra Trust a pension's trustee. Martyn was appointed to the Board in October 2014.

Prince William Ankrah: Prince William 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.

I welcome Martin, Kofi, Simon, Leo and Mark who have been appointed since 1 July 2014. I would also like to thank Professor Woahen Acheampong, Dele Ajayi, Preba Greenstreet, Peter Ndegwa, Ekwunife Okoli, Boudewijn Haarsma and Agnes Emefa Essah who resigned from the Board this year for their service to the Company in particular; Prof. Acheampong who served 21 years on the Board and Peter who was the MD for three and half years.

Business Environment and Performance

Ghana's economy continues to be challenged. In the financial year 1 July 2014 to 30 June 2015 producer price Inflation rate increased by 23.1%, the rate of inflation increased by 17.1% and the Ghana Cedi has depreciated by over 40% against major trading currencies.

The market experienced acute power shortage – 'dumsor' has become a household name in Ghana. This necessitated the need to generate power at twice the cost per kilowatt on the national grid. In the past two years, we have had to self-generate about 30% of our power requirements.

Subsidies on fuel and utilities have gradually been removed leading to utility price rises hikes and general increases in commodity prices.

GGBL has worked hard to deliver its plan against this backdrop which I appreciate impacts all of you in your daily lives. Let me remind you of GGBL's strategy – to be the best performing, most trusted and respected consumer product company and the most vibrant and iconic business in Ghana. There are 6 elements to this strategy:

Strengthening and Accelerating our Premium Core

The premium core brands are central to our business. They are Guinness FES, Star Lager, Malta Guinness, Johnnie Walker Red Label, Smirnoff Red Vodka and Baileys. True to our focus on strengthening these brands, we launched our iconic Guinness Made of Black campaign and stepped up our premium spirits with the Step Up to Spirits campaign. This year, our flagship Guinness FES returned to growth with its net sales value increasing by 12.5% and our premium spirits portfolio value by 48%.

Malta Guinness also grew by 40% in value. Our investment in Star Lager is yielding positive results. Star grew by 20.8% in value in the year under review.

Winning in Reserve

Reserve brands are the top end of our portfolio. These are Johnnie Walker Blue, Platinum and Gold Reserve Labels, Ciroc, Kettle One, Tanqueray 10, Singleton, Don Julio and Ron Zacapa.

To expand our reserve portfolio, we worked with key strategic premium outlets here in Kumasi, Accra and Takoradi to ensure these brands were consumed with the right quality experience. The reserve business grew by 74%.

Innovating at Scale to meet new consumer needs

Innovation is about extending the choice from existing brands or creating entirely new brands or even new types of alcoholic or non-alcoholic drinks such as Orjin and Star Lite. In line with our commitment to increase the usage of local materials in our product, we also introduced Top Malt made from 70% sorghum sourced from the northern part of Ghana.

Route to Consumer (RTC)

Last year I shared our decision to restructure what we call our route to consumer – basically, how we deliver our products to the final consumer. We have made some significant strides as well; we have expanded and built the capability of our sales force to deliver improved services to our customers. We have also automated our sales operations to be more effective and increase sales. This has increased sales in trade and also helped us sell more of our innovation brands.

Driving out cost to invest in growth

We have streamlined our operations across sites to be as efficient as possible. With the rising cost of utilities and operations, we identified sustainable ways of operations to guarantee the long term existence of our business. Let me give you a few examples, through driving attitudinal change and ownership throughout the business, our equipment efficiency improved by 30%; waste by 20% and energy by 20%. In recognition of this effort, our site here in Kumasi was adjudged the best in waste management in Diageo Africa.

Guaranteeing our plans with the right people and capabilities.

In the course of the year we appointed Eric Senanu Adadevoh as Human Resource Director, Nick Cook – Commercial Director, Spirits and Customer Marketing, Luck Ochieng as the Sales Director and Kweku Sekyi-Cann as the Marketing Director.

CHAIRMAN'S STATEMENT CONT'D

We recorded great results from our annual employee survey which is a testament to how our employees feel about our business.

Overall, we delivered our expected plan despite the many challenges and I am confident in our current trajectory to deliver our strategy.

To build an iconic business, we remain committed to shape the conversation and to lead industry's effort at preventing and reducing alcohol abuse. This year, for the second consecutive year, we invested the equivalent of 2% of our Advertising and Promotions spend on targeted initiatives and campaigns to reduce drink driving, educate and empower young adults and spearheaded an industrywide retailer programme to reduce alcohol abuse at the point of purchase.

Through effective monitoring and evaluation, we have established that these research based activities are delivering results that tackle alcohol abuse.

Another area of our business that we should all be proud of is the impact we are making through local sourcing. We will continue to challenge ourselves to innovate award winning premium products such as Ruut Extra Beer and Top Malt. We have increased the usage of local raw materials from 40% last year to 48% and remain committed to reach our goal of 70% by financial year 2019, thereby developing Ghana's supply chain, increasing our impact in local communities improving the livelihood of our local farmers and generating additional revenue for government.

Outlook

I am confident that the 2016 financial year will be even better. We have taken some bold decisions to ensure we deliver our strategy. We will invest behind our brands, challenge ourselves to innovate even more amazing brands and develop our people to drive this strategy. I value your support – whenever you celebrate do so with our brands.

Medase, Thank you.

05 REPORT OF THE DIRECTORS

TO THE MEMBERS OF GUINNESS GHANA BREWERIES LIMITED

The Directors, in submitting to the shareholders their report and financial statements of the Company for the year ended 30 June 2015, report as follows:

Directors' Responsibility Statement

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies 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.

Going Concern Consideration

The Company reported a loss for the year of GH¢45.5 million (2014: GH¢8.6 million) and as at 30 June 2015, the Company's current liabilities exceeded its current assets by GH¢33 million (2014: current assets exceed current liabilities by GH¢22.5 million).

The Company's liabilities are mainly due to related parties and the Company's suppliers. The Directors have put in place measures to increase productivity which would subsequently increase profitability and cash flow.

Based on the above, the Directors have assessed the situation and believe the Company will operate as a going concern.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

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 2015 (2014: Nil).

The Directors consider the state of the Company's affairs to be satisfactory.

Nature of Business

The Company manufactures, sells, and deals in alcoholic and non-alcoholic beverages and their ancillary products.

Holding Company

The Company is a subsidiary of Diageo Highlands BV, a Company incorporated in the Netherlands. The Ultimate Parent Company is Diageo Plc, a Company incorporated in the United Kingdom.

Changes in Directorship

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

- Agnes Emefa Essah resigned in July 2014, Prof. Joseph Woahen Acheampong and Oladele Ajayi resigned in May 2015.
- Preba Greenstreet was appointed in September 2014, Martyn Mensah and Mark Sandys were appointed in October 2014.

Directors Retiring and Seeking Re-Election

In accordance with the Companies Act, 1963 (Act 179), the Company's Regulations and Ghana Stock Exchange Rules the newly appointed Directors namely Martyn Mensah and Mark Sandys and existing Director Ebenezer Magnus Boye will retire and seek re-election at the next 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 22 September 2015 and signed on its behalf by:

Peter Ndegwa *(Managing Director)*

Stephen Nirenstein *(Finance Director)*

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. GBBL 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's controls and procedures;
- provides oversight of the Company's strategic aims, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives, as well as reviewing management performance;
- upholds the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met; and
- ensures timely and accurate financial reporting to shareholders.

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

THE EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee is made up of the Managing Director and all the other functional directors and is responsible for the day to day management of the company and for all the operational aspects of the business. The committee meets regularly to review the performance of the business, to assess the operations of the business, to devise and implement strategic pathways for the company and to ensure that adequate internal controls and compliance system are in place and that they are adhered to.

The committee also identifies the company's risk profile and ensures that all the relevant steps are taken to mitigate and address the said risks.

AUDIT SUB-COMMITTEE [ASC]

The audit sub-committee [ASC] of the board is normally comprised of three directors two of whom are non-executive directors. One of the members however retired in May. The ASC is 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.

CORPORATE GOVERNANCE REPORT

NOMINATIONS COMMITTEE

The Nominations Committee is comprised of two directors. The Nominations Committee makes recommendations to the board on all matters concerning corporate governance and directorship practices including development of corporate governance guidelines, evaluation of the board, committees and individual directors, identification and selection of new board nominees, and oversight of the Company's policies relating to social and environmental issues. The Nominations Committee also evaluates and recommends compensation for Non-executive directors. The Nominations Committee met two times this year and had very productive deliberations on issues in respect of corporate governance and the appointment/nomination of directors and the remuneration of non - executive directors.

RISK MANAGEMENT AND INTERNAL CONTROL

Your Company is proud of its commitment to 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.

SUSTAINABILITY & RESPONSIBILITY

Empowering communities, transforming lives, shaping the space for responsible alcohol use

True to our core belief in growing together with our local communities, we continue to invest to enrich and empower local communities through our local sourcing and community investment agenda.

This financial year, we scaled up our investment in our Alcohol in Society programmes driving measured and targeted campaigns to educate, prevent, change attitudes and behaviours towards alcohol misuse.

Alcohol in Society Programme

A driver being tested for alcohol by the Twa Kwano Mmom team. ***Insert:*** *Former Greater Accra Regional Chairman of the National Road Safety Commission, Mr. Wuako, presenting an dummy fuel coupon to a winning driver.*

We continue to shape the conversation and to lead industry's effort at preventing and reducing alcohol abuse. This financial year, for the second consecutive year, we invested the equivalent of 2% of our A&P spend on targeted initiatives and campaigns to reduce drink driving, educate and empower young adults and spearheaded an industry wide retailer programme to reduce abuse at the point of purchase.

We scaled up our groundbreaking Twa Kwano Mmom (Go the distance instead) Don't Drink and Drive campaign across 7 major transport terminals in 3 regions namely – Tudu, Ashaiman, Achimota and Kaneshie in the Greater Accra Region, Tantri in the Central Region, Kejetia and Asafo in the Ashanti region. Twa Kwano Mmom is an integrated campaign comprising education, a voluntary and incentivized breathalyser testing component with embedded measurement and evaluation to track attitudinal and behavioural change. Overall, the campaign directly impacted 2,000 commercial drivers across the participating transport terminals. As part of the campaign, we collected 2,000 signatures of drivers committing not to engage in drink driving.

Overall, a total of 20,000 breathalyser tests were conducted between 08 December 2014 and 16 January 2015 – out of the 9,700 tests conducted in the first 4 weeks of the campaign only 17 drivers representing 0.01% tested positive for alcohol above the mandated Blood Alcohol Concentration (BAC) of 0.08.

These drivers were prevented from driving out of their terminals and handed over to their union executives to be appropriately sanctioned.

Out of the over 11,000 tests conducted from the 4th – 6th week, not a single test recorded BAC levels above 0.08 meaning no driver attempted to drink and drive.

These phenomenal results are a clear reflection that through the Twa Kwano Mmom campaign, drivers are increasingly becoming aware, acting responsibly and challenging their fellow drivers not to engage in drink driving.

These results also demonstrate that our commitment and investment to prevent drink driving in line with the CEO's commitment is yielding positive results.

SUSTAINABILITY & RESPONSIBILITY

Our innovative What's Your DrinkiQ programme – targeted at young adults in tertiary institutions was activated at the University of Ghana in conjunction with the Institute of African Studies and the department of psychiatry, University of Ghana School of Medicine and Dentistry. In total 1,900 students successfully went through the programme and were equipped to make informed choices with regards to alcohol use and empowered to be responsible drinking ambassadors. All participating students were presented with a certificate of participation.

What's Your DrinkiQ, now in its third year has cumulatively impacted close to 6,000 young adults and research findings show that on average, the programme increases the knowledge of participants about alcohol by 80% across board.

Our Local Sourcing programme – driving innovation, supporting livelihoods

Our Local Raw Materials (LRM) agenda remains resolute with increasing use of local raw materials for our production. We have further improved our usage from 40% last year to 48% and remain committed to reach our goal of 70% by F19, improving the impact of the programme throughout the value chain. To demonstrate our commitment to this agenda, we introduced Top Malt, an affordable malt drink made from 70% of sorghum sourced from the Northern region of Ghana. We continue to challenge ourselves to innovate premium products such as Ruut Beer, Ghana's first Cassava beer and Top Malt with our local raw materials which will develop our supply chain, improve the livelihood of our local farmers and generate additional revenue for government.

We are proud to share that our investment has created additional 1,693 new jobs through the supply chain and added 4,602 farmers to the sorghum and cassava value chain in Ghana. With the support of our partners – Barclays Bank, Root Capital, AgDevCO, Yara, Concern Universal and AGRA, we are certain to further increase the impact throughout the value chain.

Water of Life Programme

Access to clean drinking water and adequate sanitation remains critical to the development and empowerment of local communities. Since 2007, we have responded to the call to create thriving communities through the sustainable provision of potable water and sanitation facilities to some of the most vulnerable communities across the country.

This financial year, GGBL and the Diageo Foundation have together invested GHC 1.26M through our flagship Water of Life programme to provide sustainable access to clean drinking water to 108,000 beneficiaries across 10 communities. In line with our renewed strategy to invest in communities we directly operate or source locally, 9 out of these projects are directly in communities we source local raw materials for our production. Communities such as Asempaneye, Bewuanum, Pabionkor, Fianko, Fianko Akura, Mayenda, Gyan Nkwanta and the Bawdjiase Health Centre in Central region have been provided with mechanised boreholes and boreholes with hand pumps. Akomade, a farming community in the Atebubu Amantin district and Alogboshie – a peri-urban community close to our Achimota Brewery has been provided with mini water treatment plants known as WaterHealth Centres with a combined capacity to treat 130,000 liters of water daily.

Through the Water of Life programme, we continue to enrich lives and empower local communities.

Alogboshie: The very site before and after the construction of the WaterHealth center now providing over 12,000 inhabitants with access to clean drinking water.

Employee Volunteering Programme

This financial year, we launched Helping Hands, our new employee volunteering programme that seeks to empower employees to be the change they want to see in their communities. Helping Hands provides employees with the opportunity to volunteer in a cause or project they are passionate about with matched funding and support from the business. Through this platform, we aim to expand our footprint and shape the space with regards to employee led volunteering initiatives in the country.

GUINNESS GHANA BREWERIES LIMITED

LOCAL SOURCING PROGRAMME

Building a Strong Economy to Improve Livelihoods

Background

Before 2012,
GGBL sourced

12%

of local raw materials for production.
The rest of the 88% were imported.

November 2012

The government of Ghana introduced a concessionary excise for breweries to use local raw materials for the production of beer and non-alcoholic beverages.

We worked on innovating and re-engineering our brands.

GGBL now sources between 366 - 500 tonnes of local cassava per year, providing ready market to cassava farmers.

We created Ruut Beer using cassava as the raw material

The cost of sourcing local maize by GGBL has increased by 111% increasing its demand by 33% since 2012.

We started using Maize in our lagers, stout and Malta

The cost of sourcing sorghum by GGBL has increased by 143%. The number of farms producing sorghum has increased from 4500 in 2012 to 7000.

We created Top Malt using Sorghum as the raw material

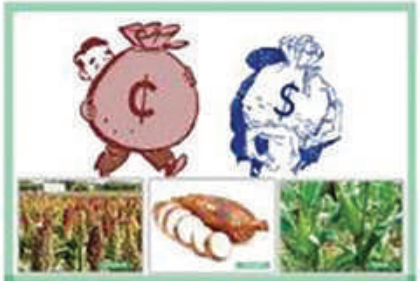
2015
GGBL increased local inputs to

48%

By 2020
GGBL projects a local input of

80%

REDUCTION OF IMPORT BILL



USING LOCAL RAW MATERIALS = LESS IMPORTS

BENEFIT TO LOCAL FARMERS

Local farmers now enjoy an improved standard of living, housing, improved education and health care for their families under the LRM initiative.

GOVERNMENT REVENUE

Increased economic activity will lead improved revenue throughout the value chain and help the Cedi grow stronger.

ILLICIT ALCOHOL USAGE

LRM enables lower priced premium alcoholic beverages for consumers. This should reduce the consumption of illicit alcohol.

In order to meet this target, GGBL is investing an additional

GH¢ 76,000,000

over the next 3 years

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

E.Coli, Salmonella typhi, Hepatitis A, Cholera vibrios

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

A+ 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.

Issah 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

Alimatu, 11 year old pupil of Kpembe local school

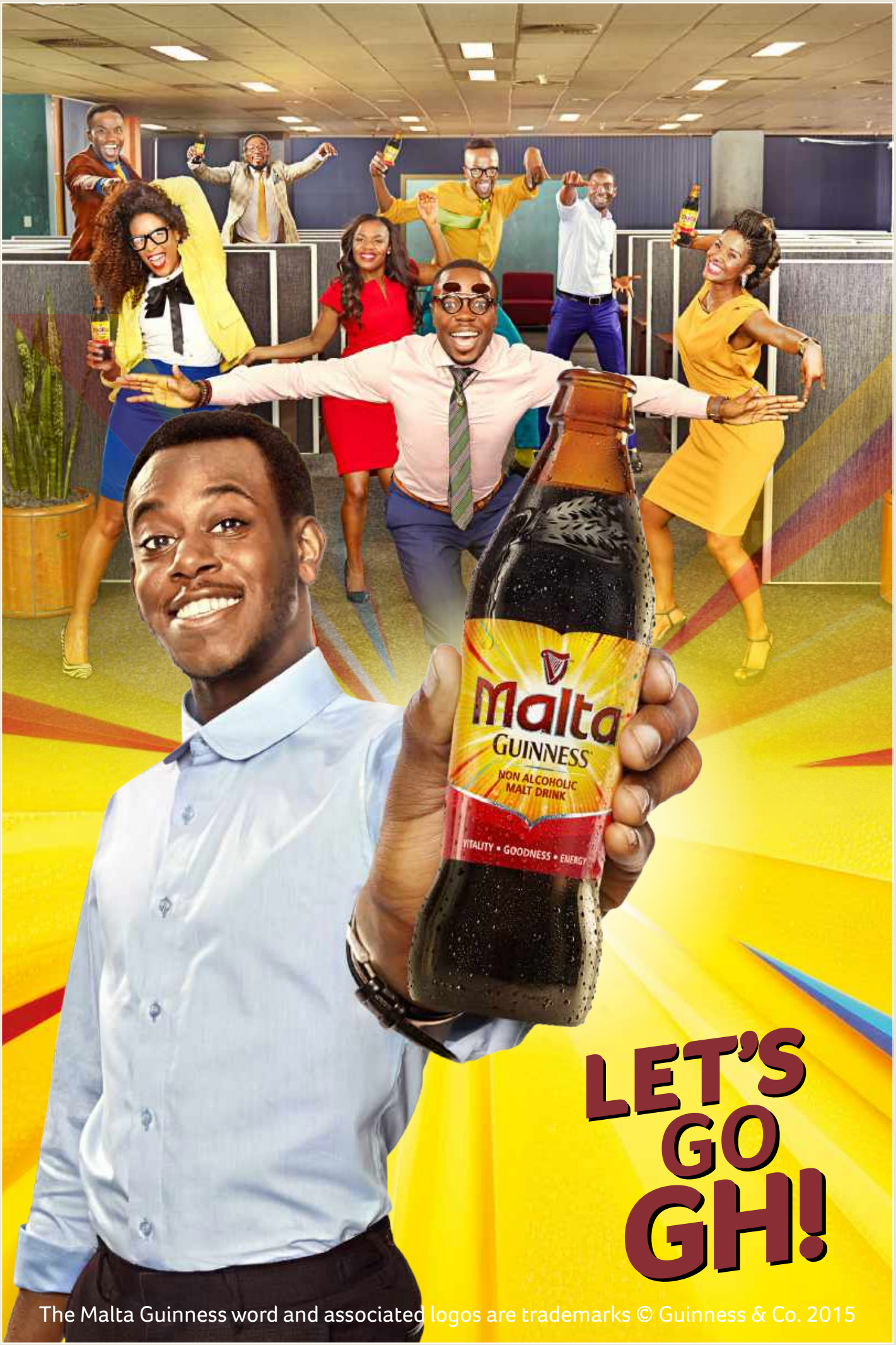
Before the centre opened, I did not enjoy fetching water from the river because all my friends used to laugh at me. But now they all join me to fetch water from the centre.

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

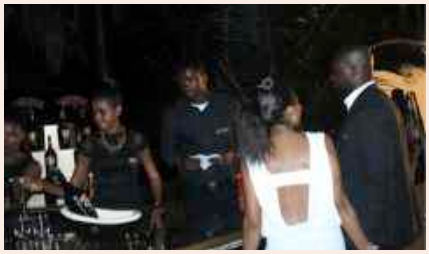
My family and I had no choice but to use unclean water from the river. Now that the WaterHealth centre has been opened, it has provided us with clean drinking water and I now have clean water for my koko and akala business. Thank you Guinness Ghana

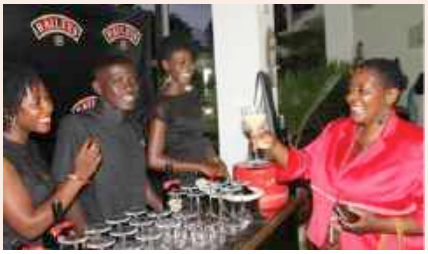


IGNITING CONSUMER PASSION THROUGH BOLD EXECUTIONS

Baileys Valentine's Day and Mother's Day

February and May 2015 were exciting months for Baileys with Valentines and Mother's Day activities. Consumers were sampled at various locations in Accra, Kumasi and Takoradi and Baileys was highlighted as the most appropriate gift for women for both occasions. Brilliant floor displays at malls and red bows on every bottle of Baileys ensured that shoppers were attracted to the spirit aisles to purchase Baileys for their special women. Baileys also partnered with Fiesta Royale Hotel, Joy FM and Starr FM to reward special women with a dinner treat on Valentine's Day. Mothers were not left out on Mother's Day with partnerships with Jandel, Vlisco and Access bank for special events for our gorgeous women. These activities were complemented with radio, PR and print.





Star Lite Launch - Ghana's First Lite Beer

Star Lite was launched in February at The Royal Senchi. As the pace setters in innovations in Ghana, we re-entrenched our position with the launch of Star Lite, Ghana's first lite Beer! It gives consumers an alternative to regular beer for all drinking occasions. It is extra cold brewed and ice cold filtered to give it a crisp refreshing taste. It also has 25% less calories than regular beer with a 4% Alcohol by Volume (ABV) and has No Added Sugar.

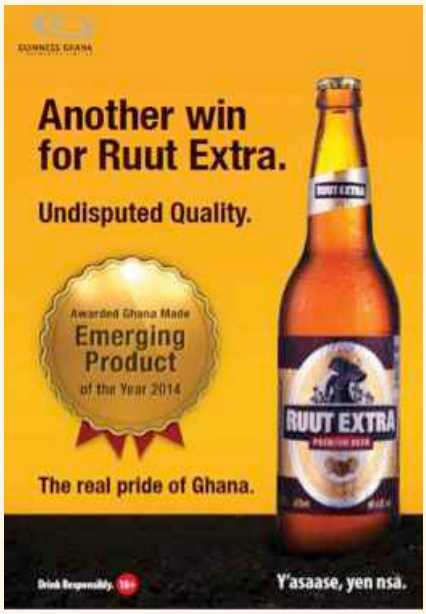
Star Lite is made with only natural ingredients. It comes with a special cold protection crown cork that locks in the freshness of the beer inside the bottle. It also has an innovative temperature sensitive label that turns blue when the beer is cold enough to drink. This innovative feature gives consumers the best taste every time and makes Star Lite a true first in Ghana.

Ruut Extra – Ghana Made Emerging Product of the Year 2013

Ruut Extra Beer was launched in Ghana in December, 2012 as the first Cassava based beer produced after the passsing of the local raw material Act by government to encourage the use of local raw materials. Due to its quality and refreshing taste that comes at value to consumers, its acceptance was phenomenal hence it was awarded CIMG Emerging Brand of the Year 2012. Ruut Extra was again awarded Ghana Made Emerging Product of the Year 2013 due to its contribution to nation building as a brand for the Ghanaian.

Ruut Exra is brewed to the highest international standards and packaged in a 625ml brown bottle with an ABV of 6%. It is a unique beer with a refreshing taste at an affordable price of Gh¢ 2.50 and can be found in all mass and mainstream bars across Ghana

Ruut Extra…… Y'asaase yen nsa!!! (Our Land, Our Beer!!!)



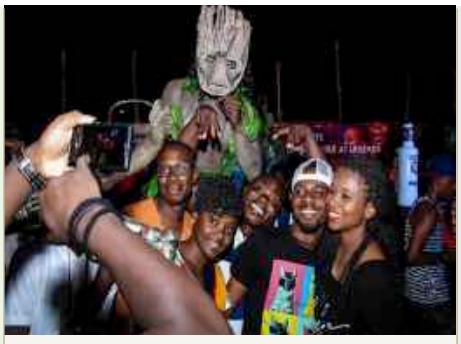
IGNITING CONSUMER PASSION THROUGH BOLD EXECUTIONS

Launch of Orijin in Ghana

As the leading beverage business in Ghana, the introduction of ORIJIN Bitters in January 2015 offered GGBL the opportunity to bring quality and fun to herbs. GGBL prides itself in operating with a clear understanding of the Ghanaian culture and ventured into the ever growing Bitters segment of the alcoholic beverages industry with a quality herbal and fruit based liquid; ORIJIN Bitters and Orijin Ready to Drink (RTD)

Herbs, which is an integral part of our culture plays an important role in our African tradition, and provided the inspiration for the creation of **ORIJIN, which is made from original African herbs, fruit and alcohol.** Orijin was officially introduced in Accra and Kumasi in January, 2015.

ORIJIN…..ORIJINAL AFRICAN HERBS & FRUITS



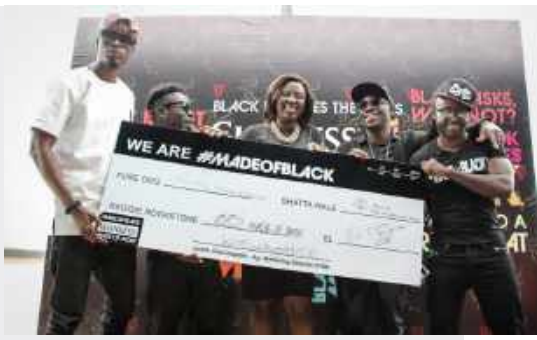
Smirnoff Ice Double Side Campaign

The Smirnoff Ice Double Side campaign was launched on July 1st 2014 to give young adults (18+) the opportunity to break free from their typical lifestyles.

The campaign was an integration of fun activities on social media and on-ground activations that provided the platform for young adults to socialize and relieve stress in responsible and exciting ways.

The campaign was centered on the belief that everyone has a different side to them and thereby encouraged people to show their other side; their super fun side; the side that their friends are not aware of.

There was a media launch in September 2014 with the first 3D experience at the Silverbird cinema at Accra mall. This was followed in October by a big double side beach party dubbed Jungle Rave and in-bar activations dubbed double dice. These activities were complemented by radio sponsorships, digital and PR. In March 2015, an exciting consumer promotion was launched where consumers who enjoyed Smirnoff Ice in over 1300 participating bars and pubs, instantly won various exciting prices including free drinks, earphones and many more.



GUINNESS UNVEILS GROUND BREAKING CAMPAIGN -#MADEOFBLACK

Guinness unveiled its groundbreaking Campaign on 27th August 2014 dubbed #MADEOFBLACK! The Campaign was successfully launched on MTV Base across Africa.

#MADEOFBLACK is our simple idea that aims to unify and celebrate a young generation of Africans who have the confidence to carve their own path, all under one thought. It speaks to a renaissance generation who are challenging what has gone before to realise their potential and are not afraid to do things differently and dance to a different beat.

Across the country, the fresh progressive spirit of the new generation of Africans continues to make its mark. The movement is being driven by those with a Made of Black attitude and is being fuelled by creative individuals with imagination and flair who are pushing the boundaries and aren't afraid to express themselves. Individuals like Shatta Wale, Reggie Rockstone, El and Fuse ODG , who are our ambassadors for Ghana.

Madeofblack campaign recently picked two awards from the Cannes festival-a Gold Lion at the Cannes Lions in the Film category. It was also awarded a Bronze Lion in the Film Craft category; laying credence to the quality and depth of the Campaign.

Guinness is now back in growth and has recorded growth in trade depletions and equity performance as a result of the #Madeofblack Campaign and In Bar activations.

06 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 2015, 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 23 to 53.

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 2015 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/1369)

FOR AND ON BEHALF OF:

KPMG: (ICAG/F/2015/038)

CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELENKPE

P O BOX GP 242

ACCRA

22nd September, 2015

07 STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 GH¢'000	2014 GH¢'000
ASSETS			
Property, plant and equipment	12	336,091	291,473
Intangible assets	13	2,698	3,234
Total non-current assets		**338,789**	**294,707**
Inventories	14	66,370	79,121
Trade and other receivables	15	24,391	33,182
Amounts due from related parties	23(ii)	2,278	632
Bank balances	16	48,826	11,736
Total current assets		**141,865**	**124,671**
Total assets		**480,654**	**419,378**
EQUITY AND LIABILITIES			
Share capital	20(i)	96,252	96,252
Retained earnings	20(ii)	(1,070)	44,367
Total equity		**95,182**	**140,619**
Deferred tax liability	11(iv)	3,522	10,102
Obligations under finance lease	19	8,548	5,586
Intercompany loan	23(iii)	196,896	159,663
Employee benefit obligations	25	1,481	1,259
Total non-current liabilities		**210,447**	**176,610**
Bank overdraft	17	24,018	18,414
Current tax liability	11(ii)	276	203
Short-term loans	18(i)	-	2,941
Obligations under finance lease	19	3,299	2,081
Trade and other payables	22	87,386	44,657
Amounts due to related parties	23(i)	59,278	28,141
Provisions	26	768	5,712
Total current liabilities		**175,025**	**102,149**
Total liabilities		**385,472**	**278,759**
Total equity and liabilities		**480,654**	**419,378**

Director

Director

The notes on pages **[23 to 53]** form an integral part of these financial statements.

08 STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 GH¢'000	2014 GH¢'000
Revenue	6	437,348	330,645
Cost of sales	27	(334,174)	(259,585)
Gross profit		**103,174**	**71,060**
Advertising and marketing expenses	28	(32,029)	(32,685)
Administrative expenses	28	(52,431)	(28,481)
Other expenses	28	(35,622)	(27,145)
Other income	7	21,502	22,918
Results from operating activities		**4,594**	**5,667**
Finance income	10	54	30
Finance costs	10	(53,755)	(17,176)
Loss before taxation	8	**(49,107)**	**(11,479)**
Taxation	11(i)	3,636	2,857
Loss for the year		**(45,471)**	**(8,622)**
Other comprehensive income			
Items that are not subsequently reclassified to profit or loss:			
Actuarial gain on defined benefit obligations, net of tax	11(iv)(b)	34	**95**
Other comprehensive income		34	**95**
Total comprehensive income for the year		**(45,437)**	**(8,527)**
Basic earnings per share (Ghana cedi per share)	21	**(GH¢0.215)**	**(GH¢0.041)**
Diluted earnings per share (Ghana cedi per share)	21	**(GH¢0.215)**	**(GH¢0.041)**

The notes on pages **[23 to 53]** form an integral part of these financial statements.

09 STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Share Capital GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
30 June 2015			
Balance at 1 July 2014	96,252	44,367	140,619
Total comprehensive income			
Loss for the year	-	(45,471)	(45,471)
Other comprehensive income			
Actuarial gain on defined benefit obligations, net of tax	-	34	34
Total comprehensive income for the year	**-**	**(45,437)**	**(45,437)**
Balance at 30 June 2015	**96,252**	**(1,070)**	**95,182**
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**

The notes on pages **[23 to 53]** form an integral part of these financial statements.

10 STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 GH¢'000	2014 GH¢'000
Cash flows from operating activities			
Loss after tax		(45,471)	(8,622)
Adjustments for:			
• Depreciation	12	44,006	36,677
• Amortisation	13	536	456
• Profit on sale of property, plant and equipment	12	(21,026)	(8,532)
• Reversal of impairment provision for property, plant and equipment	12	-	(737)
• Impairment loss on trade receivables	28(iii)	57	431
• Finance cost	10	53,755	17,176
• Finance income	10	(54)	(30)
• Actuarial gain on long service awards		33	(168)
• Unrealised exchange difference		4,245	3,259
• Taxation	11(i)	(3,636)	(2,857)
		32,445	**37,053**
Changes in:			
• Inventories		12,751	(34,013)
• Trade and other receivables		9,004	(19,150)
• Trade and other payables		49,641	303
• Related party balances		9,737	(9,624)
• Employee benefit obligations		233	158
• Provisions		(4,944)	(1,800)
Cash generated from operating activities		**108,867**	**(27,073)**
Interest paid		(11,316)	(7,874)
Taxes paid	11(ii)	(2,881)	(2,319)
Net cash generated/(used) in operating activities		**94,670**	**(37,266)**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(83,032)	(97,220)
Proceeds from sale of property, plant and equipment	12	22,123	6,052
Interest received	10	54	30
Net cash used in investing activities		**(60,855)**	**(91,138)**

The notes on pages **[23 to 53]** form an integral part of these financial statements.

10 STATEMENT OF CASH FLOWS CONT'D

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 GH¢'000	2014 GH¢'000
Cash flows from financing activities			
Dividends paid		-	(3,656)
Repayment of bank loans		(2,941)	(5,670)
Repayment of finance lease		(2,509)	(1,097)
Intercompany loan received	23(iii)	-	135,120
Net cash from financing activities		**(5,450)**	**124,697**
Net increase/(decrease) in cash and cash equivalents		28,365	(3,707)
Cash and cash equivalents at 1 July		(6,678)	(4,169)
Effect of movements in exchange rates on cash held		3,121	1,198
Cash and cash equivalents at 30 June	16	**24,808**	**(6,678)**

The notes on pages **[23 to 53]** form an integral part of these financial statements.

11 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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 except for defined benefit obligations which are measured at present value of obligation using discount rate of long dated government bond at the reporting date.

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 have been rounded to the nearest thousand.

d. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

e. Assumption and estimation uncertainties

(i) Measurements of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. 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 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 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.

The Company recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in determining fair values is included in Note 29 financial instrument – fair values and risk management.

3. Significant Accounting Policies

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 liabilities are translated at historical exchange rates, if held at historical cost or exchange rates at the date that fair value was determined, if held at fair value and the resulting foreign

exchange gains and losses recognised in profit or loss or shareholders' equity, as appropriate.

(b) Financial instruments

The Company classifies non-derivative financial assets into the following categories: Loans and other receivables and classifies non–derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and liabilities – recognition and derecognition

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.

The Company derecognises a financial asset when the contractual rights to the cashflows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risk and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset 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.

(ii) Non-derivative financial assets – measurement

Loans and receivables

Loans and receivables comprise of bank balances, trade and other receivables and amount due from related parties.

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 rate method. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial.

(iii) Non-derivative financial liabilities – measurement

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 amoritised cost using the effective interest rate method.

Other financial liabilities comprise of bank overdraft, obligation under finance lease, amount due to related parties and trade and other payables.

(iv) 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, net of any tax effects are recognised as a deduction from equity.

(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 reflects 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. Leaseholds are depreciated over the unexpired period of the lease.

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 5 to 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.

(i) Social Security Contributions

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 recognised 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.

(b) 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.

(c) 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 costs

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 recognised 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 recognised 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 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	May 2014	1 January 2016
IAS 1	Disclosure Initiative	December 2014	1 January 2016
IFRS 15	Revenue from contracts with customers	May 2014	1 January 2018
IFRS 9	Financial Instruments	July 2014	1 January 2018

(q) New standards and interpretations not yet adopted (cont'd)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

The amendments to IAS 16 *Property, Plant and Equipment* explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment.

The amendments to IAS 38 *Intangible Assets* introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016 and early adoption is permitted.

The Company currently uses the straight-line method to calculate amortisation and depreciation on its intangible assets and property, plants and equipment. The rebuttable presumption being introduced by the amendments will thus not have any material consequences on the way in which the Company charges amortisation and depreciation.

Disclosure Initiative (Amendments to IAS 1)

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The amendments apply for annual periods beginning on or after 1 January 2016 and early application is permitted.

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 assessing the potential impact on its financial statements resulting from the application of IFRS 15, therefore the impact is currently unknown.

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

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 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. DETERMINATION OF FAIR VALUES

Some of the entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(ii) Cash and cash equivalents

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

11 NOTES TO THE FINANCIAL STATEMENTS CONT'D
FOR THE YEAR ENDED 30 JUNE 2015

(iii) Non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

5. OPERATING SEGMENT

	Alcoholic Beverages GH¢'000	Non-alcoholic Beverages GH¢'000	Spirits GH¢'000	Total GH¢'000
2015				
External revenue	**239,764**	**170,981**	**26,603**	**437,348**
2014				
External revenue	188,373	124,380	17,892	330,645

	2015 GH¢'000	2014 GH¢'000
Revenue		
In country of domicile	**437,348**	**330,645**
Non-current assets		
In country of domicile	**338,789**	**294,707**

6. REVENUE

	2015 GH¢'000	2014 GH¢'000
Gross sales value	**615,754**	**464,511**
Taxes collected for Government		
Excise duty	72,618	62,060
Value Added Tax	**91,856**	**65,075**
	164,474	**127,135**
Volume discounts	**13,932**	**6,731**
Net sales value	**437,348**	**330,645**

7. OTHER INCOME

	2015	2014
	GH¢'000	GH¢'000
Profit on disposal of property, plant and equipment	21,026	8,532
Income from assignment of leasehold interest in land*	424	11,647
Sundry income	52	2,091
Provision for restructuring no longer required	-	648
	21,502	**22,918**

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

8. LOSS BEFORE TAXATION

	2015	2014
	GH¢'000	GH¢'000
is stated after charging:		
Personnel costs (Note 9)	79,252	50,240
Directors' remuneration and expenses	3,727	1,981
Auditor's remuneration	135	120
Depreciation	44,006	36,677
Amortisation	536	456
Net exchange differences	**14,816**	**7,310**

9. PERSONNEL COSTS

	2015	2014
	GH¢'000	GH¢'000
Wages and salaries	55,351	32,228
Social security contributions	2,841	2,450
Contributions to provident fund	2,569	2,319
Defined benefit plan	147	191
Increase in liability for long service award	326	69
Other staff expenses	**18,018**	**12,983**
	79,252	**50,240**

The total number of staff employed by the Company at the reporting date was 569 (2014: 639).

10. FINANCE INCOME AND COSTS

	2015	2014
	GH¢'000	GH¢'000
Finance income – loans and receivables		
Interest on savings	**(54)**	**(30)**
Finance costs – financial liabilities measured at amortised costs		
Interest on intercompany loan	45,183	10,675
Interest on bank loans	5,929	5,479
Finance lease interest	2,506	969
Other finance cost	137	53
	53,755	**17,176**

11. TAXATION

	2015	2014
(i) Income tax expense	GH¢'000	GH¢'000
Current tax expense (Note 11(ii))	2,954	2,376
Deferred tax expense (Note 11(iv))	(6,590)	(5,233)
	(3,636)	**(2,857)**

(ii) Current tax

	Balance at 1/7/14 GH¢'000	Payments GH¢'000	Charge for the year GH¢'000	Balance at 30/6/15 GH¢'000
Corporate tax				
Up to 2013	(305)	-	-	(305)
2014	(1,860)	-	-	(1,860)
2015	-	(449)	13	(436)
	(2,165)	(449)	13	(2,601)
Capital gains tax	2,368	(2,432)	2,941	2,877
	203	**(2,881)**	**2,954**	**276**

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	2015	2014
	GH¢'000	GH¢'000
Loss before taxation	(49,107)	(11,479)
Income tax using the domestic tax rate (25%)	(12,277)	(2,870)
Non-deductible expenses	8,606	3,510
Non-taxable income	(4,290)	(6,107)
Tax incentives	1,371	-
Changes in estimates relating to prior years	-	234
Tax charged at different rate	2,954	2,376
Current tax charge	(3,636)	(2,857)
Effective tax rate	7%	25%
(iv) Deferred taxation		
(a) Movement in deferred tax balances		
Balance at 1 July	10,102	15,309
Release for the year	(6,590)	(5,233)
Deferred tax on actuarial gain in OCI	10	26
Balance at 30 June	3,522	10,102

11. TAXATION CONT'D

(b) Amount recognised in OCI

	2015			2014		
	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Measurement of defined benefit liability	44	(10)	34	121	(26)	95

(v) Recognised deferred tax assets and liabilities

2015	Net at 1/7 GH¢'000	Recognised in profit or loss GH¢'000	Recognised in OCI GH¢'000	Net 30/6 GH¢'000	Deferred tax assets GH¢'000	Deferred tax liabilities GH¢'000
Property, plant and equipment	22,797	3,401	-	26,198	-	26,198
Provision for doubtful debts	(261)	(31)	-	(292)	(292)	-
Stock provisions	(30)	(624)	-	(654)	(654)	-
Provision for pension	(269)	(69)	-	(338)	(338)	-
Provision for restructuring	(904)	778	-	(126)	(126)	-
Unrealised exchange differences	(1,438)	80	-	(1,358)	(1,358)	-
Unutilized capital allowance	(9,871)	(10,125)	-	(19,996)	(19,996)	-
Cumulative deferred tax on end-of-service benefits	78	-	10	88	-	88
Net tax liabilities (assets)	10,102	(6,590)	10	3,522	(22,764)	26,286
2014						
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

12. PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

2015	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 1/7/14	19,024	242,576	12,875	4,692	144,775	12,825	436,767
Additions	-	4,098	3,369	107	-	82,147	89,721
Disposals	(1,438)	(2,297)	(1,132)	-	(954)	-	(5,821)
Transfers	9,072	18,897	-	194	25,415	(53,578)	-
Reclassification	372	(372)	-	-	-	-	-
At 30/6/15	**27,030**	**262,902**	**15,112**	**4,993**	**169,236**	**41,394**	**520,667**
Accumulated depreciation							
At 1/7/14	2,930	72,200	6,142	2,331	61,691	-	145,294
Charge for the year	711	15,978	2,762	698	23,857	-	44,006
Released on disposals	(816)	(1,990)	(1,058)	-	(860)	-	(4,724)
At 30/6/15	**2,825**	**86,188**	**7,846**	**3,029**	**84,688**	**-**	**184,576**
Carrying amounts							
At 30/6/15	**24,205**	**176,714**	**7,266**	**1,964**	**84,548**	**41,394**	**336,091**

2014							
Cost							
At 1/7/13	9,273	172,583	8,301	4,230	119,935	28,125	342,447
Additions	-	877	4,712	22	-	96,522	102,133
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	**19,024**	**242,576**	**12,875**	**4,692**	**144,775**	**12,825**	**436,767**
Accumulated depreciation and impairment losses							
At 1/7/13	2,607	62,085	4,612	3,398	43,845	-	116,547
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	**2,930**	**72,200**	**6,142**	**2,331**	**61,691**	**-**	**145,294**
Carrying amounts							
At 30/6/14	**16,094**	**170,376**	**6,733**	**2,361**	**83,084**	**12,825**	**291,473**

12. PROPERTY, PLANT AND EQUIPMENT CONT'D

(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 2015, the carrying amount of leased assets was GH¢11.3 million (2014: GH¢7.3 million).

During the year, the Company acquired motor vehicles and equipment under finance lease of GH¢6.7 million (2014: GH¢5.4 million).

(c) Capitalised borrowing costs

Borrowing costs of GH¢Nil (2014: GH¢8 million) relating to the construction of a new packaging line was capitalised during the year with a capitalization average rate of nil (2014: 24%). The asset was transferred from capital work in progress to plant and machinery in 2014 when it was commissioned and ready for its intended use.

(d) Security

As at 30 June 2015, motor vehicles and coolers acquired under lease arrangements were held as security for the finance lease and overdraft from Stanbic Bank (Ghana) Limited.

Disposal of property, plant and equipment	**2015**	2014
	GH¢'000	GH¢'000
Cost	5,821	7,813
Accumulated depreciation	(4,724)	(7,193)
Net book value	1,097	620
Proceeds on disposal	(22,123)	(9,152)
Profit on disposal	(21,026)	(8,532)
Depreciation has been charged in the statement of comprehensive income as follows:-		
Cost of sales	41,277	34,430
General, administrative and selling expenses	2,729	2,247
	44,006	36,677

13. INTANGIBLE ASSETS

(a) Reconciliation of carrying amount

	2015			2014		
	Software	Capital Work-in Progress	Total	Software	Capital Work-in Progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost						
Balance at 1 July	10,743	536	11,279	10,743	-	10,743
Additions	-	-	-	-	536	536
Transfers	536	(536)	-	-	-	-
Balance at 30 June	11,279	-	11,279	10,743	536	11,279
Amortisation						
Balance at 1 July	8,045	-	8,045	7,589	-	7,589
Charge for the year	536	-	536	456	-	456
Balance at 30 June	8,581	-	8,581	8,045	-	8,045
Carrying amounts						
At 30 June	2,698	-	2,698	2,698	536	3,234

Amortisation of intangible assets is recorded in other expenses.

13. INTANGIBLE ASSETS CONT'D

(b) Security

As at 30 June 2015, there were no restrictions on title for intangible assets and no assets had been pledged as security.

14. INVENTORIES

	2015	2014
	GH¢'000	GH¢'000
Raw and packaging materials	28,831	32,173
Work-in-progress	3,154	3,110
Finished products	13,633	22,567
Engineering and consumables	15,405	14,532
Goods in transit	5,347	6,739
	66,370	**79,121**

As at 30 June 2015, there were no inventories pledged as security (2014: Nil).

15. TRADE AND OTHER RECEIVABLES

	2015	2014
	GH¢'000	GH¢'000
Trade receivables	15,988	11,039
Other receivables	7,368	19,910
Staff debtors	330	353
Prepayments	705	1,880
	24,391	**33,182**

The maximum amount due from officers of the Company during the year was approximately GH¢0.43 million (2014: GH¢0.35 million).

16. CASH AND CASH EQUIVALENTS

	2015	2014
	GH¢'000	GH¢'000
Bank balances	48,826	11,736
Bank balances (statement of financial position)	48,826	11,736
Bank overdraft (Note 17)	(24,018)	(18,414)
Cash and cash equivalents in the statement of cash flows	**24,808**	**(6,678)**

There were no restrictions on the Company's bank balances at the year end (2014: Nil).

17. BANK OVERDRAFT

	2015	2014
	GH¢'000	GH¢'000
Guaranty Trust Bank (Ghana) Limited	3,483	3,977
Barclays Bank of Ghana Limited	10,123	10,781
Societe Generale Ghana Limited	3,265	3,640
Standard Chartered Bank Ghana Limited	-	16
Stanbic Bank (Ghana) Limited	7,147	-
	24,018	**18,414**

17. BANK OVERDRAFT CONT'D

The terms of the overdrafts are as follows:

Guaranty Trust Bank (Ghana) Limited

The overdraft facility of GH¢10 million was arranged to pay local and foreign suppliers of raw materials as well as settlement of royalties and technical service fees. Interest accrues at 27% per annum and is subject to review in line with prevailing market conditions. This facility is supported by a letter of comfort from the Diageo Highlands B.V. The facility expires in February 2016.

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 4.57%. The facility is unsecured.

Societe Generale Ghana Limited

The overdraft facility of GH¢15 million was arranged to augment working capital. Interest on this facility is at 25% 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 the Parent Company. The facility will mature in July 2016.

Standard Chartered Bank Ghana Limited

The overdraft facility of GH¢5 million was arranged to augment working capital requirements. Interest on this facility was at 26% per annum subject to change in line with prevailing market conditions. The facility is unsecured.

Stanbic Bank (Ghana) Limited

The overdraft facility of GH¢10 million was arranged to augment working capital requirements. Interest on this facility is at Bank's Base rate plus a margin of 2.2% which is subject to change at the Bank's discretion. This facility is supported by a letter of comfort from Diageo Highlands B.V. The facility expires in February 2016.

18. SHORT AND MEDIUM-TERM LOANS

	2015	2014
	GH¢'000	GH¢'000
Stanbic Bank Ghana Limited	-	2,941
Due within 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 was at Stanbic base rate plus a margin of 2.57%. The loan was secured by present assets already held as security under the vehicle and asset finance facility granted to the customer as security for this facility as well. The loan was repaid during the year.

19. OBLIGATIONS UNDER FINANCE LEASE

	Future minimum lease payments 2015	Unearned interest 2015	Present value of minimum lease payments 2015	Future minimum lease payments 2014	Unearned interest 2014	Present value of minimum lease payments 2014
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Less than one year	6,423	3,124	3,299	3,627	1,546	2,081
Between two and five years	12,210	3,662	8,548	7,360	1,774	5,586
	18,633	**6,786**	**11,847**	**10,987**	**3,320**	**7,667**

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 26.37% per annum. Total principal lease payments made in the year totaled GH¢2.5 million (2014: GH¢1.1 million).

20. CAPITAL AND RESERVES

(i) Share Capital (Stated Capital)

(a) Ordinary shares	Number of Shares		Proceeds	
	2015	2014	**2015**	2014
	'm	'm	GH¢'000	GH¢'000
Authorised:				
Ordinary shares of no par value	400	400		
Issued and fully paid:				
For cash	83	83	77,051	77,051
For consideration other than cash	35	35	18,926	18,926
Transfer from retained earnings	93	93	275	275
	211	**211**	**96,252**	**96,252**

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

(b) Shares in treasury

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

(ii) Retained Earnings (Income Surplus)

This represents the residual of cumulative annual results.

21. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 30 June 2015 was based on profits attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

	2015	2014
	GH¢'000	GH¢'000
Loss attributable to ordinary shareholders	**(45,471)**	**(8,622)**
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.

22. TRADE AND OTHER PAYABLES

	2015	2014
	GH¢'000	GH¢'000
Trade payables	47,667	31,120
Non-trade payables and accrued expenses	39,719	13,537
	87,386	**44,657**

23. 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¢105 million (2014: GH¢97.8 million) were purchased from other related parties during the year.

c. Included in profit or loss is an amount of GH¢8.6 million (2014: GH¢12.2 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¢45.2 million (2014: GH¢10.7) was charged to profit or loss on account of loan from Diageo Finance Plc. Additional interest of GH¢Nil (2014: GH¢8 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 reporting date were as follows:

		2015	2014
(i)	*Amounts due to related parties*	GH¢'000	GH¢'000
	Diageo Great Britain	19,151	2
	Diageo Ireland Limited	15,833	12,708
	Diageo Plc	18	20
	Diageo Northern Ireland	-	8
	Diageo Scotland Limited	224	298
	Diageo Brands B.V	2,622	677
	Diageo North America Inc	1,155	809
	East Africa Brewery Limited	1,417	123
	Guinness Nigeria	2,430	1,694
	Guinness Cameroun S.A	86	12
	Sichuan Chengdu Shuijingfang Group	-	25
	Diageo Australia Limited	90	47
	Diageo South Africa (Pty) Limited	74	-
	Premium Beverage International B.V	1,666	2,415
	Diageo Finance Plc	4	-
	Diageo Finance Plc (Interest on loan)	14,508	9,303
		59,278	**28,141**
(ii)	*Amounts due from related parties*		
	Diageo Great Britain	652	74
	Kenya Brewery Limited	-	36
	Guinness Cameroun SA	949	110
	Meta Abo Brewery	638	301
	Diageo South Africa (Pty)	-	111
	Guinness Nigeria	24	-
	East Africa Brewery Limited	15	-
		2,278	**632**

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.

23. RELATED PARTY TRANSACTIONS CONT'D

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

(iii) Intercompany loan

	2015	2014
	GH¢'000	GH¢'000
Balance at 1 July	159,663	24,543
Additional loan	-	135,120
Capitalised interest	37,233	-
	196,896	**159,663**

(iii) Intercompany loan (cont'd)

The Company contracted an internal loan facility of GH¢270 million (2014: GH¢160 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 2016, all or any part of the principal amount of the Loan may be repaid at the option of the Company. Subsequent to this date, 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:

	2015	2014
	GH¢'000	GH¢'000
Short term benefits	7,825	3,599
Other long term benefit	1	1
	7,826	**3,600**

24. DIVIDENDS

Dividend of GH¢0.01729 per share amounting to GH¢3.7 million was declared and paid by the Company in 2014 for the year ended 30 June 2013.

The Directors do not recommend the payment of a dividend for the year ended 30 June 2015 (2014: Nil).

25. 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.

25. EMPLOYEE BENEFIT OBLIGATIONS CONT'D

(a) *Employee benefits liabilities*

	2015	2014
	GH¢'000	GH¢'000
Defined benefit liability	505	513
Liability for long service awards	976	746
	1,481	1,259

(b) *Movement in net defined benefit liabilities*

Balance at 1 July	513	713
Included in profit or loss		
Current service costs	29	27
Interest costs	118	164
	147	191
Included in OCI		
Actuarial gain	**(44)**	(121)
Others		
Benefits paid	**(111)**	(270)
Balance at 30 June	**505**	513

(c) *Actuarial assumption*

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

	2015	2014
Discount rate	21.69%	23.00%
Salary inflation	10.00%	10.00%

(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 2015	**Defined benefit obligations**	
	Increase	**Decrease**
	GH¢'000	**GH¢'000**
Discount rate (1% movement)	(98)	110
Salary inflation (1% movement)	43	(38)

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.

26. PROVISIONS

	2015	2014
	GH¢'000	GH¢'000
Restructuring	550	4,230
Royalties	218	1,482
	768	**5,712**
Restructuring		
Balance at 1 July	4,230	7,512
Additional provision made during the year	4,364	4,230
Amount used during the year	(6,315)	(6,864)
Unused amount reversed during the year	**(1,729)**	(648)
	550	**4,230**

This represents provision 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.

Royalties

	2015	2014
	GH¢'000	GH¢'000
Balance at 1 July	1,482	-
Provision made during the year	1,649	1,482
Amount used during the year	(2,262)	-
Unused amount reversed during the year	**(651)**	-
	218	**1,482**

This relates to royalties on Alvaro and Smirnoff Ice due to Diageo Great Britain and Diageo North America. The agreements had expired at the reporting date. A new agreement is yet to be registered with the Ghana Investment Promotion Council.

27. COST OF SALES

	2015	2014
	GH¢'000	GH¢'000
Direct production costs	161,823	106,163
Production overheads	127,233	115,881
Other costs	45,118	37,541
	334,174	259,585

The amount of inventories recognised as an expense during the year was GH¢162 million (2014: GH¢106 million).

28. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2015	2014
	GH¢'000	GH¢'000
(i) Advertising and marketing	**32,029**	**32,685**
(ii) Administrative expenses		
Staff cost	25,290	12,747
Auditor's remuneration	135	120
Insurance	1,919	1,598
Office related expenses	2,282	4,819
Professional/consultancy costs	1,612	2,591
Communication costs	726	720
Other costs	20,467	5,886
	52,431	**28,481**
(iii) Other expenses		
Depreciation and amortisation	3,265	2,703
Impairment allowance	57	431
Net foreign exchange differences	14,816	7,310
Sundry expenses	17,484	16,701
	35,622	**27,145**

29. 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.

	Carrying amount		Fair value	
2015	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 3**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Financial assets not measured at fair				
Trade and other receivables	23,686	-	23,686	23,318
Amounts due from related parties	2,278	-	2,278	
Bank balances	48,826	-	48,826	
	74,790	-	74,790	

29. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT CONT'D

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

	Carrying amount			Fair value
2015	Loans and receivables	Other financial liabilities	Total	Level 3
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Financial liabilities not measured at fair				
Trade and other payables	-	78,451	78,451	
Bank overdraft	-	24,018	24,018	
Obligation under finance lease	-	11,847	11,847	
Amounts due to related parties	-	59,278	59,278	
Intercompany loan	-	196,896	196,896	
	-	370,490	370,490	
2014				
Financial assets not measured at fair				
Trade and other receivables	31,302	-	31,302	31,052
Amounts due from related parties	632	-	632	
Bank balances	11,736	-	11,736	
	43,670	-	43,670	
Financial liabilities not measured at fair				
Trade and other payables	-	41,323	41,323	
Bank overdraft	-	18,414	18,414	
Bank loans	-	2,941	2,941	
Obligation under finance lease	-	7,667	7,667	
Amounts due to related parties	-	28,141	28,141	
Intercompany loan	-	159,663	159,663	
	-	258,149	258,149	

The fair value of trade and other receivables is based on discounted cash flow technique applying interest rate for risk free investments

(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

29. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT CONT'D

Risk management framework cont'd

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 risk

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:

	2015	2014
	GH¢'000	GH¢'000
Key distributors	15,988	11,039
Individuals and companies	7,368	19,910
Employees	330	353
	23,686	**31,302**

Impairment losses

The aging of trade receivables at the reporting date was:

	2015	2014
	GH¢'000	GH¢'000
Current (less than 30 days)	13,569	7,945
Due (31-120 days)	1,437	2,401
Impaired (more than 120 days)	2,263	1,917
	17,269	**12,263**
Impairment loss	**1,281**	**1,224**

29. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT CONT'D

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

	2015	2014
	GH¢'000	GH¢'000
Balance at 1 July	1,224	793
Impairment loss recognised	57	431
Balance at 30 June	**1,281**	**1,224**

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

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.

Bank balances

The Company held bank balances of GH¢48.8 million at 30 June 2015 (2014: GH¢11.7 million) which represents its maximum exposure. The bank balances are held with credit-worthy banks regulated by the bank of Ghana.

(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			
30 June 2015	**Carrying amount**	**Total**	**6mths or less**	**6-12mths**	**1-5years**
	GH¢	**GH¢**	**GH¢**	**GH¢**	**GH¢**
Non-derivative financial liability					
Trade and other payables	78,451	(78,451)	(78,451)	-	-
Bank overdraft	24,018	(24,018)	(24,018)	-	-
Obligations under finance lease	11,847	(18,633)	(3,211)	(3,212)	(12,210)
Amounts due to related parties	59,278	(59,278)	(59,278)	-	-
Intercompany loan	196,896	(247,556)	(50,660)	-	(196,896)
Balance at 30 June 2015	**370,490**	**(427,936)**	**(215,618)**	**(3,212)**	**(209,106)**

29. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT CONT'D

(ii) Liquidity risk

		Contractual cash flows			
	Carrying amount GH¢	Total GH¢	6mths or less GH¢	6-12mths GH¢	1-5years GH¢
30 June 2014					
Non-derivative financial liability					
Trade and other payables	41,323	(41,323)	(41,323)	-	-
Bank loan	2,941	(3,003)	(2,023)	(980)	-
Bank overdraft	18,414	(18,414)	(18,414)	-	-
Obligations under finance lease	7,667	(10,987)	(1,814)	(1,814)	(7,359)
Amounts due to related parties	28,141	(28,141)	(28,141)	-	-
Intercompany loan	159,663	(197,993)	(38,330)	-	(159,663)
Balance at 30 June 2014	**258,149**	**(299,861)**	**(130,045)**	**(2,794)**	**(167,022)**

(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).

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

30 June 2015	EUR '000	USD '000	GBP '000	ZAR '000	KES '000	AUD '000	XAF '000
Bank balances	2,426	3,192	265	-	-	-	-
Trade payables	(1,132)	(2,080)	(187)	-	(2)	-	-
Trade Receivables	-	322	-	-	-	-	-
Related company balances	(3,020)	(2,592)	(1,514)	(206)	(13,146)	(26)	(105)
Net exposure	**(1,726)**	**(1,158)**	**(1,436)**	**(206)**	**(13,148)**	**(26)**	**(105)**

30 June 2014							
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)**	**-**

29. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT CONT'D

The following significant exchange rates were applied during the year:

	Average Rate		Reporting Date	
	2015	2014	**2015**	2014
Cedis				
EUR 1	4.30	3.59	4.86	4.58
USD 1	3.62	2.51	4.36	3.35
GBP 1	5.69	4.19	6.85	5.73
ZAR 1	0.31	0.24	0.36	0.32
KES 1	0.04	0.03	0.04	0.04
AUD 1	2.94	2.30	3.36	3.17
XAF 1	0.006	0.005	0.01	0.007

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 "foreign 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

	2015			**2014**		
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	±13.02	1,092	(1,092)	±55.3	1,608	(1,608)
US$	±20.44	1,032	(1,032)	±33.29	(157)	157
GBP	±20.39	2,005	(2,005)	±38.66	(1,613)	1,613
KES	±2.56	-	-	±31.99	67	(67)
ZAR	±16.13	12	(12)	-	-	-
AUD	±14.29	99	(99)	±37.49	18	(18)

Interest rate risk profile

	Carrying amounts	
	2015	2014
	GH¢'000	GH¢'000
Fixed rate instruments		
Bank overdraft	**3,265**	**3,640**
Variable rate instrument		
Bank loans and overdrafts	20,753	17,715
Intercompany loan	196,896	159,663
Obligations under finance lease	11,847	7,667
	229,496	**185,045**

29. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT CONT'D

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 2014.

As of 30 June	2015			2014		
	% Change	Profit and Loss impact: GH¢'000	Equity GH¢'000	% Change	Profit and Loss impact: GH¢'000	Equity GH¢'000
Overdrafts and loans	±2%	±358	±358	±2%	±314	±314
Intercompany loan	±2%	±3,481	±3,481	±2%	±868	±868
Obligations under finance lease	±2%	±190	±190	±2%	±95	±95

30. CAPITAL COMMITMENTS

Capital commitments authorised but not expended for property, plant and equipment at the reporting date amounted to GH¢0.87 million (2014: GH¢3.3 million).

31. CONTINGENT LIABILITIES

Contingent liabilities, in respect of possible claims and lawsuits at the reporting date amounted to GH¢273,000 (2014: GH¢468,610). Judgement in respect of these cases had not been determined as at 30 June 2015. No provision has been made as professional advice on the case that it is unlikely that any significant loss will arise.

32. GOING CONCERN CONSIDERATION

The Company reported a loss for the year of GH¢45.5 million (2014: GH¢8.6 million) and as at 30 June 2015, the Company's current liabilities exceeded its current assets by GH¢33 million (2014: current assets exceed current liabilities by GH¢22.5 million).

The Company's main liabilities are mainly due to related parties and the Company's suppliers. The Directors have put in place measures to increase productivity which would subsequently increase profitability and cash flow.

Based on the above, the Directors have assessed the situation and believe the Company will operate as a going concern.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

12 Shareholder Information
Analysis of Shareholding

Appendix I

(i) Number of Shareholders

The Company had 4,541 ordinary shareholders at 30 June 2015 distributed as follows:

	Holding No. of Holders	Total Holding	% Holding
1 – 1,000	3,211	786,486	0.37
1,001 – 5,000	646	1,615,937	0.76
5,001 – 10,000	415	3,285,655	1.56
10,001 – 999,999,999	269	205,650,064	97.31
	4,541	211,338,142	100.00

(ii) List of twenty largest shareholders as at 30 June 2015

	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	12,713,049	6.02
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	0.40
9	SCBN/CITIBANK LONDON ROBECO AFRICA	482,632	0.23
10	SCGN/SCB MAURITIUS RE SKANDINA	439,732	0.21
11	SCBN/ELAC POLICY HOLDERS FUND	421,816	0.20
12	STD NOMS TVL PTY/BNYM/SANV/CORONATION ASSET MGT	394,662	0.19
13	SCBN/UNILEVER GHANA MANAGER'S PENSION FUND	341,660	0.16
14	STD NOMS TVL PTY/BNYM LUX/EAST	320,000	0.15
15	SCBN/EPACK INVESTMENT FUND LTD	316,083	0.15
16	SCBN/CHASE OFFSHORE 6179c	307,649	0.15
17	SCGN/JP MORGAN CHASE VICTORIE AFRICA INDEX	300,600	0.14
18	SCBN/STATE STREET LOND C/O SSB BOST	255,340	0.12
19	TEACHERS FUND	239,049	0.11
20	SCBN/ELAC SHAREHOLDERS FUND	229,163	0.10
	Reported Totals	199,797,513	94.54
	Not Reported	11,540,629	5.46
	Company Total	**211,338,142**	**100**

(iii) Directors' Shareholding

The Director named below held the following number of shares in the Company at 30 June 2015:

Ordinary Shares	2015	2014
Ebenezer Magnus Boye	**1,283**	**1,283**

13 FIVE YEAR FINANCIAL SUMMARY

Appendix II

	2015	2014	2013	2012	2011
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Results					
Revenue	**437,348**	**330,645**	**321,017**	**292,318**	**244,293**
(Loss)/profit before tax	(49,107)	(11,479)	27,868	33,217	462
Taxation	3,636	2,857	(9,591)	(8,212)	71
(Loss)/profit after taxation	(45,471)	(8,622)	18,277	25,005	533
Dividend paid	-	(3,656)	(5,072)	-	-
Retained (loss)/profit	**(45,471)**	**(12,278)**	**13,205**	**25,005**	**533**
Statement of Financial Position					
Property, plant and equipment	336,091	292,009	225,900	161,329	156,535
Intangible assets	2,698	2,698	3,154	3,615	5,503
Bank balances	48,826	11,736	11,519	35,390	5,634
Other current assets	93,039	112,935	57,418	43,765	36,516
Total assets	480,654	419,378	297,991	244,099	204,188
Total liabilities	(385,472)	(278,759)	(145,189)	(105,142)	(158,492)
	95,182	**140,619**	**152,802**	**138,957**	**45,696**
Share capital	96,252	96,252	96,252	96,252	26,252
Retained earnings	(1,070)	44,367	56,550	42,705	19,444
	95,182	**140,619**	**152,802**	**138,957**	**45,696**
Revenue collected for Government					
Excise duty	72,618	62,060	92,888	92,900	81,426
Sales tax/value added tax	91,856	65,075	63,230	57,471	48,339
	164,474	**127,135**	**156,118**	**150,371**	**129,765**
Statistics					
EPS (GH¢)	(0.215)	(0.041)	0.086	0.133	0.003
Dividend per share (GH¢)	-	0.02	0.02	-	-
Net asset per share (GH¢)	0.45	0.67	0.72	0.74	0.28
Current ratio	0.81:1	1.22:1	0.56:1	0.99:1	0.33:1
Return on shareholders' fund (%)	(47.77)	(6.13)	11.96	17.99	1.17
Return on net sales value (%)	**(10.40)**	**(2.61)**	**5.69**	**8.55**	**0.22**

PROXY FORM

For Company's Use

Number of Shares ……

Resolution	For	Against
1. To re-elect Mark Sandys as a director		
2. To re-elect Martyn Mensah as a director		
3. To re-elect Ebenezer Magnus Boye as a director		
4. To appoint Auditors		
5. To authorise the directors to fix the remuneration of the Auditors.		
6. To authorise the Company to raise additional capital through a renounceable rights issue.		
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 27th January, 2016 at the Golden Tulip Hotel, Kumasi.

*I/We..... being a member(s) of GUINNESS GHANA BREWERIES LIMITED hereby appoint **..... ..... or failing him the Chairman of the Meeting as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 27th January, 2016 and at any adjournment thereof.

Dated this …… day of …….. 2015

……..

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.

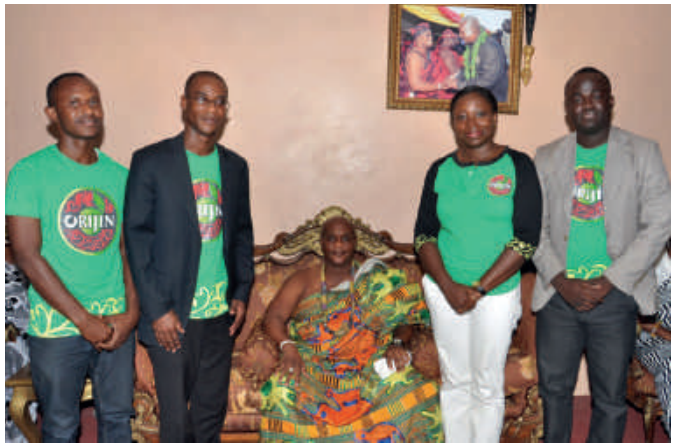
NOTES:

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 25th January, 2016: **The Registrars, Universal Merchant Bank Ghana Limited, Registrars Department, 123 Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, 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.

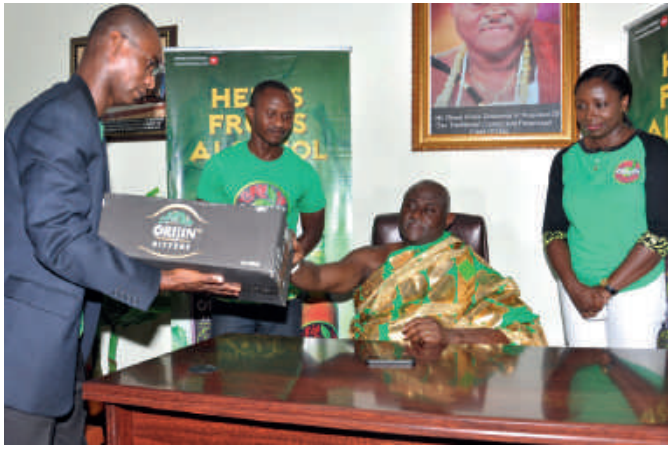
CELEBRATING TRADITION WITH ORIJIN

Kweku Sekyi-Cann (Marketing Director, GGBL) presenting a crate of Orijin Bitters

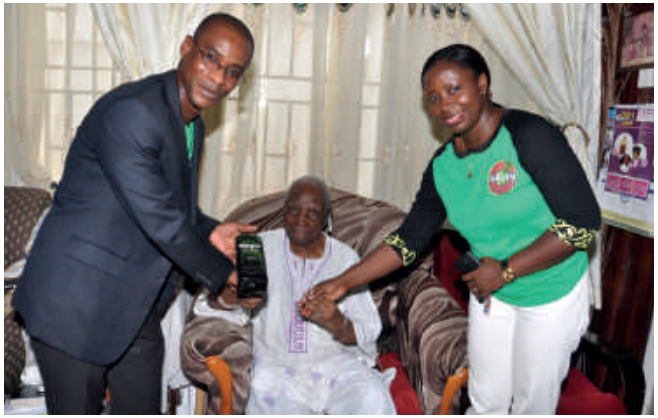
Orijin Bitters being served to the elders and the Osu Mantse (Nii Okwei Kinka Dowuona VI)



Ga Manste and staff of Guinness Ghana Breweries Limited pose for the cameras



Kweku Sekyi-Cann presenting a crate of Orijin Bitters to Nii Okwei Kinka Dowuona VI (Osu Manste)



Kweku Sekyi-Cann (Marketing Director, GGBL) and Rita Rockson (Communications Manager, GGBL) presenting a bottle of Orijin Bitters to Nii Kojo Ababio V (James Town Manste)

Nii Kojo Ababio V (James Town Manste) receiving some Orijin t-shirts from Rita Rockson & Kweku Sekyi-Cann

Ga Mantse honouring Kweku Sekyi-Cann

A Bottle of Orijin Displayed beside Ga Mantse

Ga Mantse served Orijin Bitters.

Nii Ayibonte II (Gbese Mantse) poses for a picture with his elders and staff of Guinness Ghana Breweries Limited (Home of Quality Beverages)

Kweku Sekpyi- Cann in a hand shake with Nii Ayibonte II (Gbese Mantse)

Nii Ayibonte Adams II (Achimota Manste) pouring libation with Orijin Bitters

Guinness Ghana Breweries Limited (GGBL), the leading beverage business in Ghana introduced ORIJIN in January 2015. As a business, GGBL prides itself in operating with a clear understanding of the Ghanaian culture and has paid courtesy calls on Ga Traditional Leaders to officially introduce to them ORIJIN bitters and ORIJIN Ready To Drink (RTD).

Herbs, which is an integral part of our culture have always played an important role in our African tradition, and provided the inspiration for the creation of ORIJIN, which is made from original African herbs, fruits and alcohol.

Our Chiefs are the custodians of our tradition and therefore play an important role in upholding the culture of using herbs in various recipes.

Speaking during the presentations, Marketing Director of GGBL, Kweku Sekyi-Cann said "It is my pleasure to introduce to you once again your Orijin Bitters and Ready to Drink; made from Orijinal African herbs and fruits. This is a quality product from Guinness Ghana Breweries Limited; home of quality beverages."

Orijin is available in 2 variants: Orijin Bitters and the ready to drink variant, which is the 1st of its kind in Ghana. Orijin Bitters has 2 SKUs: 75cl PET bottle and 20cl PET while the ready to drink variant is currently available in a 300ml glass bottle. The Bitters is sold in most bars in Accra and Kumasi at 70p/tot while the 200ml sells for GHC 3. The Ready to Drink is also sold at GHC 2.50 per bottle.

ORIJIN.....ORIJINAL AFRICAN HERBS & FRUITS!

ORIJINAL INSIDE

DRINK RESPONSIBLY 18+

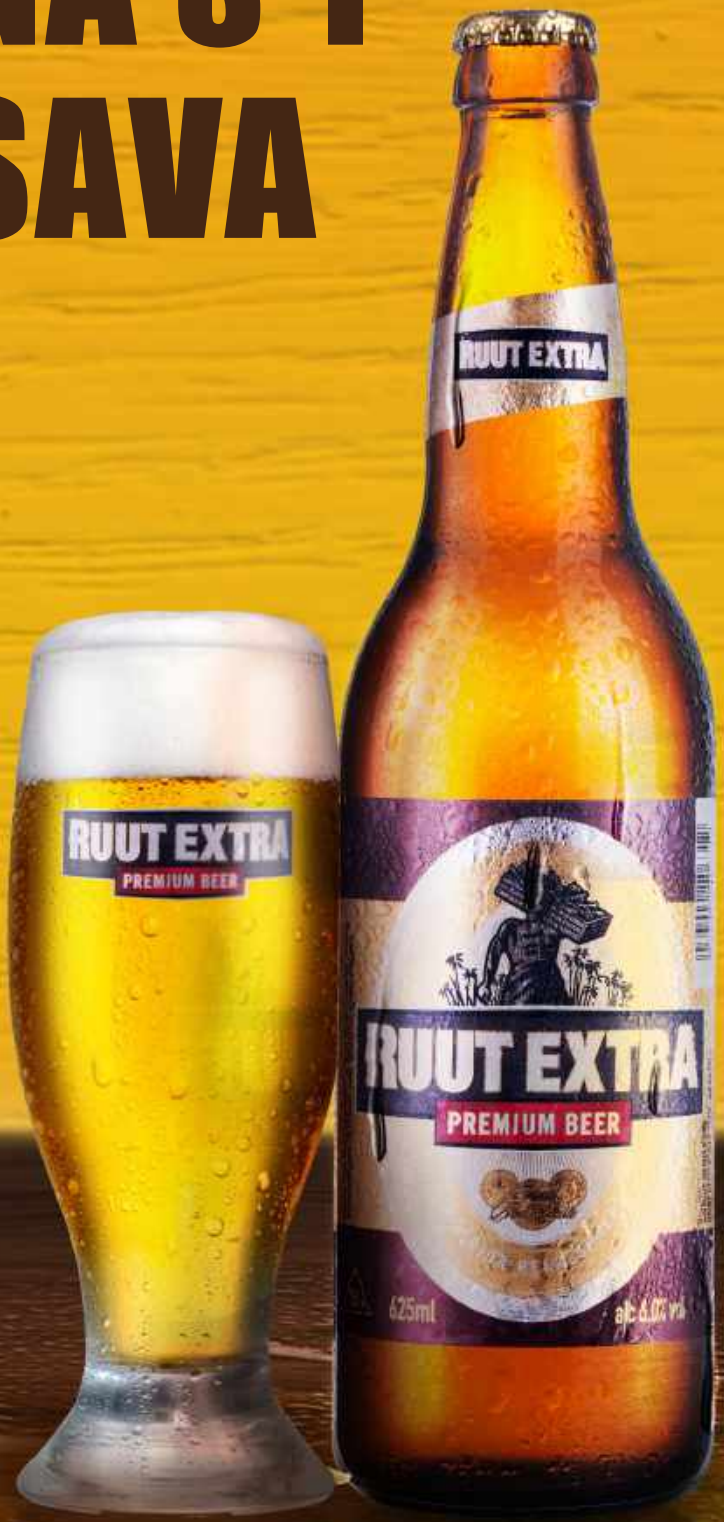
GUINNESS GHANA
BREWERIES LIMITED

NOTES

NOTES

GH¢
2.50

ENJOY GHANA'S 1ST CASSAVA BEER



GUINNESS GHANA
BREWERIES LIMITED

DRINK RESPONSIBLY 18+

Y'asaase, yen nsa.