PRESS RELEASE

PR. No.367/2023

GUINNESS GHANA BREWERIES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR END 2023

GGBL has released its Annual Report and Financial Statements for the year end June 30, 2023, as per the attached.

Issued in Accra, this 16th
day of October 2023

- E N D –

att'd.

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, GGBL
4. MBG Registrars, (Registrars for GGBL shares)
5. Custodians
6. Securities and Exchange Commission
7. Central Securities Depository
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For enquiries, contact:
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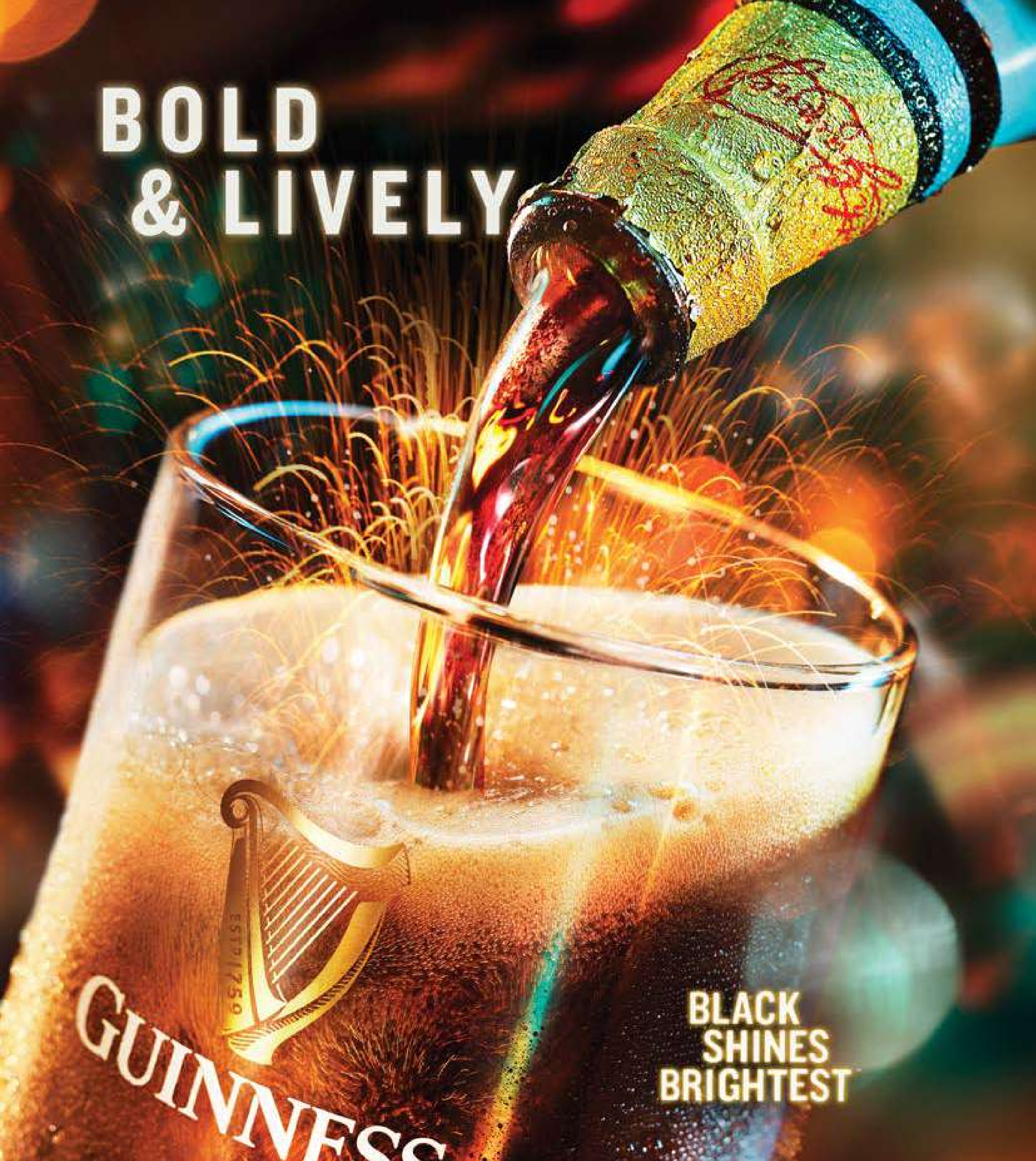
**JD*



GUINNESS
GHANA

ANNUAL REPORT
& FINANCIAL STATEMENTS 2023


BOLD
& LIVELY
BLACK
SHINES
BRIGHTEST™
GUINNESS
FOREIGN EXTRA
STOUT
ESTD
1759
DRINK RESPONSIBLY.
18+

GUINNESS
GHANA

ANNUAL REPORT
& FINANCIAL STATEMENTS 2023


DRINK RESPONSIBLY
18+
BLENDED FOR
BIG FLAVOUR
JOHNNIE WALKER
BLACK LABEL
BLENDED SCOTCH WHISKY
John Walker & Sons
AGED 12 YEARS
DISTILLED, BLENDED & BOTTLED IN SCOTLAND
JOHNNIE WALKER

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Corporate Information

Board of Directors

Felix Addo (Chairman)

Hélène Weesie (Former Managing Director - Resigned on 14th September, 2023)

Justin Mollel

Andrew Cowan (Resigned on the 14th September, 2022)

Ignacio Blazquez Salvador

Kofi Sekyere

John Boadu

Ngozi Aghomi

Andrew Errol Ross (Appointed on the 25th January, 2023)

Akofa Atawa Dakwa

Felicite Nson (Appointed on 28th September, 2023)

Secretary

Kelvin Koranteng Boateng
Guinness Ghana Breweries Plc
P. O. Box 3610
Accra

Registrar

Universal Merchant Bank Limited
123 Kwame Nkrumah Avenue
Sethi Plaza Adabraka
Accra

Registered Office

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

Solicitor

Legal Ink Solicitors and Notaries
House No. F89/7 Emmaus Road
Off 2nd Labone Street, Labone
PMB 24, Kanda
Accra

Independent Auditor

Deloitte and Touche
Chartered Accountants
The Deloitte Place, Plot No. 71
Off George Walker Bush Highway
North Dzorwulu
P. O. Box GP 453
Accra, Ghana

Bankers

ABSA Bank Ghana Limited
Societe Generale (Ghana) Limited
Stanbic Bank (Ghana) Limited
Standard Chartered Bank (Ghana) Limited

Board
Members

Dr. Felix Addo
Board Chairman

Hélène Weesie
Former Managing Director

Justin Mollel
Board Member

Akofa Atawa Dakwa
Board Member

Kofi Sekyere
Board Member

John Boadu
Board Member

Ngozi Aghomi
Borad Member

Andrew Errol Ross
Board Member

Ignacio Blázquez Salvador
Board Member

Felicite Nson
Board Member

Notice of Annual General Meeting

Notice is hereby given that the 51st Annual General Meeting of Guinness Ghana Breweries PLC will be held on 25th October 2023 at 10 o'clock in the morning for the following purposes:

AGENDA

1. To receive the report of the directors, the Financial Statements for the year ended 30th June 2023 and the Report of the Auditors thereon.
2. To declare a dividend.
3. To re-elect Directors retiring by rotation.
4. To elect Directors following their appointment to the Board.
5. To authorize the Directors to fix the remuneration of the auditors for the 2024 Financial Year.
6. To approve the non-Executive Directors' fees.

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 16th day of August 2023

By order of the Board

Kelvin Koranteng Boateng

Company Secretary

Board of Directors and Secretary

Dr. Felix Addo (Chairman), Justin Mollel, Andrew Errol Ross, Kofi Sekyere, Ignacio Salvador Blazquez, John Boadu, Ngozi Aghomi, Akofa Atawa Dakwa, Felicite Nson, Kelvin Koranteng Boateng (Secretary).

Executive Management Committee

Felicite Nson, Justin Mollel, Rudolph Ayertey, Ngozi Aghomi, Sylvia Owusu-Ankomah, James Sarfo Boakye, Estella Muzito and Kelvin Koranteng Boateng.

Audit Committee

John Boadu (Chairman), Ignacio Salvador Blazquez, Akofa Atawa Dakwa and Justin Mollel

Nominations Committee

Kofi Sekyere (Chairman), Dr. Felix Addo and Andrew Errol Ross

Registered Office

Guinness Ghana Breweries PLC, Kaase Industrial Area, P. O. Box 1536, Kumasi.

Registrar's Office

Universal Merchant Bank Ghana Limited, Registrars Department, Accra Main, Opposite The Ghana Railways – Okaishie, Accra. P. O. Box GP 401, Accra.

NOTES

1. In This Annual General Meeting (AGM) of Shareholders shall be held virtually. Virtual participation shall be online by accessing www.guinnessghanaagm.com. Alternatively Shareholders who do not have internet access may participate in the AGM by (i) dialing 0302 226112/220952 (ii) entering the access code USSD code [*899*3#]; and (iii) entering the conference pin number which will be provided by the Registrar prior to the AGM.
2. A Shareholder entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend virtually and vote on his/her behalf. Such a proxy need not be a Shareholder of the Company.
3. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting at the meeting virtually. Where a Shareholder himself/herself attends the meeting virtually, the proxy appointment shall be deemed to be revoked.
4. A copy of the Proxy Form can be downloaded from the website www.guinnessghanaagm.com and may be filled and sent via email to **harriet.antwi@myumbbank.com** or deposited at the registered office of the Registrars of the Company, **Universal Merchant Bank, ACCRA MAIN, OPPOSITE THE GHANA RAILWAYS – OKAISHIE, ACCRA, P.O. Box GP 401, Accra-Ghana** to arrive no later than 48 hours before the appointed time for the meeting.
5. The 2023 Audited Financial Statements can be found in the Annual Returns Brochure which may be viewed by visiting **www.guinnessghanaagm.com**.
6. Shareholders are encouraged to send in any questions in advance of the AGM by emailing them to **harriet.antwi@myumbbank.com.** Answers to the questions will be provided at the AGM.
7. Accessing and Voting at the AGM:

    7.1. Access to the meeting will be made available from 9:00 am on the 25th October, 2023. Kindly note however that the AGM shall commence at 10:00 am. Virtual access to the AGM is set out in note 1 above.

    7.2. A unique token number will be sent to Shareholders by email and/or SMS from 4th of October, 2023 to grant access to the AGM virtually. Shareholders who do not receive this token may contact the registrars at **harriet.antwi@myumbbank.com**, or at **emmanuel.odum@myumbbank.com,** or at **eugenia.otis@myumbbank.com** or call 0302 226112/220952, but before the date of the AGM, to be sent the unique toke.

    7.3. Shareholders who do not submit proxy forms to **the Registrar** prior to the meeting, may vote electronically during the AGM using their unique token number.

    7.4. Shareholders participating in the AGM by dialing as set out in note 1 above, may dial USSD code **[*899*3#]** to cast their votes. Those participating online may vote on the online portal, by clicking on "cast your vote" and following the prompts. Further assistance on accessing the meeting and voting electronically can be found on **www.guinnessghanaagm.com.**

Audited Financial Statements for the year ended 30th June 2023

8. Pursuant to Section 128(3) of the Companies Act 2019, Act 992, the Directors must present to Shareholders at the AGM, the Financial Statements, alongside report of the Directors, and report of the Auditor on the financial statements of the Company for the Financial Year ended 30 June. Shareholders are required to receive and consider the Audited Financial Statements together with the reports of the Directors and Auditor for the Financial Year ended 30 June 2023.

Ordinary Resolutions

9. **Resolution 1 - Payment of Dividend**

    Section 76 of the Company's Act provides that Shareholders must approve dividends recommended by the Board of Directors. The Board of Directors have resolved and recommended for approval by Shareholders, a dividend of GHS 0.016 per share for the Financial Year ended 30 June 2023. Shareholders are requested to approve the dividend recommended by the Directors.

    RESOLUTION 1: The Shareholders by ordinary resolution hereby approve the payment of a dividend of GHS 0.016 per share for the Financial Year ended 30 June 2023.

10. **Resolution 2, 3 and 4 - Re-election or election of Directors**

    These Resolutions deal with the election or re-election of Directors. Mr Ignacio Salvador Blazquez and Mr Kofi Sekyere are the longest serving members of the Board since they were last re-elected by the Shareholders. Accordingly, both Mr

Blazquez and Mr Sekyere are due to retire at this AGM. Mr Blazquez informed the Board on 16 August 2023 of his intention not to stand for re-election at this AGM and therefore his appointment will end at the conclusion of the AGM. In accordance with the provisions of the SEC Corporate Governance Code, Mr Kofi Sekyere will stand for re-election, having offered his consent to be re-elected.

Mr Andrew Errol Ross and Ms Felicite Nson will each stand for election for the first time since their appointment by the Board in January 2023 and September 2023 respectively.

Following an evaluation of the Board's performance and effectiveness externally, the Board is satisfied that each Director being proposed for re-election or election has the skills, experience, and commitment necessary to contribute effectively to the deliberations of the Board. The Board therefore unanimously recommends the re-election and election.

RESOLUTION 2: The Shareholders by ordinary resolution hereby re-elect Mr Kofi Sekyere following his retirement by rotation:

RESOLUTION 3: The Shareholders by ordinary resolution hereby appoint Mr. Andrew Errol Ross as non-Executive Director of Guinness Ghana Breweries PLC.

RESOLUTION 4: The Shareholders by ordinary resolution hereby appoint Ms. Felicite Nson as an Executive Director of Guinness Ghana Breweries PLC.

11. **Resolution 5 - Authorization of the Directors by Shareholders to fix the fees of the Auditor for 2024**

Pursuant to Section 140 (1)(c) of The Companies Act, Act 992, the remuneration payable to an Auditor of the Company shall be fixed at a meeting of Shareholders by ordinary resolution of the Company or in a manner that the Company by ordinary resolution may determine.

It is recommended by Ordinary resolution of the Company to authorize Board of Directors to fix the remuneration of the Auditors for the 2024 financial year.

RESOLUTION 5: Ordinary resolution of Shareholders to authorize the Board of Directors to fix the remuneration of the Auditors for the 2024 Financial Year.

12. **Resolution 6 - Approval of Director's fee**

Pursuant to Section 185(1) of The Companies Act, Act 992 and Paragraph 15(3) of the SEC Corporate Governance Code, the remuneration payable to Non-Executive Directors shall be approved by an ordinary resolution of the Company. It is proposed that the amount to be approved as remuneration be subject to overruns in the event of ad-hoc Committee meetings that may be required over the year and any other matter required under the SEC corporate Governance Code.

It is recommended by the Board that the Shareholders by ordinary resolution hereby approve the amount to be paid to Non-Executive Directors of Guinness Ghana Breweries PLC, subject to overruns in the event of ad-hoc Board and Committee Meetings that may be required over the year and any other matter required under the SEC corporate Governance Code.

RESOLUTION 6: Ordinary resolution of Shareholders approving the amount to be paid to the non-Executive Directors of the Board of Guinness Ghana Breweries PLC

Chairman's Statement

Shareholders, on behalf of the Board of Directors of this illustrious business, allow me to express my profound appreciation to you for standing with us through the past year. Thank you for sharing in our collective ambition and commitment to be one of the best performing, most trusted and respected consumer products companies in the world.

The past fiscal year has been a rollercoaster of several highs, lows and curveballs. Yet, it also marks a year littered with achievements and unrivaled milestones. This year marked some of the best performances this business has ever seen and still is a source of inspiration to many markets within the Diageo family. For this, I thank the hardworking and resilient employees and management of the business.

Losing Ivan

Diageo's long-serving Chief Executive Officer, Sir Ivan Menezes died on 7th June, 2023. This was a few days to his retirement. It was a challenging time for the business he will be remembered fondly. He left a legacy of passion, grace, commitment, and a dedication to excellence. He has been succeeded by Debra Crew who was the Chief Operating officer of Diageo.

Our Business in Context

Within a macroeconomic environment of runaway inflation, ever increasing taxes and high utilities costs, the business started the year with several uncertainties owing from the 2022. Global supply chain disruptions. These macroeconomic shocks, coupled with the ever-falling value of the local currency, worsened an already precarious situation at the start of the year for the business. Indeed, the first half of the year was not pleasant.

Yet with prudent and decisive measures put in place by Helene and her executive team, we have seen a complete turnaround in record time, beating analyst predictions and recording significant growth in several aspects of the business. It is testament to the mantra the business set for itself in fiscal 22, 'Yes We Can'. Today, it is fair to say, 'Yes We Have'. The business recorded its highest NSV in its history in 2023 in each of the months within the 2nd half of the year. The year closed with revenue growth of 36% compared to last year and a trading profit of GH¢ 128 million which is a significant improvement from last year. The business also saw productivity gains of GH¢ 52 million. Ultimately from a revenue standpoint, the business is now 2.6 times larger than pre-Covid.

All this, despite unprecedented increases in the cost of goods sold, driven by higher inflation on raw and packaging materials, distribution costs, utilities, and depreciation of local currency.

Notwithstanding the challenges, the business successfully highlighted its compliance credentials by sailing through the Global Assurance Risk audit with an Effective score. This result underpins our commitment to doing business the right way, a major pillar in our Society 2030: Spirit of Progress priorities.

It is without question, that each positive stride has led the business in delivering improved shareholder value, and we continue to deliver long-term value for our shareholders. We achieved another strong year of performance for the 2023 financial year and I am pleased to report that we improved on our return on capital to 14% (2022:5%) and increased the earnings per share to GHS0.128 (2022:GHS0.017).

Our Brands Shine

I have been greatly impressed by the performance of our brands over the last year most notably from the nation's only five-time winner of the Monde Selection Gold Quality Award from Monde Selection Quality Institute. The relaunch of Star in Kumasi, under the guidance and approval of Asantehene Otumfuor Osei Tutu II, was a major success and a true turning point for the business this year. It displayed the business' focus on being the best brand builder, leading the way in premium drinks. The launch paved the way for notable wins in the middle belt, and generated success for other brands within our portfolio.

Guinness Foreign Extra Stout continued making giant strides in culture and on our performance in fiscal F23. Through the Black Shines Brightest campaigns and the various Bright House initiatives, Guinness led the line well in the year.

The power of our brands was manifested during the national consumer promotion dubbed, 'Eebo So' promotion which performed incredibly well. Kudos to the marketing and commercial teams who drive this stellar initiative.

Despite the headwinds and challenges, the business stuck to its core values of innovation and out-doored two major innovations: Malta Guinness Cocoa and Gordon's Pink. These two extraordinary liquids have gone on perform well and speak to the strong will and resilience of the staff and management of the business.

Impact on Communities

Through our Society 2030: Spirit Of Progress pillars, we have contributed continued to promote positive drinking, champion inclusion and diversity and pioneer grain-to-glass sustainability, and still ensure to keep doing business the right way.

We handed over two mechanized solar powered water projects to the people of Gbare and Zuabulga communities in the Upper West and Upper East regions respectively this year. The projects, completed in partnership with WaterAid Ghana, will produce over 128,000 metric tonnes of water yearly to serve a combined population of over 11,000 community members in two assemblies (Pusiga District Assembly and Jirapa Municipal Assembly). Residents of Gbare and surrounding communities will now have access to 13500 litres of water daily while residents of Zuabuliga and surrounding communities will have access to 14800 litres of water daily.

We managed to continue our advocacy around Alcohol In Society by working to change the way the world drinks for the better, celebrating moderation and continuing to address the harmful use of alcohol by changing attitudes and expanding our initiatives tackling underage drinking, drink driving and binge drinking. More details of this in the sustainability update section of this report.

Malta Guinness was at the heart of the drive on our impact story this year. Through the plastic collection drive, which was driven with a community focus, the brand led the charge of embedding the culture of plastic waste disposal and reuse. Through the sponsorship of the Women's Premier League, Malta Guinness further cemented its place within the great halls of premium drinks within our portfolio. Unprecedented on its scale, scope and impact, the results of the sponsorship were captured succinctly in the turnout at the final game of the season.

Awards

With such a stellar performance, it was only natural that the business enjoyed some time in the spotlight. In April, Johnnie Walker won International Spirit Brand, Heineken won International Beer, while Smirnoff Ice won RTD of the year at the Ghana Beverage Awards. Guinness Ghana picked up five awards at the National FMCG Summit and Award event held in May. The awards included:

1. National FMCG Beer of the year (Alcohol) - Guinness FES
2. National FMCG Spirit Brand of the Year - Johnnie Walker

3. National FMCG Best Procurement Personality of the Year - Angela Korkoi Mensah
4. National FMCG Excellence in Leadership (Marketing - Gold Award) - Roland Ofori
5. National FMCG Marketing icon of the year (Alcoholic Beverage) - Estella Muzito

To crown it all, Managing Director, Helene Weesie, was honoured as the CEO of the Year for the Alcoholic Beverage Manufacturing Sector in Ghana at the 7th Ghana CEO Summit. Being the first female Managing Director of the 63-year-old Ghanaian business, Helene Weesie has been recognized for her resilience and out-of-the-box thinking. We celebrate her as a board.

Creating Value

The Company's performance for the 2023 year was remarkable given the difficult macro-environmental conditions the business operated in. Performance was significantly impacted by high inflation on inputs used in production process, significant depreciation of local currency, high borrowing costs, increased distribution costs due to elevated fuel prices and changes in legislation which increased cost of imports. However, with the many cost saving decisions implemented by the management team and underpinned by brand resiliency and ruthless efficiency in execution, the business was able to grow market share and revenues with statutory profit improving by +600% versus last year.

The Board shall be recommending a final dividend of GH¢ 0.016 per share to be approved by shareholders. This translate to GH¢ 4.9m payout to be made to the shareholders.

Looking Ahead

I am optimistic about the year ahead for several reasons. Our fundamentals are strong, our strategy is thorough, the leadership is prepared, and the staff is ready. We have what it takes to build on the foundation we have set up, we have the right culture in place, we have shown our resilience in the face of volatile external threats, and we remain focused on delivering long-term value for all our stakeholders.

As the staff and management emphasized at the recently held Staff Conference in July, everything is possible if we work together and join hands in driving the business into profitability. This year's mantra, building on the wins of last year, is: "Yes We Can, 'Yɛn Som' (Akan for Let's do it together)".

I salute the management and staff for delivering against such harsh external conditions and ensuring the business stays on track. We continue to be an employer of choice and command the respect of the business community in Ghana.

Yɛn Som.

Former Managing Director's Report

2023 was a challenging economic year for the world and even more so for Ghana. To say I am proud of what we have been able to achieve this year would be doing a disservice to my executive team, the Guinness Ghana employees and each of our partners, and associates.

Rather, I am truly honored to have been part of what we were able to achieve together. We have traversed unfamiliar economic headwinds together as a collective, all the while refocusing the business' foundation to ensure we can weather and thrive after the economic storms, and I remain optimistic of the prospects in the year ahead.

As chairman indicated, there is nothing quite like adversity to spur a renewed spirit of collaboration and focus within a business; and we plan to keep it that way for the foreseeable future.

Exceptional performance

Ghana, in the last year, experienced one of its most challenging macro-economic shocks in recent history. Unprecedented inflation and depreciation of the local currency, higher fuel and utility costs, supply constraints, significant increases in borrowing costs, as well as a weakening of consumer purchasing power. The challenges, though mostly externally driven, impacted families, communities, and businesses.

As a business, Guinness Ghana has not been spared. The impact of inflation has been felt right through its fabric, from management to employees and through our entire supply chain. Consistent increases in raw materials, utilities, fuel and other input costs have affected operations during the year. The rapidly depreciating Cedi further deteriorated the financial situation, particularly on imported goods and materials and several tax increases in Value Added Tax and excise rate topped off the year.

During this period the business took several tough decisions to ensure the health and viability of the company. We took strong measures to mitigate FX impact and implemented several price increases during the year. Thanks to our strong marketing support to our priority brands, we were able to grow topline 36% at minimal volume loss (-1%). This is a testament to the relative strength of our brands amongst consumers.

There was sharp focus on cost savings and productivity initiatives across the business. These initiatives and decisions, taken in the first half of the year, were monumental in helping the business overcome the challenges faced in in the latter half of the year.

The tireless work of our commercial and supply teams in ensuring our products were available to customers across the country, at the highest quality, even under some of the most challenges circumstances, was unparalleled. As a business, we maintained a greater focus on efficiency and reducing waste, whilst pivoting more towards our local supply chain. The roll out and implementation of Diageo One - our industry leading mobile application that is empowering retail outlets to manage their supply and inventory from anywhere – was an immense success and helped to cut down costs among in various areas. Furthermore, the emphasis on quality by our production team has been unwavering and was rewarded with an unprecedented 5th Monde Selection Gold Medal for Star Beer™. No other competitor is even close to that number.

The year also saw the Business invest significantly in our brands in well executed campaigns and promotions. We were able to deliver significant market share growth for Guinness. After years of decline, we turned around Orijin RTD and Star beer, which was another big win for the business this year. The launch of our innovations Gordon's Pink Berry™ and the limited-edition Malta Guinness Cocoa™ helped us to drive top line growth and deliver the best business performance recorded in the history of Guinness Ghana.

One of the brightest success stories was the relaunch of Star™ in Kumasi under the patronage of HRH Otumfuor Osei Tutu II. The launch represented months of hard work and sacrifices which has resulted in significant market share gains within the category.

We also drove growth and relevance in culture this year through Malta Guinness™. The sponsorship of the Women's Premier League was a key factor for us. The rejuvenated enthusiasm around the league this year is testament to the impact of our investments and commitment to our inclusion and diversity agenda using sports. The brand was also at the forefront of the plastic recycling agenda through the community plastic collection initiatives.

Investing for the Future

With these milestones achieved, we have also put in place measures designed to secure the future of this business. Guinness Ghana and SNV Netherlands Development Organization announced a groundbreaking initiative aimed at significantly enhancing sustainable production and supply of high-quality white sorghum for processing purposes in Ghana. The joint initiative, known as Partnership for Sustainable Sorghum Sourcing in Ghana (P3SG), will empower over 12,500 smallholder and commercial farmers, including women and youth, to produce 72,375 metric tons of sorghum within the project period, spanning from 2023 to 2028. The goal is to create a thriving and sustainable white sorghum supply chain that enables farmers to view sorghum as a profitable business crop within sustainable farming systems.

Our people remain to be a priority and we will continue to invest well in our talent. From our recent independent staff survey titled "Your Voice", it was apparent that our staff hold the business in high regard. Staff engagement remains very high with low attrition rate. This is proof that we are indeed an employer of choice. Our STEM programme for graduate girls in the engineering space continues to record noteworthy positives, including Africa's first all-female canning line at the Achimota brewery.

I am confident that a solid foundation has been laid for the business to surmount any challenges that the 2024 financial year may bring and deliver strong results. We will do this together, hand in hand, while helping our consumers to celebrate life, every day, everywhere.

Yes We Can, Yɛn Som.

Report of the Directors

The directors, in submitting to the shareholders their report and financial statements of the Company for the year ended 30 June 2023, report as follows:

STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS) and complied with the requirements of the Companies Act, 2019 (Act 992).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors believe that the Company currently has in place adequate internal control mechanisms and procedures.

GOING CONCERN CONSIDERATIONS

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Directors acknowledge the fact that a significant portion of short term liability is connected to related party transactions, also confirms that based on internal engagement with the respective intercompany trading partners, Guinness Ghana is not pressured or forced to settle its debt in the new fiscal year in case of short-term business challenges or cash flow limitations due to local economic circumstances.

FINANCIAL RESULTS

The results for the year are as set out in the statement of comprehensive income on page 30 of the financial statements.

ORDINARY DIVIDEND

The directors recommended GH¢ 4.9 million dividend payment for the year ended 30 June 2023 (2022:nil).

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

NATURE OF BUSINESS

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

HOLDING COMPANY

The Company is a subsidiary of Diageo Holdings Netherlands B.V., a company incorporated in the Netherlands. The ultimate parent company is Diageo Plc, a company incorporated in the United Kingdom.

CHANGES IN DIRECTORSHIP

Since the last Annual General Meeting, Mr. Andrew Cowan (Non-Executive Board Member) has resigned as a Director and Mr. Andrew Errol Ross has been appointed to replace him accordingly. Ms. Felicite Nson has also been appointed as an Executive Director member of the Board, whilst Ms Helene Weesie has stepped down as Managing Director.

DIRECTORS RETIRING AND SEEKING RE-ELECTION

In accordance with the Companies Act, 2019 (Act 992), the Company's Constitution and Ghana Stock Exchange Rules, Mr. Andrew Errol Ross who was appointed on 25 January 2023, Ms. Felicite Nson who was appointed in September 2023 and Mr Kofi Sekyere will all retire and seek re-election at the next Annual General Meeting. The Board would like to recommend that shareholders support their re-election.

Mr. Ignacio Salvador Blazquez who has been an existing Non-Executive Board Member since 16th of May 2017, will also retire at the Company's Annual General Meeting. Mr Blazquez has informed the Board of his intention not to stand for re-election at the next Annual General Meeting and therefore his appointment will end at the conclusion of the Annual General Meeting. We thank Mr Blazquez for his dedication to the Board and this Company.

CAPACITY BUILDING OF DIRECTORS

Under the Companies Act 2019 (Act 992) and generally within corporate Ghana, it has long been recognized that good corporate governance is the key to sustainability and growth and the Companies Act fosters an enabling statutory environment for such practice. Accordingly, the Company ensures that only fit and proper persons are appointed to the Board. Specific training and capacity building programs are in place to enable directors to upskill and discharge their duties appropriately.

CORPORATE GOVERNANCE STATEMENT

The Board consists of nine members, made up of our Independent Non-Executive Chairman, three other Independent Non-Executive Directors, two Non-Executive Directors and three Executive Directors. The Board believe that its composition is appropriate for the size and nature of the Company and that it complies with the SEC requirements on the composition of the Board of Directors of Listed Companies.

PROFILE OF DIRECTORS

Independent/ Executive Directors	Position	Profile	Board Committees	Attendance
Dr Felix Addo	Chairman	Dr. Felix Addo has more than 35 years of practice and consulting experience in corporate finance and recovery, financial, operational and forensic auditing, arbitration and mediation, Capital Projects and Infrastructure (CP&I), organizational restructuring and performance improvement engagements in both developed and developing economies. Since his retirement from PwC, he is currently the Administrator/Liquidator for the United Steel Company and has developed a portfolio of Board roles in the consumer, financial services, oil and gas and governance sectors. He currently serves on the Board of various organizations including Guinness Ghana Breweries Plc (Chairman), KEK Insurance Brokers (Chairman), MTN Ghana/Scancom Plc, Payswitch Company, Founding President of the Ghana Association of Restructuring and Insolvency Advisors (GARIA), Member of the University of Ghana Alumni Council, and a Trustee of Achimota Golf Club. Felix has previously served on Boards of Standard Chartered Bank Plc, Ghana National Petroleum Corporation (Chairman) and American Chamber of Commerce Ghana (Vice President). Felix was a member of the Professor Justice Date-Bah Business Law Reform Committee of Experts which reviewed the Ghana Companies Act and the Bodies Corporate (Official Liquidation) Act.	Nomination and Remuneration Committee	3/4 4/4

Independent/ Executive Directors	Position	Profile	Board Committees	Attendance
		He is an avid host and participant in various thought leadership (TL) activities in Ghana and across Africa. He is also a member of the United Nations Commission on Trade Law (UNCITRAL) Working Group V (Insolvency Law). Felix was honored with a D.Sc (h.c) by the University of Mines and Technology, Tarkwa. Felix holds a BSc Hons. (Administration) from the University of Ghana and a MA (Professional Accounting) from Loyola College, Maryland, USA. His professional certifications/memberships include, American Institute of Certified Public Accountants, Institutes of Chartered Accountants (Ghana and Sierra Leone), International Insolvency Institute (III) and INSOL International. He is a Founding Member of the INSOL International Africa Roundtable (ART).		
Dr Helene Weesie (Resigned on 14th September 2023)	Former Managing Director	Helene Weesie is the Managing Director of Guinness Ghana Breweries Plc and a member of the company's Board since September 2020. Helene joined DIAGEO in 2015 after 21 years with Heineken in various markets across the globe. In DIAGEO she was appointed as Managing Director of Serengeti Breweries in Tanzania; where she led a significant turnaround in business performance ultimately taking the Serengeti brand to become market leader in a highly competitive environment. As Managing Director of Guinness Ghana Breweries PLC she successfully steered the business through the Covid pandemic delivering solid revenue and market share growth. In the unprecedented 2022/2023 economic crisis, she again led the team to turn the business around, ending the fiscal year with the best performance ever in the 62 year history of Guinness Ghana. Helene is an energetic, entrepreneurial professional with broad international experience (at Unilever, Heineken and DIAGEO) in General Management, Marketing and Commercial. She brings 12 years of experience in Africa/Middle East, 10 years in Caribbean/Central America and further in USA and larger Europe. Living experience in 7 countries. Fluent in English and Spanish. Strong in analysis, structure and strategy, passionate in people, teambuilding and business turn arounds.		4/4

Independent/ Executive Directors	Position	Profile	Board Committees	Attendance
Mr Kofi Sekyere	Independent Non-Executive Director	Mr. Kofi Owusu Sekyere is currently the Chief Executive Office of TransAfrica Holdings Limited, a financial investment holding company incorporated in Mauritius. The Group has investments in Malawi, Ghana, South Africa, Liberia and USA.Kofi is currently the Chairman of Delico Properties Development Limited and its entities (West Hills Mall - Accra, Kumasi City Mall - Kumasi) and Achimota Mall, Accra. He is also the Chairman of National Investment Bank (NIB) Ghana and a member of the board of CDH Investment Bank Limited, Malawi. Kofi has a distinguished career in investment banking with over 30 years of senior management experience. Before joining TransAfrica, he was a Senior Vice President and the Chief Marketing Officer for HSBC Equator Bank plc (UK) based in Johannesburg South Africa.	Nomination and Remuneration Committee Chairman	4/4 4/4
Mr John Boadu	Independent Non-Executive Director	Mr. John Boadu is the SSNIT representative on the Board. He is an Accountant by profession and a Political Realist. He holds a B.Sc. in Administration. He is the CEO and Director for Shokram Company Limited, Secretary to Empress Way Micro Finance Company Limited, Board Member for Tema Oil Refinery (TOR) and a member of the Finance & Audit Committee at Tema Oil Refinery (TOR).	Audit and Risk Committee Chairman	4/4 4/4

Independent/ Executive Directors	Position	Profile	Board Committees	Attendance
Mrs Akofa Atawa Dakwa	Independent Non-Executive Director	Akofa Atawa Dakwa is a Banking and Finance Professional with over 17 years' experience in the Banking industry, and her expertise includes strategy design and execution, enterprise risk management, treasury Management, financial and economic analysis, and financial markets trading. Akofa is currently the Chief Risk Officer and a member of the Executive Committee of the Bank of Africa Ghana Ltd. She is also an Independent Non-Executive Director and Chairperson of the board of Savvy Securities Ghana Ltd. After completing her B.Sc. Biochemistry degree in 2004, she worked for Unilever Ghana Ltd, for a year in their Production Division as an Assistant Technical trainer. She then left to pursue a career in Banking, as part of the pioneer team of Guaranty Trust Bank Ghana Ltd when they launched in Ghana in 2005. She worked with Guaranty Trust Bank for three years in their Treasury and Risk Management departments. Akofa joined the then Amalgamated Bank (now Bank of Africa) in 2008 as Chief Dealer in the Treasury department and was promoted to Head the Treasury department in 2012. She has been credited with transforming the Treasury Department of the Bank of Africa into a key strategic business unit of the bank and contributed to the turn-around of the bank. She has also built a strong reputation for developing high-performance teams. Akofa is a Chartered Accountant (ACCA, UK), a Chartered Banker (CIB-Ghana), and a Certified Financial Markets Trader, with a certification in financial markets trading and risk management from the ACI (Association Cambiste Internationale, France). She also holds an MBA in Finance and Risk Management from the Business School Netherlands (BSN), and a Bachelor of Laws (LLB) degree with the Mountcrest University, Ghana. She is an old student of St. Roses Senior High School, Akwatia. Akofa has contributed to the deepening of financial and economic knowledge in Ghana, having published some articles in the Ghanaian dailies on topical economic issues and been part of several webinars. Akofa is a mentor to many young people especially young female executives who aspire to reach greater heights in a male-dominated corporate world. She is also a member of the of the Executive Women Network, Ghana, where she contributes to advocacy and support for women executives and entrepreneurs in Ghana.	Audit and Risk Committee	4/4 4/4

Independent/ Executive Directors	Position	Profile	Board Committees	Attendance
Mr Ignacio Blazquez Salvado	Non-Executive Director	Ignacio Blazquez Salvador has since 2017 been the Finance and Strategy Director for Africa Emerging Markets (AEM) covering 35 countries in Africa and Indian Ocean, and leading a very complex strategic agenda of transformation, compliance, business development and margin improvement within a very volatile environment. He has played a critical role in taking AEM to a double-digit Cagr growth and doubling its OM%, as well as more recently in the successful transactions of Meta Abo (Ethiopia) and GCSA (Cameroon). He currently serves as Non-Executive Director of Guinness Ghana Breweries Plc and Diref (Angola). He started his professional career in 1996 in KPMG and joined Diageo in Spain in 2001 where he progressed through a number of senior Finance roles becoming Finance Director Iberia in 2011 playing a key leadership role at a critical and challenging time of change for the Iberia business. In 2015 he moved to Miami to take up the WestLAC FD role where he played a key part in the strategic evolution of the markets and the finance function, he was particularly instrumental in driving the business transformation in Argentina and in Jamaica, as well as an overhaul of the BPM process in the markets and driving the predictability of the business through great commercial focus. He holds a First degree in Business Administration, Madrid, CEU (1996), and the Partnering for Value Programme of London Business School. London, UK (2004).	Audit and Risk Committee	4/4 **4/4**
Mr Andrew Errol Ross (Appointed on the 25th January, 2023)	Non-Executive Director	Andrew Ross is a highly experienced Managing Director leading Diageo's beer and spirits business in Africa and Emerging Markets covering 35 Countries in Africa. He has over 26 years working experience in the industry. He has a track record of exceptional performance in the beverage industry across emerging and developed African markets. Combining a strong mix of leadership, commercial, operational and marketing skills, he build and develop businesses in new markets and create firm foundations for long-term growth. He has significant experience in turning around underperforming or nascent businesses and his passion is to leave a legacy wherever he works; growing people, brands and the businesses sustainably. He holds an M.B.A.: Gordon Institute of Business Science (2003) B.Comm (Accounting and Business Economics): UPE (1993)	Nomination and Remuneration Committee	2/2 **2/2**

Independent/ Executive Directors	Position	Profile	Board Committees	Attendance
Mr Justin Mollel	Executive Director	Justin Mollel is a Finance Director for Guinness Ghana Breweries Ltd since March 2022. He served as Chief Finance Officer for the Diageo subsidiary in Tanzania prior to this role. He is business leader with over 13 years extensive experience in strategy, business performance, audit and risk management and tax and regulatory matters. He joined Diageo in 2011, and has held various roles within Finance function including financial controller, business performance and commercial finance. He is a certified public accountant and holds a Bachelor of Commerce degree and Master of Business Administration both from the University of Dar es salaam in Tanzania.	Audit and Risk	4/4 4/4
Ms Ngozi Aghomi	Executive Director	Ngozi Ijeoma Aghomi is currently the Supply Chain Director at Guinness Ghana Breweries Plc (GGB Plc). She is a self-motivated, disciplined and result focused Supply Chain professional with an impressive experience in Supply Chain Management & Manufacturing Operations from working with multinational Corporations across Sub Saharan Africa. Prior to Joining DIAGEO's Guinness Nigeria Plc. she had successfully managed complex Supply Chains for Nestle Nigeria Plc. in Nigeria and on key assignments to Ghana-the largest markets in Nestlé's Central & West Africa Region (CWAR). After Nestle, she was appointed as the Regional Head of Supply Chain for Kimberly Clark SSA's West, East and Central Africa (WECA) sub-Region. She joined DIAGEO as the Site Director for Ogba Brewery and afterwards appointed the Supply Director, Guinness Nigeria Plc. Her strong experience through working with global/multinational enterprises as well as consulting for indigenous enterprises makes her knowledge of emerging markets a great advantage. Ngozi's purpose is to continue to be a role model of exemplary female leadership to young people through coaching, mentoring and exemplary Leadership lifestyle. She holds a BSc. and an MSc. in Computer Science from the prestigious University of Benin, Benin-city, Nigeria and University of Lagos, Nigeria respectively. She also holds an MBA in General Management from the Pan Atlantic University's Lagos Business School, Lagos, Nigeria as well as two Executive Diplomas in Managing Businesses in Emerging Markets from University of Wisconsin, USA and University of Navarra's IESE Business School, Spain.	N/A	4/4

Independent/ Executive Directors	Position	Profile	Board Committees	Attendance
		She is an alumna of Advanced Management Program (AMP) of the China Europe International Business School (CEIBS), Accra Campus, Ghana. She is an active member of Women in Management, Business & Public Service (WIMBIZ), where she volunteers in coaching and mentoring young people and Women Development Advocacy across the continent.		
Mr Andrew Cowan (Resigned on the 14th of September, 2022)	Non-Executive Director	Andrew was during the reporting period the Managing Director, Africa Emerging Markets – Diageo Plc; to lead a cluster of Diageo Africa Companies including Ghana, Cameroon, Ethiopia, Indian Ocean and Partner Markets (WACA countries). He had responsibility for full end to end value chain in each market and to develop a wider business across our partner markets.	Nomination and Remuneration Committee	1/4 1/4
Ms. Felicite Nson (Appointed on 29th September 2023)	Executive Director	Prior to joining Guinness Ghana, Felicite was formerly the Commercial Director for Partner Emerging Markets, Diageo's operating hub covering 32 markets in West, Central and Southern Africa from May 2023, Commercial and Marketing Director for Diageo's operating company in Cameroon from 2019 to 2023, based in Cameroon. Between 2017 and 2018 she was Commercial Director of Diageo Meta Abo Brewery, based in Addis, Ethiopia. Between 2014 and 2017 she was Marketing Director of Diageo Guinness Cameroon, based in Douala, Cameroon. Felicite brings an impressive record of success with leading global consumer products as well as a broad range of experience in marketing, operations, and strategy. Felicite's global perspective, combined with proven commercial and strategic capabilities makes her a valuable resource for management. Before Joining Guinness Cameroon, Felicite held number of senior leadership roles in commercial and marketing across single markets and multimarket regions in Africa working for global players. She served as Marketing Director for Coca-Cola West Africa Region from 2013 to 2014, based in Abidjan, Ivory Coast; Head of Consumer Marketing & Operations for MTN Cameroon from 2010 to 2013 based in Cameroon, as Marketing Director for Coca-Cola Horn, Islands and Mid Africa Region from 2009 to 2010 based in Nairobi, Kenya. Between 2001 and 2009, Felicite fulfilled various marketing regional roles at Coca-Cola.	N/A	N/A

Legend: Board meeting | Audit and Risk | Nomination and Remuneration

AUDITOR'S REMUNERATION

The auditors, Messrs Deloitte and Touche, have indicated their willingness to continue in office as auditors of the company and in accordance with Section 139 of the Companies Act, 2019 (Act 992). As at 30 June 2023, the amount payable in respect of audit fees was GH¢337,500 (2022: GH¢270,000).

CORPORATE SOCIAL RESPONSIBILITY

During the financial year ended 30 June 2023, GH¢1,892,565 was invested into our Diageo in Society (DiS) initiatives which cover our Alcohol in Society (AiS) programmes and also our Sustainability initiatives.

DIRECTORS' INTEREST REGISTER

There were no new declarations of interest made in the directors' interests register during the financial year. For the relevant period ended 30 June 2023, no director of the Company held shares in the business.

APPROVAL OF THE REPORT OF DIRECTORS

The report of the directors was approved by the board directors on 7 September 2023 and signed on their behalf as follows:

FELIX ADDO	**JUSTIN MOLLEL**
CHAIRMAN	FINANCE DIRECTOR

Date: 7th September, 2023

Audit and Risk Committee Report

Dear Shareholders, I am pleased to present the Audit and Risk Committee's report for the fiscal year 2023 for Guinness Ghana. The committee's primary responsibility is to oversee the integrity of the Company's financial reporting process, the effectiveness of its internal controls, and its risk management framework.

Composition and Meetings

The Audit and Risk Committee is composed of 4 members. Three of whom are non-executive directors, and of the three two are independent non-executive directors. All members of the Committee possess the necessary financial expertise to discharge their obligations. Throughout the year, the committee held 4 meetings, during which we discussed various matters related to financial reporting, internal controls, and risk management.

Membership of the Audit and Risk Committee

Name	Designation	Appointed
John Boadu	Chair of the Committee	1 August 2017
Akofa Dakwa	Member	14 September 2022
Justin Mollel;	Member	27 April 2022
Ignacio Blazquez	Member	24 April 2019

Key Responsibilities

The Committee's main responsibilities during the year included:

- **Financial Reporting and Statements:** Reviewing and providing guidance on the Company's financial statements to ensure accuracy, completeness, and compliance with accounting principles and applicable regulations.
- **Internal Controls:** Assessing the effectiveness of internal control systems to safeguard Company assets, ensure accurate financial reporting, and prevent fraud.
- **Risk Management:** Evaluating the Company's risk management framework, identifying key business risks, and reviewing management's strategies to mitigate those risks effectively.
- **External Audit:** Selecting, appointing, and overseeing the external audit firm responsible for auditing the Company's financial statements. Reviewing the audit plan, scope, and results, and ensuring the independence of the external auditors.
- **Compliance:** Monitoring the Company's compliance with relevant laws, regulations, and corporate governance practices.

Financial Reporting and Internal Controls

The Committee worked closely with the Company's management and external auditors to review the financial statements for accuracy, completeness, and compliance with relevant accounting standards. We are pleased to report that the financial statements present a true and fair view of the Company's financial position and performance.

Effective internal controls are crucial to maintaining the reliability of financial reporting. Throughout the year, the Committee assessed the Company's internal control systems and found them to be robust and adequately designed to mitigate risks. The Committee recommended several enhancements to further strengthen these controls, and management has already taken steps to implement these recommendations.

Risk Management

Identifying and managing risks is essential for sustaining the Company's long-term success. The committee conducted a thorough review of the Company's risk management framework, including the identification, assessment, and mitigation of key risks. Several key business risks emerged in fiscal 2023 which were linked directly to the global economic crisis impacting Ghana. Supply chain disruptions and local currency depreciation were key risks which the Committee helped the Company to navigate. We are confident that the Company has established a comprehensive process to manage its risks effectively.

Internal and External Auditors

We maintained an open and constructive dialogue with both the internal audit team and external auditors. We received regular updates on their audit plans, findings, and recommendations. We are satisfied that the external auditors are appropriately qualified in accordance with Section 138 of the Companies Act, 2019 (Act 992) and the Securities Industry Act, 2016 (Act 929). We are satisfied with their performance and independence and believe that their contributions have strengthened our internal controls and financial reporting processes.

Legal and Regulatory Compliance

Ensuring compliance with laws, regulations, and ethical standards is a priority for our committee. We reviewed the Company's compliance with applicable laws and regulations and assessed the effectiveness of the Company's policies and processes. We are pleased to confirm that the Company continues to operate with the highest ethical standards and remains compliant with its SEC Code obligations

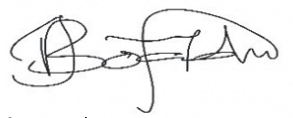
Significant Findings and Recommendations

Throughout the fiscal year 2023, the Committee conducted a comprehensive review of the Company's financial operations, risk management processes, and internal controls. We are pleased to report that our assessments did not identify any material weaknesses in the internal control systems, and we found the financial statements to present a true and fair view of the Company's financial position.

Looking Ahead

The Committee is satisfied that Guinness Ghana has maintained strong financial reporting practices, effective internal controls, and a comprehensive risk management framework. We believe these efforts contribute to the Company's ability to navigate the challenges and opportunities that lie ahead. As we move into the fiscal year ahead, the Committee will remain focused on the Company's financial reporting integrity, risk management practices, and compliance efforts. We will also closely monitor any emerging regulatory changes that may impact our operations.

We extend our gratitude to the Company's management, employees, and fellow directors for their ongoing commitment to maintaining the highest standards of corporate governance, financial transparency, and risk management.



Sincerely,

John Boadu

Chair of the Audit and Risk Committee

Nomination and Remuneration Committee Report

Dear Shareholders, we are pleased to present the report of the Nomination and Remuneration Committee for the fiscal year 2023 for Guinness Ghana. The committee's core responsibilities include overseeing matters related to the nomination and appointment of directors and senior management, as well as the remuneration framework.

Nomination and Appointment of Directors

During the year under review, the Nomination and Remuneration Committee convened 4 times to deliberate on various matters, including those pertaining to the composition of the Board of Directors. Our focus was on ensuring a diverse and skilled Board that can effectively guide the Company toward its strategic goals. We evaluated the qualifications, skills, experience, and independence of current and proposed directors and where necessary, made recommendations for any necessary changes and appointments.

Since the last Annual General Meeting, we regretfully accepted the resignation of Mr. Andrew Cowan, a valued non-Executive member of the Board. We extend our gratitude for his contributions during his tenure. Subsequently, we are pleased to announce that Mr. Andrew Errol Ross has been appointed to replace Mr. Cowan as a Non-Executive Director. The Committee also took note of Mr Ross' track record of exceptional performance in the beverage industry across emerging and developed African markets. Mr. Ross' wealth of experience in beer and in Africa, combined with a strong mix of leadership, commercial, operational and marketing skills will undoubtedly enrich our board discussions.

Remuneration Framework

The committee is committed to maintaining a remuneration framework that attracts, retains, and motivates highly qualified individuals at both the Board and senior management levels. Our approach is aligned with the Company's performance and long-term objectives, promoting a culture of accountability and shareholder value creation.

In determining remuneration packages, we consider a blend of fixed and variable components, and review prevailing industry standards and regulatory guidelines to ensure that our remuneration practices remain competitive. Where required, we utilize external benchmarking by third parties to ensure competitiveness and fairness. Throughout the year, we oversaw the successful implementation of a 17% minimum pay increase across our entire employee base at a time when inflation was at an all time high. All employees were also provided with a one-off hardship support cash payment to alleviate the cost-of-living crises faced by many people across the country.

Governance and Stakeholder Engagement

The Nomination and Remuneration Committee continues to be guided by principles of good governance and stakeholder engagement. We believe that transparent communication with shareholders and other stakeholders is vital to fostering trust and accountability.

Director Training

Consistent with the Committee's obligations under section 21 (5) and (6) of the SEC Corporate Governance Code for Listed Companies ("SEC Code"), the Committee assessed the training needs of the Board and implemented in-person training designed to elevate the legal and regulatory knowledge of the Board as a whole.

Key Achievements

During the fiscal year 2023, the Committee met four times to fulfill its responsibilities. Some key achievements and activities include:

- Conducting a comprehensive review of the Board's composition and skills matrix to ensure alignment with the Company's strategic priorities.
- Recommending the appointment of Mr. Andrew Errol Ross to the Board of Directors, following the selection process.
- Undertaking comprehensive review of director remuneration to ensure the Company remains competitive and can attract candidates of high caliber.
- Oversight of a 17% minimum pay increase and a one-time cash incentive for all our employees .

Looking Forward

As we move forward, the committee remains committed to upholding the highest standards of corporate governance, ensuring that the Board is well-structured and diverse, and that the remuneration framework remains competitive and aligned with the Company's strategic goals. We will continue to refine our nomination process, ensuring that our board members and management collectively possess the knowledge and experience needed to navigate the evolving challenges and opportunities in our industry and in Ghana generally.

Respectfully,

Kofi Sekyere

Chairman of the Nomination and Remuneration Committee

Deloitte.

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Independent Auditor's Report

To The Shareholders of Guinness Ghana Breweries PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Guinness Ghana Breweries PLC, set out on pages 30 to 69, which comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, the notes to the financial statements, including a summary of significant accounting policies and other explanatory disclosures.

In our opinion, the financial statements give a true and fair view of the financial position of Guinness Ghana Breweries PLC as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Ghana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Ghana.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Impairment of Trade Receivable	
As at 30 June 2023, the Company's trade receivable balance was GH¢77,195,000 with an associated impairment allowance for expected credit losses ("ECL" or allowance for impairment") of GH¢5,791,000. As described in Note 3 (d), the Company applies the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime, expected credit loss for all trade receivables. Management utilizes inputs (invoices, dates and aging buckets, 36-month period historical loss rates etc.) and exercises assumptions (forward looking assumptions, customer specific factors etc.) for estimating expected credit loss and the default rate. The area of significant management judgement within the ECL measurement process is the expected credit loss rates which are based on historical loss rates adjusted to reflect current and forward-looking information including macroeconomic indicators affecting the ability of customers to settle outstanding receivables over the 36-month period.	In evaluating the expected credit loss of the trade receivables, we reviewed the trade receivables provision calculations prepared by management, with a particular focus on the default rate and the days past due. We performed various procedures with the assistance of our credit specialists, including the following: • Understood and evaluated the Order to Cash cycle including the information technology (IT) and manual systems, by which sales and payment transactions are initiated, authorized, recorded, processed, corrected as necessary. • Assessed the design and implementation of relevant controls relating to the trade receivable ECL calculation. • Performed inquiries of management and others within the Company about the policy for calculating ECL and whether there have been any changes from the prior year. • Obtained the calculation of the ECL for trade receivables for the year and reconciled to the general ledger balance as at 30th June 2023. • Performed a retrospective analysis to evaluate the appropriateness of the ECL policy. • Tested the accuracy and completeness of the input data used to derive the historical loss rates. • Independently evaluated the forward looking information (current and anticipated macro-economic factors and business specific information) for consistency with current and expected market conditions. • Tested the mathematical accuracy of the ECL by recomputing the ECL for the year using the expected forward-looking default rates that were independently determined above. • Assessed the financial statements disclosures on impairment of trade receivables in light of management's assumptions. Based on the procedures described above, we found the measurement and disclosures related to ECL on trade receivables appropriate and fairly accurate.

Other Information

The directors are responsible for the other information. The other information comprises Corporate Information, Notice of Annual General Meeting, Chairman's statement, Former Managing Directors' Report, Report of the Directors, Audit and Risk Committee Report, Nomination and Remuneration Committee Report, Shareholders Information, Five Year Financial Summary and Sustainability Report which we obtained prior to the date of this report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992) 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Seventh Schedule of the Companies Act, 2019 (Act 992) we expressly state that:

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
2. In our opinion:

- proper books of accounts have been kept by the Company, so far as appears from our examination of those books.
- the information and explanations given to us, were in the manner required by the Companies Act, 2019 (Act 992) and give a true and fair view of the:
  - a. statement of financial position of the Company at the end of the financial year, and
  - b. statement of comprehensive income for the financial year.

3. The Company's statement of financial position and statement of comprehensive income are in agreement with the accounting records and returns.
4. We are independent of the Company, pursuant to Section 143 of the Companies Act, 2019 (Act 992)

The engagement partner on the audit resulting in this independent auditor's report is **Daniel Kwadwo Owusu (ICAG/P/1327)**.

For and on behalf of Deloitte & Touche (ICAG/F/2023/129)
Chartered Accountants
The Deloitte Place, Plot No.71
Off George Walker Bush Highway
North Dzorwulu
Accra Ghana

12th October, 2023

BAILEYS
YOU DESERVE THIS
Luscious Treat Now!
BAILEYS
The ORIGINAL Irish Cream
PRODUCT of IRELAND
DRINK RESPONSIBLY
18+

Statement of Comprehensive Income

	Note	Year ended 30 June 2023 GH¢'000	2022 GH¢'000
Revenue from contracts with customers	6	**1,766,152**	1,298,878
Cost of sales	7	**(1,423,534)**	(1,045,049)
Gross profit		**342,618**	253,829
Advertising and marketing expenses	8 (i)	**(96,899)**	(81,452)
Administrative expenses	8 (ii)	**(122,253)**	(119,861)
Other income/(expenses)	8 (iii)	**4,762**	(19,952)
Impairment (charge)/release on financial assets	8 (iv)	**(61)**	714
Profit from operating activities		**128,167**	33,278
Finance income	9	**6**	167
Finance costs	9	**(66,474)**	(23,515)
Profit before income tax		**61,699**	9,930
Income tax charge	10 (i)	**(19,089)**	(4,145)
National fiscal stabilisation levy	10 (iii)	**(3,085)**	(497)
Profit for the year		**39,525**	5,288
Other comprehensive income			
Items that are not subsequently reclassified to profit or loss:			
Actuarial loss on defined benefit obligations, net of tax	10 (v)	**1,024**	(645)
Other comprehensive income		**1,024**	(645)
Total comprehensive income for the year		**40,549**	4,643
Basic earnings per share	25	**0.128**	0.017
Diluted earnings per share	25	**0.128**	0.017

The notes on pages 36 - 69 form an integral part of these financial statements.

Statement of Financial Position

	Note	As at 30 June 2023 GH¢'000	2022 GH¢'000
ASSETS			
Property, plant and equipment	11	**775,501**	610,902
Intangible assets	12	**2,605**	3,691
Right-of-use assets	13	**18,050**	36,863
Total non-current assets		**796,156**	651,456
Inventories	14	**298,356**	285,234
Trade receivables	15	**71,404**	51,138
Amounts due from related parties	17 (i)	**18,657**	6,233
Other assets	18	**15,793**	15,119
Other financial assets at amortised cost	16	**3,327**	15,157
Current income tax assets	10 (ii)	**11,470**	19,312
Cash and bank balances	19	**233,352**	31,677
Total current assets		**652,359**	423,870
Total assets		**1,448,515**	1,075,326
EQUITY AND LIABILITIES			
Stated capital	20	**272,879**	272,879
Retained earnings		**114,024**	78,375
Proposed dividend	26	**4,900**	–
Total equity		**391,803**	351,254
Deferred tax liabilities	10 (v)	**44,588**	33,244
Lease liabilities	21	**7,216**	30,557
Borrowings	17 (iii)	**105,577**	105,577
Employee benefit obligations	22	**6,195**	5,823
Total non-current liabilities		**163,576**	175,201
Bank overdrafts	23	**35,906**	53,972
Lease liabilities	21	**5,492**	11,864
Borrowings	17 (iii)	**174,820**	3,556
Trade and other payables	24	**523,786**	424,679
Amounts due to related parties	17 (ii)	**153,132**	54,800
Total current liabilities		**893,136**	548,871
Total liabilities		**1,056,712**	724,072
Total equity and liabilities		**1,448,515**	1,075,326

The notes on pages 36 - 69 form an integral part of these financial statements.

The financial statements on pages 30 - 69 were approved by the Board of Directors on 7 September 2023 and signed on their behalf by:

Justin Mollel

Felix Addo
Chairman

Justin Mollel
Finance Director

Statement of Changes in Equity

	Note	Stated capital	Retained earnings	Proposed dividend	Total
Year ended 30 June 2023		**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 July 2022		**272,879**	**78,375**	**–**	**351,254**
Profit for the year		**–**	**39,525**	**–**	**39,525**
Proposed dividend	**26**	**–**	**(4,900)**	**4,900**	**–**
Other comprehensive income					
Actuarial loss on defined benefit obligation, net of tax	**10(v)(b)**	**–**	**1,024**	**–**	**1,024**
Total comprehensive income for the		**–**	**35,649**	**4,900**	**40,549**
Balance at 30 June 2023		**272,879**	**114,024**	**4,900**	**391,803**
Year ended 30 June 2022					
Balance at 1 July 2021		272,879	98,955	–	371,834
Profit for the year		–	5,288	–	5,288
Other comprehensive income					
Actuarial gain on defined benefit obligation, net of tax	10(v)(b)	–	(645)	–	(645)
Total comprehensive income for the		–	4,643	–	4,643
Transactions with owners:					
Dividends declared for 2021		–	(25,223)	–	(25,223)
Balance at 30 June 2022		272,879	78,375	–	351,254

The notes on pages 36 - 69 form an integral part of these financial statements.

Statement of Cash Flows

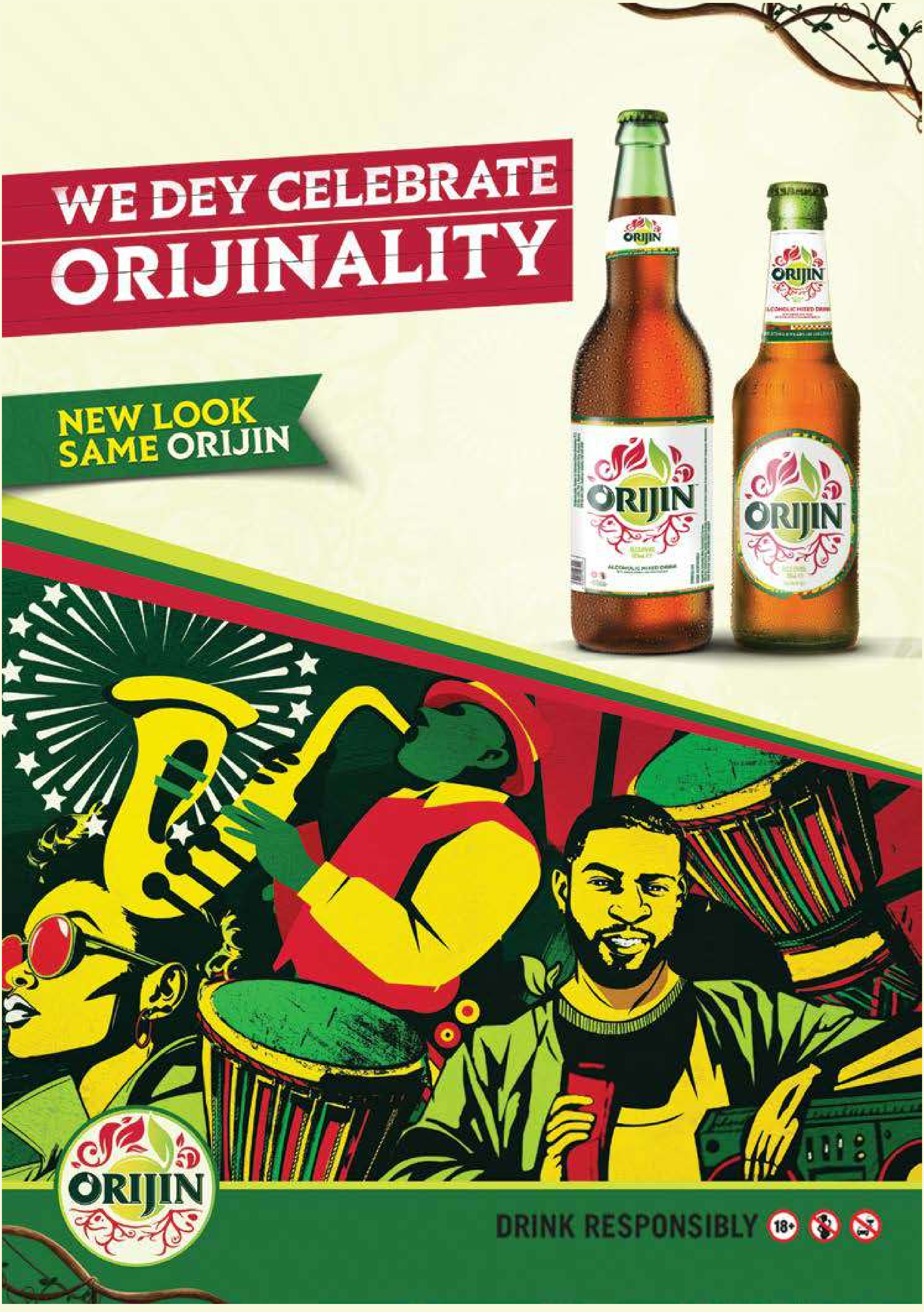
		Year ended 30 June	
		2023	2022
		GH¢'000	GH¢'000
Cash flows from operating activities			
Profit before income tax		**61,699**	9,930
Adjustments for:			
• Depreciation of property, plant and equipment	11	**78,868**	62,981
• Depreciation of right-of-use assets	13	**26,085**	13,577
• Derecognition of intangible asset - software	12	**12**	–
• Amortisation of intangible assets	12	**783**	297
• Loss on disposal of property, plant and equipment	11(b)	**–**	1,325
• Loss on derecognition of right-of-use assets	13	**–**	49
• Charge/(Release) of provision for expected credit losses	8(iv)	**61**	(714)
• Finance costs	9	**66,474**	23,515
• Finance income	9	**(6)**	(167)
• Actuarial gain on long service awards	22	**(315)**	(189)
• Unrealised foreign exchange differences*		**209,945**	27,577
		443,606	138,181
Changes in:			
• Inventories	14	**(13,122)**	(97,261)
• Trade and other receivables	15	**(23,434)**	881
• Trade and other payables	24	**61,485**	135,287
• Related party balances	17	**(21,423)**	15,684
• Employee benefit obligations	22	**2,008**	1,257
• Other assets	18	**(674)**	(11,594)
• Other financial assets at amortised cost	16	**11,830**	(14,652)
Cash generated from operating activities		**460,276**	167,783
• Income tax paid	10(ii)	**(200)**	(14,266)
• National fiscal stabilisation levy paid	10(iii)	**–**	(2,926)
• Interest received	6	**6**	167
Net cash generated from operating activities		**460,082**	150,758
Cash flows from investing activities			
Acquisition of intangible assets	12	**–**	(3,073)
Acquisition of property, plant and equipment	11(a)	**(243,176)**	(134,510)
Net cash used in investing activities		**(243,176)**	(137,583)

*Unrealised foreign exchange differences are included in Other income/(expenses).

Statement of Cash Flows (cont'd)

	Note	Year ended 30 June 2023 GH¢'000	2022 GH¢'000
Cash flows from financing activities			
Interest paid		**(37,626)**	(23,207)
Repayment of principal portion of lease liabilities	21	**(36,985)**	(4,522)
Proceeds from borrowings	17	**82,785**	–
Dividend paid	26	**–**	(25,223)
Net cash used in financing activities		**8,174**	(52,952)
Net increase/(decrease) in cash and cash equivalents		**225,080**	(39,777)
Cash and cash equivalents at 1 July		**(22,295)**	17,482
Effect of movements in exchange rates on cash held		**(5,339)**	–
Cash and cash equivalents at 30 June	19	**197,446**	(22,295)

The notes on pages 36 - 69 form an integral part of these financial statements.


WE DEY CELEBRATE
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NEW LOOK
SAME ORIJIN
ORIJIN
DRINK RESPONSIBLY
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Notes to the Financial Statements

For the Year Ended 30 June 2023

1. GENERAL INFORMATION

Guinness Ghana Breweries Plc is a public limited liability company and listed on the Ghana Stock Exchange. It is registered and domiciled in Ghana. The registered office is located at Industrial Area, Kaasi. The Company is primarily involved in the manufacture and distribution of alcoholic and non-alcoholic beverages and other ancillary products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Company in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention except for employee benefit obligations measured at fair value.

(iii) Going concern

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern for at least twelve months from the date of this statement. The financial statements have been prepared on a going concern basis. Directors acknowledge the fact that a significant portion of short term liability is connected to related party transactions, also confirms that based on internal engagement with the respective intercompany trading partners, Guinness Ghana is not pressured or forced to settle its debt in the new fiscal year in case of short-term business challenges or cash flow limitations due to local economic circumstances.

(iv) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2022. The application of the amendments had no material impact on the financial statements of the Company.

Amendments to IFRS 3 Reference to the Conceptual Framework

The Company has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

a) Basis of preparation- cont'd

Amendments to IAS 16 Property, Plant and Equipment— Proceeds before Intended Use

The Company has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract

The Company has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

- **IFRS 1 First-time Adoption of International Financial Reporting Standards**

  The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

- **IFRS 9 Financial Instruments**

  The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- **IFRS 16 Leases**

  The amendment removes the illustration of the reimbursement of leasehold improvements.

- **IAS 41 Agriculture**

  The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

a) Basis of preparation - cont'd

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction - cont'd

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements of the Company.

(vi) Early adoption of standards

The Company did not early adopt new or amended standards in the year.

b) Financial instruments

Financial assets and liabilities are recognised by the Company when it becomes a party to the contractual provisions of the instruments.

All financial assets and liabilities are initially measured at fair value, including transaction costs except for those classified as at fair value through profit or loss which are initially measured at fair value, excluding transaction costs. There are no financial assets at fair value through profit or loss.

Classification

The Company classifies its financial instruments into the following measurement categories:

- Financial assets at amortised cost, and
- Financial liabilities at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Recognition and derecognition

Financial assets are initially recognised at fair value, plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

The Company holds financial assets with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables, cash and bank balances, amounts due from related parties and other financial assets are classified as financial assets at amortised cost.

Reclassification

The Company shall reclassify all affected financial assets only when the entity changes its business model for managing financial assets in accordance with the reclassification provisions of IFRS 9.

Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The Company applies the simplified approach permitted by IFRS 9, for assessment on trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

b) Financial instruments - cont'd

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Financial liabilities

Financial liabilities comprise trade and other payables, bank overdrafts, borrowings and other non-current liabilities (excluding provisions). All financial liabilities are subsequently measured at amortised cost using the effective interest method.

c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Ghana Cedis ("GH¢") which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit or loss within 'other income' or 'other expenses'.

d) Leases

Leases under which the Company is the lessee

The Company leases warehouses, equipment, and vehicles. Contracts are typically made for fixed periods of 6 months to 8 years but may have extension options.

For any new contracts entered into on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

  The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

d) Leases- cont'd

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Company has leases for mainly warehouses, vehicles, chillers and residential properties for certain staff. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Leases of warehouses are generally limited to a lease term of 10 years. Leases of property generally have a lease term ranging from 2 years to 3 years. Lease term of chillers is 6 years and that of vehicles is 4 years.

Lease payments are generally fixed. The rentals for certain leases are denominated in US dollars.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security.

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.

The Company derecognises the carrying amount of a part of an item of property, plant and equipment if that part has been replaced and the company has included the cost of the replacement in the carrying amount of the item.

(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 lower of the unexpired period and the useful life of the leasehold.

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

Buildings	over period 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

e) Property, plant and equipment - cont'd

(v) Returnable packaging

As returnable packaging is the fixed asset of the Company, the expectation is that the customer will regularly return them, therefore they are not due for payment.

The asset values are maintained accurately through the normal depreciation process – where Gross Book Value (GBV) of a returnable packaging asset is constantly and actively reduced throughout the period of useful life in a linear way (normal depreciation).

Depreciation of returnable packaging:

Bottles	Crates	Kegs
5 years	10 years	10 years

The asset quantities must be accurate to ensure that the reported quantity of returnable packaging in fixed asset register is reliable and represents the total population of bottles/kegs/crates available for the business therefore can serve as a basis for commercial planning, production planning and enable the right business decisions.

f) Intangible assets

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) Impairment of non-financial assets

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

h) 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 at the lower of cost and net realisable value less allowance for obsolescence and slow-moving items.

i) Employee benefits

(a) 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.

(b) 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.

Tier 1 and Tier 2 contributions

Under a national pension scheme, the Company contributes 13% of employee's basic salary for employee pensions whereas the employee contributes 5.5% of basic salary. The Company's obligation is limited to the relevant contributions, which have been recognised in the financial statements. The national pension scheme is made up of two mandatory tiers. The first tier which receives 13.5% of the total contribution is managed by the Social Security and National Insurance Trust (SSNIT) whereas the second tier which receives 5% of total contribution is managed by a private trustee. The pension liabilities and obligations for these contributions rest with SSNIT and the private trustee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

i) Employee benefits - cont'd

Tier 3 - Provident Fund

The Company has a voluntary Tier 3 provident fund scheme for staff to which the Company contributes 10% and 15% of the basic salaries of the senior staff and 12% for junior staff. Obligations under the plan are limited to the relevant contributions, which are charged to profit or loss as and when they fall due.

(c) 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.

(d) Other long-term benefit

The Company's obligation in respect of long-term employee benefits (long service award) 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 used 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.

j) Revenue from contracts with customers

Sales are recognised as or when performance obligations are satisfied by transferring control of a good or service to the customer, which is determined by considering, among other factors, the delivery terms agreed with customers. For the sale of goods, the transfer of control occurs when the significant risks and rewards of ownership are passed to the customer. Based on the shipping terms agreed with customers, the transfer of control of goods occurs at the time of dispatch for the majority of sales. Where the transfer of control is subsequent to the dispatch of goods, the time between dispatch and receipt by the customer is generally less than five days. The group includes in sales the net consideration to which it expects to be entitled. Sales are recognised to the extent that it is highly probable that a significant reversal will not occur. Therefore, sales are stated net of expected price discounts, allowances for customer loyalty and certain promotional activities and similar items. Generally, payment of the transaction price is due within credit terms that are consistent with industry practices, with no element of financing.

k) 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 and on leases. 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.

l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

m) Current and deferred income tax

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

m) Current and deferred income tax - cont'd

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 either 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.

n) 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.

o) Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle obligation, and amount can be reliably estimated. 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 increase in the provision due to the passage of time is recognised as interest expense.

p) 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 business units dealing in spirits, alcoholic and non-alcoholic beverages.

q) 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.

r) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as a separate line on the face of the statement of financial position.

s) Stated capital

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.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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.

a) Useful lives of property, plant and equipment

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment. The rates used are set out in note 2(e).

b) Taxation

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business.The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters are different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provisions in the period in which such determination is made.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

c) Estimation of defined benefit obligations

The present value of employee benefit obligations depends on factors that are determined on an actuarial basis using assumptions. Any changes in these assumptions will impact the carrying amount of the defined benefit obligations.

Additional information is set out in note 22.

d) Impairment of financial assets at amortised cost

To measure expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on payment profile of sales over a 36 month period and the corresponding historical credit losses experienced within the period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic indicators affecting the ability of customers to settle outstanding receivables. Additional information is set out in note 28(i).

The Company applies the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime, expected credit loss for all trade receivables. Management exercises significant judgement in the input, assumptions, and techniques for estimating expected credit loss, default and unpaid assets. Additional information is disclosed in note 28(i).

e) Lease liabilities

To determine the lease term, where extension or termination options exists, any economic incentive to retain or end a lease are considered and extension periods are only included when it is considered reasonably certain that an option to extend a lease will be exercised. The Company also exercised judgement in determining the incremental borrowing rate, which is the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The incremental borrowing rate depends on the term, currency and start date of the lease.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS - CONT'D

f) Useful life of right-of-use assets

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

4. DETERMINATION OF FAIR VALUES

The Company considers that the carrying values of cash and cash equivalents, trade receivables, trade and other payables approximate their fair values due to their short-term nature. The determination of fair values at initial recognition for Borrowings and Leases are set out in notes 17 (iii) and 21.

The Company considers that the recognised assets and liabilities are at Level 2 (that is, one or more of the significant inputs is not based on observable market data) in the fair value hierarchy as disclosed in note 27.

5. OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the executive committee of Diageo Plc, the Chief Operating Decision Maker (CODM) that are used to make strategic decisions. The CODM considers the business from a product perspective and assesses the performance of the operating segments based on net sales value. The accounting policies of the operating segments are the same. The Company's reporting segments are based on products, namely spirits, alcoholic and non-alcoholic beverages.

	Alcoholic Beverages		Non-Alcoholic Beverages		Spirits		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	GH¢'000	GH¢'000	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
Revenue from external customers within Ghana	**678,832**	578,766	**902,482**	631,219	**183,971**	88,700	**1,765,285**	1,298,685
Revenue from external customers outside Ghana	**748**	–	**–**	–	**119**	193	**867**	193
Total External Revenue	**679,580**	578,766	**902,482**	631,219	**184,090**	88,893	**1,766,152**	1,298,878
Depreciation and amortisation	**–**	–	**–**	–	**–**	–	**(105,736)**	(76,855)
Operating cost	**(587,181)**	(529,692)	**(779,776)**	(577,697)	**(159,060)**	(81,356)	**(1,532,249)**	(1,188,745)
Operating profit	**–**	–	**–**	–	**–**	–	**128,167**	33,278
Finance income	**–**	–	**–**	–	**–**	–	**6**	167
Finance cost	**–**	–	**–**	–	**–**	–	**(66,474)**	(23,515)
Profit before income tax	**–**	–	**–**	–	**–**	–	**61,699**	9,930
Taxes and levies	**–**	–	**–**	–	**–**	–	**(22,174)**	(4,642)
Profit for the year	**–**	–	**–**	–	**–**	–	**39,525**	5,288
Non-current assets	**–**	–	**–**	–	**–**	–	**796,156**	651,456

No measure of total assets and liabilities are reviewed by the CODM.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023	2022
	GH¢'000	GH¢'000
Revenue recognised:		
At a point in time	**1,766,152**	1,298,878
Gross sales	**2,237,521**	1,628,992
Taxes collected for government (Value Added Tax)	**(385,385)**	(266,925)
Volume discounts	**(85,984)**	(63,189)
Net sales value	**1,766,152**	1,298,878

7. COST OF SALES

	2023	2022
	GH¢'000	GH¢'000
Direct production costs	**685,607**	522,819
Production overheads	**294,181**	211,688
Depreciation expense (Note 11(a))	**98,961**	72,341
Excise duty	**215,092**	156,506
Distribution and warehousing costs	**129,693**	81,695
	1,423,534	1,045,049

All of the intercompany transactions are conducted in accordance with Diageo's Transfer Pricing methodologies which have been designed to be consistent with the arm's length principle, the governing international principle of related party transactions. Where Guinness Ghana's undertakes activities under agreements with Diageo's brand owning entities, those brand owning entities may provide financial support on a year-by-year basis to the extent that the financial performance of Guinness Ghana Plc in relation to those transactions falls below an arm's length range. Any contributions made to Guinness Ghana Plc by Diageo's brand owning entities are intended to deliver an arm's length outcome. During the year the Company has received brand owner support reflecting as a reduction in Cost of Sales amounting to GH¢ 182 million (2022: GH¢ 25 million).

8. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
	GH¢'000	GH¢'000
(i) Advertising and marketing expenses		
Advertising and marketing expenses	**96,899**	81,452
	96,899	81,452

(ii) Administrative expenses	2023	2022
	GH¢'000	GH¢'000
Staff cost	**53,259**	78,458
Auditor's remuneration	**338**	270
Insurance	**2,871**	1,829
Office related expenses	**15,976**	13,639
Professional/consultancy costs	**4,620**	9,397
Communication costs	**3,208**	2,336
Depreciation expense (Note 11(a))	**5,992**	4,217
Amortisation charge (Note 12)	**783**	297
Directors' remuneration and allowances	**19,687**	7,135
Maintenance costs	**15,519**	2,283
	122,253	119,861

(iii) Other (income)/ expenses	2023	2022
	GH¢'000	GH¢'000
Net foreign exchange loss	**17,121**	17,975
Sundry (income)/expenses	**(21,883)**	1,977
	(4,762)	19,952

(iv) Impairment charge/(release) on financial assets	2023	2022
	GH¢'000	GH¢'000
Expected credit loss charge/(release)	**61**	(714)
	61	(714)

(v) Personnel costs	2023	2022
	GH¢'000	GH¢'000
Wages and salaries	**85,829**	88,629
Social security contributions	**6,261**	5,390
Contributions to provident fund	**6,080**	4,970
Defined benefit plan	**3,302**	5,738
Other staff expenses	**29,324**	28,730
	130,796	133,457

The total number of staff employed by the Company at 30 June 2023 was 470 (2022: 595).

8. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES - CONT'D

Personnel costs is charged as follows:

	2023	2022
	GH¢'000	GH¢'000
Administrative expense (Note 8(ii))	53,259	78,458
Directors' remuneration and allowances	19,687	7,002
Included in cost of sales	57,850	47,997
	130,796	133,457

9. FINANCE INCOME AND COSTS

	2023	2022
Finance income	GH¢'000	GH¢'000
Interest income on bank accounts	6	167

	2023	2022
Finance costs	GH¢'000	GH¢'000
Interest expense on borrowings	35,882	14,193
Interest expense on lease liabilities	3,524	3,006
Interest expense on bank overdrafts	26,004	5,572
Other finance costs	1,064	744
	66,474	23,515

10. TAXES AND LEVIES

	2023	2022
	GH¢'000	GH¢'000
(i) Income tax expense		
Current income tax charge (Note 10(ii))	8,042	925
Deferred income tax (credit)/charge (Note 10(v))	11,047	3,220
	19,089	4,145

(ii) Current income tax asset

Year ended 30 June 2023	Balance at 1 July	Payments during the year	Charge for the year	Balance at 30 June
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Years of assessment				
Up to 2021	(5,971)	–	–	(5,971)
2022	(13,341)	–	–	(13,341)
2023	–	(200)	8,042	7,842
	(19,312)	(200)	8,042	(11,470)

Year ended 30 June 2022	Balance at 1 July	Payments during the year	Charge for the year	Balance at 30 June
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Years of assessment				
Up to 2020	(4,753)	–	–	(4,753)
2021	(1,218)	–	–	(1,218)
2022	–	(14,266)	925	(13,341)
	(5,971)	(14,266)	925	(19,312)

10. TAXES AND LEVIES - CONT'D

(iii) National fiscal stabilisation levy

The National fiscal stabilisation levy is a levy on profit before tax. The levy was introduced in July 2013 and has been extended to December 2024.

Year ended 30 June 2023	Balance at 1 July GH¢'000	Payments during the year GH¢'000	Charge for the year GH¢'000	Balance at 30 June GH¢'000
Years of assessment				
Up to 2022	**(3,155)**	**–**	**–**	**(3,155)**
2023	**–**	**–**	**3,085**	**3,085**
	(3,155)	**–**	**3,085**	**(70)**

Year ended 30 June 2022	Balance at 1 July GH¢'000	Payments during the year GH¢'000	Charge for the year GH¢'000	Balance at 30 June GH¢'000
Years of assessment				
Up to 2021	(726)	–	–	(726)
2022	–	(2,926)	497	(2,429)
	(726)	(2,926)	497	(3,155)

Tax liabilities up to 2015 year of assessment has been agreed with the Ghana Revenue Authority.

(iv) Reconciliation of effective tax rate

	2023 GH¢'000	2022 GH¢'000
Profit before income tax	**61,699**	9,930
Tax calculated using statutory income tax rate of 25% (2022: 25%)	**15,425**	2,483
Expenses not deductible for tax purposes	**2,656**	1,841
Export sale rate impact	**(47)**	(12)
Items not subject to tax	**1,773**	412
Items taxed at different rate	**(1,497)**	(579)
Adjustment in respect of prior years	**779**	–
Income tax expense	**19,089**	4,145
Effective tax rate	**31%**	42%

10. TAXES AND LEVIES - CONT'D

(v) Recognised deferred tax assets and liabilities

	At 1 July (Net)	Charge to profit or loss	Recognised in OCI	At 30 June (Net)	Deferred tax assets	Deferred tax liabilities
Year ended 30 June 2023	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Property, plant and equipment	**39,184**	**15,094**	**–**	**54,278**	**–**	**54,278**
Provision for doubtful debts	**(1,246)**	**(47)**	**–**	**(1,293)**	**(1,293)**	**–**
Inventory provisions	**(714)**	**6**	**–**	**(708)**	**(708)**	**–**
Provision for employee benefit obligations	**(1,485)**	**(196)**	**297**	**(1,384)**	**(1,384)**	**–**
Restricted financial cost	**–**	**(7,600)**	**–**	**(7,600)**	**(7,600)**	**–**
Right-of-use assets	**(2,495)**	**3,790**	**–**	**1,295**	**–**	**1,295**
Tax losses	–	**–**	**–**	**–**	**–**	**3,790**
Net deferred tax liabilities	**33,244**	**11,047**	**297**	**44,588**	**(10,985)**	**59,363**

Year ended 30 June 2022	At 1 July (Net) GH¢'000	Charge to profit or loss GH¢'000	Recognised in OCI GH¢'000	At 30 June (Net) GH¢'000	Deferred tax assets GH¢'000	Deferred tax liabilities GH¢'000
Property, plant and equipment	33,638	5,546	–	39,184	–	39,184
Provision for doubtful debts	(1,291)	45	–	(1,246)	(1,246)	–
Inventory provisions	(784)	70	–	(714)	(714)	–
Provision for employee benefit obligations	(882)	(424)	(179)	(1,485)	(1,485)	–
Right-of-use assets	(478)	(2,017)	–	(2,495)	(2,495)	–
Net deferred tax liabilities	30,203	3,220	(179)	33,244	(5,940)	39,184

(a) Movement in deferred tax balances

	2023	2022
	GH¢'000	GH¢'000
Balance at 1 July	**33,244**	30,203
Charge for the year	**11,047**	3,220
Deferred tax on actuarial loss in Other Comprehensive Income	**297**	(179)
Balance at 30 June	**44,588**	33,244

(b) Amount recognised in Other Comprehensive Income

	2023			2022		
	Before tax	**Tax credit**	**Net of tax**	Before tax	Tax charge	Net of tax
Actuarial loss on defined benefit liability	1,321	**(297)**	**1,024**	(824)	179	(645)

11. PROPERTY, PLANT AND EQUIPMENT

Year ended 30 June 2023

	Buildings	Plant and Machinery	Motor Vehicles	Furniture and Equipment	Bottles and Crates	Capital Work in-Progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost							
At 1 July 2022	78,077	576,398	–	6,017	296,378	43,775	**1,000,645**
Additions	5,293	68,487	258	1,574	118,993	48,571	**243,176**
Disposals/Write-off	(15)	(348)	–	(55)	(83,094)	–	**(83,512)**
Reclassifications	–	–	–	–	–	291	**291**
Transfers	2,579	17,955	11	1,044	11,897	(33,486)	**–**
At 30 June 2023	**85,934**	**662,492**	**269**	**8,580**	**344,174**	**59,151**	**1,160,600**
Accumulated deprecation							
At 1 July 2022	12,408	206,917	–	5,373	165,045	–	**389,743**
Charge for the year	2,219	31,826	22	870	43,931	–	**78,868**
Disposals/Write-off	(15)	(348)	–	(55)	(83,094)	–	**(83,512)**
At 30 June 2023	**14,612**	**238,395**	**22**	**6,188**	**125,882**	**–**	**385,099**
Net book value							
At 30 June 2023	**71,322**	**424,097**	**247**	**2,392**	**218,292**	**59,151**	**775,501**

Year ended 30 June 2022

	Buildings	Plant and Machinery	Motor Vehicles	Furniture and Equipment	Bottles and Crates	Capital Work in-Progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cost							
At 1 July 2021	58,106	439,186	331	6,232	211,872	155,780	871,507
Additions	6,451	34,102	–	25	56,402	37,530	134,510
Disposals/Write-off	10	(4,856)	(331)	(240)	(27)	72	(5,372)
Transfers	13,510	107,966	–	–	28,131	(149,607)	–
At 30 June 2022	78,077	576,398	–	6,017	296,378	43,775	1,000,645
Accumulated deprecation							
At 1 July 2021	10,191	180,120	331	4,424	135,743	–	330,809
Charge for the year	2,093	30,397	–	1,189	29,302	–	62,981
Disposals/Write-off	10	(3,486)	(331)	(240)	–	–	(4,047)
Transfers	114	(114)	–	–	–	–	–
At 30 June 2022	12,408	206,917	–	5,373	165,045	–	389,743
Net book value							
At 30 June 2022	65,669	369,481	–	644	131,333	43,775	610,902

11. PROPERTY, PLANT AND EQUIPMENT – CONT'D

(a) Depreciation expense

Depreciation has been charged in the profit or loss as follows:

	2023	2022
	GH¢'000	GH¢'000
Cost of sales (Note 7)	**98,961**	72,341
Administrative expenses (Note 8(ii))	**5,992**	4,217
	104,953	76,558

Depreciation charge for the year

Property, plant and equipment (Note 11)	**78,868**	62,981
Right-of-use assets (Note 13)	**26,085**	13,577
	104,953	76,558

(b) Disposal/write-off of property, plant and equipment

Cost	**83,512**	5,372
Accumulated depreciation	**(83,512)**	(4,047)
Net book value	**–**	1,325
Loss on disposal/write-off	**–**	1,325

12. INTANGIBLE ASSETS

	2023	2022
Year ended 30 June	**GH¢'000**	GH¢'000
Cost		
At 1 July	**16,618**	13,545
Transfer to work in progress (Note 11)	**(291)**	–
Additions	**–**	3,073
Write off	**(12)**	–
At 30 June	**16,315**	16,618
Accumulated amortisation		
At 1 July	**12,927**	12,630
Charge for the year	**783**	297
At 30 June	**13,710**	12,927
Net book value		
At 30 June	**2,605**	3,691

Amortisation of intangible assets is recognised in administrative expenses (Note 8 (ii)).

Security

As of 30 June 2023, there were no restrictions on title for intangible assets.

13. RIGHT-OF-USE ASSETS

Year ended 30 June 2023	Warehouse GH¢'000	Residential properties GH¢'000	Chillers GH¢'000	Vehicles GH¢'000	Total GH¢'000
Cost					
At 1 July 2022	32,613	798	22,908	23,683	**80,002**
Remeasurement	(16,497)	196	–	7,325	**(8,976)**
Additions	20,372	–	4,270	1,215	**25,857**
Derecognition	(15,930)	(242)	–	(4,237)	**(20,409)**
At 30 June 2023	**20,558**	**752**	**27,178**	**27,986**	**76,474**
Accumulated depreciation					
At 1 July 2022	13,154	528	18,448	11,009	**43,139**
Remeasurement	233	117	–	8,004	**8,354**
Depreciation charge	16,054	346	3,693	5,992	**26,085**
Derecognition	(14,635)	(282)	–	(4,237)	**(19,154)**
At 30 June 2023	**14,806**	**709**	**22,141**	**20,768**	**58,424**
Net book value	**5,752**	**43**	**5,037**	**7,218**	**18,050**
Year ended 30 June 2022					
Cost					
At 1 July 2021	26,356	825	22,177	35,163	84,521
Additions	6,257	304	941	–	7,502
Derecognition	–	(331)	(210)	(11,480)	(12,021)
At 30 June 2022	32,613	798	22,908	23,683	80,002
Accumulated depreciation					
At 1 July 2021	7,516	178	15,568	18,272	41,534
Depreciation charge	5,638	681	3,041	4,217	13,577
Derecognition	–	(331)	(161)	(11,480)	(11,972)
At 30 June 2022	13,154	528	18,448	11,009	43,139
Net book value	19,459	270	4,460	12,674	36,863

Derecognition of right-of-use assets:

	2023 GH¢'000	2022 GH¢'000
Cost	**20,409**	12,021
Accumulated depreciation	**(19,154)**	(11,972)
Net book value	**1,255**	49
Loss on derecognition	**1,255**	49

14. INVENTORIES

	2023	2022
	GH¢'000	GH¢'000
Raw and packaging materials	**184,978**	183,975
Work-in-progress	**17,062**	9,729
Finished products	**47,130**	44,410
Engineering spares and other consumables	**49,186**	47,351
Goods in transit	**–**	(231)
	298,356	285,234

As of 30 June 2023, there were no inventories pledged as security (2022: Nil). Inventories include provision amounting to GH¢ 3.17 million (2022: GH¢ 3.28 million).

15. TRADE RECEIVABLES

	2023	2022
	GH¢'000	GH¢'000
Gross trade receivables	**77,195**	56,868
Provision for expected credit losses	**(5,791)**	(5,730)
Net trade receivables (Note 28)	**71,404**	51,138
Movement in expected credit losses		
At 1 July	**(5,730)**	(5,970)
(Charge)/Credit for the year	**(61)**	714
Write-off	**–**	(474)
At 30 June	**(5,791)**	(5,730)
Analysis of movements		
Trade receivables	**(61)**	121
Other receivables	**–**	593
Total (charge)/credit for the year	**(61)**	714

16. OTHER FINANCIAL ASSETS AT AMORTISED COST

	2023	2022
	GH¢'000	GH¢'000
Staff debtors	**1**	1
Sorghum crop fertilizer to farmers	**–**	9,252
Other receivables	**3,256**	445
National Fiscal Stabilisation Levy (Note 10(iii))	**70**	3,155
MG PET retention	**–**	2,304
Net other financial assets (Note 28)	**3,327**	15,157

17. RELATED PARTY TRANSACTIONS

a) The Company is a subsidiary of Diageo Holdings Netherlands BV, a company incorporated 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.

17. RELATED PARTY TRANSACTIONS – CONT'D

b) Raw materials and finished goods purchased from related parties during the year as follows:

	2023	2022
	GH¢'000	GH¢'000
Diageo Ireland	**34,473**	39,348
Diageo Brands B.V.	**22,106**	26,514
Guinness Nigeria Plc	**1,823**	63
Guinness Cameroon SA	**–**	18
	58,402	65,943

c) Included in profit or loss is an amount of GH¢ 14.7 million (2022: GH¢53.1 million paid) in respect of royalties and technical services fees accruing to Diageo Ireland, Diageo Brands B.V. and Diageo Great Britain.

d) Finance cost of GH¢36 million (2022: GH¢14 million) was charged to profit or loss on account of loan from Diageo Finance Plc.

e) Human resource and project cost recharges

Transactions with other related parties included human resources and project costs recharges as follows:

	2023	2022
	GH¢'000	GH¢'000
Diageo Great Britain Limited	**61,888**	28,914
Serengeti Breweries Ltd	**3,560**	–
Diageo Brands B.V.	**3,419**	1,943
Uganda Breweries Limited	**2,721**	35
Diageo Scotland Limited	**2,349**	2,545
Guinness Nigeria Plc	**1,393**	1,294
East African Breweries Limited	**445**	103
Diageo North America Inc.	**352**	–
Kenya Breweries Limited	**241**	–
Guinness Storehouse Limited	**–**	21,647
Diageo North America Inc.	**–**	121
	76,368	56,602

f) Related party balances outstanding as at 30 June

(i) Amounts due from related parties	2023	2022
	GH¢'000	GH¢'000
Diageo North America Inc	**8,185**	1,132
Guinness Cameroon SA	**3,678**	2,601
Guinness Nigeria Plc	**3,464**	2,500
Diageo Ireland	**2,690**	–
R&A Bailey & Co	**532**	–
Diageo South Africa (Pty) Ltd	**104**	–
Diageo Scotland Limited	**3**	–
Diageo Plc	**1**	–
	18,657	6,233

17. RELATED PARTY TRANSACTIONS - CONT'D

(ii) Amounts due to related parties

	2023	2022
	GH¢'000	GH¢'000
Diageo Great Britain Limited	75,361	20,573
Diageo Brands B.V.	61,561	21,016
Serengeti Breweries Limited	5,939	1,125
Uganda Breweries Limited	4,867	1,458
Diageo Scotland Limited	4,017	926
East African Breweries Plc	784	42
Diageo Plc	371	2
Kenya Breweries Limited	232	302
Diageo Ireland	–	9,356
	153,132	54,800

Outstanding balances with related parties are to be settled in cash. There are no liens on the Company's assets in respect of the above liabilities.

All related parties are fellow subsidiaries except Diageo Plc which is the ultimate parent.

(iii) Borrowings

	2023	2022
	GH¢'000	GH¢'000
Balance at 1 July	109,133	108,825
Proceeds from borrowings	82,785	–
Interest paid	(7,034)	(13,885)
Interest charge	35,882	14,193
Exchange difference on loans	59,631	–
Balance at 30 June	280,397	109,133
Current	174,820	3,556
Non-current	105,577	105,577
	280,397	109,133

The Company has loan facilities from Diageo Finance Plc. Interest on the loan is at an applicable rate equal to 91 day Government of Ghana treasury bill plus a margin of 50 basis points to be determined on an ongoing basis. Up to 30 June 2024, all or any part of the loan may be repaid at the option of the borrower subject to approval from the lender. At any time, subsequent to 1 July 2024, the lender may require the borrower to repay either in full or in part, the loan together with accrued interest and all other amounts outstanding under the agreement.The interest rate applicable at the reporting date is 19.38%. The principle loan is unsecured. The accrued interest representing the current portion of the liability has been disclosed. In September 2022, the Company contracted additional foreign currency loan from Diageo Finance Plc to enable to pay suppliers due to foreign currency scarcity in market and high purchase rate. There are 3 major currency loans thus USD in amount to 8 million, EUR in amount to 6 million and GBP in amount to 2 million. The Company had only withdrew from USD 7 million and EUR 5 million. The Company intends to settle this Loan with brand owner support received in financial year 2024. Interest on the loans are at an applicable rate equal to 91 day Government of Ghana treasury bill plus a margin of 276 basis points regarding USD loan and 286 basis points regarding EUR to be determined on an ongoing basis.

17. RELATED PARTY TRANSACTIONS - CONT'D

(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 directors of the Company. Key management personnel compensation recognised in administrative expenses in the profit or loss includes the following:

	2023	2022
	GH¢'000	GH¢'000
Short-term benefits	19,687	12,013
Long-term benefits	601	588
	20,288	12,601

18. OTHER ASSETS

	2023	2022
	GH¢'000	GH¢'000
Prepayments	15,793	15,119

Other prepaid expenses relate to insurance, housing subsidies and leave allowance.

19. CASH AND CASH EQUIVALENTS

	2023	2022
	GH¢'000	GH¢'000
Cash and bank balances	233,352	31,677
Bank overdraft (Note 23)	(35,906)	(53,972)
Cash and cash equivalents in the statement of cash flows	197,446	(22,295)

There are no restrictions on the Company's bank balances at the year end (2022: Nil).

20. STATED CAPITAL

(a) Ordinary shares

	Number of shares		Proceeds	
	2023	2022	2023	2022
			GH¢'000	GH¢'000
Authorised: (number in millions)				
Ordinary shares of no par value	400	400		
Issued and fully paid: (number in millions)				
For cash	179	179	253,678	253,678
For consideration other than cash	35	35	18,926	18,926
Transfer from retained earnings	93	93	275	275
	307	307	272,879	272,879

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.

There was no movement in ordinary shares during the year (2022: Nil).

20. STATED CAPITAL - CONT'D

(b) Shares in treasury

There is no unpaid liability on any share and there are no calls or instalments unpaid. There are no treasury shares.

21. LEASE LIABILITIES

	2023	2022
	GH¢'000	GH¢'000
Non-current lease liabilities	**7,216**	30,557
Current lease liabilities	**5,492**	11,864
	12,708	42,421

	Future minimum lease payments	**Future finance charges**	**Present value of minimum lease payments**	Future minimum lease payments	Future finance charges	Present value of minimum lease payments
	2023	**2023**	**2023**	2022	2022	2022
	GH¢'000	**GH¢'000**	**GH¢'000**	GH¢'000	GH¢'000	GH¢'000
Within one year	**7,898**	**(2,406)**	**5,492**	14,399	(2,535)	11,864
More than one year	**9,016**	**(1,800)**	**7,216**	32,871	(2,314)	30,557
	16,914	**(4,206)**	**12,708**	47,270	(4,849)	42,421

The Company entered into lease arrangements with Stanbic Bank Ghana Limited and Societe Generale Ghana Limited. The purpose of the facilities was to finance the purchase of vehicles and coolers. The applicable interest rates for Stanbic Bank Ghana Limited and Societe Generale Ghana Limited at reporting date are 28.46% (2022: 22.37%) and 27.89% (2022: 21.80%) respectively. Other lease liabilities relating to warehouse and residential properties were recognised in 2020 following the adoption of IFRS 16. Total principal lease repayments made in the year was GH¢36.9 million (2022: GH¢4.5 million).

Movement in lease liabilities:	2023	2022
	GH¢'000	GH¢'000
At 1 July	**42,421**	39,441
Additions	**25,857**	7,502
Derecognition	**(1,255)**	–
Remeasurement	**(17,330)**	–
Interest expense on leases	**3,524**	2,022
Payment of lease liabilities:		
– Repayment of principal portion of the lease liability	**(36,985)**	(4,522)
– Interest paid on lease liabilities	**(3,524)**	(2,022)
At 30 June	**12,708**	42,421

Lease payment not recognised as lease liabilities

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. During the financial year there were no such leases accounted for.

22. EMPLOYEE BENEFIT OBLIGATIONS

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. The plan is not funded. 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. Some of the Company's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities.

Long Service Awards

The Company operates a long service benefit plan for all employees, both management staff and junior staff, who have served the Company for ten (10) years and beyond. The plan is not funded. The awards vary depending on the number of years served by employees who meet the criteria above.

(a) Employee benefit obligations	**2023**	2022
	GH¢'000	GH¢'000
Defined benefit liabilities	**4,865**	4,507
Liability for long service awards	**1,330**	1,316
	6,195	5,823

The employee benefit obligations were independently valued by a professionally qualified actuary at 30 June 2023.

(b) Movement in defined benefit liabilities	**2023**	2022
	GH¢'000	GH¢'000
Balance at 1 July	**4,507**	2,735
Included in profit or loss		
Current service costs	**896**	462
Interest costs	**783**	486
	1,679	948
Included in OCI		
Actuarial (gain)/loss	**(1,321)**	824
Balance at 30 June	**4,865**	4,507

(c) Movement in long service award

Balance at 1 July	**1,316**	1,196
Current service costs	**120**	121
Interest costs	**209**	188
Actuarial (gain)/loss recognised in profit or loss	**(315)**	(189)
Benefits paid	**–**	–
Balance at 30 June	**1,330**	1,316

(d) Actuarial assumptions

	2023	2022
	GH¢'000	GH¢'000
Discount rate	**18%**	13%
Salary growth rate	**12%**	10%
Inflation rate	**6%**	12%

22. EMPLOYEE BENEFIT OBLIGATIONS (continued)

The mortality rate is based on a 75% adjustment on the SSNIT mortality rate.

(e) 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:

	2023		2022	
	Increase	**Decrease**	Increase	Decrease
	GH¢'000	**GH¢'000**	GH¢'000	GH¢'000
Discount rate (1% movement)	**(662)**	**794**	(677)	811
Salary inflation (1% movement)	**835**	**(703)**	839	(708)

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.

23. BANK OVERDRAFTS

	2023	2022
	GH¢'000	GH¢'000
Standard Chartered Bank Ghana Limited	**14,976**	37,516
ABSA Bank Ghana Limited	**–**	4,551
Stanbic Bank Ghana Limited	**–**	8,435
Societe Generale Ghana Limited	**20,930**	3,470
	35,906	53,972

The terms of the overdrafts are as follows:

Standard Chartered Bank Ghana Limited

The overdraft facility of GH¢60 million is to augment the Company's working capital. Interest rate on the facility is indexed to the Ghana reference rate plus a risk premium based on market conditions and is subject to review in line with prevailing market conditions. This facility is supported by a letter of comfort from Diageo Highlands B.V and has no maturity date. At the end of the year, the rate was 26.89% per annum. (GRR + 0%)

ABSA Bank Ghana Limited (formerly Barclays Bank Ghana Limited)

The overdraft facility of GH¢15 million is to augment the Company's working capital. Interest rate on the facility is 0.84% above the Ghana Reference Rate per annum and is subject to review in line with prevailing market conditions. At the end of the year, the rate was 27.89%. This facility is supported by a letter of comfort from Diageo Highlands B.V. and has no maturity date.

Stanbic Bank Ghana Limited

The overdraft facility of GH¢15 million is to augment the Company's working capital. Interest rate on the facility is indexed to the Ghana reference rate plus a margin of 1% per annum and is subject to review in line with prevailing market conditions. This facility is supported by a letter of comfort from Diageo Highlands B.V. and has no maturity date. At the end of the year, the rate was 27.73%.

Societe Generale Ghana Limited

The overdraft facility of GH¢60 million is to augment the Company's working capital. Interest on this facility is the Ghana Reference Rate plus a margin of 1%. The rate at end of the year was 27.14%

24. TRADE AND OTHER PAYABLES

	2023	2022
	GH¢'000	GH¢'000
Trade payables	**306,536**	183,015
General liability of returnable package	**28,464**	36,817
Accrued expenses	**115,339**	92,792
Other tax liabilities	**56,557**	35,930
Other payables	**16,890**	76,125
	523,786	424,679

As per the Returnables Policy that has been implemented in 2023 financial year, Guinness Ghana Breweries Plc. has started to depreciate the general liability balance in 2023 financial year. The basis of the exercise was that Guinness Ghana Breweries Plc. performed a separation of the general liability into balance that can be connected to customers with whom GGB Plc. is actively trading, and to those distributors which are dormant with no active trading. Having the alignment from Diageo governance function, GGB Plc. has depreciated 50% of the balance linked to dormant clients and committed to track the trading dynamics in 2024 financial year to sustain the possibility to continue the depreciation further up to 100% of balance related to the inactive distributors.

25. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 30 June 2023 was based on profits attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

	2023	2022
	GH¢'000	GH¢'000
Profit attributable to ordinary shareholders	**39,525**	5,288
Weighted average number of ordinary shares	**307,595**	307,595
Basic and diluted earnings per share	**0.128**	0.017

At 30 June 2023, the basic and diluted earnings per share were the same. There are no outstanding shares with potential dilutive effect on the weighted average number of ordinary shares in issue.

26. DIVIDENDS

The directors recommended GH¢ 4.9 million dividend payment for the year ended 30 June 2023 (2022: GH¢ nil).

27. FINANCIAL INSTRUMENTS – FAIR VALUES

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.

	Financial instruments at amortised cost GH¢'000	Fair Value Level 2 GH¢'000
At 30 June 2023		
Financial assets		
Trade receivables	71,404	71,404
Other financial assets at amortised cost	6,412	6,412
Amounts due from related parties	18,657	18,657
Cash and bank balances	233,352	233,352
	329,825	**329,825**
At 30 June 2023		
Financial liabilities		
Trade and other payables	470,624	436,476
Bank overdrafts	35,906	35,906
Lease liabilities	12,708	19,421
Amounts due to related parties	153,132	153,132
Borrowings	280,397	280,397
	952,767	**925,332**
At 30 June 2022		
Financial assets		
Trade receivables	51,138	51,138
Other financial assets at amortised cost	12,002	12,002
Amounts due from related parties	6,233	6,233
Cash and bank balances	31,677	31,677
	101,050	101,050
At 30 June 2022		
Financial liabilities		
Trade and other payables	388,749	388,749
Bank overdrafts	53,972	53,972
Lease liabilities	42,421	47,270
Amounts due to related parties	54,800	54,800
Borrowings	109,133	109,133
	649,075	653,924

28. FINANCIAL RISK MANAGEMENT

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

- credit risk
- liquidity risk
- market risk

The Company's exposure to each of the above risks, objectives, policies and processes for measuring and managing risks including management of capital are as follows:

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit sub-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 sub-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 sub-committee and management with results of procedures carried out on key risks, including extent of compliance with standards set on governance; and assurances over the quality of the Company's internal control.

The Company also has a Control, Compliance and Ethics function in place, which monitors compliance with internal procedures and processes, assesses the effectiveness of internal control.

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 arises from deposits with banks as well as credit exposures to key distributors, wholesale and retail customers and other receivables.

(i) Risk management

For deposits with banks, the Company only transacts business with banks licensed by the Bank of Ghana.

Customers are grouped according to the 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.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

(ii) Security

For certain trade receivables, the Company may obtain security in the form of bank guarantees, collateral (such landed properties) which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

The Company's financial assets that are subject to the expected credit loss model are:

- trade receivables
- other financial assets at amortised cost
- deposits with banks
- amounts due from related parties

While deposits with banks are also subject to the impairment requirements of IFRS 9, the expected credit loss assessed was immaterial. The Company held bank balances of GH¢233.4 million at 30 June 2023 (2022: GH¢31.7 million) which represent its maximum exposure.

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

28. FINANCIAL RISK MANAGEMENT - CONT'D

I. Credit risk - cont'd

(iii) Impairment of financial assets - cont'd

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified interest rates, inflation and exchange rates to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the expected credit loss as of 30 June 2023 was determined as follows for both trade and other receivables:

30 June 2023	**Gross carrying amount**	**Loss rate**	**Lifetime expected credit losses**	**Net Carrying amount**
	GH¢'000		**GH¢'000**	**GH¢'000**
Key Distributor	**70,288**		**2,176**	**68,112**
Current	68,149	0.11%	114	68,035
More than 30 days past due	78	41.62%	32	46
More than 120 days past due	80	61.88%	49	31
Over 180 days past due	1,981	100.00%	1,981	–
Retail	**376**		**376**	**–**
Over 180 days past due	376	100.00%	376	–
Wholesale	**6,531**		**3,239**	**3,292**
Current	3,405	1.65%	113	3,292
Over 180 days past due	3,126	100.00%	3,126	–
Total	**77,195**		**5,791**	**71,404**

30 June 2022:	Gross carrying amount	Loss rate	Lifetime expected losses	Net Carrying amount
	GH¢'000		GH¢'000	GH¢'000
Key Distributor	50,386		2,128	48,258
Current	48,197	0.16%	79	48,118
More than 30 days past due	202	40.20%	81	121
More than 60 days past due	7	49.63%	3	4
More than 90 days past due	–	59.77%	–	–
More than 120 days past due	37	59.77%	22	15
Over 180 days past due	1,943	100.00%	1,943	–
Retail	2,206		2,206	–
Over 180 days past due	2,206	100.00%	2,206	–
Wholesale	4,216		1,336	2,880
Current	2,927	1.60%	47	2,880
More than 120 days past due	–	79.69%	–	–
Over 180 days past due	1,289	100.00%	1,289	–
Other receivables	60		60	–
Over 180 days past due	60	100.00%	60	–
Total	56,868		5,730	51,138

28. FINANCIAL RISK MANAGEMENT - CONT'D

I. Credit risk (continued)

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:

	2023	2022
	GH¢'000	GH¢'000
Key Distributor	70,288	50,386
Retail	376	2,206
Wholesale	6,531	4,216
Other	–	60
	77,195	56,868
Loss allowance	(5,791)	(5,730)
Other receivables	6,390	15,157
Net receivable	77,794	66,295
Net receivable is analysed as follows		
Trade receivables (Note 15)	71,404	51,138
Other financial assets at amortised cost (Note 16)	3,327	15,157
	74,731	66,295

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 effective interest rate for the computation of liquidity risk of borrowings was 19.38%.

The following are contractual maturities of financial liabilities:

	Contractual cash flows				
At 30 June 2023	**Carrying amount**	**Total**	**2-6mths**	**6-12mths**	**After 12 mths**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Trade and other payables	523,786	526,868	526,868	–	–
Bank overdrafts	35,906	35,906	35,906	–	
Lease liabilities	12,708	16,914	2,120	5,778	9,016
Amounts due to related parties	153,132	153,132	153,132	–	–
Borrowings	105,577	178,999	14,057	46,453	118,489
Balance at 30 June 2023	**831,109**	**911,819**	**732,083**	**52,231**	**127,505**

28. FINANCIAL RISK MANAGEMENT - CONT'D

II. Liquidity risk - cont'd

		Contractual cash flows			
At 30 June 2022	Carrying amount	Total	2-6mths	6-12mths	After 12 mths
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Trade and other payables	424,679	424,679	424,679	–	–
Bank overdrafts	53,972	53,972	53,972	–	–
Lease liabilities	42,421	47,270	7,730	6,669	32,871
Amounts due to related parties	54,800	54,800	54,800	–	–
Borrowings	109,133	180,859	12,811	13,710	154,338
Balance at 30 June 2022	685,005	761,580	553,992	20,379	187,209

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.

The Company's Treasury department 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 favourable.

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) and Great Britain Pounds (GBP).

The Company's exposure to foreign currency risk expressed in transaction currency at the end of the reporting period was as follows:

At 30 June 2023	**EUR**	**USD**	**GBP**	**HUF**	**SGD**	**AOA**	**MXN**
	000	000	000	000	000	000	000
Bank balances	1,409	1,792	13,845	–	–	–	–
Trade payables	(3,696)	(3,508)	(390)	–	–	–	–
Related party balances	(1,456)	(5,459)	(10,466)	(6,269)	(1)	(68)	(4)
Net exposure	**(3,743)**	**(7,175)**	**2,989**	**(6,269)**	**(1)**	**(68)**	**(4)**

At 30 June 2022	EUR	USD	GBP	HUF	SGD	AOA	MXN
	000	000	000	000	000	000	000
Bank balances	1,244	257	1,620	–	–	–	–
Trade payables	(7,207)	(7,140)	(151)	–	–	–	–
Related party balances	(514)	(6,660)	(2,446)	(6,269)	(1)	(68)	(4)
Net exposure	(6,477)	(13,543)	(977)	(6,269)	(1)	(68)	(4)

28. FINANCIAL RISK MANAGEMENT - CONT'D

III. Market risk - cont'd

The exchange rates for major currencies during the year are as follows:

	Average rate		Reporting date	
	2023	2022	**2023**	2022
	cedis	cedis	**cedis**	cedis
EUR 1	**11.79**	7.44	**12.28**	8.41
USD 1	**11.30**	6.60	**11.40**	8.07
GBP 1	**13.56**	8.78	**14.37**	9.76

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of the Ghana cedi 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 and 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 Ghana cedi, 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.

	2023			2022		
At 30 June		**Profit or loss impact: Strengthening**	**Profit or loss impact: Weakening**		Profit or loss impact: Strengthening	Profit or loss impact: Weakening
Currency	**% Change**	**GH¢'000**	**GH¢'000**	% Change	GH¢'000	GH¢'000
EUR	±7.5	**3,354**	**(3,354)**	±7.5	1,183	(1,183)
USD	±7.5	**6,161**	**(6,161)**	±7.5	4,127	(4,127)
GBP	±7.5	**(3,116)**	**3,116**	±7.5	780	(780)

Interest rate risk

The Company's main interest rate risk arises from borrowings at variable rates, which exposes it to cash flow interest rate risk.

	Carrying amounts	
Variable rate instruments	**2023**	2022
Bank overdrafts	**35,906**	53,972
Borrowings	**280,397**	105,577
Lease liabilities	**12,708**	42,421
	329,011	201,970

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 or 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 2022.

28. FINANCIAL RISK MANAGEMENT - CONT'D

III. Market risk - cont'd

At 30 June	2023 % Change	2023 Profit or Loss impact: GH¢'000	2023 Equity GH¢'000	2022 % Change	2022 Profit or Loss impact: GH¢'000	2022 Equity GH¢'000
Bank overdrafts	± 2%	**± 1,811**	**± 1,811**	± 2%	± 710	± 710
Borrowings	± 2%	**± 2,562**	**± 2,652**	± 2%	± 1,994	± 1,994
Lease liabilities	± 2%	**±1,259**	**±1,259**	± 2%	±384	±384

29. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

	2023 GH¢'000	2022 GH¢'000
Borrowings	**280,397**	105,577
Less: cash and cash equivalents	**(197,446)**	22,295
Net debt	**82,951**	127,872
Total equity	**391,803**	351,254
Gearing ratio	**21%**	36%

30. CAPITAL COMMITMENTS

Capital commitments authorised but not expended for property, plant and equipment at the reporting date amounted to GH¢40 million (2022: GH¢9.03 million).

31. CONTINGENT LIABILITIES

Contingent liabilities, in respect of possible claims and lawsuits at the reporting date amounted to GH¢711,697 (2022: GH¢3,305,040). Judgement in respect of these cases have not been determined at 30 June 2023. No provision has been made as professional advice on the cases indicate that it is unlikely that any significant loss will arise.

32. GOING CONCERN

Directors acknowledge the fact that a significant portion of short term liability is connected to related party transactions, also confirms that based on internal engagement with the respective intercompany trading partners, Guinness Ghana is not pressured or forced to settle its debt in the new fiscal year in case of short-term business challenges or cash flow limitations due to local economic circumstances.


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Heineken®
BORN IN
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RAISED BY
THE WORLD
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PURE MALT LAGER
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Appendix I:
Shareholder Information

Analysis of Shareholding

(i) Number of Shareholders

The Company had 4,402 ordinary shareholders at 30 June 2023 distributed as follows:

	Holding No. of Holders	Total Holding	% Holding
1 – 1,000	3,172	749,849	0.24
1,001 – 5,000	609	1,492,166	0.49
5,001 – 10,000	382	3,010,341	0.98
10,001 – 999,999,999	239	302,342,471	98.29
Total	**4,402**	**307,594,827**	**100.00**

(ii) List of twenty largest shareholders at 30 June 2023

	Name	No. of Shares	% Holding
1	DIAGEO HOLDINGS NETHERLANDS B.V.	247,291,361	80.40
2	SOCIAL SECURITY & NATIONAL INS.TR.	23,299,870	7.56
3	KROHNE FUND LP	9,969,007	3.24
4	SCGN/JPMC FIRSTRAND BANK LIMITED	7,432,634	2.42
5	SCGN/EPACK INVESTMENT FUND LTD	3,328,015	1.08
6	SCGN/ENTERPRISE LIFE ASSO.CO.	2,616,576	0.85
7	SCGN/SS M.C/O SSBT.B. UIG MBH AVH	1,460,489	0.47
8	SCGN/CACEIS FRANCE RE HMG GLOBETRO.	860,011	0.28
9	SCGN/CITIBANK LONDON ROBECO AFRIKA	482,632	0.16
10	STD NOMS TVL PTY/HERITAGE FUND LTD	450,300	0.15
11	EDC/TEACHERS EQUITY FUND	347,925	0.11
12	STD BANK NOMS/RENAISSANCE	200,000	0.07
13	STD NOM/METLIFE CLASSIC FUND	186,400	0.06
14	HFCN/COCOBOD TIER 3 PENSION SCHM	183,943	0.06
15	STD NOMS TVL PTY/GIMPA OCCUPATIONAL	145,399	0.05
16	GES OCCUPATIONAL PENSION SCHEME	110,300	0.04
17	CBN/HEALTH SECTOR OCCUP.PENSION	109,476	0.04
18	THERESE EPPIE STRIGGNER SCOTT	105,600	0.03
19	CFAO FRANCE S.A	100,217	0.03
20	ENTERPRISE GROUP LTD	100,000	0.03
	Reported Totals	298,780,155	97.13
	Not Reported	8,814,672	2.87
	Company Total	**307,594,827**	100

Appendix II: Five Year Financial Summary

	2023	2022	2021	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Results					
Revenue	1,766,152	1,298,878	1,104,436	840,349	684,979
Profit before tax	61,699	9,930	100,968	20,150	32,548
Income tax expense and NFSL	(22,174)	(4,642)	(29,441)	(7,993)	(14,502)
Profit after tax	39,525	5,288	71,527	12,157	18,046
Dividend paid	–	(25,223)	(4,213)	(9,013)	(10,797)
Retained profit/(loss)	**39,525**	(19,935)	67,314	3,144	7,249
Statement of financial position					
Property, plant and equipment	775,501	610,902	540,698	476,247	418,655
Right-of-use assets	18,050	36,863	42,987	47,641	–
Intangible assets	2,605	3,691	915	1,611	2,716
Cash and bank balances	233,352	31,677	46,424	39,563	53,241
Other current assets	419,007	392,193	252,211	155,661	183,856
Total assets	1,448,515	1,075,326	883,235	720,723	658,468
Total liabilities	(1,056,712)	(724,072)	(511,401)	(416,085)	(357,309)
	391,803	351,254	371,834	304,638	301,159
Share capital	272,879	272,879	272,879	272,879	272,879
Retained earnings	114,024	78,375	98,955	31,759	28,280
	386,903	351,254	371,834	304,638	301,159
Revenue collected for Government					
Sales tax/value added tax	385,385	266,925	217,107	161,399	152,540
	385,385	266,925	217,107	161,399	152,540
Statistics					
EPS (GH¢)	**0.128**	0.017	0.233	0.040	0.059
Dividend per share (GH¢)	**–**	–	0.080	0.014	0.029
Net asset per share (GH¢)	**1.27**	1.14	1.21	0.99	0.98
Current ratio	**0.77:1**	0.77:1	0.88:1	0.8:1	1.13:1
Return on shareholders' fund (%)	**10.22**	1.51	19.24	3.99	5.99
Return on net sales value (%)	**2.24**	0.41	6.48	1.45	2.63

Appendix III: Sustainability Report - 2022/2023

Report Scope and Time frame

Our 2022/23 Sustainability Report highlights our efforts at creating a more sustainable and inclusive contribution; in the way we source, make, and sell our products in Ghana. It reflects our commitment and progress made towards our Diageo's Society 2030: Spirit of Progress agenda which was launched in November 2020.

Guinness Ghana – Sustainability Strategy

We seek constantly to be recognised as the best performing, most trusted and respected brand in Ghana and we understand that to achieve this we need to be delivering on our sustainable development commitments.

'Society 2030: Spirit of Progress' – putting positive societal impact at the heart of our business strategy. We are a successful business, building and nurturing some of the world's most recognised brands. A fundamental part of our success is being responsible. That is about making sure we are inclusive and sustainable, and acknowledging that our impact and influence extend beyond our own operations. It is also about being accountable and transparent. Sustainability is the foundation of our business' continued and projected success, it is important for us to work closely with all our stakeholders and partners to achieve consistent and transparent results which promote growth and sustainable development. By doing so, we can accelerate our performance against each of our strategic goals and at the same time play an important role in restoring the planet and being a positive force for good.

We commend the Ghana Securities Exchange (GSE) for issuing their Environment, Social and Governance (ESG) Disclosures Guidance Manual to drive strong environmental safeguards, improve social welfare and ensure transparent governance mechanisms. We are more emboldened knowing that the GSE's direction on ESG closely mirrors our sustainability strategy, 'Society 2030: Spirit of Progress'.

'Society 2030: Spirit of Progress is our global programme addressing the most material issues facing our company, people, brands, suppliers and communities. Its ambitions are embedded in our business strategy, and it aims to make a positive impact on people and the planet everywhere we live, work, source and sell. The programme builds on our

PROMOTE POSITIVE DRINKING

DRINKIQ

14, 447

Unique individual visits to DRINKIQ.COM

SMASHED

20,066

young people educated on the dangers of underage drinking.

WRONG SIDE OF THE ROAD

12,046

people reached to understand the impact of drink-driving

PRESERVE WATER FOR LIFE

86,949

metric tonnes of water replenished

CHAMPION INCLUSION AND DIVERSITY

CHAMPION INCLUSION AND DIVERSITY

25% of employees are women. there is a 50% gender split in the executive leadership of the business.

GUINNESS GHANA

earlier progress on environmental, social and governance (ESG) issues.

At the heart of 'Society 2030: Spirit of Progress' are three priorities:

- Promote positive drinking – changing the way the world drinks, for the better.
- Champion inclusion and diversity – creating an inclusive and diverse culture for a better business.
- Pioneer grain-to-glass sustainability – preserving the natural resources we all depend on.

We have set 25 targets across a range of ESG issues that matter to our business, to the communities we work with, to society as a whole and to the planet. We've mapped these targets to the objectives and timeline of the UN's 2030 Sustainable Development Goals. Here in this section, we provide details of our progress against our targets in the 2023 financial year. It contains reporting on other aspects of our non-financial performance, as part of our continuing drive to be transparent and accountable.

Governance

Both the Board and executive management team oversee our 'Society 2030: Spirit of Progress' plan. The Board is given regular updates and conducts reviews of our sustainability agenda. Our Managing Director is ultimately accountable for overall performance against ESG targets, while responsibility for the component parts of 'Society 2030: Spirit of Progress' is shared between members of our executive management team.

Our Approach to reporting on ESG

Reporting transparently on our Environmental, Social and Governance (ESG) performance plays a vital role in delivering our strategy. It helps us to manage ESG risks, seize opportunities and promote sustainable development at every opportunity. As a member of the global Diageo business, we regularly submit our ESG performance data to Diageo. Diageo submits this non-financial information to a range of indices throughout the year. This enables us to benchmark our sustainability work against our peers and the wider business community and is an important way for us to understand how our performance measures up to best practice and expectations.

We adopted the GRI definition of materiality and formed part of the global materiality assessment process conducted by Diageo annually.

Promote Positive Drinking

As a responsible business, we want to change the way people drink – for the better. This is why we promote moderate drinking and invest in education programmes to discourage the harmful use of alcohol.

In Ghana, we reach audiences with messages that aim to change attitudes, whether it's highlighting the harm of underage drinking or binge drinking, warning of the dangers of drink driving, or using our brands to highlight the importance of moderation. We continue to look for ways to improve as we strive to engage more people through our work to promote positive drinking.

How we promote positive drinking

Our main tools are:

- **DRINKiQ** – our interactive online platform that gives users facts about alcohol and the effects of drinking on the body and mind, and the impact that harmful alcohol consumption has on people and society.
- **SMASHED** – an award-winning programme that educates young people on the dangers of underage drinking.
- **'Wrong Side of the Road'** – our interactive learning experience that aims to discourage drink driving.

Some SMASHED Live performances

**SMASHED is a Diageo Plc initiative targeted at tackling the issue of underage drinking amongst the youth using drama and interactive educational tools.*

Increasing knowledge and awareness with DRINKiQ

DRINKiQ is our online responsible drinking tool. It champions health literacy by providing facts about alcohol, complementing resources offered by governments, charities and other stakeholders. The aim is to invite consumers to change their attitudes to alcohol and empower them to achieve a balanced lifestyle.

In F23 we exceeded the market target of 12,500 unique visits to **DRINKIQ.com** by getting **14,447** unique visits to the site. This was achieved through strong collaboration with institutions such as Bar Camp, Trotro Diaries and working closely with our marketing teams through festival and campus activations and events. Using a mix of virtual and face-to-face sessions, Ghanaians across the country were engaged on the drink driving balanced lifestyle.

Tackling underage drinking through SMASHED

We believe it is never acceptable for anyone underage to consume alcohol. This is why we have run campaigns and programmes to combat underage drinking for many years, including campaigns to ensure a consistent approach to legal purchase age for alcohol across categories. SMASHED is a programme that educates young people aged from 10 to 17 on the dangers of underage drinking either live or online format.

In Ghana, working in collaboration with Health and Work Environment Agency, we educated **20,066** young people on the impact of **underage drinking** in 2023, exceeding the target of **20,000.** The sessions took place in school in the Greater Accra and Volta regions of the country.

DRINKiQ sessions for Reserve Agencies and Rotary Club of Accra-La East

Changing attitudes to drink driving

In 2021, we launched the 'Wrong Side of the Road' (WSOTR) digital learning resource with the United Nations Institute for Training and Research (UNITAR) to help people understand the impact of drink-driving on themselves and others. WSOTR is available in digital and classroom formats.

12,046 people were taken through the course in Ghana through a series of engagements at festivals, jamborees, symposia and other events. There were engagements with bus drivers and driver unions in lorry stations scattered across the country.

Champion inclusion and diversity

Championing inclusion and diversity is at the heart of what we do and is crucial to our purpose of 'celebrating life, every day, everywhere'. Every employee that works for Guinness Ghana, or with Guinness Ghana, should feel included and able to thrive. To achieve that, we embrace diversity as a core business attribute, focusing on gender, ethnicity, age, neurodiversity and social inclusivity. Not only is it the right thing to do, but it also makes us a better business and is a critical pillar within our Society 2030: Spirit of Progress objectives. We are proud to have an inclusive culture with diverse talents, where everyone can thrive and be themselves.

We've set ourselves ambitious goals, inside our business and beyond. After the Covid pandemic, Guinness Ghana doubled down on its commitment to Inclusion and Diversity (I&D). As at 2021, the total female representation in the business stood at 20%, however, our strident ambition was to get to 50%. Improving our I&D was therefore a critical focus area. To ensure a pipeline of qualified and talented women, the business set up a STEM (Science, Technology, Engineering and Mathematics) program in which we offer graduates apprenticeship programs for women university students in STEM. The programme entails a 6 month foundational traineeship where STEM apprentices have an opportunity to gain hands-on experience, giving them a head start in their careers in our supply chain. Working in close collaboration with various universities in 2022, we offered the program to 80 women. On completion of the first year of the programme we were able to bring on board 25 females and improved our female representation within the Supply function significantly. With programmes such as our STEM programme, Guinness Ghana has been able to improve its gender diversity and increase total female representation from 20% to 25%.

We are also proud to see strong female leadership across our business. We have a canning line exclusively ran by an all-female team. In our senior leadership, 50% are currently women and we target gender parity leadership for all leadership roles at middle management levels also. It is our belief that we have a key role to play in society to create role models and break the narrative. Even in a typical male dominated industry (such as beer), we have shown that women can succeed and thrive. We have appointed successful women in traditionally male dominated roles such as Supply Chain Director, Brewery site manager, Security Manager, Site Engineers, Forklift drivers etc. Even our Managing Director is the first female Managing Director for Guinness Ghana in 63 years.

At Guinness Ghana, we are committed to creating the most inclusive and diverse culture, as well as shaping market-leading policies and practices because it is both the right thing to do and also helps our business to grow. As a result we have introduced new policies and practices, including *'Domestic and Family Abuse'* guidelines, created in partnership with CARE International. The guidelines apply to all employees and outline our zero-tolerance approach to all forms of domestic and family abuse and provide guidance to employees and line managers on where to go for expert and confidential support.

We also instituted our *'Thriving through Menopause'* Guidelines for staff which offer strengthened support and flexibility to employees going through menopause and help all employees, female and male, to build their understanding of how menopause can impact individuals. The business has also instituted the *'Pregnancy Loss'* Guidelines which were created to raise awareness on the various types of pregnancy losses, including the resources that are made available by Guinness Ghana to employees, and Line Managers of those who may experience this. By introducing these guidelines and increasinge access to leave available under our *'Family Leave and Bereavement Leave* policies', we hope to provide employees with greater understanding and knowledge to help navigate theses sensitive circumstances and provide compassionate and thoughtful support. Our industry-leading *'global parental leave'* policy which gives all new mothers 26 weeks' (instead of 12 weeks) fully paid maternity, and new fathers a minimum standard of four weeks' paternity leave continues to be enjoyed as well.

Diversity and Inclusion

March in Guinness Ghana and across Diageo is dubbed Diversity and Inclusion Month. In March 2022, we launched the Break the Bias campaign; inviting and calling on employees across our sites during the month to break bias and stereotypes and equally rally others outside our business to do the same.

Eunice Frimpomaa and other women in our business continue to break biases

This annual month-long celebration focuses on championing and celebrating our commitment to driving inclusion and diversity across our business. The business continues to champion our Spirited Women's Network (SWN), which has over the years been at the forefront of championing the interest of women across our sites.

Celebrating IWD across our breweries and donating sanitary pads to girls schools

Pioneer grain-to-glass sustainability

Water is our most important ingredient, but it is also a precious shared resource which is coming under increasing pressure in many parts of the world. Since 2020, Guinness Ghana has replenished over 250,000m3 of water in the Sabuli, Denugu and Worikambo communities.

The projects have been done in partnership with WaterAid Ghana.

Our grain-to-glass approach supports farmers (especially smallholders), improves water use in our operations, replenishes water in water stressed catchments, provides clean water to our communities, and strongly advocates for more collective action for a better water world for everyone. In the 2023 Financial Year, the team completed and handed over two mechanized solar powered water projects to the people of Gbare and Zuabulga communities in the Upper West and Upper East regions, respectively. The projects will produce over 128,000m3 of water yearly to serve a combined population of over 11,000 community members in two assemblies (Pusiga District Assembly and Jirapa Municipal Assembly).

Residents of Gbare and surrounding communities now have access to 13500 litres of water daily while residents of Zuabuliga and surrounding communities now have access to 14800 litres of water daily. The project represents an over achievement of approximately 35% of the financial year's target set for Ghana which was 82,866 m3.

These projects serve multiple purposes in relation to Guinness Ghana's Spirit of Progress goal, key among them being Championing inclusion and Diversity. Throughout the project planning and implementation stages, it was ensured that the voices of the women were heard. Thus, on all the committees formed, there was over 50% women representation every step of the way. A unique feature of the water system is the solar component which makes it highly energy efficient. The water projects are also connected to the health centres in the community and thus ensures the supply of clean and potable water for expectant and nursing mothers, significantly boosting their health outcomes thus catering for the WASH aspect of our Water For Life Agenda as well.

Community members utilizing the water facilities

Become Sustainable by Design

In line with our Grain to Glass Sustainability agenda, we are committed to restoring the natural world on which life depends. We'll do our bit by eliminating waste from our value chain, collaborating with farmers to regenerate landscapes, and creating innovative solutions to grow sustainably.

Aggregator and Farmer Engagements

During the year, in line with our continued objective to assure sorghum supply for business expansion since the commission of our new brewhouse, we engaged aggregators and farmers from our supply chain. These sessions which were led by our Managing Director, Finance Director and Supply Chain Director sought to address those issues identified by stakeholders on our local raw material sourcing, and to show the communities in which we operate, that we are in partnership to ensure equally positive outcomes for all.

Aggregator and Farmer Engagement session in May

rPET Transformation Project

Over the next decade, Guinness Ghana has set a bold and ambitious commitment to achieve zero waste in our direct operations and zero waste to landfill throughout our supply chain by 2030, achieve 40% average recycle content in all plastics bottles and continue to invest in circular economy opportunities and other sustainable packaging breakthroughs, among others.

In support of this, Guinness Ghana and since November 2021, Guinness Ghana has signed a memorandum of understanding with Coliba Ghana, established 10 post-consumer plastics collection and bottle buyback centres; eight (8) in Accra and Apam and two (2) in Kumasi. The Company seeks to scale-up the initiative and broaden the partnerships in the following years. Currently, eight (8) centers are operational in Darkuman, Lapaz, Kokrobite, Tema, and Apam.

Additionally, the Company continues to support its collection and recycling goals by continuing its employee collection initiative across our Achimota and Kaase sites. The Company provided sack for employees and bins on site for the various functions to compete on which would be able to collect the most plastics at the end of the financial year. These initiatives continue to grow and show that big changes can happen when we start from home.

Community Plastic centres in Accra

BRING IT ON
GRAB ONE FOR EVERYONE
SMIRNOFF
ICE
DOUBLE BLACK
VODKA MIXED DRINK
DRINK ICE COLD
SMIRNOFF
ICE
PINEAPPLE PUNCH
MIXED VODKA DRINK WITH
PINEAPPLE FLAVOUR
Smirnoff
ICE
DRINK RESPONSIBLY
18+


JOHNNIE WALKER
Blue Label
DRINK RESPONSIBLY
18+
A GIFT
MADE OF
DEPTH
Blue Label