

Independent Auditor's Report

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Guinness Ghana Breweries Limited, which comprise the statement of financial position as at 30 June 2013, the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory information as set out on pages 29 to 65.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of Guinness Ghana Breweries Limited at 30 June 2013 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179).

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179)

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept and the statements of financial position and profit and loss and other comprehensive income are in agreement with the books of account.

SIGNED BY: NII AMANOR DODOO (ICAG/P/1055)

FOR AND ON BEHALF OF:

KPMG: (ICAG/F/0036)

CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELENKPE

P O BOX GP 242

ACCRA

18th September, 2013

Statement Of Financial Position

As at 30 June 2013

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



PETER NDEGWA
MANAGING DIRECTOR



CHARLES MWANGI
FINANCE DIRECTOR

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

Statement Of Profit And Loss & Other Comprehensive Income

For the Year Ended 30 June 2013

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

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

Statement of Changes in Equity

For the Year Ended 30 June 2013

	Share Capital GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
30 June 2013			
Balance at 1 July 2012	96,252	42,705	138,957
Total comprehensive income			
Profit for the year	-	18,277	18,277
Other comprehensive income			
Actuarial loss on defined benefit obligations, net of tax	-	640	640
Total comprehensive income for the year	-	18,917	18,917
Transactions with owners recorded directly in equity			
<i>Contributions by and distributions to owners</i>			
Dividend to shareholders	-	(5,072)	(5,072)
Balance at 30 June 2013	96,252	56,550	152,802
30 June 2012			
Balance at 1 July 2011	26,252	19,444	45,696
Total comprehensive income			
Profit for the year	-	25,005	25,005
Other Comprehensive Income			
Actuarial loss on defined benefit obligations, net of tax	-	(445)	(445)
Total comprehensive income for the year	-	24,560	24,560
Transactions with owners recorded directly in equity			
<i>Contributions by and distributions to owners</i>			
Proceeds from the issue of shares	70,000	-	70,000
Transaction costs on share issue		(1,299)	(1,299)
	70,000	(1,299)	68,701
Balance at 30 June 2012	96,252	42,705	138,957

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Statement of Cash Flows

For the Year Ended 30 June 2013

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

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

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