

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

Report on the Financial Statements

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Guinness Ghana Breweries Limited at 30 June 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179).

Report on Other Legal and Regulatory Requirements

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

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

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

KPMG

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

23 SEPTEMBER 2014

GUINNESS GHANA BREWERIES LIMITED

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

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



DIRECTOR



DIRECTOR

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

GUINNESS GHANA BREWERIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

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

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GUINNESS GHANA BREWERIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Share Capital GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
30 June 2014			
Balance at 1 July 2013	96,252	56,550	152,802
Total comprehensive income			
Loss for the year	-	(8,622)	(8,622)
Other comprehensive income			
Actuarial gain on defined benefit obligations, net of tax	-	95	95
Total comprehensive income for the year	-	(8,527)	(8,527)
Transactions with owners recorded directly in equity			
<i>Contributions by and distributions to owners</i>			
Dividend to Shareholders	-	(3,656)	(3,656)
Balance at 30 June 2014	<u>96,252</u>	<u>44,367</u>	<u>140,619</u>
30 June 2013			
Balance at 1 July 2012	96,252	42,705	138,957
Total comprehensive income			
Profit for the year	-	18,277	18,277
Other comprehensive income			
Actuarial gain on defined benefit obligations, net of tax	-	640	640
Total comprehensive income for the year	-	18,917	18,917
Transactions with owners recorded directly in equity			
<i>Contributions by and distributions to owners</i>			
Dividend to shareholders	-	(5,072)	(5,072)
Balance at 30 June 2013	<u>96,252</u>	<u>56,550</u>	<u>152,802</u>

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

GUINNESS GHANA BREWERIES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

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

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

GUINNESS GHANA BREWERIES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014 (CONT'D)

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

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