

# GUINNESS GHANA BREWERIES LTD - RESULTS FOR THE NINE MONTHS ENDED 31<sup>ST</sup> MARCH, 2018



Net sales for the nine months increased 8% compared to the same period last year, largely driven by revised price point in August 2017 across the Beer and Ready to Drink portfolio as well as growth of Guinness Foreign Extra Stout, Brand Malta Guinness and Johnnie Walker. Cost of Goods Sold increased by 15% driven by unfavourable product mix and adverse foreign exchange rate, resulting Gross Profit of 10% below last year.

Selling, General and Administrative expenses grew by 6% versus the same period last year reflecting local inflation, partially offset by driving a productivity mind-set. Forex losses in the period were driven by the depreciation of the Ghana cedi against Euro. This resulted in Operating Profit of GHS 4.1m for the nine months. Finance charges reduced versus the same period last year as we have benefitted from the improved funding structure.

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 31 MARCH, 2018

	2018	2017
	GH¢'000	GH¢'000
Revenue	472,378	436,132
Cost of sales	(368,647)	(321,481)
<b>Gross profit</b>	<b>103,731</b>	<b>114,651</b>
Selling, general & administrative expenses	(99,583)	(93,951)
<b>Operating profit</b>	<b>4,148</b>	<b>20,700</b>
Financial charges	(12,639)	(24,304)
<b>Loss before income tax</b>	<b>(8,491)</b>	<b>(3,604)</b>
Income tax credit/(expense)	908	405
<b>Loss for the period</b>	<b>(7,583)</b>	<b>(3,198)</b>
Other comprehensive income	-	-
<b>Total comprehensive income (loss) for the period</b>	<b>(7,583)</b>	<b>(3,198)</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2018

	Share Capital	Retained Earnings	Total
	GH¢'000	GH¢'000	GH¢'000
<b>Balance at 1 July 2017</b>	<b>272,879</b>	<b>(1,930)</b>	<b>270,949</b>
Comprehensive income (loss) for the period		(7,583)	(7,583)
<b>Total comprehensive income (loss) for the period</b>	<b>272,879</b>	<b>(9,513)</b>	<b>263,366</b>
<b>Balance at 31st March 2018</b>	<b>272,879</b>	<b>(9,513)</b>	<b>263,366</b>

## UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2018

	2018	2017
	GH¢'000	GH¢'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	359,257	373,001
Intangible assets	2,882	1,712
<b>Total non-current assets</b>	<b>362,139</b>	<b>374,714</b>
<b>Current Assets</b>		
Inventories	94,015	89,485
Trade and other receivables	33,005	41,252
Amounts due from related companies	7,743	4,152
Current tax asset	2,804	2,568
Cash and bank balances	59,305	22,930
<b>Total current assets</b>	<b>196,872</b>	<b>160,386</b>
<b>Total assets</b>	<b>559,011</b>	<b>535,100</b>
<b>EQUITY AND LIABILITIES</b>		
Stated capital	272,879	272,879
Income surplus account	(9,513)	(11,820)
<b>Total equity</b>	<b>263,366</b>	<b>261,059</b>
<b>Non-Current Liabilities</b>		
Obligation under finance lease	21,164	23,480
Borrowings	108,939	109,811
Employee benefit obligations	1,781	1,455
Deferred tax liability	13,024	8,892
<b>Total non-current liabilities</b>	<b>144,908</b>	<b>143,637</b>
<b>Current Liabilities</b>		
Bank overdraft		3,551
Trade and other payables	111,479	102,912
Amounts due to related companies	39,258	23,940
<b>Total current liabilities</b>	<b>150,737</b>	<b>130,403</b>
<b>Total liabilities</b>	<b>295,645</b>	<b>274,041</b>
<b>Total equity and liabilities</b>	<b>559,011</b>	<b>535,100</b>

## UNAUDITED STATEMENT OF CASH FLOW FOR THE NINE MONTHS ENDED 31ST MARCH 2018

	2018	2017
	GH¢'000	GH¢'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(8,491)	(3,604)
<b>Adjustment for</b>		
- Depreciation and amortisation charges	44,378	40,541
- Profit/(loss) on disposal of property, plant and equipment	(48)	(208)
- Impairment on trade receivables		
- Unrealised exchange difference	3,438	(1,290)
- Net interest expense	12,639	24,303
	<b>51,916</b>	<b>59,863</b>
Changes In: Inventories	(14,230)	(3,457)
Trade and other receivables	(10,301)	(24,038)
Trade and other payables	17,619	7,124
Related company balances	15,002	1,639
Provisions	(158)	0
Employee benefits	9	(44)
<b>Cash generated from operating activities</b>	<b>59,857</b>	<b>41,087</b>
Interest paid	(15,183)	(23,788)
Income tax paid		(29)
<b>Net cash generated from operating activities</b>	<b>44,674</b>	<b>17,270</b>
<b>Cash flows from investing activities</b>		
Additions of property, plant and equipment	(32,493)	(37,292)
Proceed of sales from property, plant and equipment	294	376
Interest Received	1,814	
<b>Net cash used in investing activities</b>	<b>(30,385)</b>	<b>(36,916)</b>
<b>Cash flows from financing activities</b>		
Movement in finance Lease	(7,556)	(4,719)
<b>Net cash used in/(generated from) financing activities</b>	<b>(7,556)</b>	<b>(4,719)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>6,733</b>	<b>(24,366)</b>
<b>Analysis of changes in cash &amp; cash equivalents end of period</b>		
Cash and cash equivalents at 1 July	52,572	44,061
Increase/(Decrease) in cash and cash equivalents	6,733	(24,366)
Effect of movements in exchange rates on cash held	(0)	(317)
<b>Cash and cash equivalents at 31st March</b>	<b>59,305</b>	<b>19,378</b>

