

GUINNESS GHANA BREWERIES PLC - RESULTS FOR THE NINE MONTHS ENDED 31ST MARCH, 2019



Net sales for the nine months increased 9% compared to the same period last year, largely driven by price increases taken in October across majority of our portfolio, growth of Malta Guinness PET with our second PET line now fully operational as well as growth of ABC lager. Cost of Goods Sold increased by 5% driven high cost of imported materials as a result of cedi depreciation against major currencies, irrecoverable 5% VAT levy on sourced materials. This resulted in Gross Profit growth of 23% above the same period last year.

Selling, General and Administrative expenses increased by 7% versus the same period last year driven by inflation. Forex losses in the period were driven by the depreciation of the Ghana cedi against USD. This resulted in Operating Profit of GHS 21m 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, 2019

	2019	2018
	GH¢'000	GH¢'000
Revenue	513,461	472,378
Cost of sales	(386,115)	(368,647)
Gross profit	127,346	103,731
Selling, general and administrative expenses	(106,127)	(99,583)
Operating profit	21,219	4,148
Finance charges	(11,942)	(12,639)
Profit/(Loss) before income tax	9,277	(8,491)
Income tax (expense)/credit	(7,926)	908
Profit/ (Loss) for the Period	1,351	(7,583)
Other comprehensive income	-	-
Total comprehensive income (loss) for the period	1,351	(7,583)

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2019

	Share Capital	Retained Earnings	Total
	GH¢'000	GH¢'000	GH¢'000
Balance at 1 July 2018	272,879	21,762	294,641
Comprehensive income (loss) for the period		1,351	1,351
Dividends Paid		(10,797)	(10,797)
Total comprehensive income (loss) for the period	272,879	12,316	285,196
Balance at 31 March 2019	272,879	12,316	285,196

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	2019	2018
	GH¢'000	GH¢'000
ASSETS		
Non Current Assets		
Property, plant and equipment	396,045	359,257
Intangible assets	3,099	2,882
Total non-current assets	399,144	362,139
Current Assets		
Inventories	128,705	94,015
Trade and other receivables	19,054	33,005
Amounts due from related companies	887	7,743
Current tax asset	-	2,804
Cash and bank balances	37,933	59,305
Total current assets	186,579	196,872
Total assets	585,723	559,011
EQUITY AND LIABILITIES		
Stated capital	272,879	272,879
Income surplus account	12,316	(8,308)
Total equity	285,196	264,571
Non-Current Liabilities		
Obligation under finance lease	13,691	21,164
Borrowings	109,242	108,939
Employee benefit obligations	2,303	1,781
Deferred tax liabilities	22,574	11,819
Total non-current liabilities	147,810	143,703
Current Liabilities		
Bank overdraft	8,455	-
Trade and other payables	136,959	111,479
Current tax liability	364	-
Amounts due to related companies	6,816	39,258
Provisions	123	-
Total current liabilities	152,717	150,737
Total liabilities	300,527	294,440
Total equity and liabilities	585,723	559,011

UNAUDITED STATEMENT OF CASH FLOW FOR THE NINE MONTHS ENDED 31 MARCH 2019

	2019	2018
	GH¢'000	GH¢'000
Cash flows from operating activities		
Profit/(Loss) before taxation	9,277	(8,491)
Adjustment for:		
- Depreciation and amortisation charges	42,435	44,378
- Profit/(loss) on disposal of property, plant and equipment	2,524	(48)
- Unrealised exchange difference	6,251	3,438
- Net interest expense	11,942	12,639
	72,428	51,916
Changes in:		
- Inventories	(46,791)	(14,230)
- Trade and other receivables	(2,229)	(10,301)
- Trade and other payables	50,886	17,619
- Related company balances	(6,474)	15,002
- Provisions	(593)	(158)
- Employee benefits	158	9
Cash generated from operating activities	67,386	59,857
Interest paid	(13,908)	(15,183)
Income tax paid	(7,425)	
Net cash generated from operating activities	46,054	44,674
Cash flow from investing activities		
Additions to property, plant and equipment	(67,824)	(32,493)
Proceeds from sale from property, plant and equipment	1,219	294
Interest Received	2,215	1,814
Net cash generated from/(used in) investing activities	(64,390)	(30,385)
Cash flows from financing activities		
Repayment of Finance Lease		
Movement in finance Lease	(6,243)	(7,556)
Dividends payment	(10,797)	
Net cash used in financing activities	(17,040)	(7,556)
Net decrease in cash and cash equivalents	(35,376)	6,733
Analysis of changes in cash & cash equivalents end of period		
Cash and cash equivalents at 1 July	62,836	52,572
Increase/(Decrease) in cash and cash equivalents	(35,376)	6,733
Effect of movements in exchange rates on cash held	2,018	(0)
Cash and cash equivalents at 31st March	29,478	59,305

