

GUINNESS GHANA BREWERIES LIMITED

FINANCIAL STATEMENTS

30 JUNE 2009

GUINNESS GHANA BREWERIES LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS

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GUINNESS GHANA BREWERIES LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

David Harlock (Appointed Chairman on 02/06/09)
Seni Adetu (Managing Director) (Resigned 30/06/09)
Ekwunife Okoli (Managing Director) (Appointed director 02/06/09)
(Appointed Managing Director effective from 01/07/09)
Robert Pilkington (Finance Director)
Prof. Joseph Woahen Acheampong
Paul Victor Obeng
Kwaku Sarfo-Mensah
Ebenezer Magnus Boye
Thomas Arie de Man
John Lloyd (Appointed 02/10/08)
Leanne Wood (Appointed 02/06/09)
Emmanuel Jojo Bonney (Sales Director) (Appointed 02/06/09)
Dr. Sir Kwame Donkor Fordwor (Resigned 24/11/08)
Dr. Nicholas Blazquez (Resigned 17/02/09)
Pamela Djamson-Tettey (Resigned 31/05/09)

SECRETARY

Preba Greenstreet
Guinness Ghana Breweries Ltd
P. O. Box 3610
Achimota-Accra

REGISTERED OFFICE

Guinness Brewery
Industrial Area, Kaasi
P. O. Box 1536
Kumasi

AUDITORS

KPMG
Chartered Accountants
Marlin House
13 Yiyiwa Drive
P. O. Box GP 242
Accra

REGISTRARS

Merchant Bank (Ghana) Limited
57 Examination Loop
North Ridge
Accra

SOLICITORS

Bentsi-Enchill, Letsa and Ankomah
1st Floor Teachers' Hall Complex
Education Loop (Off Barnes Road)
P.O. Box GP 1632
Accra

BANKERS

SG-SSB Bank Limited
Standard Chartered Bank Ghana Limited

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
GUINNESS GHANA BREWERIES LIMITED**

The Directors present their report and the financial statements of the company for the year ended 30 June 2009.

Director's Responsibility Statement

The company's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the balance sheet at 30 June 2009, income statement, statement of recognised income and expense and statement of cash flow for the year then ended, and the note to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Code, 1963 (Act 179) of Ghana.

The Directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

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 in the year ahead.

Financial statements and dividend

The results for the year are as set out in the attached financial statements.

The Directors recommend the payment of an interim and final dividend of 4.00Gp (2008: 4.85Gp) per share amounting to GH¢6,586,859 (2008: GH¢7,986,566) for the year under review.

The Directors consider the state of the company's affairs to be satisfactory.

Nature of business

The company manufactures, sells and deals in beer, stout, malt drinks and their ancillary products.

There was no change in the nature of business of the company during the year.

Holding company

The company is a subsidiary of Diageo Highlands BV, a company incorporated in Holland.

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
GUINNESS GHANA BREWERIES LIMITED (CONT'D)**

Changes in Directorship

During the year under review, four directors were appointed and four directors resigned their positions on the Board of Directors as follows:

- John Lloyd appointed on 2 October 2008;
- Ekwunife Okoli appointed as Director on 2 June 2009 and to the position of Managing Director effective from 1 July 2009;
- Emmanuel Jojo Bonney appointed on 2 June 2009;
- Leanne Wood appointed on 2 June 2009;
- Dr. Sir Kwame Donkor Fordwor resigned on 24 November 2008;
- Dr. Nicholas Blazquez resigned as Director and Chairman on 17 February 2009
- Pamela Djamson-Tetty resigned on 31 May 2009; and
- Seni Adetu resigned as Director and Managing Director effective from 30 June 2009.

Approval of financial statements

The financial statements of the company were approved by the Board of Directors on and are signed on its behalf by:

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DIRECTOR

.....
DIRECTOR

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

We have audited the accompanying financial statements of Guinness Ghana Breweries Limited, which comprise the balance sheet at 30 June 2009, the income statement, the statement of recognised income and expense and statement of cash flow for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 43.

Directors' Responsibility for the Financial Statement

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 Code, 1963 (Act 179) of Ghana. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 judgement, 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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, these financial statements present fairly, in all material respects, the financial position of Guinness Ghana Breweries Limited at 30 June 2009, and 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 Code, 1963 (Act 179) of Ghana.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
GUINNESS GHANA BREWERIES LIMITED (CONT'D)**

Report on Other Legal and Regulatory Requirements

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

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 balance sheet, income statement and statement of recognised income and expense are in agreement with the books of account.

**CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE
P O BOX GP 242
ACCRA**

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GUINNESS GHANA BREWERIES LIMITED
BALANCE SHEET AT 30 JUNE 2009

	Note	2009 GH¢'000	Restated 2008 GH¢'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	104,555	93,701
Intangible assets	13	9,104	6,299
		-----	-----
		113,659	100,000
Current assets			
Inventories	14	62,681	37,109
Trade and other receivables	15	21,797	16,987
Amount due from related companies	24	221	155
Cash and cash equivalents	16	13,965	6,070
		-----	-----
		98,664	60,321
		-----	-----
Total assets		212,323	160,321
		=====	=====
EQUITY AND LIABILITIES			
Equity attributable to equity shareholders of the parent			
Share Capital	19	26,252	26,252
Retained Earnings	19	37,501	35,913
		-----	-----
Total equity		63,753	62,165
		=====	=====
Non-current liabilities			
Medium-term loans	18	-	18,000
Deferred tax liability	11(iv)	8,834	9,232
		-----	-----
Total non-current liabilities		8,834	27,232
		-----	-----
Current liabilities			
Bank overdraft	17	6,706	8,557
Short-term loans	18	27,000	9,000
Trade and Other payables	21	35,148	22,792
Income tax liability	11(ii)	807	1,528
Amount due to related companies	24	59,741	27,862
Provisions	22	3,264	1,185
Dividend liability	27	7,070	-
		-----	-----
Total current liabilities		139,736	70,924
		-----	-----
Total liabilities		148,570	98,156
		-----	-----
Total equity and liabilities		212,323	160,321
		=====	=====

.....
DIRECTOR

.....
DIRECTOR

GUINNESS GHANA BREWERIES LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 GH¢'000	Restated 2008 GH¢'000
Turnover	6	200,968	135,810
Cost of Sales		(132,287)	(83,329)
		-----	-----
Gross Profit		68,681	52,481
General Administrative and Selling Expenses		(44,826)	(28,418)
		-----	-----
Trading Profit		23,855	24,063
Other Income	7	85	736
		-----	-----
Profit before Net Finance Cost, and Taxation	8	23,940	24,799
Net Finance Cost	10	(7,893)	(5,192)
		-----	-----
Profit before Taxation		16,047	19,607
Taxation	11(i)	(4,612)	(5,914)
		-----	-----
Profit for the year		11,435	13,693
		=====	=====
Basic earnings per share (Ghana cedi per share)	20	GH¢0.069	GH¢0.0830
Diluted earnings per share (Ghana cedi per share)	20	GH¢0.069	GH¢0.0830

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2009

	2009 GH¢'000	2008 GH¢'000
Profit for the year	11,435	13,693
	-----	-----
Total recognised income for the year	11,435 =====	13,693 =====

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2009

	2009	Restated
	GH¢'000	2008
		GH¢'000
Cash flows from operating activities		
Profit before taxation	16,047	19,607
Adjustment for:		
Depreciation charges	6,821	4,985
Amortisation	1,012	-
(Profit)/Loss on sale of property, plant and equipment	(85)	1,202
Property, plant and equipment written off	43	127
Net interest expense	7,893	5,192
Property, plant and equipment transferred trade and other receivables	257	-
Tax provision relating merger arrangement	-	498
Net balances on merger	-	4,517
	-----	-----
	31,988	36,128
Increase in inventories	(25,572)	(24,233)
(Increase)/Decrease in trade and other receivables	(4,810)	4,345
Increase in trade and other payables	12,356	6,706
Increases in related company balances	31,813	22,581
Increase in provisions	2,079	4,298
	-----	-----
Cash flow from operations	47,854	49,825
Income taxes paid	(5,731)	(2,525)
Interest paid	(8,003)	(5,267)
	-----	-----
Net Cash flow from operating activities	34,120	42,033
	-----	-----
Cash flows from investing activities		
Additions to property, plant and equipment	(17,756)	(24,212)
Additions to intangible assets	(4,071)	(6,045)
Proceeds from sale of property, plant and equipment	120	154
Interest received	110	75
	-----	-----
Net cash flow from investing activities	(21,597)	(30,028)
	-----	-----
Cash flow from financing activities		
Dividends paid	(2,777)	(6,111)
Net movement in loan balances	-	(2,367)
	-----	-----
Net cash flow from financing activities	(2,777)	(8,478)
	-----	-----
Increase in cash and cash equivalents	9,746	3,527
	=====	=====

GUINNESS GHANA BREWERIES LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2009 (Cont'd)

	2009	2008
	GH¢'000	GH¢'000
Analysis of changes in cash and cash equivalents during the year		
Balance at 1 July	(2,487)	(6,014)
Net cash flow	9,746	3,527
	-----	-----
Balance at 30 June	7,259	(2,487)
	=====	=====
Analysis of balances of cash and cash equivalents as shown in the balance sheet		
Bank and cash balances	13,965	6,070
Bank overdraft	(6,706)	(8,557)
	-----	-----
Balance at 30 June	7,259	(2,487)
	=====	=====

GUINNESS GHANA BREWERIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

1. REPORTING ENTITY

Guinness Ghana Breweries Limited (GGBL) is a company registered and domiciled in Ghana. The address of the company's registered office can be found on page 2 of the annual report. The company manufactures sells and deals in beer, stout, malt drinks and their ancillary products.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

b. Basis of measurement

The financial statements are prepared on the historical cost basis except for financial assets and liabilities that are stated at fair values.

c. Functional and presentational currency

The financial statements are presented in Ghana cedis (GH¢), which is the company's functional and presentational currency.

d. Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in notes 4 and 23.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

The company's 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 the income statement. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost or exchange rates at the date that fair value was determined if held at fair value, and the resulting foreign exchange gains and losses are recognised in the income statement or shareholders' equity, as appropriate.

(b) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are categorised, as follows:

- Loans and receivables – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortised cost using the effective interest rate method, less any impairment losses.
- Financial liabilities measured at amortised cost - this relates to all other liabilities that are not designated at fair value through profit or loss.
- Available for Sale: These are non-derivative financial assets that are designated as available for sale or are not classified as financial asset at fair value through profit or loss; loans and receivables and held to maturity.

Non-derivative financial instruments are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition non-derivative financial instruments other than available for sale financial assets are measured at amortised cost using the effective interest rate method, less any impairment losses, if any.

Available for sale financial assets are measured at fair value with the resultant fair value changes recognised in equity. The fair value changes on available –for sale financial assets are recycled to income statement when the underlying asset is sold; matured or derecognized. Available –for sale assets for which there is no realistic basis of determining fair values are measured at cost.

(ii) Off setting

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(iii) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(c) **Leases**

(i) Classification

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are stated as assets of the company at the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs are charged to the income statement over the term of the relevant lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period.

Leases where significant portions of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(ii) Lease Payments

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Minimum lease payments made under finance leases are apportioned between the finance expense and as reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(d) **Property, plant and equipment**

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

(i) Recognition and measurement (cont'd)

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. 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 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 the income statement, as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement 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. Land is not depreciated.

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

The annual rates generally in use are as follows:-

Buildings	-	life of lease up to 50 years
Plant and Machinery	-	3.33% - 12.5%
Motor Vehicles and Computers	-	20% - 33.33%
Furniture and Office Equipment		12.5% - 20%

Depreciation methods, useful lives and carrying amount are reassessed at each reporting date. The carrying amounts of property plant and equipment are assessed whether they are recoverable in the form of future economic benefits. If the recoverable amount of a PPE has declined below its carrying amount, an impairment loss is recognised to reduce the value of the assets to its recoverable amount. In determining the recoverable amount of the assets, expected cash flows are discounted to their present value. Gains and losses on disposal of property, plant and equipment are included in the income statement.

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 the income statement as other income.

(e) Goodwill and Intangible Assets**Goodwill**

Goodwill arising on acquisition represents the excess of acquisition costs over the company's interest in the fair value of net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment loss.

Goodwill is not amortised, rather it is reviewed for impairment annually. Any impairment loss is charged in the income statement.

Negative goodwill is not recognised. Any excess of fair value of net assets acquired over and above the total cost of acquisition is recognised in the income statement in the period of acquisition.

Software

Software acquired by the company 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 expenditures are expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is five years.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the 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.

(g) Trade and Other Receivables

Trade receivables are stated at amortised costs, less impairment losses. Specific allowances for doubtful debts are made for receivables of which recovery is doubtful, general allowances for doubtful debts are recorded for the remaining receivables taking into account past experiences.

Other receivables are stated at their cost less impairment losses.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and bank balances and these are carried at amortised cost in the balance sheet.

(i) Employee Benefits**(i) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution schemes are recognised as an expense in the income statement when they are due.

(ii) Defined benefit plans

The liabilities of the company arising from defined benefit obligations and the related current service costs are determined on an actuarial basis using the Projected Unit of Credit Method. The company uses Projected Unit Credit Method to determine the present value of its defined benefit obligation and the related current service cost and, where applicable, past service cost. For defined benefit plans, actuarial gains and losses arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and what has actually occurred. They are recognised in the period in which they occur directly in equity under the statement of recognised income and expense.

(iii) 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.

(j) Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(k) Revenue - Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, taxes and volume rebates. Revenue is recognised when the significant risks and rewards of the ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement in the goods, and the amount of revenue can be measured reliably.

(l) Finance Income and Expenses

Finance income comprises interest income on funds invested and is recognised in the income statement using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the income statement using the effective interest method.

(m) Share capital (Stated capital)*Ordinary Shares*

Proceeds from issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(n) Impairment**(i) Financial assets**

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

(o) Income tax

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

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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.

(o) Income tax (cont'd)

A deferred tax asset is recognised 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.

(p) Dividend

Dividend payable is recognised as a liability in the period in which they are declared.

(q) Post Balance Sheet Events

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

(r) Segment reporting

A segment is a distinguishable component of the company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(s) 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.

(t) Comparatives

Where necessary the comparative information has been reclassified to agree to the current year presentation.

(u) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 June 2009, and have not been applied in preparing these financial statements.

- IFRS 8 Operating Segments introduces the “management approach” to segment reporting. IFRS 8, which becomes mandatory for the company’s 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the company’s Chief Operating Decision Maker in order to assess each segment’s performance and to allocate resources to them. Currently the company presents segment information in respect of its business segments (see note 5).
- Revised IAS 23 - Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, as part of the cost of that asset. The revised IAS 23 will become mandatory for the company’s 2010 financial statements and will constitute a change in accounting policy for the company. In accordance with the transitional provisions, the company will apply the revised IAS 23 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date.

(u) New standards and interpretations not yet adopted (cont'd)

- IAS 32 - Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation will become mandatory for the 30 June 2010 financial statements. This amendment requires certain puttable instruments that meet the definition of a financial liability to be classified as equity if and only if they meet the required conditions. This will not have any impact on the company's financial statements.
- IFRS 2 amendment Share based payment: vesting conditions and cancellations will become mandatory for the 30 June 2010 financial statements and applies retrospectively. The amendments apply to equity-settled share-based payment transactions and clarify what are vesting and "non-vesting conditions". Vesting conditions are now limited to service conditions (as defined in the current IFRS 2 and performance conditions. Non-vesting conditions are conditions that do not determine whether the entity receives the services that entitle the counterparty to a share-based payment are non-vesting conditions. Non-vesting conditions are taken into account in measuring the grant date fair value and thereafter there is no "true-up" for differences between expected and actual outcomes. These changes will have no impact on the company's financial statements.
- IFRS 3 Business Combinations will become mandatory for the 30 June 2010 financial statements. This standard requires all future transaction costs relating to business combinations to be expensed and contingent purchase consideration recognised at fair value at acquisition date. For successive share purchases, any gain or loss for the difference between the fair value and the carrying amount of the previously held equity interest in the acquiree must be recognised in income statement. This will not have any impact on the company's financial statements.
- Revised IAS 1 Presentation of Financial Statements (2007) will become mandatory for the 30 June 2010 financial statements, with earlier application permitted. The revised IAS 1 amends a number of references in all IFRSs (standards and interpretations), e.g., "income statement" is amended to "statement of comprehensive income"; "balance sheet" is amended to "statement of financial position"; "cash flow statement" is amended to "statement of cash flows"; and "balance sheet date" is amended to "end of the reporting period". These amended references are applicable upon the adoption of the revised IAS 1 and impact a large number of disclosures.

(v) Subsidiaries

Subsidiaries are all entities including special purpose entities over which the company has the power to directly or indirectly govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

Subsidiaries are fully consolidated from the date on which the company effectively obtains control. They are de-consolidated from the date the control ceases.

The company accounts for common control on acquisition or disposals of subsidiaries on cost basis and the resultant gains and losses are recognised in the income statement.

4. DETERMINATION OF FAIR VALUES

A number of the company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The following sets out the company's basis of determining fair values of financial instruments disclosed under note 26:

(i) **Trade and other receivables**

The estimated fair value of trade and other receivables represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates of instruments with similar credit risk profile and maturity. Receivables due within a 6 month period are not discounted as they approximate their fair values.

(ii) **Cash and cash equivalents**

The fair value of cash and cash equivalents approximates their carrying values.

(iii) **Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the current market rate of interest of instruments with similar maturity profile at the reporting date. Instruments with maturity period of 6 months are not discounted as carrying values approximates fair values.

5. SEGMENT REPORTING

The company's operates as one single business and geographical segment. Consequently, no segment reporting is provided in the financial statements.

6. REVENUE

(i)	2009 GH¢'000	Restated 2008 GH¢'000
Gross Sales Value	273,958	187,325
	-----	-----
<i>Taxes collected for Government</i>		
Excise Duty	32,758	25,318
Value Added Tax	35,614	24,532
	-----	-----
	68,372	49,850
	-----	-----
Volume/Value performance discount	4,618	1,665
	-----	-----
Net Sales Value	200,968	135,810
	=====	=====
 (ii) Analysis of net sales		
Local sales	200,823	135,586
Export sales	145	224
	-----	-----
Net sales value	200,968	135,810
	=====	=====
Sales to non-affiliates	200,823	135,810
Sales to affiliates	145	-
	-----	-----
	200,968	135,810
	=====	=====

7. OTHER INCOME

Sundry income	-	736
Net exchange gain	-	-
Profit on disposal of property, plant and equipment (note 12)	85	-
	---	-----
	85	736
	==	==

8. PROFIT BEFORE NET FINANCE COST

AND TAXATION is stated after charging:

(i)	2009 GH¢'000	2008 GH¢'000
Personnel cost (note 9)	17,957	11,790
Directors' remuneration	508	395
Auditors' remuneration	129	90
Depreciation	6,821	4,985
Amortisation	1,012	-
Net finance cost (note 10)	7,893	5,192
Donations	15	38
Exchange difference	9,458	435
	<u>=====</u>	<u>=====</u>

9. PERSONNEL COSTS

Wages and salaries	10,427	6,812
Social security contributions	817	486
Contributions to provident fund	1,213	484
Other staff expenses	5,500	4,008
	<u>-----</u>	<u>-----</u>
	17,957	11,790
	<u>=====</u>	<u>=====</u>

The average number of persons employed by the company during the year was 617 (2008: 589).

10. NET FINANCE COST

	2009 GH¢'000	2008 GH¢'000
Interest income	110	75
Interest expense	(8,003)	(5,267)
	<u>-----</u>	<u>-----</u>
	(7,893)	(5,192)
	<u>=====</u>	<u>=====</u>

11. TAXATION**(i) Income tax expense**

Current tax expense (note 11(ii))	5,010	2,837
Deferred tax (credit)/expense (note 11(iv))	(398)	3,077
	<u>-----</u>	<u>-----</u>
	4,612	5,914
	<u>=====</u>	<u>=====</u>

11. TAXATION (CONT'D)**(ii) Income tax**

	Balance at 1/7/08 GH¢'000	Payments GH¢'000	Charge to I & S GH¢'000	Balance at 30/6/09 GH¢'000
Income Tax				
Up to 2007	707	-	-	707
2008	810	-	-	810
2009	-	(5,731)	5,010	(721)
	-----	-----	-----	-----
	1,517	(5,731)	5,010	796
Capital gains Tax	11	-	-	11
	-----	-----	-----	-----
	1,528	(5,731)	5,010	807
	=====	=====	=====	=====

Tax liabilities for the respective years are subject to the agreement with Internal Revenue Service.

(iii) Reconciliation of effective tax rate

	2009 GH¢'000	2008 GH¢'000
Profit before taxation	16,047	19,607
	=====	=====
Income tax using the domestic tax rate (25%)	4,012	4,902
Non-deductible expenses	5,252	7,412
Tax exempt revenues	(95)	(8,326)
Tax incentives not recognised in the income statement	(4,159)	(1,151)
Deferred tax charges	(398)	3,077
	-----	-----
Current tax charge	4,612	5,914
	=====	=====
Effective tax rate	29%	30%

(iv) Deferred Taxation

Balance at 1 July	9,232	886
Charged/(Credit)for the year	(398)	3,077
Deferred taxes on merger assets acquired	-	2,137
Effect of prior year deferred tax charges	-	3,132
	-----	-----
Balance at 30 June	8,834	9,232
	=====	=====

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

<u>2008</u>	Buildings GH¢'000	Plant Machinery GH¢'000	Motor Vehicles GH¢'000	Furniture/ Office Equip. GH¢'000	Capital Work in- Progress GH¢'000	Total GH¢'000
Cost						
At 1/7/07	1,159	53,976	2,044	2,888	1,610	61,677
Additions	21	300	608	747	22,536	24,212
Disposals	(8)	(3,925)	(69)	(344)	-	(4,346)
Transfers	309	5,493	6	715	(6,523)	-
Write off	-	(3)	-	(124)	-	(127)
Acquired through merger arrangement	4,359	33,284	41	777	1,311	39,772
	-----	-----	-----	-----	-----	-----
At 30/6/08	5,840	89,125	2,630	4,659	18,934	121,188
	=====	=====	=====	=====	=====	=====
Depreciation						
At 1/7/07	225	13,080	1,099	1,760	-	16,164
Charge for the year	80	3,725	400	780	-	4,985
Released on disposals	(2)	(2,738)	(31)	(219)	-	(2,990)
Recognised through merger arrangement	1,308	7,492	28	500	-	9,328
	-----	-----	-----	-----	-----	-----
At 30/6/08	1,611	21,559	1,496	2,821	-	27,487
	=====	=====	=====	=====	=====	=====
Net Book Value						
At 30/6/08	4,229	67,566	1,134	1,838	18,934	93,701
	=====	=====	=====	=====	=====	=====
At 30/6/07	934	40,896	945	1,128	1,610	45,513
	=====	=====	=====	=====	=====	=====

Disposal of property, plant and equipment

	2009 GH¢'000	2008 GH¢'000
Cost	307	4,346
Less: Accumulated depreciation	272	2,990
	----	-----
Net book value	35	1,356
Less: Proceeds	120	154
	----	-----
Gain/(Loss) on disposals released to Income statement	85	(1,202)
	==	=====

Depreciation has been charged in the profit and loss account as follows:-

Cost of sales	5,347	3,725
General, administrative and selling expenses	1,474	1,260
	-----	-----
	6,821	4,985
	=====	=====

13. INTANGIBLE ASSETS

	2009	2008
	GH¢'000	GH¢'000
Balance at 1 July	6,795	750
Addition during the year	4,071	6,045
Reclassification to property, plant and equipment	(254)	-
	-----	-----
Balance at 30 June	10,612	6,795
	=====	=====
Amortisation		
Balance at 1 July	496	496
Amortisation for the year	1,012	-
	-----	-----
Balance at 30 June	1,508	496
	=====	=====
Carrying amount		
At 30 June	9,104	6,299
	=====	=====

Intangible assets represent the portion of SAP software license and implementation cost.

14. INVENTORIES

	2009	2008
	GH¢'000	GH¢'000
Raw and packaging materials	15,881	7,633
Stock in transit	3,668	2,998
Work-in-progress	2,014	881
Bottles and crates	32,534	18,799
Finished products	2,805	1,963
Engineering and consumables	5,779	4,835
	-----	-----
	62,681	37,109
	=====	=====

In 2009 the write-down of inventories to net realisable value amounted to GH¢3.7million (2008: 3.9 million). The reversal of write-downs amounted to GH¢5.6million (2008: GH¢4.8 million) resulting from increase in the deposit rate of bottles and crates. The write-down and reversal are included in cost of sales.

15. TRADE & OTHER RECEIVABLES

	2009	2008
	GH¢'000	GH¢'000
Trade receivables	18,469	12,404
Other receivables	2,511	3,634
Prepayments	817	949
	-----	-----
	21,797	16,987
	=====	=====

16. CASH & CASH EQUIVALENTS

	2009 GH¢'000	2008 GH¢'000
Bank balances	13,965	6,039
Cash balances	-	31
	-----	-----
	13,965	6,070
	=====	=====

17. BANK OVERDRAFT

Standard Chartered Bank Limited	1,807	6516
SG-SSB Limited	4,899	-
Barclays Bank Limited	-	2,041
	-----	-----
	6,706	8,557
	=====	=====

Standard Chartered Bank

The company has an overdraft facility of GH¢10,000,000 (2008: GH¢5,000,000) with the bank to augment the company's working capital requirements and refinance working capital funding with two other banks. Interest rate is at SCB base rate currently 29.5% at the year end. This facility in addition to the bank loan (note 18) has a negative pledge which states that the borrower shall not create any charge, mortgage, pledge or lien or any other encumbrance whatsoever on, over or in respect of any of its property (ies) and assets nor enter into any factoring agreement without the prior consent of the bank in writing, such consent not to be unreasonably withheld.

SG-SSB Limited

The company has an overdraft facility of GH¢5,000,000 with the bank to supplement operating funds. The facility is available for commercial paper (spot loan), trade transactions and working capital support. Interest rate is at the bank's base rate minus 5% per annum and the interest applicable to the commercial paper is at the bank's base rate minus 6.5% per annum collectible monthly in arrears and subject to change at the discretion of the bank. There is no security for this facility. The facility expired on 28 February 2009 and is subsequently being renewed.

18. SHORT AND MEDIUM-TERM LOANS

The outstanding balances due have been disclosed in the financial statements as follows:-

	2009 GH¢'000	2008 GH¢'000
Short-term loans	27,000	9,000
	=====	=====
Medium-term loans	-	18,000
	=====	=====

18. SHORT AND MEDIUM-TERM LOANS (CONT'D)

This loan facility is a medium term loan borrowed from Standard Chartered Bank for the restructuring of balance sheet following the financing of core working capital and capital expenditure projects. Interest rate is at SCB base rate minus 4.99% payable monthly and has a negative pledge as disclosed under note 17.

There was a 12 month moratorium on principal repayment. Interest is being paid during the moratorium period. Half yearly principal repayment of GH¢4.5 million was to commence in October 2008. The principal repayment has not commenced as at the year end.

This facility is currently in the process of being converted to a medium term loan.

19. CAPITAL & RESERVES

(i) Reconciliation of movement in capital and reserves

	Share Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
<u>2009</u>			
Balance at 1 July 2008	26,252	35,913	62,165
Total recognised income and expenses	-	11,435	11,435
Dividend declared	-	(9,847)	(9,847)
	-----	-----	-----
Balance at 30 June 2009	26,252	37,501	63,753
	=====	=====	=====
<u>2008</u>			
Balance at 1 July 2007 (Restated)	26,252	33,763	60,015
Merger adjustments (Note 26)		(163)	(163)
Deferred tax on assets acquired under merger arrangements	-	(2,137)	(2,137)
Prior years' deferred tax effects	-	(3,132)	(3,132)
Total recognised income and expenses	-	13,693	13,693
Dividend declared	-	(6,111)	(6,111)
	-----	-----	-----
Balance at 30 June 2008	26,252	35,913	62,165
	=====	=====	=====

(ii) Share Capital (Stated Capital)

(a) Ordinary Shares

	Number of Shares		Proceeds	
	2009 'm	2008 'm	2009 GH¢'000	2008 GH¢'000
Authorised:				
Ordinary shares of no par value	200	200		
	====	====		
Issued and fully paid				
For Cash	37	37	7,051	7,051
For consideration other than cash	35	35	18,926	18,926
Transfer from Income Surplus Account	93	93	275	275
	----	----	-----	-----
	165	165	26,252	26,252
	====	====	=====	=====

(ii) **Share Capital (Stated Capital) (cont'd)**

The holders of the 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.

(b) *Shares in treasury*

There is no share in treasury and no call or instalment unpaid on any share.

(iii) **Retained earnings (Income surplus)**

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

20. EARNINGS PER SHARE**Basic and diluted earnings per share**

The calculation of basic and diluted earnings per share at 30 June 2009 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders

	2009 GH¢'000	2008 GH¢'000
Net Profit attributable to ordinary shareholders	11,435 -----	13,693 -----

Weighted average number of ordinary shares

Weighted average number of ordinary shares	164,671 -----	164,671 -----
--	------------------	------------------

At the Balance sheet date, the basic earnings per share and the diluted earning per share were the same. There were no outstanding shares with potential dilutive effect on the weighted average number of ordinary shares in issue.

21. TRADE & OTHER PAYABLES

	2009 GH¢'000	2008 GH¢'000
Trade payables	19,174	5,684
Non-trade payables and accrued expenses	15,974	17,005
Other payables (note 25)	-	103
	-----	-----
	35,148	22,792
	=====	=====

22. PROVISIONS

	2009	2008
	GH¢'000	GH¢'000
Integration	4	239
Restructuring	3,260	946
	-----	-----
	3,264	1,185
	=====	=====
Integration		
Balance at 1 July	239	-
Provisions made during the year	10	300
Payments/Releases made during the year	(245)	(61)
	----	----
Balance at 30 June	4	239
	==	==

Ghana Breweries Limited (GBL), a subsidiary of the company, was put under voluntary liquidation on 21 February 2008 following a merger arrangement under which the company took over the assets and liabilities of the subsidiary. The provision relates primarily to estimates of professional and other company closure-related costs that will be incurred.

Restructuring

	2009	2008
	GH¢'000	GH¢'000
Balance at 1 July	946	-
Provisions made during the year	2,471	946
Payments/Releases made during the year	(157)	-
	-----	-----
Balance at 30 June	3,260	946
	=====	=====

The company closed its operating plant at Ahinsan, Kumasi. This provision relates to termination benefits payable to employees and estimates of property, plant and equipment and other assets that would be impaired as a result of the closure of the Ahinsan plant.

23. FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risks

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board's Audit 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 the risks faced by the company.

The Audit Committee gain assurance in relation to the effectiveness of internal control and risk management from: summary information in relation to the management of identified risks; detailed review of the effectiveness of management of selected key risks; results of management's self assessment process over internal control; and the independent work of the Global Audit and Risk function, which ensures that the audit committee and management understand the company's key risks and risk management capability; sets standards on governance and compliance; and provides assurance over the quality of the company's internal control and management of key risks.

The company has established the Executive Management Committee (EMC), which is responsible for developing and monitoring the company's risk management policies. This committee meets weekly to discuss corporate plans, evaluate progress reports and action plans to be taken. Risk issues that may have financial reporting implications are brought to the attention of the Finance Director for the necessary action to be taken.

The company also has in place a Process Improvement function, which monitors compliance with internal procedures and processes and also assess the effectiveness of internal controls.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from customers.

23. FINANCIAL RISK MANAGEMENT (CONT'D)

Trade receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit control committee has established a credit policy under which a new customer is analysed 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. Credit exposure on trade receivable is covered by customers issuing post-dated cheques to cover amount owed, as well as using landed properties as collateral.

Allowances for impairment

The company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for homogeneous assets in respect of losses that have been incurred but have not yet been identified. The collective loss allowance is determined based on historical data of payment for similar financial assets.

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2009 GH¢'000	2008 GH¢'000
Trade and other receivables	21,797	16,987
Amount due from related companies	221	155
Cash and cash equivalent	13,965	6,070
	-----	-----
	35,983	23,212
	=====	=====

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	2009 GH¢'000	2008 GH¢'000
Key Distributors	11,400	7,486
	=====	=====

Impairment losses

	2009	2008
	GH¢'000	GH¢'000
The aging of trade receivables at the reporting date was:		
Current (less than 30 days)	20,346	14,285
Due but not impaired (30-180 days)	9,115	406
Impaired (more than 180 days)	4,024	3,370
Bottle deposit	(12,269)	(3,548)
	-----	-----
	21,216	14,513
	=====	=====
Impairment loss (more than 180 days)	2,747	2,109
	====	====

The movement in impairment allowance in respect of trade receivables during the year was as follows:

	2009	2008
	GH¢'000	GH¢'000
Balance at 1 July	2,109	215
Impairment loss recognised	638	1,894
	-----	-----
Balance at 30 June	2,747	2,109
	=====	=====

Based on historical default rates, the company believes that no impairment is necessary in respect of trade receivables past due up to 180 days. However, impairment loss has been recognised for specific customers whose debts are considered impaired.

No impairment loss was recognised for financial assets other than trade receivables.

(ii) **Liquidity risk**

Liquidity risk is the risk that the company either does 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 will maintain adequate liquidity to meet its liabilities when due.

The following are contractual maturities of financial liabilities:

30 June 2009

	Amount GH¢'000	6mths or less GH¢'000	6-12mths GH¢'000
Non-derivative financial liability			
Unsecured bank loans	27,000	15,000	12,000
Trade and other payables	35,148	35,148	-
Amount due to related companies	59,741	59,741	-
Bank overdraft	6,706	6,706	-
	-----	-----	-----
Balance at 30 June 2009	128,595	116,595	12,000
	=====	=====	=====

30 June 2008

Non-derivative financial liability			
Unsecured bank loans	27,000	4,500	22,500
Trade and other payables	22,792	22,792	-
Amount due to related companies	27,862	27,862	-
Bank overdraft	8,557	8,557	-
	-----	-----	-----
Balance at 30 June 2008	86,211	63,711	22,500
	=====	=====	=====

(iii) **Market risks**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices 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.

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 primarily are denominated are Euro, Great British Pounds and US Dollars.

(iii) **Market risks (cont'd)***Currency Risk*

The company's exposure to foreign currency risk was as follows based on notional amounts.

	30 June 2009					30 June 2008		
	EURO '000	USD '000	GBP '000	ZAR '000	KE '000	EURO '000	USD '000	GBP '000
<i>Cash and bank</i>								
Cash	-	-	-	-	-	5	2	3
Bank	244	7,826	108	-	-	-	353	-
<i>Overdraft</i>								
Trade Payables	(226)	(510)	(349)	-	-	(1,761)	(8)	(197)
						(648)	(194)	-
<i>Related party balance</i>								
Receivables	-	7	243	-	-	24	55	-
Payables	(8,031)	(12,246)	(9,101)	(440)	(18,965)	(3,565)	(3,944)	(7,900)
	-----	-----	-----	-----	-----	-----	-----	-----
Gross exposure	(8,013)	(4,923)	(9,099)	(440)	(18,965)	(5,945)	(3,736)	(8,094)
	====	====	====	====	====	====	====	====

The following significant exchange rates applied during the year:

	Average Rate		Reporting Date	
	2009	2008	2009	2008
Cedis				
Euro 1	1.88	1.46	2.10	1.67
USD 1	1.27	0.98	1.49	1.06
GBP 1	2.28	1.97	2.46	2.10
ZAR 1	0.165	0.14	0.19	0.14
KE 1	0.018	0.016	0.02	0.016

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of GH¢ against all other currencies on the company's income statement. This sensitivity analysis indicates the potential impact on the income statement based upon the foreign currency exposures recorded at 30 June (see "currency risk" above) and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the highest daily exchange rate and the average exchange rate per currency recorded in the course of the respective financial year.

Sensitivity analysis on currency risks (cont'd)

A strengthening/weakening of the GH¢, by the rates shown in the table, against the following currencies at 30 June would have increased/decreased equity and income statement by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

As of 30 June	2009			2008		
	% Change	Income statement impact: Strengthening	Income statement impact: Weakening	% Change	Income statement impact: Strengthening	Income statement impact: Weakening
in GH¢'000						
Euro	±12%	1,969	(1,969)	±14%	1,428	(1,428)
US\$	±17%	1,317	(1,317)	±8%	323	(323)
GBP	±8%	1,767	(1,767)	±7%	1,122	(1,122)
ZAR	±15%	13	(13)	-	-	-
KE	±11%	42	(42)	-	-	-

Interest rate risk profile

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

	Carrying amounts	
	2009 GH¢'000	2008 GH¢'000
Variable rate instrument		
Bank overdraft	6,706	8,557
Loan and borrowings	27,000	27,000
	-----	-----
	33,706	35,557
	=====	=====

Fair value sensitivity analysis for fixed rate instrument

The company did not have any fixed rate instrument at 30 June 2009 and also at 30 June 2008.

(iii) **Market risks (cont'd)****Cash flow sensitivity analysis for variable rate instrument**

A change of 200 basis points in interest rate at the reporting date would have increased (decreased) 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 2008.

<i>Effect in cedis</i>	200bp Increase GH¢'000	200bp Decrease GH¢'000
30 June 2009		
Variable rate instrument	674	(674)
	==	===
30 June 2008		
Variable rate instrument	711	(711)
	===	===

Fair values**Fair values versus carrying amounts**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

<u>2009</u>	Loans and Receivables GH¢'000	Other Financial Liabilities GH¢'000	Total Carrying Value GH¢'000	Fair Value GH¢'000
Trade and other receivables	21,797	-	21,797	20,663
Due from related parties	221	-	221	221
Cash and cash equivalents	13,965	-	13,965	13,965
	-----	-----	-----	-----
	35,983	-	35,983	34,849
	=====	=====	=====	=====
Medium term loan	-	27,000	27,000	27,000
Trade and other payables	-	35,148	35,148	35,148
Due from related parties	-	59,741	59,741	59,741
Bank overdraft	-	6,706	6,706	6,706
	-----	-----	-----	-----
	-	128,595	128,595	128,595
	=====	=====	=====	=====

Fair values (cont'd)**Fair values versus carrying amounts**

<u>2008</u>	Loans and Receivables GH¢'000	Other Financial Liabilities GH¢'000	Total Carrying Value GH¢'000	Fair Value GH¢'000
Trade and other receivables	16,987	-	16,987	16,987
Due from related parties	155	-	155	155
Cash and cash equivalents	6,070	-	6,070	6,070
	-----	-----	-----	-----
	23,212	-	23,212	23,212
	=====	=====	=====	=====
Medium term loan	-	27,000	27,000	27,000
Trade and other payables	-	22,792	22,792	22,792
Due from related parties	-	27,862	27,862	27,862
Bank overdraft	-	8,557	8,557	8,557
	-----	-----	-----	-----
	-	86,211	86,211	86,211
	=====	=====	=====	=====

24. RELATED PARTY TRANSACTIONS

- i. The company is a subsidiary of Diageo Highlands BV, a company registered in Holland.
- ii. Raw materials and consumables costing GH¢12.25 million (2008: GH¢14.46 million) were procured from Diageo Great Britain Limited.
- iii. Included in cost of sales is an amount of GH¢5.5 million (2008: GH¢8.9 million) in respect of technical and management services fees payable to Diageo Ireland and Diageo Brand BV.

Outstanding balances in respect of transactions with related parties at the year end were as follows:*Due to related companies*

	2009 GH¢'000	2008 GH¢'000
Goods and services supplied	46,935	12,571
Royalties and technical service fees	12,806	15,291
	-----	-----
	59,741	27,862
	=====	=====
Amount due from related companies	221	155
	=====	=====
Amount due to related companies	59,741	27,862
	=====	=====

25. MINORITY INTEREST

	2009 GH¢'000	2008 GH¢'000
Balance at 1 July	-	95
Share of net profit of subsidiary	-	8
	---	----
	-	103
Re-classified (note 21)	-	(103)
	---	----
Balance at 30 June	-	-
	==	==
Comprising		
Share of net assets of subsidiary	-	-
Share of net profit of subsidiary	-	-
	---	----
Balance at 30 June	-	-
	==	==

26. PRIOR YEAR ADJUSTMENT

Pre-merge reserves (Note19)	-	163
	==	==

27. DIVIDENDS**(i) Dividend liability**

Balance at 1 July	-	6,111
Dividend declared	9,847	-
	-----	-----
	9,847	6,111
Dividend paid	(2,777)	(6,111)
	-----	-----
Balance at 30 June	7,070	-
	=====	=====

(ii) Proposed Dividend

After the balance sheet date the following dividends were proposed by the directors. The dividends have not been provided for and there are no income taxes consequences on the company's position.

	2009 GH¢'000	2008 GH¢'000
2.87GP per qualifying ordinary shares (2008: 4.85GP)	4,726	7,987
	=====	=====

28. EMPLOYEE BENEFITS

Defined Contribution Plans

(i) Social Security and National Insurance Trust (SSNIT)

Under a National Deferred Benefit Pension Scheme, the company contributes 12.5% of employees' basic salary to the SSNIT for employee pensions. The company's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

(ii) Provident Fund

The company has a provident fund scheme for staff under which the company contributes 12% and 15% of staff basic salary for junior staff and senior staff respectively. The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the fund manager.

Defined Benefit Plan

(i) End of Service Benefits

The company has an end of service plan that has been designed to help its permanent junior staff build up their savings over a period of time to meet their future financial obligations. The company contributes 5% of the employee's monthly basic salary to the plan on a monthly basis. The plan is not funded and has no interest bearing in the individual staffs' accounts.

The fund is managed internally by the company and accrual for the fund liability is made on monthly basis. The related liability at the balance sheet date is GH¢ 241,866 (2008: GH¢122,741).

29. CAPITAL COMMITMENTS

Capital commitments authorised but not expended at the balance sheet date, amounted to GH¢2,407,004 (2008: GH¢5,017,830).

30. CONTINGENT LIABILITIES

Contingent liabilities, in respect of possible claims and lawsuits at the year-end amounted to GH¢240,000 (2008: GH¢245,650).

31. STAFF STRENGTH

The total number of staff employed by the company at 30 June 2009 was 617 (2008: 587).

32. MERGER ARRANGEMENTS

Under a merger arrangement, the company took over the assets and liabilities of Ghana Breweries Limited, its subsidiary on 21 February 2008. As a result comparative financial information on consolidated results shown in prior year financial statements is not presented. Summary of the prior year consolidated results is shown below:

	2009 GH¢'000	2008 GH¢'000
Turnover	- =====	162,302 =====
Gross Profit	- =====	62,259 =====
Trading Profit	- =====	27,574 =====
Net profit after tax	- =====	16,670 =====

33. RESTATEMENT AND RECLASSIFICATION OF PRIOR YEAR FIGURES

(i) Income statement.

		Amount per prior year financial statement	Adjustment	Restated amount
		GH¢'000	GH¢'000	GH¢'000
Revenue	(a)	137,475	(1,665)	135,810
General administrative and Selling expenses	(a)	30,083	(1,665)	28,418

- (a) IFRS requires that discounts are netted off against revenue. The adjustment represents volume and value discount which was included in general and administrative expenses in prior year and which has now been restated.

33. RESTATEMENT AND RECLASSIFICATION OF PRIOR YEAR FIGURES (CONT'D)

(ii) Balance Sheet

		Amount per prior year financial statement	Adjustment	Restated amount
		GH¢'000	GH¢'000	GH¢'000
Inventory	(b)	33,561	3,548	37,109
Trade Receivable and other receivables	(b)	15,617	(3,548)	12,069

- (b) This adjustment represents bottles and crates in trade. In the prior year, the value of bottles and crates in trade was added to trade receivables. By the business practice these bottles and crates are returnable and ownership resides with the business. The bottles and crates have therefore been reclassified from receivables to inventory.

(iii) Balance Sheet

		Amount per prior year financial statement	Adjustment	Restated amount
		GH¢'000	GH¢'000	GH¢'000
Trade and other payables	(c)	14,761	3,113	17,874
Provisions	(c)	4,298	(3,113)	1,185

- (c) This reclassification relates to technical service fees payable to Heineken based on royalty and technical service contractual agreement with Guinness Ghana Breweries Limited. The necessary approval has been obtained, this has been reclassified to accruals.

GUINNESS GHANA BREWERIES LIMITED
SHAREHOLDER INFORMATION
ANALYSIS OF SHAREHOLDING

(i) Number of Shareholders

The company had 5,102 ordinary shareholders at 30 June 2009 distributed as follows:

	Holding No. of Holders	Total Holding	% Holding
1 – 1,000	3,561	961,138	0.58
1,001 – 5,000	761	1,956,951	1.19
5,001 – 10,001	475	3,761,052	2.28
10,001 – 100,000,000	305	157,992,334	95.95
	-----	-----	-----
	5,102	164,671,475	100.00
	=====	=====	=====

(ii) List of twenty largest shareholders as at 30 June 2009

	Name	No. of Shares	% Holding
1	Diageo Highlands BV	83,982,452	51.00
2	Heineken Ghanaian Holdings BV	32,934,295	20.00
3	Social Security and National Insurance Trust	18,151,032	11.02
4	BBGN/BBH (LUX) SCA Custodian	10,601,722	6.44
5	DM Ventures	1,931,265	1.17
6	BBGN/EPACK Investment Fund Limited	1,248,501	0.76
7	SSNIT SOS Fund	740,616	0.45
8	Standard Bank Nominees TVL (PTY) LTD	423,441	0.26
9	State Insurance Company	400,000	0.24
10	BBGN/Unilever Ghana Provident Fund	300,059	0.18
11	Enterprise Insurance Company Limited	300,000	0.18
12	BBGN/Unilever Ghana Managers	266,217	0.16
13	STD Bank Nominees TVL (PTY) LTD	259,208	0.16
14	Ghana Reinsurance Organization	200,000	0.12
15	Teachers Fund	186,264	0.11
16	E.N. Safo-Nyame	167,533	0.10
17	BBGN/Barclays Mauritius	150,000	0.09
18	STD NOMS (TVL) PTY LTD	122,200	0.07
19	BBGN/Ghana Textiles Print Prov. Fund	112,500	0.07
20	Retco Company Limited	105,600	0.06
		-----	-----
	Reported Totals	152,582,905	92.66
	Not Reported	12,088,570	7.34
		-----	-----
	Company Total	164,671,475	100.00
		=====	=====

SHAREHOLDER INFORMATION (CONT'D)

(iii) Directors' Shareholding

The Directors named below held the following number of shares in the company as at 30 June 2009:

<u>Ordinary Shares</u>	2009	2008
Paul Victor Obeng	340	-
Joseph Woahen Acheampong	2,555	-
Pamela Djamson- Tettey	4,883	4,883
Ebenezer M.Boye	1,000	1,000
K Donkoh Fordwor	29,480	29,480
Total	----- 38,258 =====	----- 35,363 =====

33. FOUR YEAR SUMMARY

	2009 GH¢	2008 GH¢	2007 GH¢	2006 GH¢
Results				
Turnover	200,968	137,475	93,575	75,545
	=====	=====	=====	=====
Profit before tax	16,047	19,607	14,189	17,048
Taxation	(4,612)	(5,914)	(1,105)	(3,018)
	-----	-----	-----	-----
Profit after taxation	11,435	13,693	13,084	14,030
Dividend paid	(2,777)	(6,111)	(6,059)	(6,126)
	-----	-----	-----	-----
Retained profit	8,658	7,582	7,025	7,904
	=====	=====	=====	=====
Balance sheet				
Property, plant and equipment	104,555	93,701	45,513	43,386
Intangible	9,104	6,299	254	-
Investments	-	-	34,960	34,958
Cash and cash equivalent	13,965	6,070	1,234	2,600
Other current assets	84,699	49,333	33,053	23,827
	-----	-----	-----	-----
Total assets	212,323	155,403	115,014	104,771
Total liabilities	(148,570)	(93,238)	(54,999)	(56,109)
	-----	-----	-----	-----
	63,753	62,165	60,015	48,662
	=====	=====	=====	=====
Share capital	26,252	26,252	26,252	26,252
Other reserves	-	-	-	295
Retain earnings	37,501	35,913	33,763	22,115
	-----	-----	-----	-----
	63,753	62,165	60,015	48,662
	=====	=====	=====	=====
Revenue collected for government				
Excise duty	32,758	25,318	22,755	20,171
Sales tax/value added tax	35,614	24,532	17,542	15,533
	-----	-----	-----	-----
	68,372	49,850	40,297	35,704
	=====	=====	=====	=====
Statistics				
EPS (GH¢)	0.07	0.08	0.08	0.09
Dividend per share (GH¢)	0.04	0.04	0.04	0.04
Net asset per share (GH¢)	0.39	0.38	0.36	0.29
Current ratio	0.70:1	0.85:1	1.30:1	0.51:1
Return on shareholders fund (%)	17.93	22.03	21.80	28.83
Return on net sales value (%)	5.69	9.96	13.98	18.57