

# RESULTS FOR THE 3 MONTHS ENDED 30TH SEPTEMBER 2019

Net sales for the quarter increased 16% compared to last year, largely driven by the price increases we took on our portfolio last October as well as growth of Malta Guinness, Smirnoff Ice and ABC. The business continues to embed productivity initiatives but upward pressure on the cost base continued to be significant in the quarter driven by the cedi depreciation, coupled with an up-surge in utility costs and 5% irrecoverable levy.

This resulted in Operating loss of GHS 2.6m for the quarter.



**GUINNESS GHANA**  
BREWERY LTD

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 SEPTEMBER, 2019

|  | 2019           | 2018           |
|--|----------------|----------------|
|  | GH¢'000        | GH¢'000        |
| Revenue  | 157,451        | 136,082        |
| Cost of sales                                  | (129,704)      | (112,836)      |
| <b>Gross profit</b>                            | <b>27,747</b>  | <b>23,246</b>  |
| Selling, general and administrative expenses   | (30,391)       | (21,921)       |
| <b>Operating profit</b>                        | <b>(2,644)</b> | <b>1,325</b>   |
| Finance charges                                | (5,313)        | (3,779)        |
| <b>Loss before income tax</b>                  | <b>(7,957)</b> | <b>(2,454)</b> |
| Income tax credit                              | 1,286          | 323            |
| <b>Loss for the Period</b>                     | <b>(6,671)</b> | <b>(2,131)</b> |
| Other comprehensive income                     | -              | -              |
| <b>Total comprehensive loss for the period</b> | <b>(6,671)</b> | <b>(2,131)</b> |

## STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

|  | Share Capital  | Retained Earnings | Total          |
|--|----------------|-------------------|----------------|
|  | GH¢'000        | GH¢'000           | GH¢'000        |
| <b>Balance at 1 July 2019</b>                    | <b>272,879</b> | <b>28,280</b>     | <b>301,160</b> |
| Comprehensive loss for the period                |                | (6,671)           | (6,671)        |
| <b>Total comprehensive income for the period</b> | <b>272,879</b> | <b>21,610</b>     | <b>294,489</b> |
| <b>Balance at 30 September 2019</b>              | <b>272,879</b> | <b>21,610</b>     | <b>294,489</b> |

## UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

|  | 2019           | 2018           |
|--|----------------|----------------|
|  | GH¢'000        | GH¢'000        |
| <b>ASSETS</b>                            |                |                |
| <b>Non Current Assets</b>                |                |                |
| Property, plant and equipment            | 426,610        | 372,661        |
| Intangible assets                        | 2,410          | 2,863          |
|  | <b>429,020</b> | <b>375,524</b> |
| <b>Current Assets</b>                    |                |                |
| Inventories                              | 131,235        | 92,796         |
| Trade and other receivables              | 56,416         | 46,174         |
| Other Financial assets at amortised cost | 1,714          | 2,866          |
| Amounts due from related companies       | 8,147          | 593            |
| Other assets                             | 20,334         | 9,392          |
| Cash and bank balances                   | 46,583         | 63,726         |
| <b>Total current assets</b>              | <b>268,310</b> | <b>218,598</b> |
| <b>Total assets</b>                      | <b>697,330</b> | <b>594,122</b> |
| <b>EQUITY AND LIABILITIES</b>            |                |                |
| Stated capital                           | 272,879        | 272,879        |
| Income surplus account                   | 21,610         | 19,631         |
| <b>Total equity</b>                      | <b>294,489</b> | <b>292,510</b> |
| <b>Non-Current Liabilities</b>           |                |                |
| Obligation under finance lease           | 13,039         | 16,606         |
| Borrowings                               | 109,285        | 109,009        |
| Employee benefit obligations             | 3,318          | 2,269          |
| Deferred tax liabilities                 | 25,677         | 22,792         |
| <b>Total non-current liabilities</b>     | <b>151,319</b> | <b>150,676</b> |
| <b>Current Liabilities</b>               |                |                |
| Bank overdraft                           | 33,923         | -              |
| Trade and other payables                 | 198,717        | 125,138        |
| Amounts due to related companies         | 18,121         | 25,122         |
| Provisions                               | 761            | 676            |
| <b>Total current liabilities</b>         | <b>251,522</b> | <b>150,936</b> |
| <b>Total liabilities</b>                 | <b>402,841</b> | <b>301,612</b> |
| <b>Total equity and liabilities</b>      | <b>697,330</b> | <b>594,122</b> |

## UNAUDITED STATEMENT OF CASH FLOW FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

|   | 2019            | 2018            |
|---|-----------------|-----------------|
|   | GH¢'000         | GH¢'000         |
| <b>Cash flows from operating activities</b>                             |                 |                 |
| Loss before taxation  | (7,957)         | (2,454)         |
| <i>Adjustment for:</i>  |                 |                 |
| - Depreciation and amortisation charges                                 | 14,891          | 14,143          |
| - (Profit) /loss on disposal of property, plant and equipment           | 63              | (353)           |
| - Unrealised exchange difference  | (5,243)         | 1,173           |
| - Net interest expense  | 5,148           | 3,779           |
|   | <b>6,902</b>    | <b>16,288</b>   |
| Changes in:   |                 |                 |
| - Inventories   | (13,111)        | (10,882)        |
| - Trade and other receivables   | (27,787)        | (12,132)        |
| - Trade and other payables  | 35,238          | 9,703           |
| - Related company balances  | 18,445          | 16,647          |
| - Provisions  | -               | (40)            |
| - Employee benefits   | 55              | 124             |
| <b>Cash generated from operating activities</b>                         | <b>19,742</b>   | <b>19,708</b>   |
| Interest paid   | (5,181)         | (4,630)         |
| Income tax paid   | (2,267)         | (29)            |
| <b>Net cash generated from operating activities</b>                     | <b>12,294</b>   | <b>15,049</b>   |
| <b>Cash flow from investing activities</b>                              |                 |                 |
| Additions to property, plant and equipment,                             | (22,293)        | (13,344)        |
| Proceeds from sale from property, plant and equipment                   | 61              | 354             |
| Interest Received   | 165             | 854             |
| <b>Net cash used in investing activities</b>                            | <b>(22,067)</b> | <b>(12,136)</b> |
| <b>Cash flows from financing activities</b>                             |                 |                 |
| Repayment of Finance Lease  |                 |                 |
| Movement in finance Lease   | (2,234)         | (2,131)         |
| <b>Net cash used in/(generated from) financing activities</b>           | <b>(2,234)</b>  | <b>(2,131)</b>  |
| <b>Net Increase/ (decrease) in cash and cash equivalents</b>            | <b>(12,007)</b> | <b>782</b>      |
| <b>Analysis of changes in cash &amp; cash equivalents end of period</b> |                 |                 |
| Cash and cash equivalents at 1 July                                     | 24,961          | 62,836          |
| Increase/(Decrease) in cash and cash equivalents                        | (12,007)        | 782             |
| Effect of movements in exchange rates on cash held                      | (294)           | 108             |
| Cash and cash equivalents at 30 Sept                                    | <b>12,660</b>   | <b>63,726</b>   |

