



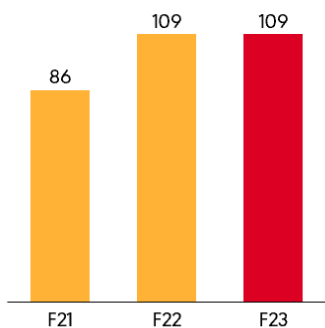
EAST AFRICA BREWERIES PLC  
**RESULTS BOOKLET**

FOR THE YEAR ENDED 30 JUNE 2023

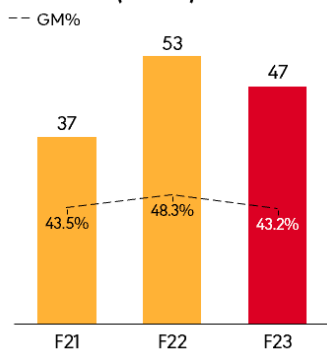
# EABL PLC Audited Results for the Year Ended 30 June 2023

Performance Against Key Metrics

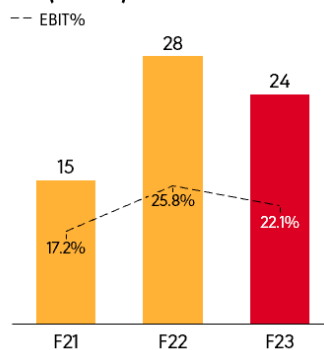
**Net Sales Value (Kes bn)**



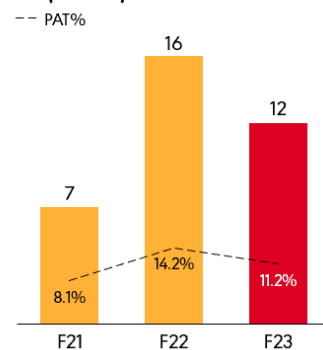
**Gross Profit (Kes bn)**



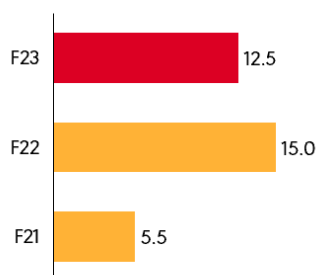
**EBIT (Kes bn)**



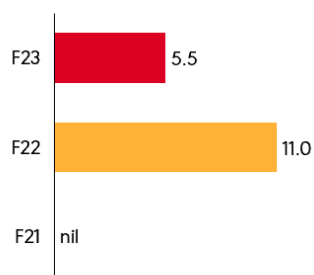
**PAT (Kes bn)**



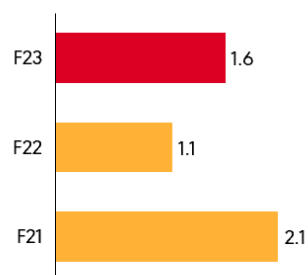
**EPS (Kes)**



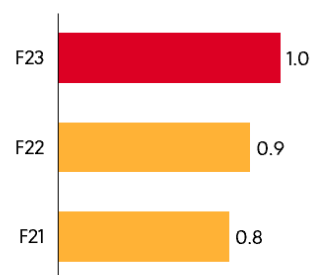
**DPS (Kes)**



**Net Debt / EBITDA**



**Current Ratio**



## Consolidated Statement of Profit or Loss

Year ended 30 June	Note	2023 Kshs '000	2022 Kshs '000	% Change
Revenue from contracts with customers	1	109,649,413	109,409,027	0.2%
Cost of sales	2	(62,249,439)	(56,553,029)	10%
<b>Gross profit</b>		<b>47,399,974</b>	<b>52,855,998</b>	(10%)
Selling and distribution costs		(10,036,418)	(9,733,709)	3%
Administrative expenses	3	(11,116,982)	(10,841,540)	3%
Other expenses	4(a)	(2,439,916)	(1,889,639)	29%
Net impairment releases/(losses) on financial assets	4(b)	387,772	(2,138,860)	(118%)
<b>Operating profit</b>		<b>24,194,430</b>	<b>28,252,250</b>	-14%
Finance income	7	75,171	184,528	(59%)
Finance costs	7	(5,560,462)	(4,420,520)	26%
<b>Profit before income tax</b>	5	<b>18,709,139</b>	<b>24,016,258</b>	(22%)
Income tax expense	8	(6,386,222)	(8,441,859)	(24%)
<b>Profit for the year</b>		<b>12,322,917</b>	<b>15,574,399</b>	(21%)
<b>Profit attributable to:</b>				
Equity holders of the Company		9,857,351	11,857,336	(17%)
Non-controlling interest		2,465,566	3,717,063	(34%)
<b>Profit for the year</b>		<b>12,322,917</b>	<b>15,574,399</b>	(21%)
<b>Earnings per share</b>				
Basic and diluted (Kshs per share)	9	12.47	15.00	(17%)

## Consolidated statement of comprehensive income

Year ended 30 June	2023 Kshs '000	2022 Kshs '000	% Change
Profit for the year	12,322,917	15,574,399	(21%)
Other comprehensive income, net of tax:			
<b>Items that may be reclassified to profit or loss</b>			
Exchange differences from translation of net foreign operations	4,237,207	1,272,387	233%
<b>Total comprehensive income for the year</b>	<b>16,560,124</b>	<b>16,846,786</b>	(2%)
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the Company	13,981,694	13,086,750	7%
Non-controlling interests	2,578,430	3,760,036	11%
<b>Total comprehensive income for the year</b>	<b>16,560,124</b>	<b>16,846,786</b>	8%

## Consolidated statement of financial position

As at 30 June	Note	2023 Kshs '000	2022 Kshs '000	% Change
<b>Equity attributable to owners of the Company</b>				
Share capital		1,581,547	1,581,547	-
Share premium		1,691,151	1,691,151	-
Treasury shares		(836,797)	(723,774)	16%
Share based payment reserve		131,918	103,861	27%
Translation reserve		3,273,984	(850,359)	(485%)
Retained earnings		14,186,178	8,678,086	63%
Proposed dividend		1,383,855	5,733,114	(76%)
		<b>21,411,836</b>	<b>16,213,626</b>	32%
Non-controlling interests		10,332,042	10,200,169	1%
<b>Total equity</b>		<b>31,743,878</b>	<b>26,413,795</b>	20%
<b>Non-current liabilities</b>				
Deferred income tax	10	7,940,868	6,012,663	32%
Borrowings	14	48,965,793	35,161,874	39%
Lease liabilities	15	2,051,832	999,918	105%
		<b>58,958,493</b>	<b>42,174,455</b>	40%
<b>Total equity and non-current liabilities</b>		<b>90,702,371</b>	<b>68,588,250</b>	32%
<b>Non-current assets</b>				
Property, plant and equipment	17	81,476,820	68,585,463	19%
Right of-use assets		2,586,362	1,333,003	94%
Intangible assets – Software		685,775	714,850	(4%)
Intangible assets – Goodwill		3,505,408	3,062,522	14%
Intangible assets – Brand		612,770	527,119	16%
Other financial assets		10,000	10,000	
Deferred income tax	10	278,255	782,850	(64%)
		<b>89,155,390</b>	<b>75,015,807</b>	19%
<b>Current assets</b>				
Inventories	11	15,608,384	13,272,250	18%
Trade and other receivables	12	12,249,505	11,792,541	4%
Current income tax	8	5,327,280	404,326	1218%
Cash and bank balances	16	10,252,628	9,941,746	3%
		<b>43,437,797</b>	<b>35,410,863</b>	23%

## Consolidated statement of financial position (continued)

	Note	2023 Kshs '000	2022 Kshs '000	% Change
<b>Current liabilities</b>				
Trade and other payables	13	30,527,508	32,209,869	(5%)
Dividends payable		977,005	683,601	43%
Borrowings	14	8,400,692	6,633,690	27%
Lease liabilities	15	775,916	436,485	78%
Bank overdraft	16	1,209,695	1,874,775	(35%)
		<b>41,890,816</b>	<b>41,838,420</b>	0.1%
<b>Net current assets/(liabilities)</b>		<b>1,546,981</b>	<b>(6,427,557)</b>	(124%)
		<b>90,702,371</b>	<b>68,588,250</b>	32%

# Summary Of Financial Information

## Consolidated Statement of Changes in Equity

Year ended 30 June 2023	Share capital Kshs '000	Share premium Kshs '000	Other reserves Kshs '000	Proposed dividends Kshs '000	Retained earnings Kshs '000	Total Kshs '000	Non controlling interest Kshs '000	Total equity Kshs '000
<b>At 1 July 2022</b>	<b>1,581,547</b>	<b>1,691,151</b>	<b>(1,470,272)</b>	<b>5,733,114</b>	<b>8,678,086</b>	<b>16,213,626</b>	<b>10,200,169</b>	<b>26,413,795</b>
<b>Total comprehensive income</b>								
Profit for the year	-	-	-	-	9,857,351	<b>9,857,351</b>	2,465,566	<b>12,322,917</b>
Other comprehensive income	-	-	4,124,343	-	-	<b>4,124,343</b>	112,864	<b>4,237,207</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,124,343</b>	<b>-</b>	<b>9,857,351</b>	<b>13,981,694</b>	<b>2,578,430</b>	<b>16,560,124</b>
<b>Transactions with owners of the Company</b>								
Share based payment reserve	-	-	28,057	-	-	<b>28,057</b>	-	<b>28,057</b>
Employees share ownership plan	-	-	(113,023)	-	-	<b>(113,023)</b>	-	<b>(113,023)</b>
Dividends:								
- Interim for 2023	-	-	-	-	(2,965,404)	<b>(2,965,404)</b>	-	<b>(2,965,404)</b>
- Final for 2022	-	-	-	(5,733,114)	-	<b>(5,733,114)</b>	(2,446,557)	<b>(8,179,671)</b>
- Proposed for 2023	-	-	-	1,383,855	(1,383,855)	-	-	-
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>(84,966)</b>	<b>(4,349,259)</b>	<b>(4,349,259)</b>	<b>(8,783,484)</b>	<b>(2,446,557)</b>	<b>(11,230,041)</b>
<b>At 30 June 2023</b>	<b>1,581,547</b>	<b>1,691,151</b>	<b>2,569,105</b>	<b>1,383,855</b>	<b>14,186,178</b>	<b>21,411,836</b>	<b>10,332,042</b>	<b>31,743,878</b>

# Summary Of Financial Information

## Consolidated Statement of Changes in Equity (continued)

Year ended 30 June 2022	Share capital Kshs '000	Share premium Kshs '000	Other reserves Kshs '000	Proposed dividends Kshs '000	Retained earnings Kshs '000	Total Kshs '000	Non controlling interest Kshs '000	Total equity Kshs '000
<b>At 1 July 2022</b>	<b>1,581,547</b>	<b>1,691,151</b>	<b>(2,606,773)</b>	-	<b>5,519,268</b>	<b>6,185,193</b>	8,667,237	<b>14,852,430</b>
<b>Total comprehensive income</b>								
Profit for the year	-	-	-	-	11,857,336	<b>11,857,336</b>	3,717,063	<b>15,574,399</b>
Other comprehensive income	-	-	1,229,414	-	-	<b>1,229,414</b>	42,973	<b>1,272,387</b>
<b>Total comprehensive income for the year</b>	-	-	<b>1,229,414</b>	-	<b>11,857,336</b>	<b>13,086,750</b>	<b>3,760,036</b>	<b>16,846,786</b>
<b>Transactions with owners of the Company</b>								
Share based payment reserve	-	-	30,385	-	-	<b>30,385</b>	-	<b>30,385</b>
Employees share ownership plan (Note 10(a))	-	-	(123,298)	-	-	<b>(123,298)</b>	-	<b>(123,298)</b>
Dividends:								
- Final for 2021	-	-	-	-	-	-	(79,904)	<b>(79,904)</b>
- Interim for 2022	-	-	-	-	(2,965,404)	<b>(2,965,404)</b>	(2,147,200)	<b>(5,112,604)</b>
- Proposed for 2022	-	-	-	5,733,114	(5,733,114)	-	-	-
<b>Total transactions with owners of the Company</b>	-	-	<b>(92,913)</b>	<b>5,733,114</b>	<b>(8,698,518)</b>	<b>(3,058,317)</b>	<b>(2,227,104)</b>	<b>(5,285,421)</b>
<b>At 30 June 2022</b>	<b>1,581,547</b>	<b>1,691,151</b>	<b>(1,470,272)</b>	<b>5,733,114</b>	<b>8,678,086</b>	<b>16,213,626</b>	<b>10,200,169</b>	<b>26,413,795</b>



## Consolidated statement of cash flows

Year ended 30 June	Note	2023 Kshs '000	2022 Kshs '000	% Change
Profit before income tax		18,709,139	24,016,258	(22%)
<b>Adjusted for:</b>				
Interest income	7	(75,171)	(184,528)	(59%)
Interest expense on borrowings	7	5,341,478	4,241,367	26%
Interest expense on lease liabilities	7	140,984	95,211	48%
Depreciation of property, plant and equipment	17	6,126,012	5,165,098	19%
Amortisation of right-of-use asset		795,962	559,665	42%
Amortisation of intangible asset - software		170,859	158,631	8%
Share based payments		28,057	30,385	(8%)
Write-off of property, plant and equipment		210,563	319,891	(34%)
<b>Cash generated from operations before working capital adjustments</b>		<b>31,447,883</b>	<b>34,401,978</b>	(9%)
<b>Changes in working capital:</b>				
- Trade and other receivables	16(b)	278,066	1,492,811	(81%)
- Inventories	16(b)	(1,345,587)	(1,339,507)	0.5%
- Trade and other payables	16(b)	(4,235,061)	774,805	(647%)
<b>Cash generated from operations</b>		<b>26,145,301</b>	<b>35,330,087</b>	(26%)
<b>Operating activities</b>				
Interest received	7	75,171	184,528	(59%)
Interest paid on borrowings		(5,419,501)	(4,137,835)	31%
Interest paid on lease liabilities	15	(140,984)	(95,211)	48%
Income tax paid	8	(9,605,826)	(5,375,866)	79%
<b>Net cash flows from operating activities</b>		<b>11,054,161</b>	<b>25,905,703</b>	(57%)
<b>Investing activities</b>				
Purchase of property, plant and equipment	17	(12,925,517)	(13,007,210)	(1%)
Purchase of intangible assets - software		(99,021)	(186,788)	(47%)
Transfer of intangible assets (from)/to related parties		(1,879)	21,739	(109%)
<b>Net cash flows from investing activities</b>		<b>(13,026,417)</b>	<b>(13,172,259)</b>	(1%)
<b>Financing activities</b>				
Repayment of principal portion of lease liabilities		(770,385)	(642,942)	20%
Dividends paid to Company's shareholders	15	(8,405,114)	(2,879,245)	192%
Dividends paid to non-controlling interests		(2,446,557)	(2,269,910)	(8%)
Unclaimed dividend paid to Unclaimed Financial Assets Authority		—	(76,022)	-
Proceeds from borrowings	14	37,962,560	19,519,110	94%
Repayment of borrowings	14	(23,563,013)	(22,925,667)	3%
Movement in treasury shares		(113,023)	(123,298)	(8%)
<b>Net cash flows from in financing activities</b>		<b>2,664,468</b>	<b>(9,397,974)</b>	(128%)
<b>Increase in cash and cash equivalents</b>		<b>692,212</b>	<b>3,335,470</b>	(79%)
<b>Movement in cash and cash equivalents</b>				
At start of the year		8,066,971	4,421,021	82%
Foreign exchange impact on translation		283,750	310,480	(9%)
Net increase in the year		692,212	3,335,470	(79%)
<b>At end of year</b>	16	<b>9,042,933</b>	<b>8,066,971</b>	12%

## Notes to the Financial Statements

The foregoing information was extracted from the Group's financial statements for the year ended 30 June 2023. The principal accounting policies adopted in the preparation of these financial statements have been consistently applied to all years presented, unless otherwise stated.

### 1. Revenue from contracts with customers

	2023 Kshs '000	2022 Kshs '000	% Change
Gross sales	197,611,778	193,849,847	2%
Indirect taxes	(87,962,365)	(84,440,820)	4%
	<b>109,649,413</b>	<b>109,409,027</b>	0.2%

### 2. Cost of sales

	2023 Kshs '000	2022 Kshs '000	% Change
Raw materials and consumables	33,245,303	28,840,034	15%
Distribution and warehousing	8,281,022	8,853,756	(6%)
Maintenance and other costs	10,249,265	9,519,304	8%
Staff costs	4,728,375	4,540,798	4%
Depreciation and amortization	5,745,474	4,799,137	20%
	<b>62,249,439</b>	<b>56,553,029</b>	10%

### 3. Administrative expenses

	2023 Kshs '000	2022 Kshs '000	% Change
Staff costs	8,770,504	8,618,984	2%
Office supplies and other costs	728,446	914,936	(20%)
Depreciation and amortisation	1,347,359	1,084,257	24%
Travelling and entertainment	270,673	223,363	21%
	<b>11,116,982</b>	<b>10,841,540</b>	3%

## 4. Other income/(expenses)

	2023 Kshs '000	2022 Kshs '000	% Change
<b>(a) Other income</b>			
Net transactional foreign exchange gains	—	265,949	-
Returnable packaging release	762,569	—	-
Sundry income	502,218	269,718	86%
	<b>1,264,787</b>	<b>535,667</b>	136%
<b>Other expenses</b>			
Indirect tax expenses (**)	1,061,510	1,939,172	(45%)
Net transactional foreign exchange losses	2,100,540	—	-
Write-off of property, plant and equipment	210,563	319,891	(34%)
Sundry expenses	332,090	166,243	100%
	<b>3,704,703</b>	<b>2,425,306</b>	53%
<b>Net other expenses</b>	<b>(2,439,916)</b>	<b>(1,889,639)</b>	29%

(\*\*) Indirect tax expenses are expenses associated with irrecoverable VAT, irrecoverable withholding tax and other tax provisions.

## (b) Net impairment releases/(losses) on financial assets

Trade receivables (Note 12(a))	19,909	(144,558)	(114%)
Other receivables (Note 12(a))	367,863	(1,994,302)	(118%)
	<b>387,772</b>	<b>(2,138,860)</b>	(118%)

## 5. Profit before income tax

The following items have been charged in arriving at the profit before tax:

	2023 Kshs '000	2022 Kshs '000	% Change
Inventories expensed (raw materials and consumables) (Note 11)	33,245,303	28,840,034	15%
Employee benefits expense (Note 6)	13,498,879	13,159,782	3%
Depreciation on property, plant and equipment	6,126,012	5,165,098	19%
Depreciation of right-of-use assets	795,962	559,665	42%
Amortisation of intangible assets - software	170,859	158,631	8%
Auditor's remuneration	34,122	33,855	1%

## 6. Employee benefits expense

The following items are included within employee benefits expense:

	2023 Kshs '000	2022 Kshs '000	% Change
Salaries and wages	9,139,519	8,808,396	4%
Defined contribution scheme	698,486	536,101	30%
National Social Security Fund	290,202	216,390	34%
Share based payments	28,057	30,385	(8%)
Employee share ownership plan of the parent company(*)	155,873	157,959	(1%)
Other staff costs	3,186,742	3,410,551	(7%)
	<b>13,498,879</b>	<b>13,159,782</b>	3%

## 7. Finance income/(expenses)

The following items are included within employee benefits expense:

	2023 Kshs '000	2022 Kshs '000	% Change
<b>Finance income</b>			
Interest income	75,171	184,528	(59%)
	<b>75,171</b>	<b>184,528</b>	(59%)
<b>Finance cost</b>			
Interest expense on borrowings	(5,341,478)	(4,241,367)	26%
Interest expense on lease liabilities	(140,984)	(95,211)	48%
Other finance costs	(78,000)	(83,942)	(7%)
	<b>(5,560,462)</b>	<b>(4,420,520)</b>	26%

# Summary Of Financial Information

## 8. Income tax expense

The income tax expense has been calculated using income tax rate of 30% as at 30 June 2023 (30 June 2022: 30%).

	2023 Kshs '000	2022 Kshs '000	% Change
<b>Current income tax</b>			
Current year charge	4,311,673	8,575,039	(50%)
Under provision of tax in prior years	274,229	171,171	60%
<b>Current income tax charge</b>	<b>4,585,902</b>	<b>8,746,210</b>	<b>(48%)</b>
<b>Deferred income tax</b>			
Current year charge/(credit) (Note 10(a))	1,897,684	(295,364)	(742%)
Over provision of tax in prior years (Note 10(a))	(97,364)	(8,987)	983%
<b>Deferred income tax charge</b>	<b>1,800,320</b>	<b>(304,351)</b>	<b>(692%)</b>
<b>Total income tax expense</b>	<b>6,386,222</b>	<b>8,441,859</b>	<b>(24%)</b>

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2023 Kshs '000	2022 Kshs '000	% Change
Profit before income tax	18,709,139	24,016,258	(22%)
Tax calculated at the statutory income tax rate of 30% (30 June 2022 - 30%)	5,612,742	7,204,877	(22%)
<b>Tax effects of:</b>			
- Expenses not deductible for tax purposes	677,284	1,054,889	(36%)
- Effect of different tax rates of foreign subsidiaries	(80,669)	19,909	(505%)
Under provision of current tax in prior years	274,229	171,171	60%
Over provision of deferred tax in prior years	(97,364)	(8,987)	983%
<b>Income tax expense</b>	<b>6,386,222</b>	<b>8,441,859</b>	<b>(24%)</b>

	2023 Kshs '000	2022 Kshs '000	% Change
<b>Current tax assets of the Group</b>			
Opening balance	(404,326)	(3,769,587)	(89%)
Balance of prior year tax settled in current year	(4,186,325)	—	
Instalment tax paid in the year	(5,419,501)	(5,373,866)	1%
Current year tax charge (Note 10(a))	4,585,902	8,746,210	(48%)
Prior year over/(under)provision	96,970	(7,083)	(1469%)
<b>Current income tax assets</b>	<b>(5,327,280)</b>	<b>(404,326)</b>	<b>1218%</b>

## 9. Earnings per share

### Basic and diluted earnings per share

The calculation of basic earnings per share at 30 June 2023 was based on profit attributable to ordinary shareholders of Kshs 9,857,351,000 (2022: Kshs 11,857,336,000) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2023 of 790,774,356 (2022: 790,774,356). The basic and diluted earnings per share are the same as there is no dilutive effect.

	2023 Kshs '000	2022 Kshs '000	% Change
Profit attributable to ordinary shareholders	9,857,351	11,857,336	(17%)
Weighted average number of ordinary shares			
Issued and paid shares	790,774,356	790,774,356	-
Basic and diluted earnings per share (Kshs per share)	12.47	15.00	(17%)

## 10. Deferred income tax

Deferred income tax is calculated using the enacted domestic tax rate of 30% as at 30 June 2023 (30 June 2022 - 30%). The movement on the deferred income tax account is as follows:

	2023 Kshs '000	2022 Kshs '000	% Change
At start of year	5,229,813	5,394,742	(3%)
Charge/(credit) to profit or loss (Note 8)	1,897,684	(295,364)	(742%)
Over provision of deferred income tax in prior year (Note 8)	(97,364)	(8,987)	983%
Effect of change in exchange rates	632,480	139,422	354%
Total deferred income tax movement	2,432,800	(164,929)	(1575%)
<b>At end of year</b>	<b>7,662,613</b>	<b>5,229,813</b>	47%

Analysed as follows:

Deferred income tax liabilities	7,940,868	6,012,663	32%
Deferred income tax assets	(278,255)	(782,850)	(64%)
<b>At end of year</b>	<b>7,662,613</b>	<b>5,229,813</b>	47%

# Summary Of Financial Information

## 10. Deferred income tax (continued)

Deferred income tax assets and liabilities and deferred income tax charge/(credit) in the profit or loss are attributable to the following items:

Year ended 30 June 2023	At 1 July 2022 Kshs '000	Prior year (over)/under provision Kshs'000	Charged/ (credited) to profit or loss Kshs'000	Effects of Exchange rate changes Kshs'000	At 30 June 2023 Kshs'000
<b>Deferred income tax liabilities</b>					
Property, plant and equipment	8,419,388	(13,413)	1,040,534	732,369	10,178,878
Right-of-use assets	441,578	—	173,171	30,534	645,283
Unrealised exchange gains	177,558	(82,346)	(48,298)	5,669	52,583
<b>Deferred income tax liabilities</b>	<b>9,038,524</b>	<b>(95,759)</b>	<b>1,165,407</b>	<b>768,572</b>	<b>10,876,744</b>
<b>Deferred income tax assets</b>					
Unrealised exchange gains/(losses)	338,380	—	(192,276)	(25,524)	120,580
Lease liabilities	(477,921)	—	(176,566)	(4,732)	(659,219)
Tax losses carried forward	(139,913)	(1,605)	(11,747)	-	(153,265)
Other deductible differences	(3,529,257)	—	1,112,866	(105,836)	(2,522,227)
<b>Deferred income tax assets</b>	<b>(3,808,711)</b>	<b>(1,605)</b>	<b>732,277</b>	<b>(136,092)</b>	<b>(3,214,131)</b>
<b>Net deferred income tax</b>	<b>5,229,813</b>	<b>(97,364)</b>	<b>1,897,684</b>	<b>632,480</b>	<b>7,662,613</b>

# Summary Of Financial Information

## 10. Deferred income tax (continued)

Year ended 30 June 2022	At 1 July 2021 Kshs '000	Prior year (over)/under provision Kshs'000	Charged/ (credited) to profit or loss Kshs'000	Effects of Exchange rate changes Kshs'000	At 30 June 2022 Kshs'000
<b>Deferred income tax liabilities</b>					
Property, plant and equipment	8,168,378	21,863	49,170	179,977	8,419,388
Right-of-use assets	461,044	-	(25,384)	5,918	441,578
Unrealised exchange gains	203,930	(40,129)	9,961	3,796	177,558
<b>Deferred income tax liabilities</b>	<b>8,833,352</b>	<b>(18,266)</b>	<b>33,747</b>	<b>189,691</b>	<b>9,038,524</b>
<b>Deferred income tax assets</b>					
Unrealised exchange gains/(losses)	408,447	(5,833)	(51,900)	(12,334)	338,380
Lease liabilities	(489,954)	-	12,550	(517)	(477,921)
Tax losses carried forward	(546,491)	12,488	394,090	-	(139,913)
Other deductible differences	(2,810,612)	2,624	(683,851)	(37,418)	(3,529,257)
<b>Deferred income tax assets</b>	<b>(3,438,610)</b>	<b>9,279</b>	<b>(329,111)</b>	<b>(50,269)</b>	<b>(3,808,711)</b>
<b>Net deferred income tax</b>	<b>5,394,742</b>	<b>(8,987)</b>	<b>(295,364)</b>	<b>139,422</b>	<b>5,229,813</b>



## 11. Inventories

	2023 Kshs '000	2022 Kshs '000	% Change
Raw materials and consumables	10,501,529	7,326,223	43%
Work in progress	906,267	879,441	3%
Finished goods	4,046,856	4,721,844	(14%)
Goods in transit	153,732	344,742	(55%)
	<b>15,608,384</b>	<b>13,272,250</b>	18%

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to Kshs 33,245,303,000 (2022: Kshs 28,840,034,000).

## 12. Trade and other receivables

	2023 Kshs '000	2022 Kshs '000	% Change
Trade receivables	9,111,104	9,240,879	(1%)
Less: provision for expected credit losses	(1,205,361)	(1,564,033)	(23%)
	<b>7,905,743</b>	<b>7,676,846</b>	3%
Other receivables	2,924,323	4,209,308	(31%)
Less: provision for expected credit losses	(1,312,994)	(2,613,027)	(50%)
Prepayments	1,629,102	2,193,305	(26%)
Receivables from related parties	1,103,331	326,109	238%
	<b>12,249,505</b>	<b>11,792,541</b>	4%

### Movement in expected credit losses allowance

The following table shows the movement in lifetime expected credit losses that has been recognized for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	2023 Kshs '000	2022 Kshs '000	% Change
<b>Trade receivables</b>			
At start of year	1,564,033	2,038,200	(23%)
(Release)/charge to profit or loss (Note 4(b))	(19,909)	144,558	(114%)
Write-offs	(338,763)	(618,725)	(45%)
<b>At end of year</b>	<b>1,205,361</b>	<b>1,564,033</b>	(23%)
<b>Other receivables</b>			
At start of year	2,613,027	618,725	322%
(Release)/charge to profit or loss (Note 4(b))	(367,863)	1,994,302	(118%)
Write-offs	(932,170)	-	-
<b>At end of year</b>	<b>1,312,994</b>	<b>2,613,027</b>	(50%)

## 13. Trade and other payables

	2023 Kshs '000	2022 Kshs '000	% Change
Trade payables	14,160,590	10,306,211	37%
Other payables	11,341,659	13,663,966	(17%)
Accruals	3,244,624	6,527,890	(50%)
Payables to related parties	1,780,635	1,711,802	4%
	<b>30,527,508</b>	<b>32,209,869</b>	(5%)

## 14. Borrowings

The borrowings are made up as follows:

	2023 Kshs '000	2022 Kshs '000	% Change
<b>Non-current</b>			
Bank loans	37,965,793	24,161,874	57%
Medium term note	11,000,000	11,000,000	-
	<b>48,965,793</b>	<b>35,161,874</b>	39%

### Current

Bank loans	8,400,692	6,633,690	27%
Bank overdraft	1,209,695	1,874,775	(35%)
	<b>58,576,180</b>	<b>43,670,339</b>	34%

The carrying amounts of current borrowings approximate their fair value, as the impact of discounting is not material.

The borrowings are made up as follows:

	2023 Kshs '000	2022 Kshs '000	% Change
At start of year	43,670,339	46,351,480	(6%)
Advanced in the year	37,962,560	8,519,110	346%
Issue of Medium Term Note	—	11,000,000	
Repayments in the year	(23,563,013)	(22,925,667)	3%
Movement in bank overdrafts	(665,080)	683,886	(197%)
Effect of exchange rate changes	1,171,374	41,530	2721%
<b>At end of year</b>	<b>58,576,180</b>	<b>43,670,339</b>	34%

## 15. Lease liabilities

	2023 Kshs '000	2022 Kshs '000	% Change
<b>Movement of lease liabilities:</b>			
At 1 July	1,436,403	1,456,603	(1%)
Additions	1,878,924	450,283	317%
Interest expense on leases	140,984	95,211	48%
Repayment of lease liabilities:			
- Payment of the principal portion of the lease liability	(770,385)	(642,942)	20%
- Interest paid on lease liabilities	(140,984)	(95,211)	48%
Effect of change in exchange rates	282,806	172,459	64%
<b>At the end of the year</b>	<b>2,827,748</b>	<b>1,436,403</b>	<b>97%</b>
<b>Presented as:</b>			
Current lease liabilities	775,916	436,485	78%
Non-current lease liabilities	2,051,832	999,918	105%
	<b>2,827,748</b>	<b>1,436,403</b>	<b>97%</b>

## 16. Cash generated from operations

### (a) Cash and cash equivalents

	30 June 2023 Kshs '000	30 June 2022 Kshs '000	% Change
Cash and bank balances	10,252,628	9,941,746	3%
Bank overdraft (Note 14)	(1,209,695)	(1,874,775)	(35%)
	<b>9,042,933</b>	<b>8,066,971</b>	<b>12%</b>

### (b) Movement in working capital

	30 June 2023 Kshs '000	30 June 2022 Kshs '000	% Change
<b>Movement in trade and other receivables</b>			
Movement per statement of financial position	(456,964)	1,230,339	(137%)
Foreign currency translation differences	735,030	262,472	180%
<b>Net movement in receivables as per cash flow</b>	<b>278,066</b>	<b>1,492,811</b>	<b>(81%)</b>
<b>Movement in inventory</b>			
Movement per statement of financial position	(2,336,134)	(1,584,093)	47%
Foreign currency translation differences	990,547	244,586	305%
<b>Net movement in inventory as per cash flow</b>	<b>(1,345,587)</b>	<b>(1,339,507)</b>	<b>0.5%</b>
<b>Movement in trade and other payables</b>			
Movement per statement of financial position	(1,682,361)	1,666,151	(201%)
External interest payable	(167,498)	(699,065)	(76%)
Foreign currency translation differences	(2,385,202)	(192,281)	1140%
<b>Net movement in payables as per cash flow</b>	<b>(4,235,061)</b>	<b>774,805</b>	<b>(647%)</b>

# Summary Of Financial Information

## 17. Property, plant and equipment

Year ended 30 June 2023	Freehold property Kshs '000	Leasehold buildings Kshs '000	Plant & equipment Kshs '000	Returnable packaging Kshs '000	Capital work in progress Kshs '000	Total Kshs '000
<b>Cost</b>						
At 1 July 2022	6,729,319	8,169,501	63,263,701	20,760,919	9,003,246	107,926,686
Additions	263,835	642,586	2,993,573	3,292,317	5,733,206	12,925,517
Transfers from work in progress	424,415	534,789	6,081,075	564,560	(7,604,839)	-
Transfer to intangible assets	-	-	-	-	1,896	1,896
Assets written off/derecognised	-	(662)	(742,647)	(2,008,125)	(6,474)	(2,757,908)
Effect of exchange rate changes	17,100	1,086,616	5,321,829	1,855,758	653,210	8,934,513
<b>At 30 June 2023</b>	<b>7,434,669</b>	<b>10,432,830</b>	<b>76,917,531</b>	<b>24,465,429</b>	<b>7,780,245</b>	<b>127,030,704</b>
<b>Depreciation</b>						
At 1 July 2022	1,768,041	1,389,870	27,594,786	8,588,526	-	39,341,223
Charge for the year	242,428	166,037	3,400,494	2,317,053	-	6,126,012
Assets written off/derecognised	-	(221)	(685,539)	(1,861,585)	-	(2,547,345)
Effect of exchange rate changes	11,555	228,313	1,886,833	507,293	-	2,633,994
<b>At 30 June 2023</b>	<b>2,022,024</b>	<b>1,783,999</b>	<b>32,196,574</b>	<b>9,551,287</b>	<b>-</b>	<b>45,553,884</b>
<b>Carrying amount as at 30 June 2023</b>	<b>5,412,645</b>	<b>8,648,831</b>	<b>44,720,957</b>	<b>14,914,142</b>	<b>7,780,245</b>	<b>81,476,820</b>

The capital work in progress mainly relates to SBL Moshi project phase II, Kenya packaging line and Micro Brewery as well as UBL capacity expansion.

# Summary Of Financial Information

## Notes (continued)

### 17. Property, plant and equipment (continued)

Year ended 30 June 2022	Freehold property Kshs '000	Leasehold buildings Kshs '000	Plant & equipment Kshs '000	Returnable packaging Kshs '000	Capital work in progress Kshs '000	Total Kshs '000
<b>Cost</b>						
At 1 July 2021	6,525,302	7,248,149	58,448,898	15,324,912	7,508,488	95,055,749
Additions	60,171	232,592	2,661,821	5,626,697	4,425,929	13,007,210
Transfers from capital work in progress	141,320	413,395	1,619,110	791,378	(2,965,203)	-
Transfer to intangible assets	-	-	560	-	(75,313)	(74,753)
Write-off	(173)	-	(836,673)	(1,361,079)	(39,093)	(2,237,018)
Effect of exchange rate changes	2,699	275,365	1,369,985	379,011	148,438	2,175,498
<b>At 30 June 2022</b>	<b>6,729,319</b>	<b>8,169,501</b>	<b>63,263,701</b>	<b>20,760,919</b>	<b>9,003,246</b>	<b>107,926,686</b>
<b>Depreciation</b>						
1 July 2021	1,540,999	1,195,301	24,759,006	7,813,209	-	35,308,515
Charge for the year	225,341	123,342	2,974,884	1,841,531	-	5,165,098
Transfer to intangible assets	-	764	(622)	-	-	142
Write-off	(111)	-	(699,534)	(1,217,482)	-	(1,917,127)
Effect of exchange rate changes	1,812	70,463	561,052	151,268	-	784,595
<b>At 30 June 2022</b>	<b>1,768,041</b>	<b>1,389,870</b>	<b>27,594,786</b>	<b>8,588,526</b>	<b>-</b>	<b>39,341,223</b>
<b>Carrying amount as at 30 June 2022</b>	<b>4,961,278</b>	<b>6,779,631</b>	<b>35,668,915</b>	<b>12,172,393</b>	<b>9,003,246</b>	<b>68,585,463</b>

The capital work in progress mainly relates to environmental projects in Kenya and Uganda which include the biomass project and water and effluent recovery projects.

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