ANNUAL REPORT AND FINANCIAL STATEMENTS

For The Year Ended 31 December 2023

Proudly Part of ABInBev

CELEBRATING **CHEERS** SINCE **1933**

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2023 Annual Report And Financial Statements

Tanzania Breweries Public Limited Company (TBL Plc), a member of the Anheuser Busch InBev Group of companies, manufactures, sells and distributes clear beer, alcoholic fruit beverages and non-alcoholic beverages in Tanzania.
TBL Plc is listed on the Dar es Salaam Stock Exchange and has a controlling interest in Tanzania Distilleries Limited, Darbrew Limited and Kibo Breweries Limited and employs 1,279 people. It operates breweries in Dar es Salaam, Arusha, Mwanza and Mbeya, a distillery in Dar es salaam and eight depots across the country. It sells and distributes products throughout the country and exports to neighboring countries.

TBL Plc's most popular clear beer brands include Safari Lager, Kilimanjaro Premium Lager, Castle Lite, Castle Lager, Balimi Lager, Flying Fish, Safari Double Malt, Redds Premium Cold, Balimi Extra Lager, Bia Bingwa, Eagle Lager and Grand Malt. Other prominent brands associated with the TBL Plc are Konyagi Gin, Valeur Brandy, Zanzi Cream Liqueur and Dodoma and Imagi Wines.

EXECUTIVE **SUMMARY**

As Tanzania Breweries Plc marks its 90th anniversary, we celebrate nearly a century of brewing excellence and community connection. This year's report reflects on our journey, highlights this year's achievements, and sets the course for future innovations. As we continue to lead in a competitive market, our commitment to quality, sustainability, and our community remains stronger than ever.

Legacy of Quality

From our first brew in 1933 to the diverse portfolio we offer today, TBL has maintained an unwavering commitment to quality. Over the decades, we have enhanced our brewing techniques, ensuring that every bottle of beer meets the high standards our customers expect. In 2022, we introduced two new beers to our product line, each receiving accolades for taste and quality, demonstrating our ongoing commitment to excellence and innovation in brewing.

Sustainable Impact

Sustainability is at the core of TBL's operations. In 2023, we achieved a significant milestone by reducing water usage by 15% compared to the previous year. Our 'Green Brewery' initiative launched this year focuses on utilizing renewable energy sources and has already decreased our energy consumption by 10%. These efforts are part of our broader goal to become the most sustainable brewer in Africa by 2030.

Community and Connection

TBL is more than just a brewery; we are a key player in the community. This year, we expanded our 'Brewing Better Communities' program, which supports local businesses and promotes responsible drinking. Our partnership with local farmers has boosted the agricultural sector by providing a stable market for sorghum, barley and maize. Additionally, our annual 'Cheers to the Heroes' event celebrated local heroes who have made significant contributions to health, education, and welfare within their communities.

In conclusion, as we celebrate our 90th anniversary under the theme "Celebrating Cheers Since 1933," TBL looks back with pride on a journey filled with challenges and achievements. Looking forward, we are excited about the opportunities that lie ahead. With continued focus on innovation, sustainability, and community engagement, we are poised to continue our legacy as a leader in the brewing industry.

This executive summary encapsulates the essence of TBL's enduring legacy, its current initiatives, and its forward-looking strategies, providing stakeholders with a comprehensive overview of the company's ongoing commitment to excellence and community involvement.

CELEBRATING CHEERS
• SINCE 1933 •

LETTER TO OUR **SHAREHOLDERS**

Chairman's statement

"Consistent growth and long-term value reflect market confidence in TBL."

Continued Momentum

I am delighted to announce the results of Tanzania Breweries Public Limited Company and its subsidiaries, or TBL Group, for the financial year ended 31 December 2023.

The market's confidence in our portfolio of brands and adopted promotion strategy is reflected in our results. Despite the tough operating conditions that prevailed in 2023, we were able to continue on the growth path and to create long-term value for our shareholders. The year 2023 experienced a combination of challenges arising from tough gobal geopolitical developments, with the impact of the Russia vs Ukraine and Israel vs Hamas wars combining with the effects of Covid 19 global pandemic to disrupt the global supply chains and US dollar liquidity, resulting in a significant increase in the cost of production and overheads. Locally, the group was also negatively impacted by the significant hike in excise duty on raw materials used in the production of beer, exceptionally wet weather and power shedding by Tanesco.

Against this backdrop, the Group's popular portfolio of beer and spirit brands and relentless execution of its strategic plan contributed to another year of excellent top and bottom-line performance.

The Group saw a notable gain in revenue during the financial year, mainly due to increased beer and spirit sales. In the light of this, the Board of Directors approved and paid a dividend of TZS 537 per share (equivalent to TZS 158,445 million) for the year ended 31 December 2023, an 85% increase over the prior year. This illustrates our dedication to delivering shareholder returns.

Maintaining Responsible Corporate Citizenship

With TZS 586 billion of taxes paid to the government in 2023 compared to TZS 528 billion in the year before, we are proud to be among the nation's biggest taxpayers.

The TBL Group continues to make investments in the economy, including agriculture. In July 2023, the Group announced its decision to invest and upgrade the Kilimanjaro Malting plant. The plan over the medium term is to process up to 28,000 tons of barley from Tanzanian farming communities to be utilized in brewing our beers. We are committed to empowering farmers through advanced agricultural techniques, business and financial literacy, which will in turn increase the value chain and benefit farmers who grow barley, sorghum and grapes. Currently, TBL procures over 74% of its raw materials from within the country, directly and indirectly supporting the creation of over a million jobs throughout our supply chain. Over the years, these accomplishments have strengthened our position as Tanzania's top employer and manufacturer.

Creating a future with more cheers

Looking forward in 2024, we believe that the formal alcoholic beverage industry remains relevant in Tanzania and there are more opportunities ahead to expand our markets of beer and beyond beer categories. We will continue putting our consumers and customers at the center of what we do and continue executing our tried-and-tested commercial plan to accelerate the pace of business growth. We are committed to achieving sustainable, profitable growth by continuing to invest in our brands, production facilities and digital transformation.

Finally, let me express the Board's gratitude to all our devoted consumers and business partners. They have played a crucial role in our continued growth and our purpose of creating a future where we all come together and celebrate.

We sincerely thank all employees and management for their unwavering dedication to advancing the Group. I would also like to express my gratitude to each of our shareholders for their steadfast support and to our Board for upholding the highest standards of corporate governance.
Lastly, I would like to appreciate the pivotal role that our government plays in fostering a conducive business environment and we pledge to continue working together and strive for continuous improvement.

Chairman of the Board
Leonard Mususa

LETTER TO OUR SHAREHOLDERS

Managing director's statement

"TBL Plc achieved consistent profitable growth in 2023, with a 12% revenue increase and 4% rise in operating profit."

Overview

Tanzania Breweries Public Limited Company ("TBL Plc") is pleased to release its results for the financial year ended 31 December 2023.

Performance Overview

The business delivered another year of consistent profitable growth, with revenue increasing at 12% and operating profit increasing by 4%.

Revenue growth was driven by growth in both beer and spirits, with significant contribution coming from the core and core plus segments of the beer business and spirits. The Group continues to execute on its proven commercial strategy and increase sales and marketing investments behind our portfolio of beer and beyond beer brands to deliver consistent growth and long-term value creation.

The increase in operating profit by 4% is driven by volume performance, revenue management initiatives and disciplined focus on management of operating costs. Our success is not without challenges, our performance and profitability in the year was affected by increased excise duty by 20% in July of 2023, raw materials costs escalations and foreign exchange liquidity challenges.
Despite these challenges we remained focused in execution of our strategy and made disciplined revenue management and resource allocation choices that enabled delivering top- and bottom-line growth.

Our year-on-year performance is a testimony of the strength of our portfolio of leading brands in the market, resilience of our business and people, consistent execution of growth drivers and our unwavering commitment to deliver long-term value to all our stakeholders.

Commercial Strategy

Our plan is to continue investing behind core brands in our portfolio that are driving most of our growth and that consumers love, continue growth leadership in the lite segment, re-ignite our value brands and grow beyond beer with our spirit and wines business. In 2023, we continued investing behind our innovations, which saw Flying Fish and Kilimanjaro Light posting significant growth, and successfully launched new packs into the market, including Eagle 285ml pack. Our innovation ambition is to continue broaden the beer and beyond beer category. We continued to drive volume in most of our mainstream markets with our leading core beer brands.
Our spirit category grew double digit in the year driven by local sales, this performance made 2023 close as the best year in Spirit sales since the 2017 following the sachet ban.

Digital transformation of our route to market is key in how we do business and serve our customers. Our digital platforms are enabling us to increase the distribution, availability and visibility of our brands, reduce our cost to serve and improve our relationship with customers and consumers. In 2023 we continued implementing our "BEES" platform and over 70% of our sales revenue was through "BEES". We continue to explore new ways to monetize our digital and physical assets to create additional profitable revenue streams.

In July 2023, the Government announced an increase in excise duty on beer, which impacted our sales volume and profitability. We took measures and continued to invest in optimal prices and with good revenue management practices we were able to offset some of the impact. We ensured that sufficient stocks were available to meet market demand and maintained sufficient raw material stock levels to meet production demand and plan procurement to align with delivery lead times amid supply chain headwinds.

We take the learnings and continue looking for innovative ways to get more value out of the resources we have. In 2023 we announced our investment commitment to upgrade our Kilimanjaro malting plant, with first phase operational by the fourth quarter of 2024. In phase I the plant is anticipated to process about 10,000 Tons of barley and scalable up to 28,000 Tons of barley, contributing significantly to the nation's agricultural economy and enhancing the welfare of the barley farming communities.

Future Prospects

Despite the hurdles, we were able to grow the business in 2023. With our broad portfolio of beer and beyond beer brands and our highly engaged people we take the learnings we will move forward even stronger and continue driving business growth.

The consumer is at the center of everything we do and every choice we make. We are appreciative of all our business partners' support and our consumers' loyalty to our brands. We will continuously provide our consumers with high-quality products while fostering a safe work environment for all using global best practices.

We intend to lead and grow the beer category, by sustaining the prosperity of our superior brands and at the same time broaden our portfolio to ensure we are ready to meet the needs of new and existing consumers across different occasions. Our assortment of wines and spirits will keep providing a competitive edge in the industry allowing us to tap into more consumer needs and occasions with our full portfolio.

We will continue on our journey of digital transformation connecting with more of our customers though BEEs which will help our retailers meet consumers demands with the right SKUs and packs, enhancing our customer relationships.

The enthusiasm and ownership culture of our employees made our performance this year feasible. I would like to take this opportunity to congratulate all the staff members and the management team for their unwavering dedication and high level of engagement throughout the year in achieving our commercial and financial performance.
I also want to express my gratitude to the Board of Directors for their hard work, devotion, and contribution to the company's success.

In 2024, we will continue accelerating this growing momentum in order to create long-term value for our stakeholders and shareholders. We are also fortifying our partnerships and work towards a better, more robust Tanzanian beer industry.

Michelle Kilpin
Managing Director

CELEBRATING CHEERS SINCE 1933

Proudly part of ABInBev

Marking a Milestone

In November, we celebrated 90 years of Cheers, 90 years of brewing excellence, and 90 years of strength and unity.

As the oldest company in Tanzania, this journey has been filled with dedication, innovation, and unwavering support from our staff, stakeholders, and consumers. Together, we have created a legacy worth toasting. This was an internal event celebrated simultaneously across our four plants, including TDL.

Exploring nine decades of Tanzania Breweries Limited

A journey marked by milestones and innovations that have shaped not just a company, but an entire industry. From its humble beginnings in 1933, through the trials of economic and political changes, to its rise as a leader in sustainable practices, TBL's story is a testament to resilience and visionary leadership. Join us as we delve into the decades, celebrating the achievements and learning from the challenges that have defined TBL's enduring legacy."

1930

The Foundation Era

Birth of a Brewer

In 1933, Tanzania Breweries Limited was established, setting the foundation for a beer industry in East Africa. Amidst colonial influences, TBL emerged as a symbol of local enterprise and quality production, brewing the first batches of what would become national favorites.

Marking a Milestone (continue)

1940
War and Resilience

Brewing Through Adversity

Despite World War II's challenges, TBL maintained production, adapting to resource scarcities. The 1940s reinforced TBL's resilience, as it ensured the continuous supply of beer, bolstering local morale and supporting wartime efforts.

1950
Expansion and Growth

Scaling New Heights

The 1950s marked a period of growth and expansion for TBL as Tanzania approached independence. New facilities and innovations in brewing technology allowed for increased production to meet the rising demand from a proud, optimistic population.

1960
Independence and Identity

Heading: A Toast to Freedom

Following Tanzania's independence in 1961, TBL became a symbol of national pride. This decade saw the introduction of iconic brands that resonated with the newly independent populace, emphasizing local flavors and preferences.









1970

Nationalization and Challenges

Steering Through Nationalization

The 1970s brought significant challenges with nationalization policies. TBL was swept up in sweeping economic reforms, facing operational hurdles while continuing to serve as a staple of national industry.

1980

Recovery and Stabilization

Reclaiming Stability

After a turbulent previous decade, the 1980s were a time of recovery and stabilization for TBL. Efforts to modernize brewing techniques and improve quality marked TBL's commitment to excellence and regained its position in the market.

1990

Liberalization and Competition

Embracing Market Winds

The 1990s were defined by economic liberalization, introducing new competitors in the market. TBL responded by diversifying its product range and enhancing marketing strategies to solidify its market leadership.

Marking a Milestone (continue)

2000
Innovation and Leadership

Leading Through Innovation

In the new millennium, TBL focused on innovation, launching new products and sustainable practices. This era solidified its leadership in the industry, emphasizing community engagement and environmental responsibility.

2010
Global Partnerships

Heading: Brewing Global Partnerships

The 2010s saw TBL entering global markets and forming strategic alliances, including joining the AB InBev family. These partnerships expanded its reach and introduced Tanzanian brews to a global audience.

2020
Sustainability and Future

Pioneering Sustainable Brewing

Currently, TBL prioritizes sustainability, aiming to reduce environmental impact and lead in green brewing practices. As it approaches a century of operation, TBL is committed to innovation and community, shaping a sustainable future for brewing.

TIMELINE OF TBL FROM 1964 ONWARDS

1964

2002

Kili Marathon was officiated in Moshi as Tanzania's first and largest sporting event, attracting professional and amateur athletes from all over the world.

2004

The biggest South American and European brewing groups merge together to become InBev.

2008

InBev acquired Anheuser-Busch, creating AB InBev producing more than 200 brands of beer worldwide.

2009

TBL builds a 73,000 SQM greenfield brewery in Mbeya.

2009 - 2010

First ever green bottle launched in Tanzania by TBL through Ndovu and Castle Lite.

2016

ABInBev acquires SABMiller to become the 6th largest consumer goods company in the world.

2019

BEES first launches in the Dominican Republic with its prime ambition – of transforming how retailers and suppliers connect to help their businesses thrive.

2021

TBL expands portfolio into new occasions with Flying Fish and, Kilimanjaro Light.

1964 - 1977
Tanzania Breweries Limited is formed and nationalized after independence.

1977
Safari lager a full bodied rich flavoured and globally awarded beer is launched.

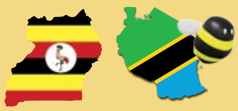
1993
The Tanzanian government enters a JV with South African Breweries International - (SABI) to run TBL.

1995
SAB turned TBL around almost tripling production through expansion into our Mwanza Brewery.

1996
TBL welcomes its most refreshing beer into its portfolio through the introduction of Kilimanjaro Premium Lager.

1999
After listing on the London Stock Exchange SABI group Purchases the Miller Brewing Company in North America to form SABMILLER.

1998 - 1999
TBL adds two new iconic brands to its portfolio – Balimi Lager and Bia Bingwa.



2021
BEES expanded to Greater Africa with first launch in Tanzania and Uganda.

2023

And the journey continues, building a Future with more Cheers!

To a Future With More Cheers

OUR IMPACT **IN OUR COMMUNITIES**

Corporate affairs

LAUNCH OF SMART DRINKING GUIDANCE LABEL

Launching a Culture of Responsible Drinking

Tanzania Breweries Limited (TBL) is proud to announce the launch of the Guidance Label Awareness Program, an innovative movement towards a more informed and conscious drinking culture. Our mission is clear: to reduce harmful alcohol consumption by 10% by 2025. This initiative is a vital strand of our global Smart Drinking goal and aligns seamlessly with the health objectives set by the WHO and the broader UN Sustainable Development Goals.

By focusing on education and awareness, we aspire to transform social norms around alcohol use and foster a safer, healthier community. Our commitment to promoting positive experiences with our products is unwavering, and we believe that through collaborative efforts, significant change is possible.

A Panel Discussion of Change and Growth

A recent panel at Juliana was abuzz with discussions on our responsibility to convey the importance of smarter, healthier drinking habits. The event highlighted the initiative's potential to instill a mindset of responsible consumption, ensuring every interaction with TBL products is enriching and positive. This marks a successful start for our guidance label program in Tanzania. We are excited about the profound impact it will have on the community and look forward to leading this change.

CELEBRATING OUR SUCCESS: WORLD ENVIRONMENT DAY AWARD AND TREE PLANTING INITIATIVE

Eco-Achievements: TBL's Green Triumphs

Tanzania Breweries Limited (TBL), in harmony with Ab-InBev's vision, commemorated World Environment Day, embracing our 2025 Sustainability Goals. Our commitment to reducing water waste, carbon emissions, and enhancing recycling was celebrated. We joined hands with the World Wildlife Fund for the Dar es Salaam Water Security project, targeting the UN's solution to plastic pollution by protecting vital water sources.

On 2nd June 2023, our dedicated environment team, part of the Balozi program, planted trees by the Msimbazi River Upstream, aiming to restore the vitality of our watersheds. It was a stride towards a greener, more resilient ecosystem, reflecting our pledge to environmental excellence.

Recognition for Environmental Excellence

The City Council of Dar es Salaam honored Tanzania Breweries Ilala for its outstanding contribution to environmental conservation. This accolade cements our role as a vanguard of eco-stewardship. We understand that our ecological efforts are intertwined with our business's enduring success. A heartfelt thank you to everyone whose steadfast support makes our sustainable journey possible.

LAUNCH OF KILIMANJARO MALTING PLANT

Sustainable Brewing Milestone

Tanzania Breweries Limited announces the opening of the Kilimanjaro Malting Plant, a groundbreaking step in our journey to sustainable brewing. Elevating our craft to new heights, this facility exemplifies our commitment to industry excellence and ecological responsibility.

The launch event in Dodoma was a pivotal moment, bringing together industry frontrunners and decision-makers to celebrate this achievement. It marked a collaborative commitment to innovation and sustainable development within the industry.

Backed by the government's enabling policies, our investment aligns with national priorities to enhance agricultural output, reinforce local manufacturing, spur employment, and encourage sustainable trade practices.

The Kilimanjaro Malting Plant's advanced production methods and technology also open doors for private sector investments, promising enduring impact and growth.

SMART DRINKING:
ENJOY KAMA BOSS

Campaign Launch

TBL launched a Smart Drinking campaign, "Enjoy like a Boss," to instill a culture of responsible drinking among Tanzanian youth. This initiative aligns with our Global Smart Drinking Goal, focusing on shifting social norms, consumer behaviors, and business practices.

Enjoy Kama Boss

Kuwa Bingwa wa Kiasi

Positive Experiences

"Enjoy Like a Boss" aims to ensure that every experience with our beers is a positive one by promoting responsible drinking.

ROAD SAFETY INITIATIVE COLLABORATION WITH TANZANIA TRAFFIC POLICE

In continuation of our Road Safety initiative, we collaborated with the Tanzania Traffic Police Force on the Road Safety project in October, dubbed **Okoa Maisha**, to introduce the **'Road Data System App' training successfully.**

Road Data System App

The Road Data System, a simplified app, harnesses digital technology to collect, store, and transfer data seamlessly among traffic officers, whether in the field or at the office. This app enables quick and efficient data collection of road accidents, providing access to reported data on mobile devices.

Community Engagement and Impact

In December, we conducted public engagement at Ubungo Junction, with ASP Faustina C, the Senior Traffic Police's Road Accidents Officer. The community was educated on the value of following traffic laws, road signs (buffer zones), and the digital technique for recording traffic accidents in real-time.

Future Road Strategy

In collaboration with the TBL&ABI Foundation, the Road Accidents Data App was developed and is currently used by Traffic Police officers. As a result of the app, we will be able to develop a proper road strategy to reduce the high number of accidents on the road.

RETAILER DEVELOPMENT PROGRAM EMPOWERING RETAILERS

We have launched the Retailer Development Programme (RDP) for 100 retailers, focusing on upskilling and empowering them under the slogan GRIT: Growing Retailers Innovatively Together.

Comprehensive Training

Sourced from TBL AB InBev, this program aims to foster growth, education, and inclusion by training retailers on financial management, stock management, marketing and sales, and responsible business retailing. The training includes tailored business education in these areas, along with ongoing coaching and mentoring to support continuous development.

Regional Launch

The program was launched in seven of AB InBev's African markets – Nigeria, Ghana, Zambia, Uganda, Tanzania, Mozambique, and Botswana – in September and October 2023

INTRODUCTION OF NEW TBL LOGO

Embracing Growth and Innovation

In 2023, Tanzania Breweries Limited (TBL) unveiled a refreshed logo that embodies our commitment to excellence and innovation. The updated design, signifies our strong association with AB InBev and our dedication to producing world-class beverages. This rebranding reflects our journey of growth and the evolving needs of our consumers.

Our logo is more than a visual update; it represents the values we uphold—quality, trust, and community.

The inclusion of "Proudly Part of AB InBev" underscores our global reach and local impact.

This year, we continued to invest in advanced technologies and sustainable practices, ensuring that every product meets the highest standards. As we look to the future, TBL remains dedicated to innovation, excellence, and the prosperity of the Tanzanian community.

OLD LOGO

NEW LOGO

To a Future With More Cheers

AWARDS

Double Honor

We were honored to receive two awards: Overall Winner and Best Beverages-Alcoholic Drinks at the 17th President's Manufacturer of the Year Awards on 17th December 2023 at Super Dome Masaki in Dar es Salaam.

Presidential Recognition

The awards were presented by the President of the United Republic of Tanzania, H.E. Dr. Samia Suluhu Hassan, our honored guest.

17th PRESIDENT'S
MANUFACTURER OF THE YEAR
AWARDS
PMAYA

Recognition of Contribution

Tanzania Breweries Plc (TBL) received the highest taxpayer award from the Tanzania Revenue Authority (TRA) in November. This award signifies our commitment to contributing to the GDP and our strong partnership with TRA and the Government.

TRA

National Development

This recognition underscores our dedication to the economic development of our nation and our ongoing efforts to support national growth.

ESG

TBL Plc 2023 - ESG Statement

Preamble

The 2023 TBL Plc Environmental, Social and Governance (ESG) report is an apprehended statement of traditional ESG reporting as it was presented by TBL Plc in 2022. This statement covers environmental, social and governance matters relevant to TBL, and is a compliment to AB InBev's global Annual Report 2023. This reporting considers key non-financial indicators and guidance from frameworks such as the Global Reporting Initiative (GRI) standards. The GRI index for this year's statement can be found in Appendix of this document.

Scope of Statement

Reporting Period

The period covered in the ESG statement is from the 1 January 2023 to 31 December 2023.

Statement Scope and Boundary

TBL Plc's overall ESG agenda aligns with the corporate strategy, UN SDGs, and TBL Plc's membership in the UN Global Compact Network. Activities throughout the operations are aligned to the metrics that are considered most material to our business and stakeholders. We refer to AB InBev's global materiality assessment for more information on material topics. Unless otherwise specified, the statement's scope covers the TBL Plc operations, including all four operational breweries, as well as one distillery in the United Republic of Tanzania.

Precautionary Principal Statement

"TBL Plc confirms that the precautionary principle is adopted in the Group's Global Policy and is implemented locally in the company".

Universal Indicator Reporting and Materialities

Universal Indicator Reporting

Governance

There were no major changes in the legal status or governance structure during the reporting period. Additionally, no notable concerns or conflicts of interest were flagged by the highest governance body. However, there have been changes in the composition of the board due to resignations and inter-company promotions/allocations. The company secretary is now Esther Kuja.

Board member Arnold Kilewo resigned, and Elisha Denanath, Michelle Kilpin, Violet O. Mordichai, and Lauren Wilson have been appointed to the board. These new appointments bring a more balanced gender composition to the board, increasing female representation from one to four members.

Additionally, a new Managing Director, Ms. Michelle Kilpin has been welcomed.

A new training session on ESG matters has been scheduled for the third quarter of 2024.

People

TBL Plc has streamlined some of its operations. This led to a marginal decline of permanent employees by 6% from 1279 in 2022 to 1220 in 2023.

Company employees were as follows:

	2022	2023
Male	1,038	932
Female	241	288
Total	1,279	1,220

The overall company's renumeration philosophy has remained consistent with the 2022 Annual Report. Accordingly, employees benefited from Bonus payouts, incentive schemes and Annual Salary Increases.

Notably, in 2023 a review of the People Process Guide (including all includes all HR Policies and Guidelines) was completed in line with local updates and practices.

Economic Value and Financial Implications

The direct economic value and tax information are disclosed in the financial statement and accompanying notes published in the general Annual Report for 2023. These statements also cover employee benefits and retirement schemes.

The TBL Plc systems distinguish local suppliers from international suppliers, definitive reporting on the percentage of 65.70% local 34.30% international procurement. Additionally, core agricultural value chain procurements are locally retained, as outlined in the Annual Report.

Supplier screening for environmental and social processes is conducted during vendor verification and onboarding. Though, no follow-up assessments or evaluations are done for external validation of this information.

Our brand portfolio remained the same, however Kilimanjaro experienced a rebrand.

Water

TBL Plc continued to foster its Water Security Project in collaboration with WWF along the Msimbazi, Kizinga, Ruvu Rivers by:

- Planting 4,000 water-friendly trees along the Msimbazi River.
- Compiling a baseline report on water quality and quantity measures.
- Fabricating and casting 800 reinforced concrete beacons to permanently demarcate the riparian zone of the river, spaced 50m apart, covering approximately 240 hectares along the lower Ruvu River.

AB InBev set an ambition to achieve an average water use efficiency ratio of 2.5 hectolitre/ hectolitre across it's breweries globally by 2025. In 2023, TBL contributed to that goal: the company achieved a water use efficiency ratio of 2.72 hectolitre/hectolitre in Tanzania, an improvement of 16.82% compared to the 2017 baseline of 3.27 hectolitre/hectolitre. Year-over-year we see our emissions in Tanzania increased (with 23.3%), driven by increased beer production.

SDG Awards Gala TBL Plc winning in the SDG 6 category

Climate

Our approach to addressing climate change is focused on key activities in our operations and across our value chain:

- Actively decarbonizing our global operations, including our breweries and our vertical operations that produce packaging and brewing materials by reducing energy consumption and implementing renewable electricity and heat solutions (either through on-site generation or through virtual power purchase agreements)
- Engaging with value chain partners to reduce emissions in key categories, including:
- Agriculture: increase yield through new, more resilient crop varieties; work with farmers on nutrient management and optimized fertilizer application; introduce nature-based solutions across our agricultural supply chain for carbon removal
- Brewing operations: increase efficiency in brewing processes; implement renewable electricity and heat solutions; achieve near-zero to landfill production waste in brewing operations
- Packaging: increase recycled content; scale low-carbon packaging solutions; implement light weighting solutions
- Logistics: continue load optimization, routing efficiency and mode switch; implement alternative fuel trucks
- Product cooling: implement more efficient refrigeration with innovative cooling solutions; scale renewable electricity across our retailers globally
- End of product life: promote local recycling; reduce waste through use of recycled content and light weighting initiatives in packaging

TBL Plc carries out a primary environmental screening for all its suppliers.

TBL Plc has deployed Anaplan which tracks the various emissions.

Considering increased production in 2023 (overall carbon emission (tCO2e) have also increased from 39,495 (2022) to 49,513 in 2023.

Further, the carbon emission intensity also increased from 10.9 to 13.5 (kgCO2e/hl).

Majority of emissions emanate from Scope 1 emissions (47%), followed by Scope 2 (29%) and lastly Scope 3 (24%). Increased usage of water pumps as well as generators during power outages significantly contribute towards an increased emission scope. In view of this trajectory, the company is keen to accelerate its conversion to renewable energy options which can be enabled by Regulatory Frameworks.
In addition, to combat negative effects of carbon emission TBL has initiated the world environment day award and tree planting initiative as outlined in the corporate affairs section of the annual report.

Circular Economy

TBL contributes to AB InBev's global 2025 Circular Packaging Goal. AB InBev set the goal that 100% of our packaging will be in returnable or made from majority recycled content by 2025. This goal applies to primary packaging. In 2023, TBL achieved a returnability rate of 94.07%. In addition, we increase recycled content in our packaging; 33% of our glass bottles is made from recycled content.

Further efforts to potentially recycle cans as well as non-returnable glass bottles in the light of Extended Producer Responsibility (EPR) will be addressed moving forwards; considering the importance of these packaging types for TBL Plc.

Agriculture and Natural Ecosystems

Overall, the implementation of the Smart Agriculture programme continued successfully, with 100% of contracted farmers completing Good Agricultural Practices (GAP) training. Soil analysis was conducted to assess soil fertility deterioration in the Northern Highlands.

One of the significant achievements in 2023 was the launch of Moshi Maltings. Once fully operational, this facility will expand TBL Plc's programme with substantial demand for barley, underscoring the company's commitment to enhancing agricultural productivity, 100% local sourcing, and sustainability.

A total of 4,660 farmers were engaged, slightly more than in 2022 (4,550). 20% of the engaged farmers were female, and no grape farmers were involved this year as discussions between the farmers and TBL Plc remain ongoing.

Our Own workforce

TBL Plc is an equal opportunity employer.

To increase workforce integration of graduates TBL Plc has initiated partnerships with technical colleges from which 11 recruits will be selected as technical trainees. Further, in partnership with the Tanzania Employment Services Agency (TAESA) 6 trainees have been recruited.

TBL Plc continues to foster internal employee development growth, having seen 23 internal promotions out of which 30% were female.

TBL Plc continues to implement strong Occupational Safety and Health Authority (OSHA) protocols. In the reporting period a total of 187 employees received trainings through the digital ACADIA portal for health and safety issues; further all supply employees are provided with access to the platform to enable them to advance their skills and awareness.

In addition, 45 employees were physically trained, this includes first aider, safety and health representative and lifting operations.

The effectiveness of TBLs efforts in terms of health and safety is reflected in an injury free year for all sites.

Site	Injury free days
Dar	2141
Mwanza	2359
Arusha	2431
Mbeya	1999
TDL	462

Responsible Drinking and Moderation
TBL Plc continues to implement its smart drinking and moderation campaign by further implementing the Okoa Maisha App and conducting trainings on the Road Safety App usage paired with distribution of handsets to traffic police.

Further, as reported in the corporate affairs section of the annual report of 2023 TBL Plc successfully launched the Smart Drinking guidance label, another crucial step towards achieving increased smart drinking and moderation in the market.

Entrepreneurship
TBL Plc has continued its efforts to advance entrepreneurship through the launch of Chanzi an innovative start-up that emerged from the 100+ Accelerator programme.

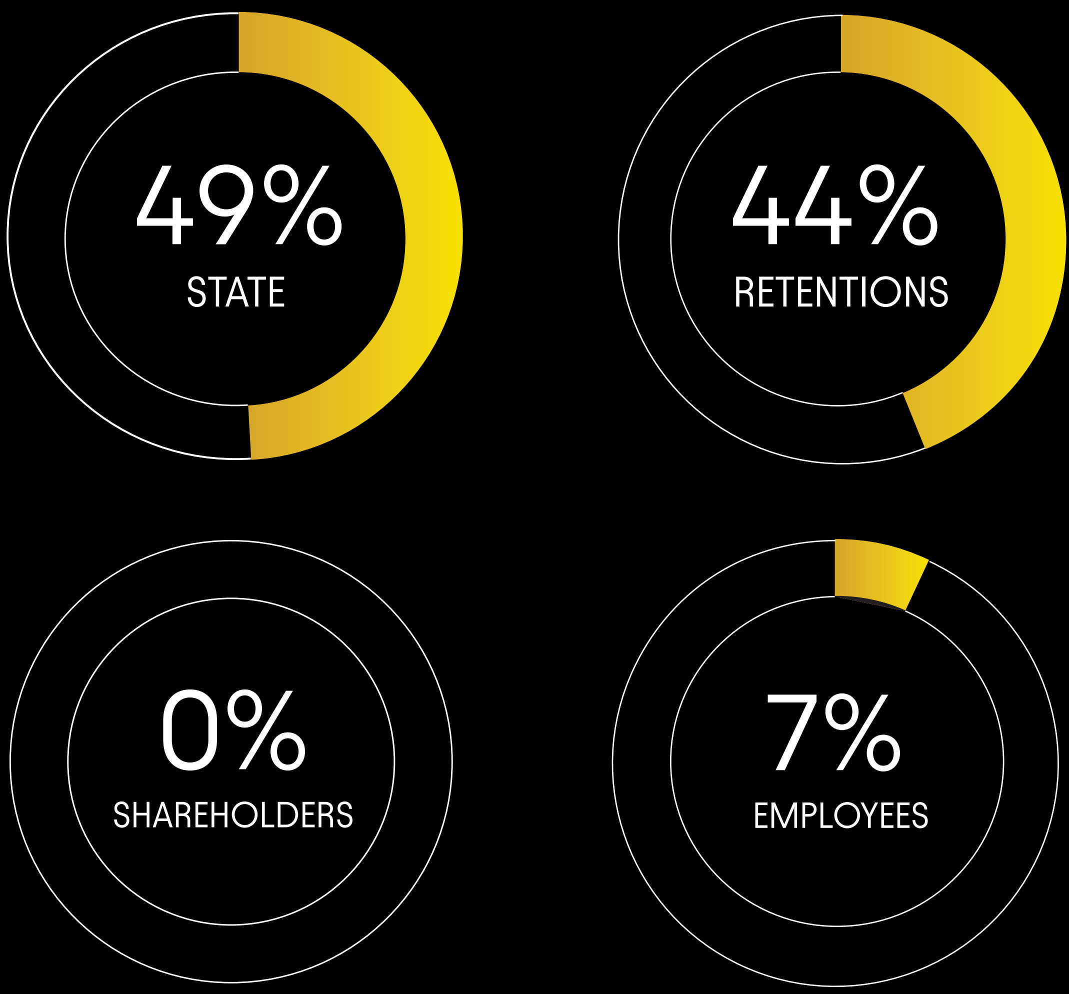
KPI GROUP	KPI	2023	2022
Water	Total water use (in billion hl)	0.01	0.01
Water	Water use by hectoliter of production (hl/hl)	2.72	2.78
Carbon Emissions (tCO2e)	Scope 1+2	0.04	0.03
Carbon Emissions (tCO2e)	Scope 3	0.01	0.01
Carbon Emissions intensity (kgCO2e/hl)	Scope 1+2 intensity	10.53	8.93
Carbon Emissions intensity (kgCO2e/hl)	Scope 1+2+3 intensity	13.76	10.97
Carbon Emissions (tCO2e)	Scope 1+2+3	0.05	0.04
Carbon Emissions intensity (kgCO2e/hl)	Scope 3 intensity	3.23	2.04
Returnable Packaging	% Returnable packaging	94.07%	95.03%
Recycled content	% Recycled content - Glass	33%	35.95%
Recycled content	% Recycled content - Cans	16%	40.26%
Recycled content	% Recycled content - PET	0%	0.00%
GHG Emissions by Packaging	Returnable Kegs	1%	0.00%
GHG Emissions by Packaging	Emissions by packaging-One way glass	56%	55.33%
GHG Emissions by Packaging	Emissions by Packaging- PET	0%	0.00%
GHG Emissions by Packaging	Returnable Glass	24%	32.33%
Renewable Energy	Renewable Electricity Contracted	25%	25%
Renewable Energy	Renewable Electricity Operational	0%	0%

CASH VALUE STATEMENT **2023**

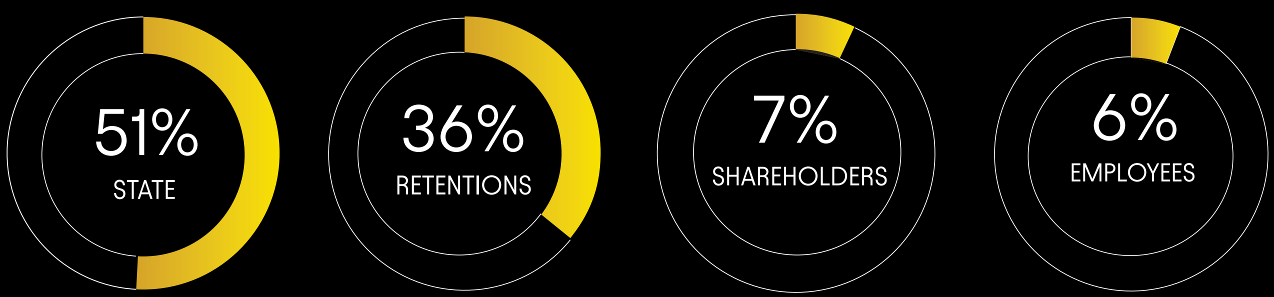
Million Tanzania Shillings	31 Dec 2023	%	31 Dec 2022	%
Cash generated				
Cash derived from sales	**1,500,846**		1,364,436	
Cash value generated	**1,500,846**		1,364,436	
Cash paid to suppliers	**(300,532)**		(333,336)	
Cash value added	**1,200,313**	100.0	1,031,100	100.0
Cash utilised to				
Remunerate employees for their services	**(85,297)**	7.11	(82,034)	7.96
Pay direct taxes to Government	**(88,351)**	7.36	(72,551)	7.04
Pay excise duty and Value Added Tax	**(500,987)**	41.74	(442,468)	42.91
Provide shareholders with cash dividends	**(759)**	0.06	(72,478)	7.03
Cash disbursed among stakeholders	**(675,394)**	56.27	(669,531)	64.93
Cash retained to fund replacement of assets and facilitate further growth	**524,919**	(43.73)	361,569	(35.70)

2023 Group Cash Outflow Composition

Proudly part of ABInBev



2022 Group Cash Outflow Composition



FINANCIAL REPORT

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The report by those charged with governance

The members charged with Governance submit their report together with the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of Tanzania Breweries Public Limited Company (the "Company", TBL Plc) and its subsidiaries, Tanzania Distilleries Limited (TDL), Darbrew Limited and Kibo Breweries Limited, (together the "Group").

1 Incorporation

TBL Plc was incorporated in the United Republic of Tanzania under the Companies Act as a limited liability Company. The Company is listed on the Dar es Salaam Stock Exchange and is domiciled in the United Republic of Tanzania. The address of its registered office and the principal place of business is:

Uhuru Street,
Mchikichini, Ilala District,
Plot 79, Block "AA",
PO Box 9013,
Dar es Salaam, Tanzania.

2 Principal activities

The Company's principal activities are the production, distribution and sale of malt beer, non-alcoholic malt beverages and alcoholic fruit beverages in Tanzania. It operates breweries in Dar es Salaam, Arusha, Mwanza and Mbeya and eight depots throughout the country. It distributes its products throughout the country and exports to neighboring countries. It has a malting plant in Moshi which is not operational. The Company has a controlling interest in Tanzania Distilleries Limited, a spirituous liquor company that is situated in Dar es Salaam and Darbrew Limited, a dormant beer company located in Dar es Salaam. It also fully owns Kibo Breweries Limited, a property management company domiciled in Moshi.

The Group owns some of Tanzania's most popular beer and liquor brands, notably:
Safari Lager;
Kilimanjaro Premium Lager;
Balimi Lager; and
Konyagi.

The Company also produces and distributes Castle Lager, Castle Milk Stout, Castle Lite, and Redds Premium Cold under license from AB InBev International BV. In addition, it distributes AB InBev beer brands Budweiser and Corona. During the year Kibo Breweries Limited and Darbrew Limited remained dormant with no operations.

3 Dream

"TBL Plc always dreams big. It's our culture, our heritage and our future. We provide opportunities for our people, lift our neighbors and make a meaningful impact on the world. We're creating a future that everyone can celebrate and share. A future with more cheers."

4 Operating and financial review

The nature of the entity's operations
The Group and the Company dominate the beer industry in all regions, with four breweries in Tanzania. The concentration of other Companies is not significant to the overall market share of the beer industry. The

wine and spirit business has a significant concentration of participants due to affordability and continued to affect the Group's market share.

The Group and Company have continued to improve production efficiencies in all breweries, with our plant continuing scooping different awards in the Africa Zone and Globally for the best breweries.

Further, the Group and Company have invested and plan to continue investing in price, sales and marketing and distribution network. A capital investment plan is in place to ensure the optimal operation of all breweries and distilling plant. The Group and Company have set plans to ensure production, sales and market share are increased, maintained and sustained in the near future.

Principal risks and uncertainties
The Group and the Company are subjected to different internal and external risks. Through the Risk department assessment is made to analyse severity of the risks and impact on the operations. Reviews are done quarterly by the Board Audit and Risk Committee.

The Group and the Company have significant tax matters with Tax Revenue Authority (TRA) ranging from over 7 years to recent years. These include both direct and indirect tax issues relating to capital deductions, excise duty, value added tax (VAT) and capital gain tax. The Group and Company have engaged external legal advisors to support the resolution of these issues, working with the authorities. All matters are still in discussion and the respective details are included in Note 34 to the financial statements.

In July 2023, the Government announced changes of the excise duty on beer, which affected profitability, The Group took measures and continued to invest in the optimal prices. Changes in the availability or price of raw materials and commodities, including as a result of unexpected increases in tariffs, and logistics in respect of such raw materials and commodities, could have an adverse effect on results of operations. The Group and Company ensure that sufficient stocks are available to meet production demands and plan procurement to align with delivery lead times.

Management considers the above to be the principal operational risk. The Group maintains a risk register that is reviewed and communicated to the board quarterly.

Market overview
After several years of stagnated growth, the beer industry in Tanzania, the beer industry had slightly improved. The economic activities improved, with increased government spending contributing to availability of disposable incomes, which benefitted the industry. There was balanced spending between mainstream products and more affordable brands and packs. The market has not experienced significant macro-economic challenges.

Financial review
The Group's revenue increased by 12% with growth in both beer and spirits, with significant contribution coming from the core and core plus segments of the business. The Group continues to execute on the strategy and increase sales and marketing investments behind the brands to deliver consistent growth and long-term value creation.

The Group's operating profit increased by 4% driven by volume performance and efficiencies in operating costs, affected by increased excise duty and costs escalations. A total of TZS 87,530 million was invested in capital expenditure during the year compared to TZS 82,350 million invested during the year ended 31 December 2022.

The Group's reported cash generated from operations was TZS 335,865 million during the year versus TZS 368,822 million generated during the year ended 31 December 2022. Of this amount, TZS 88,351 million was utilized to pay corporate income tax and the remaining amount funded capital expenditure and dividends to shareholders with TZS 163,350 million being retained in the business. Segment financial review analysis and presentation are covered in Note 5 to the financial statements.

During the year, management executed the Board's approved disposal of the Darbrew Limited made on 7 August 2019. The disposal involved offloading 60% of the Company's investment in Darbrew Limited to to Dar Es Salaam City Council (DCC) a core shareholder. Further details are included under note 37 to the financial statements.

Liquidity review
The Group and Company operations are financed from cash generated from operations. There was no short- or long-term debt outstanding, other than amounts payable from normal operating activities of the Group.

The Group cash and bank balance increased by 45% to TZS 524,919 million contributed by the increase in revenue during the year and improvement in cash flow management. This balance is held in current accounts with different banks and other short term cash investments with less than three months maturity.

Net current assets significant improved by 42% resulted from the increase in cash and bank balance.

Treasury are responsible for managing the liquidity of the Company and its subsidiaries to ensure that commitments are managed and honored on maturity.

Liquidity risk assessment is summarised in Note 4.1 to the financial statements.

Future development:
The Group continue with its expansion and facility upgrade program, investments in the returnable and non-returnable packages, investment in efficiencies focusing on cost optimisations. The Group is currently upgrading its malting plant facility to cater for locally produced barley.

5 Dividend

There was no dividend declared and paid for the year ended December 2023 (2022: TZS 290 per share amounting to TZS 85,566 million). See further details in note 35 (vi).

6 Composition of the board of directors

The Directors of the Company at the date of this report, all of whom have served since 1 January 2023, unless otherwise stated, are:

Board of directors:

Name	Nationality	Age	Remarks
Mr. Leonard C. Mususa	Tanzanian	70	Chairman. A Certified Public Accountant and Private Management Consultant. He was appointed on 25 November 2021. He is an appointee of AB InBev Africa BV.
Mr. Jose Moran	Ecuadorian	43	Formerly Managing Director, Tanzania Breweries Plc. Jose was appointed to the Board on 25 November 2021 and resigned January 2024. He was representing AB InBev Africa BV.
Ambassador Ami R. Mpungwe	Tanzanian	73	Businessman appointed in October 2001. He is an appointee of AB InBev Africa BV.
Mr. Maharage A. Chande	Tanzanian	49	Post Master General at Tanzania Postal Office. He was appointed on 4 August 2021, representing Minority shareholders.

6 **Composition of the board of directors** (continued)
Board of directors (continued)

Name	Nationality	Age	Remarks
Mr. Arnold. B. S. Kilewo	Tanzanian	86	Former Executive Managing Director of Tanzania Breweries Plc. He was appointed in September 1999. He is an appointee of AB InBev Africa BV. Resigned on December 2023.
Mr. Phocas J. I. Lasway	Tanzanian	76	Business Consultant. He was appointed on 18 February 2010. He is an appointee of AB InBev Africa BV.
Ms. Michelle N. Kilpin	South African	43	Managing Director, Tanzania Breweries Plc. She was appointed to the Board on 1 February 2024. She is representing AB InBev Africa BV.
Ms. Lauren D. Wilson	South African	41	Legal Director, Rest of Africa (ROA). She was appointed January 2024. She is an appointee of AB InBev Africa BV.
Ms. Violet O. Mordichai	Tanzania	48	Former Managing Director of Assemble Insurance (T) Ltd (formerly AAR Insurance). She was appointed on 4 August 2023, representing Minority shareholders.
Ms. Elisha Dhenanath	South African	40	Finance Director Africa SouthEast BU. She was appointed on 16 August 2022. She is an appointee of AB InBev Africa BV.
Mr. Emmanuel J. Chacha	Tanzania	46	Managing Partner, Kepler Consultants. He was appointed on 1 November 2022. He is an appointee of AB InBev Africa BV. Chairman of the Board, Audit and Risk Committee.

In accordance with the Company's Articles of Association, the directors are not required to retire by rotation. The Board met four times during the year.

Operating Board:

Name	Nationality	Remarks
Ms Michelle Kilpin	South African	Managing Director – Appointed in February 2024
Mr. Jose Moran	Ecuadorian	Formerly Managing Director – Appointed in October 2021
Mr. Dickson Rushekya	Tanzanian	Procurement Director – Appointed in April 2022
Ms Nancy Riwa	Tanzanian	Logistics Director – Appointed in April 2022
Ms. Ntsilane Mhlanga	Lesotho	People Director – Appointed July 2023
Mr. Avito Swai	Tanzanian	Finance Director – Appointed October 2021
Ms. Timea Chogo	Tanzanian	Regional Director (TDL) – Appointed April 2021 resigned June 2023
Ms. Mesiya Mwangoka	Tanzanian	Legal & Corporate Affairs Director – Appointed February 2021
Ms. Eva Kuvise	Tanzanian	Solution Director – Appointed March 2021
Ms. Khensani Mkhombo	South African	Marketing Director – Appointed May 2023
Mr. Richmond Raymond	Tanzanian	Technical Director – Appointed in March 2020

Company Secretary as at the date of this report who has served throughout the year is Esther Kuja.
As at the date of this report, the Directors holding shares are listed next page:

	Ordinary Shares Dec 2023	Ordinary Shares Dec 2022
A.R. Mpungwe	**7,000**	7,000
A.B.S. Kilewo	**37,641**	37,641
P.J.I. Lasway	**36,216**	36,216
Total	**80,857**	80,857

7 Corporate governance

The Board of Directors of the Company consists of ten Directors. Apart from the Managing Director and Finance Director Africa SouthEast BU no other directors hold executive position in the Company. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control, policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is scheduled to meet quarterly. The Board delegates the day to day management of the business to the Managing Director assisted by Senior Management. Senior Management is invited to attend board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units.

The Company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability. During the year the Board had board sub-committees to ensure a high standard of corporate governance throughout the Company. These are audit and risk committee and remuneration committee.

GROUP AUDIT AND RISK COMMITTEE

The Group Audit and Risk Committee oversees the effectiveness of risk identification and management, regulatory compliance, internal control systems, and the quality and integrity of financial reporting. The Group Audit and Risk Committee is a sub-committee of the Board and comprises three non-executive members. It is regulated by specific terms of reference and meets four times during the year. The Committee meets the external auditors and the internal audit department to review, inter alia, accounting, auditing, internal control, financial reporting matters and the published financial statements of the Company and the Group. The external auditors have unrestricted access, at all times, to the Group and subsidiary Audit and Risk Committees. The members of the committee are:

Name	**Role**
Mr. Emmanuel Johannes	Chairman
Mr. Ami Mpungwe	Member
Mr. Phocas Lasway	Member

The overall objective of the Group Audit and Risk Committee is to ensure that the operating board has created and maintains an effective control environment within the organization and that management demonstrates and stimulates the necessary respect of the internal control structure amongst all parties.

The Group Audit and Risk Committee members, as well as the internal and external auditors, have unlimited access to whatever information they require in performing their responsibilities.

REMUNERATION COMMITTEE

The remuneration committee comprises the Managing Director and two non-executive members, one of whom chairs the committee. The committee is responsible for the assessment and approval of a broad remuneration strategy for the Company, including short term incentives for executive and senior management. The Committee may advise on the remuneration of the Board. The remuneration strategy is aimed at rewarding employees at market related levels and in accordance with their contribution to the Company's operating and financial performance in terms of basic pay as well as short-term incentives.

Name	Role
Mr. Ami Mpungwe	Chairman
Ms. Violeth Mordechai	Member

8 Capital structure and shareholders

The Company's authorised, issued and fully paid up share capital during the twelve months period was 295,056,063 ordinary shares of a par value of TZS 100 each (2022: 295,056,063). The Company has only one class of ordinary shares which carries no right to fixed income. The ownership structure is as set out in Note 23.2 of the financial statements.

9 Management

Management of the Company is under the Managing Director and is organized in the following departments:

- Brewery Operation department;
- Procurement and Sustainability department;
- Logistics department;
- Solutions department;
- Marketing department;
- Sales department;
- Finance department;
- People department; and
- Legal and Corporate Affairs department.

10 Stock exchange information

The Company is listed on the Dar es Salaam Stock Exchange. The share price at 31 December 2023 was TZS 10,900 (December 2022: TZS 10,900) and market capitalization was TZS 3,216,111 million (December 2022: TZS 3,216,111 million).

11 Risk management and internal control

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Company's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 31 December 2023 and is of the opinion that they met accepted criteria. The Board carries out risk and internal control assessment through the Audit and Risk Committee.

The Board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

12 Employee welfare

Management and Employees' Relationship
Relations between employees and management continued to be good during the year. A healthy relationship continues to exist between management and trade union. The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties.

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees. This is achieved through formal and informal meetings.

Training Facilities
The Company spent about TZS 284 million for staff training programs compared to TZS 208 million in the year ended December 2022. The programs are aimed at improving the employee's technical skills and hence effectiveness. Training programs have been and are continually being developed to ensure employees are adequately trained at all levels. All employees have some form of annual training to upgrade skills and enhance development. The Group and Company provides various online training platforms organised by the Africa Zone and Global.

Medical Assistance and Medical Services
The Company provides medical services through onsite dispensaries and outside hospitals. Staff are entitled to access referral hospitals as the need arises. All members of staff, their spouses and four children to the age of 21 years were availed medical insurance. Currently these services are provided through Strategis Insurance.

Health and Safety
The Company has a strong health and safety section which ensures that a strong culture of safety prevails at all times. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary. All breweries, the distillery and other facilities operated by the Group are audited by Occupational Health and Safety Authority (OSHA) annually.

Financial Assistance to Staff
The Company has in place arrangement with commercial banks where employees can secure loans at competitive rates. The Company also assisted its employees to establish, operate and join the Company Savings and Credit Co-operative Society (SACCOS) to assist in promoting the welfare of its employees. Financial support is available to all employees.

Persons with Disabilities
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employees Benefit Plan
The Company pays contributions to various publicly administered defined contribution plans on a mandatory basis.

13 Gender parity

At 31 December, the Company employees were as follows:

	2023	2022
Male	**932**	1,038
Female	**288**	241
	1,220	1,279

To a Future With More Cheers

14 Related party transactions

All related party transactions and balances are disclosed in note 36 to the financial statements.

15 Political and charitable donations

The Company did not make any political donations during the year. Donations made to charitable organisations during the year amounted to TZS 15 million (December 2022: TZS 421 million).

16 Corporate social responsibility (CSR)

Launch of Smart Drinking Guidance Label

With the launch of the Guidance Label Awareness Program, we have joined forces with the community to promote a smart drinking culture. TBL is leading the way in promoting responsible consumption of alcohol. Commitment to reducing harmful alcohol consumption and promoting positive experiences with our products. This initiative is part of our global Smart Drinking goal of reducing harmful alcohol use by 10% by 2025, in line with the WHO and UN Sustainable Development Goals. Through education and awareness, social norms will be shifted around alcohol use and create a safer and healthier community for all. Continuing to emphasize the significance of the initiative and its potential to foster a culture of responsible alcohol consumption, ensuring that every interaction with TBL products is positive.

Celebrating Our Success: World Environment Day Award and Tree Planting Initiative

In line with Ab-InBev's vision, we celebrated World Environment Day by focusing on our 2025 Sustainability Goals, which include water, carbon, and recycling. To make a positive impact and contribute to a healthier ecosystem, following the UN Theme solution to plastic pollution Tanzania Breweries Limited in collaboration with the World Wildlife Fund for the Dar es Salaam Water Security project in protecting water sources. On 2nd June 2023, our environment team through the Balozi program planted trees along the Msimbazi Upstream River with the objective of creating healthy water sheds/ecosystems. Together, let's make a positive impact on our planet!

We are proud to be recognized by the Dar es Salaam City Council for its exceptional efforts in environmental conservation. This recognition solidifies our position as a leader in promoting environmental stewardship within our community. We recognize that environmental responsibility is vital for our success and growth.

Smart Drinking: Road Safety

In continuation of Road Safety initiative, we have collaborated with the Tanzania Traffic Police Force on the Road Safety project that took place In October, dubbed Okoa Maisha, to successfully introduce the 'Road Data System App' training. The Road Data System, presented as a simplified app, harnesses digital technology to collect, store, and transfer data seamlessly among traffic officers, whether in the field or at the office. This marks a significant stride in enabling the police to facilitate quick and efficient data collection of road accidents, providing visibility and access to reported data on their mobile devices.

In December, we conducted public engagement at Ubungo Junction,Through this program, the community was educated and made more aware of the value of traffic laws, road signs (buffer zones) and the digital technique for recording traffic accidents in real-time.

17 Statement of compliance

The Directors have ensured that the report is in compliance with the requirements of the Tanzania Financial Reporting Standard No. 1 and all other relevant statutory legislations that are applicable to the Group and Company.

18 Auditor

The auditor, PricewaterhouseCoopers, has expressed willingness to continue in office as auditor and is eligible to apply for re-appointment. A resolution proposing appointment of an auditor of the Company for the next financial year will be put to the Annual General Meeting

BY ORDER OF THE BOARD

Leonard Mususa
Chairman

Date: 5th July 2024

CELEBRATING CHEERS
• SINCE 1933 •

Statement of Directors' responsibilities

for the year ended 31 December 2023

The Companies Act, No. 12 of 2002 requires directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and Group as at the end of the financial year and of its profit or loss for the year. It also requires the directors to ensure that the Company and Group keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and Group. They are also responsible for safeguarding the assets of the Company and Group and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs and results of operations of the Company and Group in accordance with IFRS Accounting Standards. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as 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.

Nothing has come to the attention of the directors to indicate that the Company or Group will not remain a going concern for at least twelve months from the date of this statement.

Approved by the board of directors on and signed on its behalf by:

Leonard Mususa
Chairman

Date: 05th July 2024

LITE'N UP

Declaration of the head of finance

for the year ended 31 December 2023

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing the true and fair view of the entity's financial position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under Statement of directors' responsibilities on an earlier page.

I Jofrey Malkiadi on behalf of the Group Head of Finance (i.e. Tanzania Breweries Plc) and its subsidiaries (i.e. Tanzania Distilleries Limited, Darbrew Limited and Kibo Breweries Limited) together "the Group", I hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2023 have been prepared in compliance with International Financial Reporting Standards and the requirements of the Companies Act No 12 of 2002.

I thus confirm that the financial statements give a true and fair view of the financial position of the Group and Company as 31 December 2023 and for the year then ended and that that they have been prepared based on properly maintained financial records.

Signed:

Position: Financial Reporting and Analysis Manager

NBAA Membership No: ACPA 3763

Date: 05th July 2024

Independent auditor's report

To the Members of Tanzania Breweries Public Limited Company

Report on the audit of the Group and Company financial statements

OUR OPINION

In our opinion, the Group and Company financial statements give a true and fair view of the Group and Company financial position of Tanzania Breweries Public Limited Company (the Company) and its subsidiaries (together the Group) as at 31 December 2023, and of its Group and Company financial performance and its Group and Company cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002.

What we have audited

Tanzania Breweries Public Limited Company's Group and Company financial statements as set out on pages 45 to 104 comprise:

- the Group and Company statements of financial position as at 31 December 2023;
- the Group and Company statements of profit or loss and other comprehensive income for the year then ended;
- the Group and Company statements of changes in equity for the year then ended;
- the Group and Company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Group and Company financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group and Company financial statements of the current period. These matters were addressed in the context of our audit of the Group and Company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit
Unresolved tax matters As described in note 34 of the financial statements, the Group and Company have significant unresolved tax matters with the Tanzania Revenue Authority (TRA) whose outcomes depends on future events Having considered advice from internal and external experts, the directors have exercised significant judgement that these matters will not crystallize to a material liability. We considered this as an area of most significance because the results of the assessments could have a significant impact on the results if the exposures were to crystalize. Refer to Note 3 (i) and 34 for further details.	We inquired management of its process for the identification and evaluation of tax exposures from TRA assessments. We examined a list of open tax matters and tax assessments by TRA as of 31 December 2023. We tested the completeness of the list by examining minutes of the board meetings and legal correspondences between the Group and its lawyers and inquired from the Group tax manager. We involved our tax specialist to examined correspondences between Management and the Tanzania Revenue Authority, and the Government. We obtained and assessed advice from external tax experts that was applied by management to determine the level of provisioning required and tax objections filed thereon. We reviewed the provisions for tax exposures based on management's own assessment and evaluated reasonableness of the judgements applied. We assessed the appropriateness and adequacy of the disclosures made in the financial statements.

Key audit matter	How our audit addressed the key audit matter
Investment in Subsidiary The Company has TZS 42,414 million investment in subsidiary – Kibo Breweries Limited. Investment in subsidiaries is carried at cost and assessed for impairment when an impairment trigger is identified. The impairment assessment is performed by comparing the carrying value of the non-current asset to its recoverable amount, being the higher of the fair value less costs to disposal and value in use. We focused on this area because the estimation of the recoverable amount using fair value less cost to sell involves significant judgement given the inherent uncertainty in estimating expected future cashflows. Information on investment in subsidiaries and related impairment is provided on accounting policy 2(g), accounting policy 2(h), Note 3 (vii) and Note 17.	We assessed the appropriateness of the valuation technique used in the fair value calculation. We compared the carrying value of the investment to the fair value estimate to determine if there is any impairment. We reviewed the assumptions used in the fair value calculation to ensure that they are reasonable and consistent with the industry standards. We assessed the sensitivity of the fair value estimate to changes in key assumptions and determine if there are any risks associated with the estimate. We assessed the contingent liabilities at the subsidiary level to determine if they could impact the fair value estimate. We assessed the appropriateness and adequacy of disclosures included in the financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises The report by those charged with governance, Statement of directors' responsibilities and Declaration of the head of finance (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and other information that will be included in the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read other information that will be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF THE DIRECTORS FOR THE GROUP AND COMPANY FINANCIAL STATEMENTS

The directors are responsible for the preparation of the Group and Company financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of Group and Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Company financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE GROUP AND COMPANY FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Group and Company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group and Company financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Group and Company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group and Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Group and Company financial statements, including the disclosures, and whether the Group and Company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Group and Company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act, No. 12 of 2002 and for no other purposes.

As required by the Companies Act, No. 12 of 2002, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report.

Cletus Kiyuga, ACPA 1981

For and on behalf of PricewaterhouseCoopers
Certified Public Accountants
Dar es Salaam

Date: 08th July 2024

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2023 Million Tanzania Shillings	Notes	GROUP 31-Dec-23	 31-Dec-22	COMPANY 31-Dec-23	 31-Dec-22
Revenue	6	**1,272,254**	1,139,448	**1,052,847**	964,469
Cost of sales	7	**(836,419)**	(690,942)	**(687,773)**	(570,222)
Gross profit		**435,835**	448,506	**365,074**	394,247
Selling and distribution costs	7	**(114,580)**	(139,839)	**(103,440)**	(129,732)
Administrative expenses	7	**(75,610)**	(73,322)	**(73,470)**	(71,219)
Impairment of financial assets	20	**(562)**	206	**(440)**	194
Other expenses	9	**(20,999)**	(20,419)	**(20,419)**	(17,645)
Operating profit		**224,084**	215,132	**167,305**	175,845
Finance income	10	**27,564**	12,668	**27,547**	12,618
Finance cost	10	**(32,964)**	(13,286)	**(35,400)**	(14,216)
Net finance cost		**(5,400)**	(618)	**(7,853)**	(1,598)
Profit before income tax		**218,684**	214,514	**159,452**	174,247
Income tax expense	11	**(75,224)**	(61,143)	**(59,188)**	(49,460)
Profit for the year		**143,460**	153,371	**100,264**	124,787
Attributable to:					
Owners of the parent		**128,790**	143,605		
Non-controlling interests		**14,670**	9,766		
		143,460	153,371		
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Loss on re-measurement of defined benefit plan	28	**(735)**	(459)	**(769)**	(421)
Deferred tax on re-measurement		**221**	138	**231**	126
Total other comprehensive income		**(514)**	(321)	**(538)**	(295)
Total comprehensive income		**142,946**	153,050	**99,726**	124,492
Attributable to:					
Owners of the parent	25	**128,267**	143,294		
Non-controlling interests		**14,679**	9,756		
		142,946	153,050		
Basic Earnings per share (TZS)	12	**437**	487	**338**	422
Diluted earnings per share (TZS)	12	**437**	487	**338**	422

Statement of financial position

For the year ended 31 December 2023 Million Tanzania Shillings	Notes	GROUP 31-Dec-23	GROUP 31-Dec-22	COMPANY 31-Dec-23	COMPANY 31-Dec-22
ASSETS					
Non-current assets					
Property, plant and equipment	14	**482,163**	438,635	**450,388**	408,526
Intangible assets	16	**42,696**	43,835	**3,212**	4,096
Right-of-use assets	15(a)	**12,304**	9,068	**11,274**	7,669
Deferred income tax asset	27(ii)	**11,994**	12,240	**-**	-
Investments in associates and subsidiaries	17	**88**	88	**45,108**	45,108
		549,245	503,866	**509,982**	465,399
Current assets					
Inventories	19	**112,454**	115,469	**95,972**	91,105
Trade and other receivables	20	**99,337**	103,497	**94,726**	99,796
Income tax receivable	31	**290**	-	**-**	-
Restricted bank balance	22	**38,300**	38,300	**38,300**	38,300
Bank and cash balances	21	**524,919**	361,569	**517,446**	351,350
		775,300	618,835	**746,444**	580,551
Total assets		**1,324,545**	1,122,701	**1,256,426**	1,045,950
EQUITY					
Capital and reserves attributable to owners of the parent					
Share capital	23	**29,506**	29,506	**29,506**	29,506
Share premium	23	**45,346**	45,346	**45,346**	45,346
Retained earnings		**682,906**	554,639	**549,368**	449,642
Other reserves	24	**66,643**	66,643	**66,683**	66,683
		824,401	696,134	**690,903**	591,177
Non-controlling interests	25	**53,258**	38,579	**-**	-
Total equity		**877,659**	734,713	**690,903**	591,177
LIABILITIES					
Non-current liabilities					
Deferred income tax liability	27(i)	**2,904**	1,501	**1,959**	3,253
Lease liability	15	**5,342**	4,663	**4,928**	3,890
Employee benefit obligations	28	**3,519**	2,414	**3,398**	2,265
		11,765	8,578	**10,285**	9,408
Current liabilities					
Provisions	29	**25,565**	26,405	**5,911**	6,750
Trade and other payables	30	**401,544**	335,791	**541,159**	421,105
Current income tax payable	31	**-**	10,967	**1,068**	12,728
Lease liability	15	**8,012**	6,247	**7,100**	4,782
		435,121	379,410	**555,238**	445,365
Total liabilities		**446,886**	387,988	**565,523**	454,773
Total equity and liabilities		**1,324,545**	1,122,701	**1,256,426**	1,045,950

The financial statements on pages 45 to 104 were approved by the board of directors on 05th July 2024 and signed on its behalf by:-

Leonard Mususa
Chairman

Statement of changes in equity

For the year ended 31 December 2023 Million Tanzania Shillings	Notes	Attributable to owners of the parent Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
GROUP								
Year ended 31 December 2023:								
Balance at 1 January 2023		**29,506**	**45,346**	**66,643**	**554,639**	**696,134**	**38,579**	**734,713**
Profit for the year		-	-	-	128,790	128,790	14,670	143,460
Other comprehensive income								
Re-measurement of employee benefit obligations (net of tax)		-	-	-	(523)	(523)	9	(514)
Total comprehensive income		-	-	-	**128,267**	**128,267**	**14,679**	**142,946**
At 31 December 2023		**29,506**	**45,346**	**66,643**	**682,906**	**824,401**	**53,258**	**877,659**
Year ended 31 December 2022:								
Balance at 1 January 2022		**29,506**	**45,346**	**66,643**	**496,911**	**638,406**	**28,823**	**667,229**
Profit for the period		-	-	-	143,605	143,605	9,766	153,371
Other comprehensive income								
Re-measurement of employee benefit obligations (net of tax)		-	-	-	(311)	(311)	(10)	(321)
Total comprehensive income		-	-	-	**143,294**	**143,294**	**9,756**	**153,050**
Transaction with owners								
Dividends provided for or paid	13	-	-	-	(85,566)	(85,566)	-	(85,566)
At 31 December 2022		**29,506**	**45,346**	**66,643**	**554,639**	**696,134**	**38,579**	**734,713**

Statement of changes in equity (continued)

For the year ended 31 December 2023 Million Tanzania Shillings	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
COMPANY						
Year ended 31 December 2023:						
Balance at 1 January 2023		**29,506**	**45,346**	**66,683**	**449,642**	**591,177**
Profit for the year		-	-	-	100,264	100,264
Other comprehensive Income:						
Re-measurement of employee benefit obligations (net of tax)		-	-	-	(538)	(538)
Total comprehensive income		**-**	**-**	**-**	**99,726**	**99,726**
At 31 December 2023		**29,506**	**45,346**	**66,683**	**549,368**	**690,903**
Year ended 31 December 2022:						
Balance at 1 January 2022		**29,506**	**45,346**	**66,683**	**410,716**	**552,251**
Profit for the period		-	-	-	124,787	124,787
Other comprehensive Income:						
Re-measurement of employee benefit obligations (net of tax)		-	-	-	(295)	(295)
Total comprehensive income		**-**	**-**	**-**	**124,492**	**124,492**
Transaction with owners						
Dividends provided for or paid	13	-	-	-	(85,566)	(85,566)
At 31 December 2022		**29,506**	**45,346**	**66,683**	**449,642**	**591,177**

Statement of cash flows

For the year ended 31 December 2023 Million Tanzania Shillings	Note	GROUP 31-Dec-23	GROUP 31-Dec-22	COMPANY 31-Dec-23	COMPANY 31-Dec-22
Cash flows from operating activities					
Cash generated from operations	35(i)	**335,865**	368,822	**321,769**	361,750
Interest paid	35(ii)	**(971)**	(3,640)	**(5,107)**	(6,167)
Income tax paid	35(iii)	**(88,351)**	(72,551)	**(71,911)**	(60,834)
Net cash inflow from operating activities		**246,543**	292,631	**244,751**	294,749
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	35(v)	**(87,530)**	(82,350)	**(85,103)**	(78,833)
Proceeds from disposal of plant		**682**	-	**680**	-
Interest received	35(iv)	**27,589**	12,668	**27,572**	12,618
Net cash used in investing activities		**(59,259)**	(69,682)	**(56,851)**	(66,215)
Cash flows from financing activities					
Dividends paid to owners of the parent	35(vi)	**(759)**	(72,478)	**(759)**	(72,478)
Payment of lease liability					
• Principal lease payment		**(10,858)**	(10,387)	**(8,968)**	(8,893)
• Lease payment		**(2,345)**	(2,627)	**(1,989)**	(2,096)
Net cash utilised in financing activities		**(13,962)**	(85,492)	**(11,716)**	(83,467)
Net increase in cash and cash equivalents		**173,322**	137,457	**176,184**	145,067
Cash and cash equivalents at beginning of the year		**361,569**	224,635	**351,350**	206,806
Unrealized foreign exchange losses		**(9,972)**	(523)	**(10,088)**	(523)
Cash and cash equivalents at the end of the year	21	**524,919**	361,569	**517,446**	351,350

Index to notes to the financial statements

Notes

1 General information

Tanzania Breweries Plc is incorporated in the United Republic of Tanzania under the Companies Act as a limited liability Company. The Company is listed on the Dar es Salaam Stock Exchange and is domiciled in the United Republic of Tanzania. The principal activities of the Company and its subsidiaries are disclosed in the The Report by those charged with Governance. The address of its registered office is:

Uhuru Street,
Mchikichini, Ilala District,
Plot 79, Block "AA",
PO Box 9013,
Dar es Salaam, Tanzania.

2 Material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in compliance with IFRS Accounting Standards, International Financial Reporting Interpretations Committee (IFRIC) interpretations and those parts of the Companies Act, No. 12 of 2002 applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The measurement basis applied is the historical cost basis except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzanian Shillings (TZS), rounded to the nearest million.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of estimates and assumptions. It also requires the directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Changes in accounting policy

(i) New and amended standards adopted by the Group and Company

New standards and amendments that are applicable for the first time for their annual reporting period commencing 1 January 2023, are not significant and material to the Group and Company.

Number	Effective date	Executive summary
Narrow scope amendments to IAS 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	Annual periods beginning on or after 1 January 2023. (Published February 2021)	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates. The standard has no significant and material impact to the Group and Company.

Number	Effective date	Executive summary
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Annual periods beginning on or after 1 January 2023. (Published May 2021)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The standard has no significant and material impact to the Group and Company.
Amendments to IAS 12 International Tax Reform—Pillar Two Model Rules	The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. (Published May 2023)	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies. The standard has no significant and material impact to the Group and Company.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New standards and interpretations not yet adopted

Number	Effective date	Executive summary
Amendments to IAS 1 - Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions..
Amendment to IFRS 16 – Leases on sale and leaseback	Annual periods beginning on or after 1 January 2024 (Published September 2022)	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	Annual periods beginning on or after 1 January 2024 (Published May 2023)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025 (Published August 2023)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

(ii) New standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group and Company. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(b) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

De-facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of their shareholders give the group the power to govern the financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Profit or losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker has been identified as operating board that makes strategic decisions.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Tanzanian Shillings (TZS), rounded to the nearest million, which is the Group and Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the statement of financial position date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges. Foreign exchange gains and losses that relate to borrowing and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'. All other exchange gain or losses are presented in the profit or loss within other income/expenses.

(e) Property, plant and equipment

All property, plant and equipment is stated at cost, less subsequent depreciation and impairment. Cost includes expenditure directly attributable to the acquisition of the items. Costs may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchase in respect of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group or Company and the cost of the item can be measured reliably.

Repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over the estimated useful life, as follows:

Land and buildings	**Shorter of the lease term or 50 years**
Plant and machinery	10 – 15 years
Containers	5 years
Furniture and equipment	3 – 12 years
Vehicles	4 – 8 years

Land and buildings comprise mainly factories, depots and offices.

Containers in circulation are recorded within property, plant and equipment at cost net of accumulated depreciation less any impairment loss. Depreciation of returnable bottles and containers is calculated to write the containers off over the course of their economic life. Breakages and losses in trade are written off from the relevant cost and accumulated depreciation accounts.

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditures are charged to profit or loss during the financial period in which they are incurred.

Assets in the course of construction are carried at cost less any impairment loss. Cost includes professional fees and, for qualifying assets, certain borrowing costs. When these assets are ready for their intended use, they are transferred into the appropriate category. At this point, depreciation commences on the same basis as on other property, plant and equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

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(f) Intangible assets

(i) Goodwill

Goodwill arising on consolidation represents the excess of the costs of acquisition over the Group's interest in the fair value of the identifiable assets (including intangibles), less liabilities and contingent liabilities of the acquired entity at the date of acquisition. Where the fair value of the Group's share of identifiable net assets acquired exceeds the fair value of the consideration, the difference is recorded as negative goodwill. Negative goodwill arising on an acquisition is recognised immediately in profit or loss.

Goodwill is stated at cost less impairment losses and is reviewed for impairment on an annual basis or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment identified is recognised immediately in profit or loss and is not reversed.

(II) Software

Where computer software is not an integral part of a related item of property, plant and equipment, the software is capitalised as an intangible asset.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring them to use.

Capitalised computer software, license and development costs are amortised over their useful economic lives of between 3 and 5 years. Internally generated costs associated with maintaining computer software programmes are expensed as incurred.

(iii) Brands

Brands are recognized as an intangible asset where the brand has a long-term value. Acquired brands are only recognized where title is clear or the brand could be sold separately from the rest of the business and the earnings attributable to it are separately identifiable.

The Group considers Brands to have an indefinite life and are therefore, not amortized but tested for impairment on an annual basis. The Group and Company had no brand for the year ended 31 December 2023.

(g) Impairment of non-financial assets

Impairment reviews are performed by comparing the carrying value of the non-current asset to its recoverable amount, being the higher of the fair value less costs to sell and value in use.

The fair value less costs to sell is considered to be the amount that could be obtained on disposal of the asset. The value in use of the asset is determined by discounting, at a market based pre-tax discount rate, the expected future cash flows resulting from its continued use, including those arising from its final disposal. When the carrying values of non-current assets are written down by any impairment amount, the loss is recognised in profit or loss in the period in which it is incurred.

Where the asset does not generate cash flows that are independent from the cash flows of other assets, the group or Company estimates the recoverable amount of the cash generating unit (CGU) to which the assets belongs. For the purpose of conducting impairment reviews, CGUs are considered to be groups of assets and liabilities that have separately identifiable cash flows. They also include those assets and liabilities directly involved in producing the income and a suitable proportion of those used to produce more than one income stream.

When impairment is recognised, the impairment loss is applied firstly to reduce the carrying amount of any goodwill allocated to the CGU then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

Should circumstances or events change and give rise to a reversal of a previous impairment loss, the reversal is recognised in profit or loss in the period in which it occurs and the carrying value of the asset is increased. The increase in the carrying value of the asset is restricted to the amount that it would have been had the original impairment not occurred. Impairment losses in respect of goodwill are irreversible.

Intangible non-current assets with an indefinite life and goodwill are tested annually for impairment.

(h) Investments in subsidiaries

Investments in subsidiaries are carried at cost. If there is objective evidence that an impairment loss has been incurred on investments in subsidiaries, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Any subsequent reversal of an impairment loss is recognised in the statement of profit or loss and other comprehensive income.

(i) Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value, as follows:

- Raw materials, consumable stores and spares: Purchase cost net of discounts and rebates on a weighted average basis; and
- Finished goods and work in progress: Raw material cost plus direct costs and a proportion of manufacturing overhead expenses.

The purchase costs of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of the materials**.**

Net realisable value is the estimated selling price in an open market less further costs expected to be incurred to completion and disposal. Inventory provision is recognised in statement of comprehensive income when carrying value of inventory items is more than their net realisable values.

(j) Deposits by customers

Bottles and containers in circulation are recorded within property, plant and equipment and a corresponding liability is recorded in respect of the obligation to repay customers' deposit. Deposits paid by customers for branded returnable containers are reflected in statement of financial position within current liabilities. Any estimated liability that may arise in respect of deposits for containers and bottles is shown in provisions.

(k) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore all receivables aging from 0 – 30 days are all classified as current. Trade receivables are recognised initially at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 2(aa).

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits payable on demand, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on statement of financial position and are included within cash and cash equivalents on the face of the cash flows as they form an integral part of the Group's or Company's cash management. Restricted cash are not included as part of cash and equivalents.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Details relating to share premium and the other reserves are included under Note 23 and 24 respectively.

(n) Investment in own shares (treasury and shares held by employee benefit trusts)

Shares held by employee share benefit trusts and in treasury are treated as a deduction from equity until the shares are cancelled, reissued or disposed of. Purchases of such shares are classified in the statement of cash flows as a purchase of own shares for share trust or purchase of own shares for treasury within net cash from financing activities.

Where such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental costs and related tax effects is included in equity attributable to the Company's equity shareholders.

(o) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(p) Trade payables

These amounts represent liabilities for goods and services provided to the Group and Company prior to the end of financial year. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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(q) Provisions

Provisions are recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are calculated on a discounted basis where the effect is material to the original undiscounted provision. The carrying amount of the provision increases in each period to reflect the passage of time and the unwinding of the discount and the movement is recognised in profit or loss within finance costs.

(r) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Tanzania where the Group and Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(s) Leases

The Group and Company leases warehousing spaces and fleet of vehicles in various parts of the region. Warehouses rental contractual period terms varies according to the warehouses and ranges within 2 – 7 years. Motor vehicles lease rental are for 4 years with extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group and Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group and Company:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and Company, which does not have recent third party financing, and
- makes adjustments specific to the lease

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs and restoration costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Extension and termination options

Extension and termination options are included in a number of property leases contracts. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

(t) Employee benefits

(i) Bonus plans

The Group and the Company recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group and the Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Defined contribution plan

The Group and Company pay contributions to the National Social Security Fund (NSSF) which is publicly, administered pension plan, on a mandatory basis. These are defined contribution schemes. A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity.

The Group and the Company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's and the Company's contributions are recognised as employee benefit expense when they are due.

(iii) Defined pension benefits

The Company introduced a defined benefit plan for selected employees. The plan is a final salary pension plan, which provides benefit of 50% monthly basic salary for each year of service to permanent employees of grades A - FA in the form of a lump sum amount payable on retirement or on the occurrence of any event giving rise to the accrual of that benefit. The level of benefit provided depends on member's length of service and the final salary at retirement. The plan is unfunded and the company meets benefit payment obligations as they fall due.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

(u) Earnings per share

Basic earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders of the parent entity, divided by the weighted average number of ordinary shares outstanding during the year, excluding the weighted average number of ordinary shares held in the Group's and the Company's employee benefit trust during the year.

Diluted earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders of the parent entity, divided by the weighted average number of ordinary shares outstanding during the year, including the weighted average number of ordinary shares held in the Group's and the Company's employee benefit trust during the year, plus the weighted average number of dilutive shares resulting from share options and other potential ordinary shares outstanding during the year.

(v) Dividends distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

(w) Revenue recognition

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when performance obligations are satisfied, meaning when the company transfers control of a product to a customer. Specifically, revenue recognition follows the following five-step approach:

- Identification of the contracts with a customer
- Identification of the performance obligations in the contracts
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contracts
- Revenue recognition when performance obligations are satisfied

Management considers its principal activity to give rise to only one performance obligation i.e. sale of goods. Transportation to customers is not considered as a separate performance obligation as control of goods does not transfer to the customer until delivery is completed. Transport costs are in fact cost to fulfil a performance obligation.

Revenue from the sale of goods is measured at the amount that reflects the best estimate of the consideration expected to be received in exchange for those goods. Contracts can include significant variable elements, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses and penalties. Such trade incentives are treated as variable consideration. If the consideration includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer. Variable consideration is only included in the transaction price if it is highly probable that the amount of revenue recognized would not be subject to significant future reversals when the uncertainty is resolved.

The Group and Company present revenue gross of excise duties because, unlike value added tax, excise is not directly related to the value of sales, it is not recognised as a separate item on invoices, increases in excise duties are not always directly passed on to customers, and the Group and Company cannot reclaim the excise duties where customers do not pay for product received. The Group and Company, therefore, consider excise duties as a cost to the entity and reflect it as a production cost. Consequently, any excise duties that is recovered in the sale price is included in revenue.

(x) Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(y) Financial instruments

Financial assets: Million Tanzania Shillings	Note	GROUP **Dec 2023**	GROUP Dec 2022	COMPANY **Dec 2023**	COMPANY Dec 2022
Financial assets at amortised cost					
- Trade receivables	20	**101,253**	107,018	**63,295**	69,332
- Other financial assets at amortised cost	20	**5,707**	8,723	**15,023**	18,016
- Cash and cash equivalents	21	**524,919**	361,561	**517,446**	351,350
- Restricted cash	22	**38,300**	38,300	**38,300**	38,300
		670,581	515,602	**634,064**	476,998

Other financial assets at amortised cost excludes VAT receivables, advances to suppliers and prepayments.

Financial liabilities: Million Tanzania Shillings	Note	GROUP **Dec 2023**	GROUP Dec 2022	COMPANY **Dec 2023**	COMPANY Dec 2022
Liabilities at amortised cost					
- Trade and other payables*		**278,690**	231.474	**431,610**	328,898
- Lease liabilities		**13,354**	12,823	**12,030**	10,127
Derivative financial instruments					
- Held for trading at FVPL		**7,947**	37	**7,947**	37
		299,991	244,334	**451,587**	339,062

* Excluding non-financial liabilities.

The group's and Company's exposure to various risks associated with the financial instruments is discussed in note 4 below. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

(i) Classification and measurements

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 4.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI or FVTPL. The Group classifies its financial assets as at amortised cost only if both of the following criteria are met: the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Contractual cash flow characteristic of the asset: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, The Company considers whether the contractual cash flows are consistent with the nature of the assets/liabilities and basic lending arrangement i.e Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Trade and other receivables, cash and cash equivalents are subsequently carried at amortised cost, and derivatives are measured at FVTPL.

ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

The fair value of non-derivative financial liabilities is generally determined using unobservable inputs and therefore fall into level 3. In these circumstances, the valuation technique used is discounted cash flow, whereby the projected cash flows are discounted using a risk adjusted rate.

z) Impairment of financial assets

The Group has trade and other receivables that impairment assessments are subject to the expected credit loss model. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics i.e distributors.

The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the growth domestic product (GDP) of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(aa) Derivative financial assets and financial liabilities

Derivative financial assets and financial liabilities are financial instruments whose value changes in response to an underlying variable, require little or no initial investment and are settled in the future.

These include derivatives embedded in host contracts. Such embedded derivatives need not be accounted for separately if the host contract is already fair valued; if it is not considered as a derivative if it was freestanding; or if it can be demonstrated that it is closely related to the host contract.

There are certain currency exemptions which the Group and Company have applied to these rules which limit the need to account for certain potential embedded foreign exchange derivatives, namely where a contract is denominated in the functional currency of either party or in a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place.

For derivatives that have not been designated to a hedging relationship, all fair value movements are recognised immediately in profit or loss.

(ab) Derivative financial instruments – hedge accounting

Financial assets and financial liabilities at fair value through profit or loss include all derivative financial instruments. The derivative instruments used by the Group, which are used solely for hedging purposes (i.e. to offset foreign exchange and interest rate risks), comprise forward foreign exchange contracts and other specific instruments as necessary under the approval of the board. Such derivative instruments are used to alter the risk profile of an existing underlying exposure of the Group in line with the Group's risk management policies. The Group also has derivatives embedded in other contracts primarily cross border foreign currency supply contracts for raw materials.

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the hedging relationship.

In order to qualify for hedge accounting, the group documents at inception, the relationship between the hedged item and the hedging instrument as well as its risk management objectives and strategy for undertaking hedging transactions. The group documents and demonstrate that the relationship between the hedged item and the hedging instrument will be highly effective. This effectiveness test is reperformed at each period end to ensure that the hedge has remained and will continue to remain highly effective.

The Group designates certain derivatives as either: hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge); or hedges of highly probable forecast transactions or commitments (cash flow hedge).

3 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Income tax – Uncertain tax position and tax related contingency

Significant judgment is required in determining the Group's and Company's overall income tax provision or estimated future recovery of income tax losses. There are many transactions and calculations, for which the ultimate tax determination is uncertain. The Company and Group recognise liabilities for anticipated tax audit issues, based on estimates of whether additional taxes will be due. Where the final outcome of tax matters is different from the amounts that were initially recorded, such differences will have an impact on the tax provisions in the periods in which the determination is made. The Group received a number of additional tax assessments from the Tanzania Revenue Authority. Details of these are included under note 34 and 39 to the financial statements.

Based on the advice from tax expert, the Directors have exercised significant judgement in concluding whether liability will crystalize from the tax assessments. As disclosed in Note 34 of the financial statements, some of these amounts have not been taken into account by Directors in preparation of the Group and Company financial statements.

(ii) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2 (f) (i). The recoverable amounts of cash-generating units

(CGU) have been determined based on the enterprise value, using the quoted share price at the Dar es Salaam Stock Exchange (DSE), adjusted for net debts. The fair value less cost to sales clear beer segment as at 31 December 2023 was estimated at TZS 2,708,627 million (December 2022: TZS 2,823,410 million). The recoverable amount calculated based on fair value less cost to sales exceeded carrying value by TZS 2,009,588 million. (December 2022: TZS 2,232,233 million). Refer to note 16 for sensitivity analysis disclosures of the key assumptions used in goodwill impairment assessment of the clear beer segment.

(iii) Property, plant and equipment

The determination of the useful economic life and residual values of property, plant and equipment is subject to management estimation. The Group and Company regularly reviews all of its depreciation rates and residual values to take account of any changes in circumstances, and any changes that could affect prospective depreciation charges and asset carrying value.

Container in the market are estimated using time in the market (TiM). Determined using average days that the container will stay in the market before returned to the Company. Minimum of days been determined to be 40 days sales of containers. The assessment is done quarterly, and appropriate adjustment is determined.

(iv) Defined pension benefit

The present value of the retirement benefit plan depends on a number of factors that are determined in an actuarial basis using assumptions of discount rate, salary escalation rate, mortality rates, invalidity rates and withdrawal rates. Any changes in these assumptions will impact the carrying amount of obligations. The assumptions used in determining the net cost for pensions include the discount rate. Other key assumptions for pension obligations are based in part on current market conditions. Refer to note 28 for the risk exposure and sensitivity analysis.

(v) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed to Note 4.1.

(vi) Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For the leases of office space, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group and Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the Group and Company did not exercise the extension option in the accounting for leases.

(vii) Impairment of the investment in subsidiaries

The impairment assessment of the investment in subsidiaries is based on assumptions about recoverability risk of the investment. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Further, in assessing impairment, significant assumptions are applied on estimation of the future cashflows, timing of cashflows and discount rate.

Management has assessed that the carrying value of the investment in subsidiaries as at 31 December as recorded in the financial statements is not impaired.

Details of the key assumptions and inputs used are disclosed in the tables above. under Note 17 to the financial statements.

4 Financial risk management

4.1 Financial risk factors

The Group's and Company's activities expose them to a variety of financial risks including: market risk (including foreign exchange, interest rate and price risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the management on behalf of the Board of Directors.

Market risk

(i) Foreign exchange risk

The Group and Company import raw materials, capital equipment and services and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Euro and SA Rand. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies, and foreign exchange deals with banks for near future maturing obligations. To mitigate the foreign currency concentration risk the foreign currency obligations are spread over a period of time thus the Group and Company is able to manage cashflows.

The tables below set out the Group's currency exposures from financial assets and liabilities held by the Group in currencies other than their functional currencies and resulting in exchange movements in profit or loss and statement of financial position.

GROUP

Million Tanzania Shillings	Exposure in ZAR	Exposure in US$	Exposure in Euro	Exposure in KES	Total exposure in foreign currencies
31 December 2023					
Financial assets/(liabilities)					
Cash and cash equivalents	43,275	47,010	3,997	-	94,282
Trade and other receivables	-	643	492		1,135
Trade and other payable	(8,072)	(70,502)	(17,300)	(4,533)	(100,407)
Total exposure in foreign currencies	**35,203**	**(22,849)**	**(12,811)**	**(4,533)**	**(4,990)**
31 December 2022					
Financial assets/(liabilities)					
Cash and cash equivalents	1,508	9,534	9,798	-	20,840
Trade and other receivables	-	1,916	-	-	1,916
Trade and other payable	(2,257)	(62,799)	(12,683)	(4,601)	(82,340)
Total exposure in foreign currencies	**(749)**	**(51,349)**	**(2,885)**	**(4,601)**	**(59,584)**

COMPANY

Million Tanzania Shillings	Exposure in ZAR	Exposure in US$	Exposure in Euro	Exposure in KES	Total exposure in foreign currencies
31 December 2023					
Financial assets/(liabilities)					
Cash and cash equivalents	**43,202**	**43,219**	**3,902**	**-**	**90,323**
Trade and other receivables	**-**	**643**	**492**	**-**	**1,135**
Trade and other payable	**(5,349)**	**(66,961)**	**(16,384)**	**(4,533)**	**(93,227)**
Total exposure in foreign currencies	**37,853**	**(23,099)**	**(11,990)**	**(4,533)**	**(1,769)**
31 December 2022					
Financial assets/(liabilities)					
Cash and cash equivalents	1,365	8,436	9,835	-	19,636
Trade and other receivables	-	958	-	-	958
Trade and other payable	(1,884)	(50,686)	(12,423)	(4,601)	(69,594)
Total exposure in foreign currencies	(519)	(41,292)	(2,588)	(4,601)	(49,000)

At 31 December 2023, if the Tanzania shilling (TZS) had weakened/strengthened by 10% (December 2022: 10%) against the US dollar with all other variables held constant, Group's post-tax profit for the year would have been lower/higher by TZS 1,599 million (December 2022: TZS 3,594 million) and the Company's post-tax profit for the year by TZS 1,617 million (December 2022: TZS 2,890 million), mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated cash and cash equivalents, trade receivables and trade and other payable.

At 31 December 2023, if the Tanzania shilling (TZS) had weakened/strengthened by 10% (December 2022: 10%) against the Euro with all other variables held constant, Group's post-tax profit for the year would have been lower/higher by TZS 897 million (December 2022: TZS 202 million) and Company's post-tax profit for the year by TZS 839 million (December 2022: TZS 181 million), mainly as a result of foreign exchange gains/losses on translation of Euro-denominated cash and cash equivalents and trade and other payable.

At 31 December 2023, if the Tanzania shilling (TZS) had weakened/strengthened by 10% (December 2022: 10%) against the SA Rand with all other variables held constant, Group's post-tax profit for the year would have been lower/higher by TZS 2,464 million (December 2022: TZS 52 million) and Company's by TZS 2,650 million (December 2022: TZS 36 million), mainly as a result of foreign exchange losses/gains on translation of SA Rand-denominated cash and cash equivalents and trade and other payable.

At 31 December 2023, if the Tanzania shilling (TZS) had weakened/strengthened by 10% (December 2022: 10%) against the Kenyan Shillings (KES) with all other variables held constant, Group's post-tax profit for the year would have been lower/higher by TZS 317 million (December 2022: TZS 322 million) and Company's by TZS 317 million (December 2022: TZS 322 million), mainly as a result of foreign exchange losses/gains on translation of KES denominated cash and cash equivalents and trade and other payable.

(ii) Cash flow and fair value interest rate risk

The Group's and Company's interest-bearing financial liabilities include its bank overdrafts and term loans, some of which are at a variable rate, and on which it is therefore exposed to cash-flow interest rate risk. The Group and Company regularly monitor financing options available to ensure optimum interest rates are obtained. There was no significant impact on the interest on financial liabilities.

(iii) Price risk

The Group and Company exposure to price risk is considered negligible both to the Group and Company.

Credit risk

Credit risk arises from cash and cash equivalents, and credit exposures to customers, including outstanding receivables. These are carried at amortised costs.

The Company is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

Credit risk is managed by the Credit Manager. Credit risk arises from cash at bank and short-term deposits with banks, as well as trade and other receivables and derivatives. The Group or Company has no significant concentrations of credit risk. The Credit Manager assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. The Group and Company has Credit Committee responsible for overseeing credit risks.

The counterparties to the transactions relating to the Group's and Company's cash and cash equivalents are financial institutions with a strong financial standing. The Group manages the risk by banking with financial institutions assessed as financially strong. Management does not believe there is a significant risk of non-performance by these counterparties.

The Group and Company monitor receivables ensuring that all trade receivables are within their approved credit limits and no receivables have had their terms renegotiated.

The Group's and Company's maximum exposure to credit risk (for financial instruments subject to impairment) is made up as follows:

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Trade and other receivables	**67,591**	74,892	**70,945**	88,319
Bank balances (restricted and unrestricted)	**563,219**	399,869	**555,746**	389,650
	630,810	474,761	**626,691**	477,969

There is no independent credit rating for banks operating in Tanzania. However, the Group and Company's bankers are reputable local banks and subsidiaries of reputable international banks. The Group banks with the following banks: Stanbic Bank Tanzania Limited, Standard Chartered Bank Tanzania Limited, Citibank Tanzania Limited, NBC Bank Limited, CRDB Bank Plc and NMB Bank Plc.

All major credit customers are required to give collateral in the form of cash deposits or bank guarantees. Credit risk is managed by limiting the aggregate amount of exposure to any counterparty. The guarantees can be called upon if the counter party is in default under the terms of the agreement.

Collateral held comprises:

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Cash security	**37,271**	34,110	**30,925**	28,387
Bank guarantees and share certificates	**41,591**	37,469	**40,151**	36,869
	78,862	71,579	**71,076**	65,256

Impairment of financial assets

The Group and Company financial assets that are subject to impairment as per IFRS 9 using expected credit loss model. These financial assets include trade and other receivables and cash and cash equivalents.

The Group and Company apply the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and Company have identified the Growth Domestic Product (GDP) to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in GDP.

The Group and Company consider default customers with outstanding balances of more than 90 days. The loss rates are based on the historical loss rates of 3 years experiences. On that basis, the loss allowance differential as at 31 December 2023 was determined to be immaterial. Refer to below 31 December 2023 analysis of impairment provision as per IFRS 9.

GROUP

	0 - 30 days	30 - 60 days	60 - 90 days	90 - 180 days	180 - 360 days	Over 360	Total
31 December 2023							
Trade receivables	58,875	227	1,590	1,277	301	39,385	101,655
Loss rates	0.80%	8.30%	22.80%	39%	68.30%	98.40%	
Loss allowances	**471**	**19**	**363**	**498**	**206**	**38,810**	**40,367**
31 December 2022							
Trade receivables	64,567	1,181	495	388	497	39,686	107,018
Loss rates	0.8%	8.3%	22.8%	39%	68.3%	98.4%	
Loss allowances	**517**	**98**	**113**	**151**	**339**	**39,308**	**40,526**
Specific loss allowance	**-**	**-**	**-**	**-**	**-**	**-**	**403**
	517	**98**	**113**	**151**	**339**	**39,308**	**40,929**

The trade receivable category above comprises of major distributors that share the same risk characteristics.

It was assessed that a portion of the receivables is expected to be recovered.

COMPANY

	0 - 30 days	30 - 60 days	60 - 90 days	90 - 180 days	180- 360 days	Over 360	Total
31 December 2023							
Trade receivables	53,267	225	1,551	1,293	261	6,698	63,295
Loss rates	0.50%	7%	23.70%	40.30%	69.60%	98.54%	
Loss allowances	**266**	**16**	**368**	**521**	**182**	**6,597**	**7,950**
31 December 2022							
Trade receivables	59,534	1,165	244	402	228	7,759	69,332
Related parties trade receivable*	135	-	-	-	-	-	135
Loss rates	0.5%	7%	23.7%	40.3%	69.6%	98.4%	
Loss allowances	**298**	**82**	**58**	**162**	**159**	**7,631**	**8,390**

* This relates to receivable from sale of goods to a related entity. Other amounts due from related parties do not arise from trading activities and ECL as provided in note 20 is based on individual assessment taking into account the customer deposits and guarantees.

However, the Group and Company determined impairment provision based on ageing profile of its trade receivables with impairment provision considered for balances outstanding for more than 90 days, considering the securities and guarantee placed with the Group and Company. The Group and Company have considered that this is reflective of the expected credit losses and same does not result into material difference in comparison to the above assessment. The individually impaired receivables mainly relate to sale of goods and other receivables. The factors that were considered in assessing impairment for each customer's balance individually include:

(a) financial difficulties of a customer based on information obtained by the Credit controller;
(b) balances not paid for more than 90 days
(c) the impact of the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Below are balances impaired based on the above factors;

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Trade and other receivables	**40,929**	40,723	**8,390**	8,196
Related party receivables	**-**	-	**35,005**	35,005
Movements during the year: Charge/(release)	**(562)**	206	**(440)**	194
Total expected credit loss (ECL)	**40,367**	40,929	**42,955**	43,395

For movement of loss allowance for trade and other receivables refer to note 20. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the customer to meet the agreed payment plans and severe financial difficulties faced by the customer. This assessment is performed on a case-by-case basis.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The table below shows the availability of funding for the Group from banks and their related utilisation at the statement of financial position dates

	GROUP				COMPANY			
Million Tanzania Shillings	**Dec 2023**		Dec 2022		**Dec 2023**		Dec 2022	
Name of bank	**Credit limit**	**Utilised**	Credit limit	Utilised	**Credit limit**	**Utilised**	Credit limit	Utilised
Standard Chartered Bank Tanzania Limited								
Short terms loan/ overdraft	**25,000**	**-**	25,000	-	**25,000**	**-**	25,000	-

Treasury is under discussion with the other Banks to renew the expired facilities.

The table below analyses the Group's non-derivative financial liabilities and derivative financial liabilities which will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	GROUP		COMPANY	
Million Tanzania Shillings	**Within 1 year**	**Between 2 and 5 years**	**Within 1 year**	**Between 2 and 5 years**
At 31 December 2023				
Non-derivative financial liabilities				
Trade and other payable (excluding statutory and other non-financial liabilities)	**264,309**		**202,994**	
Lease liabilities	**8,012**	**5,341**	**7,102**	**4,928**
	272,321	**5,341**	**210,096**	**4,928**
Forward contracts – exchange rates	**7,947**	**-**	**7,947**	**-**

Liquidity risk

	GROUP		COMPANY	
Million Tanzania Shillings	**Within 1 year**	**Between 2 and 5 years**	**Within 1 year**	**Between 2 and 5 years**
At 31 December 2022				
Non-derivative financial liabilities				
Trade and other payable	231,474	-	328,898	-
Financial guarantee	100		100	
Lease liabilities	7,603	5,220	5,813	4,314
	239,077	**5,220**	**334,711**	**4.314**
Forward contracts – exchange rates	37		37	

The above exchange rates forward contract is not settled on net basis.

4.2. Capital management

The Group's and Company's objectives when managing capital are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, issue new capital or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

During the year ended 31 December 2023 the Group's and Company's strategy, which was unchanged from the prior year, was to maintain a gearing ratio of below 150%. The gearing ratio was zero during the year (2022: Nil) as the Group and Company did not have borrowings.

4.3. Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period.

- Level 2 - The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The Group and Company had no financial assets and liabilities that are measured at fair value at 31 December 2023.

The carrying value of trade receivables less impairment provision, borrowings and payables are assumed to approximate their fair value as the impact is not significant as this are short-term.

GROUP

	2023		2022	
Million Tanzania Shillings	**Total fair values**	**Total carrying value**	Total fair values	Total carrying value
31 December				
Trade and other receivables	**67,591**	**67,591**	78,668	78,668
Bank balances (restricted and unrestricted	**563,219**	**563,219**	399,869	399,869
Total assets	**630,810**	**630,810**	478,537	478,537
Trade and other payables	**264,309**	**264,309**	231,474	231,474
Lease liabilities	**14,933**	**14,933**	12,823	12,823
	279,242	**279,242**	244,297	244,297

COMPANY

	2023		2022	
Million Tanzania Shillings	**Total fair values**	**Total carrying value**	Total fair values	Total carrying value
31 December				
Trade and other receivables	**70,945**	**70,945**	79,257	79,257
Bank balances (restricted and unrestricted	**555,746**	**555,746**	389,650	389,650
Total assets	**626,691**	**626,691**	468,907	468,907
Trade and other payables	**202,994**	**202,994**	328,898	328,898
Lease liabilities	**13,467**	**13,467**	10,126	10,126
	216,461	**216,461**	339,024	339,024

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The valuation technique maximises the use of observable market data where it is available and rely as little as possible on the Group and Company's specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of forward foreign exchange contracts is determined using forward exchange rates (unobservable inputs) at the statement of financial position date, with the resulting value discounted back to present value.

There were no transfers between levels during the year.

5 Business segments information

The operating board have determined the operating segments based on reports reviewed by the board of directors that are used to make strategic decisions.

The operating board of directors considers the business from market and product perspectives. Market wise, management considers the main lines through which the Group derives its revenue. The Group is currently organised into two main operating divisions; – Beer and Wines and Spirits. The results of the opaque and asset management entity are immaterial hence have also been aggregated as part of the beer segment. The segment information provided by management for the reportable segments for the year ended 31 December 2023 and 31 December 2022 is as follows:

Segmental statement of profit or loss

Million Tanzania Shillings	Beer	Wines & Spirits	(Eliminations)/ Consolidation	Total Group
December 2023				
Revenue				
Local	1,052,528	205,240	-	1,257,768
Exports	319	14,167	-	14,486
Total revenue from external customers	1,052,847	219,407	-	**1,272,254**
Operating profit	167,596	56,488	-	224,084
Finance income/(cost) (net)	(7,852)	2,452	-	(5,400)
Profit before tax	159,744	58,940	-	218,684
Income tax expense	(58,331)	(16,893)	-	(75,224)
Profit for the period	101,413	42,047	-	**143,460**
Depreciation, amortisation and breakages	93,138	4,517	-	97,655
Employee benefit	78,894	6,403	-	85,297
Excise duty	287,074	64,171	-	351,245
Raw material used	254,514	74,068	-	328,582

Segment assets, liabilities and capital expenditure

Million Tanzania Shillings	Beer	Wines & Spirits	Eliminations/ consolidation	Total Group
December 2023				
Assets				
Investments	45,108	-	(45,020)	88
Other non-current assets	468,920	40,607	39,630	549,157
Current assets	722,070	222,007	(168,777)	775,300
	1,236,098	262,614	(174,167)	1,324,545
Liabilities and equity				
Current liabilities	524,814	79,084	(168,777)	435,121
Non-current liabilities	11,232	533	-	11,765
Owner's equity	705,319	182,997	(63,915)	824,401
Non-controlling interest	(10,657)	-	63,915	53,258
	1,230,708	262,614	(168,777)	1,324,545

Capital expenditure

Million Tanzania Shillings	Beer	Wines & Spirits	Eliminations/ consolidation	Total Group
December 2023				
Property, plant and equipment	**(85,103)**	**(2,427)**		**(87,530)**

Statement of cash flows

Million Tanzania Shillings	Beer	Wines & Spirits	Eliminations/ consolidation	Total Group
December 2023				
Operating activities	245,186	(2,920)	4,393	246,543
Investing activities	(56,801)	1,935	(4,393)	(59,259)
Financing activities	(12,277)	(1,685)	-	(13,962)
Net decrease in cash and cash equivalents	176,108	(2,786)	-	173,322
Cash and cash equivalents at the beginning of the period	351,369	10,200		361,569
Exchange loss on cash	(10,088)	116	-	(9,972)
Cash and cash equivalents at the end of the period	**517,389**	**7,530**	**-**	**524,919**

Segmental statement of profit or loss

Million Tanzania Shillings	Beer	Wines & Spirits	(Eliminations)/ consolidation	Total Group
December 2022				
Revenue				
Local	963,693	153,535	-	**1,117,228**
Exports	776	21,444	-	**22,220**
Total revenue from external customers	964,469	174,979	-	**1,139,448**
Operating profit	178,478	39,060	-	**217,538**
Finance income/(cost) (net)	(4,005)	981	-	**(3,024)**
Profit before tax	174,473	40,041	-	**214,514**
Income tax expense	(49,462)	(11,681)	-	**(61,143)**
Profit for the period	125,011	28,360	-	**153,371**
Depreciation, amortisation and breakages	88,007	4,052	-	**92,059**
Employee benefit	52,218	4,902	-	**57,120**
Excise duty	250,198	48,539	-	**298,737**
Raw material used	221,406	66,956	-	**288,362**

Segment assets, liabilities and capital expenditure

Million Tanzania Shillings	Beer	Wines & Spirits	Eliminations/ consolidation	Total Group
December 2022				
Assets				
Investments	45,108	-	(45,020)	**88**
Other non-current assets	424,019	40,129	39,630	**503,778**
Current assets	522,508	176,722	(80,395)	**618,835**
	991,635	**216,851**	**(85,785)**	**1,122,701**
Liabilities and equity				
Current liabilities	385,366	74,437	(80,395)	**379,408**
Non-current liabilities	7,658	922	-	**8,580**
Owner's equity	597,873	141,492	(43,231)	**696,134**
Non-controlling interest	(4,652)	-	43,231	**38,579**
	986,245	**216,851**	**(80,395)**	**1,122,701**

Capital expenditure

December 2022				
Property, plant and equipment	**78,283**	**4,067**	**-**	**82,350**

Statement of cash flows

December 2022				
Operating activities	296,502	(4,492)	(2,529)	289,481
Investing activities	(70,673)	(1,538)	2,529	(69,682)
Financing activities	(81,371)	(1,494)	-	(82,865)
Net decrease in cash and cash equivalents	144,458	(7,524)	-	136,934
Cash and cash equivalents at the beginning of the period	206,911	17,724		224,635
Cash and cash equivalents at the end of the period	**351,369**	**10,200**	**-**	**361,569**

The elimination relates to management fees from its subsidiary, Tanzania Distilleries Limited.
There were no revenues deriving from transactions with a single external customer that amounted to 10% or more of the Group's and Company's revenues.

6 Revenue

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec-2023**	Dec-2022	**Dec-2023**	Dec-2022
Sale of goods – Local	**1,257,768**	1,117,228	**1,052,528**	963,693
Sale of goods – Export	**14,486**	22,220	**319**	776
	1,272,254	1,139,448	**1,052,847**	964,469

- Segment revenue is disclosed to Note 5.
- Trade receivables from contract with customers are disclosed in Note 20.
- All revenue is recognised at a point in time

7 Expenses by nature

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec-2023**	Dec-2022	**Dec-2023**	Dec-2022
Cost of sales	**836,419**	690,942	**687,773**	570,222
Selling and distribution costs	**114,580**	139,839	**103,440**	129,732
Administrative expenses	**75,610**	73,322	**73,470**	71,219
	1,026,609	904,103	**864,683**	771,173
Classified by nature as follows:				
Excise duty	**351,245**	298,737	**287,074**	250,198
Raw materials used	**328,582**	267,448	**254,513**	204,963
Electronic Tax stamp	**21,050**	21,695	**18,277**	19,049
Transport and vehicle running costs	**40,600**	35,329	**35,788**	32,183
Property, Plant and Equipment Depreciation	**85,974**	81,320	**82,815**	77,729
Right of use asset depreciation	**10,066**	9,857	**8,721**	8,524
Amortisation of intangible assets	**1,139**	910	**884**	910
Breakages of container	**475**	603	**474**	603
Royalties	**15,925**	14,036	**15,925**	14,036
Employee benefits expense (Note 8)	**85,297**	82,034	**79,024**	75,227
Marketing,sales and promotion costs	**20,053**	20,185	**18,242**	18,301
Vehicles fuel	**1,666**	1,963	**1,849**	2,245
Other operating costs	**19,599**	19,706	**16,480**	18,278
Maintenance	**11,040**	14,242	**10,830**	13,016
Managerial, technical and administrative fees	**33,437**	35,541	**33,437**	35,541
Audit fees	**461**	497	**350**	370
	1,026,609	904,103	**864,683**	771,173

Other operating costs include general utilities costs, system application licences, communications, insurances, write-off of materials and finished goods and general administration and operating costs.

8 Employee benefits expense

Wages, salaries and other benefits	**79,652**	75,195	**73,745**	69,021
Retirement benefit costs (defined contribution plans)	**5,507**	6,742	**5,149**	6,115
Defined benefit plan (Note 28)	**138**	97	**130**	91
	85,297	82,034	**79,024**	75,227

9 Other expenses

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec-2022	**Dec 2023**	Dec-2022
Gain on disposal of property, plant and equipment	**682**	-	**680**	-
Sundry expenses*	**(27,057)**	(12,290)	**(24,649)**	(10,977)
Impairement write back/(provision) – Plant and Equipment**	**5,376**	(8,129)	**3,550**	(6,668)
	(20,999)	(20,419)	**(20,419)**	(17,645)

* Sundry expenses comprise of write-off for indirect and direct taxes not claimable and other one-off costs.

** During the year, Management write-on against prior year's impairment balance an adjustment relating to depreciation charge for the impaired assets with net book value of zero.

10 Finance income and (costs)

Finance income				
Interest income on bank balances and fixed deposit	**27,564**	12,668	**27,547**	12,618
Finance costs				
Foreign exchange loss	**(29,672)**	(9,161)	**(28,329)**	(8,130)
Interest on defined benefit	**(320)**	(264)	**(300)**	(229)
Interest expense on payables	**-**	(250)	**-**	(247)
Interest expenses on lease liability	**(2,345)**	(2,627)	**(1,989)**	(2,096)
Interest expenses on current account with related parties	**(627)**	-	**(531)**	-
Interest expenses on current account with subsidiaries	**-**	(984)	**(4,251)**	(3,514)
Net finance costs	**(32,964)**	(13,286)	**(35,400)**	(14,216)

11 Income tax expense

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec-2022	**Dec 2023**	Dec-2022
Current income tax (Note 31)				
- Current tax on profit for the year	**72,215**	75,718	**55,771**	63,285
- Adjustments in respect of prior years*	**4,878**	101	**4,480**	19
Deferred income tax (Note 27)				
- Current year charge on profit for the year	**(4,167)**	(10,266)	**(5,909)**	(9,890)
- Adjustments in respect of prior years	**2,298**	4,410	**4,846**	3,954
Income tax expense	**75,224**	61,143	**59,188**	49,460

The tax on the profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec-2022	**Dec 2023**	Dec-2022
Profit before income tax	**218,684**	214,514	**159,453**	174,247
Tax calculated at a rate of 30%	**65,605**	64,354	**47,836**	52,274
Expenses not allowable for tax purposes	**2,534**	1,165	**2,026**	1,121
Adjustment to tax in respect of prior periods	**7,176**	(4,309)	**9,326**	(3,935)
Deferred tax asset not recognised	**(91)**	(67)	**-**	-
Income tax expense	**75,224**	61,143	**59,188**	49,460

* The adjustments in respect of prior years represents under provision of current income tax balances in the prior year relating to management assessment of tax assessments received.

12 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec-2022	**Dec 2023**	Dec-2022
Net profit attributable to ordinary shareholders	**128,790**	143,605	**99,726**	124,492
Outstanding shares in issue [Note 23]	**295**	295	**295**	295
Basic earnings per share (TZS per share)	**437**	487	**338**	422

	Dec-2023	Dec-2022
Group		
Net profit attributable to ordinary shareholders (TZS'000)	**128,789,950**	143,605,400
Outstanding shares in issue (000's) [Note 23]	**295,056**	295,056
Basic earnings per share (TZS per share)	**437**	487

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Dec-2023	Dec-2022
Net profit attributable to shareholders (TZS'000)	**128,789,950**	143,605,400
Weighted average number of shares for diluted earnings per share (000's)	**295,056**	295,056
Diluted earnings per share (TZS per share)	**437**	487

13 Dividends

There were no Dividend declared during the year ended 31 December 2023.

December 2022 **Million Tanzania Shillings**	**Company**	**Group**	**Dividend per share TZS/Share**
Dividend declared	(85,566)	(85,566)	290

Dividend of TZS 290 per share amounting to TZS 85,566 million was approved by the board of directors of the Company and ratified by the shareholders for the year ended 31 December 2022 and TZS 72,478 million was paid during the year. Unpaid dividend as at 31 December 2023 TZS 19,378 million (2022: TZS 20,137 million).

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14 Property, plant and equipment

GROUP Million Tanzania Shillings	Land and buildings	Plant and machinery	Furniture and equipment	Vehicles	Containers	Capital work in progress	Total
Year ended 31 December 2023							
Opening net book value	**53,547**	**273,949**	**22,559**	**5,729**	**47,889**	**34,962**	**438,635**
Additions	-	-	-	-	175	87,355	87,530
Transfers	8,020	48,467	5,711	-	36,329	(98,527)	-
Write-On	-	-	-	-	34,917	116	35,033
Impairments	-	5,872	-	-	1,542	-	7,414
Container breakages and write-down	-	-	-	-	(475)	-	(475)
Depreciation charge	(5,342)	(42,846)	(7,839)	(2,214)	(27,733)	-	(85,974)
Closing net book value	**56,225**	**285,442**	**20,431**	**3,515**	**92,644**	**23,906**	**482,163**
At 31 December 2023							
Cost	125,314	792,018	121,664	42,584	287,623	23,906	1,393,109
Accumulated depreciation	(69,089)	(506,576)	(101,233)	(39,069)	(194,979)	-	(910,946)
Net book value	**56,225**	**285,442**	**20,431**	**3,515**	**92,644**	**23,906**	**482,163**

Container breakages and write-down

Container breakages and write down amount to TZS 1,542 relates to actual value of containers that were damaged in use and an estimate of containers damaged while in customers' hands.

* During the year, Management write-on against prior year's impairment balance an adjustment relating to depreciation charge for the impaired assets with net book value of zero.

GROUP Million Tanzania Shillings	Land and buildings	Plant and machinery	Furniture and equipment	Vehicles	Containers	Capital work in progress	Total
Year ended 31 December 2022							
Opening net book value	**56,318**	**309,974**	**24,820**	**7,556**	**30,624**	**17,045**	**446,337**
Additions	-	-	-	-	-	82,350	82,350
Transfers	2,170	15,952	5,278	644	40,389	(64,433)	-
Impairments	-	(8,129)	-	-	-	-	(8,129)
Container breakages and write-down	-	-	-	-	(603)	-	(603)
Depreciation charge	(4,941)	(43,848)	(7,539)	(2,471)	(22,521)	-	(81,320)
Closing net book value	**53,547**	**273,949**	**22,559**	**5,729**	**47,889**	**34,962**	**438,635**
At 31 December 2022							
Cost	117,294	737,679	115,953	42,584	215,135	34,962	1,263,607
Accumulated depreciation	(63,747)	(463,730)	(93,394)	(36,855)	(167,246)	-	(824,972)
Net book value	**53,547**	**273,949**	**22,559**	**5,729**	**47,889**	**34,962**	**438,635**

* The impairment charge relates to write down of the plant and machinery item used in the production of a discontinued product to its recoverable amount.

14 Property, plant and equipment (continued)

COMPANY Million Tanzania Shillings	Land and buildings	Plant and machinery	Furniture, equipment	Vehicles	Containers	Capital work in progress	Total
Year ended 31 December 2023							
Opening net book value	**44,840**	**258,010**	**20,311**	**5,569**	**46,526**	**33,270**	**408,526**
Additions				-	175	84,928	85,103
Transfers	7,344	45,483	5,514	-	36,329	(94,670)	-
Write-On	-	-	-	-	35,385	-	35,385
Write-Off	-	-	-	-	-	(975)	(975)
Impairments	-	4,096	-	-	1,542	-	5,638
Container breakages and write-down	-	-	-	-	(475)	-	(474)
Depreciation charge	(4,858)	(40,535)	(7,609)	(2,110)	(27,703)	-	(82,815)
Closing net book value	**47,326**	**267,054**	**18,216**	**3,459**	**91,780**	**22,553**	**450,388**
At 31 December 2023							
Cost	111,248	751,158	111,404	25,021	277,588	22,553	1,298,972
Accumulated depreciation	(63,922)	(484,104)	(93,188)	(21,562)	(185,808)	-	(848,584)
Net book value	**47,326**	**267,054**	**18,216**	**3,459**	**91,780**	**22,553**	**450,388**

COMPANY Million Tanzania Shillings	Land and buildings	Plant and machinery	Furniture, equipment	Vehicles	Containers	Capital work in progress	Total
Year ended 31 December 2022							
Opening net book value	47,490	296,706	22,440	7,276	29,489	11,292	414,693
Additions	-	-	-	-	-	78,833	78,833
Transfers	1,784	9,404	4,933	644	40,090	(56,855)	-
Impairments*	-	(6,668)	-	-	-	-	(6,668)
Container breakages and write-down	-	-	-	-	(603)		(603)
Depreciation charge	(4,434)	(41,432)	(7,062)	(2,351)	(22,450)		(77,729)
Closing net book value	**44,840**	**258,010**	**20,311**	**5,569**	**46,526**	**33,270**	**408,526**
At 31 DECEMBER 2022							
Cost	103,904	703,023	106,468	28,536	204,631	33,270	1,179,832
Accumulated depreciation	(59,064)	(445,013)	(86,157)	(22,967)	(158,105)	-	(771,306)
Net book value	**44,840**	**258,010**	**20,311**	**5,569**	**46,526**	**33,270**	**408,526**

Container breakages and write-down

Container breakages and write down relates to actual value of containers that were damaged in use and an estimate of containers damaged while in customers' hands.

* The impairment charge relates to write down of the plant and machinery item used in the production of a discontinued product to its recoverable amount.

15 Right of use assets and lease liabilities

	GROUP		COMPANY	
Million Tanzania Shillings	**2023**	2022	**2023**	2022
Right of use assets				
Opening balance	**9,068**	12,051	**7,669**	9,474
Additions	**13,302**	6,874	**12,326**	6,719
Depreciation charge	**(10,066)**	(9,857)	**(8,721)**	(8,524)
At 31 December	**12,304**	9,068	**11,274**	7,669
Lease liabilities				
Opening balance	**10,910**	14,423	**8,672**	10,846
Additions	**13,302**	6,874	**12,326**	6,719
Interest accrued	**2,344**	2,627	**1,989**	2,096
Payments during the year				
Interest	**(2,345)**	(2,627)	**(1,989)**	(2,096)
Principal amount	**(10,860)**	(10,387)	**(8,968)**	(8,893)
At 31 December	**13,355**	10,910	**12,028**	8,672

Lease liability is classified as

	GROUP		COMPANY	
Million Tanzania Shillings	**2023**	2022	**2023**	2022
Current	**8,012**	6,247	**7,100**	4,782
Non-current	**5,342**	4,663	**4,928**	3,890
	13,354	10,910	**12,028**	8,672

16 Intangible assets

	GROUP			Company
Million Tanzania Shillings	**Goodwill**	**Software**	**Total**	**Software**
Year ended 31 December 2023				
Opening net book value	**39,630**	**4,205**	**43,835**	**4,096**
Amortisation charge	-	(1,139)	(1,139)	(884)
Closing net book value	**39,630**	**3,066**	**42,696**	**3,212**
At 31 December 2023				
Cost	39,630	19,211	58,841	18,480
Accumulated amortisation	-	(16,145)	(16,145)	(15,268)
	39,630	**3,066**	**42,696**	**3,212**
Year ended 31 December 2022				
Opening net book value	**39,630**	**5,115**	**44,745**	**5,006**
Additions	-	-	-	-
Amortisation charge	-	(910)	(910)	(910)
Closing net book value	**39,630**	**4,205**	**43,835**	**4,096**
At 31 December 2022				
Cost	39,630	19,211	58,841	18,480
Accumulated amortisation	-	(15,006)	(15,006)	(14,384)
	39,630	**4,205**	**43,835**	**4,096**

Goodwill represents expected synergies from different beverage categories. The carrying amounts of the intangible assets approximate their recoverable amounts. The goodwill arose from acquisition of Kibo Breweries Limited. The carrying amount of goodwill is TZS 39,630 million (Dec 2022: TZS 39,630 million).

The recoverable amount of all CGUs has been determined based on enterprise value using the quoted share price, adjusted for net debt and minorities. Allocation of recoverable value to clear beer segment was based on the volume contribution.

At a market share price of TZS 10,900 (December 2022: TZS 10,900), the recoverable amount calculated based on enterprise value exceeded carrying value by TZS 2,009,588 million. (December 2022: TZS 2,232,233 million). As at 31 December 2023, no impairment was identified (2022: Nil).

Sensitivity analysis:

Below is the impact of changes in key assumptions used in determining value in use of the goodwill for the clear beer segment.

Factors applied **Million Tanzania Shillings**	**% change (-/+)**	**Impact to recoverable amount 31 Dec 2023**	Impact to recoverable amount 31 Dec 2022
Share price based on block trading arrangement		**1,625,024**	1,589,925
Volume contribution	10%	**(270,863)**	(282,450)
Changes in net debt	10%	**(51,790)**	(36,809)
Impact on net assets	10%	**(71,836)**	(47,027)

17 Investments

	GROUP		COMPANY	
	Dec-2023	Dec-2022	**Dec-2023**	Dec-2022
(a) Investment in subsidiaries				
Kibo Breweries Limited	**-**	-	**42,414**	42,414
Darbrew Limited	**-**	-	**-**	-
Tanzania Distilleries Limited	**-**	-	**2,606**	2,606
		-	**45,020**	45,020
(b) Other equity investments				
Mountainside Farms Limited (4%)	**88**	88	**88**	88
	88	88	**45,108**	45,108

Kibo Breweries Limited
Kibo Breweries remained dormant throughout the year. Management continues to upgrade the production facility of the entity and it expect the malting plant to be completed in the year 2024.

During the year, management performed an impairment assessment of its investment in Kibo Breweries Limited. No impairment allowance was recognised (2022: Nil).

The impairment assessment was made with the following significant assumptions:
- The assessment was performed covering 10 years taking into account the investor's longer-term view.
- Discount rate 19.9% (2022: 15.3%)

- Plant maximum production capacity of 8,000 million tones (mt) in the year 2024
- Excise duty for import and locally produce barley will not change during the period of assessment.
- Inflation rate of 4% will not change during the period of the impairment assessment.

Based on sensitivity analysis performed, if the period of impairment was 5 years lower, the maximum production capacity lower by 10% and the import and locally produce excise duty for barley will increase by 10% from year 4 of the assessment, the recoverable amount of the investment would have been TZS. 53,091 million.

Darbrew Limited
Darbrew Limited remained dormant operation, and as of 31 December 2023, the subsidiary was held for sale (discontinued operations). Related disclosures are included in the Note 37 of the financial statements.

Set out below are the Company's principal subsidiaries at 31 December 2023. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Company and the proportion of ownership interests held equals to the voting rights held by Company. The country of incorporation is also their principal place of business.

Name of undertaking	**Nature of business**	**Country of incorporation**	**% of ownership held by NCI**		**% of ownership held by Company**	
			Dec-2023	Dec-2022	**Dec-2023**	Dec-2022
Tanzania Distilleries Limited	Manufacturer of spirituous liquor	Tanzania	35%	35%	65%	65%
Darbrew Limited	Manufacturer of Opaque beer	Tanzania	40%	40%	60%	60%
Kibo Breweries Limited	Rental of assets to related parties	Tanzania	-	-	100%	100%

Set out below is the summarised financial information for each of the two subsidiaries, Tanzania Distilleries Limited and DarBrew Limited.

Summarised statement of financial position

	TANZANIA DISTILLERIES LIMITED		DARBREW LIMITED	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Current				
Assets	224,112	175,334	725	801
Liabilities	(79,090)	(73,047)	(32,865)	(33,068)
Total net current assets/(liabilities)	**145,022**	102,287	**(32,140)**	(32,267)
Non-Current				
Assets	40,304	40,129	**2,736**	2,968
Liabilities	(533)	(922)	**-**	-
Total non - current net assets	**39,771**	39,207	**2,736**	2,968
Net assets/(liabilities)	**184,793**	141,494	**(29,404)**	(29,299)

Summarised statements of profit or loss and other comprehensive income:

	TANZANIA DISTILLERIES LIMITED		DARBREW LIMITED	
Million Tanzania Shillings	**31 - Dec 2023**	31- Dec 2022	**31 Dec 2023**	31 Dec 2022
Revenue	**219,407**	174,979	**-**	-
Profit/(loss) before income tax	58,530	40,041	**(116)**	(401)
Income tax expense	(14,835)	(11,681)		-
Profit/(loss) after tax	**43,695**	28,360	**(116)**	(401)
Other comprehensive income				
Re-measurement loss on defined benefit	**25**	(27)	-	-
Total comprehensive income for the year	**43,720**	28,333	**(116)**	(401)
Allocated to Non- controlling interest	**15,302**	9,916	**(46)**	(160)

Summarised statement of cash flows

	TANZANIA DISTILLERIES LIMITED		DARBREW LIMITED	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Net cash used operations	**(2,920)**	(4,492)	**(75)**	(129)
Net cash used in investing activities	**1,935**	(1,538)	**-**	-
Net cash used in financing activities	**(1,685)**	(1,494)	**-**	-
Net cash decrease in cash and cash equivalents	**(2,670)**	(7,524)	**(75)**	(129)
Cash and cash equivalents at start of the year	**10,200**	17,724	**18**	147
Cash and cash equivalents at end of the year	**7,530**	10,200	**(57)**	18

18 Derivative financial instruments

Forward contracts

The Group and Company as at the year had forward contract with Citibank for exchange of Tanzanian Shillings with Euro expiring January 2024. The notional amount was TZS 7,947 million (2022: TZS 37 million).

19 Inventories

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec-2023**	Dec-2022	**Dec-2023**	Dec-2022
Raw materials	**70,426**	61,834	**58,539**	47,467
Consumable stores and spares	**29,054**	31,307	**27,195**	29,332
Work in progress	**7,435**	5,792	**7,697**	6,054
Finished goods	**13,945**	24,693	**10,299**	15,668
	120,860	123,626	**103,730**	98,521
Less: Provision for impairment losses	**(8,406)**	(8,157)	**(7,758)**	(7,416)
	112,454	115,469	**95,972**	91,105

The cost of inventories recognised as an expense and included in 'cost of sales' in the Group's profit or loss amounted to TZS 369,170 million (Dec 2022: TZS 347,672 million). Similarly, this amounts to TZS 265,118 million (Dec 2022: TZS 253,991 million) in the Company's statement of profit or loss and other comprehensive income.

Impairment losses comprises of finished goods and raw materials that are deemed not fit for the production or sales, and include spare parts that have not been used for more than 5 years.

20 Trade and other receivables

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec-2023**	Dec-2022	**Dec-2023**	Dec-2022
Trade receivables	**101,655**	107,018	**63,295**	69,332
Less: Losses allowance	**(40,367)**	(40,929)	**(7,950)**	(8,390)
Trade receivables-net	**61,288**	66,089	**55,345**	60,942
Staff advances and loans	**405**	602	**405**	615
Due from related parties (Note 36 (iv))	**436**	888	**47,631**	52,343
Less: Losses allowance *	**-**	-	**(35,005)**	(35,005)
Due from related parties - Net	**436**	888	**12,626**	17,338
Other receivables**	**25,423**	28,108	**17,683**	15,219
Prepayments	**11,785**	7,810	**8,667**	5,682
	99,337	103,497	**94,726**	99,796

* Impairment provision related to balance due from a subsidiary, Darbrew Limited.
** Other receivables comprise of tax deposits and other sundry debtors.

The Expected credit losses movement during the year is as follows:

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec-2023**	Dec-2022	**Dec-2023**	Dec-2022
At the biggening of the year	**40,929**	40,723	**43,395**	43,201
Movements during the year: Charge/(release)	**(562)**	206	**(440)**	194
At the end of the year	**40,367**	40,929	**42,955**	43,395
The above loss is distributed as follows				
• ECL relating to trade receivables	**40,367**	40,929	**7,950**	8,390
• ECL relating to related parties balances	**-**	-	**35,005**	35,005
	40,367	40,929	**42,995**	43,395

21 Bank and cash balances

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec-2023**	Dec-2022	**Dec-2023**	Dec-2022
Cash in hand	**-**	8	**-**	-
Cash at bank	**524,919**	361,561	**517,446**	351,350
Total cash and bank balances	**524,919**	361,569	**517,446**	351,350

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash and bank balances	**524,519**	361,569	**517,446**	351,350
Net cash and cash equivalents	**524,219**	361,569	**517,446**	351,350

22 Restricted bank balance

Balance at bank	**38,300**	38,300	**38,300**	38,300

Relate to bank balances with restriction imposed by Registration, Insolvency and Trusteeship Agency (RITA) and Commercial Court and other balance imposed by the High Court as a result ongoing litigation with a supplier. Therefore, the monies are not available for general and immediate use within the Group and Company.

23 Share capital

23.1 Ordinary share capital

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec-2023**	Dec-2022	**Dec-2023**	Dec-2022
Authorised, issued and fully paid: 295,056,063 ordinary shares of TZS 100 each	**29,506**	29,506	**29,506**	29,506
Share premium				
Share premium at the start and end of year	**45,346**	45,346	**45,346**	45,346

The Company has only one class of ordinary shares which carries no right to fixed income. There was no movement in the share premium of the Company during the period.

Share premium arose from further capital injection done in 2008 by SAB and acquisition of the East African Breweries Limited shares owned in TBL Plc in 2003.

The ownership structure is as set below;

23.2 Ownership structure

	Ordinary Shares	Ordinary Shares	**% holding**	% holding
	Dec 2023	Dec 2022	**Dec 2023**	Dec 2022
Resident shareholders:				
Parastatal Pension Fund (currently PSSSF)	**17,361,710**	16,081,710	**5.45**	5.45
National Health Insurance Fund	**4,854,370**	4,854,370	**1.65**	1.65
Unit Trust of Tanzania (all schemes)	**6,233,464**	4,716,052	**1.60**	1.60
National Social Security Fund	**1,200,624**	1,200,624	**0.41**	0.41
General Public	**19,972,331**	21,187,545	**7.24**	7.18
Total resident	**49,622,499**	48,040,301	**16.35**	16.29
Non-resident shareholders				
AB-InBev Africa BV	**188,693,282**	188,693,282	**63.95**	63.95
Others – non-resident foreigners	**56,740,282**	58,322,480	**19.70**	19.76
Total non-resident	**245,433,564**	247,015,762	**83.65**	83.71
Total ordinary shares in issue	**295,056,063**	295,056,063	**100.00**	100.00

24 Other reserves

GROUP **Million Tanzania Shillings**	**Hedging reserve**	**Other reserves**	**Total**
Year ended 31 December 2023			
At start and end of the year	**3**	**66,640**	**66,643**
Year ended 31 December 2022			
At start and end of the period	3	66,640	66,643
COMPANY			
Year ended 31 December 2023			
At start and end of the period	**43**	**66,640**	**66,683**
Year ended 31 December 2022			
At start and end of the period	43	66,640	66,683

Hedging reserve
The Group and the Company hedges anticipated cash flows mainly from purchase of raw materials, settling obligations dominated in foreign currency and capital expenditure.

The hedge accounting reserve represents the effective portion of changes in the fair value of the cash hedge (derivative); the ineffective portion is recognized immediately in profit or loss. All cash flow hedge activities are being facilitated centrally by the Company Treasury function, which has resulted in significant synergies and savings for the Company.

During the year, there was no hedging activities (December 2022: TZS Nil).

Other reserves
The other reserve represents the net balances from the dissolution of the trust fund in December 2017. At the time of dissolution, the trust carrying value was TZS 12,200 whereas the proceed from sale of treasury shares was TZS 78,840. A reserve of TZS 66,640 million is recorded under statement of changes in equity.

25 Non-controlling interest

Million Tanzania Shillings	Dec 2023	Dec 2022
35% of equity of Tanzania Distilleries Limited	**63,985**	49,190
40% of equity of Darbrew Limited	**(10,727)**	(10,611)
	53,258	38,579

Attributable during the year:

Million Tanzania Shillings	Dec 2023	Dec 2022
Attributable during the year:		
35% interest in the profit for the year of Tanzania Distilleries Limited	**14,716**	9,926
40% interest in the loss for the year of Dar Brew Limited	**(46)**	(160)
Re-measurement gain on defined benefit	**9**	(10)
	14,679	9,756

26 Net debt reconciliation

The Group and Company net debt includes lease liability. The reconciliation for lease liabilities is provided under Note 15 to the financial statements.

As at 31 December 2023, the Group and Company had security free overdraft facilities of TZS 25,000 million and TZS 18,000 million with Standard Chartered Tanzania Limited respectively. These facilities were not utilised as at the year end. The Group and Company did not have any other borrowings during the year.

27 Deferred income tax

(i) Deferred tax liabilities

Deferred income taxes are calculated on temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

GROUP

Deferred income tax liabilities Million Tanzania Shillings	Property, plant and equipment (PPE)	Other temporary differences	Hedge reserve and others	Total
At 1 January 2023	22,588	(21,091)	4	1,501
Credited to profit or loss	695	939	-	1,634
Credited to OCI	-	(231)	-	(231)
At 31 December 2023	**23,283**	**(20,383)**	**4**	**2,904**
At 1 January 2022	35,155	(19,688)	4	15,471
Charged to profit or loss	(12,567)	(1,277)	-	(13,844)
Charged to OCI	-	(126)	-	(126)
At 31 December 2022	**22,588**	**(21,091)**	**4**	**1,501**

(ii) Deferred income tax asset

GROUP

Deferred tax liabilities/(assets) **Million Tanzania Shillings**	**Property, plant and equipment (PPE)**	**Other temporary differences**	**Hedge reserve and others**	**Total**
At 1 January 2023	**3,351**	**(15,591)**	**-**	**(12,240)**
Credited to profit or loss	963	(727)	-	236
Credited to OCI	-	(10)	-	10
At 31 December 2023	**4,314**	**(16,308)**	**-**	**(11,994)**
At 1 January 2022	**3,639**	**(15,034)**	-	**(11,395)**
Charged to profit or loss	(288)	(545)	-	(833)
Charged to OCI	-	(12)	-	(12)
At 31 December 2022	**3,351**	**(15,591)**	**-**	**(12,240)**

The directors have assessed the appropriateness of the recognition of a deferred tax asset, taking account of current business plan and have concluded that it is appropriate to recognise a deferred tax asset in the current year because they are certain that the subsidiary will make sufficient taxable profits to utilise the tax losses in the foreseeable future.

Deferred tax asset of TZS. 472 million (Dec 2022: TZS. 346 million) has not been recognised for DarBrew due to uncertainty on when the company will have sufficient taxable profits to utilise the asset.

Company

Deferred income tax liabilities **Million Tanzania Shillings**	**Property, plant and equipment (PPE)**	**Other temporary differences**	**Hedge reserve and others**	**Total**
At 1 January 2023	**25,635**	**(22,382)**	**-**	**3,253**
Charged to profit or loss	695	(1,758)	-	(1,063)
Charged to OCI	-	(231)	-	(231)
At 31 december 2023	**26,330**	**(24,371)**	**-**	**1,959**
At 1 January 2022	**38,202**	**(20,980)**	**-**	**17,222**
Charged to profit or loss	(12,567)	(1,276)	-	(13,843)
Charged to OCI	-	(126)	-	(126)
At 31 December 2022	**25,635**	**(22,382)**	**-**	**3,253**

28 Employee benefit obligations

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
At start of year	**2,414**	1,630	**2,265**	1,560
- Current service cost	**138**	97	**130**	91
- Interest cost	**320**	264	**300**	229
Amount recognised to profit or loss	**458**	361	**430**	320
- Loss from change in assumptions	**992**	459	**1,010**	421
- Gain from change of experience	**(257)**	-	**(241)**	-
Amount recognised in other comprehensive income	**735**	459	**769**	421
Disbursements paid	**(88)**	(36)	**(66)**	(36)
At end of year	**3,519**	2,414	**3,398**	2,265

In addition to the statutory National Social Security Contribution, the Company has an unfunded non-contributory employee defined pension plan. The defined benefit plan was introduced as a result of negotiations between management and Tanzania Union of Industrial and Commercial Workers (TUICO) which is an association of the employees.

The entire defined pension benefit is presented as non-current on the face of financial position as the expected benefit to be paid in the next 12 month is considered by management as not material.

A summary of the provisions of this agreement for TBL employees are provided below:

- Benefit only accrues if the member has completed three years (or more) of service.
- Benefit is calculated as: Basic monthly salary x 0.5 x number of complete and continuous years worked.
- Benefit is payable upon: Normal retirement age of 60 years; Involuntary early retirement; Ill-health early retirement (with a minimum benefit of 12 month's basic wage); and Early retirement or resignation aged 55 or over.

Actuarial assumptions:

The significant actuarial assumptions were as follows:

	Dec 2023	Dec 2022
Discount rate	13.50% p.a	12.6% p.a
Salary escalation rate	6.5% p.a	6.5% p.a
Retirement age	60 years	60 years
Active members number	850 TBL	613 TBL
	75 TDL	65 TDL

Assumptions regarding future mortality are set based on actuarial advice in accordance with A1949/52 mortality table published by the Institute of Actuaries. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 60. See the table below;

Mortality rates per 1000 lives

Age	20	25	30	35	40	45	50	55	60
Male	1.11	1.12	1.16	1.32	1.88	3.30	5.99	10.35	0.00
Female	1.11	1.12	1.16	1.32	1.88	3.30	5.99	10.35	0.00

Risk exposure and sensitivity

Through its defined benefit pension plan the company is exposed to a number of risks. The most significant being changes in discount rates (which are set with reference to the Government of Tanzania bonds) and salary inflation.

Further, the actuarial valuation results are sensitive to the assumptions made with results being more sensitive to financial assumptions than the demographic assumptions. Particularly, the narrower the gap between the discount rate and the rate of salary escalation, the higher the value of the actuarial liabilities disclosed in the valuation.

Sensitivity analysis

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Increase in defined pension benefit due to 1% decrease in discount rate	**288**	93	**270**	85
Decrease in defined pension benefit due to 1% increase in discount rate	**(249)**	(89)	**(233)**	(81)
Increase in defined pension benefit due to 0.5% increase in future long-term salary assumption	**147**	100	**138**	91
Decrease in defined pension benefit due to 0.5% decrease in future long-term salary assumption	**(138)**	(94)	**(129)**	(86)

The sensitivity analysis above has been determined based on reasonable possible changes and assumptions remaining unchanged. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. The valuation was done by Willis Towers Watson, South Africa, the next valuation will be done in the year ending 31 December 2024.

29 Provisions for the other liabilities and charges

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
At start of the year	**26,405**	26,316	**6,750**	6,646
Movement during the year	**(840)**	89	**(839)**	104
At end of the year	**25,565**	26,405	**5,911**	6,750

As at 31 December 2023, the Group had pending legal cases and tax matters whereby the Company or its subsidiaries were defendants and other outstanding disputes for which the directors have considered it probable that the outcome will be unfavourable to the Group and could result into an estimated loss of TZS 25,565 million (Dec 2022: TZS 26,405 million).

According to the nature of such disputes the timing of settlement is uncertain. Contingent liabilities relating to litigations and other claims have been disclosed in Note 34.

30 Trade and other payables

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Trade payables	**115,158**	132,103	**96,611**	109,394
Deposits from customers	**37,271**	32,653	**30,925**	27,015
Dividends payable*	**19,378**	20,137	**19,378**	20,137
VAT payable	**11,946**	9,582	**10,603**	9,332
Excise duty payable	**32,055**	28,048	**25,973**	21,824
Payable to related parties (Note 36 (iv))	**55,920**	41,140	**240,468**	169,873
Container liability	**54,919**	13,895	**54,369**	13,895
Other payables and accrued expenses**	**74,897**	58,231	**62,599**	49,635
	401,544	335,789	**540,926**	421,105

* Dividend payable represents unclaimed dividends.

** Other payables and accrued expenses include staff related payable including trust distributions and other operating, productions and distribution accruals.

31 Current income tax liabilities

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
At start of the year	10,967	7,699	12,728	10,258
Current income tax charge for the year (Note 11)	**77,094**	75,819	**60,251**	63,304
Tax paid during the year:				
Current income tax	**(88,351)**	(72,551)	**(71,911)**	(60,834)
At end of the year	**(290)**	10,967	**1,068**	12,728

The opening balance includes TZS 5,361 million of tax provision related to capital deduction (TZS 5,361 million Dec 2022) as noted in note 34 (i).

32 Financial instruments by category

(a) Group

Million Tanzania Shillings	**Dec 2023**	Dec 2022
Financial assets - At amortised cost		
Trade and other receivables (excluding VAT receivable, advances to suppliers and prepayments)	**67,591**	78,668
Cash at hand and bank deposits	**563,219**	399,490
	630,810	478,158
Other financial liabilities at amortised costs		
Lease liability	**14,933**	10,911
Trade and other payable (excluding statutory liabilities)	**264,309**	265,129
	279,242	276,040

Million Tanzania Shillings	Dec 2023	Dec 2022
(b) Company		
Financial assets - At amortised cost		
Trade and other receivables (excluding advances to suppliers and prepayments)	**70,945**	79,257
Cash at hand and bank deposits	**555,746**	389,650
	626,691	468,907
Other financial liabilities at amortised costs		
Lease liability	**13,467**	8,673
Trade and other payable (excluding statutory liabilities)	**202,994**	361,409
	216,461	370,082

33 Capital commitments

(a) Capital commitments

The Group and Company had capital expenditure commitments as follows;

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Approved and contracted for but not recorded	**13,179**	1,422	**13,175**	1,422
Approved but not contracted for	**-**	24,200	**-**	24,200
	13,179	25,622	**13,175**	25,622

(b) Guarantees

As at 31 December 2023, the Company had no guarantee agreement (Dec 2022: TZS 100 million). The agreement covered for any unpaid contingent tax matters. Where payments will be required by tax authority, the commercial bank will honour the agreement.

34 Contingent liabilities

Legal cases
As at 31 December 2023, the Company was a defendant in several lawsuits, the amount claimed in such lawsuits could amount to TZS 12,059 million (Dec 2022: TZS 15,981 million). Based on advice from legal counsel, a provision is in place for these cases amounting to TZS 5,911 million (Dec 2022: TZS 6,750 million). The Company's subsidiary, Tanzania Distilleries Limited (TDL), was a defendant in several lawsuits, the amount claimed in such lawsuits could amount to TZS 15,189 million (Dec 2022: TZS 15,189 million) and based on advice from legal counsel, the provision of TZS 50 million has been made for the probable amount.

Based on the legal advice, the directors do not expect the outcome of the pending litigations to have a material effect on the Company and Group's financial performance.

Tax related contingent liabilities

(i) Capital deduction 2002 - 2005
Tax assessments of TZS 5,361 million that relates to capital deductions disputes for years of income 2002 to 2005. Management filed an objection with TRA to dispute the assessed tax and the dispute is

at the Tax Revenue Appeals Tribunal. The full amount of TZS 5,361 million has been provided for in the financial statements.

(ii) Transfer price assessments 2019 - 2020

The Company has received income tax assessments of TZS 6,970 million that relates to disputes on management fees and other cross-country charges. Management filed an objection with TRA to dispute on the assessed tax.

(iii) Excise Duty

The Company's subsidiary Tanzania Distilleries Limited (TDL) received an excise duty assessment of TZS 97,409 million for years of income 2008 to 2018. This relates to excise duty on Valuer Brandy for which TDL had a Government Notice (GN) that provided remission of excise duty on Valuer brandy based on Memorandum of Understanding (MoU) signed with the Government in 2005. The GN expired on 30 June 2007 while the MOU expired in June 2011. Management applied for an extension of the MoU from the Ministry of Finance. In October 2011, the Ministry of Finance acknowledged receipt of TDL's request for an extension of the MOU, but no further response was obtained afterwards.

Based on the MoU, no excise duty was paid until July 2011 after which TDL started paying excise duty at the rate equivalent to that applicable to locally produced wine instead of the rate applicable to spirits. TDL objected to the assessments and requested for a waiver of the 1/3rd tax deposit which was granted by the TRA on 19 January 2019.

Based on the spirit of the MoU and the socio-economic contribution to local farmers, management of TDL engaged the Government and TRA and requested for a retrospective GN to be able to resolve the assessments. On 13 February 2019 the Government of Tanzania reduced excise duty rate for spirits obtained by distilling grape wine or grape marc from locally produced grapes from TZS 3,315 per litre to TZS 450 per litre.

On 25 November 2019, TRA issued notices of determination of objections, maintaining the assessment position. The Company appealed against the TRA decision at the Tax Revenue Appeals Board on 15 January 2022. The Company is awaiting a hearing at the Tax Board. On January 2024, The Company submitted proposal for further engagement and an opportunity to review and submit an amended proposal for Valeur settlement. The Company is awaiting responses from TRA.

(iv) Value Added Tax (VAT) on Valeur brandy

TDL received an additional assessment of TZS 17,722 million for principal and penalties which relates to VAT on Valuer brandy. This liability was based on the excise duty demand note on an assumption that if the excise duty was applied, the price of Valuer Brandy would increase. On the contrary, the Directors believe that the Company absorbs excise duty as part of its operational costs and in any case, the price would remain at its market level. According to the provisions of the VAT Act 1997 and VAT Act 2014 the amount charged to the customers constitutes consideration, which is defined to include both the value of the supply and VAT thereon. The Directors are of the view that the price charged by TDL to its customers was inclusive of VAT, therefore there should be no additional liability on VAT. The Company filed objections for assessment, hence, no provision has been made for the additional tax assessed on VAT.

On 25 November 2019, TRA issued notices of determination of objections, maintaining the assessment position. The Company appealed against the TRA decision at the Tax Revenue Appeals Board (TRAB) on 15 January 2022 and is awaiting a hearing at the TRAB. Having engaged tax experts in their opinion, the directors have considered that no material liabilities are expected to crystallise from the above tax matter.

(v) Input Value Added Tax (VAT) assessment

The Revenue Authority conducted a VAT and payroll tax audit for TBL for the period from April 2016 to December 2019, received assessment of TZS 8,357 million (including interest of TZS 1,990 million) on what TRA considers as input VAT wrongly credited on incomplete EFD invoices. The company objected to the assessment and paid TZS 1,200 Million as tax deposit.

TRA disputed the objection and on 30 March 2022, the TRA issued notice of determination of objection, maintaining the assessment position. The Company appealed against the TRA decision at the Tax Revenue Appeals Board on 5th May 2022 and is awaiting a determination by the Tax Board.

(vi) Disputed capital gain tax

On 24th November 2020 Tanzania Revenue Authority (TRA) issued a WH capital gains tax (CGT) and interest assessment to TBL of TZS 850,235 million. The TRA basis for the assessment is that, between 2016-2019, the underlying ownership of TBL changed by more than 50%, the threshold to trigger the application of CGT under Section 56 of the Income Tax Act (ITA) R.E. 2019. The objection has been filed with the Tax Board for hearing and decision.

The outcome of this cannot at present be foreseen and possible loss cannot be reliably measured. The Directors believe in their own judgement and based on professional advice received from legal and tax advisors the expected loss arising from this is remote.

The Directors continue to monitor the development of the above matters and to the extent those developments may have a major impact on its financial position or may significantly affect its ability to meet its commitments, the Company shall disclose those developments in line with its listing obligations as required by relevant regulations.

35 Cash flow information

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Profit before income tax	**218,684**	214,514	**159,452**	174,247
Adjusted for:				
Interest expense (Note 10)	**3,316**	6,267	**7,096**	8,263
Interest income (Note 10)	**(27,589)**	(12,668)	**(27,572)**	(12,618)
Unrealised foreign exchange losses	**9,972**	523	**10,088**	523
Depreciation, container write-down/breakages and amortisation (Note 14, Note 15 and Note 16)	**97,655**	92,691	**92,895**	87,767
(Writeon)/ Impairment of PPE and intangible assets	**(8,505)**	8,129	**(5,638)**	6,668
Increase/(decrease) on provision for liabilities (Note 29)	**(840)**	89	**(839)**	104
Increase/(decrease) in provision for defined benefits obligation (Note 28)	**476**	325	**595**	284
Write-on of containers and others	**1,441**	-	**975**	-
Gain on disposal of property, plant and equipment (Note 9)	**(682)**	-	**(680)**	-
	293,928	309,870	**236,372**	265,238
Changes in working capital				
Inventories	**3,015**	7,484	**(4,867)**	10,586
Trade and other receivables	**4,160**	25,898	**5,070**	6,959
Trade and other payables	**34,762**	25,570	**85,194**	78,967
Cash generated from operations	**335,865**	368,822	**321,769**	361,750

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
(ii) Interest paid				
Interest expense (Note 10)	**(971)**	(3,640)	**(5,107)**	(6,167)
(iii) Income tax paid				
Income tax payable at 1 January	**(10,967)**	(7,699)	**(12,728)**	(10,258)
Current income tax expense (Note 11)	**(77,094)**	(75,819)	**(60,251)**	(63,304)
Income tax payable as at 31 December (Note 31):				
- Corporate income tax	**(290)**	10,967	**1,068**	12,728
Income tax paid	**(88,351)**	(72,551)	**(71,911)**	(60,834)
(iv) Interest received				
Interest income (Note 10)	**27,589**	12,668	**27,572**	12,618
(v) Purchase of property, plant and equipment and intangible assets				
Additions of property, plant and equipment during the year (Note 14)	**(87,530)**	(82,350)	**(85,103)**	(78,833)
Cash utilised in purchase of property, plant and equipment and intangible assets	**(87,530)**	(82,350)	**(85,103)**	(78,833)
(vi) Dividends paid				
To owners of the parent				
Dividends payable at beginning of the year	**(20,137)**	(7,049)	**(20,137)**	(7,049)
Dividend declared (Note 13 and 38)	**-**	(85,566)	**-**	(85,566)
Dividends payable at the end of the year (Note 30)	**19,378**	20,137	**19,378**	20,137
	(759)	(72,478)	**(759)**	(72,478)

36 Related party transactions and balances

i) Sale of goods and services

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Sale of goods				
Fellow subsidiaries	**272**	647	**272**	647

The Company exports finished goods and other goods to Nile Breweries Limited and Zambia Breweries Limited, all subsidiaries of AB InBev.

ii) Purchase of goods and services

Purchase of goods				
Fellow subsidiaries	**144,274**	119,597	**127,107**	106,926

The Company purchases goods from MUBEX, a subsidiary of AB InBev. Mubex buys and on-sells raw materials and finished goods to companies within the AB InBev Group's Africa region.

Purchase of services	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Fellow subsidiaries	**49,361**	49,577	**49,361**	49,577

The Company leases buildings from its subsidiary, Kibo Breweries Limited.
Other related parties include AB-InBev Africa (Pty) Ltd, that provides managerial and technical services AB-InBev Group's Africa region and AB-InBev International Brand Limited, (formerly SABMiller International Brand Ltd). The Company produces and distributes AB-InBev International Brand Limited brands under license and pays royalty fees at a percentage of sales of the brands. Both companies are subsidiaries of AB InBev.

iii) Interest on intercompany accounts

Net Interest expense on intercompany accounts

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Subsidiary	**-**	-	**4,392**	2,967
Interest expense on intercompany accounts				
Fellow subsidiary	**626**	64	**530**	64

The Company is charged interest by its fellow subsidiary Mubex on overdue balances.

Also, the Company charges interest to its subsidiary Tanzania Distilleries Limited on current accounts balances held.

iv) Year-end balances arising from transactions with related parties:

Receivable from related parties (Note 20)	GROUP		COMPANY	
Million Tanzania Shillings	**Dec-2023**	Dec-2022	**Dec- 2023**	Dec- 2022
Subsidiary (net of impairment provision)	**-**	-	**12,190**	16,450
Fellow subsidiaries	**436**	888	**436**	888
	436	888	**12,626**	17,338
Payable to related parties (Note 30)				
Subsidiary		-	**184,548**	128,733
Fellow subsidiaries	**55,920**	41,140	**55,920**	41,140
	55,920	41,140	**240,468**	169,873

The receivables from related parties arise mainly from sale and non-sales transactions are due three months after the date of sale. The receivables are unsecured. As of year-end impairment provision of TZS 35,005 million was made against receivable balance from Darbrew Limited (2022: TZS 35,005 million).

The payables to related parties arise mainly from purchase transactions and are due three months after date of purchase.

v) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the group.

a) Key management compensation

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Salaries	**5,363**	5,251	**5,306**	5,035
Defined contribution plan	**519**	461	**504**	440
	5,882	5,712	**5,810**	5,475

b) Transactions with key management personnel

There were no other transactions with key management personnel during the year.

c) Balances with key management personnel

No loans were issued to or received from the key management personnel during the year (2022: Nil)

d) Directors' emoluments

	GROUP		COMPANY	
Million Tanzania Shillings	**Dec 2023**	Dec 2022	**Dec 2023**	Dec 2022
Non-executive Chairman	**51**	28	**51**	28
Non-executive Directors	**148**	82	**148**	82
	199	110	**199**	110

A schedule detailing remuneration of each director will be annexed to these financial statements for presentation to the annual general meeting.

The Directors of the Company own directly and indirectly 88,857 (2022: 88,857) ordinary shares of the Company as 31 December 2023.

During the year, there were no commitments, provision of guarantees and collateral with related parties. (Dec 2022: Nil).

Transactions with related parties were carried on an arm's-length basis.

37 Ultimate parent company

The ultimate parent Company is Anheuser-Busch InBev SA/NV ("AB InBev"), which is incorporated in Belgium and has its registered business address at Brouwerij plein 1, B-3000 Leuven.

38 Subsequent events

A Tax assessments

(i) Value Added Tax (VAT) 2022 and 2023 EFD reconciliations – container & volume discount:
TRA issued assessments with the total liability of TZS 195,705 million. The assessment relates to rejection by TRA of VAT adjustments on returnable containers and volume discounts. TBL was making monthly decreasing adjustments to VAT on these items, paying the correct amount of tax. However, the Revenue Authority challenged these adjustments. The cases are at objection stage.

(ii) Excise duty on non-alcoholic malt drink:
TRA issued assessment of TZS 5,268 million on the classification of some of non-alcoholic malt drink by recategorizing it in the category of non-alcoholic beers attracting an excise duty of TZS 561 per liter contrary to the current categorization of TZS 61per liter falling. The Company is objecting to this assessment.

B Declaration of dividend

On 2 April 2024, The Board of Directors declared and approved dividends of TZS 537 per share (equivalent to TZS 158,445 million) for the year ended 31 December 2023.

C Disposal of Darbrew Limited

On 7 August 2019, the board of Tanzania Breweries Plc approved TBL Plc to exit from Darbrew Limited investment, through offloading its 60% shareholding to Dar Es Salaam City Council (DCC) a core shareholder. Decision was made due to non-performance of the Darbew Limited in its business.

The sale was executed on 2 May 2024 where the Sale Agreement, Transfer of Share Deeds and other documentations including formal handovers to the DCC were completed.

39 Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on the date shown on page 46.

40 Comparative period

Where necessary the comparative figures have been reclassified to conform to changes in presentation in the current period.

NOTICE OF THE 51ST ANNUAL GENERAL MEETING
NOTICE TO SHAREHOLDERS

Notice is hereby given that the 51st Annual General Meeting of the Shareholders of Tanzania Breweries Public Limited Company will be held in Ruaha Hall at Julius Nyerere International Convention Centre with an online option on 25th July 2024 at 0900hrs, for the following purposes:

1. **Session with the minority representatives**
2. **Notice of the Meeting**
   Notice convening the meeting to be taken as read.
3. **Approval of Minutes**
   To approve and sign the minutes of the 51th Annual General Meeting.
4. **Matters Arising from the minutes of the previous meeting**
5. **Financial Statements and Directors' Report**
   To receive, consider and adopt the Directors' Report, Auditors' Report and the audited financial statements for the year ended 31st December 2023.
6. **To ratify dividend paid for the year ended 31st December 2023**
7. **Appointment of Statutory Auditors**
   To approve the appointment of PricewaterhouseCoopers as the external auditors for the next financial year ending 31st December 2024.
8. **Any other business**
   Any other business needs to be brought to the attention of the Secretary at least seven clear days before the meeting.

By the order of the board

Note:

i. Any member entitled to attend and vote, if unable to attend for any reason, is entitled to appoint a proxy or proxies to attend, speak, and, on a poll, vote in his/her stead and such a proxy need not also be a member of the Company.

ii. Proxy forms should be forwarded to reach the registered office of the Company or the office of the Company Secretary at least 48 hours before the time fixed for the holding of the meeting or can be emailed to tblcorporate.communications@ab-inbev.com.

iii. The AGM shall be hosted on the Mkutano eAGM platform virtually. Participants who are wishing to attend the AGM virtually are expected to signup well before time. The details of the platform are provided below. Kindly ensure that:
   1. You have downloaded Google Chrome **https://www.google.com/chrome/** or Microsoft edger **https://www.microsoft.com/en-us/edge**
   2. Sign up using the following link https://escrowagm.com/csdr/Login.aspx
   3. On the day of the meeting, kindly login at least 20 minutes before the meeting to ensure that you are settled ahead of the scheduled starting time using the link above to then,

      • Enter username • Enter Password • Click Login • Click Join on the blue button • Click Join audio by Computer to attend the live meeting

iv. If you are new to the platform, kindly click Sign-Up and capture the required details. If you have problems with the login, please call/WhatsApp the provided below helplines.

v. For better experience, please use a windows device and Chrome browser. Use of Apple devices must be done in consultation with the system Administrator.

Documents:
The Annual Report, Proxy Form, Minutes and matters arising from the previous Annual General Meeting can be accessed on **https://tanzaniabreweries.co.tz/**

REGISTRY SERVICES AND SHARE RELATED INQUIRIES
We wish to inform the shareholders of Tanzania Breweries Public Limited Company who have share transmission issues or want to change
their details or with dividend issues should contact CSD & Registry Company Limited (CSDR) through the following address:

Registrar
CSD & Registry Company Limited,
Kambarage House, 2nd Floor, Ufukoni Street,
P. O. Box 70081,
Dar es Salaam,

Hotline: +255 746 160 516 / +255 677 070 414,
Email: registrar@csdr.co.tz

Notes

Grand Malt
KILIMANJARO
REDDS
Konyagi
Corona Extra
Safari LAGER
KILIMANJARO PREMIUM LAGER
LITE
BALIMI
BALIMI LAGER
CASTLE LAGER
MILK STOUT
CASTLE MILK STOUT
Eagle
VALEUR
Zanzi