



ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2017

Rising to every occasion



A proud part of the
ABInBev family

Night
out

Casual
drink

Hanging
out with
friends

Barbecue

Happy
hour

Holiday
time

Enjoying the
outdoors

Relaxing
at home

Brunch

Music
festival

Watching
sports

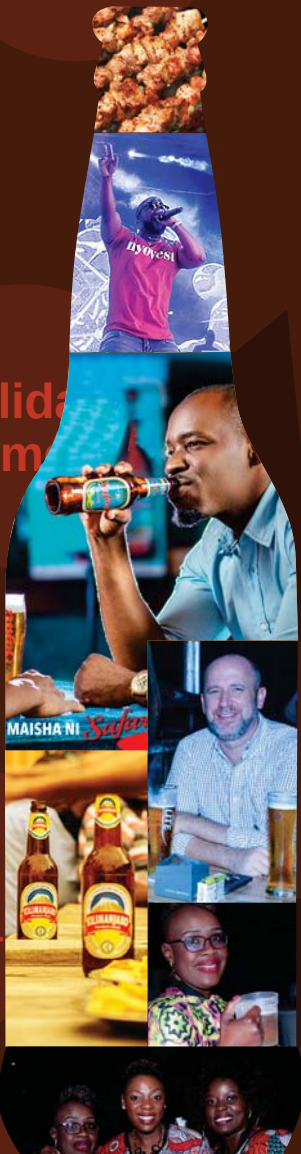
Eating
out

Post-
workout

Dinner
party

Casual
dining

Special
meal



We are creating more occasions to bring people together

We strive to understand consumers' preferences and create new occasions and experiences.

We believe in celebrating life. Through sports, music and culture and more simply, friendships.

We see countless new friendship, connections and experiences built on a shared love of beer.



We unite nearly 2,000 exceptional people around our passion for brewing the highest-quality beer.

Our economic contribution helps build communities and improves livelihoods.

As the leading brewer, we take our responsibility as a steward of the industry in Tanzania very seriously.

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COMPANY PROFILE

Tanzania Breweries Limited (TBL), a member of the Anheuser-Busch InBev group of companies, manufactures sells and distributes clear beer, alcoholic fruit beverages and non-alcoholic beverages within Tanzania. TBL as a major player in the beverage sector is committed to the export of its products to niche and neighboring markets under the East Africa common market trading arrangement.

TBL has a controlling interest in Tanzania Distilleries Limited, Darbrew Limited and Kibo Breweries Limited.

TBL's most popular clear beer brands include Safari Lager, Kilimanjaro Premium Lager, Ndovu Special Malt, Castle Lager and Castle Lite. Other prominent brands associated with the TBL group are Konyagi Gin, Amarula Cream and Redds Premium Cold. The TBL group is listed on the Dar es Salaam Stock Exchange, employs 1,769 people and is represented throughout the country with four clear beer breweries, a distillery, an opaque beer business, a malting facility and 8 distribution depots.

Dream

To create an ideal company in Africa, one which grows a lot, is super efficient, which everyone loves to work for, and very importantly, makes a real difference in society.



A proud part of the
AB InBev family



Rising to the occasion

TBL awards 2017

Our shared love for beer brings people together. Our passion for brewing creates new occasions, experiences, connections and friendships. It is through our drive and passion that we have risen year after year.

We have continuously proven that world class manufacturing processes are possible in Tanzania. Our Mbeya, Dar es Salaam and Mwanza breweries consistently rank among the best in Africa and the world.

We are renowned for being truly Tanzanian for our use of locally-sourced brewing ingredients and producing award-winning local brands that are the nation's best loved beers.



From left to right: Hon. Dr. Philip Mpango (Minister of Finance, Tanzania), Roberto Jarrin (TBL Managing Director), Ricardo Tadeu (Africa Zone President, AB InBev), His Excellency Dr. John P Magufuli (President of the United Republic of Tanzania) and Hon. Charles Mwijage (Minister of Industries, Trade and Investment, Tanzania).



Roberto Jarrin (TBL Managing Director), showcasing TBL Group products to Hon. Charles Mwijage (Minister for Industries, Trade & Investment, Tanzania), Dr. Samwel Nyantahe (Confederation of Tanzania Industries (CTI) Chairman) and Dr. Charles Kimei (Managing Director, CRDB Bank)



Roberto Jarrin (TBL Managing Director) and Calvin Martin (DSM Plant Manager) and fellow colleagues celebrate the big win of the President's Manufacturer of the Year Awards, (PMAYA).



Roberto Jarrin (TBL Managing Director) receiving the overall winner trophy (PMAYA) from Hon. Charles Mwijage (Minister for Industries, Trade & Investment, Tanzania). In the middle is Chairman of Confederation of Tanzania Industries (CTI), Dr. Samwel Nyantahe.



Rising to the occasion

TBL awards 2017 (continued)



Roberto Jarrin (TBL Managing Director) together with the DSM, Mbeya teams and Zone representatives celebrating Mbeya Plant big win, at the Voyager Plant Optimization (VPO) Global Conference.

Left: Technical Director Johan Gouws and DSM and Mbeya teams celebrating Mbeya Plant big win, at the Voyager Plant Optimization (VPO) Global Conference.



Martin Wolfaardt, (Logistics Director) and the Ilala Logistics team celebrate the selection of Ilala Depot as one of the pilot depots for the first year of the introduction of Distribution Process Optimization (DPO) into Africa. Ilala was amongst four depots selected in Africa out of 83 in the Africa Zone.



From left to right: Irene Mutiganzi (Sustainability Manager), Bruno Zambrano (Finance Director), Amanda Walter (Executive Assistant to the MD) and Huruma Ntahena (Legal and Compliance) celebrating the DSE best listed award.



Dorothy Mwanyika former Deputy Permanent Secretary, Ministry of Finance, Tanzania, giving the DSE 'Best Listed Company' award to Bruno Zambrano (Finance Director), in the middle is Moreni Marwa, CEO Dar es Salaam Stock Exchange (DSE)



#1

Recent events

Change in Fiscal year-end

As approved in our 44th Annual General Meeting of Shareholders, the period ended on December 2017 is an irregular financial reporting period for TBL due to the change of the financial year end from 31 March to 31 December. This financial reporting period that ended 31 December, 2017 is for the nine months from 1 April, 2017 to 31 December 2017.

Employees share Ownership Trust affairs

In 2011, the Employees Share Ownership Trust ("Trust") purchased 5,898,596 shares representing 2% of TBL's paid up share capital, previously owned by East African Breweries. The Trust has been consolidated in the financial statements on the basis of significant control and shares acquired had previously been accounted for as treasury shares. During the April to December 2017 financial reporting period, the Board of Trustees resolved to sell TBL shares owned by the Trust and distribute the net proceeds to permanent employees of TBL group.

Performance for the year

To facilitate the understanding of TBL's underlying performance, all comments in the annual report, unless otherwise indicated, are based on "normalized" numbers.

In other words, the reported financial amounts have been adjusted for non-recurring expenses. Non-recurring items primarily represent expenses which have arisen as a consequence of a change in ultimate parent company and the termination of certain activities during the period that directors do not consider as part of the underlying performance of the business. For period-on-period comparisons, we have included below the key metrics for the corresponding period (April to December) of the previous financial year.

	9 months ended 31 December 2017	9 months ended 31 December 2017	9 months ended 31 December 2016	Change on 9 months normalised	12 months ended 31 March 2017	Change on 12 months
	Actual	Normalised actual	Actual		Actual	
	TShs' M	TShs' M	TShs' M	%	TShs' M	%
Revenue	877,527	877,527	807,834	9%	1,041,123	(16%)
Gross Profit	309,759	380,999	368,896	3%	447,507	(15%)
Operating Profit	107,006	249,959	214,558	16%	235,141	6%
Dividend per Share	770	770	350	120%	350	120%

Chairman's statement

Strong financial performance delivering valuable shareholder returns

Tanzania Breweries Limited Group of Companies ("TBL Group") is pleased to declare its results for the nine month financial period ended 31 December 2017. TBL Group's financial period-end changed from 31 March to 31 December, as approved at the Shareholder's 44th Annual General Meeting. The financial results of the company therefore relate to the accounting period from 1 April 2017 to 31 December 2017 (9 month period).

During the financial period, the country's fiscal position remained strong owing to the government's continued efforts for revenue mobilization and redirection towards developmental projects, leading to stable inflation and GDP growth. Supported by a stable economy, the Group confidently embarked on a well-defined strategy to enhance affordability and accessibility of our brands through affordable brands and packs, hence providing consumers with affordable options for the growth of the market. The Group's strategy of focusing on affordable brands and packs paid off after several years of muted annual growth, resulting in 24% volume growth and 9% revenue growth.

Our remarkable performance was largely driven by Beer business which grew in volume by 30% over prior period. Similarly, Traditional African Beer registered positive growth in volume by 9% during the 9-month financial period. However, our Wines and Spirits volume declined by 34% as a direct consequence of the sachet ban on 1 March 2017 since sachet products accounted for 70% of the total volumes. Nevertheless by end of the period, we successfully recovered monthly Wines & Spirits volumes, by reconfiguring the business and further promoting our flagship Konyagi brand.

Consequently, normalized operating profit (excluding the effect of one off costs) grew by 16% on prior year driven by volume growth, improved operational and cost efficiencies in the TBL Group. The TBL Group was able to approve dividend payment of Tshs. 209,283 million to our shareholders for the financial period, which translates to Tshs. 770 per share, versus Tshs. 350 per share paid in the prior year.

Maintaining Responsible Corporate Citizenship

The TBL Group continues to be a proud responsible corporate citizen in support of the country's social and economic growth. In 2017, we contributed Tshs. 407,805 million to Government revenue in the form of corporate, excise and value added tax. Hence retaining yet again the honour of being one of the largest tax payer in the country, and recipient of the President's Manufacturer of the Year Award.

In support of social growth, we partnered with AMREF Health Africa on 'Muleba Water Project' to facilitate the construction of a deep water well in Kagera region. The project which is worth up to Tshs 67 million will enable hundreds of villagers in Busole Village in Muleba District to benefit from safe and clean water. The TBL Group is aware that clean water is a major challenge for many of our communities in the country, therefore we will continue to push on this clean water agenda to ensure our communities are aided with the availability of safe water.

Strict focus on our unbending core values

Our core values are firmly centred on the foundation of our unified dream which is simply *"To create an ideal company in Africa, one which grows a lot, is super-efficient, which everyone loves to work for, and very importantly, makes a real difference in society"*. For the future, TBL Group will focus on these key strategic objectives in support of our dream:

1. To partner with the government to foster positive environment for socio-economic growth.
2. To serve our consumers by offering brand experiences in a responsible way that play a meaningful role in their lives.
3. To promote local sourcing of raw materials through fair trade and develop our farmers to improve quality and yield.
4. To support local retailers by providing them with tools of trade and developing their business skills to promote private enterprise.
5. To grow and develop our greatest strength, our people, and as such reward them accordingly.
6. To recruit, retain and develop talented young people who can take the company to the next level.
7. To manage our costs tightly, to free up resources that will support sustainable and profitable top line growth.
8. Effectively manage risk.

Looking forward with great optimism and excitement

After years of muted growth, the TBL Group embarked on a well-defined strategy that created new sources of growth upon which our success was built. In support of this new strategy we invested heavily during the year to ensure continued success in future periods. Our clear future forward actions aligned with our strategy have positioned us in good condition to continue to grow and lead in the industry.

Furthermore, our transition and integration with the AB InBev Group has been smooth and has yielded many positive synergies which supported our growth in the financial period. Therefore, we will continue to explore more synergies and develop efficiencies that will benefit the company.

For all these reasons, I am excited about the future of the TBL Group. As we go forward stronger and more determined, with a unified dream and winning strategies on our breastplate, I assure both our shareholders and stakeholders that we are indeed set for a bright future.

In closing, on behalf of the Board, I would like to thank TBL Group Management and all employees for their hard work and commitment that led us to deliver our financial results. Finally, I extend my gratitude to all our shareholders and stakeholders for the enduring support and trust placed on the TBL Group to succeed. We shall continue to work closely with the Tanzania Government and all other stakeholders to sustain an enabling environment for business and the national economy. We will continuously aim to deliver momentous growth, increase profitability and deliver greater long term sustainable value to our stakeholders.



Cleopa David Msuya
Chairman of the Board

Taarifa ya mwenyekiti

Utendaji thabiti wa kifedha uleao faida kwa wanahisa

Ni furaha kubwa kwa makampuni ya Tanzania Breweries Limited Group ("TBL Group") kuwasilisha taarifa ya hesabu za kipindi cha miezi tisa kinacho ishia mwezi Desemba 31, 2017. Mwaka wa hesabu wa kampuni umebadilika na badala ya kuishia tarehe 31 Machi utakuwa ukiishia tarehe 31, Desemba. Mabadiliko haya yalipitishwa na Mkutano Mkuu wa 44 wa wanahisa. Taarifa ya hesabu kipindi hiki ni ya kuanzia tarehe 1, Aprili 2017 hadi tarehe 31, Desemba 2017 (**Kipindi cha miezi 9**).

Katika kipindi hiki cha fedha, hali ya fedha nchini iliendelea kuwa imara kutokana na juhudi za serikali za kuongeza mapato na kuyatumia katika kugharamia miradi. Hii imeweza mfumuko wa bei kubaki kwenye kiwango cha chini na uchumi kuendelea kukua kwa kiwango kinachoridhisha. Kwa kuzingatia hali ya uchumi Kampuni iliweka mkakati imara wa kutengeneza bidhaa za bei nafuu na kuwezesha mauzo kuongezeka 1 March. Hatimaye mkakati huu umeonyesha kuwa na mafanikio kwa kuongeza mauzo kwa asilimia 24% na mapato ya kampuni kwa asilimia 9%.

Matokeo mazuri ya kibiashara kipindi hiki, yametokana na ongezeko la mauzo ya bia ambapo yameongezeka kwa asilimia 30%, kulinganisha na kipindi kama hiki cha mwaka uliopita. Vile vile mauzo ya pombe za asili yameongezeka kwa asilimia 9% katika kipindi hiki cha miezi 9 ya mwaka huu wa hesabu. Hata hivyo mauzo ya vinywaji vikali na mvinyo yamepungua kwa asilimia 34% na sababu kubwa ikiwa ni matokeo ya kupigwa marufuku vifungashio vya plastiki kuanzia tarehe 1, Machi 2017. Machi 2017 ambavyo vilikuwa vinachangia asilimia 70 ya mauzo. Hata hivyo hadi kufikia mwisho wa kipindi hiki cha mwaka wa hesabu, tumeweza kuongeza mauzo ya vinywaji vikali na mvinyo kwa kufanya mabadiliko katika uendeshaji na kutangaza kinywaji chetu maarufu cha Konyagi.

Kutokana na utendaji uliolezewa, faida ya kawaida kutokana na biashara zetu imeongezeka kwa asilimia 16% katika kipindi hiki, kutokana na ongezeko la mauzo, na utendaji bora uliotuwezesha kupunguza gharama za uendeshaji wa shughuli za kampuni. Hivyo, kampuni imeamua kutoa gawio kwa wanahisa la kiasi cha shilingi milioni 209,283 katika kipindi hiki cha 9% fedha, ambapo kila hisa inalipiwa shilingi 770 ambapo kipindi cha mwaka jana kila wanahisa walilipwa shilingi 350 kwa kila hisa.

Kudumisha uwajibikaji kwa jamii

TBL Group inajivunia kuwa katika kipindi hiki cha mwaka wa fedha, imeendelea kuunga mkono shughuli za kijamii sambamba na shughuli za kucheza ukuaji wa uchumi wa nchi. Mwaka 2017, tumechangia pato la serikali kiasi cha shilingi milioni 407,805 kupitia Kodi ya Mapato, Kodi ya Ongezeko la Thamani na ushuru wa Bidhaa. Tumeendelea kushikilia rekodi ya kuwa moja ya kampuni zinazoongoza kwa kulipa kodi nchini, pia tumefanikisha kushinda Tuzo ya Rais ya Mzalishaji Bora.

Kwa upande wa kusaidia huduma za kijamii, tumeshirikiana na shirika la AMREF Health Africa, kufanikisha mradi wa maji wilayani Muleba mkoani Kagera, ambapo tumejenga kisima cha maji. Mradi huu wenye thamani ya shilingi milioni 67 utawawezesha mamia ya wananchi wa Kijiji cha Busole, kilichopo wilayani Muleba, kupata maji safi na salama. Kampuni inatambua kuwa jamii nyingi za Tanzania zinakabiliwa na changamoto za kupata maji safi hivyo itaendelea kufanya jitihada za kufanikisha miradi ya maji sehemu mbalimbali nchini.

Uzingatiaji wa maadili ya kufanikisha malengo ya kampuni

Dira kuu ya kampuni ni kufanikisha ndoto yetu ya kuwa "kampuni bora barani Afrika, ambayo inakua kwa kasi na shughuli zake kuwa endelevu kutokana na ufanisi katika uendeshaji wake, ambayo inamvutia kila mmoja kufanya nayo kazi na yenye mtizamo wa kuleta mabadiliko chanya kwenye jamii inakofanyia biashara zake". Katika siku za usoni, kampuni itaendelea kujikita katika kufanikisha malengo ya kimkakati yafuatayo ili ndoto yake iweze kutimia:

1. Kuunga mkono jitihada za serikali za kujenga mazingira ya kukuza uchumi katika jamii.
2. Kuhakikisha wateja wetu wanapata huduma bora kutoka kwetu na kuwa nao karibu.
3. Kuhakikisha tunapata malighafi na bidhaa mbalimbali za uzalishaji nchini kwa manufaa ya wafanyabiashara na kampuni sambamba na kuwawezesha wakulima wanaotuzia malighafi kuongeza uzalishaji na ubora wa mazao.
4. Kuwawezesha wafanyabiashara wa rejareja wanaouza bidhaa zetu kwa kuwapatia elimu ya ujasiriamali na jinsi ya kukuza biashara zao.
5. Kukuza na kuwawezesha wafanyakazi wetu na kuwapatia motisha mbalimbali.
6. Kuajiri na kuendeleza vijana wenye vipaji wataoifika kampuni mbele.

7. Kupunguza gharama kwa kuhakikisha tunatumia rasimili chache tulizo nazo na biashara yetu inakuwa endelevu na kupata faida zaidi.
8. Kuhakikisha kuna tahadhari dhidi ya hatari zinazoweza kutokea.

Matarajio mazuri ya **mbele** tunakoelekea Baada ya changamoto za ukuaji tulizokutana nazo katika kipindi cha miaka iliyopita, kampuni imejikita kutekeleza mkakati wake ambao unawezesha ukuaji kwa kasi. Kampuni imeweza kwa kiasi kikubwa ili kuhakikisha mafanikio yanapatikana katika vipindi vijavyo. Utendaji wetu endelevu sambamba na mkakati wetu vimetuweka mahali pazuri kwa kuendelea kukua zaidi na kuzidi kuongoza katika sekta ya vinywaji nchini.

Vilevile, mabadiliko yaliyotokea na kampuni yetu kuwa sehemu ya kampuni ya kimataifa ya AB InBev yametuwzesha kupata mafanikio kwa kukua kwa shughuli za biashara zetu katika kipindi hiki cha mwaka wa fedha na tu nategemea kuendelea kupata mafanikio makubwa zaidi chini ya mabadiliko haya na kuendelea kufanya vizuri zaidi.

Kwa hali hiyo, nina mategemeo makubwa kuhusiana na maendeleo ya TBL Group miaka ijayo. Tunapozidi kusonga mbele kwa kujiamini na tukiwa na dhamira ya kupata mafanikio, nawahakikishia wanahisa wetu na wadau wetu tuko katika njia nzuri ya kupata mafanikio mazuri na makubwa siku zijazo.

Kwa kumalizia, kwa niaba ya Bodi ya Wakurugenzi napenda kuushukuru uongozi wa TBL Group na wafanyakazi wote kwa utendaji wao mzuri uliowezesha kupata mafanikio haya. Mwisho, napenda kuwashukuru na kuwapongeza wanahisa wote na wadau wetu kwa kutuunga mkono na kuwa na Imani iliyowezesha TBL Group kufanikika. Tutaendelea kushirikiana na Serikali ya Tanzania na wadau wengine ili kuendeleza mazingira mazuri ya biashara na uchumi kwa ujumla. Tunalenga kuendeleza ukuaji na kuongeza faida na kuleta matokeo changa kwa uwekezaji kwa wanahisa wetu.



Cleopa David Msuya
Mwenyekiti wa Bodi

Managing director's statement

Overview – Change in financial period

As approved in our 44th Annual General Meeting of Shareholders, the fiscal year-end has changed from 31 March to 31 December, henceforth the referenced period hereafter will be the fiscal period from 1 April 2017 to 31 December 2017.

A Remarkable period of strong financial growth

It has been a period of excellent progress in the business, with underlying growth achieved while making strides in enhancing affordability and accessibility of our products in the market through a well-defined strategy underpinned by capital expenditures in equipment and technology.

However, it was not a period without its challenges. We faced a number of headwinds in our quest for growth, more profound being:

1. Government's blanket ban on plastic bags effective 1st March 2017 which translated into a total ban on spirit sachet packs, which accounted for 70% volume of our Wines and Spirits business.
2. Government's decision to impose a 5% excise duty on alcohol, hence placing pressure on margins. Nevertheless, we chose to absorb the cost and maintain prices instead of passing on to consumers.
3. Changing processes and operations during transition to AB InBev, by exercising synergies and employing shared practices.

Indeed, the period was remarkable because despite the challenges faced, the company delivered 24% growth in sales volume reaching 3.3 million hectoliters, due to growth in our Beer business by 30% and our Traditional African Beer business by 8%. In the prior year 9 month period we embarked on a new strategy to promote affordability of our brands and packs by developing and investing in new brands and packs at Tshs. 2,000 price and below which eased pressure on consumer purchasing power and offered consumers a safer alternative to illicit alcohol. The strategy paid off in this financial period, propelling the business to significant growth after years of muted growth.

Given the government imposed sachet ban, our Wines & Spirits business suffered during the financial period and declined by 34% whereby monthly volumes declined by over 30% immediately in the month after. However we successfully grew volumes back to pre-sachet monthly volumes by year-end. In our struggle to turn the business around, we made capital investments in commissioning a new bottle line thus improving capacity, improving operational efficiencies and developing a strong portfolio of brands in our tool shed.

As we transitioned management to AB InBev during the financial year, we faced a number of disruptions in processes and operations so as to align synergies and improve operational efficiencies by employing shared practices. Nevertheless, we persevered to deliver on our targets. It is our pleasure to announce that we have successfully completed the fundamental transition of management and henceforth expect minimal disruptions in the future.

Despite challenges faced, the company delivered double digit volume growth. Consequently revenue grew by 9% slowed down by investments made in price and shift of mix towards affordable. Normalized operating profit grew by 16% influenced by tighter margins due to 5% excise increase, improved operational and cost efficiencies, and volume growth. Furthermore, we grew market share and maintained market dominance.

Maintaining a responsible, transparent and trustworthy business

While we continue to set ambitious goals and endeavour to maintain growth momentum, we understand that our success and duty lies not only in our ability to provide products that are valuable to our consumers, but also to ensure we maintain high ethical standards in all our dealings as a business in order to maintain our licence to trade. The success of our relationships is critical to the success of our business, and as such we foster a culture of trust and integrity across our value chain, by valuing and supporting all our stakeholders.

Our success is truly a testament of the stern diligence of our employees and management, and in loyalty we remain committed to growing, developing and supporting our people in the business, through developing a safe work environment, providing training opportunities and promoting our best talents to leadership positions. The Company values and invests in enhancing diversity and inclusion in the workplace. Last year, we partnered with Association of Tanzania Employers (ATE) in support of 'Female Futures Program' which aimed at empowering women with the skills necessary to fast track their career to executive positions within the organisation.

The company continues to support the Government in promoting socio-economic growth in the country. Henceforth as a result of our strong performance in the financial period, we contributed to the Government revenue in form of corporate, excise, value added tax, amounting to Tshs 407,805 million during the referenced financial period.

Our business remains committed to supporting local farming and sourcing of raw materials. We have contracted over 234 farmers across our three businesses of which we procure barley among other yields. Given our strategy to promote affordable category, we expect increased demand of sorghum and other raw materials, as such we continue to support our farmers by offering value-added services such as crop research, seed development, and pre-financing credit extension for farming inputs to ensure quality and quantity of yield.

We remain committed to positively influencing our communities advocating for responsible alcohol consumption in the society to promote safe alcohol drinking. Henceforth, we partnered with Tanzania Police Force to promote road safety by encouraging responsible alcohol drinking. Additionally, last year we launched the #No Excuse Campaign, with the objective of addressing the social norms that alcohol is a factor in 'Gender Based Violence' (GBV). The aim is shifting the narrative to responsible consumption and that alcohol is not a factor in GBV. Moreover, in the future we plan to rollout lower alcohol drinking options for our consumers.

Furthermore, we have made significant investments in the communities in providing access to clean and safe water. Additionally, we respectfully manage our impact on the environment to ensure a safer world. It is with pride we continue to make substantial contributions to the community as responsible corporate citizens and trustworthy partners of choice for our consumers.

The future is bright

After years of muted growth, we have turned the curve and the future is bright. As a true market leader, we began a journey to disrupt the market two years ago with our strategic agenda to promote affordability and accessibility in the market, as a result we began to reap payoff in the financial period. I would like to assure all our stakeholders that more initiatives and strategies are being considered and pursued.

Our ambition is "To create an ideal company in Africa, one which grows a lot, is super-efficient, which everyone loves to work for, and very importantly, makes a real difference in society". Therefore, the business has identified six strategic priorities that will drive this ambition in the next financial period. Our priorities are clear forward looking actions that will position the business at a competitive advantage for the future.

1. Continuing to invest heavily in developing the **Right Consumer Price points and Packs**, hence providing increased choice to our consumers.
2. Improving our **Supply and Capacity capabilities** so as to minimise uncertainty, and enhance operational and cost efficiency.
3. Improving our **Route to Consumer capabilities**, so as to guarantee availability and accessibility of our products in the market by expanding our direct order taking model to both urban and rural centres, and further developing sales force capabilities through intense training and investing in right tools of trade.
4. Pioneering **Innovation** and Developing bold customer experiences leveraging on our iconic brands so as to connect with consumers in a meaningful way.
5. Maintaining a **responsible, transparent and trustworthy business** which continues to make significant contributions in the community and the country at large.
6. Developing a **safe, diverse and inclusive workplace** where talent is groomed and rewarded accordingly.

Continuing to win together

Considering all that we accomplished in the last financial period, it is clear that our success was not accidental. I believe we have the right people, processes, tools, technology and strategies in place to succeed on our journey forward. I am completely assured that our success was predicated on the collective energy and effort of all colleagues. In our quest to drive our ambition, we aim to surround ourselves with the right people with passion and zeal for our business, culture

fit traits and ultimately an owner's mentality. Therefore, I extend my sincere appreciation to all management team and colleagues across our business for their commitment, effort, and passion that continues to benefit our company and propel us to growth. To all our customers, consumers and stakeholders, I would like to thank you for your loyalty, trust and support over the years. Together we will continue to make positive strides towards realising our dream that will benefit all of us, hence establishing TBL Group, as a pride of Tanzania and an ideal company in Africa.



Roberto Jarrin
Managing Director

Taarifa ya mkurugenzi mtendaji

Muhtasari – Mabadiliko ya mwaka wa fedha wa kampuni

Kama ilivyodhinishwa katika mkutano mkuu wa 44 wa wanahisa, mwaka wa fedha umebadilika kutoka tarehe 31, Machi kuishia 31 Desemba, kutokana na mabadiliko hayo, taarifa hii inahusu kipindi cha kuanzia tarehe 1, Aprili 2017 hadi tarehe 31 Desemba 2017.

Mwaka mzuri wenye mafanikio ya kufanya vizuri kibiashara

Kipindi cha miezi tisa kilichoisha 31 Desemba 2017 kimekuwa Kipindi chenye kizuri kwetu kibiashara kutokana na mkakati wetu wa kuingiza bidhaa zenye unafuu wa bei kwenye masoko ambazo wananchi wengi wanaweza kumudu kuzinunua, sambamba na uwekezaji katika mtaji, vifaa vya kisasa na teknolojia, yote haya yamechangia kupata mafanikio.

Pamoja na mafanikio, kumekuwepo pia na changamoto mbalimbali. Kuna vikwazo tumekutana navyo ambavyo vimepunguza kasi yetu ya kukuza biashara zetu, baadhi ya vikwazo hivyo vikiwa ni:

1. Serikali kupiga marufuku matumizi ya vifungashio vya plastiki kuanzia tarehe 1 Machi, 2017 hali iliyotulazimu kusitisha kuuza bidhaa zetu zilizokuwa zinafungwa kutumia vifungashio vya plastiki, ambavyo vilikuwa ni asilimia 70% ya mauzo ya vinywaji katika biashara ya kampuni ya vinywaji vikali na mvinyo.
2. Uamuzi wa serikali kuongeza kwa asilimia 5% ushuru wa bidhaa katika vinywaji vyenye kilevi, ongezeko hilo limepunguza faida kwa kuwa mzigo wake umebewa na kampuni badala ya kuwaongezea bei ya bidhaa wateja wetu.
3. Mabadiliko mbalimbali ya uendeshaji katika kipindi cha mpito ambacho kampuni imebadilika kuwa chini ya kampuni ya ya AB InBev, ambapo imebidi taratibu za uendeshaji shughuli za kampuni kubadilika kuendana na sera za uendeshaji za kampuni hiyo mpya.

Kiuhalisia kipindi hiki cha fedha kilichoisha 31 Desemba 2017 kimekuwa na mafanikio makubwa kwa sababu pamoja na changamoto tulizokutana nazo mauzo ya bidhaa za kampuni yameongezeka kwa asilimia 24% na kufikia hektolita milioni 3.3, mauzo ya bia yameongezeka kwa asilimia 30% na mauzo ya bidhaa zetu za pombe za asili ya Afrika yameongezeka kwa asilimia 9%.

Tumeendelea kutekeleza mkakati wetu mpya wa kutumia vifungashio vinavyowezesha bidhaa zetu kupatikana kwenye masoko kwa gharama nafuu ambazo wateja wengi wanaweza kuzimudu. Tumekuwa na vifungashio vinavyowezesha vinywaji vyetu kupatikana kwa gharama ya shilingi 2,000 na chini ya hapo ambazo zinazidi kuchochea wateja wengi kunywa bia na kuacha pombe za kienyeji. Mkakati huu kwa kiasi kikubwa umefanikiwa na kunyanyua zaidi biashara yetu baada ya kuporomoka kwa mauzo kipindi cha nyuma.

Amri ya serikali kupiga marufuku matumizi ya vifungashio vya plastiki iliathiri mauzo ya bidhaa zetu za pombe kali na mvinyo, katika kipindi cha mwaka huu wa fedha ambapo yalishuka kwa asilimia 34%, na mauzo yalipungua kwa asilimia 30% kwenye mwezi uliofuata kutolewa kwa amri hiyo. Hata hivyo tumefanya jitihada za kuongeza mauzo kwa kuwekeza kutengeneza vifungashio vya chupa ambavyo ni bora zaidi.

Wakati wa mchakato wa kubadilisha uongozi kutoka uliokuwepo awali kwenda kwa ule wa AB InBev katika kipindi hiki cha mwaka wa fedha, tulikumbana na changamoto mbalimbali katika uendeshaji wa shughuli za kampuni sambamba na kutumia mfumo wa uendeshaji wa kampuni mama mpya. Mchakato huo ulimalizika vizuri na malengo tuliyojiwekea yamefikwa. Nafurahi kuwatangazia kuwa hivi sasa kila kitu kinaenda vizuri na tumefanikiwa kuendelea vizuri na hatutegemei kuwa na mabadiliko makubwa katika mfumo yetu ya uendeshaji na uongozi.

Pamoja na changamoto tulizokutana nazo, mauzo ya kampuni yamepanda kwa kiasi kilichotajwa hapo iuu, wakati mapato yamekua kwa asilimia 9%, yakiwa yamepunguzwa na uwekezaji uliofanywa kwenye miundombinu ya kutengeneza bidhaa zenye vifungashio ambavyo wateja wengi wanaweza kuvimudu kwenye masoko. Faida kutokana na uendeshaji wa kawaida imekua kwa asilimia 16% licha ya ongezeko la kodi ya ushuru wa bidhaa ya asilimia 5%. Uboreshaji wa shughuli za uendeshaji, kubana matumizi, na kuongezeka kwa mauzo, kumefanikisha kuendelea kukuza masoko yetu na bidhaa zetu kuendelea kutawala asilimia kubwa ya masoko.

Kuendelea na uwajibikaji, uwazi na uaminifu katika biashara

Wakati tunaendelea kujiwekea malengo ya kukua kwa kasi, tunaamini kuwa kufikia malengo hayo hakutegemei kuzalisha bidhaa kwa ajili ya wateja wetu bali tunapaswa kuhakikisha kanuni tulizojiwekea katika uendeshaji wa biashara zetu na taratibu za leseni ya kuendesha biashara zetu zinazingatiwa. Kanuni bora za biashara tulizojiwekea tukizifuata katika mtandao wa biashara zetu na kila mmoja kuzitekeleza ipasavyo tutaweza kufikia mafanikio tuliojiwekea.

Ili kupata mafanikio katika suala hili linalohusu wafanyakazi wetu na uongozi, kwa nia njema tumedhamiria kukua sambamba na kuendelea wafanyakazi wetu kwa kuhakikisha tunajenga mazingira ya usalama katika maeneo yao ya kazi, kuwapatia mafunzo mbalimbali ya ndani na nje sambamba na kukuza vipaji vyao vya uongozi na kuwapatia nafasi za uongozi ndani ya kampuni. Kampuni inathamini kutoa nafasi sawa katika maeneo ya kazi zake. Mwaka jana, tulishirikiana na Chama cha Waajiri Tanzania (ATE), katika mpango wake wa Mwanamke wa wakati ujao, ambao ulilenga kuwapatia mafunzo ya uongozi wa ngazi za iuu wafanyakazi wetu Wanawake katika maeneo yao wanapofanyia kazi.

Kampuni inaendelea kuunga mkono jitihada za serikali za kukuza uchumi wa kijamii nchini. Katika kufanikisha suala hili katika kipindi hiki cha fedha, mchango wetu kwenye mapato ya serikali zikiwemo kodi ya mapato, kodi ya ushuru wa bidhaa na kodi ya ongezeko la thamani. Tumeweza kulipa kiasi cha shilingi milioni 407,805.

Katika biashara yetu pia tunayo dhamira ya kuwezesha wakulima wadogo nchini ambao wanatuuzia malighafi kwa ajili ya viwanda vyetu. Tunafanya kazi kwa kushirikiana na wakulima zaidi ya 234 wanaolima mazao ya aina 3 tofauti mojawapo ikiwa ni wakulima wa zao la Shahiri. Tunao mkakati wa kufanya kazi na wakulima wengi zaidi nchini, kwa kuwa tunahitaji malighafi ya mazao mbalimbali kama mtama. Tunaendelea kuwawezesha wakulima hawa kwa kununua mazao yao kwa bei nzuri, sambamba na kuwawezesha katika mchakato wao wa kilimo, kama vile kuwasaidia kufanya utafiti wa mazao wanayolima, kuwapatia mbegu bora na kuwapatia mikopo ya kilimo, vifaa vya kilimo, mbolea na ushauri wa kitaalamu mashambani ili kuhakikisha wanapata mavuno mengi na bora.

Vile vile tunaendeleza dhamira yetu ya kuhakikisha jamii zetu mbalimbali zinatumia vinywaji vyetu kistarabu. Katika kufanikisha suala hili tunashirikiana na Jeshi la Polisi nchini kuendesha kampeni za Usalama barabarani na kuhamasisha jamii kuzingatia matumizi ya vinywaji vyenye kilevi kistaarabu. Mwaka jana tulizindua kampeni ya #No Excuse, ambayo lengo lake kubwa ni kuhamasisha jamii kuachana na vitendo vya ukatili kwa kisingizio cha kuchochewa na vinywaji vyenye kilevi. Tunaendelea kutoa elimu kwa jamii, vinywaji vyenye kilevi vitumiwe kistarabu na sio watumiaji wake wafanye vitendo visivyo vya kistaarabu kwenye jamii. Katika siku za usoni tunao mkakati wa kuingiza kwenye soko aina mbalimbali za vinywaji vyenye kiwango kidogo cha kilevi.

Vilevile tumeendelea na dhamira yetu ya kuwekeza katika miradi ya kusaidia jamii. Hhusani katika miradi ya kuondoa changamoto ya upatikanaji wa maji safi na salama katika jamii. Pia tumeendelea kushiriki na kuunga mkono kampeni za kutunza mazingira na kuhakikisha dunia inaendelea kuwa sehemu salama ya kuishi. Tumeendelea pia kusaidia shughuli mbalimbali za kijamii ili kujenga uaminifu kwa wanajamii ambao pia ni wateja wetu.

Mafanikio mazuri na makubwa siku zijazo

Baada ya kukabiliwa na changamoto mbalimbali miaka ya nyuma, tumejipanga kuzikabili na hivi sasa tunaenda vizuri, hali ilivyo sasa inatia matumaini kuwa katika siku zijazo tutaendelea kufanya vizuri zaidi na kupata mafanikio makubwa. Tukiwa tunaongoza katika soko, mkakati wetu wa kuingiza bidhaa za gharama nafuu kwenye soko umeanza kuonyesha mafanikio na biashara yetu kukua kwa kasi katika kipindi hiki cha mwaka wa fedha. Nawahakikisha wadau wetu kuwa tutaendelea kuwa wabunifu na kuandaa mikakati mbalimbali kama msingi imara wa kukua kibiashara.

Ndoto yetu tunayotamani kuitimiza ni “kuwa kampuni bora barani Afrika, inayokua kwa kasi na shughuli zake kuwa endelevu ambayo kila mtu angependa kufanya nayo kazi na pia kupitia shughuli zake za kibishara kuleta mabadiliko chanya katika jamii”. Kwa hiyo ili tuzidi kufanya vizuri katika kipindi kijacho cha mwaka wa fedha tumeainisha mambo mbalimbali ambayo tunapaswa kuyapa kipaumbele ili yazidi kutuweka katika nafasi nzuri ya kupata mafanikio zaidi,

1. Kuendelea kuwekeza kwenye bidhaa ambazo zinaendana na wateja wetu kwenye masoko na kuhakikisha zinaendelea kutamba na kuwa chaguo la watumiaji wengi.
2. Kuimarisha zaidi mifumo ya usambazaji wa bidhaa zetu kwa kuhakikisha zinapatikana wakati wote na kuhakikisha tunazingatia suala la kubana matumizi katika uendeshaji.
3. Kuimarisha mtandao wa usambazaji bidhaa zetu katika masoko kuanzia maeneo ya mijini mpaka vijijini na kukijengea uwezo kikosi chetu cha mauzo kwa kuhakikisha kinapatiwa mafunzo na vitendea kazi ili waweze kuongeza ufanisi wa kazi.
4. Kufanya ubunifu zaidi wa masoko ili kuhakikisha aina mbalimbali za vinywaji tunavyozalisha zinawekewa mkakati wa kimasoko wa kuzinganisha mitindo ya maisha ya wateja ili zizidi kupenya na kukubalika katika masoko.
5. Kuendelea na uwajibikaji na kufanya biashara kwa uaminifu na uwazi na kuhakikisha biashara zetu zinaendelea kutoa mchango mkubwa katika jamii na taifa kwa ujumla.
6. Kuendelea kujenga mazingira ya usalama mahali pa kazi, kutoa nafasi sawa kwa watu wote sambamba na kukuza vipaji vya wafanyakazi na kuwapatia motisha.

Tuendeleo kushirikiana ili kufanikisha malengo yetu

Mambo yote mazuri na mafanikio tuliyoyapata katika kipindi cha mwaka wa fedha uliomalizika, hayakupatikana kama ajali. Naamini tuna rasilimali watu nzuri, mifumo bora ya uendeshaji wa shughuli zetu. Vitendea kazi bora, matumizi ya teknolojia za kisasa na mikakati thabiti yenye dira ya kutupeleka mbele.

Napenda kuwahakikisha kuwa mafanikio yetu haya yanatokana na ushirikiano wa kila mmoja kwa lengo la kutimiza ndoto yetu ya kupata mafanikio na tuendeleo kushikamana na kuwa na dhamira ya kutekeleza mikakati yetu kwa ufasaha. Napenda nichukue fursa hii kutoa shukrani zangu za dhiti timu ya uongozi wa kampuni, na wafanyakazi wote kwa dhamira yao na jitihada kubwa walizofanya kuhakikisha kampuni yetu inanufaika na tunaweza kukuza biashara zetu.

Pia napenda kuwashukuru wateja wetu wote, watumiaji na wadau wote kwa kuendelea kutuamini miaka yote na kuwa sehemu ya mafanikio yetu. Kwa pamoja tukiendelea kushirikiana ndoto yetu ya kupata mafanikio makuwa zaidi itatimia, na sote tutaendelea kunufaika, na tutazidi kuijenga kampuni ya TBL Group kuwa kampuni bora nchini Tanzania na pia kampuni bora barani Afrika.



Roberto Jarrin
Mkurugenzi Mtendaji



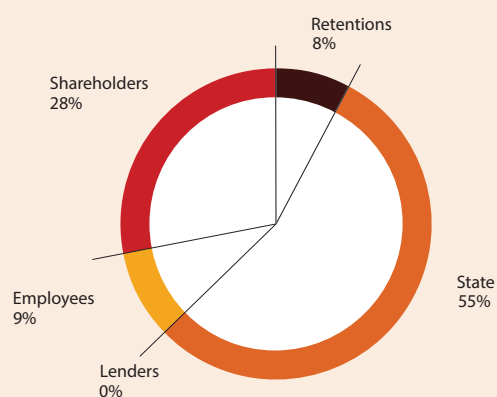
A proud part of the
AB InBev family

Performance in a snapshot

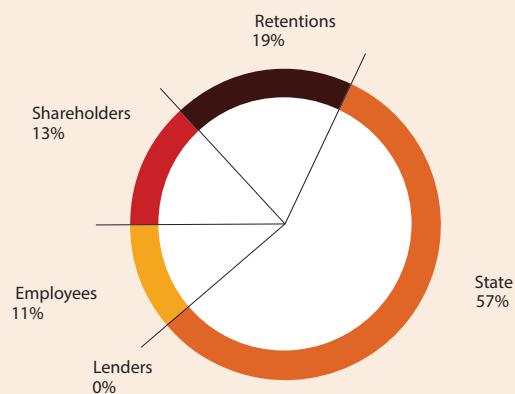
Cash value added statement

Million Tanzania Shillings	9 months to 31 Dec 2017	%	12 months to 31 Mar 2017	%
Cash generated				
Cash derived from sales	1,012,007		1,257,121	
Cash value generated	1,012,007		1,257,121	
Cash paid to suppliers	(262,047)		(445,754)	
Cash value added	749,960	100.0	811,367	100.0
Cash utilised to				
Remunerate employees for their services	(69,761)	9.3	(86,413)	10.7
Pay direct taxes to Government	(67,720)	9.0	(90,042)	11.1
Pay excise duty and Value Added Tax	(340,085)	45.4	(371,858)	45.8
Provide lenders with a return on borrowings	(307)	0.0	(1,428)	0.2
Provide shareholders with cash dividends	(209,038)	27.9	(103,911)	12.8
Cash disbursed among stakeholders	(686,911)	91.6	(653,652)	80.6
Cash retained to fund replacement of assets and facilitate further growth	63,049	8.4	157,715	19.4

2017 April - December
%



2017 March
%



Directors' report

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2017

The Directors submit their report together with the audited financial statements for the nine month period ended 31 December 2017, which disclose the state of affairs of Tanzania Breweries Limited (the "Company", TBL) and its subsidiaries, Tanzania Distilleries Limited (TDL), Darbrew Limited and Kibo Breweries Limited, (together the "Group").

1 Incorporation

Tanzania Breweries Limited (TBL) 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 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 (AFB's) in Tanzania. It operates breweries in Dar es Salaam, Arusha, Mwanza and Mbeya and eight depots throughout the country. It also produces malt at its malting plant in Moshi. The Company has controlling interest in Tanzania Distilleries Limited, a spirituous liquor company that is situated in Dar es Salaam and Darbrew Limited a traditional beer company located in Dar es Salaam. It also fully owns Kibo Breweries Limited, an asset management company domiciled in Dar es Salaam.

The Group owns some of Tanzania's most popular beer and liquor brands, notably:

Safari Lager;
Kilimanjaro Premium Lager;
Ndovu Special Malt; and
Konyagi.

The Company also produces and distributes Castle Lager, Castle Milk Stout, Castle Lite, and Redds Premium Cold under licence from ABInBev International Brands BV. The subsidiary undertaking, Tanzania Distilleries Limited, distributes various international brands of wines and spirits under licence from Distell (Pty) Limited of South Africa.

3 Dream

"Our Dream is to create the ideal company in Africa, one which grows a lot, is super-efficient, which everyone loves to work for and, very importantly, makes a real difference in society."

4 Operating and financial review

Market overview

After several years of stagnated growth, the beer industry in Tanzania is poised for good growth opportunities. The industry benefitted from a shift in strategy towards more affordable brands and packs. This year we have seen an uptick in the consumption of alcohol through the formal market, as more consumers switch out of the informal sector. We believe this renewed focus will boost the Group's volumes in the long-term.

Financial Review

As a result of the shift towards more affordable products, the Group has seen a significant improvement in volume and revenue performance, offsetting the tough trading conditions and the sachet ban that negatively impacted the spirits business.

Total volumes reached 3.3 million hectoliters resulting in a 24% growth on prior year.

Revenue of TShs 877,527 million represents an increase of 9% on prior year. The performance was driven by beer volume growth of 30% versus prior year; although a substantial amount of the volume growth came from affordable beers, which has a negative mix impact due to the lower margins that come with the affordable segment.

Operating profit excluding non-recurring items (normalized profit) increased by 16% on prior year. This increase was driven by top-line growth, efficiencies in our breweries and stringent cost controls. Non-recurring items for the period totaled TShs 142,953 million, primarily due to restructuring costs, effects of the sachet ban and amount distributed to permanent employees as a result of the sale of treasury shares.

4 Operating and financial review (continued)

A total of TShs 71,486 million was spent in capital investment during the nine month period compared to TShs 96,002 million in the full 12 month prior year.

The group's cash generated from operations was TShs 340,136 million during the nine month period versus TShs 353,096 million in the full twelve months prior year. Of this amount, TShs 67,720 million was utilized to pay corporate income tax and the remaining amount funded capital expenditure and dividends paid to shareholders.

Future development

The level of business and the year-end position is satisfactory. The Company will continue with its expansion and facility upgrade program. The Directors consider that the future prospects of the Company and the Group are promising.

5 Dividend

The Board of Directors approved two payments from Group totalling TShs. 770 per share as dividend during the nine month period ended December 2017. This amounted to TShs 209,283 million (12 months to March 2017: TShs 350 per share amounting to TShs 103,225 million).

The total dividend paid out in the year amounted to 209,038 million (TShs 103,911 million 12 months to March 2017) as per below;

Total dividend paid out in the nine month period to December 2017;

Dividends declared in;	TShs millions
Year ended March 2017	3,145
Nine Month period ended December 2017	205,893
Total	209,038

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 April 2017, unless otherwise stated, are:

Executive Board:

Name	Nationality	Remarks
Hon. C.D. Msuya	Tanzanian	Chairman. Retired Vice President and Prime Minister of United Republic of Tanzania. He was appointed on the Group Board on 18 August 2005. For the period under review, he was an appointee of SABMiller Africa BV.
Mr. R. Jarrin	Ecuadorian	He is the Managing Director, Tanzania Breweries Limited. He was appointed to the Board in May 2014. He is representing SABMiller Africa BV.
Ambassador A.R. Mpungwe	Tanzanian	Businessman, appointed by SABMiller Africa BV, in October 2001.
Mr. L. Mususa	Tanzanian	A Certified Public Accountant and Private Management Consultant. He was appointed on 1 July 2015. He is an appointee of SABMiller Africa BV. He also serves as the Chairman of the Group Audit Committee.
Mr. A. B. S. Kilewo	Tanzanian	Former Executive Managing Director of Tanzania Breweries Limited. He was appointed in September 1999. He is an appointee of SABMiller Africa BV.
Mr. P. J. I. Lasway	Tanzanian	Business Consultant. He was appointed on 18 February 2010. He is an appointee of SABMiller Africa BV.
Ms. L. Swartz	South African	Peoples President AB Inbev Africa. She was appointed to the Board on 15 December 2015. She is an appointee of SABMiller Africa BV.
Mr. B.R. Hirsch	South African	Head of Strategy and Operations Finance for SABMiller Africa. He was appointed to the Board on 15 December 2015. He was representing SABMiller Africa BV. He resigned on 3 April 2017.
Dr. Adelhem J. Meru	Tanzanian	Permanent Secretary - Ministry of Trade, Industry and Investment sitting on the Board as the Government representative with effect from 8 April 2016. He represents the public and the minority shareholders on the Board. He resigned on 16 th November, 2017.

6 Composition of the board of directors (continued)

Ms Dorothy Mwanyika	Tanzanian	Deputy Permanent Secretary - Ministry of Finance and Planning. She was appointed by the Government with effect from 8 April 2016. She represents the public and minority shareholders on the Board. She resigned on 16 th November, 2017.
Mr Andrew Murray	American	Finance Director SABMiller Africa BV – Africa Zone. He was appointed on 3 rd April, 2017. He is an appointee of SABMiller Africa BV.

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

Operating Board:

Name	Nationality	Remarks
Mr. Roberto Jarrin	Ecuadorian	Managing Director - Appointed in May 2014
Mr. David Magese	Tanzanian	Human Resources Director – Appointed in September 2013
Mr. James Bokella	Tanzanian	Regional Director North East – Appointed on December 2016
Mr. Godwin Zakaria	Tanzanian	Regional Director North West – Appointed in December 2016
Mr. Ellis Muhimbise	Ugandan	Regional Director South – Appointed in December 2016
Mr. Vivianus Rwezaura	Tanzanian	Regional Director Far South – Appointed in December 2016
Mr. Devis Deogratus	Tanzanian	Regional Director – TDL – Appointed in December 2016
Mr. Magabe Maasa	Tanzanian	Revenue Management Director – Appointed in February 2017
Mr. Carlos Bernitt	Ecuadorian	Sales & Route To Market Director – Appointed in February 2017
Mr. Bruno Zambrano	Colombian	Finance Director, Appointed in September 2017
Ms. Georgia Mutagahywa	Tanzanian	Legal & Corporate Affairs Director – Appointed in November, 2015
Mr Thomas Kamphuis	Dutch	Marketing Director - Appointed December 2016
Mr. Hosea Kajange	Tanzanian	Solutions Director - Appointed on June, 2017
Mr. Johan Gouws	South African	Technical Director – Appointed in February 2017

Company secretary as at the date of this report who has served throughout the period is Huruma Ntahena.

As at the date of this report, the Directors holding shares are listed below:

	Ordinary Shares	Ordinary Shares
	Dec 2017	Mar 2017
C.D. Msuya	8,000	8,000
A.R. Mpungwe	7,000	7,000
A.B.S. Kilewo	37,641	37,641
P.J.I. Lasway	36,162	36,162
Total	88,803	88,803

7 Corporate governance

The Board of the Company consists of ten Directors. Apart from the Managing Director, 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.

7 Corporate governance (continued)

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 committee and remuneration committee.

Group Audit Committee

The Group Audit 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 Committee is a sub-committee of the Board and comprises three non-executive members. It is regulated by specific terms of reference and meets at least three 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 committees. Mr. L. Mususa chairs the Audit Committee.

The overall objective of the Group Audit 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 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 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 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.

8 Capital structure and shareholders

The Company's authorised, issued and fully paid up share capital during the nine months period was 295,056,063 ordinary shares of a par value of TShs 100 each (2017 March: 294,928,463). 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 22.2 of the financial statements.

9 Management

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

- Finance department;
- Supply department;
- Procurement department;
- Trade marketing;
- Logistics department;
- Solutions department;
- Marketing department;
- Sales department;
- Sales & route to market department;
- People department; and
- Corporate affairs and legal department.

10 Stock exchange information

The Company is listed on the Dar es Salaam Stock Exchange. The share price at 31 December 2017 was TShs 14,000 (March 2017: TShs 12,000) and market capitalization was TShs 4,130,785 million (March 2017: TShs 3,539,136 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 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 nine month financial period ended 31 December 2017 and is of the opinion that they met accepted criteria. The Board carries out risk and internal control assessment through the Audit 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 nine month period. 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 TShs 572 million for staff training programs in the nine month period compared to TShs 1,117 million in the twelve months ended March 2017. 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.

Medical Assistance

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 by Resolution 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 and a malting plant operated by the Company are audited by National Occupational Safety Association (NOSA) annually.

Financial Assistance to Staff

Loans are available to all employees depending on the assessment of and the discretion of management as to the need and circumstances. Management has established an emergency loan facility with favourable borrowing terms with a commercial bank and has assisted staff to establish and join the Company Savings and Credit Co-operative Society (SACCOS) to assist in promoting the welfare of its employees.

12 EMPLOYEE WELFARE (continued)

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 two publicly administered defined contribution plans namely; the Parastatal Pension Fund (PPF) and the National Social Security Fund (NSSF) on a mandatory basis.

13 GENDER PARITY

At 31 December 2017, the Company had 1,769 (March 2017: 1,818) full time employees, out of which 318 (March 2017: 336) were female and 1,451 (March 2017: 1,482) were male.

14 RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in note 35 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 nine months period amounted to Tshs 203 million (year ended March 2017: TShs 473 million).

16 ENVIRONMENTAL CONTROL PROGRAMME

With the focused improvement methodology under the Manufacturing Way Principles, practiced by the Brewery's, the Company maintained its water usage ratio of 3.31 hl/hl of water used to beer produced, in alignment to its goal. With Energy consumption being the major focus for the year, the Company achieved an 8.9 % reduction over prior year. These improvements are coming through ABIn Bev Voyager Plant Optimization (VPO) and BOB (SABMiller Manufacturing Way) practices and process improvement implementation in all our breweries.

17 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Water Futures Partnership

The Company has been an active member of the 2030 WRG (2030 Water Resources Group), an association which addresses degradation of country's water sources and catchment areas for future generation use. Through this Partnership which involves both public and stakeholders, including the Ministry of Water, Dar es Salaam Water & Sewage Company (DAWASCO), and private sector; strategies have been developed in ensuring the identified potential risks are managed and/or mitigated immediately. TBL Group is also working with AMREF Tanzania to ensure proper management of water initiatives.

Clean energy

The Group has several ongoing initiatives on clean energy. These include; an award winning dry de-husking project in Mwanza where barley grain husks are used to power turbines in the boiler room; solar energy project in Mbeya where solar energy is used to power sections of the brewery. The company staff have also participated in tree-planting initiatives and taken part in cleaning the environment neighboring factory sites.

Other CSR initiatives

The Group was involved in water projects in collaboration with local partners and continues to work closely with the government and other stakeholders to enable the availability of safe water.

The Group continues with its Partnership with the Police force on road safety in Tanzania with trainings held in the year for members of the press and the police force.

The Group also encourages employees to live a healthy lifestyle in the Afya Kwanza program where health check services are provided throughout all our sites as well as various fitness activities.

17 CORPORATE SOCIAL RESPONSIBILITY (CSR) (continued)

Several training initiatives have also been undertaken by the company including; Retail Development Program where micro-retailers are equipped with basic business skills; on-site vocational training to prospective artisans from the Mbeya Sunrise College and the Vocational Education and Training Authority (VETA); training of Local barley suppliers to adopt improved farming practices.

In addition the company has provided the Group female employees with a platform to address professional and personal concerns through the Women's Forum and participate in the 'the Female Futures Program' which aims to fast-track women into management positions.

For the first time the Group launched the #No Excuse Campaign, with the objective of addressing the social norms that alcohol is a factor in 'Gender Based Violence' (GBV). The aim is shifting the narrative to responsible consumption and that alcohol is not a factor in GBV.

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



Hon. C.D. Msuya
Chairman

Date: 8th June 2018

Statement of directors' responsibilities

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2017

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 keeps 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 International Financial Reporting Standards (IFRS) 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 International Financial Reporting Standards (IFRS). 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:



Hon. C.D. Msuya
Chairman

Date: 8th June 2018

Declaration of the head of finance

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2017

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 Directors Responsibility statement on an earlier page.

I CHARITY MWAKIO being the Finance Manager representing Head of Finance of the Company and Group, that is, Tanzania Breweries Limited hereby acknowledge my responsibility of ensuring that financial statements for the nine month period ended 31 December 2017 have been prepared in compliance with International Financial Reporting Standards (IFRS) and 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 Company and Group, that is, Tanzania Breweries Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed:



Position: FINANCE MANAGER
NBAA Membership No.: TACPA 3171
Date: 8th June 2018

Report of the independent auditor

TO THE MEMBERS OF TANZANIA BREWERIES LIMITED



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 Limited (the Company) and its subsidiaries, Tanzania Distilleries Limited (TDL), Darbrew Limited and Kibo Breweries Limited (together the "Group") as at 31 December 2017 and of its Group and Company financial performance and its Group and Company cash flows for the nine month period then ended in accordance with International Financial Reporting Standards and the requirements of Tanzania Companies Act, No. 12 of 2002

What we have audited

Tanzania Breweries Limited's Group and Company financial statements set out on pages 29 to 81 comprise:

- the Group and Company statements of financial position as at 31 December 2017;
- the Group and Company statements of profit or loss and other comprehensive income for the period then ended;
- the Group and Company statements of changes in equity for the period then ended;
- the Group and Company statements of cash flows for the period then ended; and
- the notes to the financial statements, which include significant accounting policies.

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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional 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.

*Report on the audit of the Group and Company financial statements (continued)***Key audit matters (continued)****Key audit matter****Contingent liabilities relating to unresolved tax matters****i) Transfer pricing**

The Group received additional income tax assessments from Tanzania Revenue Authority (TRA) relating to transfer pricing. The Group has objected to the tax assessments based on advice from its tax advisors and it awaits feedback from the revenue authority.

As disclosed in Note 33(i) in the financial statements, the Directors have applied judgement not to make any provision in respect of this matter as they are of the view that their position is technically sound having taken actions to demonstrate to TRA that the service costs have been accounted for in accordance with transfer pricing regulations. Because of the divergent positions between the directors and the Tanzania Revenue Authority, the outcome of the matter may be materially different from the director's assessment at the year end.

ii) Excise duty

The Company's subsidiary Tanzania Distilleries Limited (TDL) received an income tax assessment relating to excise duty for years of income 2008 to 2016. The liability for the principal taxes and the related penalties and interest is TShs 61.5 billion based on the assessment by the revenue authority.

Having considered advice from internal expert and their engagement with Government and Tanzania Revenue Authority, the directors have exercised judgement that this matter will not crystalize to a significant liability.

The settlement of this dispute could be materially different from the directors' estimates. Refer to note 33 (iii) for further details and contingent liability disclosure.

How our audit addressed the Key audit matter

We obtained understanding and validated management's process for identification and evaluation of exposures from TRA assessments.

We obtained a list of open tax matters and tax assessments by TRA as at 31 December 2017.

We tested completeness of the list by examining minutes of the board meetings and legal correspondences between the Group and its lawyers and inquired from Group tax manager.

We examined correspondences between Management and the Tanzania Revenue Authority.

We obtained and assessed advice from management expert that was applied by management to assess the level of provisioning required and the tax objections filed thereon.

We reviewed the provisions for tax exposures based on management's own assessment and the advice provided by the Group's tax advisor. Where deposits were made to validate the objections filed with the revenue authority, we traced payments to the bank statements.

We evaluated the adequacy of the disclosures made in the financial statements in relation to contingent liabilities and significant judgement applied by directors.

Report on the audit of the Group and Company financial statements (continued)

Other information

The directors are responsible for the other information. The other information comprises the directors' report, statement of directors' responsibilities and declaration of the head of finance 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 the date of this auditor's report. Other information does not include the Group and Company financial statements and our auditor's report thereon.

Our opinion on the Group and Company 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 Group and Company 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 Group and Company 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 the other information that will be included in the Annual Report which is expected to be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request them to take appropriate corrective measures.

Responsibilities of the directors for the Group and Company financial statements

The directors are responsible for the preparation and fair presentation of the Group and Company financial statements 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

*Report on the Audit of the Group and Company financial statements (continued)**Auditor's responsibilities for the audit of the Group and Company financial statements (continued)*

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 the directors 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, related safeguards.

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.



Zainab S Msimbe, ACPA – PP

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

Date: 08 June 2018

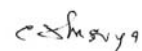
Statement of profit or loss and other comprehensive income

Million Tanzania Shillings	Notes	Group		Company	
		9 month 31 Dec 2017	12 month 31 Mar 2017	9 month 31 Dec 2017	12 month 31 Mar 2017
Revenue	6	877,527	1,041,123	753,416	854,087
Cost of sales	7	(567,768)	(593,616)	(459,742)	(457,722)
Gross profit		309,759	447,507	293,674	396,365
Selling and distribution costs	7	(130,549)	(143,151)	(109,696)	(109,541)
Administrative expenses	7	(61,964)	(61,265)	(58,303)	(47,432)
Other expenses	9	(10,266)	(8,032)	(5,766)	(7,385)
Fair value gain/(loss) on derivatives	10	26	82	(446)	82
Operating profit		107,006	235,141	119,463	232,089
Finance income	11	7,111	1,723	18,397	12,351
Finance costs	11	(644)	(2,264)	(3,369)	(2,048)
Profit before income tax		113,473	234,600	134,491	242,392
Income tax expense	12	(64,896)	(73,160)	(66,128)	(71,606)
Profit for the year		48,577	161,440	68,363	170,786
Attributable to:					
Non-controlling interests		(7,390)	(4,014)	-	-
Equity holders of company		55,967	165,454	-	-
		48,577	161,440	-	-
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Gain on re-measurement of defined benefit plan		63	236	38	269
Deferred tax on re-measurement of defined pension benefit		(19)	(71)	(11)	(81)
Cash flow hedges:					
Gains on cash flow hedges		199	2,136	22	1761
Deferred tax on gains on cashflow hedges		(60)	(641)	(6)	(528)
Total comprehensive income		48,760	163,100	68,406	172,207
Attributable to					
Non-controlling Interests		(7,341)	3,931	-	-
Equity holders of company		56,101	167,031	-	-
		48,760	163,100	-	-
Basic earnings per share (Tshs)	13	193	572		
Diluted earnings per share (Tshs)	13	190	561		

Statement of financial position

		Group		Company	
Million Tanzania Shillings	Notes	31 Dec-2017	31 Mar-2017	31 Dec 2017	31 Mar 2017
ASSETS					
Non-current assets					
Property, plant and equipment	15	547,909	538,590	509,672	499,069
Intangible assets	16	49,932	49,503	1,706	1,381
Investments	17	88	88	53,942	53,942
Deferred income tax asset	26(ii)	7,301	4,189	-	-
		605,230	592,370	565,320	554,392
Current assets					
Derivative financial instruments	18	437	808	437	807
Inventories	19	98,797	125,311	75,200	93,298
Trade and other receivables	20	144,339	130,567	178,732	162,112
Current income tax asset	30	5,151	7,082	631	6,083
Bank and cash balances	21	152,684	77,966	146,240	69,533
		401,408	341,734	401,240	331,833
Total assets		1,006,638	934,104	966,560	886,225
EQUITY					
Capital and reserves attributable to owners of the parent					
Share capital	22	29,506	29,493	29,506	29,493
Share premium		45,346	45,346	45,346	45,346
Retained earnings		494,054	647,332	496,732	637,625
Other reserves	23	66,643	(12,293)	66,683	(12,173)
		635,549	709,878	638,267	700,291
Non-controlling interests		746	8,087	-	-
Total equity		636,295	717,965	638,267	700,291
LIABILITIES					
Non-current liabilities					
Borrowings	25	-	241	-	-
Deferred income tax liability	26(i)	47,283	47,654	47,047	47,526
Defined pension benefits	27	1,962	1,691	1,936	1,651
		49,245	49,586	48,983	49,177
Current liabilities					
Provisions	28	6,451	2,001	931	2,001
Derivative financial liabilities	18	727	1,323	727	674
Trade and other payables	29	313,679	160,535	277,652	133,561
Borrowings	25	241	2,694	-	521
		321,098	166,553	279,310	136,757
Total liabilities		370,343	216,139	328,293	185,934
Total equity and liabilities		1,006,638	934,104	966,560	886,225

The financial statements on pages 29 to 81 were approved by the board of directors on 8th June 2018 and signed on its behalf by:-



Hon. C.D. Msuya
Chairman

Statement of changes in equity

Million Tanzania Shillings	Notes	Attributable to owners of the parent					Non-controlling interest	Total equity
		Share capital	Share premium	Other reserves	Retained earnings	Total		
GROUP								
9 months period ended 31 December 2017:								
Balance at 1 April 2017		29,493	45,346	(12,293)	647,332	709,878	8,087	717,965
Profit for the year		-	-	-	55,967	55,967	(7,390)	48,577
<i>Comprehensive Income</i>								
Re-measurement of defined benefit plan (net of tax)		-	-	-	38	38	6	44
Fair value gain on cashflow hedges (net of tax)	23	-	-	96	-	96	43	139
Total comprehensive income		-	-	96	56,005	56,101	(7,341)	48,760
Transaction with owners								
Sale of treasury shares	23	-	-	78,840	-	78,840	-	78,840
Dividends provided for or paid	14	-	-	-	(209,283)	(209,283)	-	(209,283)
Adjustment on issued shares	22	13	-	-	-	13	-	13
At 31 December 2017		29,506	45,346	66,643	494,054	635,549	746	636,295

Million Tanzania Shillings	Notes	Attributable to owners of the parent					Non-controlling interest	Total equity
		Share capital	Share premium	Other reserves	Retained earnings	Total		
Year ended 31 March 2017:								
Balance at 1 April 2016		29,493	45,346	(13,697)	584,930	646,072	12,018	658,090
Profit for the year		-	-	-	165,454	165,454	(4,014)	161,440
<i>Comprehensive Income</i>								
Re-measurement of defined benefit plan (net of tax)		-	-	-	173	173	(8)	165
Fair value loss on cash flow hedges (net of tax)	23	-	-	1,404	-	1,404	91	1,495
Total comprehensive income		-	-	1,404	165,627	167,031	(3,931)	163,100
Transaction with owners								
Dividends provided for or paid	14	-	-	-	(103,225)	(103,225)	-	(103,225)
At 31 March 2017		29,493	45,346	(12,293)	647,332	709,878	8,087	717,965

Statement of changes in equity (continued)

Million Tanzania Shillings	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
COMPANY						
9 months period ended 31 December 2017:						
Balance at 1 April 2017		29,493	45,346	(12,173)	637,625	700,291
Profit for the period		-	-	-	68,363	68,363
<i>Comprehensive Income:</i>						
Re-measurement of defined benefit plan (net of tax)		-	-	-	27	27
Fair value gain on cash flow hedges (net of tax)	23	-	-	16	-	16
Total comprehensive income		-	-	16	68,390	68,406
<i>Transaction with owners</i>						
Sale of treasury shares	23	-	-	78,840	-	78,840
Dividends provided for or paid	14	-	-	-	(209,283)	(209,283)
Adjustment on issued shares	22	13	-	-	-	13
At 31 December 2017		29,506	45,346	66,683	496,732	638,267

Million Tanzania Shillings	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Year ended 31 March 2017						
At 1 April 2016		29,493	45,346	(13,406)	569,876	631,309
Profit for the year		-	-	-	170,786	170,786
<i>Comprehensive income:</i>						
Re-measurement of defined benefit plan (net of tax)		-	-	-	188	188
Fair value gain on cash flow hedges (net of tax)	23	-	-	1,233	-	1,233
Total comprehensive income		-	-	1,233	170,974	172,207
<i>Transactions with owners</i>						
Dividends provided for or paid	14	-	-	-	(103,225)	(103,225)
At 31 March 2017		29,493	45,346	(12,173)	637,625	700,291

Statement of cash flows

Million Tanzania Shillings	Notes	Group		Company	
		31-Dec-2017	31-Mar-2017	31-Dec-2017	31-Mar-2017
Cash flows from operating activities					
Cash generated from operations	34(i)	340,114	353,096	318,583	347,116
Interest paid	34(ii)	(307)	(1,428)	(3,054)	(1,254)
Income tax paid	34(iii)	(67,720)	(90,042)	(61,172)	(85,320)
Net cash inflow from operating activities		272,087	261,626	254,357	260,542
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	34(v)	(71,486)	(96,002)	(65,098)	(89,073)
Interest received	34(iv)	7,111	1,723	18,397	12,351
Proceeds from disposal of property, plant and equipment		224	494	71	32
Net cash used in investing activities		(64,151)	(93,785)	(46,630)	(76,690)
Cash flows from financing activities					
Dividends paid to owners of the parent	34(vi)	(209,038)	(103,911)	(209,036)	(103,911)
Repayment of bank borrowings	34(vii)	(741)	(518)	-	-
Proceeds from sale of shares owned by employee share ownership trust		78,840	-	78,840	-
Net cash utilised in financing activities		(130,939)	(104,429)	(130,196)	(103,911)
Net increase in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		76,013	63,412	77,531	79,841
Exchange (loss)/gain on cash and cash equivalent		(326)	(836)	(303)	(794)
Cash and cash equivalents at the end of the year	21	152,684	76,013	146,240	(69,012)

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For the nine month period ended 31 December 2017

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1 GENERAL INFORMATION

Tanzania Breweries Limited 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 Directors' report. The address of its registered office is:

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

2 SIGNIFICANT 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 International Financial Reporting Standards (IFRS), 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 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 (TShs), rounded to the nearest million.

The preparation of financial statements in conformity with IFRS 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 and disclosures

(i) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2017 and have an impact on the Group and Company.

Number	Effective date	Executive summary
Disclosure Initiative – Amendments to IAS 7	1 January 2017	Going forward, entities will be required to explain changes in their liabilities arising from financing activities. This includes changes arising from cash flows (example, drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities. Entities may include changes in other items as part of this disclosure, for example by providing a 'net debt' reconciliation. However, in this case the changes in the other items must be disclosed separately from the changes in liabilities arising from financing activities. The information may be disclosed in tabular format as a reconciliation from opening and closing balances, but a specific format is not mandated.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

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

Number	Effective date	Summary
Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12	1 January 2017	Amendments made to IAS 12 in January 2016 clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that: • A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period. • An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit. • Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type. • Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit

(ii) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2017, and have not been applied in preparing these financial statements.

Number	Effective date	Summary
IFRS 9 – Financial Instruments	1 January 2018	The standard is issued as part of a wider project to replace IAS 39. IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held; defines a new expected-loss impairment model that will require more timely recognition of expected credit losses; and introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new hedge accounting model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities. IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. The Group does not expect that the application of IFRS 9 will have a significant impact on its financial position and/or its financial performance.
IFRS 15 - Revenue from Contracts with Customers	1 January 2018	The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. In view of the Group's activities, the Group does not expect that the application of IFRS 15 will have a significant impact on its financial position and/or its financial performance.
IFRS 16 – Leases	1 January 2019	IFRS 16 replaces the existing lease accounting requirements and represents a significant change in the accounting and reporting of leases that were previously classified as operating leases, with more assets and liabilities to be reported on the balance sheet and a different recognition of lease costs. The Group is in process of assessing the full impact of IFRS 16 and, apart from changes in the presentation of operating leases in the balance sheet, does not expect significant impacts in the consolidated income statement

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(ii) New standards and interpretations not yet adopted (continued)

Number	Effective date	Executive summary
Annual improvements 2014-2016	1 January 2018	These amendments impact 3 standards: IFRS 1, 'First-time adoption of IFRS', regarding the deletion of shortterm exemptions for first-time adopters regarding IFRS 7, IAS 19, and IFRS 10 effective 1 January 2018. IAS 28, 'Investments in associates and joint ventures' regarding measuring an associate or joint venture at fair value. IAS 28 allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss (FVTPL). The Board clarified that this election should be made separately for each associate or joint venture at initial recognition. Effective 1 January 2018.
IFRIC 23, 'Uncertainty over income tax treatments'	1 January 2019	IFRIC 23 provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. The Interpretation provides specific guidance in several areas where previously IAS 12 was silent. The Interpretation also explains when to reconsider the accounting for a tax uncertainty. Most entities will have developed a model to account for tax uncertainties in the absence of specific guidance in IAS 12. These models might, in some circumstances, be inconsistent with IFRIC 23 and the impact on tax accounting could be material. Management should assess the existing models against the specific guidance in the Interpretation and consider the impact on income tax accounting.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group and the Company.

(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.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation (continued)

(i) Subsidiaries (continued)

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is 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 (TShs), 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 expenses (note 9).

(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.

2 **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(e) Property, plant and equipment (continued)**

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:

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

Land and buildings comprises 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.

(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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets (continued)

(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, are not amortized but tested for impairment on an annual basis.

(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: Purchase cost net of discounts and rebates on a first-in first-out basis (FIFO);
- 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 on a FIFO basis.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See note 2(z) for a description of the group's impairment policies.

(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.

(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.

(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) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(p) 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.

(q) Income tax

Income tax expense is the aggregate of the charge in profit or loss in respect of current and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.

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 financial statements. Deferred income tax is determined using tax rates

2 **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(q) Income tax** (continued)

(and laws) that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that the directors consider that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(r) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(s) 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) and Parastatal Pensions Fund (PPF), which are publicly, administered pension plans, 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 select 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) 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.

(u) 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.

(v) Revenue recognition*(i) Sale of goods and services*

Revenue represents the fair value of consideration received or receivable for goods and services sold to third parties and is recognised when the risks and rewards of ownership are substantially transferred. Risks and rewards are deemed to have substantially transferred once goods leave the relevant Group's warehouse or depot, based on a customer's order.

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.

Revenue excludes value added tax. It is stated net of price discounts, promotional discounts and after an appropriate amount has been provided to cover the sales value of credit notes yet to be issued that relate to the current and prior periods. The same recognition criteria also apply to the sale of by-products and waste (such as spent grain, malt dust and yeast).

The same recognition criteria also apply to the sale of by-products and waste (such as spent grain, malt dust and yeast).

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(w) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the Group or Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(y) Financial assets*(i) Classification*

The group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

The group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, i.e. are held for trading or if upon initial recognition they are designated as at fair value through profit or loss. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets. The groups' financial assets at fair value through profit or loss consist of derivative financial instruments.

(ii) Recognition and measurement

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.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method. Financial assets through profit or loss are subsequently measured at fair value.

(z) Impairment of financial assets

Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

2 **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(z) Impairment of financial assets** (continued)

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 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).

Cash flow hedges

Cash flow hedges comprise derivative financial instruments designated in a hedging relationship to manage currency and interest rate risk to which the cash flows of certain liabilities are exposed. The effective portion of changes in the fair value of the derivative that is designated and qualifies for hedge accounting is recognized in other comprehensive income. The ineffective portion is recognized immediately in profit or loss. Amounts accumulated in equity are reclassified to profit or loss in the period in which the hedged item affects profit or loss. However, where a forecasted transaction results in a non-financial asset or liability, the accumulated fair value movements previously deferred in equity are included in the initial cost of the asset or liability.

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*

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 current and any deferred income tax provisions in the periods in which the determination is made. The Group received a number of additional tax assessments from Tanzania Revenue Authority.

The Directors have exercised significant judgement in concluding whether liability will crystalize from the tax assessments. As disclosed in Note 33 of the financial statements, some of these amounts have not been taken into account by directors in preparation of the 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). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. No impairment charge arose during the course of the nine month period. The value in use as at 31 December 2017 was estimated at TShs 1,644,401 million (March 2017: TShs 2,248,343 million). The recoverable amount calculated based on value in use exceeded carrying value by TShs 1,599,535 million. (March 2017 TShs 1,515,718 million).

If the budgeted EBIDTA growth rate used in the value-in-use calculation for the Clear beer segment had been 10% lower than management's estimates at 31 December 2017, the estimated value in use would have been TShs 12,723 million (March 2017: TShs 331,479 million) lower than the management estimated value and would have resulted to no impairment of goodwill.

If the estimated cost of capital used in determining the pre-tax discount rate for the Clear beer segment had been 10% higher than management's estimates, the estimated value in use would have been TShs 202,541 million (March 2017: TShs 567,964 million) lower than the estimated amount, resulting in no impairment of goodwill.

If the estimated long-term growth rate used in determining the value in use of the clear beer segment had been 10% lower than management's estimates, the fair value would have been TShs 54,925 million (March 2017: TShs 313,295 million) lower than the estimated amount, which will result to no impairment of goodwill.

(iii) *Impairment of Chibuku brand*

The group tests annually whether the Chibuku brand has suffered any impairment, in accordance with the accounting policy stated in note 2 (f). The recoverable amount of brand has been determined based on value-in-use calculations. These calculations require the use of estimates. No impairment charge arose during the course of the nine month period. The value in use as at 31 December 2017 was estimated at TShs 6,810 million (March 2017: TShs 5,255 million). The recoverable amount calculated based on value in use exceeded carrying value by TShs 3,534 million (March 2017 TShs 1,979 million).

If the budgeted EBITA growth rate used in the value-in-use calculation for the brand had been 10% lower than management's estimates at 31 December 2017, the estimated value in use would have been TShs 83 million (March 2017: TShs 46 million) lesser than the management estimated value and would have resulted to no impairment of the brand.

If the estimated cost of capital used in determining the pre-tax discount rate for the Clear beer segment had been 10% higher than management's estimates, the fair value would have been TShs 931 million (March 2017: TShs 675 million) lower than the estimated amount, resulting in no impairment of the brand.

If the estimated long-term growth rate used in determining the value in use of the brand had been 10% lower than management's estimates, the fair value would have been TShs 390 Million (March 2017: TShs 143 million) lower than the estimated amount, which will result to no impairment of the brand.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(iv) *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

(v) *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 27 for the risk exposure and sensitivity analysis.

(vi) *Inventory impairment provision*

Management carries out a regular review of the status of inventory determine whether there is any indication that these assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. In determining whether an impairment loss, management consider on whether there is objective evidence that the inventory are impaired. Management estimates of the inventory provision are based on the ageing of inventories and economic viability depending on their expected usage, obsolescence.

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. Risks 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. The group and company are required to hedge the foreign risk exposure with the group treasury.

The Group adopts a policy of ensuring that net monetary assets or liabilities denominated in a non-functional currency are lower than TShs 20 billion. In addition, the Group's policy is to limit the impact to 1% of Group operating profit (excluding exceptional items) for each 10% change in foreign exchange rates.

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

Million Tanzania Shillings	Exposure in ZAR	Exposure in US\$	Exposure in Euro	Total exposure
GROUP				
31 December 2017				
Financial assets/(liabilities)				
Cash and cash equivalents	492	4,188	347	5,027
Trade and other receivables	43	4,140	-	4,183
Trade and other payable	(5,984)	(31,012)	(11,728)	(48,724)
Net monetary liabilities	(5,449)	(22,684)	(11,381)	(39,514)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1. Financial risk factors (continued)

Market risk (continued)(i) *Foreign exchange risk (continued)*

Million Tanzania Shillings	Exposure in ZAR	Exposure in US\$	Exposure in Euro	Total exposure
31 March 2017				
Financial assets/(liabilities)				
Cash and cash equivalents	1	9,829	896	10,726
Trade and other receivables	-	2,712	-	2,712
Borrowings	-	-	(515)	(515)
Trade and other payable	(2,351)	(23,326)	(7,639)	(33,316)
Net monetary liabilities	(2,350)	(10,785)	(7,258)	(20,393)

During the period ended 31 December 2017 the Group currency exposure exceeded the limit of TShs 20 billion and 1% on Group operating profit due to change in payment terms in the year. However, the Group considers the deviation immaterial and is currently reviewing the policy limit.

Million Tanzania Shillings	Exposure in ZAR	Exposure in US\$	Exposure in Euro	Total exposure
COMPANY				
31 December 2017				
Financial assets/(liabilities)				
Cash and cash equivalents	469	2,829	302	3,600
Trade and other receivables	43	975	-	1,018
Trade and other payable	(5,463)	(27,191)	(9,713)	(42,367)
Net monetary assets/(liabilities)	(4,951)	(23,387)	(9,411)	(37,749)

31 March 2017**Financial assets/(liabilities)**

Cash and cash equivalents	-	6,003	232	6,235
Trade and other receivables	-	2,311	-	2,311
Borrowings	(37)	(461)	(22)	(521)
Trade and other payable	(1,881)	(22,249)	(6,851)	(30,981)
Net monetary assets/(liabilities)	(1,918)	(14,396)	(6,641)	(22,956)

At 31 December 2017, if the Tanzania shilling (TShs) had weakened/strengthened by 10% (March 2017: 10%) against the US dollar with all other variables held constant, Group's post-tax profit for the year would have been higher or lower by TShs 1,588 million (March 2017: TShs 755 million) and the Company's post-tax profit for the year by TShs 1,637 million (March 2017: TShs 1,008 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 2017, if the Tanzania shilling (TShs) had weakened/strengthened by 10% (March 2017: 10%) against the Euro with all other variables held constant, Group's post-tax profit for the year would have been higher/lower by TShs 797 million (March 2017: TShs 508 million) and Company's post-tax profit for the year by TShs 659 million (March 2017: TShs 465 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 2017, if the Tanzania shilling (TShs) had weakened/strengthened by 10% (March 2017: 10%) against the SA Rand with all other variables held constant, Group's post-tax profit for the year would have been higher or lower by TShs 381 million (March 2017: TShs 164 million) and Company's by TShs 347 million (March 2017: TShs 134 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.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1. Financial risk factors (continued)

Market risk (continued)

(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. At 31 December 2017, an increase/decrease of 100 basis points (March 2017: 100 basis points) would have resulted in a decrease/increase in post-tax profit of the Group of TShs 2 million (March 2017: TShs 21 million) and Company NIL (March 2017: TShs 4 million).

(iii) Price risk

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

Credit risk

Credit risk is managed by the National 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 National 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 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 credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. 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 credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings, if available, or historical information about counterparty default rates:

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Trade receivables and other receivables				
Counterparties without external credit rating:				
Group 1 – New customers	5,148	1,453	5,148	1,371
Group 2 – Existing customers with no defaults in the past	74,837	49,974	66,976	49,245
Existing customers not in group 1 and 2 above and other receivables (excluding advance to suppliers and prepayments) - Not in arrears	15,101	13,877	66,734	72,473
	95,086	65,304	138,858	123,089
Cash at bank and short term bank deposits	152,648	77,791	146,218	69,458
Derivative financial assets	437	808	437	807

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, National Bank of Commerce Limited, CRDB Bank Plc and Microfinance 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 counterparty is in default under the terms of the agreement.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1. Financial risk factors (continued)

Credit risk (continued)

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Collateral held comprises:				
Cash security	35,181	30,843	29,994	27,691
Bank guarantees and share certificates	48,067	43,266	47,219	41,914
	83,248	74,109	77,213	69,605

None of these assets are past due or impaired except for the following amounts in trade receivables (which are due within 30 days of the end of the month in which they are invoiced). The individually impaired receivables mainly relate to trading debt. It was assessed that a portion of the receivables is expected to be recovered.

The aging of these receivables is as follows;

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Past due but not impaired:				
- by 31 to 60 days	15,473	11,095	12,243	7,983
- by over 60 days	3,006	28,240	2,369	9,194
Total past due but not impaired	18,479	39,335	14,612	17,177
Trade receivables individually determined to be impaired:				
Carrying amount before provision for impairment loss	44,681	26,148	8,875	1,640
Provision for impairment loss	(34,071)	(26,148)	(1,903)	(1,640)
Net carrying amount	10,610	-	6,972	-

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 and through inter-Company short term advances. 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.

Million Tanzania Shillings	31 December 2017		31 March 2017	
	Credit limit	Utilised	Credit limit	Utilised
Group				
National Bank of Commerce Limited	41,600	241	41,600	1,852

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1. Financial risk factors (continued)

Liquidity risk (continued)

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.

Million Tanzania Shillings	Group		Company	
	Within 1 year	Between 2 and 5 years	Within 1 year	Between 2 and 5 years
At 31 December 2017				
<i>Non derivative financial liabilities</i>				
Borrowings	241	-	-	-
Trade and other payable	272,291	-	243,044	-
	272,532	-	243,044	-
<i>Derivative financial liabilities - Gross settled (forward foreign exchange contracts – cash flow hedges)</i>				
- Cash (inflow)	(1,047)	-	(1,047)	-
- Cash outflow	1,053	-	1,053	-
	6	-	6	-
Financial guarantee	2,214	-	2,214	-

Million Tanzania Shillings	Group		Company	
	Within 1 year	Between 2 and 5 years	Within 1 year	Between 2 and 5 years
At 31 March 2017				
<i>Non derivative financial liabilities</i>				
Borrowings	2,850	283	552	-
Trade and other payable	127,685	-	106,750	-
	130,535	283	107,302	-
<i>Derivative financial liabilities - Gross settled (forward foreign exchange contracts – cash flow hedges)</i>				
Cash (inflow)	(22,585)	-	(19,786)	-
Cash outflow	22,596	-	19,772	-
	(11)	-	14	-
Financial guarantee	3,125	-	3,125	-

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 dividends 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 2017 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 ratios at 31 December 2017 and 2016 were as follows:

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2. Capital management (continued)

Million Tanzania Shillings	Note	Dec 2017	Mar 2017
Group			
Total borrowings	25	241	2,935
Less: cash at bank and in hand	21	(152,684)	(77,966)
Net debt		-	-
Total equity		636,295	717,965
Total capital		483,852	642,934
Gearing ratio		0%	0%
Company			
Total borrowings	25	-	521
Less: cash at bank and in hand	21	(146,240)	(69,533)
Net debt		-	-
Total equity		638,566	700,291
Total capital		492,326	631,279
Gearing ratio		0%	0%

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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's and Company's financial assets and liabilities that are measured at fair value at 31 December 2017.

Million Tanzania Shillings	Level 1	Level 2	Level 3	Total balance
GROUP				
Year ended 31 December 2017				
<i>Assets</i>				
Embedded derivatives	-	-	344	344
Derivatives used for hedging				
- Foreign exchange contracts	-	-	93	93
	-	-	437	437
<i>Liabilities</i>				
Derivatives used for hedging				
- Foreign exchange contracts	-	-	(727)	(727)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation (continued)

Million Tanzania Shillings	Level 1	Level 2	Level 3	Total balance
GROUP				
Year ended 31 March 2017				
<i>Assets</i>				
Embedded derivatives	-	-	807	807
Derivatives used for hedging				
- Foreign exchange contracts	-	-	1	1
	-	-	808	808
<i>Liabilities</i>				
Derivatives used for hedging				
- Foreign exchange contracts	-	-	(1,323)	(1,323)

The carrying value of trade receivables less impairment provision, borrowings and payables are assumed to approximate their fair values.

Million Tanzania Shillings	Level 1	Level 2	Level 3	Total balance
COMPANY				
Year ended 31 December 2017				
<i>Assets</i>				
Embedded derivatives	-	-	344	344
Derivatives used for hedging				
- Foreign exchange contracts	-	-	93	93
	-	-	437	437
<i>Liabilities</i>				
Derivatives used for hedging				
- Foreign exchange contracts	-	-	(727)	(727)

Year ended 31 March 2017

<i>Assets</i>				
Embedded derivatives	-	-	807	807
Derivatives used for hedging				
- Foreign exchange contracts	-	-	-	-
	-	-	807	807
<i>Liabilities</i>				
Derivatives used for hedging				
- Foreign exchange contracts	-	-	(674)	(674)

The carrying value of trade receivables less impairment provision, borrowings and payables are assumed to approximate their fair value.

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 period under audit (March 2017: None).

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation (continued)

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 december 2017 and 31 march 2017:

	Group		Company	
	Embedded derivatives	Derivatives used for hedging	Embedded derivatives	Derivatives used for hedging
Opening balance as at 01 april 2016	725	(2,143)	725	(1,787)
Additions	-	(1,315)	-	(648)
Gains recognised in other comprehensive income	-	2,136	-	1,761
Gains/ (losses) recognised in other income	82	-	82	-
Closing balance as at 31 march 2017	807	(1,322)	807	(674)
(losses) recognised in other comprehensive income	-	199	-	22
gains/ (losses) recognised in other income	(464)	489	(463)	18
Closing balance 31 december 2017	343	(634)	344	(634)

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. Costs relating to the general group management are shared between the Company and its subsidiaries based on agreed management fees. The Group is currently organised into two main operating divisions; – Beer and Wines and Spirits. The beer operating segment comprises clear beer and opaque beer. The results of the 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 2017 and 31 March 2017 is as follows:

Segmental statement of profit or loss

Million Tanzania Shillings	Beer	Wines & Spirits	(Eliminations) /consolidation	Total Group
Nine months to December 2017				
Revenue				
Exports	424	9,217	-	9,641
Local	764,418	103,468	-	867,886
Total revenue from external customers	764,842	112,685	-	877,527
Operating profit	113,443	(6,843)	406	107,006
Finance income/(cost) (net)	14,930	(8,463)	-	6,467
Profit before tax	128,373	(15,306)	406	113,473
Income tax expense	(66,791)	1,895	-	(64,896)
Profit for the period	61,582	(13,411)	406	48,577
Depreciation, amortisation and breakages	51,451	1,895	-	53,346

5 BUSINESS SEGMENTS INFORMATION (CONTINUED)

Segment assets, liabilities and capital expenditure

Million Tanzania Shillings	Beer	Wines & Spirits	Eliminations/ consolidation	Total Group
December 2017				
Assets				
Investments	53,942	-	(53,854)	88
Other non-current assets	518,378	41,897	44,867	605,142
Current assets	406,927	53,936	(59,455)	401,408
	979,247	95,833	(68,442)	1,006,638
Liabilities and equity				
Current liabilities	313,429	68,881	(61,212)	321,098
Non-current liabilities	49,218	27	-	49,245
Owner's equity	617,348	19,625	(1,424)	635,549
Non-controlling interest	-	-	746	746
	979,995	88,533	(61,890)	1,006,638

Capital expenditure

Million Tanzania Shillings	Beer	Wines & Spirits	(Eliminations) /consolidation	Total Group
December 2017				
Property, plant and equipment	63,373	6,790	-	70,163
Intangible assets	1,322	-	-	1,322
	64,695	6,790	-	71,485
Statement of cash flows 2017				
Operating activities	258,807	4,318	8,962	272,087
Investing activities	(47,436)	(5,686)	(11,029)	(64,151)
Financing activities	(130,939)	-	-	(130,939)
Net increase in cash and cash equivalents	80,432	(1,368)	(2,067)	76,997
Cash and cash equivalents at the beginning of the period	68,109	7,904	-	76,013
Exchange gain/loss on cash and cash equivalent	(326)	-	-	(326)
Cash and cash equivalents at the end of the year	148,215	6,536	(2,067)	152,684

5 BUSINESS SEGMENTS INFORMATION (CONTINUED)

Segmental statement of profit or loss

Million Tanzania Shillings	Beer	Wines & Spirits	(Eliminations) /consolidation	Total Group
March 2017				
Revenue				
Exports	1,970	9,048	-	11,018
Local	864,868	165,237	-	1,030,105
Total revenue from external customers	866,838	174,285	-	1,041,123
Operating profit	224,786	12,869	(2,514)	235,141
Finance income/(cost) (net)	9,869	(10,410)	-	(541)
Profit before tax	234,655	2,459	(2,514)	234,600
Income tax expense	(72,147)	(1,013)	-	(73,160)
Profit for the year	162,508	1,446	(2,514)	161,440
Depreciation, amortisation and breakages	61,209	2,282	-	63,491

Segment assets, liabilities and capital expenditure

Million Tanzania Shillings	Beer	Wines & Spirits	Eliminations/ consolidation	Total Group
March 2017				
Assets				
Investments	53,923	-	(53,835)	88
Other non-current assets	514,916	28,310	44,867	588,093
Current assets	313,214	68,026	(39,506)	341,734
	882,053	96,336	(48,474)	929,915
Liabilities and equity				
Current liabilities	138,537	67,522	(39,506)	166,553
Non-current liabilities	45,357	(4,149)	4,189	45,397
Owner's equity	690,649	32,963	(13,734)	709,878
Non-controlling interest	-	-	8,087	8,087
	874,543	96,336	(40,964)	929,915

Capital expenditure

March 2017

Property, plant and equipment	90,445	5,251	-	95,696
Intangible assets	306	-	-	306
	90,751	5,251	-	96,002

5 BUSINESS SEGMENTS INFORMATION (CONTINUED)

Statement of cash flows

Million Tanzania Shillings	Beer	Wines & Spirits	Eliminations/ consolidation	Total Group
March 2017	258,838	(7,601)	10,389	261,626
Operating activities	(78,145)	(5,251)	(10,389)	(93,785)
Investing activities	(104,429)	-	-	(104,429)
Financing activities				
Net increase in cash and cash equivalents	76,264	(12,852)	-	63,412
Cash and cash equivalents at the beginning of the year	(7,319)	(20,756)	-	(13,437)
Exchange gain/loss on cash and cash equivalent	(836)	-	-	(836)
Cash and cash equivalents at the end of the year	68,109	7,904	-	76,013

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

Million Tanzania Shillings	Group		Company	
	Dec-2017	Mar-2017	Dec-2017	Mar-2017
Sale of goods – Local	877,102	1,030,105	752,992	852,117
Sale of goods – Export	425	11,018	424	1,970
	877,527	1,041,123	753,416	854,087

7 EXPENSES BY NATURE

Excise duty	228,072	232,279	188,540	187,948
Raw materials used	185,885	199,764	136,209	121,907
Transport and vehicle running costs	29,102	43,432	27,088	36,397
Depreciation, write down and amortisation	53,346	63,491	50,704	59,916
Royalties	11,837	19,121	11,814	19,578
Impairment loss – receivables	7,923	22,370	263	1,073
Employee benefits expense (Note 8)	151,600	97,858	144,161	87,215
Advertising and promotion costs	9,797	34,043	8,859	29,819
Office running expenses	5,161	13,888	4,425	12,944
Operating lease rentals	7,278	10,918	5,625	8,728
Operating costs	28,577	20,297	11,782	14,556
Maintenance	25,932	16,091	23,797	13,829
Managerial, technical and administrative fees	14,409	23,716	14,134	20,252
Auditors, remuneration- audit services	411	544	430	431
Professional fees - non audit services	951	220	-	102
	760,281	798,032	627,741	614,695
<i>Classified as follows:</i>				
Cost of sales	567,768	593,616	459,742	457,722
Selling and distribution costs	130,549	143,151	109,696	109,541
Administrative expenses	61,964	61,265	58,303	47,432
	760,281	798,032	627,741	614,695

8 EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	2017
- Wages, salaries and other benefits	145,393	95,855	138,101	85,934
- Retirement benefit costs (defined contribution plans)	5,936	4,276	5,775	3,561
- Defined pension benefit	271	(2,273)	285	(2,280)
	151,600	97,858	144,161	87,215

9 OTHER EXPENSES

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	2017
Loss on disposal of property, plant and equipment	(8,168)	(66)	(3,395)	(82)
Foreign exchange loss	(2,247)	(7,172)	(1,879)	(6,046)
Sundry income/(expenses)	149	(794)	(492)	(1,257)
	(10,266)	(8,032)	(5,766)	(7,385)

10 DERIVATIVE INCOME

	Group		Company	
	Dec 2017	Mar 2017	2017	2017
Fair value gain/(loss) on derivatives	26	82	(446)	82

11 FINANCE INCOME AND COSTS

Finance income				
Interest income on bank balances	7,111	1,505	6,892	1,744
Interest income on intercompany accounts	-	218	-	218
Interest income on current account with a subsidiary	-	-	11,505	10,389
	7,111	1,723	18,397	12,351
Finance costs				
Interest expense on bank borrowings	(118)	(1,363)	(20)	(1,189)
Interest expenses on current account with parent	(200)	(65)	(3,046)	(65)
Foreign exchange loss	(326)	(836)	(303)	(794)
	(644)	(2,264)	(3,369)	(2,048)

12 INCOME TAX EXPENSE

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Current income tax (Note 30)				
- Current tax on profit for the year	65,428	80,390	65,393	73,253
- Adjustments in respect of prior years	3,030	340	1,231	(321)
Deferred income tax (Note 26)				
- Current year charge on profit for the year	(3,896)	(4,751)	(845)	(38)
- Adjustments in respect of prior years	334	(2,819)	349	(1,288)
Income tax expense	64,896	73,160	66,128	71,606

12 INCOME TAX EXPENSE (CONTINUED)

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

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Profit before income tax	113,473	234,600	134,491	242,392
Tax calculated at a rate of 30%	34,042	70,380	40,347	72,718
Income not subject to tax	(1,319)	-	(1,319)	-
Expenses not deductible for tax purposes	27,246	562	25,511	349
Depreciation on non-qualifying assets	80	151	25	148
Adjustment to tax in respect of prior periods	3,366	(2,479)	1,580	(1,609)
Profit on sales of non-qualifying assets	1,507	-	(16)	-
Alternative minimum tax (DarBrew)	35	-	-	-
Deferred tax assets not recognised (Darbrew)	(61)	4,546	-	-
Income tax expense	64,896	73,160	66,128	71,606

13 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	Dec 2017	Mar 2017
Net profit attributable to ordinary shareholders (TShs'000)	55,966,732	165,454,000
Outstanding shares in issue (000's) [Note 22]	295,056	294,928
Less: Weighted average number of treasury shares (000's)	-	(5,899)
Number of shares in issue (excluding treasury shares)	295,056	289,029
Weighted average number of share in issue (excluding treasury shares and using the effect of time of sale of treasury shares)	289,699	289.029
Basic earnings per share (TShs per share)	193.2	572.0

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. The Company had one category of dilutive potential ordinary shares which is the treasury shares. These are shares held by the Company's Employees' Share Ownership Scheme.

Net profit attributable to shareholders (TShs'000)	55,966,732	165,454,000
Weighted average number of shares for diluted earnings per share (000's)	295,056	294,928
Diluted earnings per share (TShs per share)	190	561.0

- * During the nine months period to December 2017, the shareholders approved an amendment of the share register. This was to correct a previously existing imbalance between the TBL register to the shares listed on Dar-es-salaam stock exchange. The amendment resulted to an increase of an additional 127,600 shares thus increasing the listed shares from 294,928,463 to 295,056,063 ordinary shares. There was no physical transfer or cash movement for the additional shares.

14 DIVIDENDS

Million Tanzania Shillings	Company	Non-controlling interest	Group	Dividend per share TShs/ Share
Nine months to December 2017				
First interim dividend	81,539	-	81,539	300
Second and final dividend	127,744	-	127,744	470
Total dividend expense	209,283	-	209,283	770

Dividend of TShs 770 per share amounting to TShs 209,283 million was approved by the board of directors of the Company and paid during the nine month period. Unpaid dividend as at 31 December 2017 amounted to TShs 3,390 million.

Million Tanzania Shillings	Company	Non-controlling interest	Group	Dividend per share TShs/ Share
Twelve months to March 2017				
First interim dividend	103,225	-	103,225	350
Total dividend expense	103,225	-	103,225	350

Dividend of TShs 350 per share amounting to TShs 103,225 million was approved by the board of directors of the Company and paid during the year ended 31 March 2017.

15 PROPERTY, PLANT AND EQUIPMENT

Million Tanzania Shillings	Land and buildings	Plant and machinery	Furniture and equipment	Vehicles	Containers	Capital work in progress	Total
GROUP							
Year ended 31 December 2017							
Opening net book value	64,585	315,929	36,300	8,027	46,602	67,148	538,590
Additions	-	-	-	-	-	70,163	70,163
Disposals	-	(5,861)	(2,387)	(144)	-	-	(8,392)
Transfers	10,541	82,679	9,818	4,206	25,144	(132,388)	-
Container breakages and write-down	-	-	-	-	(4,269)	-	(4,269)
Depreciation charge	(3,538)	(27,496)	(7,178)	(2,012)	(7,959)	-	(48,183)
Closing net book value	71,587	365,251	36,553	10,077	59,518	4,923	547,909
At 31 December 2017							
Cost	111,898	618,101	91,463	35,304	115,856	4,923	977,546
Accumulated depreciation	(40,311)	(252,851)	(54,910)	(25,227)	(56,338)	-	(429,637)
Net book value	71,587	365,251	36,553	10,077	59,518	4,923	547,909

The Group's buildings, plant and machinery with net book value of TShs 127,000 million (March 2017: TShs 127,000 million) have been secured against borrowings as set out in Note 25 to the financial statements.

15 **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

The capital work in progress amount mainly relates to the on-going capital projects for expansion of production facilities of the Company and its subsidiaries which are being undertaken in Dar es Salaam plants.

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.

Million Tanzania Shillings	Land and Buildings	Plant and machinery	Furniture, equipment	Vehicles	Containers	Capital work in progress	Total
GROUP							
Year ended 31 March 2017							
Opening net book value	64,087	317,979	29,372	7,546	43,973	44,020	506,977
Additions	-	-	-	-	-	95,696	95,696
Disposals	-	(164)	(4)	(392)	-	-	(560)
Transfers	5,012	29,746	13,479	3,053	21,278	(72,568)	-
Breakages, shrinkage and write-down	-	-	-	-	(10,747)	-	(10,747)
Depreciation charge	(4,515)	(31,632)	(6,547)	(2,180)	(7,902)	-	(52,776)
Closing net book value	64,584	315,929	36,300	8,027	46,602	67,148	538,590
At 31 March 2017							
Cost	101,357	541,284	84,032	31,242	94,981	67,148	920,044
Accumulated depreciation	(36,773)	(225,355)	(47,732)	(23,215)	(48,379)	-	(381,454)
Net book value	64,584	315,929	36,300	8,027	46,602	67,148	538,590

Group property, plant and machinery include Tshs 7,452 million belonging to Dar Brew Limited that has been pledged as security against borrowings. Refer to Note 25. (March 2017 Tshs 7,755 million)

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.

Million Tanzania Shillings	Land and Buildings	Plant and machinery	Furniture, equipment	Vehicles	Containers	Capital work in progress	Total
COMPANY							
Year ended 31 December 2017							
Opening net book value	56,448	296,106	34,426	5,222	45,300	61,567	499,069
Additions	-	-	-	-	-	64,041	64,041
Disposals	-	(1,082)	(2,384)	-	-	-	(3,466)
Transfers	9,829	76,233	9,595	4,087	25,144	(124,888)	-
Breakages, shrinkage and write-down	(65)	-	-	-	(4,611)	-	(4,676)
Depreciation charge	(3,305)	(25,755)	(6,851)	(1,426)	(7,959)	-	(45,296)
Closing net book value	62,907	345,502	34,786	7,883	57,874	720	509,672
At 31 December 2017							
Cost	100,644	593,778	85,435	29,058	112,656	720	922,291
Accumulated depreciation	(37,737)	(248,276)	(50,649)	(21,175)	(54,782)	-	(412,619)
Net book value	62,907	345,502	34,786	7,883	57,874	720	509,672

15 **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

The Company's buildings, plant and machinery with a net book value of TShs 121,375 million (March 2017: TShs 121,375 million) have been secured against borrowings as set out in Note 25 to the financial statements.

The capital work in progress amount mainly relates to the on-going capital projects for expansion of production facilities of the Company and its subsidiaries which are being undertaken in Dar es Salaam plants.

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.

Million Tanzania Shillings	Land and Buildings	Plant and machinery	Furniture, equipments	Vehicles	Containers	Capital work in progress	Total
COMPANY							
Year ended 31 March 2017							
Opening net book value	56,425	300,696	27,887	4,018	42,671	38,273	469,970
Additions	-	-	-	-	-	88,767	88,767
Disposals	-	(164)	(4)	-	-	-	(168)
Transfers	3,990	25,190	12,957	2,058	21,278	(65,473)	-
Breakages, shrinkage and write-down	-	-	-	-	(10,747)	-	(10,747)
Depreciation charge	(3,967)	(29,616)	(6,414)	(854)	(7,902)	-	(48,753)
Closing net book value	56,448	296,106	34,426	5,222	45,300	61,567	499,069
At 31 March 2017							
Cost	90,880	518,627	78,224	24,971	92,123	61,567	866,392
Accumulated depreciation	(34,432)	(222,521)	(43,798)	(19,749)	(46,823)	-	(367,323)
Net book value	56,448	296,106	34,426	5,222	45,300	61,567	499,069

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.

16 **INTANGIBLE ASSETS**

Million Tanzania Shillings	Group			Company	
	Goodwill	Software	Brand	Total	Software
Period ended 31 December 2017					
Opening net book value	44,867	1,360	3,276	49,503	1,381
Additions	-	1,323	-	1,323	1,057
Amortisation charge	-	(894)	-	(894)	(732)
Closing net book value	44,867	1,789	3,276	49,932	1,706
At 31 December 2017					
Cost	44,867	7,828	3,276	55,971	7,204
Accumulated amortisation	-	(6,038)	-	(6,038)	(5,498)
Net book value	44,867	1,790	3,276	49,932	1,706

16 INTANGIBLE ASSETS (CONTINUED)

Million Tanzania Shillings	Group			Company	
	Goodwill	Software	Brand	Total	Software
Year ended 31 March 2017					
Opening net book value	44,867	1,514	2,784	49,165	1,491
Additions	-	306	492	798	306
Amortisation charge	-	(460)	-	(460)	(416)
Closing net book value	44,867	1,360	3,276	49,503	1,381
At 31 March 2017					
Cost	44,867	6,506	3,276	54,649	6,147
Accumulated amortisation	-	(5,146)	-	(5,146)	(4,766)
Net book value	44,867	1,360	3,276	49,503	1,381

The carrying amounts of the intangible assets approximate to their recoverable amounts. The carrying amount of goodwill is TShs 44,867 million (March 2017: TShs 44,867 million) out of which TShs 39,630 million arose from the acquisition of Kibo Breweries Limited in 2002 and TShs 5,237 million from acquisition of Darbrew Limited in March 2013. Goodwill represents expected synergies from different beverage categories.

No impairment charge arose during the year (March 2017: Nil).

The Group has a brand with carrying value of TShs 3,276 million which arose from the acquisition of 60% shareholding in Darbrew Limited in March 2013. The value of the brand was determined by discounting the expected future cash in-flows relating to the sales activities of the brand.

The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on prior year growth rates approved by management covering a three-year period. Cash flows beyond the third-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the clear beer business in which the CGU operates.

Key assumptions used for fair value in use calculations are as follows;

	Rate (% per annum)	
	Dec 2017	Mar 2017
Compound annual growth rate (CAGR)	6.1%	9%
Long-term growth rate	6.1%	5.1%
Discount rate (WACC)	17.2%	17.22%
Key		
CAGR	Rate growth of revenue in the initial five years	
Long-term growth Rate	Weighted average growth rate used to estimate cash flows beyond the five years.	
Discount rate (WACC)	Post-tax working cost of capital rate (WACC rate) applied to cash flow projections.	

The recoverable amount calculated based on value in use exceeded carrying value by TShs 1,599,535 million (March 2017 TShs 1,515,718 million). A compound annual growth rate (CAGR) of (36.6% or a rise in discount rate to 145.5% would, all changes taken in isolation, result in the recoverable amount being equal to the carrying amount. If the long term growth rate were to change by +/-10% it would not have a material impact on the recoverable amount.

17 INVESTMENTS

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
(a) Investment in subsidiaries				
Kibo Breweries Ltd	-	-	42,414	42,414
Darbrew Limited	-	-	8,834	8,834
Tanzania Distilleries Ltd	-	-	2,606	2,606
	-	-	53,854	53,854
(b) Other equity investments				
Mountainside Farms Limited	88	88	88	88
	88	88	53,942	53,942

Other investments relate to a 4% shareholding in Mountainside Farms Limited. The unquoted investment is stated at cost as its fair value cannot be reliably measured.

Set out below are the group's principal subsidiaries at 31 December 2017. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interests held equals to the voting rights held by group. 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 group	
			Dec 2017	Mar 2017	Dec 2017	Mar 2017
Tanzania Distilleries Ltd	Manufacturer of spirituous liquor	Tanzania	35%	35%	65%	65%
Darbrew Ltd	Manufacturer of Opaque beer	Tanzania	40%	40%	60%	60%
Kibo Breweries Ltd	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

Million Tanzania Shillings	Tanzania Distilleries Limited		Darbrew Limited	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Current				
Assets	53,936	68,026	5,687	10,945
Liabilities	(68,881)	(67,522)	(34,119)	(30,506)
Total net current assets/(liabilities)	(14,945)	504	(28,432)	(19,561)
Non-Current				
Assets	34,596	32,499	7,513	7,858
Liabilities	(27)	(40)	-	(241)
Total non-current net assets	34,569	32,459	7,513	7,617
Net assets/(liabilities)	19,624	32,963	(20,919)	(11,944)

17 INVESTMENTS (CONTINUED)

Summarised statements of profit or loss and other comprehensive income:

Million Tanzania Shillings	Tanzania Distilleries Limited		Darbrew Limited	
	9 month to 31 Dec 2017	12 month to 31 Mar 2017	9 month to 31 Dec 2017	12 month to 31 Mar 2017
Revenue	112,686	174,285	11,762	13,100
Profit/(loss) before income tax	(15,306)	2,459	(6,646)	(10,219)
Income tax (expense)/income	1,895	(1,013)	(125)	(610)
Profit/(loss) after tax	(13,411)	1,446	(6,771)	(10,829)
Other comprehensive income				
Re-measurement loss on defined benefit	17	(23)	-	-
(Losses)/gain on cash flow hedges	55	262	-	-
Total comprehensive income for the year	(13,449)	1,685	(6,771)	(10,829)
Allocated to Non- Controlling interest	(4,707)	589	(2,708)	(4,331)

Summarised statement of cash flows

Million Tanzania Shillings	Tanzania Distilleries Limited		Darbrew Limited	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Net cash generated/used in operations	4,318	(7,387)	4,411	(2,242)
Net cash used in investing activities	(6,431)	(5,251)	(806)	(296)
Net cash generated from financing activities	-	-	2,421	(185)
Net (decrease)/increase in cash and cash equivalents	(2,113)	(12,638)	1,184	2,723
Cash and cash equivalents at start of the year	7,904	20,756	(903)	1,820
Exchange loss on cash and cash equivalents	-	(214)	-	-
Cash and cash equivalents at end of the year	5,791	7,904	281	(903)

18 DERIVATIVE FINANCIAL INSTRUMENTS

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Assets				
Forward foreign exchange contracts – cash flow hedges	93	1	93	-
Embedded derivatives	344	807	344	807
Total	437	808	437	807
Liabilities				
Forward foreign exchange contracts – cash flow hedges	727	1,323	727	674

18 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges

The Group and Company hedges are in respect of 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 hedging instruments (derivative); the ineffective portion is recognised immediately in profit or loss. All hedges during the year were effective. All cash flow hedge activities are being facilitated centrally by the AB InBev Group Treasury function since the second half of financial year ended 31 March 2013, which has resulted in significant synergies and savings for Group.

The notional principal amount of outstanding forward foreign exchange contracts of the Group and Company as at 31 December 2017 was TShs 1,053 million (March 2017: TShs 22,596 million) and TShs 1,053 million (March 2017: TShs 19,772 million), respectively.

The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months. Gains and losses recognised in the hedging reserve in equity on forward foreign exchange contracts as of 31 December 2017 are recognised in the profit or loss in the period or periods during which the hedged forecast transaction affects the profit or loss. This is generally within 12 months of the end of the reporting period at which time the respective gain and losses are transferred to property plant and equipment, receivables, payables or to the profit or loss as appropriate.

Embedded derivatives

The embedded derivatives arise from the contracts for supply of raw materials. These are forward foreign exchange contracts that are embedded in the suppliers' contracts. The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December were TShs 4,553 million (March 2017: TShs 12,376 million). The fair value of embedded derivatives represents the present value of the cash flows which would have been occurred if the rights and obligations arising from those derivatives were closed out in an orderly market place transaction at year end.

19 INVENTORIES

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Raw materials	58,119	51,956	45,667	34,539
Consumable stores and spares	36,528	41,583	35,196	39,616
Work in progress	10,128	10,132	10,070	9,611
Finished goods	17,042	26,022	6,656	13,903
	121,817	129,693	97,579	97,669
Less: Provision for impairment losses	(23,020)	(4,382)	(22,379)	(4,371)
	98,797	125,311	75,200	93,298

The cost of inventories recognised as an expense and included in 'cost of sales' in the Group's profit or loss amounted to TShs 185,885 million (March 2017: TShs 199,764 million) Similarly, this amounts to TShs 136,209 million (March 2017: TShs 121,907 million) in the Company's statement of profit or loss and other comprehensive income.

During the nine months to December 2017, TShs 23,020 million (March 2017: TShs 4,382 million) was charged to the Group's statement of profit or loss for damaged, obsolete and lost inventories. Similarly, TShs 22,379 million (March 2017: TShs 4,371 million) were charged to the Company's statement of profit or loss and other comprehensive income for damages, obsolete and lost inventories.

Inventories of consumables and engineering spares amounting to TShs 36,528 million (March 2017: TShs 41,583 million) are carried at cost.

Group inventory includes TShs 3,607 million belonging to Dar Brew Limited that has been pledged as security against borrowings. Refer to Note 25. (March 2017 TShs 7,666 million).

20 TRADE AND OTHER RECEIVABLES

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Trade receivables	141,276	116,910	95,611	69,433
Less: Provision for impairment losses	(34,071)	(26,148)	(1,903)	(1,640)
Trade receivables-net	107,205	90,762	93,708	67,793
Advances to suppliers	9,304	8,186	6,918	6,086
Staff advances and loans	1,048	1,870	818	1,377
Due from related parties (Note 35 (v))	4,053	2,712	61,589	64,471
VAT receivables	1,193	-	-	-
Other receivables	7,929	9,295	4,329	6,625
Prepayments	13,607	17,742	11,370	15,760
	144,339	130,567	178,732	162,112

Group receivables include Tshs 1,798 million belonging to Dar Brew Limited that has been pledged as security against borrowings. Refer to Note 25. (March 2017; TShs 2,841 million)

Movements on the provision for impairment of trade receivables are as follows:

At start of year	(26,148)	(3,778)	(1,640)	(1,527)
Provision in the year	(7,923)	(22,370)	(263)	(113)
At end of year	(34,071)	(26,148)	(1,903)	(1,640)

The carrying amounts of the above receivables approximate their fair values.

21 BANK AND CASH BALANCES

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Cash in hand	36	175	22	75
Cash at bank	152,648	77,791	146,218	69,458
Total cash and bank balances	152,684	77,966	146,240	69,533

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

	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Cash and bank balances	152,684	77,966	146,240	69,533
Bank overdrafts (Note 25)	-	(1,953)	-	(521)
Net cash and cash equivalents	152,684	76,013	146,240	69,012

22 SHARE CAPITAL

22.1 Ordinary share capital

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Authorised, issued and fully paid:				
294,928,463 ordinary shares of TShs 100 each	29,506	29,493	29,506	29,493
Share premium				
Share premium at the start and end of year	45,346	45,346	45,346	45,346

In the nine month period ending December 2017, the directors approved an amendment in the share register in order to reflect the actual number of Company's shares listed on Dar-es-salaam stock exchange. The amendment resulted to an increase of 127,600 shares from 294,928,463 to 295,056,063 ordinary shares. There was no physical transfer or cash movement for the additional shares.

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. The ownership structure is as set out in Note 22.2 below.

22.2 Ownership structure

Million Tanzania Shillings	Ordinary Shares Dec 2017	Ordinary Shares Mar 2017	% holding Dec 2017	% holding Mar 2017
Resident shareholders:				
Parastatal Pension Fund	12,402,720	14,402,720	4.20	4.88
National Health Insurance Fund	4,854,370	4,854,370	1.65	1.65
Unit Trust of Tanzania	4,235,750	4,718,550	1.44	1.60
Public Service Pension Fund	-	1,020,581	0	0.35
Local Authority Provident Fund	2,796,671	-	0.95	0
National Social Security Fund	700,624	700,624	0.24	0.24
Employees Share Trust	-	5,898,570	0.00	2.00
General Public	20,616,453	82,907,530	6.99	28.11
Total resident	45,606,588	114,502,945	15.46	38.83
Non-resident shareholders				
AB-InBev	188,693,282	169,708,768	63.95	57.54
Others – East African shareholders	60,756,193	10,716,750	20.59	3.63
Total non-resident	249,449,475	180,425,518	84.54	61.17
Total ordinary shares in issue	295,056,063	294,928,463	100.00	100.00

23 OTHER RESERVES

Million Tanzania Shillings	Hedging reserve	Treasury shares	Total
GROUP			
9 months to 31 December 2017			
At start of the period	(93)	(12,200)	(12,293)
Fair value gain during the period (Excluding NCI)	139	-	139
Deferred tax on fair value gain (Excluding NCI)	(43)	-	(43)
Proceeds from sale of treasury shares	-	78,840	78,840
At end of the period	3	66,640	66,643

23 OTHER RESERVES (CONTINUED)

Million Tanzania Shillings	Hedging reserve	Treasury shares	Total
GROUP			
Year ended 31 March 2017			
At start of the year	(1,497)	(12,200)	(13,697)
Fair value gain/(loss) during the year	2,005	-	2,005
Deferred tax on fair value gain/(loss)	(601)	-	(601)
At end of the year	(93)	(12,200)	(12,293)
COMPANY			
9 months to 31 December 2017			
At start of the year	27	(12,200)	(12,173)
Fair value gain/(loss) during the period	22	-	22
Deferred tax on fair value gain/(loss)	(6)	-	(6)
Proceeds from sale of treasury shares	-	78,840	78,840
At end of the period	43	66,640	66,683
Year ended 31 March 2017			
At start of the year	(1,206)	(12,200)	(13,406)
Fair value gain during the year	1,761	-	1,761
Deferred tax on fair value gain/(loss)	(528)	-	(528)
At end of the year	27	(12,200)	(12,173)

Hedging reserve

Refer to the details on the hedge instruments under note 18.

Treasury shares

Treasury shares represents the cost of 5,898,596 shares (2% of the company's paid up share capital) that were held in a Trust that is controlled by the Group. The Trust has been consolidated in the financial statements on the basis of significant control and shares acquired have been accounted for as treasury shares. During the April to December 2017 financial reporting period, the Board of Trustees resolved to sell the Treasury shares and distributed the net proceeds to permanent employees of TBL group.

24 NON-CONTROLLING INTERESTS

Million Tanzania Shillings	Dec 2017	Mar 2017
35% of equity of Tanzania Distilleries Limited	6,902	11,539
40% of equity of Darbrew Limited	(6,156)	(3,452)
	746	8,087
35% interest in the profit for the year of Tanzania Distilleries Limited	(4,686)	517
40% interest in the loss for the year of Dar Brew Limited	(2,704)	(4,531)
Dividends paid to non-controlling interest (note 14)	-	-
Re-measurement gain on defined benefit	6	(8)
35% interest in loss on cash flow hedge	43	91
	(7,341)	(3,931)

25 BORROWINGS

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Non-current				
NBC Limited - Term Loan	-	241	-	-
	-	241	-	-
Current				
Bank overdrafts	-	1,953	-	521
Short term bank loans	241	741	-	-
Interest payable on borrowings	-	-	-	-
	241	2,694	-	521
Total borrowings	241	2,935	-	521

i) National Bank of Commerce (NBC) Term Loan

This is a two years loan issued to the DarBrew Limited, a subsidiary of the Company to facilitate Polyethylene terephthalate (PET) plastic bottles project line. The facility has a limit of TShs 3 billion. It is repayable on a monthly basis and carries a floating interest rate which is the difference between benchmark and margin as determined by the bank. The margin and benchmark amount are 7% p.a and 20% p.a, respectively. The effective interest rate during the year was 13%.

The borrowing is secured by the following:

- Mortgage deed over property title no.404263, plot no 7/2 Block Ubungu Industrial area DSM in the name of Dar Brew Limited registered and stamped to cover an unspecified amount.
- Fixed and floating debenture covering Dar Brew Limited's assets.
- Corporate guarantee for TShs 2.3 billion from Tanzania Breweries Limited (Note 32).
- Several covenants are in place and they have all been honoured and are not in breach.

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
NET DEBT RECONCILIATION GROUP				
Cash and cash equivalents	152,684	76,013	146,240	69,012
Borrowings repayable within one year	(741)	(518)	-	-
Borrowings repayable after one year	-	-	-	-
Net debt	151,943	75,495	146,240	69,012
Cash and cash equivalents	152,685	76,013	146,240	69,012
Gross debt - fixed interest rate	-	-	-	-
Gross debt - variable interest rate	(741)	(518)	-	-
Net debt	151,944	75,495	146,240	69,012

ii) Bank overdrafts

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Overdrafts are made up as follows:				
National Bank of Commerce Limited	-	940	-	-
Standard Chartered Bank Tanzania Limited	-	1,013	-	521
	-	1,953	-	521

The overdraft facilities are annual facilities subject to review between April 2017 and December 2017. The facility is secured by the company's property, plant and equipment as disclosed in note 15. The facilities were renewed in the nine month period ending 31 December 2017.

26 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:

Million Tanzania Shillings	Property, plant and equipment (PPE)	Other temporary differences	Hedge reserve and others	Total
Deferred tax liabilities/(assets) GROUP				
At 1 April 2017	47,641	14	(1)	47,654
Charged to profit or loss	5,779	(6,229)	-	(450)
Charged to OCI	-	-	79	79
At 31 December 2017	53,420	(6,215)	78	47,283
At 1 April 2016	53,005	(2,035)	(647)	50,323
Charged to profit or loss	(5,366)	2,051	-	(3,315)
Charged to equity	-	-	646	646
At 31 March 2017	47,641	14	(1)	47,654

ii) Deferred income tax asset

Million Tanzania Shillings	Property, plant and equipment (PPE)	Other temporary differences	Hedge reserve and others	Total
Deferred tax liabilities/(assets) GROUP				
At 1 April 2017	3,7237	(7,978)	66	(4,189)
Charged to profit or loss	662	(3,776)	-	(3,112)
Charged to OCI	-	-	-	-
At 31 December 2017	4,385	(11,753)	66	(7,301)
At 1 April 2016	-	-	-	-
Charged to profit or loss	3,723	(7,978)	-	(4,255)
Charged to OCI	-	-	66	66
At 31 March 2017	3,723	(7,978)	66	(4,189)

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 TShs. 3,514 million (March 2017: TShs. 3,472 million) have not been recognised for DarBrew due to uncertainty on when the company will have sufficient taxable profits to utilise the asset

26 DEFERRED INCOME TAX (CONTINUED)

Deferred income tax liabilities/(assets)

Million Tanzania Shillings	Property, plant and equipment (PPE)	Other temporary differences	Hedge reserve and others	Total
COMPANY				
At 1 April 2017	50,487	(3,018)	57	47,526
Charged to profit or loss	5,727	(6,223)	-	(496)
Charges to other comprehensive income	-	-	17	17
At 31 December 2017	56,214	(9,240)	74	47,047
At 1 April 2016	53,057	(4,262)	(552)	48,243
Charged to profit or loss	(2,570)	1,244	-	(1,326)
Charged to other comprehensive income	-	-	609	609
At 31 March 2017	50,487	(3,018)	57	47,526

27 DEFINED PENSION BENEFITS

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
At start of year	1,691	4,200	1,651	4,200
- Current service cost	84	104	79	97
- Interest cost	250	295	244	295
- Reversal of excess current service cost in prior year **	-	(2,672)	-	(2,672)
Amount recognised to profit or loss	334	(2,273)	323	(2,280)
- Gain from change on assumptions	139	(190)	136	(223)
- Gain from changes of experience	(202)	(46)	(174)	(46)
Amount recognised in other comprehensive income	(63)	(236)	(38)	(269)
At end of year	1,962	1,691	1,936	1,651

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.

** Movement from prior year includes adjustment for measurement error which occurred in the past.

Actuarial assumptions:

The significant actuarial assumptions were as follows:

	Dec 2017	Mar 2017
Discount rate	17.2% p.a	18.78% p.a
Salary escalation rate	6.5% p.a	6.5% p.a
Retirement age	60 years	60 years

Assumptions regarding future mortality are set based on actuarial advice in accordance with A1947/52 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;

27 **DEFINED PENSION BENEFITS (CONTINUED)****Mortality rates per million**

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.

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 by the valuation.

Sensitivity analysis

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Increase in defined pension benefit due to 3% decrease in discount rate	124	100	122	97
Increase in defined pension benefit due to 3% increase in future long-term salary assumption	133	111	130	108

The sensitivity analysis above have been determined based on reasonable possible changes and assumptions remained 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.

28 **PROVISIONS FOR THE OTHER LIABILITIES AND CHARGES**

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
At start of the year	2,001	2,235	2,001	2,235
Provision increased/(utilised)	4,450	(234)	(1,070)	(234)
At end of the year	6,451	2,001	931	2,001

As at 31 December 2017, there was a number of pending legal cases where 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 TShs 6,451 million (March 2017: TShs 2,001 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 33.

29 TRADE AND OTHER PAYABLES

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Trade payables	140,283	97,358	114,155	77,993
Dividends payable	3,390	3,145	3,280	3,033
VAT payable	15,745	8,644	13,331	7,927
Excise duty payable	25,203	20,140	20,918	16,382
Payable to related parties (Note 35 (v))	40,820	19,704	43,629	20,548
Container liability	18,777	2,436	17,868	2,436
Other payables and accrued expenses	69,461	9,108	64,471	5,242
	313,679	160,535	277,652	133,561

The carrying amounts of the above payables and accrued expenses approximate to their fair values. Dividend payable represents unclaimed dividends.

30 CURRENT INCOME TAX ASSETS

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
At start of the year	(7,082)	2,230	(6,083)	6,305
Current income tax charge for the year (Note 12)	68,458	80,730	66,624	72,932
<i>Tax paid during the year</i>				
Current income tax	(59,260)	(87,543)	(54,190)	(83,517)
Tax deposit	(4,941)	(468)	(4,940)	-
Withholding tax credit	(2,326)	(2,031)	(2,042)	(1,803)
At end of the year	(5,151)	(7,082)	(631)	(6,083)

The opening balance includes TShs 5,361 million of tax provision related to capital deduction (TShs 5,361 million March 2017) as noted in note 33

31 FINANCIAL INSTRUMENTS BY CATEGORY

(a) Group

Million Tanzania Shillings	Dec 2017	Mar 2017
Loans and receivables		
Trade and other receivables (excluding VAT receivable, advances to suppliers and prepayments)	120,237	104,639
Cash at hand and bank deposits	152,684	77,966
Available for sale		
Investments in associate	88	88
Held for Trading		
Derivative financial instrument	436	808
	273,445	183,501
Other financial liabilities at amortised costs		
Borrowings	-	2,935
Trade and other payable (excluding statutory liabilities)	272,291	127,685
Liabilities at fair value through profit or loss		
Derivative financial instruments	727	1,323
	273,018	131,943

31 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

(b) Company		
Million Tanzania Shillings	Dec 2017	Mar 2017
Loans and receivables		
Trade and other receivables (excluding advances to suppliers and prepayments)	160,443	140,266
Cash at hand and bank deposits	146,240	69,533
Available for sale		
Investments in associate	53,942	53,942
Held for Trading		
Derivative financial instrument	426	807
	361,051	264,548
Other financial liabilities at amortised costs		
Borrowings	-	521
Trade and other payable (excluding statutory liabilities)	243,044	106,750
Liabilities at fair value through profit or loss		
Derivative financial instrument	727	674
	243,771	107,945

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.

32 COMMITMENTS

Capital commitments

As at 31 December 2017, the Group and Company had capital expenditure commitments as follows;

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Approved and contracted for but not recorded	918	10,810	465	10,810
Approved but not contracted for	-	-	-	-
	918	10,810	465	10,810

Guarantees

As at 31 December 2017, the Company had provided financial guarantees totalling TShs 2.2 billion (March 2017: TShs 3.1 billion),

Operating lease commitments – where the Group and Company is the lessee

The group leases various houses for staff, offices and motor vehicles under noncancellable operating lease agreements. The lease terms are between 1 to 3 years, and the majority of lease agreements are renewable at the end of the lease period at market rate. The future aggregate minimum lease payments under non-cancellable operating lease are as follows:

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Not later than 1 year	1,738	11,714	940	8,728
Later than 1 year and no later than 5 years	11,916	3,186	8,725	-
Later than 5 years	1,263	1,858	-	-
	14,917	16,758	9,665	8,728

33 CONTINGENT LIABILITIES

Legal cases

As at 31 December 2017, the Company was a defendant in several lawsuits, the amount claimed in such lawsuits could amount to TShs 1,799 million (March 2017: TShs 3,421 million). Based on advice from legal counsel, a provision is in place for these cases amounting to TShs 600 million (March 2017: TShs 537 million).

Similarly for the Company's subsidiary, Tanzania Distilleries Limited (TDL), the amount claimed in such lawsuits could amount to TShs 902 million (March 2017: TShs 776 million), based on advice from legal counsel no amount has been provided for.

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

Tax related contingent liabilities

(i) Transfer pricing

The Company received income tax assessments amounting to TZS 70,005 million for additional corporate tax for years of income 2006 to 2012 that relate to various transfer pricing adjustments. The directors took necessary steps to respond to Tanzania Revenue Authority (TRA) and in their response they have demonstrated that should the group shared services costs have been accounted for in line with TRA's interpretation, the resulting tax would approximate to what is currently being paid by the Company. Notices of objection have been filed with TRA and the Company paid objection deposit of TZS 5,002 million to Tanzania Revenue Authority. On 14 December 2017 Tanzania Revenue Authority issued a proposal for settlement of the objection for the years 2010 to 2012 for which the Company responded to on 31 January 2018.

Further, during the nine month financial period ended on 31 December 2017 the Company received additional corporate income tax assessment of TZS 16,967 million for years of income 2013 to 2016 in relation to transfer price adjustments. The Company objected to the assessment and paid deposit of TZS 3,000 million. Further, on 17 April 2018 management met with TRA and subsequently submitted a proposal for settlement of transfer pricing dispute which is awaiting response from TRA.

(ii) Capital deductions

The company has additional income tax assessment 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 Tax Revenue Appeals Tribunal. The full amount of TZS 5,361 million has been provided for in the financial statements.

(iii) Excise Duty

The Company's subsidiary Tanzania Distilleries Limited (TDL) received an excise duty assessment of TShs 61.5 billion for years of income 2008 to 2016. The additional tax relates to excise duty on Valuer Brandy. TDL had a Government Notice (GN) which provided full remission of excise duty on valuer brandy following the Memorandum of Understanding (MOU) that was entered with the Government in 2005. The GN expired on 30 June 2007 while the Memorandum of Understanding expired in June 2011. After the MOU expired, management of TDL applied for an extension 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.

No excise duty was paid to the Government until July 2011 when TDL started charging excise duty at the rate equivalent to locally produced wine instead of the rate applicable for spirits. In absence of renewed MOU the directors made decision to pay excise duty at a low rate on account of TDL's social economic contribution to the local grape farmers in Dodoma. Similarly, because of its contribution to the local farmers the Group is paying a lower rate of TShs 429 per litre for beer produced from locally purchased unmalted cereals compared to the rate of TShs 2,236 per litre that would have been otherwise applied as stipulated in the Excise Duty Act 2016. In the year ended 31 March 2017 the directors applied for a retrospective Government Notice (GN) which awaits response from the Ministry of Finance.

However, during the April to December 2017 financial period the Company engaged in several discussions with the Government and Tanzania Revenue Authority and in December 2017 management prepared a proposal of what they deemed a reasonable excise duty rate for valuer brandy. The proposal was submitted to the revenue authority on 11 December 2017 awaiting feedback from TRA.

33 CONTINGENT LIABILITIES (CONTINUED)

(iv) Value Added Tax (VAT)

TDL received an additional assessment of Tshs 11 billion which relates to VAT on valuer brandy. This liability was based on the excise duty demand notes on an assumption that if the excise duty was applied, the price of Valuer Brandy would increase. In 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. As a result, no provision has been made for the additional tax assessed on VAT.

(v) Management fees

In December 2016, TRA issued additional corporate income tax assessments to Tanzania Distilleries Limited, for years 2009 to 2015 making adjustments to disallow TZS 8,865 million management fees paid to Distell. After considering the withholding tax that has already been paid on the management fees, the additional tax liability arising is TZS 1,349 million. Management has conceded on this liability and the company's tax assessment as at year end has been adjusted to cover this liability. For the financial years ended 31 March 2016 and 31 March 2017, TRA are likely to make a similar adjustment (i.e. disallow management fees charged by Distell). If TRA takes this approach, there will be an exposure of additional tax of TZS 260 million. There will be no charge for the nine month period ended December 2017 as no management fee was paid by TDL. The liability will be offset against excess tax credits that the Company has of TZS 1,408 million for the same period.

34 CASH FLOW INFORMATION

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
(i) Cash generated from operations				
Profit before income tax	113,473	234,600	134,491	242,392
<i>Adjusted for:</i>				
Interest expense (Note 11)	318	1,428	3,066	1,254
Interest income (Note 11)	(7,111)	(1,723)	(18,397)	(12,351)
Depreciation, container write- down/breakages and amortisation (Note 15 and Note 16)	53,345	63,491	50,704	59,916
(Decrease)/Increase on provision for liabilities (Note 28)	4,450	(234)	(1,070)	(234)
(Decrease)/Increase for provision defined benefits obligation (Note 27)	334	(2,273)	323	(2,280)
Unrealised foreign exchange loss/(gains)	86	2,837	57	2,182
Fair value movements on derivative (Note 10)	(26)	(82)	446	(82)
Loss on disposal of property, plant and equipment (Note 9)	8,168	66	3,395	82
	173,037	298,110	173,015	290,879
<i>Changes in working capital</i>				
Inventories	26,514	680	18,098	(1,569)
Trade and other receivables	(12,581)	46,910	(16,621)	50,103
Trade and other payables	153,144	7,396	144,091	7,703
Cash generated from operations	340,114	353,096	318,583	347,116
(ii) Interest paid				
Interest payable at 1 April	-	-	-	-
Interest expense (Note 11)	(307)	(1,428)	(3,054)	(1,254)
Interest payable as at 31 Dec (Note 25)	-	-	-	-
	(307)	(1,428)	(3,054)	(1,254)

34 CASH FLOW INFORMATION (CONTINUED)

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
(iii) Income tax paid				
Income tax recoverable/(payable) at 1 April	(7,082)	(2,230)	(6,083)	(6,305)
Current income tax expense (Note 12)	(68,458)	(80,730)	(66,624)	(72,932)
Income tax (recoverable)/payable as at 31 March (Note 30)	(6,344)	(7,082)	(631)	(6,083)
	(67,720)	(90,042)	(61,172)	(85,320)
(iv) Interest received				
Interest receivable at 1 April	-	-	-	-
Interest income (Note 11)	7,111	1,723	18,397	12,351
	7,111	1,723	18,397	12,351
(v) Purchase of property, plant and equipment intangible assets				
Additions of of property, plant and equipment during the period/ year (Note 15)	(70,163)	(95,696)	(64,041)	(88,767)
Additions of of intangible assets during the period/ year (Note 16)	(1,323)	(306)	(1,057)	(306)
Cash utilised in purchase of property, plant and equipment and intangible assets	(71,486)	(96,002)	(65,098)	(89,073)
(vi) Dividends paid				
To owners of the parent				
Dividends payable at beginning of the period	(3,145)	(3,831)	(3,033)	(3,719)
Dividend expense (Note 14)	(209,283)	(103,225)	(209,283)	(103,225)
Dividends payable at the end of the period (Note 29)	3,390	3,145	3,280	3,033
Non-controlling interest's share of dividends paid (Note 14)	-	-	-	-
	(209,038)	(103,911)	(209,036)	(103,911)

(vii) Repayment of bank borrowings

The table below shows the movement of borrowings excluding overdraft and interest payable

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
At start of year	(982)	(1,500)	-	-
Additions (Note 25 (ii))	-	-	-	-
At end of year	241	982	-	-
Cash utilised in repayment of bank borrowings	(741)	(518)	-	-

35 RELATED PARTY TRANSACTIONS AND BALANCES

i) Sale of goods and services

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Sale of goods				
Fellow subsidiaries	4,260	9,486	302	1,970

The Company exports finished goods to Crown Beverages Limited, Kenbev Limited, South African Breweries (pty) and Zambia Breweries Limited, all subsidiaries of ABInBev.

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Sale of services				
Subsidiary	-	-	-	1,020

The Company provides management services to its subsidiaries, Tanzania Distilleries Limited and Darbrew Limited.

ii) Purchase of goods and services

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Purchase of goods				
Fellow subsidiaries	32,463	61,576	31,224	58,226
	32,463	61,576	31,224	58,226

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.

Tanzania Distilleries Limited, as subsidiary of the Company, supplies raw spirits to Tanzania Breweries Limited.

Purchase of services

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Subsidiary	-	-	228	226
Fellow subsidiaries	26,247	42,836	26,223	40,778
	26,247	42,836	26,223	41,004

The Company leases certain plant and machinery, motor vehicles and furniture from its subsidiary, Kibo Breweries Limited.

Other related parties include Bevman Services A.G, a subsidiary of AB InBev, the Group's management company, and SABMiller International BV. The Company produces and distributes SABMiller International BV brands under license and pays royalty fees at a percentage of sales of the brands. The Group pays profit bonus to Bevman Services AG.

35 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

iii) Interest on intercompany accounts

Interest income on intercompany accounts

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Fellow subsidiary	-	-	-	-
Subsidiary	-	-	8,655	10,389
	-	-	8,655	10,389
Interest expense on intercompany accounts				
Parent	-	-	-	-

The Company is charged interest by its parent Company AB InBev for current accounts balances held.
Also the Company charges interest to its subsidiary Tanzania Distilleries Limited on current accounts balances held.

iv) Dividend income:

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Dividend income (Note 9)	-	-	-	-

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

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Dec 2017
Receivable from related parties (Note 20)				
Subsidiary	-	-	60,771	61,759
Fellow subsidiaries	4,053	2,712	818	2,712
	4,053	2,712	61,589	64,471
Payable to related parties (Note 29)				
Subsidiary	-	-	3,306	2,332
Fellow subsidiaries	40,820	19,704	40,323	18,216
	40,820	19,704	43,629	20,548

The receivables from related parties arise mainly from sale transactions and are due three months after the date of sale.
The receivables are unsecured. No provisions are held against receivables from related parties (2017: Nil).

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

vi) 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

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Salaries	6,662	8,090	5,860	6,940
Defined contribution plan	666	809	586	694
	7,328	8,899	6,446	7,634

35 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

vi) Key management personnel (continued)

a) Key management compensation (continued)

No terminal or other long term benefits were paid to key management personnel during the year (2017: Nil).

b) Transactions with key management personnel

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

c) Balances with key management personnel

As at 31 Dec 2017, total outstanding loan amount with key management personnel was nil (March 2017: Nil) No loans were issued to Directors.

No provision was required in December 2017 (March 2017: nil) for the loans made to key management personnel.

d) Directors' emoluments

Million Tanzania Shillings	Group		Company	
	Dec 2017	Mar 2017	Dec 2017	Mar 2017
Non-executive Chairman	37	39	30	30
Non-executive Directors	103	105	99	99
Executive Director (included in key management compensation above)	-	441	-	441
	140	585	129	570

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

The Directors of the Company own directly and indirectly 88,803 (2016: 88,803) ordinary shares of the Company as 31 December 2017.

During the year, there were no commitments, provision of guarantees and collateral with related parties. (March 2017: Nil).

Transactions with related parties were carried on an arms-length basis.

36 ULTIMATE PARENT COMPANY

Anheuser-Busch InBev SA/NV ("AB InBev"), which is incorporated in Belgium and which has its registered business address at Brouwerijplein 1, B-3000 Leuven, Belgium owns 63.95% (March 2017: 57.54%) of the Company's issued shares.

37 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on the date shown on page 30.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.



Administration & Notice of Meeting

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 45th Annual General Meeting of the Shareholders of Tanzania Breweries Limited will be held at Julius Nyerere Convention Centre Hotel in Dar es Salaam on 23rd August, 2018 at 10h00, for the following purposes:

- 1. Notice of Meeting**
Notice convening the meeting to be taken as read.
- 2. Approval of minutes**
To approve and sign the minutes of the 44th Annual General Meeting.
- 3. Matters Arising from the minutes of the previous meeting**
- 4. Financial Statements and Directors' Report**
To receive and consider the Directors' Report, Auditors' Report and the audited financial statements for the year ended 31st December, 2017.
- 5. To ratify dividend paid for the year ended 31st December, 2017**
- 6. Appointment of the statutory auditors**
To approve PricewaterhouseCoopers as the auditors for the next financial year ending 31st December, 2018.
- 7. Any other business**

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.

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.

Please note that a member wishing to attend the Annual General Meeting must arrive with a copy of his/her original share certificate or depository receipt (CDR) and his/her Identification Card.

By the order of the Board

Company Secretary

Note: i. Any other business needs to be brought to the attention of the Secretary by the 16th August, 2018.

ii. Shareholders shall meet all the costs for attending the meeting.

ADMINISTRATION

Tanzania Breweries Limited
(Registration Number 2497)

Company Secretary

Huruma Ntahena
Postal Address:
P.O. Box 9013, Dar es Salaam,
Tanzania.
Registered Office:
Uhuru Street
Plot No.79, Block "AA"
Mchikichini, Ilala Municipal,
Dar es Salaam, Tanzania.
Tel: +255 764 702 905 / +255 764 702 906 /
+255 764 702 907
Fax: +255 736 606 369

Transfer Secretaries:

CRDB Bank Ltd.,
Head Office: Azikiwe Street,
P.O. Box 268, Dar es Salaam.

External Auditors:

PricewaterhouseCoopers,
Pemba House
369 Toure Drive
Oysterbay
P.O. Box 45, Dar es Salaam
Tel : +255 (0) 22 2192200

Shareholders:

Financial Year End: 31 December
Annual General Meeting: August

Results:

Interim announcement - November
Year end announcement - July
Annual financial statements - August

Dividends:

2nd Interim: Declaration – October, 2017
Payment – 8th November, 2017

