Bralirwa

Part of the HEINEKEN Company

Annual Report and Accounts 2017

▪ Passion for Quality ▪ Enjoyment of Life ▪ Respect for the People, Society and Environment in which we live

DRINK RESPONSIBLY


@Primus Rwanda
PRIMUS GUMA GUMA SuperStar 7
DRINK RESPONSIBLY
Congratulations
Dream Boys
PGGSS7
WINNER
PRIMUS

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Bralirwa

PART OF THE HEINEKEN COMPANY

Passion for Quality · Enjoyment for Life · Respect for People, Society and Environment

Mission Statement and Values

Our Mission Statement

A world class sustainable beverage company in Rwanda with high quality brands that satisfy needs and give enjoyment to our consumers, while respecting our people, society and the environment in which we live.

Our Values

Bralirwa Ltd's three core values are derived from its parent company Heineken N.V.'s values, being Respect, Enjoyment and Passion for Quality. The values are based on the Company's passion for quality beverages and its constant respect for its employees, business partners, customers, shareholders and all who are connected to the Company. The values help define the corporate culture and working methods within the organisation.

Respect for People, Society and the Environment in which we live

As an integral part of the local and global communities in which it operates, Bralirwa Ltd respects the laws and regulations of the countries in which it is active. Bralirwa Ltd pays attention to different cultures and to the environment preservation, aims to be a good corporate citizen and takes most seriously its responsibility to be fully integrated, in a sustainable way, in the society in which it operates.

Enjoyment

ralirwa Ltd participates in making life more enjoyable by producing high quality beers and sparkling beverages and marketing them responsibly through innovative sponsorships, advertising and countrywide promotions. Bralirwa Ltd's sponsorship portfolio, which spans sports, music and arts includes many positive events that contribute to the enjoyment of many. Enjoyment for life is also reflected in the working life and atmosphere within the Company.

Passion for Quality

As a subsidiary of Heineken N.V. and a license holder of The Coca-Cola Company, Bralirwa Ltd ensures that everything it does or produces is of high quality. Bralirwa Ltd continually aims to obtain and maintain its internal and external quality standards. This is not only reflected in its products and brands, but also in other activities such as social and employment policies. In Bralirwa Ltd there is a belief that being a quality employer and investing in employees creates benefits and value for the Company and its reputation, but also for all of the Company's stakeholders.

Aerial view of Gisenyi brewery site

PART ONE

QUICK READ

Quick Read

Results at a glance

Results in Rwf millions	2017	2016	Change (%)
Revenue	86,354	88,799	-2.8%
EBIT	14,706	12,128	21.3%
EBITDA	28,308	23,522	20.3%
Net Profit	5,079	1,398	263.3%
Dividend (proposed)	3,857	1,029	274.8%
Free Operating Cash Flow	574	2,593	-77.8%
Statement of financial position in Rwf millions			
Total Assets	127,729	131,740	-3.0%
Net Working Capital	(17,109)	(23,642)	-27.6%
Shareholder's equity	35,691	31,638	12.8%
Net debt	42,240	43,573	-3.1%
Results and Statement of financial position per share (1 Rwf)			
Weighted Average Number of Shares	1,028,570,000	1,028,570,000	0.0%
Earnings per share	4.94	1.36	263.3%
Dividend (proposed)	3.75	1.00	275.0%
Free Operating Cash (deficit) flow	0.56	2.52	-77.8%
Employees in Numbers			
Average Number of Employees	546	586	-6.8%
Key Ratios (in %)			
EBIT as % of Revenue	17.0%	13.7%	24.7%
Net Profit as % of Average Shareholder's Equity	14.2%	4.4%	222.1%
Net Debt/EBITDA	149.2%	185.2%	-19.5%
EBITDA/Interest expenses (times covered)	331.0%	211.9%	56.2%
RONA	7.2%	2.0%	254.0%
Cash Conversion Rate	11.3%	185.0%	-93.9%
Dividend % Payout (% of Net Profit)	75.9%	73.5%	3.3%

New beer line inside the brewery

History

- Founded in 1957, Bralirwa Ltd's a Rwandan company producing and selling a portfolio of beer brands and soft drinks
- Bralirwa Ltd has been part of the HEINEKEN Group since 1971
- Bralirwa Ltd shares have been listed on the Rwandan Stock Exchange since 31 January 2011


BREWED TO
PERFECTION
mützig
SPECIAL EXPORT
LAGER BEER
INGREDIENTS: WATER, MALT, CEREALS, SUGAR AND HOPS.
mützig
SPECIAL EXPORT
LAGER BEER
DRINK RESPONSIBLY
mützig
The world's best, in a beer.

PART TWO

CHAIRMAN'S STATEMENT

Chairman's Statement

Introduction

Let me start by thanking fellow Board members and Directors Mr. George GAKUBA and Mr. Jordi BORRUT BEL for their contribution to our Company. At the same time I would like you to join me in welcoming two new Board members and Directors, Mr. John Bosco SEBABI and Mr. Hubert I. EZE to our Company. Furthermore, it is with pleasure that I address to you my third Chairman's statement for the year ended 31 December 2017.

Business Context 2017

In 2017 gross domestic product (GDP) growth in Sub-Saharan Africa was estimated at 2.7%, weaker than expected. This was supported by improved commodity prices, favourable global financing conditions, and slowing inflation which resulted in increased household demand. However, the region continued to see negative per capita income growth, weak investment, and a reduction in productivity growth. The East Africa Community (EAC) showed resilience despite these adverse effects and continued to deliver GDP growth.

Rwanda continued to perform reasonably well, albeit below the 2016 level. Although Rwanda's trade deficit improved by 21.7% in 2017, the Rwandan Franc (Rwf) continued to be under pressure and depreciated by 3.1% against the US Dollar (USD) and 16.9% against the Euro (EUR). Real GDP grew by 5.2%, mainly driven by improved agricultural performance and sustained performance in the service and industry sectors. Inflation declined to 4.9% in 2017 compared to last year, mainly due to reduced food prices.

In 2017, Bralirwa Ltd's overall financial performance improved substantially compared to 2016 despite the challenging business environment. Our revenue management and cost saving focus, combined with operational efficiencies and lower financing costs, positively impacted the 2017 results from operating activities.

Top line

Top line, volume and revenue, remained under pressure. Revenue was 2.8% lower than last year at Rwf 86.4 billion (2016: Rwf 88.8 billion), due to lower volume which declined 12.4%. Volume was adversely impacted by price increases in both soft drinks and mainstream beer in August 2016 and January 2017 respectively. The market remains very competitive and consumer spending constrained.

Pricing was taken to compensate for increased fixed costs from operations, at a time when currency depreciation resulted in higher raw material and other costs. The 2017 mainstream beer price increase was the first in 6 years and the resulting lower volume was in line with expectations.

Investments

Capital expenditure in 2017 reduced to more normalized levels relative to prior years. Including expenditure related to the replacement of returnable packaging materials and the new waste water treatment plant. Total capital expenditure in 2017 amounted to Rwf 11.3 billion (2016: Rwf 14.9 billion).

In line with the new global Heineken policy on returnable packaging material, we reassessed the useful life of the bottles and crates and reduced it from 7 to 6 years. This resulted in an accelerated depreciation charge of Rwf 1.7 billion, which was offset by an accompanying release of the deposit liability of Rwf 3.6 billion.

The Bramin farm joint venture commenced its fourth year of commercial farming. The drought, infestations and operational issues had a significant adverse impact on crop yields and consequently Bramin's results, despite our efforts to bring profitability to the farm. An impairment of RWF 2.4 billion was recorded in the Bralirwa Ltd financials on the Bramin long term loan. This charge, which has no impact on cash flows, reflects Bralirwa management's view of the lower future expected performance of Bramin. Despite the impairment, we continue to believe in the importance of the farm and the various positive contributions which it brings to the Company. We remain focused on improving the yield of the existing crops and are testing promising new crops in order to bring profitability to the farm.

Debt

In May 2017 we restructured our medium term loan from Heineken and by changing the denomination from USD to Rwf we limited the forex exposure of our total debt position. Furthermore, we repaid our loans as scheduled.

Financial statements

The challenging business environment combined with our revenue management, cost saving focus and operational effiencies, impacted the 2017 Statement of Financial Position and of Comprehensive Income as follows:

1. Net debt improved by 3.1% to Rwf 42.2 billion (2016: Rwf 43.6 billion).
2. Total payables reduced by 24.0% to Rwf 34.8 billion (2016: Rwf 45.8 billion). This was due to final payments made related to the five year investment program we concluded in 2016.
3. Revenue declined by 2.8% to Rwf 86.4 billion (2016: Rwf 88.8 billion), driven by a reduction in total sales volume of 12.4% following the price increases in soft drinks and mainstream beer.
4. Decreased cost of sales by 4.8% to Rwf 60.1 billion (2016: Rwf 63.1 billion), driven by lower volume, cost savings, efficiencies and mix effects and despite higher depreciation and raw material costs. Total depreciation was up 19.2% to Rwf 13.5 billion (2016: Rwf 11.3 billion). This was due to the adjustment in the useful life of the returnable bottles from 7 to 6 years (Rwf 1.7 billion).
5. Increased other income by 244.7% to Rwf 5.3 billion (2016: Rwf 1.5 billion) mainly driven by the release of the deposit liability (Rwf 3.6 billion).
6. The other operating expenses reflect the impairment of the Bramin long term loan of Rwf 2.4 billion.
7. Net finance cost decreased by 26.1% to Rwf 7.0 billion (2016: Rwf 9.5 billion). Resulting from measures limiting the forex exposure and improved financing terms and conditions.

Results from operating activities increased by 21.3% to Rwf 14.7 billion (2016: Rwf 12.1 billion) and profit and total comprehensive income for the year 2017 increased by 263.3% to Rwf 5.1 billion (2016: Rwf 1.4 billion). This improved earnings per share to Rwf 4.94 (2016: Rwf 1.36).

Brands

The year 2017 was the best year so far for the Mützig brand in relation to volume growth. Mützig strengthened its position as the brand for moments of celebration and as the gateway to 'world class experiences' through its sponsorship platforms of live music, high end fashion, comedy and cultural events.

The highlight of 2017 was the annual Mützig beerfest with Rwanda's own international artist 'Meddy' and other live performances, which was attended by over 4000 Mützig consumers.

For those who want to Be Fresh, Primus launched its first ever locally brewed flavored beer in a 50cl bottle - Primus Citron. With its winning combination of refreshing Primus beer and a twist of Citron, it offers consumers Double Refreshment at an affordable price. Primus Guma Guma Superstar's platform for Rwandan artists connected them for the 7th season with their fans countrywide, with Dream Boys as this years' winner.
In addition to the introduction of Primus Citron, Bralirwa Ltd launched Fanta 50cl RGB (Citron and Orange). And for the Rwandan beer connoisseurs Affligem Blonde, the Belgian Abbey beer brewed since 1074 was introduced in November.

Safety

Nothing is more important to Bralirwa Ltd than the safety of our employees and the people we work with. Our ultimate goal is simple: zero accidents. To achieve it we have made 'Safety First' our number one priority.

Most of the work-related accidents in 2017 happened outside our production sites when people were travelling or distributing our products. As these are less controlled environments, the challenges are more complex. However, our strategy to continue to prioritise safety, with a particular focus on road safety, has paid off with an all-time low number of accidents.

Our Organization, Our People

In 2017, Bralirwa Ltd continued to focus on driving a high performance culture through a new performance management system for all managers and a culture change programme.

Further reorganizations were required in 2017 as Bralirwa Ltd adapted to the continuously changing environment and looked for ways to increase performance and efficiency.

More effort was directed to developing the capabilities of our employees in various functions, which will contribute to our employees' performance in their current and future roles, as we prepare for our journey towards becoming a World Class organization.

Social

As in past years, Bralirwa Ltd continues to provide a number of Corporate Social Responsibility (CSR) activities to benefit communities and the environment. A selection of the CSR activities are described in greater detail in the Director's Report of this Annual Report.

Dividend

The payment of a cash dividend for 2017 of Rwf 3.75 per share (2016: Rwf 1.00) will be proposed to the annual general meeting of shareholders scheduled for 23 May 2018. The proposed dividend, if approved, will be paid on 22 June 2018. The dividend represents 75.9% of the net profit of the year 2017.

Please note that the payment will be subject to a withholding tax. The book close date for Bralirwa shares will be 16 May 2018, such that the final dividend will be paid to all shareholders, whose names appear in the Register of Shareholders at the close of business on 16 May 2018.

Board of Directors

As mentioned, Board members and Directors Mr. George GAKUBA and Mr. Jordi BORRUT BEL stepped down from the Board of Directors in August 2017 and April 2018 and were respectively succeeded by Mr. John Bosco SEBABI and Mr. Hubert I. EZE.

Auditors

The proposal for your approval at the annual general meeting of shareholders is to re-appoint Deloitte Rwanda Ltd as our Auditors.

Outlook 2018

Ongoing uncertainties and resulting volatilities in the global economy are expected to continue to impact African economies. In 2017, the Rwandan economy performed reasonably well, supported by improved agricultural performance. Growth in 2017 was still ahead of average growth rates in sub-Saharan Africa. We expect this trend to continue in 2018, excluding any significant unforeseen macroeconomic or political developments.

Consumer spending power is expected to remain constrained, however we expect to deliver top line growth in 2018, supported by our new product introductions in the market. Whilst cost pressures will continue to be challenging, further focus on cost management and reducing debt should enable margin improvement in 2018.

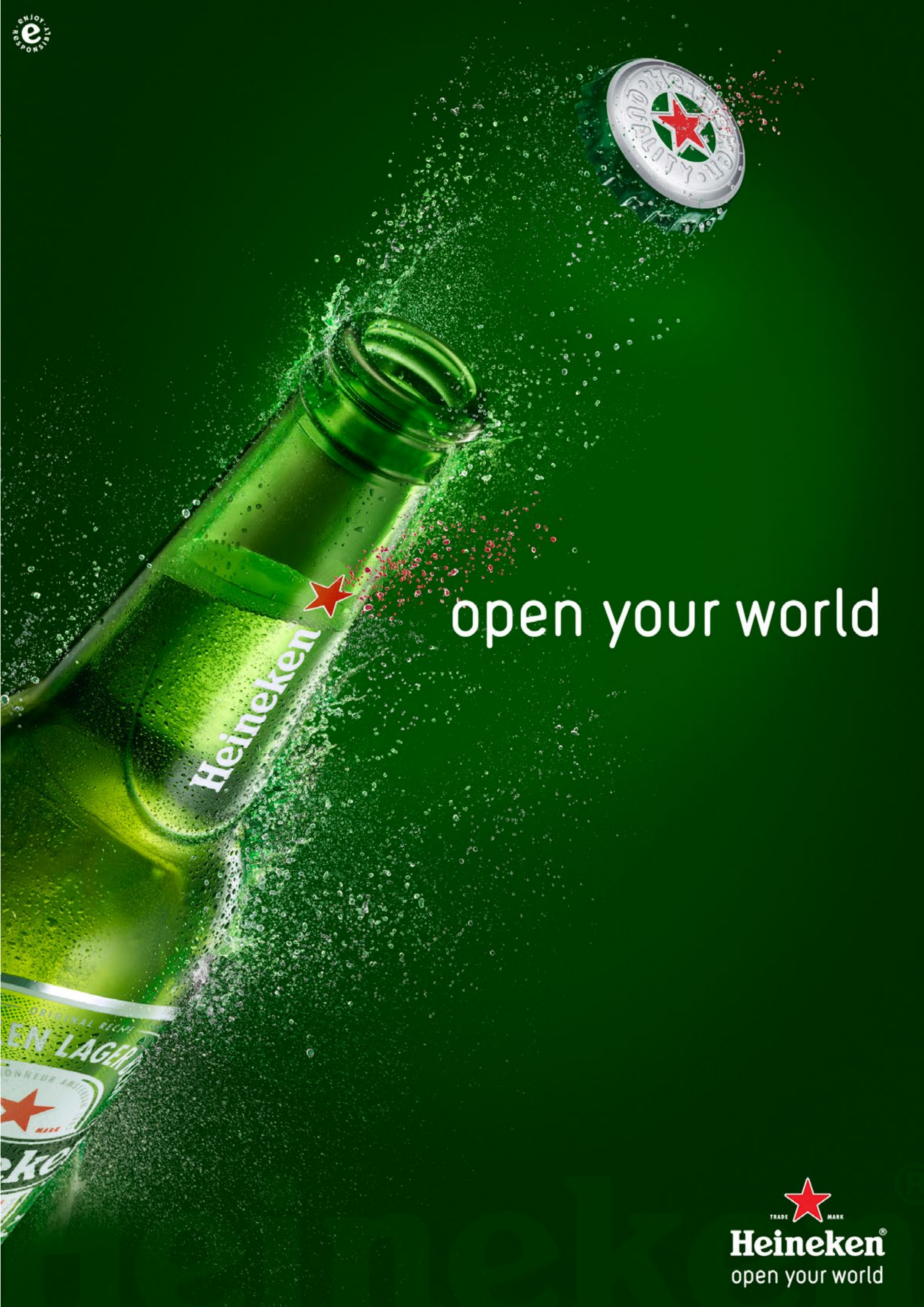
Conclusion

Let me conclude by thanking my colleagues of the Board for their support in 2017.

To management and all employees, thanks for a great job in 2017. We thank our commercial partners, for their co-operation and partnership. We thank our consumers, for their loyalty and trust in the quality of our brands.

And to you our shareholders, thank you for your support in 2017 and continued confidence in our Company.

Boudewijn HAARSMA
Chairman of the Board
Kigali, 29 March 2018



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open your world
TRADE MARK
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Ijambo rya Perezida w'Imana y'Ubutegetsi

Intangiriro

Ndabanza nshimire bagenzi banjye duhuriye mu nama y'ubutegetsi, byumwihariko ndashimira cyane George Gakuba kubera umusanzu we mu gihe cy'imyaka 13 yari amaze mu nama y'ubutegetsi. Nimumfashe kandi duhe ikaze Bwana John Bosco Sebabi na Bwana Hubert I. EZE mu bagize inama y'ubutegetsi. Ku rundi ruhande, nshimishijwe no kubagezaho raporo yanjye yagatatu y'umwaka twasoje taliki 31 Ukuboza 2017.

Ishusho rusange y'ubucuruzi muri 2017

Mu mwaka wa 2017, umusaruro mbumbe w'ibihugu biri munsi y'ubutayu bwa sahara wari witezweho ku zamuka ku gipimo cya 2,7%; igipimo gito ugereranije nuko byari byitezwe. Ibi byaraturutse ku micungire myiza y'igiciro cy'ibicuruzwa, inzira z'ishoramari yoroheje, agaciro k'ifaranga katahungabanye bityo umubare w'abaguzi ukaba wariyongereye. Icyakora akarere duherereyemo karanzwe no kugira umusaruro muto ku kigero cya buri muturage. Ishoramari naryo ntiryitabiriwe cyane, habaye kandi igabanuka k'ubwiyongere bw'umusaruro.

Muri ibyo byose, akarere k'ibihugu by'uburasirazuba bwa Afrika kagerageje kwitwara neza nandetse umusaruro mbumbe waho ukaba wariyongereye.

Ubukungu mu Rwanda bukomeje kutanga umusaruro mwiza, tutirengagike ko igipimo cyari hasi mu mwaka wa 2016. Nubwo ikinyuranyo cy'ibitumizwa mu mahanga cyagabanutseho 21,7% mu mwaka wa 2017, agaciro k'ifaranga ry'u Rwanda kagabanutse ku kigero cya 3,1% ugereranije n'idorali rya Amerika, na 16,9% ugereranije n'amayero. Umusaruro mbumbe wazamutse ku gipimo cya 5,2%, irizamuka rikaba rishingiye cyane cyane ku musaruro mu buhinzi n'inganda ndetse imitangire ya serivise. Igabanuka ry'agaciro k'ifaranga ryamanutse ku gipimo cya 4,9% mu mwaka wa 2017 ugereranije n'umwaka wabanje, impamvu ikaba ishingiye cyane cyane ku kiguzi cy'ibiryo nacyo cyagabanutse.

Mu mwaka wa 2017, nubwo habaye ingorane mu bucuruzi, BRALIRWA yashoboye kwitwara neza mu buryo bw'imari ugereranije n'umwaka wa 2016. Uburyo bwo gucunga no kwitwararika kumikoreshereze y'amafaranga, bwatanze umusaruro mwiza mu mwaka wa 2017 byumwihariko ku kiguzi cy'ibyo twakoresheje mu buzima bya buri munsi by'uruganda.

Ishusho rusange y'ibyacurujwe

Twahuye n'imbogamizi nyinshi; uko twacuruje, ibyo twinjije n'ingano y'ibyo twagurishije. Biva kumafaranga miliyari 88 na miliyoni 800 mu mwaka wa 2016 bigera kuri kuri miliyari 86 na miliyoni 400 mu mwaka wa 2016 bitewe n'igabanuka rya 12,4% kubyo twacuruje. Igabanuka ry'ibyo twacuruje ryatewe n'izamuka ry'ibiciro by'ibinyobwa bidasembuye muri Kanama 2016, ndetse n'izamuka ry'igiciro cya zimwe mu nzoga muri Mutarama 2017, ibi bikaba byarabereye ku isoko duhuriraho n'abandi, mu gihe ubushobozi bw'umuguzi ari buke.

Kuzamura igiciro byari ukugira ngo duhuze ikiguzi cy'ibyo duhaha; n'agaciro ku isoko. Ibi byakozwe mu gihe agaciro k'ifaranga karimo gatakara ari nabyo byatumaga duhendwa kubyo twagombaga guhaha ndetse na serivise twishyuraga. Izamuka ry'igiciro ryaherukagа kubaho mu myaka itandatu yaribanjirije, kandi twarabibonaga ko bizagira ingaruka ku ngano yibyo tuzacuruza. Ingano y'icyo twinjije muri rusange ntiyahungabanye, nubwo twacuruje bicye ugereranije n'umwaka wabanje.

Ishoramari

Mu mwaka wa 2017 ishoramari ryageze ku kigero gisanzwe rikaba ryaritaye ku gusimbuza ibikoresho bigendamo ibinyobwa bikoreshwa inshuro nyinshi no ku kuvugurura uruganda rutunganya amazi yakoreshejwe. Amafaranga yose yatanzwe mu ishoramari mu mwaka wa 2017 ni miliyari 11 na miliyoni 300 z'amafaranga y'u Rwanda, mugihe mu mwaka wa 2016 ishoramari ryari miliyari 14 na miliyoni 900 z'amafaranga y'u Rwanda.

Mu rwego rwo gukurikiza politiki nshya ya Heineken igenga ibikoresho bigendamo ibinyobwa bikoreshwa inshuro nyinshi, twahinduye igihe amacupa n'amakaziye yacu akoreshwa, icy'amacupa tukivana ku myaka 7 tukigeza kuri 6. Ibi rero byatumye amafaranga agenerwa ivugurura ry'ibikoresho ava kuri miliyari 1 na miliyoni 700, twongeraho miliyari 3 na miliyoni 600 twasohoye yo guteganyiriza icyo gikorwa.

Umushinga wacu wa Bramin wujuje umwaka wawo wa 4. N'ubwo ntako tutagize ngo havemo inyungu zishimishije, izuba ryinshi ryavuye n'ibibazo byavutse mu mirimo isanzwe byagize ingaruka ku musaruro no ku byo twari twiteze kuri Bramin. Bityo mu bitabo by'ibaruramari bya Bralirwa Ltd ku bijyanye n'ideni ry'igihe kirekire rya Bramin hajemo igabanuka ngenagaciro ku isoko rya miliyari 2 na miliyoni 400. Iri gabanuka, ridafite ingaruka n'imwe ku mafaranga acuruzwa, rirerekana uko ubuyobozi bwa Bralirwa bubona imikorere ya Bramin mu gihe kiri imbere. N'ubwo habayeho iryo gabanuka ngenagaciro, turacyafitiye uwo mushinga icyizere kandi tubona uzagira uruhare rugaragara mu iterambere ry'Ikigo. Turacyashyize umutima mu kongera umusaruro w'ibihingwa bisanzwemo kandi turimo kugerageza ibindi bihingwa bishya bitanga icyizere muri uwo murima.

Ideni

Muri Gicurasi 2017 twongeye gusuzuma ibijyanye n'ideni ry'igihe kigereranije duhabwa na Heineken maze tubinyujije mu kureka kubara ideni mu madolari ahubwo tukabara mu manyarwanda, tubasha kwirinda guhombera mu ivunjisha. Ikindi kandi, twashoboye kwishyura amadeni uko byari biteganijwe.

Raporo z'Ibitabo by'Ibaruramari

Imiterere y'urwego ubucuruzi rukorerwamo wongeyeho imicungire y'ibyo twinjiza no kwita cyane ku gukoresha ikiguzi gito, byagize inkurikizi kuri Raporo y'Ibaruramari no ku Ngano y'Ibyo Twinjiza muri rusange ku buryo bukurikira:

1. Ideni nyaryo ryagabanutse ku kigero cya 3.1% riva ku mafaranga y'u Rwanda miliyari 43 na miliyoni 600 mu mwaka wa 2016 rigera kuri miliyari 42 na miliyoni 200 mu mwaka wa 2017.
2. Amafaranga dusohora yose hamwe yagabanutse ku kigero cya 24.0% ava kuri miliyari 45 na miliyoni 800 mu mwaka wa 2016 agera kuri miliyari 34 na miliyari 800 mu mwaka wa 2017. Ibi byatewe no kurangiza kwishyura amafaranga yose ajyanye na gahunda y'ishoramari twashoje mu mwaka wa 2016.
3. Amafaranga yinjira yagabanutse ku kigero cya 2.8% ava kuri miliyari 88 na miliyoni 800 mu mwaka wa 2016 agera kuri miliyari 86 na miliyoni 400 mu mwaka wa 2017 bitewe n'igabanuka ry'ibyo twacuruje rya 12.4% naryo ryatewe n'izamuka ry'ibiciro by'ibinyobwa bidasembuye n'inzoga zoroheje.
4. Habayeho igabanuka rya 4.8% ry'ikiguzi ku bicuruzwa cyavuye kuri kuri miliyari 63 na miliyoni 100 mu mwaka wa 2016 kikagera kuri miliyari 60 na miliyoni 100 mu mwaka wa 2017, bikaba byaratewe n'igabanuka ry'ingano y'ibyacurujwe, gukoresha ikiguzi gito, gukoresha neza amafaranga no kunganirana kw'ibicuruzwa n'ubwo habayeho itakazagaciro n'izamuka ry'ibikoresho fatizo by'uruganda. Itakazagaciro muri rusange ryageze kuri 19.2% riva kuri miliyari 11 na miliyoni 300 mu mwaka wa 2016 rigera kuri miliyari 13 na miliyoni 500 mu mwaka wa 2017. Ibi byatewe no kugabanya imyaka amacupa akoreshwa iva kuri 7 igera kuri 6 (miliyari 1 na miliyoni 700).
5. Habayeho izamuka mu yandi mafaranga yinjira ku kigero cya 244.7% ava kuri kuri miliyari 1 na miliyoni 500 mu mwaka wa 2016 agera kuri miliyari 5 na miliyoni 300 mu mwaka wa 2017 bitewe n'ubwizigame bwacu (miliyari 3 na miliyoni 600 z'amafaranga y'u Rwanda).
6. Andi mafaranga yatanzwe mu bikorwa by'ikigo agaragaza igabanuka ngenagaciro ku isoko ry'ideni ry'igihe kirekire rya Bramin ringana na miliyari 2 na miliyoni 400.
7. Ikiguzi nyacyo cy'amadeni cyagabanutse ku kigero cya 26.1% kiva kuri miliyari 9 na miliyoni 500 mu mwaka wa 2016 kigera kuri miliyari 7 mu mwaka wa 2017. Ibi byatewe n'ingamba zafashwe zo kureka kubara ideni mu madolari rikabarwa mu manyarwanda n'ivugururwa ry'amategeko n'amabwiriza agenga imikoreshereze y'amafaranga.

Bityo rero, twageze ku izamuka rya 21.3% ku musaruro w'ibikorwa by'ikigo uva kuri miliyari 12 na miliyoni 100 ugera kuri miliyari 14 na miliyoni 700 ndetse n'ayinjira aturutse ku bikorwa by'ikigo azamukaho 263.3% ava kuri miliyari 1 na miliyoni 400 agera kuri miliyari 5 na miliyoni 100. Ibi byatumye habaho izamuka ry'amafaranga 4.94 ku mugabane rivuye kumafaranga 1.36 mu mwaka wa 2016.

Ibicuruzwa

Umwaka wa 2017 ni wo wabaye umwaka mwiza ku gicuruzwa cya Mützig mu bijyanye no kunyobwa cyane. Mützig yashimangiye ko ari ikinyobwa kijyane n'ibihe by'ibirori ikoreshwa mu guha abantu ibihe byiza ku rwego rwo hejuru biciye mu gutera inkunga ibitaramo by'umuziki ucurangwa imbonankubone ("live"), iby'imideli, iby'urwenya n'iby'umuco.

Urugero rugaragara mu mwaka wa 2017 ni igitaramo ngarukamwaka cya Mützig Beerfest cyaririmbyemo n'umuhanzi w'umunyarwanda "Meddy" n'abandi baririmbyi baririmbaga mu buryo bwa "live", kandi kikitabirwa nabakunzi bikinyobwa cya Mützig barenga 4000.

Ku bakunda Gushira inyota mu buhehere, Bralirwa yashyize ku iisoko ikinyobwa cya Primus gikorerwa mu Rwanda kikaba kiri mu icupa rya 50cl - Primus Citron. Bwa buryohe bumara inyota bw'inzoga ya Primus bukomatanye n'ubuhehere bwa Citron, iki kinyobwa gishya kimara inyota kandi kigatanga nubuhehere ku giciro gito. Irushanwa rya Primus Guma Guma Superstar ry'abanyamuziki b'Abanyarwanda ryongeye kubahuza n'abakunzi babo mu gihugu hose ku nshuro ya 7 aho ryegukanywe n'itsinda rya Dream Boys.

Uretse kandi ikinyobwa cya Primus Citron, Bralirwa Ltd yashyize ku isoko Fanta ya Cl 50 mu macupa y'ibirahure (Citron na Orange).

Ku bakunzi b'ibinyobwa bisembuye kandi, twabazaniye Affligem Blonde, inzoga yo mu Bubiligi yenzwe kuva mu mwaka 1074 tukaba twarayigejeje ku isoko mu Gushyingo.

Kubungabunga Abantu n'Ubuzima Bwabo

Muri Bralirwa Ltd nta kiruta umutekano n'ubuzima bw'abakozi bacu n'abandi bantu dukorana. Intego yacu y'ibanze iroroshye: Impanuka ni kirazira, kugira ngo tuyigereho, twashyize ku murongo wambere "kubungabunga abantu n'ubuzima bwabo".

Mu mwaka wa 2017, impanuka z'akazi hafi ya zose zabereye hanze y'inganda zacu abakozi bacu bari mu ngendo cyangwa bageza ibicuruzwa aho bigomba kujya. Kubera ko hanze aho ari ahantu hadacunzwe bihagije, imbogamizi ni nyinshi. Icyakora intego yacu yo gukomeza gushyira umutekano n'ubuzima bw'abantu ku murongo w'ambere, twita cyane ku mutekano wo mu muhanda, byatanze umusaruro ku buryo hagaragaye umubare muto w'impanuka.

Ikigo Cyacu, Abantu Bacu

Mu mwaka wa 2017, Bralirwa Ltd yakomeje kwimakaza umuco w'imikorere myiza ibinyujije mu buryo bushya bw'imicungire y'imikorere ku bayobozi b'amashami bose no muri gahunda yo guhindura imikorere.

Hari izindi mpinduka zabaye ngombwa mu mwaka wa 2017 kubera ko Bralirwa Ltd yagombaga kujyana n'impinduka mu rwego rw'isoko kandi igakomeza gushakisha uburyo bwo kongera umusaruro no gukoresha neza ibihari.

Hashyizwe ingufu nyinshi mu kongerera abakozi bacu ubushobozi mu myanya y'imirimo itandukanye, ibyo bikaba bizagira uruhare mu kongera umusaruro w'abakozi bacu bashinzwe n'iyo bashobora gushingwa mu gihe kizaza, mu rugendo twitegura rwo kuba ikigo cyo ku rwego rw'isi.

Imbonezamubano

Kimwe no mu myaka yashize, Bralirwa Ltd ikomeje gukora Ibikorwa mbonezamubano bifitiye akamaro abaturage. Ibikorwa mbonezamubano bifitiye akamaro abaturage byakozwe bisobanuye neza mu gice cya 'Raporo y'Umuyobozi w'Ikigo' muri iyi Raporo y'Umwaka.

Urwunguko ku Migabane

Ibijyanye no kwishyura amafaranga y'urwunguko ku migabane mu mwaka wa 2017, Frw3.75 (2016: Frw 1.00) bizagezwa ku nama rusange y'abanyamigabane mu nama iteganijwe ku itariki ya 23 Gicurasi 2018. Urwunguko ku migabane ruteganyijwe nirwemezwa, ruzishyurwa ku itariki ya 22 Kamena 2018. Urwunguko ku nyungu ni 75.9% y'inyungu nyayo yose y'umwaka wa 2017.
Mwibuke ko urwo rwunguko rusoreshwa umusoro ufatirwa (withholding tax). Itariki Bralirwa izasubika igurishwa ry'imigabane yayo ni kuwa 16 Gicurasi 2018, bivuze urwubguko ku migabane ruzishyurwa abanyamigabane bose bazaba banditse mu gitabo cy'abanyamigabane ku itariki ya 16 Gicurasi 2018 nyuma yakazi.

Inama y'Ubuyobozi

Nk'uko byari byavuzwe, uwari ugize inama y'ubuyobozi, Bwana George Gakuba na Bwana Jordi BORRUT BEL, basezeye mu nama y'ubuyobozi muri Kanama 2017 no muri Mata 2018, basimburwa na Bwana John Bosco Sebabi hamwe na Bwana Hubert I. EZE.

Abagenzuzi

Umushinga wo kwemeza Deloitte Rwanda Ltd nk'abagenzuzi bacu uzagezwa ku nama rusange ngarukamwaka y'abanyamigabane.

Uko tubona umwaka wa 2018

Ibibazo bikomeje kuba mu bukungu bw'isi byitezwe ko bizakomeza kugira ingaruka ku bukungu bw'Afurika. Mu mwaka wa 2017, ubukungu bw'u Rwanda bwitwaye neza, biturutse ku iterambere ry'ubuhinzi. Iterambere ry'ubukungu bw'u Rwanda mu mwaka wa 2017 ryaruse umubari munini w'ibindi bihugu byo muri Afurika yo munsi y'Ubutayu bwa Sahara. Twiteze ko iyi ntambwe izakomeza mu mwaka 2018, mu gihe cyose impamvu ziturutse hanze zakomeza kuba nkeya kandi zigacungwa bikwiye.

Twiteze ko tuzakomeza gutera imbere cyane mu mwaka 2018, tubifashijwemo n'ibicuruzwa bishyashya twazanye ku isoko, n'ubwo ubushobozi bw'abaguzi bwitezwe ko buzakomeza kuba buke. Ibibazo by'ikiguzi cyo hejuru bizakomeza kuba intambamyi, ariko ingamba z'imicungire y'ikiguzi n'izo kugabanya umuzigo w'ideni bizadufasha kongera urwunguko mu mwaka wa 2018.

Umusozo

Ndifuza gusoza nshimira bagenzi banjye mu nama y'ubutegetsi ku bufatanye bagaragaje mu mwaka wa 2017.

Ku bayobozi n'abakozi mwese, mbashimiye akazi k'indashyikirwa mwakoze mu mwaka wa 2017 Turashimira abafatanyabikorwa bacu mu bucuruzi, ku bw'ubufatanye mwatugaragarije. Turashimira kandi abakiriya bacu, ku bw'ubudahemuka n'icyizere mugirira ibicuruzwa byacu byiza.

Na mwe rero banyamigabane, ndabashimira inkunga yanyu mu mwaka wa 2017 no kuba mukomeje kwizera Ikigo cyacu.

Boudewijn HAARSMA
Perezida w'Inama y'Ubutegetsi
Kigali, kuwa 29 Werurwe 2018

PART THREE

BRALIRWA'S BOARD OF DIRECTORS AND SENIOR MANAGEMENT


refreshingly
good
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DIRECTORS

Boudewijn Haarsma (Dutch)	Chairman	Re-appointed in May 2017
Victor Madiela (Congolese)	Vice Chairman and Managing Director	Appointed in May 2017
Chantal Mubarure (Rwandan)	Independent Non - Executive Director	Re-appointed in May 2017
George Gakuba (Rwandan)	Independent Non - Executive Director	Stepped down in August 2017
John Bosco Sebabi (Rwandan)	Independent Non - Executive Director	Appointed in August 2017
Jordi Borrut Bel (Spanish)	Non - Executive Director	Stepped down in April 2018
Hubert I. EZE (Nigerian)	Non - Executive Director	Appointed in April 2018

COMPANY SECRETARY

Godfrey Kamukunde
P.O. Box 131
Kigali-Rwanda

REGISTERED OFFICE

Brasseries et Limonaderies du Rwanda Limited
Kicukiro P.O. Box 131
Kigali-Rwanda
Tel: (+250) 252 587 200 / 582 993

AUDITORS

Deloitte Rwanda Limited
1st Floor, Umoja Building,
P.O. Box 3903, Kigali
Kigali-Rwanda

ADVOCATES

Mhayimana Isaie & Associés
P.O. Box 713
Kigali-Rwanda

BANKERS

Banque de Kigali Limited
53, Avenue du Commerce
P.O. Box 175
Kigali-Rwanda

Compagnie Générale de Banque Limited
P.O. Box 5230
Kigali-Rwanda

I&M Bank Limited
11 Boulevard de la Révolution
P.O. Box 354
Kigali-Rwanda

KCB Bank Rwanda Limited
Avenue de la Paix
P.O. Box 5620
Kigali-Rwanda

Equity Bank Rwanda Limited
Grand Pension Plaza Building
P.O. Box 494
Kigali - Rwanda

Guaranty Trust Bank Rwanda Limited
20 Boulevard de la Révolution
P.O. Box 331
Kigali-Rwanda

Ecobank Rwanda Limited
Plot 314, Avenue de la Paix
P.O. Box 3268
Kigali-Rwanda

Banque Populaire du Rwanda Limited
32 Avenue de l'Armée
P.O. Box 1348
Kigali-Rwanda

Access Bank Rwanda Limited
UTC Building, 3rd floor Avenue de la Paix 1232
P.O. Box 2059
Kigali-Rwanda

Board of Directors

1. Boudewijn HAARSMA

Chairman of the Board

Boudewijn has over twenty years of working experience within Heineken, mainly in Commercial and General Management roles. He served as the Managing Director of three Heineken operating companies, in Surinam (2000-2003) and at two different brewery groups in Nigeria (2010-2015). Between 2003 and 2010 Boudewijn was the General Manager of Heineken's Innovation and Beer Systems operations serving the Heineken Group and based in Amsterdam. He was appointed the Managing Director for East and West Africa in the Africa, Middle East and Eastern Europe Region in 2015.

2. Victor MADIELA

Executive Director/Vice Chairman of the Board and Managing Director

Victor Madiela joined Heineken through Brasseries du Congo in Congo Brazzaville in 1999 as a Finance Controller. In 2002, he was appointed Logistics Manager. From 2008 to 2012 he was Planning and Control Manager of Bralima in the DRC. His key responsibilities included business performance management, financial reporting, planning and budgeting and project management. Since 2012, Victor has been the Finance Director of Brasseries et Limonaderies du Burundi (Brarudi) SA and was mainly charged with overseeing the full finance and IT functions. He was appointed the Vice Chairman of the Board on 25 August 2016 and joined Bralirwa Ltd as the Managing Director on 1 September 2016.

3. Chantal MUBARURE

Independent Non-Executive Director

Chantal Mubarure joined the Board of Bralirwa Ltd in 2005. She is a Certified Performance Technologist (CPT) and Kirk Patrick certified. She has more than 15 years of experience working with the Government and Development Partners. She is currently the Public Sector capacity building consultant and member of various Boards in Rwanda.

Board of Directors (Continued)

4. George GAKUBA

Former Independent Non-Executive Director

George Gakuba joined the Board of Bralirwa Ltd in 2005 representing the Government of Rwanda. He has held various leadership positions in the wider Rwandan, African and the Global Arena. He was among others the Executive Secretary for the Rwanda Economic and Social Development Council (RESC) in the Prime Minister's Office and high level task force negotiator for East African Common Market Protocol. He is currently a Corporate Advisor and Consultant in Rwanda. He stepped down from the Board of Bralirwa Ltd in August 2017.

5. John Bosco SEBABI

Independent Non-Executive Director

John Bosco Sebabi joined the Board of Bralirwa Ltd in August 2017. Since the July 2014 is the Deputy Director General of the Rwanda Social Security Board (RSSB) in charge of funds management. Before joining RSSB, he has held various senior management positions in the Rwandan financial sector including Chief Operating Officer for the East Africa Exchange and Director General of the Operations Directorate at the National Bank of Rwanda. He holds a Msc in International Economics, Banking and Finance from Cardiff University, Wales (The United Kingdom) and a Bsc in Economics and an Associate degree in Economics from the National University of Rwanda.

6. Jordi BORRUT BEL

Non-Executive Director

Jordi Borrut Bel joined Heineken in 1997 as a Sales Representative and later as Wholesale Manager in Spain. In September 1999, he joined Heineken Slovakia as the Distribution Project Manager for one year. Thereafter, he continued his career with Heineken occupying various positions- as the Amstel Brand Manager at Heineken France and Global Outlet Activation Manager at Head Office in Amsterdam. In 2006, he returned to Spain, where he held different roles until he became the National Sales and Distribution Director for the On Premise channel, leading a team of 1,200 people. From November 2015, he was the General Manager at Brasseries et Limonaderies du Burundi (Brarudi) SA. In January 2018, he was appointed General Manager at Nigerian Breweries plc.

Board of Directors (Continued)

7. Hubert IKENNA EZE

Non-Executive Director

Mr. Hubert I. EZE joined Heineken through Nigerian Breweries 1992 in the Sales Department and subsequently rose through the ranks to become a senior manager. In 2007, he went to internationalization to Heineken Caribbean and Central America where he was the Commercial Excellence Manager and later the Marketing and Commercial Director.
Prior to his appointment to the Nigerian Breweries' Board of Directors on 1st of September 2010, Mr. EZE was the General Manager, Heineken Latin America Export. Mr. EZE joined Bralirwa Board of Directors in April 2018.


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RWF
Gusa
PRIMUS
500 RWF RRP
QUALITY
CONT. 50CL
PRIMUS
Beer
PRIMUS
Citron
500 RWF RRP
REFRESHMENT
ALC.4.5%VOL.
CONT. 50CL.
PRIMUS
Citron

Senior Management

1. Victor MADIELA

Executive Director/Vice Chairman of the Board and Managing Director

Victor Madiela joined Heineken through Brasseries du Congo in Congo Brazzaville in 1999 as a Finance Controller. In 2002, he was appointed Logistics Manager. From 2008 to 2012 he was Planning and Control Manager of Bralima in the DRC. His key responsibilities included business performance management, financial reporting, planning and budgeting and project management. Since 2012, Victor has been the Finance Director of Brasseries et Limonaderies du Burundi (Brarudi) SA and was mainly charged with overseeing the full finance and IT functions. He was appointed the Vice Chairman of the Board on 25 August 2016 and joined Bralirwa Ltd as the Managing Director on 1 September 2016.

2. Marcel OOSTERVELD

Finance Director

Marcel Oosterveld joined Bralirwa Ltd in April 2016 as the Finance Director. He started his career at Heineken in Amsterdam at Head Office in October 2008 as Controller Export. In 2012 he moved to the position of Manager Corporate Accounting & Reporting. In this role he was responsible for the Accounting & Reporting and ERP systems of the Head Office entities. Furthermore, he managed the successful roll-out of one of Heineken's common ERP systems in a large number of markets. Before joining Heineken, Marcel worked as Interim Finance Consultant and held several finance positions at real estate investment company Unibail-Rodamco. He holds a Master of Science Degree in Economics from the University of Groningen.

3. Sander BOKELMAN

Technical Director

Sander Bokelman joined Bralirwa Ltd in March 2015 as the Technical Director. He started his career in Heineken in 2007 in the Global Procurement Organization where he held several positions. In 2011 he moved to Ethiopia as the Logistics & Purchasing Manager to support building the new Heineken business which included setting up a new Greenfield Brewery. Before joining Heineken, Sander worked as a Business Consultant at Atos KPMG Consulting in the Netherlands. He holds a Master of Science Degree in Industrial Engineering and Management Science from the Eindhoven University of Technology and rounded off a Diploma in Brewing in 2016.

Senior Management (Continued)

4. Sabine JAGER

Human Resource Director

Sabine Jager, currently Human Resource Director since February 2017, joined Bralirwa Ltd in November 2014 as People and Organisation Development Manager. She started her career at Heineken in Amsterdam at Head Office in August 2011 as HR Business Partner. Before joining Heineken, Sabine worked as HR Manager for Albumprinter B.V. and held different HR project roles at several companies including Shell and Rabobank. She holds a Master of Science Degree in Psychology from the University of Amsterdam.

5. Ngange NGXIKI

Sales Director

Ngange Ngxiki joined Heineken in February 2016 as Trade Marketing Director for the South African business. He moved to Bralirwa Ltd in January 2017 as Sales Director. Before joining Heineken Ngange worked as a Field Sales Director for Brand House, a joint venture between Heineken and other partners in South Africa. Ngange has extensive sales, trade marketing, and route to market experience having worked in various roles for the South African Breweries, Danone, Parmalat and Tiger Brands. He holds an Honours degree from the University of Port Elizabeth in South Africa.

6. Julius KAYOBOKE

Marketing Director

Julius Kayoboke's early career included a period in Bralirwa Ltd within the Commercial Department followed by several commercial roles at Heineken's Head office in Amsterdam between 2008 and 2014. Julius returned to Rwanda and Bralirwa Ltd in his current Marketing Director role in November 2014. He holds a degree in Chemical Engineering from Birmingham University and an MBA from a joint program between Birmingham University in the UK and Pepperdine University in Malibu.

Senior Management (Continued)

7. Josué PENALOZA QUISPE

Logistics & Procurement Director

Josué Penaloza Quispe joined Bralirwa Ltd in September 2013 as the Logistics Director. He started his career with Heineken in Global Supply Chain in January 2010, leading the expansion of the TPM program to the logistics areas in 34 Operating Companies. Prior to joining Heineken, he worked for more than 11 years at Procter & Gamble and Hewlett Packard in several Supply Chain, IT and Account Management roles in Peru, Brazil, Venezuela, Spain, Belgium, Germany, Romania and Egypt. He is an Industrial Engineer (Peru), holds a Master of Science Degree in Business Administration (Spain) and two post-graduate specializations in Organizational Development (USA) and International Business (China).

8. Freddy NYANGEZI

Corporate Affairs & Communication Manager

Freddy Nyangezi joined Bralirwa Ltd in February 1996, his early career included a period of 8 years in Bralima/DRC within the Commercial Department. Prior to his current position of Corporate Affairs and Communication Manager, Freddy has successfully held various leading sales and marketing roles within Bralirwa Ltd. During that period, he delivered strong Primus brand performance including the development of the music platform PGGSS (Primus Guma Guma Super Star) and led the development and implementation of the Route to Market strategy. He holds a Degree in Economics Sciences (ULK/Rwanda).


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WITH 300ML AT FRW 450*
*Recommended retail price

PART FOUR

NOTICE OF THE ANNUAL
GENERAL MEETING

Notice of the Annual Meeting

Notice is hereby given that the 8th annual general meeting of shareholders of Bralirwa Ltd as a listed Company will be held at the Kigali Convention Centre - Radisson Blu Hotel on Wednesday 23 May 2018 at 2.30 pm for the following purposes:

ORDINARY BUSINESS

1. Consideration of the annual report;
2. Receiving the auditor's report;
3. Consideration and approval of the financial statements;
4. Appropriation of profit and total comprehensive income for the year;
5. Discharge of the Directors and Auditors for the financial year 2017;
6. Appointment of Directors;
7. Appointment of Independent Auditors;
8. Change of Name;
9. Amendment of the memorandum and articles of association.

NOTES:

(a) PROXIES

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend instead of him/her. A proxy for a corporation may vote on a show of hands and on a poll. A proxy form is attached to the Annual Report and Accounts. If the proxy form is to be valid for purposes of the meeting, it must be completed and deposited at the head office of CDSC Rwanda Ltd, the registrars located in Kigali Centenary House 4th Floor, by 23 May 2018.

(b) DIVIDEND

The payment of a total cash dividend for 2017 of Rwf 3.75 (three Rwandan francs and seventy five cents) per share of Rwf 5.00 (five Rwandan francs nominal value) will be proposed to the annual general meeting of shareholders on 23 May 2018.

Please take note that the payment will be subject to a withholding tax. The books close date for Bralirwa Ltd shares will be 16 May 2018, meaning that the final dividend will be paid to all shareholders whose names appear in the Register of Shareholders at the close of business on 16 May 2018.

By order of the Board
Godfrey KAMUKUNDE
Company Secretary

Kigali, 29 March 2018

Proposed Resolutions

To the annual general meeting of shareholders of Bralirwa Ltd to be held on 23 May 2018

RESOLUTION 1

CONSIDERATION OF THE ANNUAL REPORT

The annual general meeting of shareholders considered and approved by ordinary resolution the annual report presented by the Chairman of the Board and thanked the Directors for the performance made during the accounting year ended 31 December 2017.

RESOLUTION 2

RECEIVING THE AUDITOR'S REPORT

The annual general meeting of shareholders received and approved the auditor's report by ordinary resolution and noted the opinion of the auditors on the Bralirwa Ltd 2017 audited financial statements.

RESOLUTION 3

CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS

The annual general meeting of shareholders considered and approved by ordinary resolution the Bralirwa Ltd 2017 audited financial statements.

RESOLUTION 4

APPROPRIATION OF PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

The annual general meeting of shareholders approved the profit and the total comprehensive income for the year 2017 of Rwf 5,078,741,000 and received the recommendation of the Board of Directors to declare the total dividend of Rwf 3.75 per share.

The annual general meeting of shareholders approves and declares a dividend of Rwf 3.75 per share.

The annual general meeting of shareholders decides that the book close date is 16 May 2018 and the final dividend will be paid on 22 June 2018.

The annual general meeting of shareholders decides also to allocate the balance of the non-distributed net profit amounting to Rwf 1.19 per share to retained earnings.

RESOLUTION 5

DISCHARGE OF DIRECTORS AND AUDITORS FOR FINANCIAL YEAR 2017

The annual general meeting of shareholders discharges the members of the Board and the Auditors for the year 2017.

RESOLUTION 6

APPOINTMENT OF DIRECTORS

The annual general meeting of shareholders appoints by ordinary resolution the following persons as Directors of Bralirwa Ltd for a period of one year:

1. Mr. Boudewijn HAARSMA
2. Mr. Victor MADIELA
3. Mrs. Chantal MUBARURE
4. Mr. John Bosco SEBABI
5. Mr. Hubert EZE

The annual general meeting of shareholders requests the Directors to elect the Chairman and the Vice Chairman among themselves. To this end, the annual general meeting of shareholders asks Mr. Boudewijn HAARSMA to convene and chair the first meeting of the new Board of Directors.

RESOLUTION 7

APPOINTMENT OF AUDITORS

The annual general meeting of shareholders appoints by ordinary resolution Deloitte Rwanda Ltd as Auditor for a period of one year.

The annual general meeting of shareholders asks the Board of Directors to determine the fees and other expenses of the auditors.

RESOLUTION 8

CHANGE OF NAME

In line with article 7 of law no. 27/2017 of 31/05/2017 governing companies in Rwanda, the annual general meeting of shareholders approves by special resolution the change of name from Brasseries et Limonaderies du Rwanda, Limited abbreviated as Bralirwa Ltd;

To:
Brasseries et Limonaderies du Rwanda, Plc abbreviated as Bralirwa Plc.

Proposed Resolutions (Continued)

RESOLUTION 9

AMENDMENT OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The annual general meeting of shareholders approves by special resolution the amendment of the memorandum and articles of association of the Company. The articles of association adopted on 9th June 2010 as amended and complemented on 11th November 2010 and 21st June 2011 respectively are amended as follows:

a) Clause 1(1) on the name of the company. The new name of the company shall be: Brasseries et Limonaderies du Rwanda, Plc abbreviated as Bralirwa Plc.

b) Clause 1(4) on the activities for which the company is established to carry out, shall be added under clause 1(4) L: To carry out transport services for goods (those it produces and/or those of third parties) by land, water, or air.

The annual general meeting of shareholders further authorizes the Board of Directors to:

(i) Effect any other amendments to the articles of association it deems necessary to help the company remain compliant with the new requirements of law no. 27/2017 of 31/05/2017 governing companies in Rwanda.

(ii) Adopt, file, alter, execute and complete any document(s) with the relevant regulatory authorities in view of effecting the above mentioned amendments.

By order of the Board
Godfrey KAMUKUNDE
Company Secretary

Kigali, 29 March 2018


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THE ORIGINAL QUALITY
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PART FIVE

DIRECTORS' REPORT

1. Legal status of the company

Bralirwa Ltd is a public company limited by shares since 9 June 2010 incorporated in the Republic of Rwanda under the law no7/2009 of 27 April 2009 relating to companies and registered by the Registrar General Office under no. 100004348, Bralirwa Ltd was the first company to be listed on the Rwanda Stock Exchange (RSE) as from 31 January 2011.

The Company is a subsidiary of Heineken N.V. based in the Netherlands, which owns 75% of the total shareholding while the remaining 25% is owned by the public. The Company has a capital of Rwf 5,142,850,000 divided into 1,028,570,000 ordinary shares with a nominal value of Rwf 5.00.

The Board of Directors is composed of 5 members. The Directors who held office during the year and to the date of this report are set out on page 22 and 24.

The Directors submit their report together with the audited financial statements for the year ended 31 December 2017, which discloses the state of affairs of the Company.

2. Review of operations

Revenue was 2.8% lower than last year at Rwf 86.4 billion (2016: Rwf 88.8 billion) due to lower volume which declined 12.4%. Volume was adversely impacted by price increases in both soft drinks and mainstream beer in August 2016 and January 2017 respectively. The market remains very competitive and consumer spending constrained.

Pricing was taken to compensate for increased fixed costs from operations, at a time when currency depreciation resulted in higher raw material and other costs. The 2017 mainstream beer price increase was the first in 6 years and the resulting lower volume was in line with expectations.

A continued focus on cost savings combined with operational efficiencies, as well as lower finance costs resulted in improved performance at the bottom line. Our results from operating activities increased by 21.3% to Rwf 14.7 billion (2016: Rwf 12.1 billion) and profit and total comprehensive income for the year 2017 increased by 263.3% to Rwf 5.1 billion (2016: Rwf 1.4 billion). This improved earnings per share to Rwf 4.94 (2016: Rwf 1.36).

The following is a summary of the results for the year ended 31 December 2017:

Rwf millions	2017	2016	Change (%)
Revenue	**86,354**	**88,799**	**-2.8%**
Results from operating activities	**14,706**	**12,128**	**21.3%**
Net finance cost	(6,997)	(9,463)	-26.1%
Profit before income tax	**7,709**	**2,666**	**189.2%**
Income tax expense	(2,631)	(1,268)	107.5%
Profit and total comprehensive income for the year	**5,079**	**1,398**	**263.3%**

Directors' Report (Continued)

3. Dividend

The Directors are recommending to the 8th annual general meeting of shareholders the declaration of a total dividend of Rwf 3.75 (2016: Rwf 1.00) per share. As per the law, the proposed final dividend approved will be subject to deduction of withholding tax, the taxation is applicable to all shareholders whose names appear in the Company's register of shareholders at the close of business on 16 May 2018.

4. Corporate Governance

Bralirwa Ltd Board of Directors is responsible for the overall governance of the Company and is accountable to the shareholders for ensuring that the Company complies with the law and the highest standards of best practices in corporate governance and business ethics.

The Directors are committed to fostering a culture that values ethical behavior, integrity and respect and the need to conduct the business and operations of the company in accordance with generally accepted corporate practices. The Directors believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

a) Board of Directors

The Articles of Association of the Company provide that the business and affairs of the Company are to be managed under the direction of the Board. The Board clearly understands its role, powers, duties and functions.

The Chairman of the Board is responsible for leadership and effective performance of the Board and for the maintenance of relations between Directors and Management that are open, cordial and conducive to productive cooperation.

The Board has in place an annual Work Plan that enables it to have detailed reviews of the Company's operations, approval of strategy, business plans, budgets and financial statements.

The Board receives regular reports on the Company's financial and operational results. The full Board meets at least four times a year. The Directors receive all information relevant to the discharge of their obligations in accurate, timely and clear form so that they can guide and maintain full and effective control over strategic, financial, operational and compliance issues. In line with good governance practice, the Board has delegated authority for conduct of day-to-day business to the Vice Chairman and Managing Director. The Board nonetheless retains responsibility for establishing and maintaining the Company's overall internal control of financial, operational and compliance issues as well as implementing strategies for the long-term success of the Company.
Four out of the five members of the Board are non-executive including the Chairman of the Board, and all others except the Vice Chairman and Managing Director are subject to periodic reappointment in accordance with the Company's Articles of Association

b) Audit and Risk Committee

The Audit and Risk Committee exists pursuant to article 33 of the Company's Articles of Association and the Board resolution of 25 May 2016.

The objective of the Committee is to support and advise the Board in its duties of adequately reviewing and approving the Company's financial statements, monitoring the effectiveness of internal controls and regularly assessing the main risks facing the Company.

The Committee is mandated to assist the Board in its oversight role of monitoring the effective implementation by Management and in assessing the proper functioning of the internal and external auditors. The Committee reports to the Board on how it has discharged its responsibilities.

It is composed of three (3) non-executive Directors with at least one member having the relevant financial experience and competence in accounting and/or auditing. Its meetings are also attended by the Managing Director, Financial Director and Process & Control Improvement Manager.

Directors' Report (Continued)

4. Corporate Governance (Continued)

b) Audit and Risk Committee (Continued)

Other non-committee members are invited to attend all or part of any meeting as and when appropriate and necessary and assist the Committee from time to time, according to the particular items being considered and discussed.

The Committee meets at least twice a year and the meetings are aligned with the Board meetings to allow for work arising from the Committee to be carried out and reported to the Board.

The Committee monitors the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim management statements, preliminary announcements and any other formal statements relating to its financial performance, and review and reports to the Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor.

The Committee also reviews any other statements requiring Board approval which contain financial information and advises on where to carry out a review prior to the Board approval would be practicable and consistent with any prompt reporting requirements under Rwandan laws and regulations including all regulatory instruments for listed companies on the Rwanda Stock Exchange (RSE).

Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it reports its views to the Board.

The Committee's chairperson formally reports to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and on how it discharged its responsibilities. The Committee makes recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

c) Management Committee

The Management Committee comprises of the Vice Chairman and Managing Director and other Senior Managers occupying a strategic role in the business with the Company Secretary serving as the secretary.

The Committee is responsible for agreeing priorities, allocating resources, setting overall corporate target, agreeing and monitoring functional strategies and plans and has responsibilities for superintending the affairs of the business on a day-to-day basis. It is chaired by the Vice Chairman and Managing Director of the Company.

5. Analysis of shareholding

Shareholder	Number and Class of Shares	Class of shares	Percentage of issued capital
Heineken International B.V.	411,480,000	Ordinary	40.01%
Beleggingsmaatschappij Limba B.V.	359,950,000	Ordinary	35.00%
Arisaig Africa Consumer Fund Limited	72,655,600	Ordinary	7.06%
Rwanda Social Security Board	28,823,000	Ordinary	2.80%
CFC Stanbic Nominees Ltd A/C NR13303	27,606,300	Ordinary	2.68%
FRB ITF Investec Africa Fund	26,492,500	Ordinary	2.58%
CFC Stanbic Nominees Ltd A/C NR 4262756	20,506,700	Ordinary	1.99%
Frontaura Global Frontier Fund LLC	17,529,400	Ordinary	1.70%
Other shareholders	63,526,500	Ordinary	6.18%
Total	**1,028,570,000**	**Ordinary**	**100.00%**


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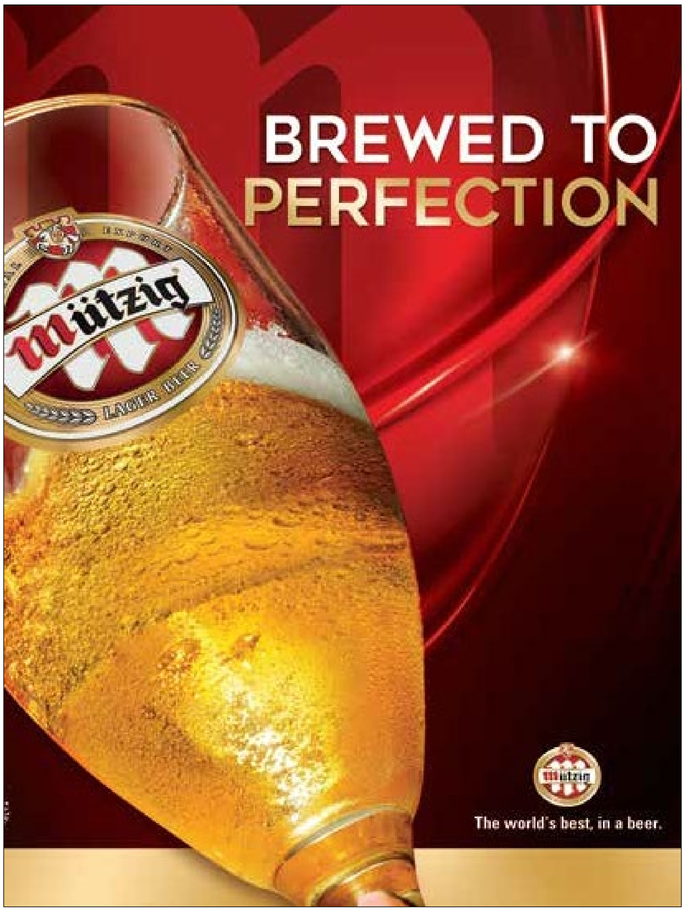
Directors' Report (Continued)

6. Our Brands

Mützig

The year 2017 was the best year so far for the Mützig brand in relation to volume growth. Mützig strengthened its position as the brand for moments of celebration and as the gateway to 'world class experiences' through its sponsorship platforms of live music, high end fashion, comedy and cultural events. Some of the most memorable events included the sponsorship of Grammy award winning artist Joss Stone at the Kigali Marriott, Run Town (Nigerian artist) and Sheebah (Ugandan artist) and 6 exciting shows of the jazz Junction at Serena which took place the last Friday of every month. A highlight of 2017, was the annual Mützig beerfest with Rwanda's own international artist 'Meddy' and other live performances by Blink Bill and band, which was attended by over 4000 Mützig consumers. At the year an ATL credential campaign dubbed, 'Brewed To Perfection' reminded consumers of the amazing quality and taste of Mützig beer.



Primus

For those who want to Be Fresh, Primus launched its first ever locally brewed flavored beer in a 50cl bottle - Primus Citron. With its winning combination of refreshing Primus beer and Citron flavor, it offers consumers Double Refreshment at an affordable price. Primus Guma Guma Superstar's platform for Rwandan artists, connected them for the 7th season with their fans countrywide, with Dream Boys as this years' winner.

Directors' Report (Continued)

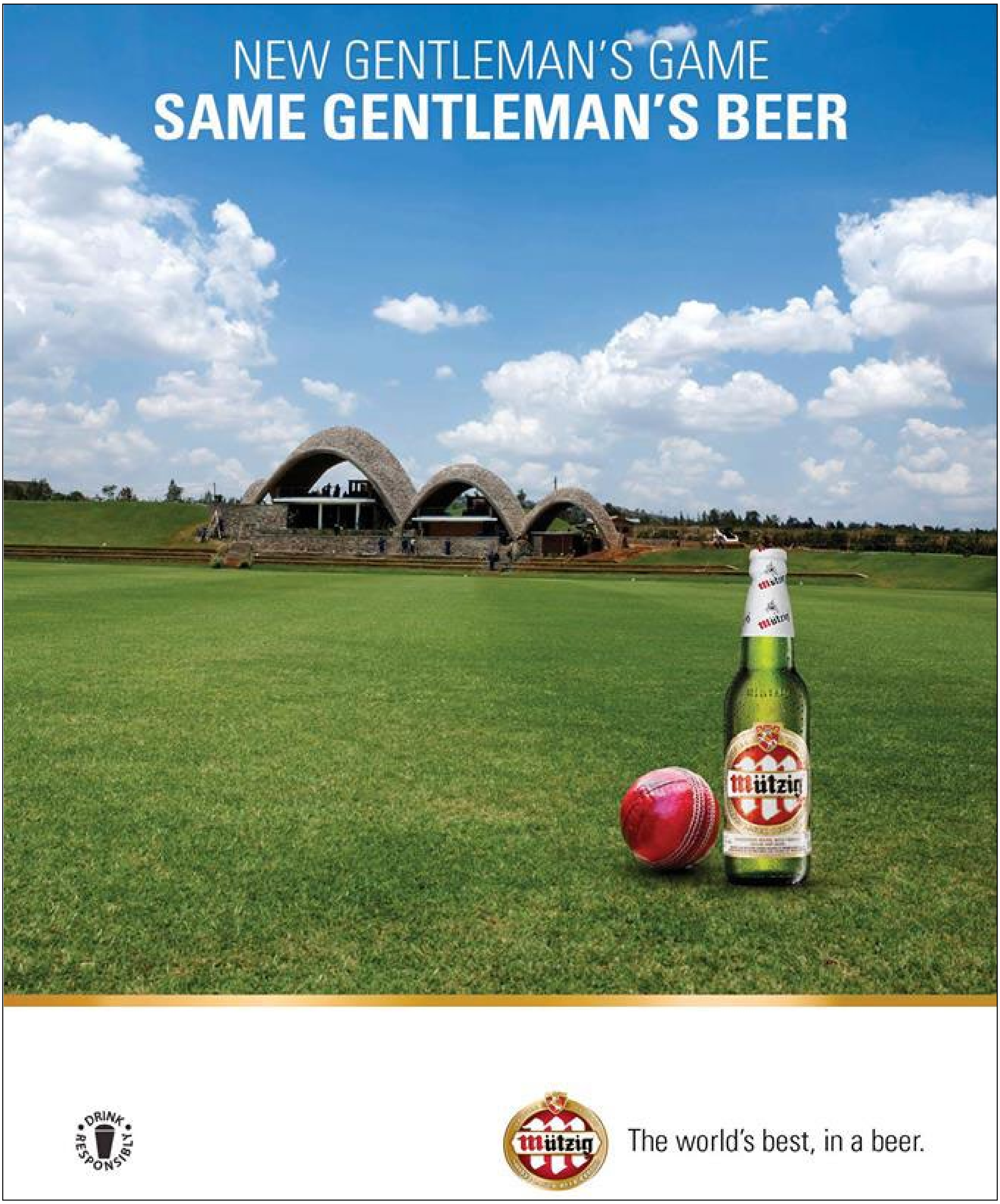
Heineken

This year was another successful year for Heineken. A 6-week long consumer promotion was run with 3 lucky consumers winning a trip to attend a luxury cruise in Athens, Greece. Experiencing true Heineken hospitality, the lucky winners met the former Barcelona Brazilian footballer, Ronaldinho who was also the captain of the ship. Kigali enjoyed the final UEFA Championship viewing at the Expo grounds Gikondo in true Heineken Style.

Innovations

In addition to the introduction of Primus Citron, Bralirwa Ltd launched Fanta 50cl RGB (Citron and Orange). Also for the Rwandan beer connoisseurs Affligem Blonde, the Belgian Abbey beer brewed since 1074, was introduced in November.

Directors' Report (Continued)



Directors' Report (Continued)

7. Our Sales

In 2017 we adjusted our beer price structure to drive overall value in the business. Given the very price sensitive market, the impact of these price adjustments, was in line with expectations. Recovery of both the sales volume and market share trended positively throughout the year 2017. The implementation of the revenue management framework should continue to deliver more volume for more value for the business.

During the second half of 2017, we implemented the distributor management system which will give us better market visibility. Through this technology deployment we were able to engage our customers via our distribution partners. Our relationship with our distribution partners was further strengthened in 2017, driven by a common vision for success as well as consistent engagement. Building a strong route to market together with our distribution partners remains a key pillar in our strategic plan.

Furthermore, we improved our ability to compete and win in the market through the identification and targeting of focus distribution channels. The deployment of our picture of success helped to improve our execution at outlet level. Our deliberate and pervasive visibility program continues to drive top of mind awareness amongst our consumers. In addition, we implemented the sales execution mobile technology platform which will give us full visibility of our execution in the market. Winning at the outlet level remains one of our key focus areas.

To continue building the winning spirit of our sales force we rolled out capability development programs focusing on key competencies. In a competitive market, we recognize that our people make the difference in every outlet every single day. The implementation of our capability development framework continues to improve on both our level of customer engagement as well as market execution. The competence and development of our people remains a key pillar in our growth strategy.

Directors' Report (Continued)

8. Our Production

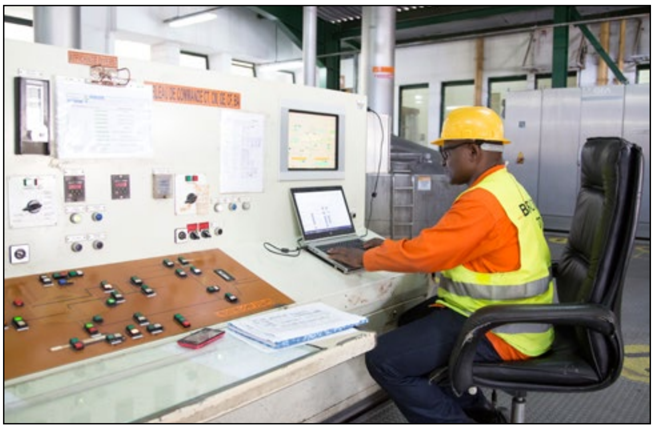
In 2017 Bralirwa's Production operations have substantially improved its efficiency, resulting in even lower losses in beer and softdrinks production and packaging. These improvements were achieved after the wave of large investments in equipment and people over the past years. Examples of these loss improvements are found in reduction of extract losses, lower energy & water consumption and a more efficient workforce delivering even higher output and standards of work.

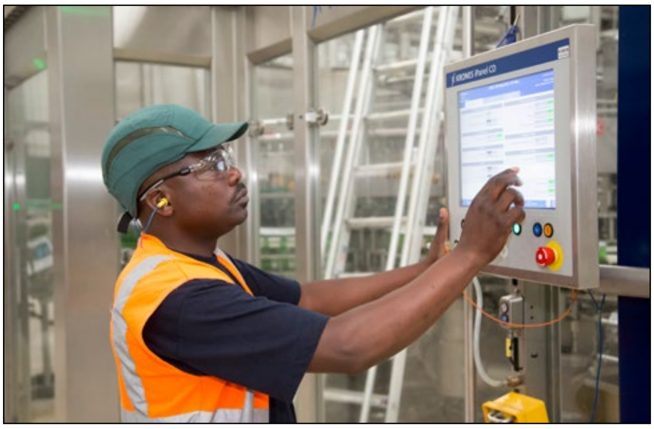
In 2017 the project of building a Waste Water Treatment Plant (WWTP) for Gisenyi Brewery was executed according to plan and will commence operations at the second quarter of 2018. This WWTP will result in an effluent stream from the brewery which is fully compliant with local and global HEINEKEN regulations. This WWTP will also provide the brewery with the opportunity to re-use effluent water for non-production related purposes such as gardening and the opportunity to use the WWTP's biogas to generate thermal energy for brewing. Essentially an environmental friendly investment in all areas. Another investment completed, was a new state-of-the-art automated CIP (cleaning) system in Gisenyi.

In the journey towards a World Class organization Production employees are getting increasingly autonomous tasks. This means that for example people in Packaging are also trained in executing repairs on their machines as well as running quality control checks on the products being produced. By increasing operator ownership, both the Engineering (maintenance) and the Quality department can focus more on becoming world class specialist in maintenance and quality (assurance) concepts. In this journey Bralirwa follows HEINEKEN's global vision on World Class organizations.

Also in 2017 the Bralirwa production sites in Gisenyi and Kigali took another big step in providing an even safer workplace. Amongst others, initiatives rolled out were (1) the implementation of Behavior Based Safety (BBS) letting our people be their own safety observers, (2) execution of Process Safety audits, making sure all pressurized and explosive sensitive equipment is fully within safety standards and (3) improved pedestrian safety on both sites.

In early 2018 the Kigali Softdrink Plant is expected to receive the HEINEKEN Global TPM Bronze award, underlining the modern and efficient ways of working which have been built over the past years.





Directors' Report (Continued)

9. Our Logistics

Bralirwa Ltd has a strong commitment to safety as its main priority. Continuous trainings to our company car drivers and transporters are delivered to reinforce the safety awareness. Also, our GPS fleet management system has helped us to decrease the accidents on the road and have been one of the inspirations for Heineken to rollout a related global program.

2017 has also been a good year for our local sourcing strategy. Our consumption of local raw materials has continuously increased. Part of this increase has been possible by strengthening our current supply chain through developing the agribusiness in Rwanda with the CREATE project, focused in small farms holders, and in our Joint-Venture farm Bramin. We also worked together with the COMESA Business Council (CBC) to develop new suppliers and farmers in East Africa.

In packaging materials, we developed even more EAC suppliers and they are consistently supplying materials matching with our requirements. This continues to give us flexibility and important cost savings. Earlier this year, a local carton supplier has successfully started a long-term partnership with Bralirwa Ltd. Long term relations have been built with strategic suppliers to continue developing the Rwandan supplier base.

We exported PET products to Burundi and Goma (DRC) in line with our export ambitions. At the end of 2017, we also started to export our main brands to Uganda.

Furthermore, we started to work with strategic partners in order to develop a sustainable PET recycling chain in the country, which we expect to introduce in 2018. Commitment to the environment is part of the DNA of the company as we have continuously exported broken glass to Tanzania using the empty trucks flow to Dar Es Salaam supporting KIOO Ltd (a glass manufacturer) to obtain a sustainable source of raw material for glass manufacturing.

Finally, productivity has been also one of the priorities of Logistics and Purchasing. This priority is focused in developing our people to strengthen our processes, which allows us to do more with less. In this sense, in 2017, we have increased our productivity substantially.

Directors' Report (Continued)

10. Our Organisation, Our People

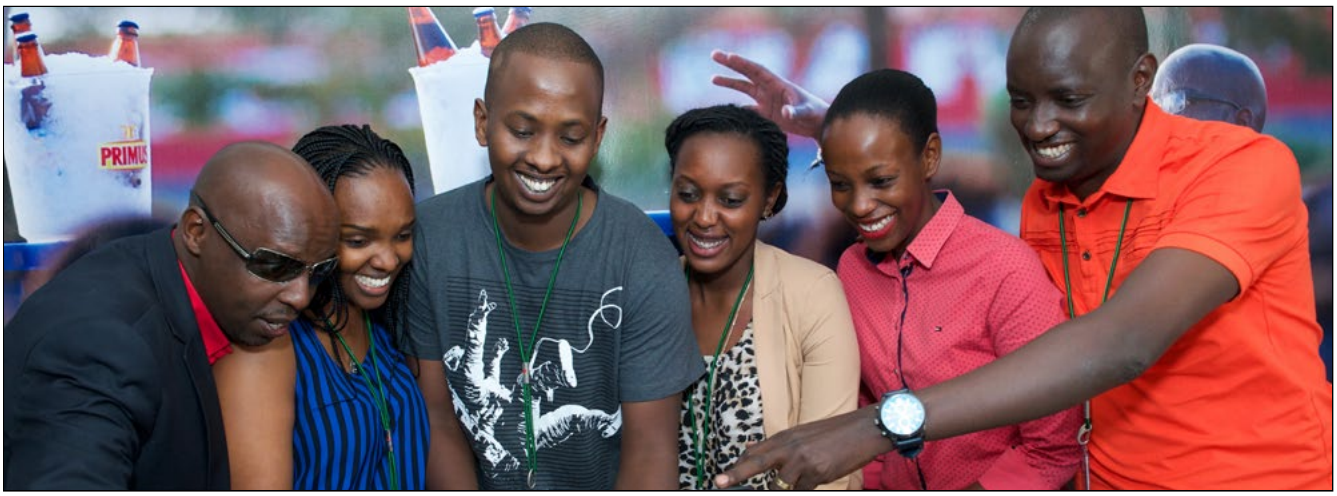
In 2017 continued focus was put on driving a high performance culture through a new performance management system for all managers and through continued emphasis on our culture change programme CRATE.

Further reorganizations were required as Bralirwa Ltd adapted to a changing environment as well as looked for ways to increase performance and efficiency.

In order to guide our employees through the changes permanent communication with employees and employee engagement took place through dialogue with employee representatives, quarterly management meetings and canteen meetings.

Continued effort was put on developing the capabilities of our employees in various functions. A dedicated Sales Capability Manager was hired to work on development programmes especially designed for the Commercial functions to increase our commercial capability. In the Supply Chain function we continued with the roll-out of the People Set-Up programme for our shopfloor employees and completing the First Line Manager programme. These programmes will contribute to our employees' performance in their current and future roles as we prepare for our journey towards becoming a World Class organization. We invested in training our own trainers to ensure sustainability of these development initiatives.

As a part of the Heineken Company, considerable benefit is still gained from a wide range of training opportunities which are run in Africa and Europe. These are complimented by Coca Cola training and other local and regional provider offerings. Full advantage has been taken of these as we continue to develop our people for the future.



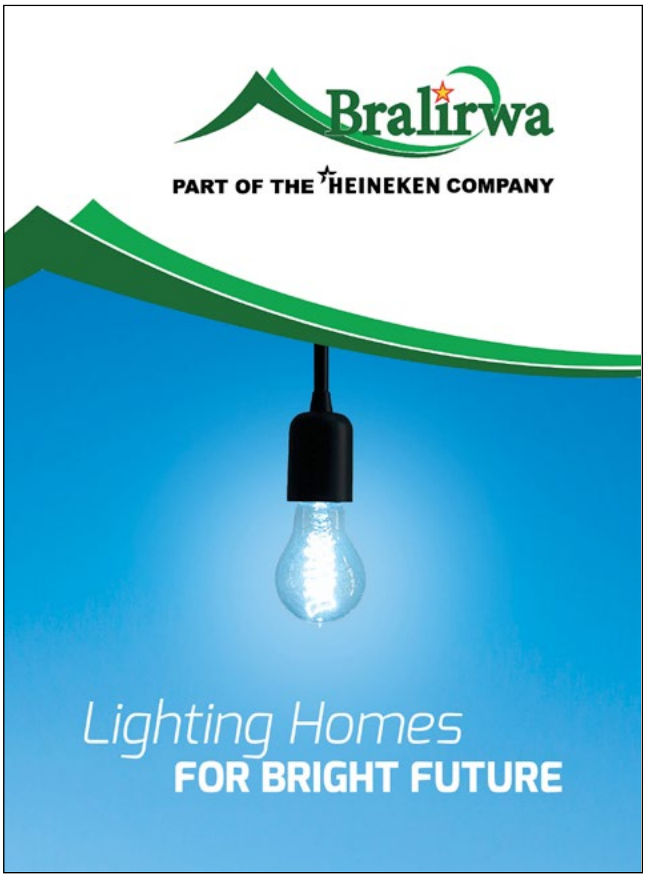
Directors' Report (Continued)

11. Our Corporate Social Responsibility

Solar power for families in Ndego

In 2017, Bralirwa Ltd inaugurated 283 solar-powered panel systems in Kayonza district. Off-grid solar is recognized to play a major role in meeting Rwanda's target of electrifying 70% of households by mid-2018.

Ndego village located in Kayonza District is off grid. With no electricity to light up homes, the residents have been left behind in the country's development trajectory. In an effort to provide a solution, Bralirwa Ltd in partnership with the Ministry of Local Government and the Rwanda Energy Development Corporation Ltd initiated a project to give residents access to solar power solutions for their homes. This is in line with Bralirwa Ltd's commitment to building strong connections with communities around its operations.



Accessed to clean and adequate water in Kicukiro

For the third time since 2013, Bralirwa Ltd and the Coca-Cola Company implemented a RAIN (Replenish Africa Initiative) project in partnership with the Government of Rwanda and the NGO Water for People with the purpose of improving access to water, sanitation, and hygiene amenities in Kicukiro district.

The implemented water project aims to rehabilitate and resize existing water distribution network so as to address challenges identified in water rationing and to improve access for over 50,000 people in the district.

Directors' Report (Continued)

Tree planting during Umuganda (community work)

Aligned with Bralrwa Ltd's core value of respect for people and the environment in which we live, the company's employees joined residents of Rubavu district and local authorities for the monthly community work "Umuganda" which focused on tree planting around the brewery.

The activity took place alongside Marine road toward the brewery in Nyamyumba sector and over 22,000 trees were planted.

Directors' Report (Continued)

11. Independent Auditors

The auditors, Deloitte Rwanda Limited, have expressed their willingness to continue in office in accordance with Law No. 27/2017 of 31/05/2017 governing companies.

Kigali, 29 March 2018

For the Board of Directors

Boudewijn HAARSMA
Chairman of the Board

Victor MADIELA
Vice Chairman of the Board

50cl glass

500 RWF.

PART SIX

BRALIRWA STATEMENT OF
FINANCIAL ACCOUNTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Law No. 27/2017 of 31/05/2017 governing companies requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for that year. It also requires the Directors to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Law No. 27/2017 of 31/05/2017 governing companies, and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Law No. 27/2017 of 31/05/2017 governing companies.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company, its operating results as at 31 December 2017 and of its profit and cash flows for the year then ended in accordance with the International Financial Reporting Standard and the requirements of the Law No. 27/2017 of 31/05/2017 governing companies.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Approval of the financial statements

The financial statements, as indicated above, were approved by the Board of Directors on 29 March 2018 and were signed on its behalf by:

Boudewijn HAARSMA
Chairman of the Board

Victor MADIELA
Vice Chairman of the Board

Deloitte Rwanda Limited.
1st Floor Umoja Building
KN3 Road
P.O. Box 3903
Kigali
Rwanda

Tel: +250 (0) 788157500
+250 (0) 783000673
+250 (0) 735087388
E-mail: deloitterwanda@deloitte.com
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Brasseries et Limonaderies du Rwanda (Bralirwa) Limited (the company), set out on pages 59 to 98 which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of Law No. 27/2017 of 31/05/2017 governing companies.

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 Financial Statements* section of our report. The Institute of Certified Public Accountants of Rwanda Code of ethics (ICPAR Code of Ethics), which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants, together with other ethical requirements that are relevant to our audit of the financial statements in Rwanda, and we have fulfilled our other responsibilities under those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Deloitte Rwanda Limited.
1st Floor Umoja Building
KN3 Road
P.O. Box 3903
Kigali
Rwanda

Tel: +250 (0) 788157500
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) LIMITED

Report on the Audit of the Financial Statements

Key Audit Matters

Deposit liability for returnable packaging material

Included under trade and other payables in note 26 to the financial statements is an amount of Rwf 13,101,391,000 relating to deposit on returnable packaging material (RPM deposit). To assess if the balance is fairly stated, the Directors have made significant estimates and judgement to determine the value of the deposit on returnable packaging material.

Judgement and estimates are made in relation to the number of containers, bottles and crates in circulation, the average useful lives of the bottles and crates and the average circulation time for the containers in the market. Once the number of containers in the market has been estimated, this is multiplied by the price of the containers and the liability at period end is determined. The price of the containers is the amount that the Company would refund customers if they returned the containers for cash.

The key assumptions related to deposit liability for returnable packaging material have been included in note 4 "Use of estimates and judgement".

The deposit liability for returnable packaging material is material to the financial statements and its determination requires significant judgement and estimates. It is for this reason that we considered this to be a key audit matter.

How the matter was addressed in the audit

Our audit procedures to assess the Directors estimates and judgement on the balance for RPM in response to the risks included the following:

- We reviewed the reconciliation for the estimate of the deposit liability for RPM.
- We evaluated and challenged the reasonableness of the methods and assumptions the Directors used to determine the estimates and amount and whether the methods for calculating the estimates and amount are applied consistently. The key assumptions applied are related to circulation time and market loss for RPM.
- We recomputed the RPM deposit and assessed the inputs of the calculation for reasonableness.
- We concluded that the estimates and assumptions used in determining the RPM liability were appropriate and reasonable and appropriate disclosures were made in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in; 'Results at a glance' Statement, the 'Chairman's Statement', the 'Directors' Report', and the 'Five year financial summary'. The other information does not include the financial statements and our auditor's report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Deloitte.

Deloitte Rwanda Limited.
1st Floor Umoja Building
KN3 Road
P.O. Box 3903
Kigali
Rwanda

Tel: +250 (0) 788157500
+250 (0) 783000673
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E-mail: deloitterwanda@deloitte.com
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) LIMITED

Report on the Audit of the Financial Statements

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and the requirements of Law No. 27/2017 of 31/05/2017 governing companies, and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) LIMITED (CONTINUED)

Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements

We are required to communicate with the Audit & Risk Committee 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 are also required to provide the Audit & Risk Committee 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.

For the matters communicated with the Audit & Risk Committee, we determine those matters that were of most significance in the audit of the 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 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

As required by Article 132 of the Law No 27/2017 of 31/05/2017 governing companies, we report to you based on our audit that:

i. We have obtained all information and explanations which, to the best of our knowledge, was required for our audit;
ii. Based on our audit, we have not identified any reason to believe that proper accounting records have not been kept;
iii. We have no relationship, interests and debt in the company;
iv. We have reported to the directors and management in the form of a separate management letter, internal control and other weaknesses identified during the audit and our recommendations for improvement;
v. In our opinion, according to the best of the information and the explanations given to us as shown by the accounting and other documents of the company, the annual accounts comply with Article 123 of this Law regarding the requirement for individual annual accounts.

For: Deloitte Rwanda Limited

DELOITTE RWANDA LIMITED
P.O. BOX 3903
KIGALI - RWANDA

David WAWERU
Director

Signed at Kigali, 29 March 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 Rwf '000	2016 Rwf '000
Revenue	**8**	**86,353,934**	**88,798,803**
Cost of sales		(60,078,805)	(63,122,897)
Gross profit		**26,275,129**	**25,675,906**
Other income	9	5,288,415	1,533,887
Selling and distribution costs		(4,089,548)	(4,389,470)
Administrative expenses		(10,404,637)	(10,691,906)
Other operating expenses		(2,362,921)	-
Total expenses		**(16,857,106)**	**(15,081,376)**
Results from operating activities	**10**	**14,706,438**	**12,128,417**
Finance income		1,554,979	1,638,108
Finance costs		(8,552,044)	(11,100,743)
Net finance cost	**12**	**(6,997,065)**	**(9,462,635)**
Profit before income tax		**7,709,373**	**2,665,782**
Income tax expense	13	(2,630,632)	(1,267,946)
Profit after tax		**5,078,741**	**1,397,836**
Other Comprehensive Income		-	-
Total comprehensive income for the year		**5,078,741**	**1,397,836**
Basic earnings per share – Rwf	**22**	**4.94**	**1.36**

The notes on pages 59 to 98 are an integral part of these financial statements

BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

Assets	Notes	2017 Rwf '000	2016 Rwf '000
Non-current assets			
Property, plant and equipment	14	85,764,589	88,000,707
Intangible assets	15	131,113	254,240
Equity Investments	16	9,224	9,224
Receivable from ralated parties - principal	30 (d)	1,637,079	1,490,338
Receivable from ralated parties - unearned interests	30 (d)	-	2,509,662
Total non-current assets		**87,542,005**	**92,264,171**
Current assets			
Inventories	18	20,444,898	22,097,045
Receivable from related parties	30 (d)	2,575,393	2,607,971
Trade and other receivables	19	8,587,684	8,003,120
Tax recoverable	13 (b)	1,269,926	3,712,758
Bank and cash balances	20	7,308,626	3,055,250
Total current assets		**40,186,527**	**39,476,144**
Total assets		**127,728,532**	**131,740,315**
Equity & Liabilities			
Equity			
Share capital	21	5,142,850	5,142,850
Share premium	21	84,857	84,857
Other reserves	21	2,071,990	2,071,990
Retained earnings		28,391,226	24,338,553
Total equity		**35,690,923**	**31,638,250**
Liabilities			
Non-current liabilities			
Loans and borrowings LT	23	26,997,065	29,401,716
Deferred tax liability	25	7,745,331	7,582,451
Total non-current liabilities		**34,742,396**	**36,984,167**
Current liabilities			
Loans and borrowings ST	23	22,551,101	17,226,825
Payable to related parties	30 (d)	7,025,177	11,031,930
Trade and other payables	26	27,718,935	34,859,143
Total current liabilities		**57,295,213**	**63,117,898**
Total liabilities		**92,037,609**	**100,102,065**
Total equity and liabilities		**127,728,532**	**131,740,315**

The Board of Directors approved the financial statements set out on pages 61 to 96 on 29 March 2018 and were signed on its behalf by

Chairman of the Board
Boudewijn Haarsma

Vice Chairman of the Board
Victor Madiela

The notes set out on pages 59 to 98 are an integral part of these financial statements.

BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital Rwf '000	Share premium Rwf '000	Other reserves Rwf '000	Retained earnings Rwf '000	Total equity Rwf '000
1 January 2017		**5,142,850**	**84,857**	**2,071,990**	**24,338,553**	**31,638,250**
Profit after tax		-	-	-	5,078,741	5,078,741
Dividends paid in the year	21	-	-	-	(1,028,570)	(1,028,570)
Long term incentive plan	21				2,502	2,502
Balance at 31 December 2017		**5,142,850**	**84,857**	**2,071,990**	**28,391,226**	**35,690,923**
1st January 2016		**5,142,850**	**84,857**	**2,071,990**	**28,083,516**	**35,383,213**
Profit after tax		-	-	-	1,397,836	1,397,836
Dividends paid in the year		-	-	-	(5,142,799)	(5,142,799)
Balance at 31 December 2016		**5,142,850**	**84,857**	**2,071,990**	**24,338,553**	**31,638,250**

The notes on pages 59 to 98 are an integral part of these financial statements.

BRASSERIES ET LIMONADERIES DU RWANDA (BRALIRWA) LIMITED
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 Rwf'000	2016 Rwf'000
Operating activities			
Profit before tax		7,709,373	2,665,782
Adjustments for:			
Impairment of related party loan	10	2,362,921	-
Interest expense	12	5,088,984	4,672,534
Foreign exchange difference on loans	23	716,805	2,813,818
Depreciation	14	13,473,337	11,305,493
Amortization of intangible assets	15	128,630	88,222
Gain on sale of property, plant, and equipment	9	(94,897)	(25,717)
Other non cash items in Equity	21	2,502	-
Cash from operations before changes in working capital		**29,387,655**	**21,520,132**
Changes in working capital			
Changes in trade and other receivables		(584,564)	(871,775)
Changes in related party balances		(3,974,175)	4,975,974
Changes in inventories		1,652,147	(3,089,392)
Changes in trade and other payables		(7,140,208)	(2,304,465))
Cash generated from operating activities		**19,340,855**	**20,230,474**
Income tax (paid)/received	13 (b)	(24,920)	567,662
Net cash flow from operating activities		**19,315,935**	**20,798,136**
Cash flow from investing activities			
Proceeds from sale of property, plant, and equipment	14	120,123	230,656
Purchase of property, plant and equipment	14	(11,262,445)	(14,910,956)
Purchase of intangible assets	15	(5,503)	(64,556)
Net cash used in investing activities		**(11,147,825)**	**(14,744,856)**
Cash flow from financing activities			
Proceeds of loans and borrowings	23	-	7,650,546
Repayment of loans and borrowings	23	(1,476,186)	(1,295,267)
Dividends paid	21	(1,028,570)	(5,142,799)
Interest expense	12	(5,088,984)	(4,672,534)
Net cash flows used in financing activities		**(7,593,740)**	**(3,460,054)**
Net increase in cash and cash equivalents		**574,370**	**2,593,226**
Cash and cash equivalents at 1 January		(12,696,229)	(15,289,455)
Cash and cash equivalents as at 31 December	**20**	**(12,121,859)**	**(12,696,229)**

The notes on pages 59 to 98 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Reporting entity

Brasseries et Limonaderies du Rwanda (Bralirwa) Limited is incorporated in Rwanda under the Law No. 27/2017 of 31/05/2017 governing companies as modified to date and is domiciled in Rwanda. The address of its registered office is:

Kicukiro
P.O. Box 131
Kigali, Rwanda

The principal activities of the Company are the marketing, brewing and selling of beer and non-alcoholic beverages.

Its parent and ultimate holding company is Heineken N.V. based in the Netherlands.

2. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs)

2.1 Amendments to IFRS that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017.

Amendments to IAS 7 Disclosure Initiative

The Company has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The Company's liabilities arising from financing activities consist of loans and borrowings (note 23). A reconciliation between the opening and closing balances of these items is provided in the same note. Consistent with the transition provisions of the amendments, the Company has not disclosed comparative information for the prior period. Apart from the additional disclosure in note 23, the application of these amendments has had no impact on the Company's financial statements.

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments apply prospectively for annual periods beginning on or after January 2017 with earlier application permitted. The directors of the company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

The amendments clarify the following:

1. Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;
2. When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;
3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and
4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

2.1 Amendments to IFRS that are mandatorily effective for the current year (Continued)

Amendments to ISA 7 Disclosure initiative

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The Company has applied these amendments for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

The application of these amendments has had no impact on the Company's financial statements as the Company does not have deferred tax assets for unrealised losses, as these were fully utilised in the current year.

Annual Improvements to IFRSs 2014-2016 Cycle

The Company has applied the amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle for the first time in the current year. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Company (see note 2.2).
IFRS 12 states that an entity need not provide summarized financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.
The application of these amendments has had no effect on the Company's financial statements as none of the Company's interests in these entities are classified, or included in a disposal group that is classified, as held for sale.

2.2 New and revised IFRSs and interpretations in issue but not yet effective

The Company has not applied the following new and revised IFRSs and interpretations that have been issued but are not yet effective:

IFRS 9	Financial instruments[1]
IFRS 15	Revenue from Contract with Customers (and the related Clarifications)[1]
IFRS 16	Leases[2]
Amendments to IFRS 2	Classification and measurement of Share-based Payment transactions[1]
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014-2016[1]
IFRIC 22	Foreign Currency Transactions and Advance Consideration[1]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

The Company plans to apply the above IFRS's initially on the respective effective dates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

2.2 New and revised IFRSs and interpretations in issue but not yet effective (Continued)

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.
- Based on an analysis of the Company's financial assets and financial liabilities as at 31 December 2017 on the basis of the facts and circumstances that exist at that date, the directors of the Company have assessed the impact of IFRS 9 to the Company's financial statements as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

2.2 New and revised IFRSs and interpretations in issue but not yet effective (Continued)

IFRS 9 Financial Instruments (Continued)

Key requirements of IFRS 9 (Continued)

Classification and measurement

- Unlisted shares classified as available-for-sale investments carried at fair value as disclosed in note 16: these shares qualify for designation as measured at FVTOCI under IFRS 9; however, the fair value gains or losses accumulated in the investment revaluation reserve will no longer be subsequently reclassified to profit or loss under IFRS 9, which is different from the current treatment. This will affect the amounts recognised in the Company's profit or loss and other comprehensive income but will not affect total comprehensive income;
- All other financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under IAS 39

Impairment

Financial assets measured at amortised cost and both carried at FVTOCI under IFRS 9 (notes 16, 17 and 30(d)) will be subject to the impairment provisions of IFRS 9.

The Company expects to apply the simplified approach to recognise lifetime expected credit losses for its trade receivables as required or permitted by IFRS 9.

In general, the directors anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier recognition of credit losses for the respective items and will increase the amount of loss allowance recognised for these items.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.
The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' if the goods or services underlying the particular performance obligation is transferred to the customer.
Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.
In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.
The Company recognises revenue from the following major sources:

- Sale of beer and soft drinks
- Other income, which comprises transport income excess of distribution expense

The directors do not expect that the revenue streams explained above will be significantly different from that currently determined.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

2.2 New and revised IFRSs and interpretations in issue but not yet effective (Continued)

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and leasees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective. IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinction of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low values assets
IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinction of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low values assets.

The right–of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principle and interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lease accounting, IFRS 16 subsequently carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2017, the Company had no non-cancellable operating lease commitments, IAS 17 does not require the recognition of any right –of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in note 29. A preliminary assessment indicates that these arrangements will meet the definition of lease under IFRS 16, and hence the Company will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Company's financial statements and the directors are currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until the directors complete the review.
In cases where the Company is a lessor (for both operating and finance leases), the directors of the Company do not anticipate that the application of IFRS 16 will have a significant impact on the amounts recognised in the Company's financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

2.2 New and revised IFRSs and interpretations in issue but not yet effective (Continued)

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (Continued)

The amendments clarify the following:
3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:
i) the original liability is derecognized;
ii) the equity-settled share-based payment is recognized at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
iii) Any difference between the carrying amount of the liability at the modification date and the amount recognized in equity should be recognized in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply. The directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Company's financial statements as the Company does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

Annual Improvements to IFRSs 2014 - 2016 Cycle

The Annual Improvements include amendments to IFRS 1 and IAS 28 which are not yet mandatorily effective for the Company. The package also includes amendments to IFRS 12 which is mandatorily effective for the Company in the current year – see note 2.1 for details of application.

The amendments to IAS 28 clarify that the option for a venture capital organisation and other similar entities to measure investments in associates and joint ventures at FVTPL is available separately for each associate or joint venture, and that election should be made at initial recognition of the associate or joint venture. In respect of the option for an entity that is not an investment entity (IE) to retain the fair value measurement applied by its associates and joint ventures that are IEs when applying the equity method, the amendments make a similar clarification that this choice is available for each IE associate or IE joint venture. The amendments apply retrospectively with earlier application permitted.

Both the amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018. The directors of the Company do not anticipate that the application of the amendments in the future will have any impact on the Company's financial statements as the Company is neither a first-time adopter of IFRS nor a venture capital organisation. Furthermore, although the Company has an investment in a joint venture, this is fully impaired in the entities books.

IFRIC 22 Foreign currency transactions and advance consideration

IFRIC 22 addresses how to determine the date of transactions for the purpose of determining the exchange rate to use on initial recognition for an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in recognition of a non- monetary asset or non -monetary liability (for example, a non-refundable deposit or deferred revenue).

The interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the interpretation requires entity to determine the date of transaction for each payment or receipt of advance consideration.

The interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Company plans to adopt the new standard on the required effective date. There is no anticipated impact from this adoption.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2. Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) (Continued)

Early adoption of standards
No standards have been early adopted.

3. Summary of 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) Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's) and in the manner required by the Law No. 27/2017 of 31/05/2017 governing companies.

b) Basis of measurement
The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

c) Functional and presentation currency
These financial statements are presented in Rwanda Francs (Rwf), which is the Company's functional currency. All financial information presented in Rwanda Francs has been rounded to the nearest thousand.

d) Foreign currency transactions
Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss arising on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at cost remain translated into the functional currency at historical exchange rates.

e) Property, plant and equipment

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

Cost comprises expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

Borrowing costs related to the acquisition or construction of qualifying assets are capitalized as part of the cost of that asset.

Spare parts that are acquired as part of an equipment purchase and only to be used in connection with this specific equipment are initially capitalized as part of the equipment.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

3. Summary of significant accounting policies (Continued)

e) Property, plant and equipment (Continued)

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value.

Land is not depreciated. Depreciation on other property, plant, and equipment is charged to profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment, and major components that are accounted for separately, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Assets under construction are not depreciated.

The estimated useful lives are as follows:

▪ Buildings	15-40 years
▪ Plant and equipment	15-25 years
▪ Motor vehicles	5-8 years
▪ Furniture and fittings	5-15 years
▪ Commercial assets	5-10 years
▪ Returnable packaging*	5-7 years

*Returnable packaging includes glass bottles and crates.

The depreciation methods, residual values, as well as the useful lives are reassessed, and adjusted if appropriate, at each financial year-end.

Subsequent costs

The cost of replacing a component of an item of property, plant, and equipment is recognized in the carrying amount of the item or recognized as a separate asset, as appropriate, if it is probable that the future economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant, and equipment are recognized in profit or loss when incurred.

Gains and losses on disposal

Net gains on sale of items of property, plant, and equipment are presented in profit or loss as other income. Net gains and losses are recognized in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing management involvement with the property, plant, and equipment.

f) Intangible assets-Computer software

The costs incurred to acquire and bring to use specific computer software licenses are capitalized. Capitalized computer software licenses are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization is based on the cost of the asset less its residual value. Amortization is recognized in profit or loss on a straight line basis over the expected useful lives, from the date it is available for use. The estimated useful life for the current and comparative years is 3 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Costs associated with maintaining software are recognised as an expense as incurred.

Intangible assets are derecognised when no future economic benefits are expected from use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

3. Summary of significant accounting policies (Continued)

g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Costs include an appropriate share of direct production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Spare parts are valued at the lower of cost and net realisable value. Value reductions and usage of parts are charged to profit or loss.

h) Investments in joint ventures

Joint ventures are those entities over whose activities Bralirwa Ltd has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in Joint Ventures are accounted for using the equity method (equity-accounted investees) and are recognized initially at cost. The cost of the investment includes transaction costs.

The financial statements include Bralirwa Ltd share of the profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of Bralirwa Ltd, from the date the joint control commences until the date the joint control ceases.

When Bralirwa Ltd share of losses exceeds the carrying amount of the Joint Venture, including any long-term investments, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that Bralirwa Ltd has an obligation or has made a payment on behalf of the Joint Venture.

i) Investments in associates

The Company's investment in associates are accounted for using equity method of accounting. Investments in associates are those entities in which Bralirwa has significant influences, but no control or joint control, over the financial and operating policies. Investment in associates are recognised initially at cost.

j) Impairment

(i) Financial assets

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

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

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

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For both financial and other financial assets measured at amortized cost, the reversal is recognized in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

3. Summary of significant accounting policies (Continued)

j) Impairment (Continued)

(ii) Non-financial assets

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

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

k) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has 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 Company and all its employees contribute to the Rwanda Social Security Board, which is a statutory defined contribution scheme. The Company also operates a separate defined contribution retirement benefit scheme for its eligible employees. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

(iii) Short-term employment benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term benefits if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

3. Summary of significant accounting policies (Continued)

k) Employee benefits (Continued)

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognized as an expense when the company is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized if the company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Benefits falling due more than 12 months after the reporting date are discounted to their present value.

(v) Share-based payment transactions

The grant date fair value of the share rights granted is recognized as personnel expenses with a corresponding increase in equity. The costs of the share plan for senior management members are spread evenly over the performance period for market conditions and are adjusted to reflect the actual number of share rights that will vest (for internal conditions). The fair value (for market conditions) is measured at grant date using the Monte Carlo model taking into account the terms and conditions of the plan.

On each reporting date, Bralirwa Ltd revises its estimates of the number of share plan rights that are expected to vest, only for the 75% internal performance conditions of the share plan of the senior management members. It recognizes the impact of the revision of original estimates, if any in profit or loss with a corresponding adjustment to equity. The fair value is measured on grant date.

l) Revenue

Revenue from the sale of products in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT), excise duties, returns, customer discounts, and other sales-related discounts. Revenue from the sale of products is recognized in profit or loss when the amount of revenue can be measured reliably, the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably, and there is no continuing management involvement with the products.

m) Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

n) Operational lease payments

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease expense, over the term of the lease.

o) Finance income and finance cost

Finance income comprises of interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings.

Foreign currency gains and losses are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

3. Summary of significant accounting policies (Continued)

p) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

q) Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources.

r) Dividends

Dividends declared after the reporting period but before the financial statements are authorized for issue, are not recognized as a liability at the end of the reporting period because no obligation exists at that time.

Dividends recognized as distributions to owners and related amounts per share are presented in the notes to financial statements.

s) Financial instruments

(i) Classification

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company intends to sell in the short term or that it has designated as at fair value through profit or loss or available-for-sale.

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities – other than those that meet the definition of loans and receivables – that the Company's management has the positive intention and ability to hold to maturity. These assets include deposits with financial institutions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

3. Summary of significant accounting policies (Continued)

t) Financial instruments (Continued)

(i) Classification (Continued)

All recognised financial assets are subsequently measured in their entirely at either amortised cost using effective interest method or fair value, depending on the classification of the financial assets.

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.
A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(ii) Recognition

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognized in other comprehensive income.

Loans and receivables and held-to-maturity receivables are recognized on the day they are transferred to the Company and carried at amortized cost using the effective interest method.

(iii) Measurement

Financial instruments are measured initially at fair value, including transaction costs.

All non-trading financial liabilities, loans and receivables and held-to-maturity assets are measured at amortized cost less impairment losses. Amortized cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

(iv) Derecognition

A financial asset is derecognised when the Company loses control over the contractual rights to the cash flows of the asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when its contractual obligations are discharged, cancelled or expire. The gains or losses are recognised in profit or loss.

Loans and borrowings

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

Loans and borrowings, for which the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, are classified as non-current liabilities.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and short term investments net of short term bank overdrafts.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to set-off the recognized amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

4. Use of estimates and judgement

In the process of applying the accounting policies, the Company has made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key areas of judgement, key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period in applying the entity's accounting policies are dealt with below:

Intangible assets and tangible assets
Critical estimates are made by the management in determining the useful life for intangible and tangible assets.

Contingent liabilities
Management evaluates the status of any exposures to contingent liabilities on a regular basis to assess the probability of the Company incurring related liabilities. Provisions are only made in the financial statements where, based on the management's evaluation, a present obligation has been established.

Impairment of loans and receivables
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected.

Deposit liability for returnable packaging
The deposit liability for returnable packaging is an estimate of the value of returnable packaging in the market and the value owed to customers for deposits made for the returnable packaging. To estimate the value of the liability, judgement and estimates are made in relation to, the number of containers; bottles and crates in circulation, the average useful lives of the bottles and crates and the average circulation time for the containers in the market. Once the number of containers in the market has been estimated, this is multiplied by the price of the containers and the liability at period end is determined. The price of the containers is the amount that the Company would refund customers if they returned the containers for cash.

The circulation time is the total time it takes for a bottle to leave the entities premises and return back. This is measured by including the date of dispatch on the bottle and checking this date upon return of the empty bottle from the market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

5. Financial risk management objectives and policies

Overview
The Company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

This note presents information about the Company's exposure to financial risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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

Trade and other receivables
The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

Sales are made subject to the customer making a prepayment to secure the products. To mitigate the credit exposure, customers are also required to pay a deposit for the returnable containers and crates.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures. The collective allowance is determined based on historical data of payment statistics for similar financial assets.

Exposure to credit risk

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

	2017 Rwf '000	2016 Rwf '000
Bank and cash balances (Note 20)	7,308,626	3,055,250
Trade receivables (Note 19)	8,543,309	7,752,877
Other receivables (Note 19)	44,375	250,243
Equity investment (Note 16)	9,224	9,224
Receivables from related companies (Note 30 (d))	4,212,472	6,607,971
	20,118,006	**17,675,565**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

5. Financial risk management objectives and policies (Continued)

(a) Credit risk (Continued)

Exposure to credit risk (Continued)

The ageing of trade receivables at the reporting date was:

2017	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	1,897,722	-	1,897,722
31 – 120 days	-	-	-
120 days and above	7,012,895	(367,308)	6,645,587
Trade receivables (Note 19)	**8,910,617**	**(367,308)**	**8,543,309**

2016	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	3,200,941	-	3,200,941
31 – 120 days	-	-	-
120 days and above	4,965,554	(413,618)	4,551,936
Trade receivables (Note 19)	**8,166,495**	**(413,618)**	**7,752,877**

The ageing of receivables from related companies at the reporting date was:

2017	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	-	-	-
31 – 120 days	1,894,723	-	1,894,723
120 days and above	4,680,670	(2,362,921)	2,317,749
Receivables from related companies (Note 30 (d))	**6,575,393**	**(2,362,921)**	**4,212,472**

2016	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	-	-	-
31 – 120 days	-	-	-
120 days and above	6,607,971	-	6,607,971
Receivables from related companies (Note 30 (d))	**6,607,971**	-	**6,607,971**

The ageing of other receivables at the reporting date was:

2017	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	44,375	-	44,375
31 – 120 days	-	-	-
120 days and above	61,620	(61,620)	-
Other receivables (Note 19)	**105,995**	**(61,620)**	**44,375**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

5. Financial risk management objectives and policies (Continued)

(a) Credit risk (Continued)

Exposure to credit risk (Continued)

The ageing of other receivables at the reporting date was:

2016	Gross Rwf '000	Impaired Rwf '000	Net Rwf '000
Current			
0 – 30 days	250,243	-	250,243
31 – 120 days	-	-	-
120 days and above	456,181	(456,181)	-
Other receivables (Note 19)	**706,424**	**(456,181)**	**250,243**

For all categories of receivables, the amounts over 120 days are past their contractual due dates. Those that are past due and not impaired relate to customers who are actively trading with the Company and settling their balance a bit late.

The movement in the allowance for impairment in respect of receivables and prepayments during the year was as follows:

	2017 Rwf '000	2016 Rwf '000
Balance at 1 January	869,799	710,974
Movement in provision during the year	(440,871)	158,825
Balance at 31st December	428,928	869,799

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due.

Cash flow forecasting is performed on a monthly basis to monitor rolling forecasts of the Company liquidity requirements to ensure it has sufficient cash to meet its contractual obligations. Such forecasting takes into consideration the Company's working capital requirements, covenant compliance and compliance with internal ratio targets at reporting date.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the company has in place unsecured banking facilities with various commercial banks with a limit of Rwf 34.2 billion (2016: Rwf 29.2 billion) and are repayable on demand. The banking facilities limits comprise of bank overdraft Rwf 28.2 billion and letters of credit Rwf 6.0 billion. See note 28 for utilisation of these facilities.

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

5. Financial risk management objectives and policies (Continued)

(b) Liquidity risk (Continued)

	Carrying amount Rwf '000	6 months or less Rwf '000	6-12 months Rwf '000	More than 12 months Rwf '000
2017				
Assets				
Receivables from related parties	4,212,472	-	2,575,393	1,637,079
Trade and other receivables	8,587,684	1,942,097	-	6,645,587
Bank and cash balances	7,308,626	7,308,626	-	-
Total financial assets	**20,108,782**	**9,250,723**	**2,575,393**	**8,282,666**
Liabilities				
Loans and borrowings	30,117,681	453,858	2,666,758	26,997,065
Bank overdraft	19,430,485	19,430,485	-	-
Trade payables	27,718,935	27,718,935	-	-
Payable to related companies	7,025,177	7,025,177	-	-
Total financial liabilities	**84,292,278**	**54,628,455**	**2,666,758**	**26,997,065**
Net Liquidity Gap	**(64,183,496)**	**(45,377,732)**	**(91,365)**	**(18,714,399)**
2016				
Assets				
Receivables from related parties	6,607,971	-	2,607,971	4,000,000
Trade and other receivables	8,003,120	3,037,566	-	4,965,554
Bank and cash balances	3,055,250	3,055,250	-	-
Total financial assets	**17,666,341**	**6,092,816**	**2,607,971**	**8,965,554**
Liabilities				
Loans and borrowings	30,877,062	737,673	737,673	29,401,716
Bank overdraft	15,751,479	15,751,479	-	-
Trade payables	34,859,143	34,859,143	-	-
Payable to related companies	11,031,930	3,698,246	7,333,684	-
Total financial liabilities	**92,519,614**	**55,046,541**	**8,071,357**	**29,401,716**
Net Liquidity Gap	**(74,853,273)**	**(48,953,725)**	**(5,463,386)**	**(20,436,162)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

5. Financial risk management objectives and policies (Continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

(i) Foreign currency risk
Foreign currency exposure arises mainly from purchase transactions that are denominated in a currency other than the functional currency (Rwanda Franc). The currencies in which these transactions are primarily denominated are U.S. Dollars (USD) and Euro (EUR).

The currency fluctuation for the USD and EUR within the Rwanda market is closely monitored by the government through the National Bank of Rwanda and is therefore considered fairly stable within plus minus 10% range.

The table below summarises the Company's exposure to foreign currency risks:

	31 December 2017		31 December 2016	
	Euro Rwf '000	US$ Rwf '000	Euro Rwf '000	US$ Rwf '000
Bank and cash balances	3,565,721	1,994,132	1,559,816	220,930
Related party balances	(5,410,762)	(103,787)	(9,542,755)	174,903
Trade and other payables	(507,384)	(4,725,061)	(2,078,543)	(5,142,634)
Net exposure	**(2,352,425)**	**(2,834,716)**	**(10,061,482)**	**(4,746,801)**

The following exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	2017	**2016**	**2017**	**2016**
EUR	950.13	860.08	1,015.50	868.60
USD	839.95	819.79	835.36	827.91

Sensitivity analysis on foreign currency rates

A 10 percent movement of the Rwandan Franc against the following currencies at 31 December 2017 would have increased/(decreased) the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remains constant and ignores any impact of forecasted sales and purchases.

		Income statement
Effect	**2017 Rwf '000**	**2016 Rwf '000**
EUR		
+10% Rwf Movement	235,243	1,006,148
-10% Rwf Movement	(235,243)	(1,006,148)
USD		
+10% Rwf Movement	283,472	474,680
-10% Rwf Movement	(283,472)	(474,680)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

5. Financial risk management objectives and policies (Continued)

(c) Market risk (Continued)

(i) Interest rate risk
The Company has term deposits and loan and borrowings that have fixed interest rates.

The table below summarises the interest rate profile of the Company's interest bearing financial assets and liabilities which are carried at amortised cost:

	2017 Rwf '000	2016 Rwf '000
Fixed rate instruments		
Loans and borrowings	30,117,681	30,877,062
Variable rate instruments		
Bank overdrafts	19,430,485	15,751,479

Fair value sensitivity analysis for fixed rate instruments
The Company does not account for any fixed rate financial asset and liabilities at fair value through profit and loss. Therefore a change in interest rate at the reporting date would not affect profit and loss.

Interest rate sensitivity for variable rate instruments
The following sensitivity analysis shows how the interest rate would change due to a 5% change in the interest rate. A 5% increase/ decrease in interest rates in the bank overdraft would have reduced or increased the pre-tax profit by Rwf 971,524,250 (2016: Rwf 787,753,950)

(d) categories of financial instruments
Except for equity investments of Rwf 9,224,000, all the company's financial instrument are carried at amortised cost.

(e) Fair value
The carrying value of the assets and liabilities approximate their fair values.

6. Capital management

Capital is herein defined as equity attributable to shareholders of the Company. The policy of the Board of Directors is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Year ended 31 December	2017 Rwf' 000	2016 Rwf' 000
Loans and borrowings	49,548,166	46,628,541
Bank and cash balances	(7,308,626)	(3,055,250)
Net debt	**42,239,540**	**43,573,291**
Equity	**35,690,923**	**31,638,250**
Gearing (Net debt/Equity)	**118%**	**138%**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

6. Capital management (Continued)

Management is aware of the gearing ratio level which is caused by heavy investments made during the five year investment program concluded in 2016. Measures have been put in place in order to mitigate the risk which include:

- Repayment of local bank loans since 2013 without arrears;
- Cost saving initiatives;
- New projects to be financed by internally generated funds;
- Increase of prices on certain brands to increase revenue;
- Strict cash management; and
- Repayment of IFC and Intercompany loan starting from March 2018.

7. Segment reporting

The Company distinguishes the reportable segments by product for beer and soft drink as described below, which are the Company's strategic business units. The strategic business units offer different products and are managed separately because they require different technology and located at different sites. For each of the strategic business units, the Company's Managing Director reviews internal management reports on at least a quarterly basis. The Company has multiple distributor models to deliver goods to end customers. The Company does not rely on any major customers, neither does it generate revenue in excess of 10 percent of the Company's revenue from a single customer.
The following summary describes the operations in each of the Company's reportable segments:

Business segments

The two main business segments are:

- *Beer:* Includes purchasing, manufacturing, sale, and distribution of beer products; and
- *Soft drinks:* Includes purchasing, manufacturing, sale and distribution of soft drinks.

Year ended 31 December 2017	Beer Rwf '000'	Soft Drink Rwf '000'	Total Rwf '000'
Revenue	**63,498,844**	**22,855,090**	**86,353,934**
Operating Profit	11,488,538	3,217,900	**14,706,438**
Net Finance Cost	(4,827,975)	(2,169,090)	**(6,997,065)**
Depreciation and amortisation	(9,302,274)	(4,299,692)	**(13,601,966)**
Profit before income tax	6,660,519	1,048,854	**7,709,373**
Income tax expenses	(1,594,891)	(1,035,741)	**(2,630,632)**
Profit for the year	**5,065,628**	**13,113**	**5,078,741**

Year ended 31 December 2017	Beer Rwf '000'	Soft Drink Rwf '000'	Total Rwf '000'
Revenue	**65,318,077**	**23,480,726**	**88,798,803**
Operating Profit	9,393,016	2,735,401	**12,128,417**
Net Finance Cost	(6,771,996)	(2,690,639)	**(9,462,635)**
Depreciation and amortisation	(7,417,259)	(3,976,456)	**(11,393,715)**
Profit before income tax	2,617,677	48,105	**2,665,782**
Income tax expenses	(1,245,066)	(22,880)	**(1,267,946)**
Profit for the year	**1,372,611**	**25,225**	**1,397,836**

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in the current year (2016: nil)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

7. Segment reporting (Continued)

The segment assets and liabilities at 31 December 2017 and capital expenditure for the period then ended are as follows:

Year ended 31 December 2017	Beer Rwf '000'	Soft Drink Rwf '000'	Total Rwf '000'
Assets	87,246,706	39,211,900	**126,458,606**
Liabilities	58,155,185	26,137,093	**84,292,278**
Capital Expenditure:			
(i) Additions to property, plant and equipment	7,770,220	3,492,225	**11,262,445**
(iI) Additions to intangible assets	3,796	1,706	**5,503**
Year ended 31 December 2016	**Beer Rwf '000'**	**Soft Drink Rwf '000'**	**Total Rwf '000'**
Assets	93,460,117	34,567,440	**128,027,557**
Liabilities	67,539,318	24,980,296	**92,519,614**
Capital Expenditure:			
(i) Additions to property, plant and equipment	10,884,998	4,025,958	**14,910,956**
(iI) Additions to intangible assets	47,124	17,432	**64,556**

Segment assets comprise primarily property, plant and equipment, intangible assets, inventories, receivables and operating cash. They exclude deferred tax.

Segment liabilities comprise operating liabilities. They exclude tax and corporate borrowings. Capital expenditure comprises additions to property, plant and equipment.

8. Revenue

	2017 Rwf '000'	2016 Rwf '000'
Net turnover		
- Beer	63,498,844	65,318,077
- Soft drinks	22,855,090	23,480,726
	86,353,934	**88,798,803**

9. Other income

	2017 Rwf '000	2016 Rwf '000
Transport income less distribution expenses	1,129,715	936,932
Miscellaneous income	499,070	571,238
Release of deposit liability	3,564,733	-
Net gain on sale of property. plant and equipment	94,897	25,717
	5,288,415	**1,533,887**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

10. Results from operating activities

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

	2017 Rwf '000	2016 Rwf '000
Depreciation on property. plant and equipment (Note 14)	13,473,337	11,305,493
Amortization and intangible assets (Note 15)	128,630	88,222
Repairs and maintenance of property, plant & equipment	768,967	738,278
Raw materials and consumables	25,702,383	28,396,100
Personnel expenses (see Note 11)	13,244,617	13,739,001
Auditors' remuneration	62,010	50,848
Impairment of related party loan	2,362,921	-

b) Directors remuneration

	2017 Rwf '000	2016 Rwf '000
Non-Executive Directors	49,671	39,233
Executive Director	-	710,665
	49,671	**749,898**

11. Personnel costs

a) The following items are included within staff costs:

	2017 Rwf '000	2016 Rwf '000
Salaries and wages	9,528,252	9,393,778
Contributions to defined contribution scheme	202,935	203,234
Contributions to National Social Security Board (RSSB)	1,082,020	712,218
Share based payments	30,380	21,014
Other staff costs	2,401,030	3,408,757
	13,244,617	**13,739,001**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

12. Net finance costs

	2017 Rwf '000	2016 Rwf '000
Finance costs:		
Foreign exchange (loss)	(3,463,060)	(6,428,209)
Interest expense	(5,088,984)	(4,672,534)
	(8,552,044)	**(11,100,743)**
Finance income:		
Foreign exchange gains	1,554,979	1,638,108
Net Finance Income	**1,554,979**	**1,638,108**
Net Finance cost	**(6,997,065)**	**(9,462,635)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

13. Income tax expense

a. Income tax

	2017 Rwf '000	2016 Rwf '000
Current tax expense	2,467,752	-
Tax penalties from uncertain tax position	-	92,047
	2,467,752	**92,047**
Deferred income tax		
Deferred tax charged - (note 25)	250,650	1,162,518
Prior year (over)/under provision - (note 25)	(87,770)	13,381
Deferred income tax charged to profit and loss	**162,880**	**1,175,899**
Income tax expense	**2,630,632**	**1,267,946**

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

	2017 Rwf '000	2016 Rwf '000
Profit before income tax	7,709,373	2,665,782
Tax calculated at the statutory income tax rate of 30%	2,312,812	799,735
Expense not deductible for tax purposes	405,590	454,830
Prior year (over)/under provision	(87,770)	13,381
Income tax expense	**2,630,632**	**1,267,946**

b. Tax recoverable

	2017 Rwf '000	2016 Rwf '000
At January 1	**3,712,758**	**4,280,420**
Income tax charge for the year	(2,467,752)	-
Tax paid during the year	24,920	(567,662)
As at December 31	**1,269,926**	**3,712,758**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

14. Property plant and equipment

	Land and Buildings	Plant and Equipment	Furniture & Fittings	Commercial Assets	Motor Vehicles	Work in progress	Returnable packaging	Total
Cost								
As at 1 January 2016	**4,645,388**	**50,760,544**	**5,802,974**	**8,739,633**	**7,442,098**	**18,898,348**	**32,920,580**	**129,209,565**
Additions	75,388	281,986	251,779	15,915	727,336	11,590,715	1,967,837	14,910,956
Transfers	3,292,394	17,400,572	148,152	1,303,161	27,063	(25,629,135)	3,295,399	(162,394)
Disposals	-	(230,216)	(4,141)	(80,778)	(708,304)	-	-	(1,023,439)
Adjustments	1	24,062	(115,814)	1	1,052	17	74,408	(16,273)
As at 31 December 2016	**8,013,171**	**68,236,948**	**6,082,950**	**9,977,932**	**7,489,245**	**4,859,945**	**38,258,224**	142,918,415
Balance at 1 January 2017	**8,013,171**	**68,236,948**	**6,082,950**	**9,977,932**	**7,489,245**	**4,859,945**	**38,258,224**	**142,918,415**
Additions	106,956	(76,881)	286,289	98,359	265,006	8,288,009	2,294,707	11,262,445
Transfers	130,738	3,086,143	257,903	10,449	-	(6,747,047)	3,261,814	-
Disposals	-	(602,972)	(712,439)	-	(503,933)	-	-	(1,819,344)
As at 31 December 2017	**8,250,865**	**70,643,238**	**5,914,703**	**10,086,740**	**7,250,318**	**6,400,907**	**43,814,745**	**152,361,516**
Depreciation								
As at 1 January 2016	**1,936,656**	**13,754,859**	**4,099,789**	**4,676,438**	**4,287,490**	**-**	**15,701,439**	**44,456,671**
Charge for the year	225,083	4,083,778	546,078	1,223,540	1,007,015	-	4,219,999	11,305,493
Transfers	-	-	-	-	-	-	-	-
Disposals	-	(167,183)	(1,544)	(23,351)	(626,418)	-	-	(818,496)
Adjustments	(1)	6,365	(25,307)	-	(56)	-	(6,961)	(25,960)
As at 31 December 2016	**2,161,738**	**17,677,819**	**4,619,016**	**5,876,627**	**4,668,031**	**-**	**19,914,477**	**54,917,708**
Balance at 1 January 2017	**2,161,738**	**17,677,819**	**4,619,016**	**5,876,627**	**4,668,031**	-	**19,914,477**	**54,917,708**
Charge for the year	267,706	4,380,877	602,827	1,185,042	982,740	-	6,054,145	13,473,337
Transfers	-	-	-	-	-	-	-	-
Disposals	-	(602,972)	(712,439)	-	(478,707)	-	-	(1,794,118)
As at 31 December 2017	**2,429,444**	**21,455,724**	**4,509,404**	**7,061,669**	**5,172,064**	**-**	**25,968,622**	**66,596,927**
Net book value as at 31 December 2017	**5,821,421**	**49,187,514**	**1,405,299**	**3,025,071**	**2,078,254**	**6,400,907**	**17,846,123**	**85,764,589**
Net Book Value as at 31 December 2016	**5,851,433**	**50,559,129**	**1,463,934**	**4,101,305**	**2,821,214**	**4,859,945**	**18,343,747**	**88,000,707**

Commercial assets are items (usually branded) with significant individual value that are expected to be used for more than 1 year such as draught beer installations, outlet visibility materials, merchandise refrigerators and other vending equipment.

The credit in additions for Plant and Equipment in current year relates to a credit note received for prior year additions, thus reducing the cost of plant and equipment.

Fully depreciated assets at an original cost of Rwf 22,109,855,677 (2016: Rwf 25,181,237,953) are still in use.

There are no assets pledged as collateral for liabilities (2016: Rwf 0).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

15. Intangible assets - Computer Software

	2017 Rwf '000	2016 Rwf '000
Cost		
Balance at 1 January	1,104,540	957,895
Additions	5,503	64,556
Disposals	(716,151)	-
Adjustments	-	21,425
Transfers from work in progress	-	60,664
Balance at 31 December	**393,892**	**1,104,540**
Amortization and impairment loss		
Balance at 1 January	850,300	740,653
Amortization for the year	128,630	88,222
Disposals	(716,151)	-
Adjustments	-	21,425
Balance at 31 December	**262,779**	**850,300**
Net book value at end of year	**131,113**	**254,240**

16. Equity Investments

	2017 Rwf '000	2016 Rwf '000
Development Bank of Rwanda	9,224	9,224
Cogelgaz	179,861	179,861
	189,085	**189,085**
Less: Impairment allowance (Cogelgaz)	(179,861)	(179,861)
	9,224	**9,224**

The above investment in associate is carried at cost less impairment as the Directors cannot reliably determine the fair value due to the absence of a ready market for the shares.

Development Bank of Rwanda is incorporated in Rwanda as a private limited liability company and is domiciled in Rwanda.

Cogelgaz is incorporated in Rwanda as a private limited liability company, and is domiciled in Rwanda. The company was founded for the exploitation of methane gas from Lake Kivu. An initial investment of Rwf 109,200,000 was made in 2001 and successively increased in 2003 and 2004. The investment has been fully impaired as the company has ceased operations.

17.Investment in joint venture

The Joint Venture (Bramin Ltd) is between Bralirwa Ltd (with 50%) and Minimex Ltd. The company is incorporated and engaged in commercial farming in Rwanda and was established to produce seed and commodity maize. Bramin's year end is 31 December.

During the year ended 31 December 2017, the joint venture made a net loss of Rwf 685,066,000 (2016: Rwf 824,257,000). Bralirwa's share of the loss was Rwf 342,533,000 (2016: Rwf 412,128,000)

The share of loss exceeds the carrying amount of the investment in the Joint Venture which was determined using the equity method. Recognition of the prior years' losses resulted in the carrying amount being reduced to nil. Further recognition of the losses was discontinued.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

17. Investment in joint venture (Continued)

	2017 Rwf '000	2016 Rwf '000
Percentage ownership interest	50%	50%
Non-current asset	2,272,047	2,206,659
Current asset	595,048	606,388
Non-current liabilities	(4,000,000)	(4,000,000)
Current Liabilities	2,029,452	1,290,337
Net Liabilities (100%)	**896,547**	**103,384**
Bralirwa share of net liabilities 50%	**448,274**	**51,692**
Carrying amount of interest in joint venture	**448,274**	**51,692**
Revenue	478,549	464,888
Expenses	(1,163,615)	(1,289,145)
Loss for the year (100%)	**(685,066)**	**(824,257)**
Total Comprehensive loss 50%	**(342,533)**	**(412,128)**

18. Inventories

	2017 Rwf '000	2016 Rwf '000
Raw materials	7,309,867	9,875,269
Work in progress	1,088,858	738,298
Finished goods	1,316,950	1,436,785
Goods for resale	1,386,558	934,370
Non-returnable packaging	1,616,323	1,429,296
Spare parts	7,179,411	7,247,762
Other inventories	1,172,631	1,437,378
	21,070,598	**23,099,158**
Provision for spare parts	**(625,700**	**(1,002,113**
	20,444,898)	**22,097,045)**

The cost in inventories recognized as an expense during the year in respect to continuing operations was included in the cost of sales, being Rwf 60,079 million (2016: Rwf 63,123 million).

19. Trade and other receivables

	2017 Rwf '000	2016 Rwf '000
Trade receivables	8,910,617	8,166,495
Less: Impairment losses	(367,308)	(413,618)
Trade receivables – net	**8,543,309**	**7,752,877**
Other receivables and prepayments- net	44,375	250,243
	8,587,684	**8,003,120**
The allowance at the end of the year is made up of:		
Provision for trade receivables (note 5a)	367,308	413,618
Provision for other receivables (note 5a)	61,620	456,181
At end of year	**428,928**	**869,799**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

20. Cash and cash equivalents

	2017 Rwf '000	2016 Rwf '000
Bank and cash balances	7,308,626	3,055,250
Bank overdraft (Note 23)	(19,430,485)	(15,751,479)
Total Cash and Cash equivalents per cash flow statement	**(12,121,859)**	**(12,696,229)**

21. Capital and reserves

	2017	2016
Bank and cash balances	1,028,570,000	1,028,570,000
Bank overdraft (Note 23)	5	5
Total Cash and Cash equivalents per cash flow statement	**5,142,850,000**	**5,142,850,000**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share premium

Included in the Company's equity balance is an amount of Rwf 84,856,750 (2016: Rwf 84,856,750) relating to share premium. This represents amounts paid by shareholders over and above the nominal per value of the shares for the years 1977, 1978 and 1979.

Other reserves

	2017 Rwf '000	2016 Rwf '000
Fiscal reserve	148,252	148,252
Statutory reserve	1,885,167	1,885,167
Legal reserve	38,571	38,571
	2,071,990	**2,071,990**

Fiscal reserve

The fiscal reserve is based on Article 138 paragraph 3 of the Ministerial order of 1964 which required the company to maintain a special reserve of 20% of the profits for 1964. The reserve is not distributable to shareholders.

Statutory reserve

The statutory reserve is a voluntary reserve created by the shareholders of the company and is distributable to shareholders.

The reserve includes revaluation of inventory done in 1994 after a strong depreciation of the Rwandese franc (Rwf -1,297,370 thousand) and Rwf 212,466 thousand being the outstanding balance of revaluation reserve for property, plant and equipment. The Company elected to apply the optional exemption to use this previous revaluation as deemed cost at 1 January 2009, the date of transition to IFRS.

Legal reserve

The legal reserve is based on a Government decree of 12 February 1998 which required an appropriation of 5% of net income for the prior year until a maximum level of 10% of the issued share capital. The legal reserve is not distributable to shareholders.

Dividends

After the respective reporting dates, the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

21. Capital and reserves (Continued)

For the year ended 31 December	2017 Rwf '000	2016 Rwf '000
Final dividend Rwf 3.75 per qualifying ordinary share (2016: Rwf 1.00)	3,857,138	1,028,570

Long term incentive plan

	2017 Rwf '000	2016 Rwf '000
Long term incentive plan	2,502	-

22. Basic earnings per share

The calculation of basic earnings per share at 31 December 2017 was based on the profit attributable to ordinary shareholders of Rwf 3,857,138,000 (2016: Rwf 1,028,570,000) and on 1,028,570,000 ordinary shares of Rwf 5.00 each being the weighted average number of ordinary shares in issue.

	2017 Rwf '000	2016 Rwf '000
a) Profit attributable to ordinary shareholders		
Profit of the year - Rwf '000'	5,078,741	1,397,836
b) Weighted average ordinary shares		
Issued ordinary shares as at 1 January	1,028,570,000	1,028,570,000
Weighted average ordinary shares as at 31 December	1,028,570,000	1,028,570,000
Earnings per share	4.94	1.36

23. Loans and borrowings

	Original Amount	Date Borrowed	2017 Interest rate	2017 Rwf' 000	2016 Rwf' 000
Banque Populaire du Rwanda (BPR)	3,000,000	27-May-13	12.5%	453,858	1,159,235
Ecobank Rwanda Limited	3,000,000	31-Dec-12	13.5%	-	770,895
Heineken International N.V	8,329,760	8-Aug-14	12.2%	8,329,760	8,249,360
International Finance Corporation	20,697,572		5.0%	21,334,063	20,697,572
Total				**30,117,681**	**30,877,062**
Bank overdraft				19,430,485	15,751,479
Total borrowings				**49,548,166**	**46,628,541**
Less current borrowings				(22,551,101)	(17,226,825)
Non-current borrowings				**26,997,065**	**29,401,716**

The loan from BRD is secured by guarantees of negative pledge, fire insurance for the plant and machinery and promissory notes.

The loan from Ecobank is secured by negative pledge on the Company's assets.

The loan from related party Heineken International N.V. has changed during the year. The loan was USD denominated and had an interest rate of USD LIBOR plus a margin of 100 basis points payable at the end of the relevant drawing period. As per May 2017, the loan is RWF denominated and has a fixed interest rate of 12.2%. The loan is unsecured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

23. Loans and borrowings (Continued)

The loan from International Finance Corporation was for USD 25,000,000 and is fully utilised. The loan is unsecured and was used for expanding and upgrading Bralirwa Ltd's production capacity in prior years.
All other interest rates are fixed.

Movement in non-current loans and borrowings	2017 Rwf '000	2016 Rwf '000
Balance as at January 1	**30,877,062**	**21,707,965**
Loans obtained	-	7,650,546
Loan repaid	(1,476,186)	(1,295,267)
Exchange difference	716,805	2,813,818
Balance as at December 31	**30,117,681**	**30,877,062**

24. Share based payments

Long Term Incentive Plan

Heineken N.V. (holding company) has a performance-based share plan (Long-Term Incentive Plan (LTIP)) for senior management. Under the LTIP, share rights are conditionally awarded to incumbents on an annual basis. The vesting of these rights is subject to the performance of Heineken N.V. on specific internal performance conditions and continuous service over a three year period.

The performance conditions for LTIP 2015-2017; 2016-2018 and LTIP 2017-2019 for senior management comprise solely of internal performance measures being Organic Gross Profit BEIA growth, Organic Operating Profit BEIA growth, Earnings per Share (EPS) BEIA growth, and Free Operating Cash Flow. At target performance, 100 per cent of the awarded share rights vest. At maximum performance 175 per cent of the shares will vest.

The performance period for the aforementioned plans are:

LTIP	Performance period start	Performance period end
2015-2017	01 Jan 2015	31 Dec 2017
2016-2018	01 Jan 2016	31 Dec 2018
2017-2019	01 Jan 2017	31 Dec 2019

The vesting date for senior management is 1 April 2018, 2019 and 2020 respectively.

The terms and conditions of the Heineken N.V. share rights granted to senior management is as follows:

Grant date	Number	Share price	Contractual life of rights
2015	419	58.95	3 Years
2016	1,971	78.77	3 Years
2017	241	79.80	3 Years

The number and weighted average share price per share is as follows:

2017	Weighted average Share price	Number of shares
Outstanding at I January	60.40	3,978
Granted during the year	75.71	241
Outstanding at end of year	**69.54**	**4,219**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

24. Share based payments (Continued)

The number and weighted average share price per share is as follows: (Continued)

2016	Weighted average Share price	Number of shares
Outstanding at 1 January	52.26	2,007
Granted during the year	78.70	1,971
Outstanding at end of year	**60.40**	**3,978**

The expense recognized in profit or loss of the year was Rwf 30,380,000 (2016: 21,014,000).

25. Deferred income tax liability

Deferred income tax liability is calculated using the enacted income tax rate of 30% (2016: 30%).

Deferred income tax liabilities, deferred income tax charge/(credit) in the statement of profit or loss and other comprehensive income, and deferred income tax charge/(credit) in equity are attributable to the following items:

Year ended 31 December	2017 Rwf '000	2016 Rwf '000
Property. plant and equipment	8,988,989	9,832,941
Provisions	(1,243,658)	(786,178)
Tax losses	-	(1,464,312)
Net deferred income tax liability	**7,745,331**	**7,582,451**

The Directors have assessed the profit forecast for the next five years and determined that the company will generate sufficient taxable profit to utilize the tax losses.

Movement in deferred tax on temporary differences during the year:

	At 1 January Rwf '000	(Over)/Under Provision Rwf '000	Recognised in profit or loss Rwf '000	At 31 December Rwf '000
2017				
Property. plant and equipment	9,832,941	9,556	(853,508)	**8,988,989**
Provisions	(786,178)	(99,047)	(358,433)	**(1,243,658)**
Tax losses	(1,464,312)	1,721	1,462,591	**-**
Net deferred income tax liability	**7,582,451**	**(87,770)**	**250,650**	**7,745,331)**
2016				
Property. plant and equipment	7,149,499	-	2,683,442	**9,832,941**
Provisions	(742,947)	13,381	(56,612)	**(786,178)**
Tax losses	-	-	(1,464,312)	**(1,464,312)**
Net deferred income tax liability	**6,406,552**	**13,381**	**1,162,518**	**7,582,451**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

26. Trade and other payables

	2017 Rwf '000	2016 Rwf '000
Trade payables	5,255,149	13,614,594
Deposit on returnable containers	13,101,391	14,786,557
Other payables and accrued expenses	9,362,395	6,457,992
	27,718,935	**34,859,143**

27. Capital commitments

Capital expenditure commitments at the year-end authorized by the Board of Directors comprise:

	2017 Rwf '000	2016 Rwf '000
Contracted but not provided for	144,127	348,535
Authorized but not contracted for	288,269	367,909
Total	**432,396**	**716,444**

28. Off balance sheet commitments

	2017 Rwf '000	2016 Rwf '000
Letters of credit	665,370	4,000,000
Undrawn committed bank facilities	14,054,145	13,448,521

The letters of credit covers purchase contracts with suppliers. These contracts mainly relate to malt, sugar and bottles. Committed bank facilities are lines of credit on which the bank is legally obliged to provide the facility under the terms and conditions of the agreement.

29. Leases

The Company leases a number of vehicles under operating leases in the ordinary course of business. There are no significant leasing arrangements. The leases run for a period of five years, with no option of renewal after that date.

	2017 Rwf '000	2016 Rwf '000
Less than one year	374,806	28,241
Between one and five years	-	4,796
	374,806	**33,037**

During the year an amount of Rwf 454,465,589 was recognized as an expense in profit and loss in respect of rent for buildings (2016: Rwf 418,561,507).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

30. Related party transactions

The Company is controlled by Heineken International B.V. incorporated in the Netherlands. The ultimate parent of the Company is Heineken N.V., a group also incorporated in the Netherlands. There are other companies which are related to the Company through common shareholdings or common directorships.

The Company has transactions with its parent (Heineken International B.V.) and other related parties who are related to the Company only by virtue of being members of the Heineken Group. As such all other companies other than Heineken International B.V., are sister companies. The total amounts due to related parties by the nature of the transaction are shown below:

a) Management & manufacturing fees and royalties paid to group companies

	2017 Rwf '000	2016 Rwf '000
i) Management fees		
Heineken International B.V.	1,410,529	2,966,926
Heineken Supply Chain B.V.	366,895	668,285
Total	**1,777,424**	**3,635,211**
ii) Royalties paid/payable		
Amstel Brouwerijen B.V.	35,644	97,412
Premium Beverages International B.V.	502,814	603,277
Total	**538,458**	**700,689**

b) Purchase and sale of goods and services

	2017 Rwf '000	2016 Rwf '000
Sales		
Brarudi SA	(45,936)	(152,441)
Brassivoire	-	(2,328
Bralima sarl	(30,384)	-
Heineken Uganda Ltd	(17,490)	-
	(93,810)	**(154,769)**
Purchases		
Al Ahram Beverages Company	576,485	1,021,678
Bralima sarl	-	23,254
Burundi Plastic Industries	125,444	-
Heineken International B.V.	924,728	1,756,234
Heineken Supply Chain B.V.	85,140	3,763,788
Ibecor N.V.	3,703,231	7,197,562
Nigerian Breweries PLC	598	8,469
Sierra Leone Brewery Ltd	-	19,452
	5,415,626	**13,790,437**
Total	**5,321,816**	**13,635,668**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

30. Related party transactions (Continued)

c) Key management compensation

	2017 Rwf '000	2016 Rwf '000
Short-term employment benefits	2,037,314	2,530,351
Post-employment benefits	92,655	178,431
Other long term benefits	168,449	112,942
Share based payments	30,380	21,014
Termination benefits	247,469	208,122
	2,576,267	**3,050,860**

Short-term employment benefits include the benefits for the Director(s) of the Company.

d) Outstanding balances arising from sale and purchase of goods/services

	2017 Rwf '000	2016 Rwf '000
Payables to related parties		
Al Ahram Beverages Company	579,271	620,767
Ame Export - Heineken Brouwerijen B.V.	300,877	105,433
Amstel Brouwerijen B.V.	38,438	-
Bralima sarl	-	127,897
Brarudi SA	-	147,219
Brasserie de Bourbon SA	-	1,537
Brasserie du Congo	-	2,179
Burundi Plastic Industries	125,633	-
Heineken Enterprise & Others	351	-
Heineken International B.V.	1,664,854	2,251,099
Heineken Supply Chain B.V.	85,551	154,975
Ibecor N.V.	3,726,790	6,366,395
Nigerian Breweries PLC	598	333
Premium Beverages International B.V.	502,814	1,254,096
	7,025,177	**11,031,930**
Current receivables from related parties		
Bralima sarl	19,625	219,707
BraMin Ltd	1,760,464	1,052,854
Brarudi SA	661,045	1,258,913
Brassivoire	-	2,328
Heineken Brouwerijen B.V	27,158	43,902
Heineken Ethiopia	3,732	3,192
Heineken International B.V	74,081	-
Sierra Leone Brewery Ltd	28,110	25,932
Tango SARL	1,178	1,143
	2,575,393	**2,607,971**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

30. Related party transactions (Continued)

d) Outstanding balances arising from sale and purchase of goods/services (Continued)

	2017 Rwf '000	2016 Rwf '000
Non-current receivables from related parties		
BraMin Ltd	1,637,079	4,000,000
	1,637,079	**4,000,000**

The loan granted to Bramin Ltd (Joint Venture between Bralirwa Ltd and Minimex Ltd) is carried at amortized cost. The loan which is interest free is discounted using the Company's weighted average cost of capital of 15%. Repayment of this loan is expected to commence in 2019. In 2017, the loan was impaired for RWF 2,362,921,000.

31. Contingencies – pending litigation and claims

As part of their normal audit activities, Rwanda Revenue Authority (RRA) conducted an audit of excise duty taxes covering the years 2015 to 2017 and issued an assessment of additional excise due of RWF 6,320,374,345.

The RRA basis for this additional excise was to include transport cost of finished products to the tax base. In the opinion of the Company, this is a cost incurred outside the production plants since the excise tax base is the price of the product ex-factory gate. Accordingly, the Company objected to the basis on which the RRA had calculated the additional excise duties in their assessment and appealed (as the Company did for a similar RRA assessments on excise as captured in the Annual Report of 2014).

The Directors have reviewed the status of the 2015 to 2017 assessment and believe that, based on the amicable settlement of the prior assessments, no provision for any liability for this assessment should be made in these financial statements.

However, the ultimate outcome of these cases cannot presently be determined. Accordingly, these material matters are disclosed as a contingent liability.

There are certain other lawsuits and claims pending against the company in various courts of law which are being handled by the external legal counsel. The contingent liabilities in respect of pending litigation and claims amounted to Rwf 185 million (2016: Rwf 476 million) as at 31 December 2017. In the opinion of the directors and based on independent legal advice, the Company's liabilities are not likely to be material thus no provision has been made in these financial statements.

32. Events after the reporting period

Except for the proposed dividend, at the signing date of the financial statement, there were no other subsequent events that required adjustment or disclosure as required by IAS 10 "Event after reporting period".

33. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 29 March 2018.

PART SEVEN

FIVE YEAR FINANCIAL SUMMARY
AND GLOSSARY

FIVE YEAR FINANCIAL SUMMARY

	2017 Rwf millions	2016 Rwf millions	2015 Rwf millions	2014 Rwf millions	2013 Rwf millions
Revenue	**86,354**	**88,799**	**84,088**	**79,238**	**78,503**
Cost of sales	(60,079)	(63,123)	(57,912)	(52,287)	(50,603)
Gross profit	**26,275**	**25,676**	**26,176**	**26,951**	**27,900**
Other income	5,288	1,534	3,305	1,965	2,357
Other expenses	(16,857)	(15,081)	(16,446)	(11,995)	(12,201)
Results from operating activities	**14,706**	**12,129**	**13,035**	**16,921**	**18,056**
Net Finance cost	**(6,997)**	**(9,463)**	**(4,783)**	**(682)**	**(374)**
Share of joint venture losses	-	-	-	-	(300)
Profit before income tax	**7,709**	**2,666**	**8,252**	**16,239**	**17,383**
Income tax expense	(2,630)	(1,268)	(1,145)	(4,844)	(4,798)
Total comprehensive income for the year	**5,079**	**1,398**	**7,105**	**11,395**	**12,585**
Employment of funds					
Fixed assets	85,765	88,001	84,753	66,418	54,688
Intangible Assets	131	254	217		
Investments	9	9	9	9	9
Long term debtors and prepayments	1,637	4,000	4,000	3,766	2,450
Net current assets/(liabilities)	5,442	(6,415)	(8,124)	(7,556)	(7,746)
Loan Capital/Finance Lease	(49,548)	(46,629)	(39,065)	(20,887)	(14,416)
Deferred Income & Taxation	(7,745)	(7,582)	(6,407)	(5,757)	(2,674)
Total net assets	**35,691**	**31,638**	**35,383**	**35,992**	**32,312**
Funds employed					
Share capital	5,143	5,143	5,143	5,143	514
Share Premium	85	85	85	85	85
Other reserves	2,072	2,072	2,072	2,072	2,072
Retained earnings	28,391	24,339	28,083	28,692	29,641
Shareholders' Funds	**35,691**	**31,638**	**35,383**	**35,992**	**32,312**
Statistics					
Share price at year end (Rwf)	150	140	174	380	420
Market capitalization (Rwf millions)	154,286	144,000	178,971	390,857	431,485
Basic and diluted earnings per share (Rwf)*	4.94	1.36	6.91	11.08	12.24
Dividend per share (Rwf)	3.75	1.00	5.00	7.50	7.50
Dividend Cover (times)	1.32	1.36	1.38	1.48	1.63
Net worth per share (Rwf)	34.70	30.76	34.40	34.99	31.41
Debt/Equity ratio	1.39	1.47	1.11	0.58	0.45

* For like comparison 2013 - 2011 calculations are based on weighted ordinary share of 2014

GLOSSARY

Other information

Revenue
Net realized sales proceeds after deduction of excise duties.

EBIT
Earnings before interest and taxes and net finance expenses.

EBITDA
Earnings before interest and taxes and net finance expenses before depreciation and amortization.

Total and total comprehensive income for the year
Net profit.

Net profit
Profit and total comprehensive income for the year (profit attributable to equity holders of the Company).

Free operating cash flow
This represents the total of cash flow from operating activities, cash flow from operational investing activities and cash flow from financing activities.

Earnings per share
Net profit divided by the weighted average number of shares – basic – during the year.

Net Assets
Non-current assets plus net working capital.

Net Working Capital
Current assets minus current liabilities.

Cash and Cash Equivalents
Bank and cash balances plus bank overdrafts.

Net debt
Non-current and current interest-bearing loans and borrowings and bank overdrafts less investments held for trading and cash.

Net debt/EBITDA ratio
The ratio is based on a twelve month rolling calculation for EBITDA.

Gearing
Net debt/total equity.

Dividend payout
Proposed dividend as percentage of net profit.

Cash conversion ratio
Free operating cash flow/Net profit before deduction of non-controlling interests.

PROXY FORM

The undersigned ....
acting in my capacity of Shareholder of Brasseries et Limonaderies du Rwanda (Bralirwa) Limited with registered Office at Kigali, Rwanda (further "the Company"), or at ....

do hereby nominate and appoint ....,

as my lawful attorney, to attend on my behalf the annual general meeting of shareholders of "the Company" to be held on 23 May 2018 at Kigali, Radisson Blu Hotel, according to the following agenda:

1. Consideration of the annual report;
2. Receiving the auditor's report;
3. Consideration and approval of the financial statements;
4. Appropriation of profit and total comprehensive income for the year;
5. Discharge of the Directors and Auditors for the financial year 2017;
6. Appointment of Directors;
7. Appointment of Independent Auditors;

and to execute the right of vote on my behalf in all matters included into the agenda of the meeting at the above-mentioned date or any other date on the same agenda, hereby ratifying and confirming all that attorney may do in my name.

Given at ...., the 2018

E-DIVIDEND FORM

To:

CDSC REGISTRARS RWANDA LTD.
Centenary House, 4th Floor, Avenue de la Paix.
P. O. Box 5904 Kigali, Rwanda,
Tel: +250 784 110636/+250 786 419333/+254 722 807371
e-mail HYPERLINK: registrarsrw@cdsckenya.com

Only clearing banks are acceptable

I/We hereby request that form now on, all dividend warrant(s) due to me/us from my/our holding(s) in **BRALIRWA LIMITED,** be paid directly to my/our Bank named below.

Shareholder's Full Name:

Surname first

Shareholder's Address:

Shareholder's E-mail:

Shareholder's GSM Number:

Single Shareholder's Signature:

Joint Shareholders' / Company Signatures:

(1)

(2)

Company Seal:

Name of Bank:

Branch Address of Bank:

Bank Account No.

Bank Sort Code:

Bank Authorised Signatures & Stamp:

(1)

Please include page No.

(2)

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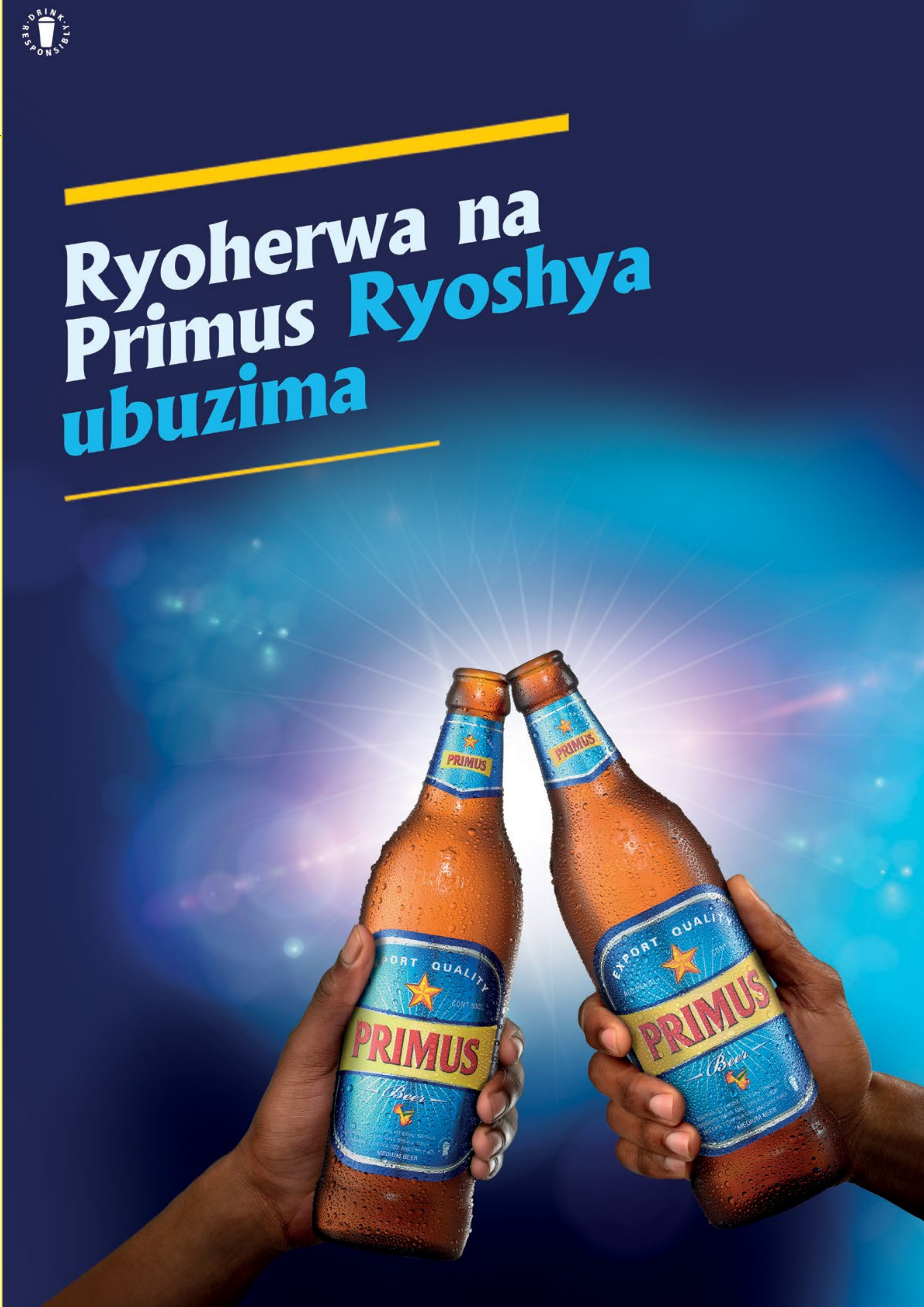
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www.bralirwa.com
Bralirwa Ltd, PO BOX 131, Kigali RWANDA, Tel.+250-8-2993, Fax. +250-8-5693, bralirwa@heineken.com