Bralirwa

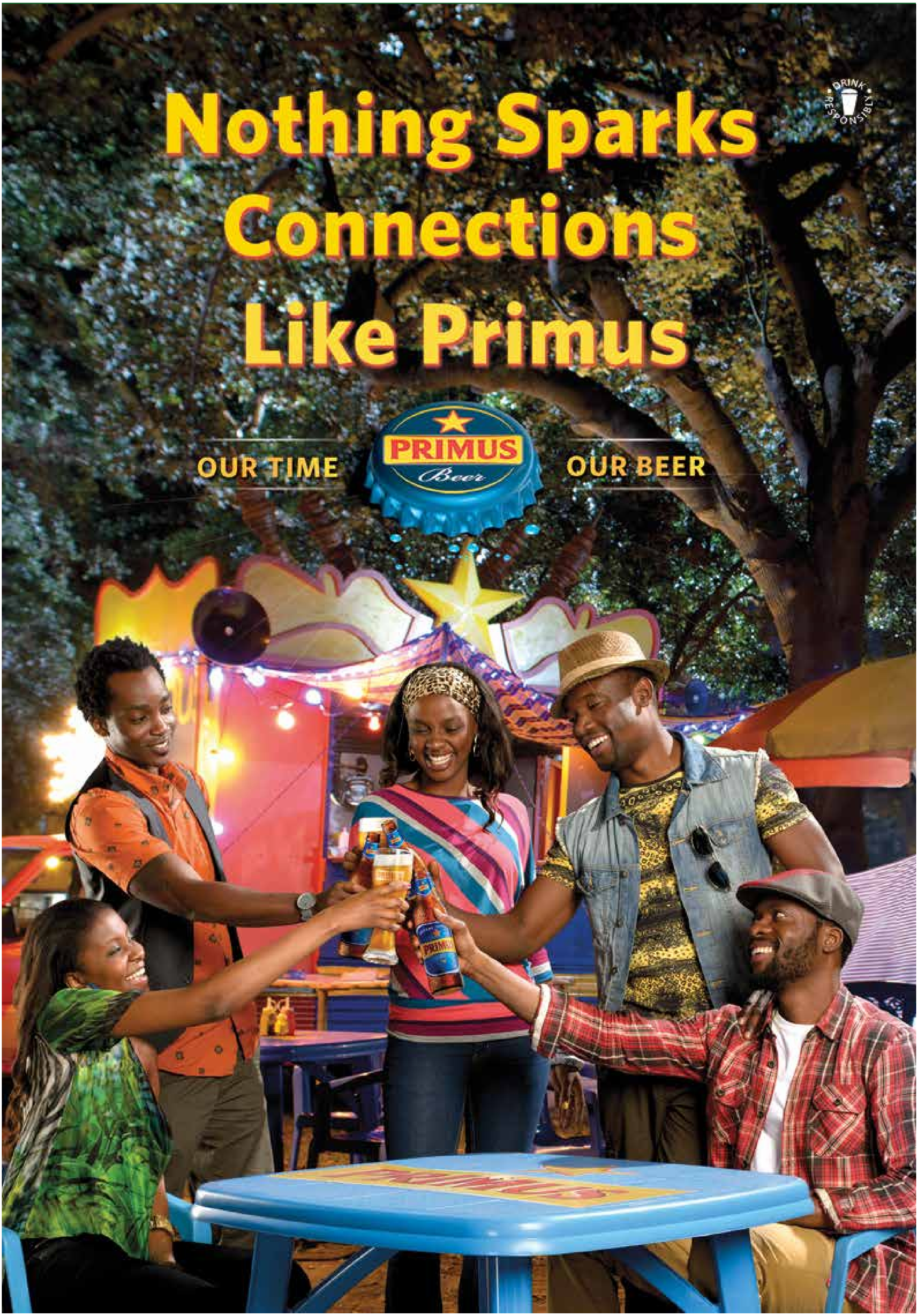
Part of the HEINEKEN Company

Annual Report and Accounts

2016

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

DRINK RESPONSIBLY


Nothing Sparks
Connections
Like Primus
OUR TIME
PRIMUS
Beer
OUR BEER
DRINK RESPONSIBLY

Bralirwa
Part of the HEINEKEN Company

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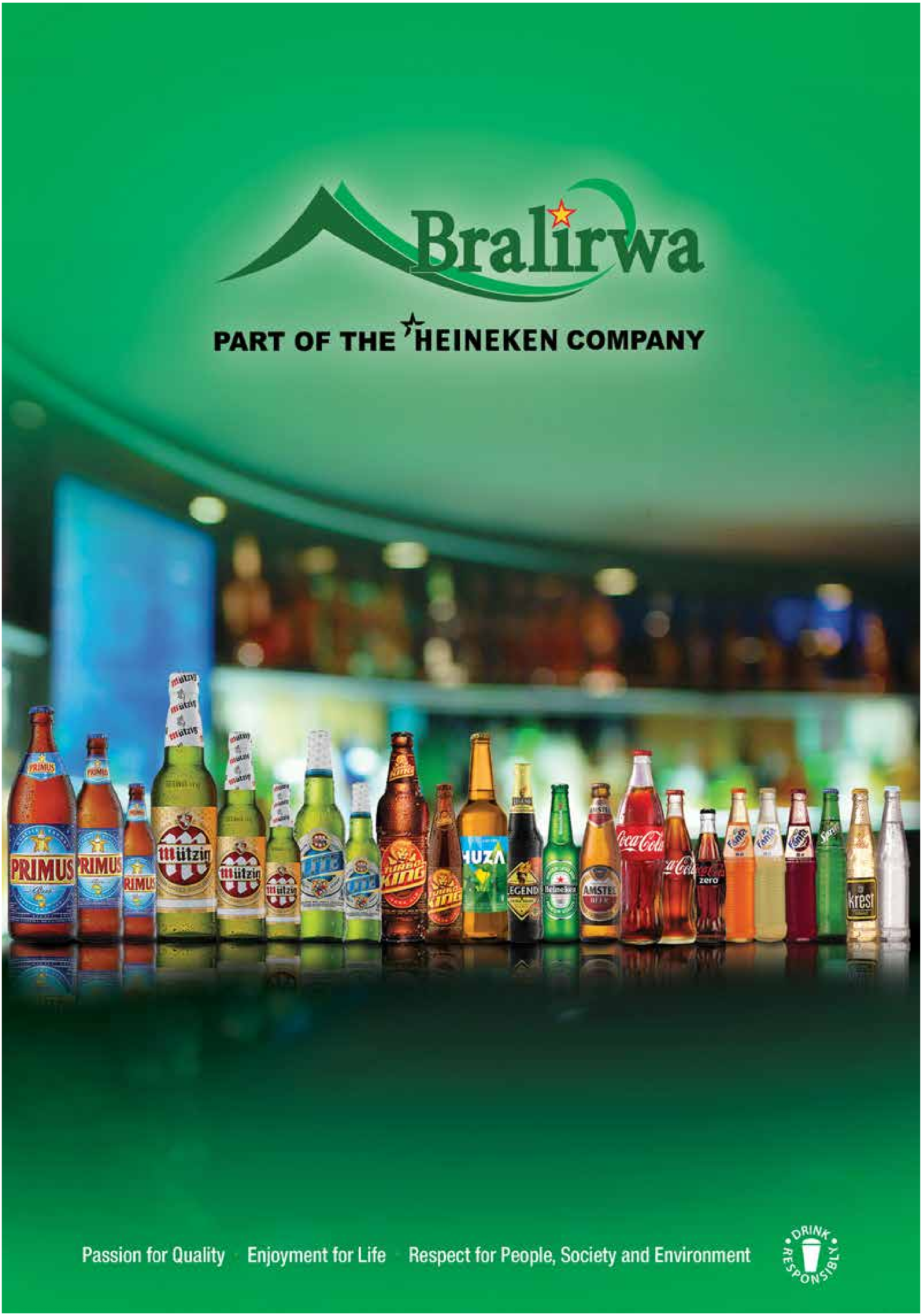

Bralirwa
PART OF THE HEINEKEN COMPANY
Passion for Quality · Enjoyment for Life · Respect for People, Society and Environment
DRINK RESPONSIBLY

Part of the HEINEKEN Company

Mission Statement & 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

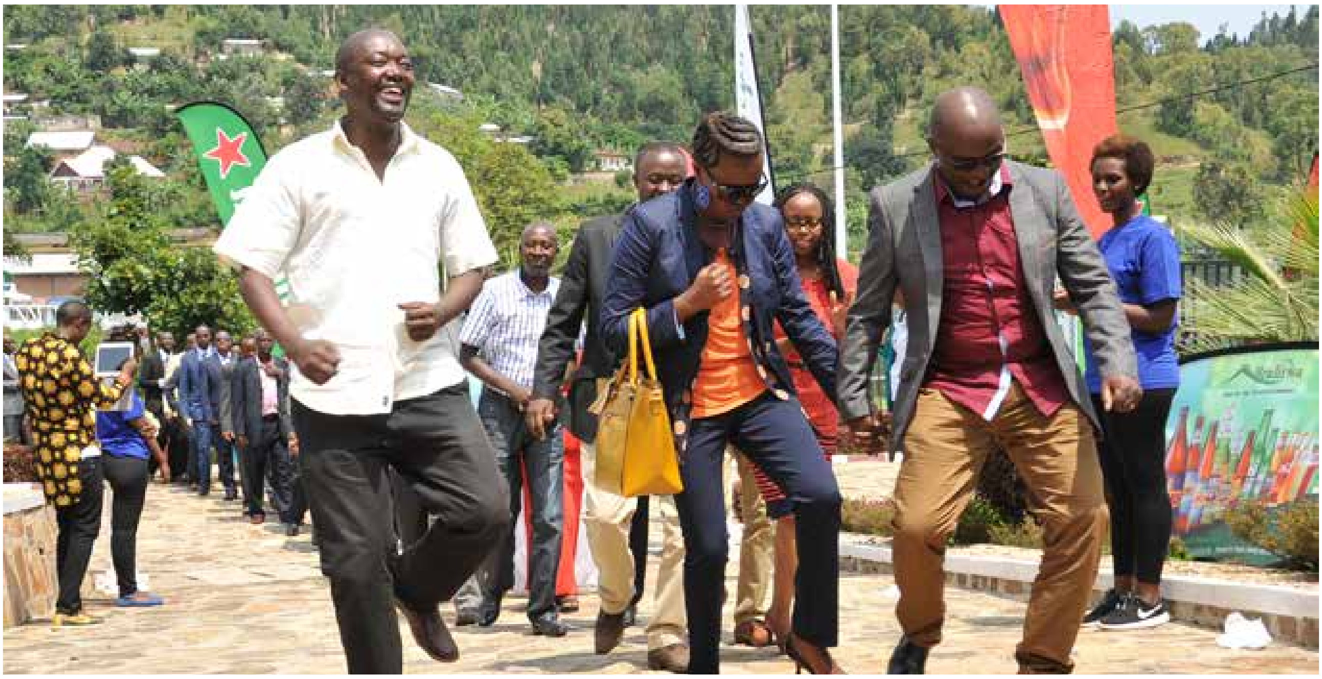
As an integral part of the local and global communities in which it operates, Bralirwa Ltd respects the laws and regulations of the countries in which it is active. Bralirwa Ltd pays attention to different cultures and to the environment preservation, aims to be a good corporate citizen and takes most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

Enjoyment for life

Bralirwa 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

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PART ONE

QUICK READ

Quick Read

RESULTS AT A GLANCE

Result in (Rwf millions)	2016	2015	Change in %
Gross Revenue	134,782	131,765	2.3%
Revenue	88,799	84,088	5.6%
EBIT	12,129	13,035	(7.0%)
EBITDA	23,522	21,637	8.7%
Net profit	1,398	7,106	(80.3%)
Dividend proposed	1,029	5,143	(80.0%)
Free Operating Cash flow/(deficit)	2,593	(5,761)	145.0%
Statement of financial position in (Rwf millions)			
Total Assets	131,740	122,883	7.2%
Net Assets	68,622	62,203	10.3%
Shareholders' equity	31,638	35,383	(10.6%)
Total debt	46,629	39,065	19.4%
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	1.36	6.91	(80.3%)
Dividend per share proposed	1.00	5.00	(80.0%)
Free Operating Cash flow/(deficit) per share	2.52	(5.60)	145.0%
Employees in number			
Average number of employees	586	612	(4.2%)

Key Ratios (in %)			
EBIT as % of Gross Revenue	9%	10%	(9.0%)
EBIT as % of Revenue	14%	16%	(11.9%)
Net Profit as % of average shareholders' equity	4%	20%	(78.0%)
Net Debt/EBITDA	198%	181%	9.8%
EBITDA/Interest expenses (times covered)	2.1	2.6	(18.6%)
RONA	2%	11%	(82.2%)
Cash conversion Rate	185%	(81%)	328.3%
Dividend Payout (% of net profit)	73.5%	72.4%	1.7%

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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


NEW LOOK
SAME MÜTZIG TASTE
mützig
SPECIAL
Mützig
LAGER BEER
INGREDIENTS: WATER, MALT, CEREALS,
SUGAR AND HOPS.

Bralirwa

Part of the HEINEKEN Company

PART TWO

CHAIRMAN'S STATEMENT

Chairman's Statement

Introduction

Let me start by thanking former the Vice Chairman and Managing Director Mr. Jonathan Hall for his valuable contribution to our Company over the last five years. At the same time I would like you to join me in welcoming the new Vice Chairman and Managing Director Mr. Victor Madiela to our Company.

Furthermore, it is an honour to address to you my second Chairman's statement for the year ended 31 December 2016.

Business Context 2016

In Sub-Saharan Africa, the economic growth declined in 2016, driven by lower commodity prices, droughts combined with political tension in some countries. The East Africa Community (EAC) showed resilience despite these adverse effects and continued to maintain growth.

Rwanda's economy continued to perform reasonably well but on a lower level compared to 2015. Although Rwanda's trade deficit improved by 5.9% in 2016, the Rwandan Franc (Rwf) continued to be under pressure and depreciated by 9.7% against the US Dollar (USD). Real GDP grew by 6.0%, mainly driven by good performance in the service and industry sectors, but was hampered by the struggling agricultural sector. Inflation however, increased substantially to 5.7% in 2016 compared to last year, due to rising food prices and transport costs.

Within this context, our top line growth, sales volume and revenue was under pressure in 2016. Revenue showed sustained growth of 5.6% in 2016, despite a slight decrease in total sales volume by 1.4%. Our volumes were impacted by our soft drink price increase executed in August 2016 in a competitive market environment. This was the first price increase for our soft drinks portfolio in five years, and the resulting slight decrease in volume was in line with expectations.

Consistent with what I highlighted in last year's Chairman's statement, 2016 marked the fifth and last year of the 5-year investment programme by Bralirwa Ltd, in both the brewery in Gisenyi and the soft drinks plant in Kigali. The financial impact of this was again reflected in a higher depreciation cost, increased debt to finance these investments, and a higher debt to equity ratio. This investment also resulted in a higher net financing cost including both the higher interest cost and the currency translation impact.

To compensate for the increase in fixed costs from operations, at a time when the currency depreciation is raising the raw material and other costs, Bralirwa Ltd had to pass on some of these costs through a price increase on its soft drinks portfolio. Despite lower volumes, driven by both affordability and a competitive market, Bralirwa Ltd delivered revenue growth. Also supported by strict cost management, Bralirwa Ltd mitigated the impact on results from operating activities.

Investments

2016 marked the fifth consecutive year of investment by Bralirwa Ltd in both production sites, the brewery in Gisenyi and the soft drinks plant in Kigali. This concluded our investment program to add production capacity, replacing existing facilities, reduce the environmental impact and improve quality and innovation capabilities.

The capital investments in 2016 included the PET line installed at the soft drinks plant in Kigali and a new RGB line in a new packaging hall at the Gisenyi brewery. These were commissioned respectively in May and December of 2016. Our total capital expenditures in 2016 amounted to Rwf 14.9 billion.

In August 2016 the Kigali soft drink operations received HEINEKEN's Regional Supply Chain Award for the best regional performance shown in 2015, confirming the message that the Bralirwa Ltd operations are moving towards being World Class.

Leveraging our investments, the 2016 innovations included Mützig Lite and HUZA in beer and PET in soft drinks. Adding PET to our portfolio also enabled the export of soft drinks to the Democratic Republic of Congo (DRC).

Our Bramin farm joint venture entered its third year of commercial farming. Despite the drought, crop yields remain strong and we continue to focus on bringing this pioneering farm investment to generate sustainable profit in the near future.

Financial statements

The challenging business environment combined with our investments and resulting debt profile impacted the 2016 financial statements as follows:

1. Debt profile increased by 19.4% to Rwf 46.6 billion in 2016 from Rwf 39.1 billion in 2015, fully utilizing the USD 25 million long term loan from the International Finance Corporation (division of World Bank Group) and the USD 10 million intercompany medium term loan from HEINEKEN N.V. which we secured in 2015.
2. Revenue growth of 5.6% to Rwf 88.8 billion in 2016 from Rwf 84.1 billion in 2015, despite a reduction in total sales volume by 1.4%.
3. Increased cost of sales by 9.0% to Rwf 63.1 billion in 2016 from Rwf 57.9 billion in 2015, driven by higher depreciation and raw material costs.
4. Total depreciation was up by 31.8% to Rwf 11.3 billion in 2016 from Rwf 8.6 billion in 2015.
5. Net finance cost increased by 97.8%. This was mainly driven by interest charges on increased debt and devaluation of the Rwf versus the USD and EUR.

As a result our results from operating activities declined by 7.0% from Rwf 13.0 billion to Rwf 12.1 billion and profit and total comprehensive income for the year 2016 declined by 80.3% from Rwf 7.1 billion to Rwf 1.4 billion. This reduced our earnings per share to Rwf 1.36.

Brand

The year 2016 was yet another one showing resounding success for the Mutzig Brand. Mutzig capitalized on its quality credentials and extended its Draught beer reach into more outlets. Furthermore, the annual Mutzig Beer Fest featured Africa's biggest headlining star Wizkid and starred the new lighter Mutzig Lite.

Primus Guma Guma Superstar's platform for Rwandan artists connected them for the 6th season with their fans countrywide. Urban Boys became the first 'group' to win Primus GumaGuma Super Star.

Thanks to the investment programme, several new products and pack types were introduced in the second half of 2016. In November, Huza (an affordable medium strength lager) was launched into the market and this has been well received as a beer Made in Rwanda for Rwandans.

There were also further innovations in the Coca-Cola range. With the introduction of PET, we are now offering consumers a convenience package in 3 different sizes 30cl, 50cl and 1.5L. Furthermore, a returnable glass 50cl Coke bottle was added and the brand Stoney was introduced.

Safety

Bralirwa Ltd has a strong commitment to safety. As part of the company wide safety program, reaching all employees, trainings were provided to 3rd party transporters in order to further reduce accidents on the road. Additionally, we have introduced a GPS fleet management system to help us in the prevention of accidents via continuous feedback to our transporters.

Our Organization, Our People

In 2016, Bralirwa Ltd focused on driving a high performance culture through the roll-out of High Performing Teams workshops to all levels of the organization. This has strengthened our teamwork and drive to win.

We continue to develop capabilities of our people, as this is key to the success of our organization. In this context a new initiative has been set up in the Production department, taking all staff through a full competency assessment which has formed the basis of their development plans. For our operators the roll-out of the People Set Up programme was initiated, which will contribute to their performance in their current and future roles. At manager level we also continued the First Line Managers programmes in the Commerce and Supply Chain functions.

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 these are described in greater detail in this Annual Report.

Dividend

The payment of a cash dividend for 2016 of Rwf 1.00 per share will be proposed to the annual general meeting of shareholders scheduled for 24 May 2017. The proposed dividend, if approved, will be paid on 23 June 2017. The dividend represents 73.5% of the net profit of the year 2016.

Please take note that the payment will be subject to a withholding tax. The book close date for Bralirwa Ltd shares will be 17 May 2017, 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 17 May 2017.

Board of Directors

As mentioned, Vice Chairman and Managing Director Mr. Jonathan Hall left our Company in August 2016 and was succeeded by Mr. Victor Madiela. Furthermore, to further improve our corporate governance the Audit & Risk Committee was introduced. 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.

Auditors

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

Outlook 2017

Ongoing uncertainties in the world economy are expected to continue to impact African economies. In 2016 the Rwandan economy showed resilience and robust growth and we expect that this can continue through 2017 so long as external shocks are limited and manageable.

We therefore anticipate further top line growth in the course of 2017, although cost pressures and constrained consumer spending power will continue to challenge the bottom line. Our ambitious cost management program, innovations, new product introductions in the markets and reduction of our debt burden will be top priorities for Bralirwa in 2017 in order to restore margins.

Conclusion

Let me conclude by thanking my colleagues of the Board for their support in 2016.

To management and all employees, thanks for a job well done in 2016. To our commercial partners, our thanks for their co-operation and partnership. To our consumers, our thanks for their loyalty and trust in the quality of our brands.

And to you our shareholders, thank you for your support in 2016 and continued confidence in our Company.

Boudewijn HAARSMA
Chairman of the Board
Kigali, 31st March, 2017


#championthematch
UEFA
CHAMPIONS
LEAGUE
CHAMPION THE MATCH
WATCH REAL MADRID VS ATLETICO MADRID
AT AMAHORO STADIUM GARDENS
On 28th May 2016
Gates open at 4:00pm.
Heineken
Tickets are
5,000 RWF
Lots of prizes to won
TRADE MARK
Heineken
open your world
enjoy responsibly


DRINK RESPONSIBLY
INZOGA NSHYA!
QUALITY LAGER BEER
HUZA
50cl.
500 RWF
Dutuze n'inzoga HUZA

Ijambo rya Perezida w'Inama y'Ubutegetsi

Iriburiro

Reka ntangire iri jambo nshimira byimazeyo Bwana Jonathan HALL wari Umuyobozi wungirije w'Inama y'Ubutegetsi akaba n'Umuyobozi Mukuru w'Uruganda, ndamushimira kubera ibikorwa byindashyikirwa yatugejejeho mu gihe cy'imyaka itanu ishize.

Munyemerere kandi twakire Bwana Victor Madiela, Umuyobozi mushya wungirije w'Inama y'Ubutegetsi akaba n'Umuyobozi Mukuru wa BRALIRWA Ltd.

Ni ibyishimo kuri njye kongera kubagezaho ku nshuro ya kabiri ijambo ryanjye nka Perezida w'Inama y'Ubutegetsi, riza kwibanda ku mwaka twasoje taliki 31 ukuboza 2016.

Ishusho rusange y'ubucuruzi mu mwaka wa 2016

Mu bihugu bya Africa yo munsi y'ubutayu bwa Sahara ukuzamuka k'ubucuruzi kwaragabanutse mu mwaka wa 2016, bitewe n'igabanuka ry'ibicuruzwa, ihungabana ry'ubukungu, ndetse n'impagarara za politiki yo mu bihugu bimwe na bimwe. Akarere ka Afurika y'Uburasirazuba kashoboye kwihagararaho muri ibyo bihe, ndetse kabasha gukomeza mu iterambere ry'ubukungu.

Ubukungu bw'u Rwanda twavuga ko buhagaze neza, nubwo habayeho igabanuka ugereranije n'umwaka wa 2015. Ikinyuranyo cy'ibyoherezwa mu mahanga cyazamutseho 5.9% mu mwaka wa 2016, ifaranga ry'u Rwanda ryo rimaze gutakaza agaciro ku kigereranyo cya 9.7% ugereranyije n'Idorali rya Amerika. Igipimo cy'ubukungu cyazamutseho 6.0%, biturutse ku musaruro wa service nziza ndetse n'umusaruro w'inganda, ariko kandi biza gushikamirwa n'umusaruro mu by'ubuhinzi utarifashe neza. Nubwo habayeho ihungabana ry'agaciro k'ifaranga, hagaragaye kudahindagurika kw'ibiciro ku gipimo cya 5.7% mu mwaka wa 2016. Umwaka wabanje wo waranzwe n'ihindagurika ry'ibiciro by'ibiryo, n'ihindagurika ry'ikiguzi cyo gutwara abantu n'ibintu.

Ibi tumaze kuvuga haruguru nibyo byagize ingaruka ku musaruro twagize mu mwaka wa 2016. Umusaruro mbumbe w'amafaranga twinjije wazamutse ku kigero cya 5.6% mu mwaka wa 2016. Ibinyobwa twacuruje byagabanutseho 1.4%, bitewe nuko igiciro cy'ibinyobwa bidasembuye cyazamutse muri Kanama 2016, ku isoko duhuriyeho n'abandi. Twaherukaga kuzamura ibiciro mu myaka itanu ishize. Ntibyadutunguye rero kuba ibyo twacuruje byaragabanutseho ku gipimo gito.

Nkuko mperutse kubikomozaho mw'ijambo ryanjye ry'inama iheruka, 2016 wabaye umwaka wacu wa gatanu mu ishoramari BRALIRWA imazemo iminsi haba i Kigali ndetse no ku rwengero rwo ku Gisenyi. Birumvikana neza ko ibi bitabura kugira ingaruka mu buryo bw'ibyo twishyura inguzanyo yafashwe hagamijwe gukora rya shoramari, akaba ari nabyo byatumye igipimo cy'umyenda Bralirwa ifite kizamuka.

Ikiguzi cy'ibyo dukenera ndetse n'ibyo dukoresha cyarushijeho kuzamuka. Byabaye uruhurirane kubera ko ifaranga ryagendaga ritakaza agaciro ku isoko ry'ivunjisha, nabyo bigatuma duhendwa cyane cyane iyo tugiye guhaha ibyo dukeneye muri ibyo harimo n'ibyo dukenera mu gutunganya ibinyobwa. Birumvikana ko Bralirwa yahisemo gukora icyatuma umuguzi nawe agira uruhare muri urwo ruhererekane. Nubwo ingano y'ibyacurujwe yagabanutse kubera impamvu y'igiciro cyagoye bamwe mu baguzi, no kuba hari ba mukeba duhurira ku isoko rimwe, ibi ntibyabujije umusaruro wa BRALIRWA kwiyongera. Ingamba twafashe mu gukoresha neza imari dufite, nazo zagize uruhare rwiza ku igabanuka ry'agaciro k'ibyakoreshwaga mu buzima bwa buri munsi.

Ishoramari

2016 wabaye umwaka wa 5 w'ishoramari BRALIRWA imazemo iminsi, haba mu ruganda rw'i Kigali ndetse no ku Gisenyi. Mu bimaze gukorwa harimo kwagura ubushobozi bw'uruganda, gusimbuza ibikoresho byashaje, kubaka ibikorwa remezo bifasha kubungabunga ibidukikije, kubaka ubushobozi bugamije gukomeza kwita ku bwiza bw'ibinyobwa byacu, bikazadufasha kandi no gushyira ibinyobwa bishya ku isoko.

Tugarutse ku ishoramari ryakozwe mu mwaka wa 2016, harimo imirimo yo kubaka uruganda rw'ibinyobwa bidasembuye mu macupa ya plastike i Kigali, harimo kandi imirimo yo kubaka uruganda rushya rwuzuza mu macupa ku Gisenyi. Izi nganda zombi zatashwe ku mugaragaro muri Gicurasi n'Ukuboza 2016 nk'uko bikurikiranye haruguru. Mu mwaka wa 2016 twashoye imari ku kigero cya Miliyari 14.9 z'amafaranga y'u Rwanda.

Muri Kanama umwaka wa 2016 uruganda rwa Kigali rwabonye igihembo nyamukuru cyo mu karere ka Afurika n'uburasirazuba bwo hagati. Iki gikombe Bralirwa yagihawe kubera ko imikorere y'uruganda yari imaze kugera mu rwego ruhambaye mu mwaka wa 2015. Iyi kandi ni gihamya yuko ibikorwa bya BRALIRWA Ltd bimaze kugera ku ikoranabuhanga riri ku rwego ruhebuje.

Tubifashijwemo n'ubushobozi tumaze kwiyubakamo, mu mwaka wa 2016 twashyize ku isoko ibinyobwa bishya harimo Mutzig Lite, Huza ndetse na Fanta ziri mu macupa ya plastike. Twatangiye kandi kohereza Fanta ziri mu macupa ya Plastike mu gihugu cya Repubulika iharanira Demokarasi ya Kongo (DRC).

Ku bijyanye n'umurima BRAMIN dufatanije na MINIMEX, tugeze mu mwaka wa gatatu wa gahunda twiyemeje y'ishoramari rigamije ubuhinzi buzana inyungu. Nubwo twagize ibihe by'amapfa, ntibyabujije umusaruro wacu wabaye mwiza kandi dukomeje gushyiramo imbaraga kugira ngo umusaruro wo mu bihe bizaza uzarusheho kubyara inyungu mu gihe kirambye.

Raporo y'umwaka n'ibaruramari muri 2016

Ibihe binyuranye twanyuzemo ndetse n'ishoramari tumazemo iminsi rikaba ari nayo nkomoko y'umwenda dufite, byagize ingaruka ku shusho y'imari ndetse n'umusaruro twagize mu mwaka wa 2016 mu buryo bukurikira:

1. Inguzanyo dufite yazamutse ku gipimo cya 19.4% igera kuri miliyari 46.6 Frw mu mwaka wa 2016 ivuye kuri miliyari 39.1 Frw nkuko yari ihagaze mu mwaka wa 2015. Amafaranga twakoresheje harimo ayinguzanyo twabonye mu mwaka wa 2015 ariyo Miliyoni 25 z'amadolari twahawe n'ikigo "IFC" (Ishami rya banki y'isi). Iyi nguzanyo yishyurwa ku buryo burambye. Harimo kandi Miliyoni 10 z'amadolari twahawe HEINEKEN NV; mu rwego rw'inguzanyo itanga ku nganda ziyishamikiyeho.
2. Umusaruro mbumbe wazamutseho 5.6% ugera kuri Miliyari 88.8 Frw mu mwaka wa 2016 uvuye kuri Miliyari 84.1 frw yo mu mwaka wa 2015, nubwo ingano y'ibyo twacuruje yagabanutseho 1.4%..
3. Ikiguzi cy'ibicuruzwa cyazamutseho 9.0% ni ukuvuga Miliyari 63.1 Frw mu mwaka wa 2016, mu gihe mu mwaka wa 2015 yari miliyari 57.9 frw, bitewe n'ikiguzi cyishyurwa ku nyungu ndetse n'ikiguzi cy'ibyo duhaha kikaba cyarazamutse.
4. Agaciro k'ikiguzi cy'ubwisazure kageze ku kigero cya 31.8% ni ukuvuga Miliyari 11.3 Rwf muri 2016. mu mwaka wa 2015 agaciro k'ikiguzi cy'ubwisazure kari Miliyari 8.6 Rwf.
5. Amafaranga yose twishyura yazamutse ku kigero cya 97.8%. Ibi byaturutse ku nyungu igomba kwishyurwa kubera wa mwenda wa miliyoni 10 yo mu kigo IFC, ndetse n'agaciro k'ifaranga ry'u Rwanda kuko kahungabanye ku isoko ryo kuvunjisha ushaka amadorali cyangwa amayero.

Kubera impamvu twavuze haruguru, umusaruro ukomoka kubyo dukora wagabanutseho 7.0 % uva kuri miliyari 13.0 Rwf ugera kuri Muliyari 12.1 Rwf, naho inyungu ku musaruro rusange mu mwaka wa 2016 wagabanutseho ku kigero cya 80.3 %, ni ukuvuga ko wavuye kuri miliyari 7.1 Rwf igera kuri miliyari 1.4 frw. Ari nayo mpamvu inyungu ku mugabane wacu yagabanutse ikagera ku mafaranga 1.36.

Ibinyobwa byacu

Umwaka wa 2016 twawuboneyemo byinshi mu kinyobwa cya Mützig. Mützig yongeye kwigaragaza nk'ikinyobwa cyihagazeho, ikindi "Mützig à pression" yagejejwe mu tubari twinshi kurushaho. Mu birori byayo ngarukamwaka, Mützig yashimishije benshi hategurwa igitaramo cyarimo umuhanzi ukunzwe cyane muri afrika; Wizkid. Muri ibyo birori ninabwo inzoga Mützig Lite yashyizwe ku isoko.

Ku nshuro yayo ya 6 Primus Guma Guma Superstar yongeye guhuriza hamwe abahanzi n'abakunzi babo mu bice binyuranye by'igihugu. Urban Boys niryo itsinda ry'abahanzi ryabaye irya mbere mu gutwara igihembo nyamukuru cya Primus GumaGuma Super Star.

Ntitwabura kwishimira ibyiza ishoramari twakoze ritangiye kutugezaho. Mu mpera z'umwaka twashyize ku isoko ibinyobwa bishya kandi mu ngero z'amacupa anyuranye. Mu Gushyingo, Huza (inzoga ifite icumu ryoroheje kandi ihendutse) yashyizwe ku isoko kandi benshi bishimiye ko ari inzoga y'abanyarwanda, yengerwa mu Rwanda.

Habayeho kandi ibikorwa bishya mu binyobwa bidasembuye bya Coca-Cola. Twashyize ku mugaragaro ibinyobwa biri mu macupa ya plastike, mu bipimo binyuranye aribyo cl 30, cl 50 na L 1, 5. Fanta ya Coca Cola nayo yashyizwe ku isoko mu icupa ry'ikirahure rya cl 50. Mu bindi binyobwa byashyizwe ku isoko harimo na Fanta Stoney.

Kwirinda Impanuka

Bralirwa Ltd ishyize umutekano imbere y'ibindi byose. Buri mwaka duhugura kandi tugakangurira ku buryo buhoraho abashoferi batwara ibinyobwa byacu uko bakwiye kwirinda impamuka mu muhanda. Ikiyongeye kuri ibyo nuko twashyize mu mamodoka yose uburyo bwa GPS kugira ngo turusheho gukurikirana abatwara ibinyobwa byacu, bikazadufasha no kwirinda impanuka.

Uruganda rwacu, Abakozi bacu

Mu mwaka wa 2016, Bralirwa Ltd yibanze ku mahugurwa yari agamije gushishikariza abakozi no kubahugurira uburyo bw'imikorere bugamije gutanga umusaruro mwiza kurushaho. Ibi byadufashije gukomeza gukorera hamwe no kongera umusaruro mu kazi.

Ikiyongera kuri ibyo, nuko dukomeje kuzamura ubushobozi bw'abakozi bacu kubera ko aribo pfundo ry'umusaruro w'uruganda rwacu. Hagendewe kuri icyo gitekerezo, hashyizweho gahunda yo gukurikirana uko abakozi bo mu ruganda bashyira mu bikorwa ibyo biyemeje bijyanye kandi na gahunda yabo yo kwiyongera mu bumenyi. Ku bandi bakozi naho hashyizweho uburyo buzajya bugaragaza uko abakozi bagera ku nshingano zabo za buri munsi ndetse nizo bazahabwa. Mu mashami y'ubucuruzi, gutunganya no gutwara ibinyobwa; nabo bagejejwe muri gahunda igamije gufasha umukozi uyobora abandi.

Ibikorwa bigamije guteza imbere imibereho myiza

Nkuko twanabikoze mu myaka ishize, Bralirwa Ltd ikomeje kwitabira Ibikorwa bigamije guteza imbere imibereho myiza no kwita ku bidukikije. Iyi raporo ivuga kuri bimwe muri ibyo bikorwa ku buryo burambuye.

Inyungu Ku Mugabane

Igitekerezo ku nyungu izishyurwa ku mugabane muri mwaka wa 2016 ni ifaranga rimwe (Frw 1) Ibi ariko bikaba bigomba kubanza kwemezwa n'inama y'abanyamigabane yo ku wa 24 Gicurasi 2017. Abanyamigabane nibabyemeza, iyi nyungu ku mugabane izishyurwa taliki 23 Kamena, 2017.

Byumvikane neza ko muri iyi nyungu ku mugabane habariwemo n'umusoro. Gufunga igitabo cy'abanyamigabane ni taliki 17 Gicurasi, 2017. Bishatse kuvuga ko inyungu ku mugabane izishyurwa gusa abanyamigabane bazaba banditse mu gitabo cy'imigabane bitareze amasaha y'akazi yo ku wa 17 Gicurasi, 2017.

Inama y'Ubutegetsi

Nkuko twigeze kubikomozaho, Bwana Jonathan Hall wari Umuyobozi w'inama y'ubutegetsi wungirije, akaba kandi yari Umuyobozi mukuru wa BRALIRWA, yasoje inshingano ze muri Kanama 2016. Jonathan yarasimbuwe na Victor Madiela. Hashyizweho kandi urwego rw'Ubugenzuzi rugamije kunoza uburyo bw'imiyoborere. Inshingano z'uru rwego ni ugutanga ubufasha ndetse n'inama zikenewe kugira ngo Inama y'Ubutegetsi ibashe gufata imyanzuro ikwiye, gutanga ubujyanama ku byemezo bijyanye na raporo y'imari, ndetse no gusuzuma imikorere y'urwego ngenzuzi rw'uruganda no gusuzuma ku buryo buhoraho ingorane zibangamira imikorere y'uruganda.

Abagenzuzi b'Imari.

Tirifuza ko muri iyi nama rusange y'abanyamigabane yakongera ikemeza ko Deloitte Rwanda Ltd ariyo yakomeza kutubera abagenzuzi bigenga b'imari bacu.

Uko tubona umwaka wa 2017

Kuri ubu ntibyoroshye gutekereza uko ubukungu ku rwego mpuzamahanga buzamera, ibi bikaba kandi bishobora kuzagira ingaruka ku bukungu bwa afurika. Mu mwaka wa 2016 u Rwanda rwashoboye kwirwanaho mu bukungu na ndetse rukomeza gutera imbere. Haramutse hatabayeho impinduka zitunguranye, turizera nta kabuza ko umwaka wa 2017 uzatubera mwiza.

Nubwo tugifite imbogamizi zishingiye ku kuba ikiguzi cy'ibyo dukenera kikiri hejuru, n'ubushobozi bw'umuguzi bukaba buri ku gipimo cyo hasi, ntibitubuza kwizera ko inyungu y'uruganda izazamuka mu mwaka wa 2017. Gahunda yacu igamije gukoresha neza umutungo, guhanga no gushyira ku isoko ibinyobwa bishya, kugabanya uburemere bw'umwenda twishyura, nibyo tuzibandaho mu mwaka wa 2017 bikazadufasha kuzamura inyungu.

Umwanzuro

Reka nsoze iri jambo nshimira bagenzi banjye turi kumwe mu Nama y'Ubutegetsi kubera ubufatanye bagaragaje mu mwaka wa 2016. Ubuyobozi n'abakozi b'uruganda, nabo turabashimira kubera akazi keza bakoze muri uyu mwaka wa 2016. Turashimira kandi abafatanyabikorwa bacu mu bucuruzi kubera imikoranire mwiza batugaragarije. Abaguzi bacu nabo, turabashimira urukundo badahwema kugirira ibinyobwa byacu. Namwe banyamigabane, ndabashimiye kubera ubufasha mwatugaragarije muri 2016, no kuba mukomeje kugirira icyizere uruganda rwanyu.

Boudewijn HAARSMA
Perezida w'Inama y'Ubutegetsi

Kigali, 31 Werurwe, 2017

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PART THREE

BRALIRWA'S BOARD OF DIRECTORS AND SENIOR MANAGEMENT


Coca-Cola®
refreshingly
good
300 ml Coca-Cola™
CARBONATED SOFT DRINK
Coca-Cola™
CARBONATED SOFT DRINK
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Bralirwa
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DIRECTORS

Boudewijn HAARSMA (Dutch)	Chairman	Appointed in May 2016
Jonathan HALL (British)	Vice Chairman and Managing Director	Retired in August 2016
Victor MADIELA (Congolese)	Vice Chairman and Managing Director	Appointed in August 2016
Chantal MUBARURE (Rwandan)	Independent Non - Executive Director	Re-appointed in May 2016
George GAKUBA (Rwandan)	Independent Non - Executive Director	Re-appointed in May 2016
Jordi BORRUT BEL (Spanish)	Non- executive director	Appointed in May 2016

COMPANY SECRETARY

Godfrey KAMUKUNDE
P.O Box 131
Kigali-Rwanda

REGISTERED OFFICE

Brasseries et Limonaderies du Rwanda
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
Avenue de la Paix
P.O. Box 175
Kigali-Rwanda

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

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

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

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

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

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

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

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

Development Bank of Rwanda
Boulevard de la Révolution
P.O. Box 1341
Kigali - Rwanda

Board of Directors

1. Boudewijn HAARSMA

Chairman of the Board

Boudewijn HAARSMA 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. Jonathan HALL

Former Executive Director/Vice Chairman of the Board and Managing Director

Jonathan HALL joined HEINEKEN in Asia in 1997, where he was Marketing Director at Asia Pacific Breweries. From 2000 - 2007, he was the Marketing Director in Ireland and Indonesia. Prior to joining HEINEKEN, Jonathan worked in East Africa from 1979 -1987 and Asia from 1987 - 2004. He joined Bralirwa Ltd in January 2012, after four years as the Managing Director of the HEINEKEN brewery in St. Lucia. He retired from HEINEKEN and Bralirwa Ltd on 1 September 2016.

3. 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 Brarudi 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.

Part of the HEINEKEN Company

Board of Directors (Continued)

4. Chantal MUBARURE

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.

5. George GAKUBA

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.

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. Since November 2015, he is the General Manager at Brasseries et Limonaderies du Burundi (Brarudi) SA.

Part of the HEINEKEN Company

Senior Management

1. Jonathan HALL

Former Executive Director/Vice Chairman of the Board and Managing Director

Jonathan HALL joined HEINEKEN in Asia in 1997, where he was Marketing Director at Asia Pacific Breweries. From 2000 - 2007, he was the Marketing Director in Ireland and Indonesia. Prior to joining HEINEKEN, Jonathan worked in East Africa from 1979 -1987 and Asia from 1987 - 2004. He joined Bralirwa Ltd in January 2012, after four years as the Managing Director of the HEINEKEN brewery in St. Lucia. He retired from HEINEKEN and Bralirwa Ltd on 1 September 2016.

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3. Sonia KUBWIMANA

Human Resource Director

Sonia KUBWIMANA joined Bralirwa Ltd in January 1995 as a Treasury Manager. She served in this position for eight years after which she moved to the position of Training and Development Manager within the HR Department. Sonia is currently the Human Resources Director of the Company since January, 2009. She holds a Bachelor's Degree in Economics and Administration from the National University of Burundi and is pursuing an MBA program from Maastricht School of Management (ESAMI).

Bralirwa

Part of the HEINEKEN Company

Senior Management (Continued)

4. 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.

5. 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.

6. 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.

Senior Management (Continued)

7. Daaf VAN TILBURG

Former Sales Director

Daaf VAN TILBURG Sales Director as of 15 April, 2013, joined Bralirwa Ltd in 2011 as Logistics Director. He started his career as project implementation manager within Lekkerland Nederland BV in 2004. In 2005, he joined HEINEKEN Group Supply Chain in Zoeterwoude in the role of Consultant Corporate Distribution and Logistics. In 2010, Daaf was Manager Inbound and Domestic Logistics within HEINEKEN Netherlands Supply. He holds a master degree in Science from Twente University in the Netherlands and a Professional Doctorate in Logistics from Eindhoven University in the Netherlands.

8. 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 of a Diploma in Brewing in 2016.

9. Josué PEÑALOZA QUISPE

Logistic 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).

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PART FOUR

NOTICE THE OF ANNUAL GENERAL MEETING

Coca-Cola
introducing
the new price
TASTE THE FEELING™
50cl
FRW
500
ONLY
30cl
FRW
350
ONLY
300ml
FRW
450
ONLY
Coca-Cola
CARBONATED SOFT DRINK
Fanta
ORANGE
Fanta
FIESTA
Fanta
CITRON
Sprite
Coca-Cola
ZERO
vitalo

Bralirwa
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Notice of the Annual Meeting

Notice is hereby given that the 7th annual general meeting of shareholders of Bralirwa Ltd as a listed Company will be held at Kigali Convention Centre on Wednesday 24th May 2017 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 2016;
6. Appointment of Directors;
7. Appointment of Independent Auditors.

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 the 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 24th May 2017

(b) DIVIDEND

The payment of a total cash dividend for 2016 of Rwf 1.00 (one Rwandan franc) per share of Rwf 5.00 (five Rwandan franc nominal value) will be proposed to the annual general meeting of shareholders on 24th May 2017

Please take note that the payment will be subject to a withholding tax. The books close date for Bralirwa Ltd shares will be 17th May 2017, 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 17th May 2017

Dated 31st March, 2017

By order of the Board
Godfrey KAMUKUNDE
Company Secretary

Proposed Resolutions

To the annual general meeting of shareholders of Bralirwa Ltd to be held on 24th May 2017

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 31st December 2016.

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 2016 audited financial statements.

RESOLUTION 3

CONSIDERATION AND APPROVAL OF FINANCIAL STATMENTS

The annual general meeting of shareholders considered and approved by ordinary resolution the Bralirwa Ltd 2016 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 2016 of Rwf 1,397,836,000 and received the recommendation of the Board of Directors to declare the total dividend of Rwf 1.00 per share.

The annual general meeting of shareholders approves and declares a dividend of Rwf 1.00 per share.

The annual general meeting of shareholders decides that the book close date is 17 May 2017 and the final dividend will be paid on 23 June 2017.

The annual general meeting of shareholders also decides to allocate the balance of the non-distributed net profit amounting to Rwf 0.36 per share to retained earnings.

RESOLUTION 5

DISCHARGE OF DIRECTORS AND AUDITORS FOR FINANCIAL YEAR 2015

The annual general meeting of shareholders discharges the members of the Board and the Auditors for the year 2016.

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. George GAKUBA
5. Mr. Jordi BORRUT BEL

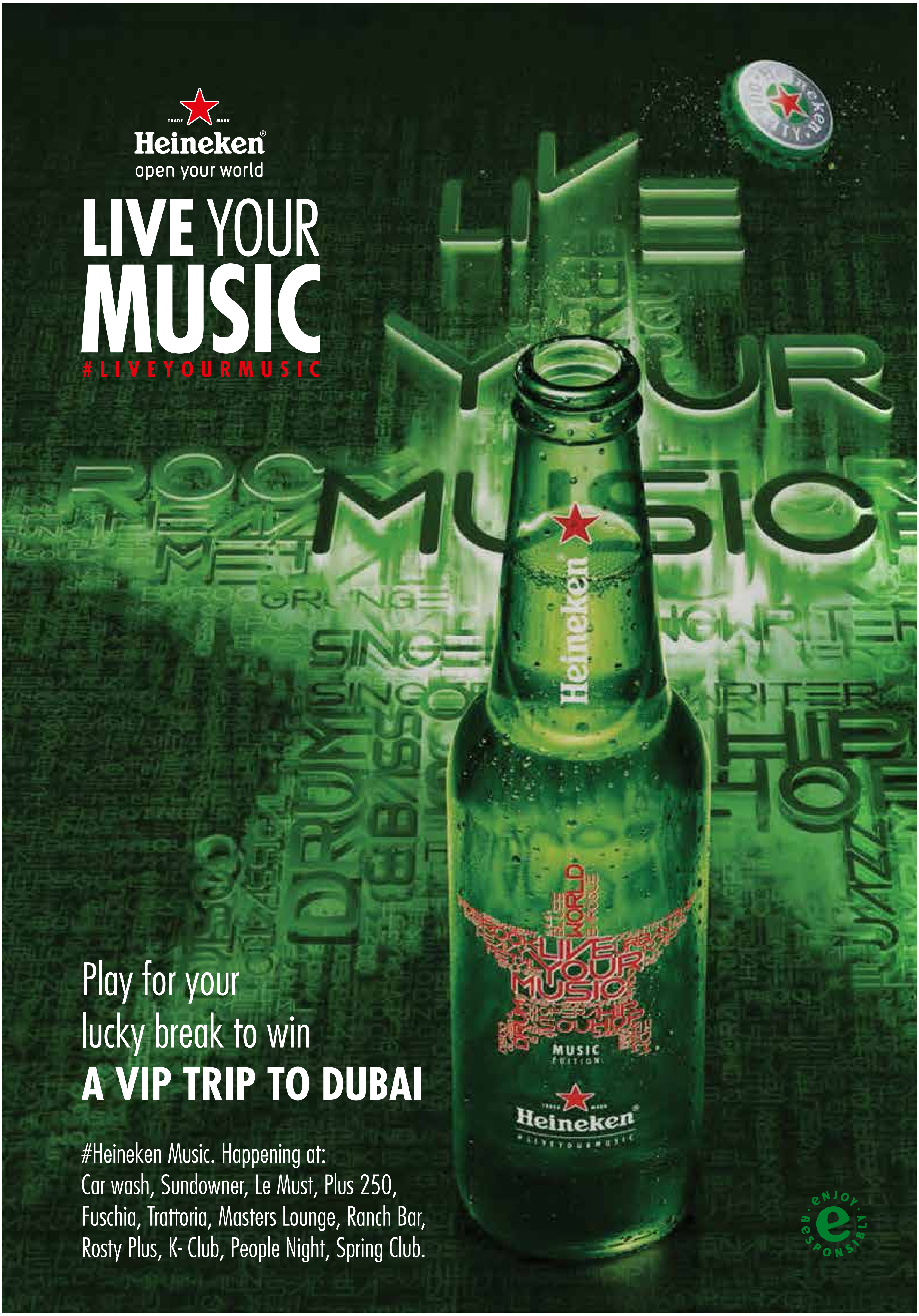
The annual general meeting of shareholders requests the Directors to elect the Chairman and the Vice Chairman among themselves. To this end, the annual general meeting of shareholders asks Mr. Boudewijn Haarsma to convene and chair the first meeting of new Board of Directors.

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.


TRADE MARK
Heineken®
open your world
LIVE YOUR
MUSIC
#LIVEYOURMUSIC
Play for your
lucky break to win
A VIP TRIP TO DUBAI
#Heineken Music. Happening at:
Car wash, Sundowner, Le Must, Plus 250,
Fuschia, Trattoria, Masters Lounge, Ranch Bar,
Rosty Plus, K- Club, People Night, Spring Club.
MUSIC EDITION
Heineken
ENJOY RESPONSIBLY

PART FIVE

DIRECTORS' REPORT

Directors' Report

1. Legal status of the company

Bralirwa Ltd is a public company limited by shares since 9th June 2010 incorporated in the Republic of Rwanda under the law no7/2009 of 27th 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 24 to 25.

The Directors submit their report together with the audited financial statements for the year ended 31st December 2016, which disclose the state of affairs of the Company.

2. Review of operations

Revenue showed sustained growth of 5.6% to Rwf 88.8 billion in 2016 from Rwf 84.1 billion in 2015, despite a slight decrease of our total sales volume by 1.4%. Our volumes were impacted by our soft drink price increase executed in August 2016 in a competitive market environment. This was the first price increase for our soft drinks portfolio in five years and the slight decrease in volumes was in line with expectations.

To compensate for the increase in fixed costs from operations, at a time when the currency depreciation is raising the raw material and other costs, Bralirwa Ltd had to pass on some of these costs through a price increase on its soft drinks portfolio. Despite lower volumes, driven by both affordability issues and a competitive market, Bralirwa Ltd managed to deliver revenue growth. Supported by strict cost management, Bralirwa Ltd mitigated the impact on results from operating activities.

Consequently, Bralirwa Ltd's results from operating activities declined by 7.0% from Rwf 13.0 billion to Rwf 12.1 billion and profit and total comprehensive income for the year 2016 declined by 80.3% from Rwf 7.1 billion to Rwf 1.4 billion, resulting in an earnings per share of Rwf 1.36.

The following is the summary of our results for the year ended 31 December 2016.

Rwf millions	2016	2015	% Change
Revenue	**88,799**	**84,088**	**5.6%**
Results from operating activities	**12,129**	**13,035**	**(7.0%)**
Net finance cost	(9,463)	(4,783)	97.8%
Profit before income tax	**2,666**	**8,252**	**(67.7%)**
Income tax expense	(1,268)	(1,146)	10.6%
Profit and total comprehensive income for the year	**1,398**	**7,106**	**(80.3%)**

Directors' Report (Continued)

3. Dividend

The Directors are recommending to the 7th annual general meeting of shareholders the declaration of a total dividend of Rwf 1.00 (2015: Rwf 5.00) 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 17th May 2017.

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 behaviour, 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 Bralirwa'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)

c) 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.

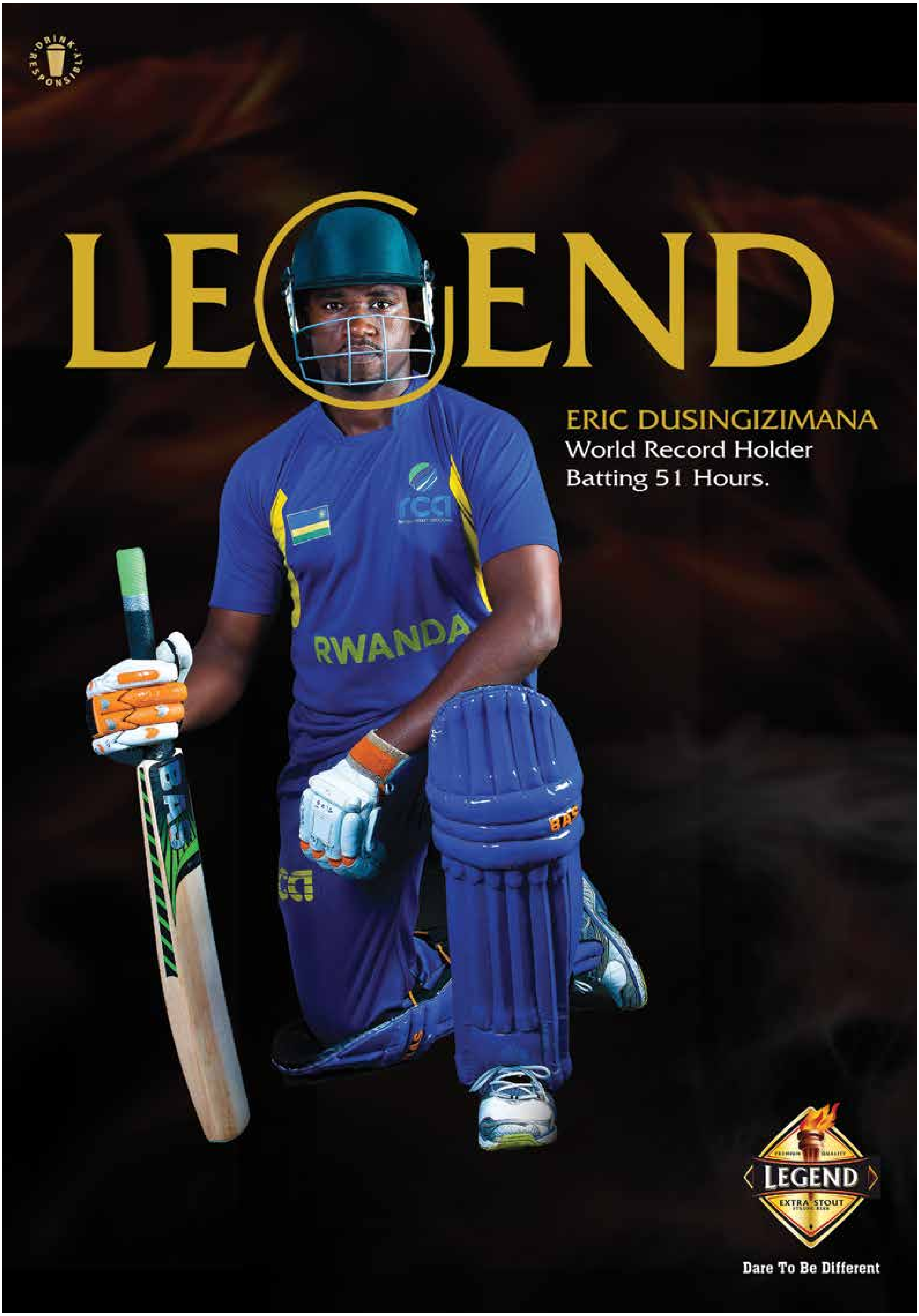
d) Management Committee

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 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 Security Board	99,655,600	Ordinary	9.69%
Rwanda Social Security Board	28,823,000	Ordinary	2.80%
CFC Stanbic Nominees Ltd A/C NR13303	26,492,500	Ordinary	2.58%
FRB ITF Investec Africa Fund	17,769,300	Ordinary	1.73%
CFC Stanbic Nominees Ltd A/C NR 4262756	16,971,500	Ordinary	1.65%
Frontaura Global Frontier Fund LLC	16,221,500	Ordinary	1.58%
Other shareholders	51,206,600	Ordinary	4.96%
Total	**1,028,570,000**	**Ordinary**	**100.00%**



DRINK RESPONSIBLY
LEGEND
ERIC DUSINGIZIMANA
World Record Holder
Batting 51 Hours.
RWANDA
LEGEND
EXTRA STOUT
Dare To Be Different

Directors' Report (Continued)

6. Our Brands

Mützig Lite & Beerfest

2016 was yet another resounding success for the Mützig brand. Mützig capitalized on its quality credentials and extended its draught beer reach into more outlets - The "Freshest Beer In Rwanda" reached more consumers. In 2016, Mützig was at the forefront of recognizing and exposing talent to Rwanda; from International Fashion Shows to local concerts. Furthermore, Mützig listened to the consumers who were clamouring for a lighter beer without compromising on Mützig's classic great taste; Mützig Lite was launched during the annual Mützig Beer Fest. This year thousands of revelers turned up to see Africa's biggest headlining star Wizkid grace the Mützig stage with an unforgettable performance.

Turbo King & CHAN

Turbo King got behind all hard working Rwandans as they hosted the CHAN 2016 tournament and also got behind the National Team, Amavubi. Turbo King was more than rewarded by the display from the Amavubi team as they battled through the qualifying stages before succumbing to the eventual winners in the Quarter Finals. Rwanda was recognized for our hospitality, our organization and spirit. The Real Man's reward.

Directors' Report (Continued)

Primus Guma Guma Superstar 6

Primus Guma Guma Superstar's platform to shine a light on Rwandan artists and connect them to their fans countrywide entered its 6th season. The selected artists embarked on roadshows across the country taking the show and enjoyment to millions of Primus lovers nationwide. Urban Boys became the first 'group' to win Primus GumaGuma Super Star.

Innovations

There were further innovations in our Coca-Cola range as the newly installed PET line was fired up, offering a convenience package for our consumers in 3 different sizes 30cl, 50cl and 1.5L. A returnable glass 50cl Coke Bottle was also introduced. In November, Huza (an affordable medium strength lager) was launched into the market and has been well received as a beer made in Rwanda for Rwandans. The perfect beer to relax with after your day is done!

Directors' Report (Continued)

Legend

And finally our Stout brand Legend recognized that no matter your background, no matter how humble your beginnings, there is a Legend in all of us. Rwanda's cricket captain and Legend Ambassador Eric Dusingizimana demonstrated true strength of mind and character to break the World Record for longest continuous batting.

Directors' Report (Continued)

7. Our Sales

In 2016 we focused on a number of key initiatives including winning with consumers in every outlet and every occasion. We continued to build our sales capability and empowering our sales force with progressive trade execution support technology. We further built platforms that ensured we strengthened our partnership with distributors and outlet owners. Our trade partners remain a key pillar of our successful sales model.

We launched and increased the pervasive distribution of our brands in the premium and value segments. Our consumer activation in the mainstream segment remained strong and continued to improve throughout the year. In a competitive market we invested further in the visibility and availability of our brands.

We built a strong and capable sales force in order to continue improving our capacity to compete. Our people are empowered even more with the right tools and support to continue winning together with our trade partners. Our sales people remain a critical part of our success in the market place.

We expanded our sales footprint beyond the Rwandan borders into the Democratic Republic of Congo (DRC) through our soft drinks business. Our PET (Polyethylene Terephthalate) bottles were critical in expanding this sales footprint. Our world class soft drink plant continues to provide us opportunities to further expand our sales footprint within and beyond our borders.

Directors' Report (Continued)

8. Our Production

Over the year 2016 Bralirwa Ltd has finalized an investment wave in Gisenyi for increased and sustained capacity for its future generations. In June an ultra-modern glass bottling line was started up in a new packaging hall, since then this line has been bottling the highest quality beers for the Rwandan consumers. Over the year a larger and more advanced water treatment project was initiated, aimed to cope with the increased capacity and at the same time keep filtering product water to its purest natural form. After a period of substantial efforts in getting all permits, the project to build the waste water treatment plant has passed its first out of three construction phases. In 2017 this large project continues, to be finalized in the beginning of 2018.

In 2016 the Kigali soft drink plant has started up a new packaging line to produce and fill PET bottles. In total 16 new selling units were launched into the market, providing the consumer with more choice and convenience.

As in every modernization, an investment in equipment is done in parallel with a continuous investment in employees' capabilities & skills. Machine Operators and Technicians have been trained in- and outside Rwanda by specialists, allowing them to operate and maintain machines efficiently and safe.

In both production sites a new advanced maintenance system was launched (Maximo), optimizing planning and execution of maintenance activities and keeping spare parts.

Most of 2016 investments were aimed at increasing Bralirwa Ltd's product portfolio and supply capacity while further improving water and energy consumption. In this way Bralirwa Ltd is able to keep satisfying the consumer's needs while 'brewing' a more environmental sustainable future.

In August 2016 the Kigali soft drink operations received the HEINEKEN AMEE Regional Supply Chain Award for its best regional performance shown in 2015, a clear message that Bralirwa Ltd's operations are moving towards World Class.

Directors' Report (Continued)

9. Our Logistics

Bralirwa Ltd has a strong commitment with safety as the main priority. In that way, annual trainings are held to continue training our transporters and further reduce our accidents on the road. Additionally, we have introduced a GPS fleet management system to help us in the prevention of accidents via continuous feedback from our transporters.

2016 has been a good year for our local sourcing strategy. Our consumption of local raw materials has increased to around 10%. Part of this increase has been possible via strengthening our current supply chain via developing the agribusiness in Rwanda with the CREATE project, focused on small farm holders, and in our joint-venture irrigated farm (BRAMIN). It is also in BRAMIN where we are testing new crops with the aim of increasing the percentage of local raw materials in our recipes. Bralirwa Ltd has also worked together with the COMESA Business Council (CBC) to develop new suppliers in Africa. As a result of this, we have been recognized in the last meeting of the CBC in Lusaka for our contribution to the Local Sourcing for Partnership Program (LSP).

On the side of packaging materials, we have developed more EAC suppliers and they are consistently meeting our demands. This has given us flexibility and important cost savings. This strategy has enabled us to start with all our PET packaging materials locally sourced from the EAC region. At the end of 2016, we started working with a local supplier to produce secondary packaging materials for our PET line.

Bralirwa Ltd also started exporting its new PET products to Goma (DRC) via the development of a local distributor, which has set the basis for our export ambition for the coming years.

Since the beginning of 2016, Bralirwa Ltd consistently exported broken glass to Tanzania using the current empty trucks' flow to Dar es salam partly supporting KIOO Ltd (glass manufacturer) to get a sustainable source of raw material for glass manufacturing.

Continuing with this recycling approach, we have started to work with strategic partners in order to develop a sustainable PET recycling chain in the country that we expect to introduce this year. Our supplier collaboration approach has enabled us develop strategic alliances with our local suppliers to optimize our key supply chains and continue supporting the local industry. This has translated into a more flexible and cost-efficient process and has at the same time facilitated the expansion of our Rwandan supplier base.

Finally, productivity has also been one of the priorities of Logistics and Purchasing. This priority is focused on developing our people to strengthen our processes to let us do more with less. In that sense, in 2015 and 2016, we have managed to increase our productivity by 40% per annum.

Directors' Report (Continued)

10. Our Organisation, Our People

In 2016, focus was put on driving a high performance culture through the roll-out of High Performing Teams workshops to various levels of the organisations. This resulted in different initiatives and activities planned throughout the year to encourage our teamwork and drive to win.

Further reorganisation was also involved as we continued to modernise our Company. This included recruitment of new staff, but also addressing inefficiencies through outsourcing of activities non-core to the business.

We continued to put effort on developing the capabilities of our people in various functions. A new initiative was set up in the Production department by taking all Production staff through a full competency assessment which formed the basis of their development plans. For our shop floor employees the roll-out of the People Set Up programme was initiated which will contribute to their performance in their current and future roles. At manager level we continued the First Line Managers programmes in the Commerce and Supply Chain functions.

As a member of the HEINEKEN Company, considerable benefit is gained from a wide range of training opportunities 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

Social Investments

Leveraging partnerships to unlock community development potentials

In 2016, Bralirwa Ltd and The Coca-Cola Company joined their efforts to develop a social enterprising model, involving tri-sector partnership of civil society, public sector and business. The partnership included Ericson, Medshare, Pentair, Solar kiosk, Philips, The Coca-Cola Company, Tigo-Rwanda and the government; all together came to develop the EKOCENTER and the resulting infrastructure is a complex facility that brought multi-faceted development to the village. The project stands to benefit up to 25,000 residents of Ruhunda Cell, Gishari Sector in Rwamagana district; with access to facilities such as an upgraded and equipped health center, 3G WiFi-enabled internet, a purified water collection center, mobile charging services, a retail store and a fully lit football pitch. EKOCENTERS are social enterprising initiative aimed at bringing technological advancement and infrastructure developments to remote areas of the world where they would otherwise take longer to reach.

Very high authorities including H.E Paul Kagame the President of the Republic of Rwanda, Ahmet Muhtar Kent, the Chairman and CEO of The Coca-Cola Company and the Renowned American civil rights activist, Baptist minister and politician, Rev. Jesse Louis Jackson, attended the inauguration of the project.

Bralirwa Ltd and HEINEKEN Africa Foundation project for oral health affordable to rural Rwandans

With an objective of upgrading dental health in Gicumbi District, the HEINEKEN Africa Foundation funded a project that improved access to affordable and quality oral healthcare. Not only for the district of Gicumbi, but also for neighboring districts of Rwamagana, Rulindo, Gasabo and Gatsibo. The project strongly emphasizes on transferring skills from local and foreign dental health specialists to not only the district hospital staff but also to therapists in health centers for select sectors of the district. All with the objective of getting services closer to the people and making them affordable. Combining beneficiaries from all health centers with those from the dental clinic at Byumba district hospital, close to 14,521 people have benefited from improved dental healthcare services in hardly two years. The impact that the project has had particularly, is building the capacity of the clinic at the district hospital both through skills transfer and provision of modern equipment.

Directors' Report (Continued)

11. Our Corporate Social Responsibility (Continued)

AWARDS

AMEE Supply Chain Award

Bralirwa Ltd, committed to continually obtain and maintain the internal and external quality standard with regards to its core value "Passion for Quality". In 2016, Bralirwa Ltd scooped the "HEINEKEN AMEE Supply Chain Award" through a competitive process involving close to 40 other HEINEKEN Group plants in Africa for its commitment and efforts toward operational efficiency (consumption of utilities), environmental friendliness and quality. Thanks to the investment in new state of the art equipment especially the automated assembly line, the milestone resulted from significant improvements in the knowledge and skills of the plant's human resource.

Resource Efficient and Clean Production Awards

In line with the Brewing a better World program, Bralirwa Ltd was rewarded by the Ministry of Trade, Commerce and Industry as the winner of Overall Corporate RECP Award (Resource efficient and clean production). The program aimed at preventing the environmental strategy that addresses low production and high pollution intensity of industries in order to reduce costs of production, increasing environmental performance through minimization of waste and competitiveness recognition for efficient water usage, material & solid waste management as well as waste water management.

Brewers Unite with Government, NGOS, employees and retailers to promote responsible drinking

In September 2016, Bralirwa Ltd joined HEINEKEN and other brewers to celebrate Global Beer Responsibility Day. To celebrate moderation, Bralirwa Ltd and other partners including Rwanda National police and the government, initiated different activities aiming at discouraging drunk-driving and underage drinking hence encouraging consumers of our brands to enjoy in moderation.

Bralirwa
Part of the HEINEKEN Company

Directors' Report (Continued)

12. Independent Auditors

The auditors, Deloitte Rwanda Ltd, were appointed on 25th May 2016 and the Board is proposing to the annual general meeting of shareholders to re-appoint them as Bralirwa Ltd's auditors for one year.

Dated the 31st March, 2017

For the Board of Directors

Boudewijn HAARSMA	Victor MADIELA
Chairman of the Board	Vice Chairman of the Board

Bralirwa
Part of the HEINEKEN Company

PART SIX

BRALIRWA STATEMENT OF FINANCIAL ACCOUNTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Law No. 07/2009 of 27th April 2009 relating to 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. 07/2009 of 27th April 2009 relating to 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. 07/2009 of 27th April 2009 relating to 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 31st December 2016 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 Rwandan Law No. 07/2009 of 27th April 2009 relating to 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 24 March 2017 and were signed on its behalf by:

_____________________________	_____________________
Boudewijn HAARSMA	Victor MADIELA
Chairman of the Board	Vice Chairman of the Board

Deloitte.

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REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Brasseries et Limonaderies du Rwanda (Bralirwa) Limited, set out on pages 57 to 93 which comprise the statement of financial position as at 31 December 2016, 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 Brasseries et Limonaderies du Rwanda (Bralirwa) Limited (the Company) as at 31 December 2016, 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. 07/2009 of 27 April 2009 relating to 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.

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REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Key Audit matters (Continued)

Key Audit Matter: Deposit liability for returnable packaging material

Included under trade and other payables in note 26 to the financial statements is an amount of Rwf 14,786,577,000 relating to deposit on returnable packaging material. The balance has been accumulated over many years and there are no detailed listings of individual customers that the balances are due to. To assess if the balance is fairly stated, the Directors make significant estimates and judgement.

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 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.

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

How the matter was addressed in the Audit

Our audit procedures to assess the Directors estimates and judgement on the balance for deposit liability for returnable packaging material in response to the risks included the following:

- We reviewed the reconciliation for the estimate of the deposit liability for returnable packaging material.
- We evaluated and challenged the reasonableness of the methods and assumptions the Directors used to come up with the estimate and whether the methods for calculating such allowances are applied consistently.
- We reviewed the data on the finished goods turnover period to check reasonableness of the circulation time for the returnable packaging material.
- We reviewed the purchases of the returnable packaging material over the last eight years and the reasonableness of the liability against prior period’s Directors estimate.

We concluded that adequate disclosure had been made by the Directors pertaining to judgement and estimates of the deposit liability for returnable packaging material in note 4 to 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’, which is expected to be made available to us after that date. 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.

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REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

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.07/2009 of 27 April 2009 relating to 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.

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.

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REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BRASSERIES ET LIMONADERIES DU RWANDA (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 the Law no. 07/2009 of 27 April 2009 relating to companies which requires that in carrying out our audit, we consider and report to you on the following matters. We confirm that:

- We have no relationship, interests and debts in the Company;
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for purposes of the audit;
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
- We have communicated to the Directors through the management letter, internal control weaknesses identified in the course of our audit including our recommendations with regards to those matters.

For: Deloitte Rwanda Limited

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

____

David WAWERU

Director

Signed at Kigali on 31st March 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 December, 2016

	Notes	2016 Rwf'000	2015 Rwf'000
Revenue	8	**88,798,803**	**84,087,746**
Cost of sales		(63,122,897)	(57,912,179)
Gross profit		**25,675,906**	**26,175,567**
Other income	9	1,533,887	3,305,268
Selling and distribution expenses		(4,389,470)	(4,682,360)
Administrative expenses		(10,691,906)	(11,451,543)
Other operating expenses		-	(311,887)
Results from operating activities	10	**12,128,417**	**13,035,045**
Finance income		1,638,108	3,532,323
Finance costs		(11,100,743)	(8,315,727)
Net finance cost	12	**(9,462,635)**	**(4,783,404)**
Profit before income tax		**2,665,782**	**8,251,641**
Income tax expense	13	(1,267,946)	(1,145,942)
Profit after tax		**1,397,836**	**7,105,699**
Other Comprehensive income			
Total comprehensive income for the year		**1,397,836**	**7,105,699**
Basic earnings per share – Rwf	22	**1.36**	**6.91**

The notes on pages 61 to 93 are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 December, 2016

Assets	Notes	2016 Rwf 000	2015 Rwf'000
Non-current assets			
Property, plant and equipment	14	88,000,707	84,752,894
Intangible assets	15	254,240	217,242
Investments in associate	16	9,224	9,224
Receivables from related parties - principal	30(d)	1,490,338	1,988,060
Receivables from related parties - unearned interest	30(d)	2,509,662	2,011,940
Total non-current assets		**92,264,171**	**88,979,360**
Current assets			
Inventories	18	22,097,045	19,007,653
Receivable from related parties	30(d)	2,607,971	1,415,888
Trade and other receivables	19	8,003,120	7,131,345
Tax recoverable	13(b)	3,712,758	4,280,420
Bank and cash balances	20	3,055,250	2,067,897
Total current assets		**39,476,144**	**33,903,203**
Total assets		**131,740,315**	**122,882,563**
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		24,338,553	28,083,516
Total equity		**31,638,250**	**35,383,213**
Non-current liabilities			
Loans and borrowings	23	29,401,716	20,412,918
Deferred tax liability	25	7,582,451	6,406,552
Total non-current liabilities		**36,984,167**	**26,819,470**
Current liabilities			
Loans and borrowings	23	17,226,825	18,652,399
Payable to related parties	30(d)	11,031,930	4,863,873
Trade and other payables	26	34,859,143	37,163,608
Total current liabilities		**63,117,898**	**60,679,880**
Total liabilities		**100,102,065**	**87,499,350**
Total equity and liabilities		**131,740,315**	**122,882,563**

The Board of Directors approved the financial statements set out on pages 57 to 93 on 24th March 2017 and were signed on its behalf by:

Boudewijn HAARSMA
Chairman of the Board

Victor MADIELA
Vice - Chairman of the Board

The notes set out on pages 61 to 93 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 December, 2016

	Notes	Share capital Rwf 000	Share premium Rwf 000	Other reserves Rwf 000	Retained earnings Rwf 000	Total equity Rwf 000
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
Transactions with owners, recognised directly in equity	21	-	-	-	(5,142,799)	(5,142,799)
Total transactions with owners		-	-	-	(5,142,799)	(5,142,799)
Balance at 31st December 2016		5,142,850	84,857	2,071,990	24,338,553	31,638,250
1st January 2015		5,142,850	84,857	2,071,990	28,692,092	35,991,789
Profit after tax		-	-	-	7,105,699	7,105,699
Transactions with owners, recognised directly in equity Dividends paid in the year of 2015		**-**	**-**	**-**	**(7,714,275)**	**(7,714,275)**
Total transactions with owners		-	-	-	**(7,714,275)**	**(7,714,275)**
Balance at 31 December 2015		**5,142,850**	**84,857**	**2,071,990**	**28,083,516**	**35,383,213**

The notes on pages 61 to 93 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 December, 2016

	Notes	2016 Rwf'000	2015 Rwf'000
Operating activities			
Profit before tax		2,665,782	8,251,641
Adjustments for:			
Interest income		-	(5,936)
Interest expense	12	4,672,534	4,825,546
Foreign exchange difference on loans	23	2,813,818	356,958
Depreciation	14	11,305,493	8,575,954
Amortization of intangible assets	15	88,222	25,845
Gain on sale of property, plant, and equipment.	9	(25,717)	(288,148)
		21,520,132	**21,741,860**
Changes in working capital			
Changes in trade and other receivables	19	(871,775)	1,206,017
Changes in related party balances	30(d)	4,975,974	706,688
Changes in inventories	18	(3,089,392)	(1,099,618)
Changes in trade and other payables	26	(2,304,465)	1,329,441
Cash generated from operating activities		**20,230,474**	**23,884,388**
Income tax received/(paid)	13(b)	567,662	(1,620,367)
Net cash flow from operating activities		**20,798,136**	**22,264,021**
Interest income	12	-	5,936
Proceeds from sale of property, plant, and equipment	14	230,656	589,632
Purchase of property, plant and equipment	14	(14,910,956)	(27,212,723)
Purchase of intangible assets	15	(64,556)	(243,087)
Net cash used in investing activities		**(14,744,856)**	**(26,860,242)**
Cash flow financing activities			
Repayment of loans and borrowings	23	7,650,546	12,514,117
Proceeds from loans and borrowings	23	(1,295,267)	(1,139,047)
Dividends paid	21	(5,142,799)	(7,714,275)
Interest expenses	12	(4,672,534)	(4,825,546)
Net cash flows used in financing activities		**(3,460,054)**	**(1,164,751)**
Net increase/(decrease) in cash and cash equivalents		**2,593,226**	**(5,760,972)**
Cash and cash equivalents at 1st January		(15,289,455)	(9,528,483)
Cash and cash equivalents as at 31st December	20	**(12,696,229)**	**(15,289,455)**

The notes on pages 61 to 93 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016

1. Reporting entity

Brasseries et Limonaderies du Rwanda (Bralirwa) Limited is incorporated in Rwanda under the Law No. 07/2009 of 27th April 2009 relating to 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 other alcoholic 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)

2.1 New and revised IFRSs in issue but not yet effective

IFRS 15	Revenue from Contract with Customers (and the related Clarifications) [2]
IFRS 16	Leases[3]
Amendment to IAS 7	Disclosure Initiative[1]
Amendment to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]

[1] Effective for annual periods beginning on or after 1st January 2017, with earlier application permitted.

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

[3] Effective for annual periods beginning on or after 1st January 2019, with earlier application permitted.

[4] Effective for annual periods beginning on or after a date to be determined.

The Company plans to apply the above IFRSs initially on the respective effective dates.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which 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' of 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. The effect of the adoption of IFRS 15 is not expected to have a significant impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

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

2.1 New and revised IFRSs 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 lessees. 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.

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 principal 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 2016, 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.

Amendments to IAS 7 Disclosure Initiative

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.

Amendments to IAS 7 Disclosure Initiative

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;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

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

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

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

The amendments clarify the following:

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.

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.

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. 07/2009 of 27 April 2009 relating to 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 and 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.

3. Summary of significant accounting policies (Continued)

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.

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	20-25 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.

3. Summary of significant accounting policies (*Continued*)

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.

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. 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.

3. Summary of significant accounting policies (Continued)

j. Impairment (continued)

(i) Financial assets (continued)

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 financial assets measured at amortized cost, the reversal is recognized in the profit or loss.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

3. Summary of significant accounting policies (Continued)

k. Employee benefits (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

3. Summary of significant accounting policies (Continued)

n. Lease payments

Operating 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.

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 and diluted 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.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares, which comprise share rights granted to employees.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

3. Summary of significant accounting policies (Continued)

s. Comparatives

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

t. Financial instruments

(i) Classification

A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The Company classifies its financial instruments into the following categories: financial assets or financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

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.

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 of market place.

All recognised financial assets are subsequently measured in their entirely at either amortised cost.

(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.

Loans and borrowings
Loans and borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

3. Summary of significant accounting policies (Continued)

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.

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.

(v) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular 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.

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

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, 2016 (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:

	2016 Rwf'000	2015 Rwf'000
Cash and bank balances (Note 20)	3,055,250	2,067,897
Trade receivables (Note 19)	7,752,877	6,242,705
Other receivables (Note 19)	250,243	888,640
Equity investment (Note 16)	9,224	9,224
Receivables from related companies (Note 30(d))	6,607,971	5,415,888
	17,675,565	**14,624,354**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

5. Financial risk management objectives and policies (*Continued*)

(a) Credit risk (Continued)

The ageing of trade receivables at the reporting date was:

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
Related party receivables (Note 19)	**8,166,495**	**(413,618)**	**7,752,877**

2015	Gross Rwf'000	Impaired Rwf'000	Net Rwf'000
Current			
0 – 30 days	2,591,457	-	2,591,457
31 – 120 days	1,440,295	-	1,440,295
120 days and above	2,401,905	(190,952)	2,210,953
Related party receivables (Note 19)	**6,433,657**	**(190,952)**	**6,242,705**

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

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
Related party receivables (Note 30 (d))	**6,607,971**	**-**	**6,607,971**

2015	Gross Rwf'000	Impaired Rwf'000	Net Rwf'000
Current			
0 – 30 days	1,415,888	-	1,415,888
31 – 120 days	-	-	-
120 days and above	4,000,000	-	4,000,000
Related party receivables (Note 30 (d))	**5,415,888**	**-**	**5,415,888**

The ageing of trade 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**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

5. Financial risk management objectives and policies (*Continued*)

(a) Credit risk (Continued)

The ageing of trade receivables at the reporting date was:

2015	Gross Rwf'000	Impaired Rwf'000	Net Rwf'000
Current			
0 – 30 days	888,640	-	888,640
31 – 120 days	-	-	-
120 days and above	520,022	(520,022)	-
Trade receivables (Note 19)	**1,408,662**	**(520,022)**	**888,640**

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:

	2016 Rwf'000	2015 Rwf'000
Balance at 1 January	710,974	657,866
Provisions in the year	158,825	53,108
Balance at 31st December	**869,799**	**710,974**

(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 29.2 billion (2015: Rwf 25.2 billion) and are repayable on demand. The banking facilities limits comprise of bank overdraft Rwf 25.2 billion and letters of credit Rwf 4.0 billion. See note 28 for utilisation of these facilities.

The table in the following page 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, 2016 (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
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
Cash and cash equivalents	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	20,072,586	20,072,586	-	-
Payable to related companies	11,031,930	3,698,246	7,333,684	-
Total financial liabilities	**77,733,057**	**40,259,984**	**8,071,357**	**29,401,716**
Net liquidity gap	**(60,066,716)**	**(34,167,168)**	**(5,463,386)**	**(20,436,162)**
2015				
Assets				
Receivables from related parties	5,415,888	1,415,888	-	4,000,000
Trade and other receivables	7,131,345	4,268,055	2,863,290	-
Cash and cash equivalents	2,067,897	2,067,897	-	-
Total financial assets	**14,615,130**	**7,751,840**	**2,863,290**	**4,000,000**
Liabilities				
Loans and borrowings	21,707,965	647,523	647,524	20,412,918
Bank Overdraft	17,357,352	17,357,352	-	-
Trade payables	22,193,450	22,193,450	-	-
Payable to related companies	4,863,873	4,863,873	-	-
Total financial liabilities	**66,122,640**	**45,062,198**	**647,524**	**20,412,918**
(Net liquidity gap)	**(51,507,510)**	**(37,310,358)**	**2,215,766**	**(16,412,918)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (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 table in the following page summarises the company's exposure to foreign currency risks:

	31 December 2016		31 December 2015	
	Euro	US$	Euro	US$
	Rwf'000	Rwf'000	Rwf'000	Rwf'000
Cash and cash equivalents	1,559,816	220,930	86,763	168,447
Related party balances	(9,542,755)	174,903	(4,604,033)	1,184,634
Trade and other payables	(2,078,543)	(5,142,634)	(2,238,794)	(2,829,180)
Net exposure	**(10,061,482)**	**(4,746,801)**	**(6,756,064)**	**(1,476,099)**

The following exchange rates were applied during the year:

	Average rate		Reporting date Spot rate	
	2016	2015	2016	2015
Euro	860.08	798.99	868.60	817.10
USD	819.79	719.96	827.91	747.41

Sensitivity analysis on foreign currency rates

A 10 percent movement of the Rwandan Franc against the following currencies at 31 December 2016 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. The analysis is performed on a 5 percent basis for 2015.

Effect in thousands Rwanda Francs	Income statement	
	2016	2015
	Rwf' 000	Rwf' 000
Euro		
+ 10%/5% Rwf Movement	1,006,148	337,803
- 10%/5% Rwf Movement	(1,006,148)	(337,803)
USD		
+ 10%/5% Rwf Movement	474,680	73,805
- 10%/5% Rwf Movement	(474,680)	(73,805)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

5. Financial risk management objectives and policies (Continued)

(c) Market risk (continued)

(ii) 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.

	2016 Rwf' 000	2015 Rwf' 000
Fixed rate instruments		
Bank and cash balances	30,877,062	21,707,965
Variable rate instruments		
Bank overdrafts	15,751,479	17,357,352

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

A 5% increase/decrease in interest rates in the bank overdraft at amortised cost would have reduced or increased the pre-tax profit by Rwf 787,573,950 (2015: Rwf 867,867,600)

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	2016 Rwf' 000	2015 Rwf' 000
Loans and borrowings	46,628,541	39,065,317
Bank and cash balances	(3,055,250)	(2,067,897)
Net debt	**43,573,291**	**36,997,420**
Equity	**31,638,250**	**35,383,213**
Gearing (Net debt/Equity)	**138%**	**105%**

Management is aware of the gearing ratio level which is caused by heavy investments made in the last five years. 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;
- Repayment of IFC and Intercompany loan starting from March 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

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
- *Soft drinks:* Includes purchasing, manufacturing, sale and distribution of soft drinks

Year ended 31 December 2016	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/amortisation	(7,417,259)	(3,976,456)	(11,393,715)
Profit before income tax	2,617,677	48,105	2,665,782
Income tax expense	(1,245,066)	(22,880)	(1,267,946)
Profit for the year	**1,372,611**	**25,225**	**1,397,836**
Year ended 31 December 2015			
Revenue	**61,429,035**	**22,658,711**	**84,087,746**
Operating profit	9,021,490	4,013,555	13,035,045
Net finance cost	(3,310,571)	(1,472,833)	(4,783,404)
Depreciation/amortisation	(5,961,220)	(2,640,579)	(8,601,799)
Profit before income tax	5,710,920	2,540,721	8,251,641
Income tax expense	(793,101)	(352,841)	(1,145,942)
Profit for the year	**4,917,819**	**2,187,880**	**7,105,699**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

7. Segment reporting (Continued)

The segment assets and liabilities at 31 December 2016 and capital expenditure for the period then ended are as follows:

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

Year ended 31 December 2015	Beer	Soft Drink	Total
Assets	83,021,500	35,580,643	118,602,143
Liabilities	56,764,959	24,327,839	81,092,798
Capital expenditure:			
(i) Additions to property, plant and equipment	19,048,906	8,163,817	27,212,723
(ii) Additions to intangible assets	170,161	72,926	243,087

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

	2016 Rwf'000	2015 Rwf'000
Net turnover		
- Beer	65,318,077	61,429,035
- Soft drinks	23,480,726	22,658,711
	88,798,803	**84,087,746**

9. Other income

Transport income less distribution expenses	936,932	1,716,028
Miscellaneous income	571,238	1,301,092
Net gain on sale of property, plant and equipment	25,717	288,148
	1,533,887	**3,305,268**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

10. Results from operating activities

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

	2016 Rwf'000	2015 Rwf'000
Depreciation on property, plant and equipment (Note 14)	11,305,493	8,575,954
Amortization of Intangible assets (Note 15)	88,222	25,845
Raw materials and other consumables	28,396,100	32,609,047
Personnel expenses (see Note 11)	13,739,001	12,333,506
Auditors' remuneration	50,848	27,512

b) Directors remuneration:

	2016 Rwf'000	2015 Rwf'000
Non-executive directors	39,233	41,417
Executive director	710,665	354,081
	749,898	**395,498**

11. Personnel costs

	2016 Rwf'000	2015 Rwf'000
The following items are included within staff costs:		
Salaries and wages	9,393,778	8,221,983
Contributions to defined contribution scheme	203,234	179,284
Contributions to Rwanda Social Security Board (RSSB)	712,218	783,534
Share based payments	21,014	13,457
Other staff costs	3,408,757	3,135,248
	13,739,001	**12,333,506**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

12. Net finance costs

	2016 Rwf'000	2015 Rwf'000
Finance costs:		
Foreign exchange losses	6,428,209	3,490,181
Interest expense	4,672,534	4,825,546
	11,100,743	**8,315,727**
Finance income:		
Foreign exchange gains	(1,638,108)	(3,526,387)
Interest income	-	(5,936)
	(1,638,108)	**(3,532,323)**
Net finance cost	**9,462,635**	**4,783,404**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

13. Income Tax Expense

	2016 Rwf'000	2015 Rwf'000
a. Income tax	**-**	**917,428**
Prior year under/(over) provision	-	(420,902)
Tax penalties from uncertain tax position	92,047	-
	92,047	**496,526**
Deferred income tax		
Deferred tax charged - (note 25)	1,162,518	2,722,807
Prior year over provision - (note 25)	13,381	(2,073,391)
	1,175,899	**649,416**
Income tax expense	**1,267,946**	**1,145,942**

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:

Tax recoverable	2016 Rwf'000	2015 Rwf'000
Profit before income tax	2,665,782	8,251,641
Tax calculated at the statutory income tax rate of 30%	799,734	2,475,492
Tax credit	-	(65,531)
Expenses not deductible for tax purposes	383,654	1,230,268
Prior year under/(over) provision	84,558	(2,494,287)
Income tax expense	**1,267,946**	**1,145,942**

b. Tax recoverable		
At 1 January	4,280,420	3,156,579
Income tax charge for the year	-	(496,526)
Tax paid during the year	-	1,620,367
Tax recoveries for the year	(567,662)	-
As at December 31	**3,712,758**	**4,280,420**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

14. Property plant and equipment

2014	Land and Buildings Rwf '000'	Plant and Equipment Rwf '000'	Furniture and Fittings Rwf '000'	*Commercial Assets Rwf '000'	Motor vehicles Rwf '000'	Capital Work in progress Rwf '000'	Returnable packaging Rwf '000'	Total Rwf '000'
Cost								
Balance at 1 January 2015	**5,113,471**	**38,670,169**	**10,935,441**	-	**7,276,996**	**14,622,844**	**27,264,228**	**103,883,149**
Additions	90,495	236,375	464,119	31,467	1,900,320	23,053,105	1,436,842	27,212,723
Transfers	(152,451)	11,448,212	(5,555,225)	8,779,956	4,381	(18,777,583)	4,252,710	-
Disposals	-	(40,548)	(38,262)	-	(1,801,881)	-	(204,802)	(2,085,493)
Adjustments	(406,127)	446,336	(3,099)	(71,790)	62,282	(18)	171,602	199,186
At 31 December 2015	**4,645,388**	**50,760,544**	**5,802,974**	**8,739,633**	**7,442,098**	**18,898,348**	**32,920,580**	**129,209,565**
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)
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**
Depreciation								
At 1 January 2015	1,934,321	10,393,921	6,961,289	-	3,736,011	-	14,439,996	37,465,538
Charge for the year	592,535	2,759,890	1,203,814	600,788	2,138,559	17	1,280,351	8,575,954
Transfers	-	-	(4,144,705)	4,144,705	-	-	-	-
Disposals	-	(3,727)	(16,515)	-	(1,573,224)	-	(190,541)	(1,784,007)
Adjustments	(590,200)	604,775	95,906	(69,055)	(13,856)	(17)	171,633	199,186
As at 31 December 2015	**1,936,656**	**13,754,859**	**4,099,789**	**4,676,438**	**4,287,490**	**-**	**15,701,439**	**44,456,671**
Balance 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)
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**
Net book value 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**
At 31 December 2015	**2,708,732**	**37,005,685**	**1,703,185**	**4,063,195**	**3,154,608**	**18,898,348**	**17,219,141**	**84,752,894**

*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.

Fully depreciated assets at an original cost of Rwf 25,181,237,953 (2015: Rwf 15,485,067,006) are still in use.

Of the total transfers amount of Rwf 162,394,000, Rwf 60,664,000 was transferred to intangible assets (Note 15) and the remainder was expensed.

There are no assets pledged as security for liabilities (2015: Rwf 0).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

15. Intangible assets

Cost	2016 Rwf'000	2015 Rwf'000
Balance at 1 January	957,895	709,732
Additions	64,556	243,087
Adjustment	21,425	5,076
Transfers from property plant and equipment	60,664	-
Balance at 31 December	**1,104,540**	**957,895**
Amortisation and impairment loss		
Balance at 1 January	740,653	709,732
Amortization for the year	88,222	25,845
Adjustment	21,425	5,076
Balance at 31 December	**850,300**	**740,653**
Net book value at end of year	**254,240**	**217,242**

16. Investment in associate

BanqueRwandaise de Development	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 are 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. In addition, Rwf 15,714,000 were issued in 2015 as bonus shares.

BRD 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 Limited) is between Bralirwa Ltd and Minimex Ltd. The company is engaged in farming in Rwanda and was established to produce seed and commodity maize.

During the year ended 31 December 2016, the Joint Venture made a net loss of Rwf 390,584,000 (2015: Rwf 780,237,000). Bralirwa Ltd's share of the loss was Rwf 195,292,000 (2015: Rwf 390,118,500).

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, 2016 (Continued)

17. Investment in joint venture (Continued)

Summary financial information for equity accounted joint venture

	2016 Rwf'000	2015 Rwf'000
Percentage ownership interest	**50%**	**50%**
Non-current asset	2,148,350	2,286,184
Current asset	593,545	547,350
Non-current liabilities	(4,000,000)	(4,000,000)
Current Liabilities	(1,290,337)	(486,568)
Net Liabilities (100%)	**(2,548,442)**	**(1,653,034)**
Bralirwa share of net liabilities 50%	(1,274,221)	(826,517)
Carrying amount of interest in joint venture	**(1,274,221)**	**(826,517)**
Revenue	465,248	337,996
Expenses	(855,832)	(1,118,233)
Loss for the year (100%)	**(390,584)**	**(780,237)**
Total comprehensive loss 50%	**(195,292)**	**(390,119)**

18. Inventories

	2016 Rwf'000	2015 Rwf'000
Raw materials	9,875,269	7,722,659
Consumables and returnable packaging	738,298	1,811,496
Work in progress	1,811,496	2,161,213
Finished goods	1,436,785	1,059,759
Goods for resale	934,370	724,744
Non-returnable packaging	1,429,296	1,268,804
Spare parts	6,245,649	4,833,740
Other inventories	1,437,378	1,586,451
	22,097,045	**19,007,653**

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 63,123 million (2015: Rwf 57,912 million).

19. Trade and other receivables

Trade receivables	8,166,495	6,433,657
Less: Impairment losses	(413,618)	(190,952)
Trade receivables – net	**7,752,877**	**6,242,705**
Other receivables and prepayments- net	250,243	888,640
	8,003,120	**7,131,345**
The allowance at the end of the year is made up of:		
Provision for trade receivables	413,618	190,952
Provision for other receivables	456,181	520,022
At end of year	**869,799**	**710,974**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

20. Cash and cash equivalents

Cash at bank and in hand	3,055,250	2,067,897
Bank Overdraft (Note 22)	(15,751,479)	(17,357,352)
Total Cash and Cash equivalents per cash flow statement	**(12,696,229)**	**(15,289,455)**

21. Capital and reserves

Issued and fully paid – Number of shares	2015	2014
As at January and 31 December	1,028,570,000	1,028,570,000
Authorized par value Rwf	5.00	5.00
Ordinary share capital Rwf	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 (2015: 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	2016 Rwf'000	2015 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.

For the year ended 31 December	2016 Rwf'000	2015 Rwf'000
Final dividend Rwf 1.00 per ordinary share (2015: Rwf 5.00)	**1,028,570**	**5,142,799**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

22. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2016 was based on the profit attributable to ordinary shareholders of Rwf 1,028,570,000 (2015: Rwf 5,142,799,000), and on 1,028,570,000 ordinary shares of Rwf 5.00 each being the weighted average number of ordinary shares in issue.

a) Profit attributable to ordinary shareholders

Profit for the year-Rwf '000'	1,397,836	7,105,699

b) Weighted average number of ordinary shares

Issued ordinary shares at 1st January	1,028,570,000	1,028,570,000
Weighted average number of ordinary shares at 31 December	1,028,570,000	1,028.570,000
Earnings per share	**Rwf 1.36**	**Rwf 6.91**

23. Loan and Borrowings

	Original Amount	Date Borrowed	Interest rate	2016 Rwf' 000	2015 Rwf' 000
Rwanda Development Bank (BRD)	3,000,000	27 May 2013	12.50%	1,159,235	1,780,954
Ecobank Rwanda Limited	3,000,000	31 Dec 2012	13.50%	770,895	1,444,443
HEINEKEN International B.V.	8,249,360	8 Aug 2014	3.75%	20,697,572	11,008,499
International Finance Corporation(IFC)	20,697,572	26 Aug 2015	5.00%	11,008,499	-
Total				**30,877,062**	**21,707,965**
Bank Over draft				15,751,479	17,357,352
Total Borrowings				**46,628,541**	**39,065,317**
Less current borrowings				(17,226,825)	(18,652,399)
Non-current borrowings				**29,401,716**	**20,412,918**

Loan from related parties; this refers to a facility given by Mouterij Albert N.V. on 8 August 2014 with an interest rate of USD LIBOR or its successor as determined by the lender plus a margin of 100 basis points payable at the end of the relevant drawing period. The loan was later transferred to HEINEKEN International B.V. The loan is unsecured. During the year the tenor of the loan was increased by 3 years to terminate in March 2022.

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 International Finance Corporation was for USD 25,000,000. Of which USD 15,000,000 was utilized in 2015 and the remaining USD 10,000,000 in 2016. The loan is unsecured and used for expanding and upgrading Bralirwa Ltd's production capacity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

23. Loan and Borrowings (Continued)

Movement in non-current loans and borrowings	2016 Rwf'000	2015 Rwf'000
Balance as at January 1	21,707,965	9,975,937
Loans obtained	7,650,546	12,514,117
Loan repaid	(1,295,267)	(1,139,047)
Exchange difference	2,813,818	356,958
Balance as at December 31	**30,877,062**	**21,707,965**

24. Share based payments

Long Term Incentive Plan

HEINEKEN N.V. 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 2014-2016; 2015-2017 and LTIP 2016-2018 for senior management comprise solely of internal performance measures being Organic Gross Profit BEIA growth, Organic EBIT 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
2014-2016	1 Jan 2014	31 Dec 2016
2015-2017	1 Jan 2015	31 Dec 2017
2016-2018	1 Jan 2016	31 Dec 2018

The vesting date for senior management is 1 April 2017, 2018 and 2019 respectively.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

24. Share based payments (Continued)

The vesting date for senior management is 1 April 2016, 2017 and 2018 respectively

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

Grant date	Number	Share price (Eur)	Contractual life of rights
2014	308	49.08	3 Years
2015	419	58.95	3 Years
2016	1,971	78.77	3 Years

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

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

2015		
Outstanding at I January	44.42	1,588
Granted during the year	58.95	419
Outstanding at end of year	**52.26**	**2,007**

The expense recognized in profit or loss of the year was Rwf 21,014,000 (2015: Rwf 13,457,000).

25. Deferred income tax liability

Deferred income tax liability is calculated using the enacted income tax rate of 30% (2015: 28%).

Deferred income tax liabilities, deferred income tax charge/(credit) in the income statement, and deferred income tax charge/(credit) in equity are attributable to the following items:

Year ended 31 December	2016 Rwf'000	2015 Rwf'000
Property, plant and equipment:	9,832,941	7,149,499
Provisions	(2,250,490)	(742,947)
Net deferred income tax liability	**7,582,451**	**6,406,552**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

25. Deferred income tax liability (Continued)

Movement in deferred tax on temporary differences during the year:

	1 January Rwf'000	Under provision Rwf'000	Recognised in income Rwf'000	At 31 December Rwf'000
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**
2015				
Property, plant and equipment:	6,201,509	(1,519,167)	2,467,157	7,149,499
Provisions	(444,373)	(554,224)	255,650	(742,947)
Net deferred income tax liability	**5,757,136**	**(2,073,391)**	**2,722,807**	**6,406,552**

26. Trade and other payables

	2016 Rwf' 000	2015 Rwf' 000
Trade payables	13,614,594	8,903,174
Deposit on returnable containers	14,786,557	14,970,158
Other payables and accrued expenses	6,457,992	13,290,276
	34,859,143	**37,163,608**

27. Capital commitments

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

	2016 Rwf' 000	2015 Rwf' 000
Contracted but not provided for	348,535	500,659
Authorized but not contracted for	367,909	461,034
Total	**716,444**	**961,693**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

28. Off balance sheet commitments

	2016 Rwf' 000	2015 Rwf' 000
Letters of credit	4,000,000	4,500
Undrawn committed bank facilities	13,448,521	8,733,940
Undrawn loan commitment	-	7,474,100

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.

Undrawn loan commitment is the balance available for draw down on the USD 25m loan from IFC.

29. Leases

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

	2016 Rwf' 000	2015 Rwf' 000
Less than one year	28,241	57,868
Between one and five years	4,796	-
	33,037	**57,868**

During the year an amount of Rwf 418,561,507 was recognized as an expense in profit or loss in respect of operating leases and rent (2015: Rwf 216,039,132)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

30. Related party transactions

The Company is controlled by HEINEKEN 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 following transactions were carried out with related parties:

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

	2016 Rwf'000	2015 Rwf'000
i) Management fees		
HEINEKEN International B.V.	668,285	1,211,446
HEINEKEN Supply Chain B.V.	2,966,926	142,133
Total	**3,635,211**	**1,353,579**
ii) Royalties paid/payable		
Amstel Brouwerijen B.V.	97,412	54,538
HEINEKEN International B.V.	603,277	652,032
Total	**700,689**	**706,570**

b) Purchase and sale of goods and services

Sales		
Brarudi SA	(152,441)	-
Brassivoire	(2,328)	-
	(154,769)	-
Purchases		
Al Ahram Beverages Company	1,021,678	612,743
Amstel Brouwerijen B.V.	-	95,914
Bralima SARL	23,254	-
Brarudi SA	-	47,914
HEINEKEN Brouwerijen B.V.	-	20,779
HEINEKEN International B.V.	1,756,234	1,881,043
HEINEKEN Supply Chain B.V.	3,763,788	810,000
Ibecor N.V.	7,197,562	2,791,580
Mouterij Albert N.V.	-	998,826
Nigerian Breweries PLC	8,469	-
Sierra Leone Brewery Ltd	19,452	-
	13,790,437	**7,258,799**
Total	**13,635,668**	**7,258,799**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

30. Related party transactions (Continued)

	2016 Rwf'000	2015 Rwf'000
c) Key management compensation		
Short-term employment benefits	2,530,351	1,956,737
Post-employment benefits	178,431	218,693
Other long term benefits	112,942	119,345
Share based payments	21,014	13,457
Termination benefits	208,122	366,671
	3,050,860	**2,674,903**

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

	2016 Rwf'000	2015 Rwf'000
Payables to related parties		
Al Ahram Beverages Company	620,767	208,935
Amstel Brouwerijen B.V.	105,433	53,922
Bralima SARL	127,897	83,858
Brarudi SA	147,219	393,728
Brasserie de Bourbon SA	1,537	1,446
Brasserie du Congo	2,179	-
HEINEKEN Brouwerijen B.V.	-	39,948
HEINEKEN International B.V.	2,251,099	888,250
HEINEKEN Supply Chain B.V.	154,975	465,387
Ibecor N.V.	6,366,395	1,683,040
Mouterij Albert N.V.	-	403,142
Nigerian Breweries PLC	333	-
Premium Beverages International B.V.	1,254,096	642,217
	11,031,930	**4,863,873**
Current receivables from related parties		
Bralima SARL	219,707	206,326
BraMin Ltd	1,052,854	-
Brarudi SA	1,258,913	1,111,968
Brasserie du Congo	-	2,050
Brassivoire	2,328	-
HEINEKEN Brouwerijen B.V.	43,902	22,567
HEINEKEN Ethiopia	3,192	3,633
HEINEKEN International B.V.	-	5,029
Nigerian Breweries PLC	-	7,433
Sierra Leone Brewery Ltd	25,932	55,524
Tango SARL	1,143	1,358
	2,607,971	**1,415,888**
Noncurrent receivables from related parties		
Related party receivable – Principal	1,490,338	1,988,060
Related party receivable – Unearned interest	2,509,662	2,011,940
	4,000,000	**4,000,000**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December, 2016 (Continued)

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 13.14%. Repayment of this loan is expected to commence in 2019.

31. Contingencies – pending litigation and claims

There are certain 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 476 million (2015: Rwf 105 million) as at 31 December 2016. 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

At the signing date of the financial statement, no subsequent event 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 24 March 2017.

PART SEVEN

FIVE YEAR FINANCIAL SUMMARY
GLOSSARY

Five Year Financial Summary

	2016 Rwf'millions	2015 Rwf'millions	2014 Rwf'millions	2013 Rwf'millions	2012 Rwf'millions
Revenue	**88,799**	**84,088**	**79,238**	**78,503**	**76,987**
Cost of sales	(63,123)	(57,912)	(52,287)	(50,603)	(42,446)
Gross profit	**25,676**	**26,176**	**26,951**	**27,900**	**34,541**
Other income	1,534	3,305	1,965	2,357	1,981
Other expenses	(15,081)	(16,446)	(11,995)	(12,201)	(11,256)
Results from operating activities	**12,129**	**13,035**	**16,921**	**18,056**	**25,266**
Net Finance cost	**(9,463)**	**(4,783)**	**(682)**	**(374)**	**(353)**
Share of joint venture losses	-	-	-	(300)	(89)
Profit before income tax	**2,666**	**8,252**	**16,239**	**17,383**	**24,861**
Income tax expense	(1,268)	(1,145)	(4,844)	(4,789)	(5,834)
Total comprehensive income for the year	**1,398**	**7,105**	**11,395**	**12,585**	**19,027**

Employment of funds	2016 Rwf'millions	2015 Rwf'millions	2014 Rwf'millions	2013 Rwf'millions	2012 Rwf'millions
Property, Plant & Equipment	88,001	84,753	66,417	54,688	40,452
Intangible Assets	254	217	-	-	-
Investments	9	9	9	9	9
Long term debtors and prepayments	4,000	4,000	3,766	2,450	-
Net current (liabilities)/assets	(6,415)	(8,124)	(7,556)	(7,746)	(7,099)
Loan Capital/Finance Lease	(46,629)	(39,065)	(20,887)	(14,416)	(2,548)
Deferred Income & Taxation	(7,582)	(6,407)	(5,757)	(2,674)	(801)
Total net assets	**31,638**	**35,383**	**35,992**	**32,312**	**30,013**

Funds employed					
Share capital	5,143	5,143	5,143	514	514
Share Premium	85	85	85	85	85
Other reserves	2,072	2,072	2,072	2,072	2,072
Retained earnings	24,338	28,084	28,692	29,641	27,342
Shareholders' Funds	**31,638**	**35,383**	**35,992**	**32,312**	**30,013**

Five Year Financial Summary (Continued)

Statistics	2016 Rwf'000	2015 Rwf'000	2014 Rwf'000	2013 Rwf'000	2012 Rwf'000
Share price at year end (RWF)	140	174	380	420	315
Market capitalization in (RWF Billion)	144,000	178,971	390,857	431,485	324,000
Basic and diluted earnings per share - Rwf*	1.36	6.91	11.08	12.24	18.50
Dividend per share (RWF)	1.00	5.00	7.50	7.50	10.00
Dividend Cover (times)	1.36	1.38	1.48	1.63	1.85
Net worth per share	30.76	34.40	34.99	31.41	29.18
Debt/Equity ratio	1.47	1.11	0.58	0.45	0.08

* 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.

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.

Bralirwa
Part of the HEINEKEN Company

Proxy form

The undersigned ....
acting in my capacity of Shareholder of Brasseries et Limonaderies du Rwanda ("BRALIRWA Ltd") 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 24th May 2017 at Kigali Convention Centre, 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 financial year 2016;
6. Appointment of Directors;
7. Appointment of 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.

Dated this ...., day of 2017

Bralirwa
Part of the HEINEKEN Company

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) ______________________

Please include page No.

Huza lager beer was launched in November 2016 in a bid to offer more choice to satisfy diverse needs of consumers,
Huza beer is a medium lager beer of 4.8% alcoholic content in a 50 cl brown bottle. It has a crisp, refreshing taste.

www.bralirwa.com
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