

ETHIOPIAN TRADING BUSINESSES CORPORATION
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
30 SENE 2015

**AUDIT SERVICES
CORPORATION**

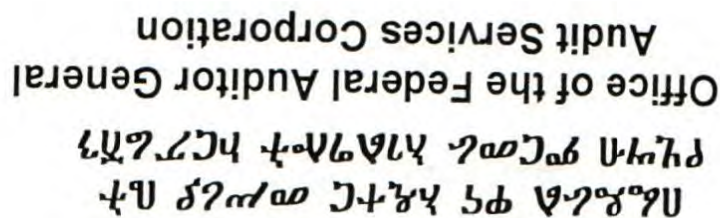


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REPORTS AND ANNUAL FINANCIAL STATEMENTS
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Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Ethiopian Trading Businesses Corporation (the Corporation), which comprise the statement of financial position as at 30 September 2015, 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, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 30 Sene 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Commercial Code of Ethiopia of 2021.

Basis for Qualified Opinion

1. Included in the trade and other receivables shown on the Statement of financial position of 30 Sene 2015 are amounts totalling approximately Birr 10,680,655 accounted as 'Suspense' for a number of years which does not comply with the definition of "Asset" in the IFRS conceptual framework, to be accounted and classified as an asset. This constitutes a departure from IFRS. It is not practicable for us to determine nature of this account on the financial positions of the Company as at 30 Sene 2015 and its financial performances for the years then ended.

- Abnormal waste is undesirable waste exceeding the normal loss set aside. The value of an abnormal loss is calculated as in the process account by using the formula for transferring to Profit and Loss account. It is not practicable for us to determine the structure of its cost of sales and expense account and its financial performances for the year then ended or the disclosures needed to be made under IAS 2. An IFRS requires that inefficiencies be expensed instead of including them as part of production cost.



**INDEPENDENT AUDITOR'S REPORT TO THE
SUPERVISING AUTHORITY OF
ETHIOPIAN TRADING BUSINESSES CORPORATION**

(continued)

Report on the Audit of the Financial Statements (continued)

Basis for Qualified Opinion (continued)

3. Grain and Coffee Business Unit lacks a formal procedure for reconciling inventory with year-end physical counts, leading to an ad hoc approach where any discrepancies beyond a specified threshold trigger an investigation. Consequently, the year-end stock shortage of Birr 70,602,748 was treated as a provision rather than an adjustment to the ending balance. Additionally, waste inventory (Kacha-Duka), initially assumed to have zero value, was erroneously recorded as storage loss instead of being included in the main inventory balance. This resulted in waste inventory (Kacha Duka) with a value of Birr 12,123,886 being misclassified as storage loss.
4. An aggregate result of the inventory count of Grain & Coffee Business Unit for spare part, fuel, lubricants and other is Birr 74,515,063 however, annual physical counts were not reconciled to the ending inventory. In consequence, we were unable to determine whether any adjustment (s) might have been found necessary in respect of stock in hand and in transit shown on the statement of financial position at Birr 3,327,986,340.
5. The Corporation's asset register lacks completeness and clarity. In consequence, we were unable to ensure the correctness of property, plant and equipment shown on the statement of financial position at Birr 2,146,907,280.
6. The inventories shown on the statement of financial position is merchandise containing over 11 items with slow moving feature worth of ETB 8,972,528 not accounted with the requirement of IAS 2 – overstating the value of inventory and understating the correspondent expense account.
7. The Corporation was established on 12 Tahisas 2008 E.C with an authorized capital of Birr 3,836,000,000 of which Birr 959,100,000 is paid up in cash and in kind. The capital hasn't been increased since its establishment and stood at Birr 959,100,000 for more than five years.

Public Enterprise proclamation no. 25/1992 states that where the authorized capital is not fully paid up within the specified period (within five years), the Ministry of Trade (Now Ethiopian Investment Holdings) shall without prejudice to the rights of third parties, adjust the capital to the level of the paid-up capital.

Therefore, according to the prevailing rules the authorized capital should be reduced to the level of the Paid-up capital (Ref. Public Enterprises Proclamation No. 25/1992 Article 20 sub article 2 & 3). Consequently, Note 23 of notes to the financial statements which disclose the authorized capital as Birr 3,836,000,000 is not a correct information.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles and in the manner required by the Commercial Code of Ethiopia of 1960, and for such internal control as management determines 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, management is responsible for assessing the Corporation'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 management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors' 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 judgment and maintain professional scepticism throughout 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 Enterprise's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITOR'S REPORT TO THE
SUPERVISING AUTHORITY OF
ETHIOPIAN TRADING BUSINESSES CORPORATION (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's 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 Enterprise'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 Enterprise 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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, 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 about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Woizero Banchiayehu Tamirat.

Audit Services Corporation

26 July 2024



Corporation TIN number: 0049282263

Business registration no: MT/AA/3/0035266/2088
Business license no: MT/AA/14/706/582597/200

Executive management (as of Sene 30, 2015)

Name	Date of appointment	Position
HE Ato Hassen Mohamed	Megabit 13, 2014	Board chair person
Ato Teshale Belhu	Hedar 10, 2012	Board Member
Ato Dereje Fufa	Hedar 10, 2011	Board Member
Ato Abdi Mumed	Megabit 13, 2014	Board Member
Dr Abebaw Kassie	Yekatti 18, 2011	Board Member
Dr. Biruk Taye	Hedar 10, 2012	Board Member
Ato Yoseph Wolde	Yekatti 20, 2014	Board Member
Ato Amare Damte	Yekatti 20, 2014	Board Member
Ato Acha Demissie	Miyazia 26, 2012	CEO
Ato Ketesela Shewarega	Miyazia 26, 2012	Op. DCEO
W/ro Atsede G/Meskel	Yekatti 10, 2012	Ser. DCEO

Independent auditors
Audit service corporation

Corporate office

Head office;
City A.A Sub city
House no. New
Tel. +251- 011-4653166
Email: etbc@ethionet.et

Principal bankers
Commercial bank of Ethiopia



REPORTS AND ANNUAL FINANCIAL STATEMENTS
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

In compliance with Article 14(8) of the Public Enterprises Proclamation No. 25/1992, the Management of the Corporation (hereinafter referred to as the Management) of Ethiopian Trading Business Corporation (hereinafter referred to as the Corporation) is responsible for the preparation of the annual financial statements that fairly present the state of affairs of the Corporation at the end of the financial year and of the profit or loss and cash flows for that year in accordance with International Financial Reporting Standards (IFRS), the Commercial Code, the Financial Reporting Proclamation No. 847/2014, and the requirements of Article 12(8) of the Public Enterprises Proclamation No. 25/1992. The Management is also responsible for safeguarding the assets of the Corporation.

The Management is also responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. To enable the Management to meet these responsibilities it set standards and implement systems of internal controls, accounting and information systems. Management is responsible for the systems of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and loss. The systems are implemented and monitored by suitably trained personnel with appropriate segregation of authority and duties.

The internal audit function of the Corporation serves management and the Board by performing an independent evaluation of the adequacy and effectiveness of risk management, internal controls, financial reporting mechanisms and records, information systems and operations, safeguarding of assets and adherence to laws and regulations.

The management is responsible that the financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Management is of the opinion that the Corporation has adequate resources to continue in operation for the foreseeable future based on forecasts and available cash resources and accordingly the annual financial statements have been prepared on a going concern basis.

It is the responsibility of the external auditors to express an opinion on the annual financial statements.

Signed on behalf of the Management by:

General manager



Finance and account department manager



#REF!
REPORTS AND ANNUAL FINANCIAL STATEMENTS
REPORT OF THE MANAGEMENT
FOR THE YEAR ENDED SENE 30, 2015

Management has the pleasure of presenting their report on the affairs of Ethiopian Trading Business Corporation ("The Corporation") together with the financial statements for the year ended Sene 30, 2014, to the Board of directors of Ethiopian Trading Business Corporation. This report discloses the financial performance and state of affairs of the Corporation.

Incorporation and address

Head Office:- Addis Ababa Ethiopia

Operating results

The Ethiopian Trading Business Corporation is a public enterprise wholly owned by the Government of the Federal Democratic Republic of Ethiopia. It is established through Council of Ministers Regulation No. 369/2008. As a public enterprise, in addition to its establishment regulations, the Corporation is governed by the Public Enterprises Proclamation No. 25/1992 and is supervised by the Ministry of Public Enterprises.

The Corporation's results for the year ended Sene 30, 2015 are set out on page 9. The profit for the year has been transferred to retained earnings. The summarized results are presented below.

Sene 30, 2014		FTB '000	
Profit/ Loss before tax	313,956.65		
Profit tax for the period	-94,382.16		
Actural Gain/Loss	00.00		
Deferred Tax Income/Loss	6,323.71		
Total comprehensive income (Loss) for the year	1,118,643.41		
	227,881.11		

Tesera Tegegnework



Acha Demissie

Addis Ababa, Ethiopia

CEO

ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)

STATEMENT OF FINANCIAL POSITION

AS AT SENE 30, 2015

ASSETS		ETB '000		Sene 30, 2014	
NON-CURRENT ASSETS					
Property, Plant and Equipment	4,310	2,146,907.28	2,128,249.86	1,285,952.82	2,103.70
Land use Right	13	1,285,952.82	1,285,952.82	3,025.62	2,103.70
Right-of-use land	4,911	2,048.21	2,103.70	3,025.62	2,103.70
Intangible Asset	4,712	1,921.25	3,025.62	3,025.62	3,025.62
Time Deposit	19	55,202.85	18,649.79	18,649.79	18,649.79
Deferred Tax Asset	4,133.37	13,662.11	18,649.79	18,649.79	18,649.79
Total Non-Current Assets		3,505,694.51	3,437,981.78	3,437,981.78	3,437,981.78
CURRENT ASSETS					
Stock in hand and In-Transit	4,101.14	3,327,986.34	5,908,232.58	5,908,232.58	5,908,232.58
Trade and Other Debtors	4,815	3,660,870.42	967,525.86	967,525.86	967,525.86
Advance, Prepayment and Deposits	4,816	48,427.01	167,044.76	167,044.76	167,044.76
Cash and Bank Balance	4,817	4,226,548.19	1,915,435.68	1,915,435.68	1,915,435.68
Total Current Assets		11,263,831.96	8,958,238.88	8,958,238.88	8,958,238.88
TOTAL ASSETS		14,769,526.46	12,396,220.66	12,396,220.66	12,396,220.66
LIABILITIES & EQUITY					
EQUITY					
Paid up Capital	23.1	959,100.00	959,100.00	959,100.00	959,100.00
Non-distributable Reserve	23.1	1,879,009.47	1,879,009.47	1,879,009.47	1,879,009.47
Legal Reserve	23.2	70,461.10	14,528.93	14,528.93	14,528.93
Retained Earnings	24	157,856.39	-640,180.16	-640,180.16	-640,180.16
Total Equity		3,066,426.96	2,212,458.24	2,212,458.24	2,212,458.24
NON-CURRENT LIABILITIES					
Long Term Loan	4,818.1	795,487.89	373,575.84	373,575.84	373,575.84
Long term lease obligation	4,911	2,353.91	2,366.20	2,366.20	2,366.20
Severance Payable	4,113.36	7,610.87	6,971.37	6,971.37	6,971.37
Deferred Tax Liability	4,133.37	425,464.29	436,775.68	436,775.68	436,775.68
Total Non Current Liability		1,230,916.97	819,689.09	819,689.09	819,689.09
CURRENT LIABILITIES					
Trade and Other Payables	4,820	9,102,942.40	6,274,468.05	6,274,468.05	6,274,468.05
Provision Obligation	4,121.21	183,241.71	145,582.34	145,582.34	145,582.34
Bank Overdraft	4,818.2	00.00	107,886.02	107,886.02	107,886.02
Current maturity of long term loan	4,818.1	1,024,312.55	2,738,188.46	2,738,188.46	2,738,188.46
Annual Leave Payable	4,113.36	4,360.77	3,566.29	3,566.29	3,566.29
Provision for business Income Tax	4,133.35	157,325.10	94,382.16	94,382.16	94,382.16
Total Current Liability		10,472,182.52	9,364,073.32	9,364,073.32	9,364,073.32
TOTAL LIABILITIES AND EQUITY		14,769,526.46	12,396,220.65	12,396,220.65	12,396,220.65



ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SENE 30, 2015

Revenue		ETB '000	ETB '000
Sales Revenue	4,126	14,440,086.34	10,380,126.81
Rent and Other Fees Income	4,127	192,443.34	55,132.02
Less: Cost of Sales		14,632,529.68	10,435,258.83
Cost of Sales of goods and services	30&31	-12,810,568.85	-9,382,014.50
Gross Profit		1,821,960.83	1,053,244.33
Other Income/Expenses	4,128	53,342.92	35,306.50
Less: Operating Expenses			
Selling and distribution cost		-2,589.32	-4,441.41
Administrative and General Expenses	33	-468,063.93	-344,656.98
Expected credit loss	32	-36,615.95	-65,129.18
Provision of legal cases	4,825	-37,659.37	00.00
Income from Operation		1,330,375.19	674,323.26
Interest and Bank Service Charges	4,1434	-81,331.89	-399,069.66
Gain/Loss on Exchange Rate	4,829	44,612.88	38,703.05
Profit/ Loss before tax		1,293,656.18	313,956.65
Profit tax for the period	4,1335	-181,336.48	-94,382.16
Other Comprehensive Income			
Non recyclable Other Comprehensive Income:			
Actuarial Gain/Loss	4,836	00.00	00.00
Deferred Tax Income/Loss	4,1337	6,323.71	8,306.62
Profit/Loss (Comprehensive) after tax		1,118,643.41	227,881.11



ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)
STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED SENE 30, 2015

Particulars	Paid up capital	Retained Earning	Non-distributable Reserve	Legal Reserve	Total Equity
Opening Balance at Hamle 1, 2013	959,100.00	-701,459.31	1,879,009.47	3,134.88	2,139,785.03
Total comprehensive income for the year		216,487.05			216,487.05
Legal Reserve				11,394.06	11,394.06
Tax Assessment penalty	<u>00.00</u>	<u>-155,207.90</u>	<u>00.00</u>	<u>00.00</u>	<u>-155,207.90</u>
Balance at Sene 30, 2014	<u>959,100.00</u>	<u>-640,180.16</u>	<u>1,879,009.47</u>	<u>14,528.93</u>	<u>2,212,458.24</u>
Opening Balance at Hamle 1, 2014	959,100.00	-640,180.16	1,879,009.47	14,528.93	2,212,458.24
Total comprehensive income for the year		1,062,711.24			1,062,711.24
Dividend Paid		-129,501.01			-129,501.01
Legal Reserve				55,932.17	55,932.17
Tax Assessment penalty		<u>-135,173.67</u>	<u>00.00</u>	<u>00.00</u>	<u>-135,173.67</u>
Balance at Sene, 2015	<u>959,100.00</u>	<u>157,856.39</u>	<u>1,879,009.47</u>	<u>70,461.10</u>	<u>3,066,426.96</u>



ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED SENE 30, 2015

	ETB '000	ETB '000	ETB '000
Cash Flows from Operating Activities			
Profit/ Loss Before Taxation		1,118,643.41	227,881.11
Adjustment for:			
Depreciation and Amortization		101,084.36	97,912.01
Severance and Annual leave Expense		1,433.98	4,050.11
Deferred Tax payables		-6,323.71	-8,306.62
Adjustment to withholding tax and others		-135,173.67	-155,207.90
Time Deposit		-55,202.85	00.00
Net Operating Cash Flows before Working Capital Changes		1,024,461.51	166,328.71
Change in working Capital			
Net Decrease/(Increase) in stocks		2,580,246.24	-4,340,324.75
Net Decrease/(Increase) in Trade and other receivable		-2,574,726.80	-679,625.42
Net Increase/(Decrease) in Trade and Other payables		2,821,190.64	1,587,856.13
Cash Generated from Operation		2,826,710.08	-3,432,094.05
Dividend paid		-129,501.01	
Net Cash from (used in) Operating Activities		3,721,670.58	-3,265,765.33
Cash Flows From Investing Activities:			
Interest Received		00.00	
Purchase of PP&E		-118,581.92	-52,700.65
Proceeds from disposal of PP&E		00.00	00.00
Net Cash from (used in) Investing Activities		-118,581.92	-52,700.65
Cash Flows From Financing Activities			
Addition (Repayment) of borrowings		-1,291,963.87	2,663,894.69
Lease Obligation paid		-12.28	-06.14
Net Cash from (used in) Financing Activities		-1,291,976.15	2,663,888.55
Net Increase/(Decrease) in Cash (Total)		2,311,112.51	-654,577.43
Cash at the beginning of the year		1,915,435.68	2,677,899.13
Cash at the end of the year		4,226,548.19	2,023,321.70
Cash and Cash Equivalent Comprise			
Cash and Bank Balance		4,226,548.19	1,915,435.68
Bank overdraft		00.00	107,886.02
		4,226,548.19	2,023,321.70

Note

Sene 30, 2014

I

REPORTING ENTITY

The Ethiopian Trading Business Corporation is a public enterprise that is fully owned by the Government of the Federal Democratic Republic of Ethiopia. It was established through Council of Ministers Regulation No. 369/2008, and is supervised by the Ministry of Trade. The Corporation has its head office located in Addis Ababa and branch offices in other parts of the country.

The Corporation became a wholly-owned subsidiary of the Ethiopian Investment Holdings (EIH) in January 2022 by Proclamation No. 1263/2021 and Regulation No. 487/2022. EIH is established as a federal government body having its legal personality with the objective of optimizing investment value through effective ownership and management of state-owned enterprises and other assets under the federal government, as well as serving as a strategic investment arm of the government of Ethiopia through attraction of more investment. EIH has its Head Office in Addis Ababa and may have branch offices inside or outside Ethiopia.

1.1

Nature of Operation of the Reporting Entity

The Corporation is established for such purposes as:

- to purchase selected agricultural and industrial products and basic commodities from both local and foreign markets competitively and as such to stabilise the domestic market;
- to cause selective production of crops, fruits, and vegetables; to buy, distribute, and maintain stock and sell to domestic and foreign markets;
- to purchase and sell products in domestic and foreign markets based on the prevailing market price;
- to provide support to and motivate farmers to raise their interest in producing agricultural products and ensuring that agricultural products get reliable markets;
- to instill and operationalize modern, efficient, effective, responsible, and accountable trading systems;
- to cooperate with concerned research, educational, and training institutions to have skilled manpower in the required quantity, field of expertise, and quality required for its operations;
- and providing consultancy, procurement, and training services on national and international procurement.

Ethiopian Trading Businesses Corporation is composed of four main units, namely: Grain and Coffee Trading Business Unit, Fruit and Vegetables Trading Business Unit, Consumer Products Trading Business Unit (Alle), and Procurement and Consultancy Service Unit. These units are responsible for the following sectors: Grain and coffee, Fruits and vegetables, consumer products trade, and procurement consultancy services.



IFRS 16: Lease b

IFRS 16 replaces the following previously valid standards and interpretations: IAS 17, IFRIC 4, SIC 15, and SIC 27. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases unless otherwise short-term leases (with a term of less than one year) and low-value assets. The lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. As the Ethiopian Trading Business Corporation do not have any contract as a lessee, IFRS 16 as a lessee do not have an impact on its operation and report and international procurement. It report this leasehold land as an asset (ROU). The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset and is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised.

IFRIC 23: Uncertainty over Income Tax Treatments c

This interpretation provides guidelines regarding the accounting for uncertain tax positions under IAS 12. In accordance with this interpretation, the Ethiopian Trading Business Corporation makes assumptions when determining tax positions (taxable result, tax assessment, loss carry forwards, etc.) pertaining to the probability that the relevant authority will accept the uncertain tax treatment. The effect of the uncertainty must be presented in the statement of financial position based on the assumption that is made. The estimates regarding uncertain tax positions may change due to new knowledge, for example in connection with changes in administrative or legal practices, or due to tax audits and this may lead to the recognition of additional tax assets or liabilities. Ethiopian Trading Business Corporation has not identified any uncertain tax positions that are unlikely to be accepted by the tax authority.



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Inventories

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

3

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New standards, amendments to published standards and interpretations that are relevant to the Ethiopian Trading Business Corporation

3.1

New Standards Effective and applied in the current year

a

IFRS 9: Financial Instruments

IFRS 9 replaced IAS 39. The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces a new impairment model for financial assets.

The Ethiopian Trading Business Corporation adopted IFRS 9 from 1 July 2017. Ethiopian Trading Business Corporation financial assets comprising operating lease receivables, other trade receivables and other receivables (excluding prepayments). Ethiopian Trading Business Corporation has assessed that these financial assets meet the conditions for classification and measurement at amortised cost under IFRS 9.

Accordingly, there is no impact on the measurement of Ethiopian Trading Business Corporation financial assets at amortised cost. Besides, there is no impact on Ethiopian Trading Business Corporation financial liabilities that are designated at fair value through profit or loss and accounting for financial liabilities does not have such liabilities of significant value. Ethiopian Trading Business Corporation requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses, as is the case under IAS 39. It applies to trade receivables and other financial assets. For financial assets comprising of operating lease receivables and other trade receivables, Ethiopian Trading Business Corporation adopted the simplified approach allowed under IFRS 9, under which lifetime expected loss allowance is estimated to calculate provision. This change did not have any significant impact over the lease term, it did not report this leasehold land as an asset (ROU).



When assessing which line items should be presented on the face of a primary financial statement, management considers how to provide a representative summary of the financial information of the company—for example, it considers which items or classes of items should be presented separately because of their relative size or their nature. Management determines quantitative materiality threshold for aggregation and presentation of dissimilar line of items in the notes to financial position and statement of comprehensive income. However, management continuously evaluates the threshold on ongoing basis by referring to the corporation's operation.

Taxes

The current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the Tax Authority. Uncertain tax items for which adjustments are made relate principally to the interpretation of tax legislation. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. Inventories are assessed and compared with their net realizable values based on subsequent sales transactions.

Employee benefit

The costs of unutilized leave and severance pay are recognized based on available information at the closing date. Unutilized leave is calculated based on the difference between employees' entitlement and leave utilized/paid as per the relevant Labour Law. Cost of severance pay is determined using actuarial valuations.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and employee turnover. Due to the complexities involved in the valuation and its long-term nature, severance obligation is highly sensitive to changes in these assumptions. The employees turnover and salary growth rates are based on Corporation's own trend analysis.

Assessment as to whether the right-of-use assets are impaired

In estimating the recoverable amount of the right-of-use asset, the management has made assumptions about the achievable market rates for similar properties with similar lease terms will be recoverable through the sublease of the property.



Identifying performance obligations in goods and services

The entity sales goods and provides services to customers. The services are a promise to transfer services and are independently negotiated between the corporation and the customer. The management determined that both the goods and services are capable of being distinct. The fact that the corporation sells its goods and services on a stand-alone basis indicates that the customer can benefit from the products on their own. The management also determined that the promises to transfer the goods and to provide service are distinct within the context of the contract. In addition, the goods and services are not highly interdependent or highly interrelated. Consequently, the Corporation can allocate the transaction prices independently for its goods and services based on relative stand-alone selling prices.

Determining the timing of satisfaction of services

The management concluded that revenue for services is recognized when control has been transferred and services delivered.

Consideration of significant financing component in a contract

Customers pay the transaction prices equal to the cash selling price upon delivery or in certain cases advances before delivery of the goods or services. However, the time period between transferring the goods or services and collection of the transaction prices are so short that do not have significant financing component.

The entity has entered into a lease agreement on its properties. The entity has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Judgement in aggregating and disaggregating information

The corporation presents separately each material class of similar items and present separately items of a dissimilar nature or function unless they are immaterial. When making judgements about whether to aggregate information, either in the primary financial statements or in the notes, management assesses whether the information that would be 'lost' through aggregation is material.



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a Provision for expected credit losses of trade receivables

The Ethiopian Trading Corporation uses a provision matrix to calculate ECLs for trade and other non trade receivables. The provision rates are based on days past due. The provision matrix is initially based on the Corporation's historical observed default rates. The Corporation will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Corporation's historical credit loss experience may also not be representative of customer's actual default in the future.

b Useful lives and residual values of an assets

Management assigns useful lives and residual values to Plant and Equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilization of the assets concerned could result in the actual useful lives or residual value to be different from initial estimates. At the beginning of the current year, the Corporation reviewed the expected service potential of its properties, plant and equipment which resulted in the revision of expected useful lives of selected furniture, equipment, computers and accessories. As a result, their expected useful lives has increased by average of additional five years. However, the effect of this change is insignificant in the financial position and results of its operations. *Note 10*

c Legal contingencies

The Corporation applies judgment as it relates to the outcome of legal proceedings to determine whether a provision and disclosure in the consolidated financial statements is required. Among the factors considered in making such judgments are the nature of litigation, claim or assessment, the legal process and potential level of damages, the progress of the case, the opinions or views of legal advisers and any decision of the Corporation's management as to how it will respond to the litigation, claim or assessment.

d Judgements in determining the timing of satisfaction of performance obligations

The management applied the following judgments' that significantly affect the determination of the amount and timing of revenue from contracts with customers:



2 BASIS OF PREPARATIONS

2.1 Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to a going concern, which contemplate the realisation of assets and settlement of liabilities in the normal course of business.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and the notes to the financial statements.

2.2 Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value, and assets classified as held for sale, which are measured at the lower of carrying value or fair value less cost to sell. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Ethiopian Birr (ETB' 000).

2.3 Use of judgments and estimates

The preparation of the financial statements in conformity with IFRS requires management of the Ethiopian Trading Business Corporation to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and related disclosures at the reporting date. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates at the time at which the Ethiopian Trading Business Corporation's financial statements are prepared. Actual outcomes may differ from these estimates under different assumptions and conditions.

Management reviews, on a regular basis, the Corporation's accounting policies, assumptions, estimates and judgments in order to ensure that financial statements are presented fairly and in accordance with IFRS. Critical accounting estimates are those that have a significant risk of causing material adjustments and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustments. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 following are the most significant accounting judgments and estimates made by the Corporation in applying accounting policies:



3.2 The below Additional new standards and amendments not effective and not early adapted and will comply starting from 01, July 2020.

a IAS 1 and IAS 8: Definition of Material

With these amendments to IAS 1 and IAS 8, the IASB has standardised and clarified the concept of materiality. According to the new definition, information is material if omitting, misstating, or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. In general, this corresponds to the concept of materiality used by the Ethiopian Trading Business Corporation. Nevertheless, it is possible that this clarification may impact the quality or quantity of information provided in the financial statements in the future.

b Conceptual Framework: Amendments to References to the Conceptual Framework in IFRS Standards

The revised Conceptual Framework serves the IASB as a guideline for the development of standards and supports companies in developing accounting methods when no specific IFRS regulations are applicable. The content changes include revised definitions and the addition of information regarding the prudence concept, commercial substance, recognition and derecognition, measurement, etc. Accordingly, the references to the Conceptual Framework in current standards will be updated. These are applicable from 1 January 2020. The new Conceptual Framework and the amendments to references to it may result in changes to the Ethiopian Trading Business Corporation's accounting policies in the event that relevant transactions are executed.

4 SIGNIFICANT ACCOUNTING POLICIES

The Ethiopian Trading Business Corporation describes the accounting policies applied in each of the individual notes to the financial statements and avoids repeating the text of the standard, unless this is considered relevant to the understanding of the note's content. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Revenue

Revenue arises mainly from the sale of goods and services. To determine whether to recognise revenue, the Corporation follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied



The Corporation often enters into customer contracts to supply a bundle of products and services. The contract is then assessed to determine whether it contains a single combined performance obligation or multiple performance obligations. If applicable the total transaction price is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

The transaction price for a contract excludes any amounts collected on behalf of third parties. Besides, revenue is shown, exclusive of value added tax, rebates, and discounts, after eliminating the effects of transactions within the branch.

The Corporation recognize revenue when control of promised goods or services transfers to customers in an amount that reflects the consideration received or that is expected to be received in exchange for those goods or services. *Refer to Note 27, 28 and 29 "Revenue" for additional details.*

The Corporation derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments.

Exporting and sales of cereals
Sales of vegetables and fruits
Sales of imported goods
Transportation and distribution
Renting of warehouse
Consultancy and other services

The Corporation recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in its statement of financial position (*see Note 22*). Similarly, if the Corporation satisfies a performance obligation before it receives the consideration, the Corporation recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

4.1.1

Sale of Goods

Revenue from the sale of goods are generally only recognized when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of the asset. Revenue is measured at the fair value of the consideration received or receivables, excluding discounts, rebates, and other sales taxes or duties. Revenues are recorded, excluding VAT. (*Refers Note 27 for additional details*)

4.1.2

Rendering of services

Revenue from the rendering of services is recognised over the period (or at the point of delivery of services) in which the services are rendered by reference to the completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed. (*Refers Note 28 for additional details*)



4.1.3 Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. *(Refers Note 28 for additional details)*

4.1.4 Interest and Similar Income and Expense

For cash at the bank, short and medium term loans are measured at amortised cost, and interest income or expense is recorded using the Effective Interest rate, which is usually the contractual rate. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the Effective Interest Rate (EIR), but not future credit losses.

In most cases, the contractual and effective interest rates are similar as the financial assets/liabilities are redeemed without any discount or premium, and the initial up-front fees for purchasing the financial assets and liabilities are insignificant.

4.1.5 Procurement services

The Corporation has contracts with customers to acquire, on their behalf, goods produced by foreign suppliers. Under these contracts, the Corporation provides procurement services (i.e., coordinating the selection of suitable suppliers and managing the ordering and delivery of the imported items). The Corporation does not have control of the goods before it is being transferred to the customer. The Corporation is acting as an agent and recognises revenue at the net amount that is retained for these arrangements. Revenue is recognised at a point in time (i.e., upon receipt of the customer of the items) because this is when the customer benefits from the procurement services.

4.1.6 Other Income

Any other income is recognised in the period in which performance obligation is satisfied, in accordance with the terms of the contracts. *(Refers Note 29 for additional details)*

4.2 Segment reporting

The Corporation has four operating segments: Grain and Coffee Trading Business unit, Fruit and Vegetables Trading Business Unit, Consumer Products Trading Business Unit, and Procurement and Consultancy Service Unit. *(see Note 39 for additional details)*

In identifying its operating segments, management generally follows the Corporation's product and service lines, which represent the main products and services provided by the Corporation. Each of these operating segments is managed separately as each of these product and service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Corporation uses for segment reporting under IFRS 8 are the same as those used in its financial statements. In addition, corporate assets that are not directly attributable to the business activities of any operating segment are not allocated to a segment. In the financial periods under review, this primarily applies to the Corporation's headquarters.



4.3 Property, plant, and equipment

Property, plants, and equipment are long term assets that are primarily held for use by Corporations for their ordinary operations. Property, Plant, and equipment are treated as non-current investments and are carried at cost less accumulated depreciation and any recognised impairment in value. *(See Note 10 for additional details)*.

4.3.1 Component of costs of Property, plant and equipment

The cost of Property, plant, and equipment includes expenditure that is directly attributable to the acquisition or construction of the items and subsequent costs incurred to replace parts that are eligible for capitalization. Dismantlement, removal, or restoration costs are included as part of the cost of Property, plant, and equipment if the obligation for dismantlement, removal, or restoration is incurred as a consequence of acquiring or using the asset.

4.3.2 Transaction costs

Costs directly attributable to the acquisition or construction of an asset are included as part of the acquisition cost.

4.3.3 Measurement

The property, plant, and equipment of the Corporation are valued at acquisition or manufacturing costs less accumulated depreciation and impairment losses. However, Freehold land is stated at the revalued amount less accumulated impairment losses *(see Note 9)*.

4.3.4 Depreciation

Items of Property, plant, and equipment are generally depreciated to their estimated residual value over their expected useful life on a straight-line basis. Depreciation commences when the asset is available for its intended use by management. The useful lives, depreciation method, and residual values of Property, plant, and equipment, if significant, are reviewed and adjusted annually. Changes resulting from the reassessment are accounted for prospectively as changes in estimates.

The residual values are estimated based on useful lives as well as other available information. The useful lives are estimated, by management, based on historic analysis and other available information. The useful life of an asset is the period in which the Corporation expects to utilise the benefits embodied in the assets, and not necessarily the assets' economic life. Useful lives of assets are reviewed annually.

The Corporation uses the following indicators to determine useful life: expected usage of assets, expected physical wear and tear, and technical and commercial obsolescence. An estimate is made of the amount the Corporation would expect to receive currently for the asset if it were already of the age and condition expected at the end of its useful life. Depreciation of Property, plant, and equipment is allocated to the appropriate expense account by function in the Statement of Comprehensive Income.

The following useful lives have been estimated:



Items	Depreciation Method	Useful Life	Residual Value
Building	SLM	50 years	0.05
Leasehold land	SLM	Contract Period	
Plant and machinery	SLM	30 years	0.07
Office furniture and all equipment	SLM	5 years	0.10
Computers and data storage items	SLM	4 years	0.07
Motor vehicles	SLM	15 years	0.07

4.3.5 Impairment

Property, plant, and equipment are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less direct costs to sell and the asset value in use (being the present value of the expected future cash flows of the asset). An impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount. For the purpose of impairment testing these assets, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, a recoverable amount is determined for the CGU to which the asset belongs. Impairment losses recognized in prior periods for Property, plant, and equipment are assessed at each reporting date for any indications that the impairment loss has decreased or may no longer exist. The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset and is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised. Impairment losses, and any subsequent reversals are recognised in the statement of comprehensive income.

4.3.6 Subsequent expenditure

Subsequent expenditure relating to Property, plant, and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Corporation and the cost can be reliably measured. Other subsequent expenditures are recognised as expenses during the financial year in which they are incurred.

4.3.7 Derecognition/Disposal

An item of property, plant, and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing disposal proceeds with the carrying amount of the disposed asset and are recognised within other income in the income statement in the period the disposal occurs.



4.3.8 Development Asset (Asset Under Construction)

Development assets (assets under construction) are property, plants, and equipment being constructed or developed for their own future use. They are stated at cost less accumulated impairment losses, until construction or development is completed, at which time they are reclassified to be accounted for as property, plant, and equipment. Capitalised costs include the cost of land and other directly related development expenditures, including borrowing costs incurred in developing the properties.

4.4 Borrowing costs

Borrowing costs incurred to finance the development of an asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised on a time-proportion basis in the income statement using the effective interest method. The amount of borrowing costs capitalised on that asset is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings.

4.5 Investment property

Investment property assets are carried at cost less accumulated depreciation and any recognised impairment in value. The depreciation policies for investment property are consistent with those described for owner-occupied property.

4.6 Assets held-for-sale

Non-current assets are classified as held-for-sale when their carrying value will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as being met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The management of the Corporation must be committed to the sale, which should qualify for recognition as a completed sale within one year from the date of classification. Immediately before classification as held-for-sale, the assets are re-measured in accordance with the Corporation's applicable accounting policies. Thereafter, the assets are measured at the lower of the carrying amount and fair value less costs to sell.

4.7 Intangible assets

Impairment losses are recognised on initial classification as held-for-sale, and subsequent profits and losses on re-measurement are recognised in profit or loss. A gain is recognised for any subsequent increases in fair value less costs to sell an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. Assets held for sale are no longer depreciated or amortised.

Intangible assets are measured on initial recognition at cost only when future economic benefits are probable. Cost includes the purchase price together with any directly attributable expenditure. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.



In the case of internally developed intangibles, development expenditure is capitalized if: cost can be measured reliably; and the product is technically and commercially feasible; Future economic benefits are probable, and there exists an intent and ability to complete the development and to use or sell the asset.

Other research and development expenditures not meeting the criteria for capitalization are recognized in the statement of profit or loss as incurred. Intangible assets are amortized on a straight-line basis over their estimated useful lives between 5 and 10 years. The intangible assets comprise software that was acquired for accounting and other activities of the corporation. Details of accounting related to intangible assets were described in Note 12.

4.8

Financial Instruments

a

Recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Purchases and sales of financial instruments are recognized on the trade-date—the date on which the Corporation commits to purchase or sell the asset.

b

Classification and Measurement

All financial instruments need to be classified as one of the following: those to be measured subsequently at fair value (either through OCI or through profit or loss), and those to be measured at amortised cost. The classification depends on the Corporation's business model for managing the financial assets and the contractual terms of the cash flows. Cash equivalents, short term receivables, and payables are measured at their carrying values due to the short-term maturity of these instruments.

Assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

c

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Corporation's statement of financial position) when:

- * The rights to receive cash flows from the asset have expired, or
- * The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- (a) The Corporation has transferred substantially all the risks and rewards of the asset, or



(b) The Corporation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Corporation has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Corporation continues to recognise the transferred asset to the extent of its continuing involvement.

In that case, the Corporation also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Corporation has retained.

Continuous involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Corporation could be required to repay.

4.8.1 Financial Asset

A financial asset is any asset that is cash or a contractual right to receive cash or another financial asset from another entity. All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Subsequently, the financial asset is measured at its amortised cost.

Investments in equity instruments are measured at fair value. However, if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements, the Corporation uses cost to measure the investments as it represents the best estimate of fair value within the available ranges.

Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, deposits with financial institutions, and bank overdrafts. Bank overdrafts are included in borrowings on the statement of financial position. Cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including treasury bills when they are deemed payable within three months (*See Note 18 for further details*).

Trade receivables

Trade receivables are recognised initially at the transaction price and subsequently measured at amortised cost, less an allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the estimated future cash flows. The amount of the allowance is recognised in the income statement.



The Corporation makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Corporation uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Corporation assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. The detailed analysis of how the impairment requirements of IFRS 9 are applied were discussed in this report accordingly (See Note 16 for further details).

Prepayment, Advances and Deposits

Prepayments are payments made in advance for services to be enjoyed in future. The amount is initially capitalised in the reporting period in which the payment is made and subsequently amortised over the period in which the service is to be enjoyed (See Note 17 for further details).

Other Receivables

Other receivables are recognised upon the occurrence of events or transactions as they arise and cancelled when payment is received. The Corporation's other receivables are sundry receivables and other receivables from debtors (See Note 16 for further details).

4.8.2 Financial Liability

A financial liability is any contractual obligation of the Company to (i) deliver cash or another financial asset to another entity; or (ii) exchange financial assets or financial liabilities with those of another entity under conditions that are potentially unfavourable to the Company. Financial liabilities are recognised when the company has a contractual obligation, as a result of a past event, and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. The obligation can be measured reliably.

Financial liabilities are initially measured at fair value (the transaction price) using the effective interest rate. After initial recognition, all financial liabilities of the Corporation are measured at amortised cost. The fair values of trade payables of the Corporation are similar to their transaction prices.

Trade payables

Payables related to purchases (and others) are recognised when due at fair value, which is usually the original invoiced amount. These include amounts due to suppliers and other service providers to the Corporation. If there is objective evidence that the Payables are not current obligations, the Corporation reduces the carrying amount of the payables accordingly and recognises that gain in profit or loss (See Note 20 for further details).



b Borrowings (loans) and the borrowing costs

Interest bearing borrowings are recognised initially at the fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost. Borrowings are recognised when the obligation under the liability is discharged, cancelled, or expires. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. However, short term borrowings and overdrafts, which are those payable in a period of less than one year, are usually reported at face value unless they have a significant financing component.

Borrowings that are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet even though the original term was for a period longer than twelve months, and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current borrowings in the statement of financial position (*See Note 19 for further details*).

c Accruals

Accruals are liabilities to pay for goods or services that the Corporation received but has not yet paid for.

d Contract liability

Contract liability is the obligation of the corporation to transfer goods or services to its customer for which the corporation has received consideration (or the amount is due) from the customer. Upon receipt of prepayment from a customer, the corporation recognises a contract liability in the amount of the prepayment for its performance obligation to transfer, or to stand ready to transfer, goods or services in the future. The corporation derecognizes the contract liability (and recognises revenue) when it transfers the promised goods or services, thus, satisfying its performance obligation (*See Note 20 for further details*).

4.9 Leased Assets

All lease contracts entered into by the Corporation (as a lessor or lessee) are accounted for as prescribed by IFRS 16 (*See Note 11 for further details*).



The Corporation applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Corporation also regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Operating Lease

The corporation recognises lease payments from operating leases as income on a straight-line basis. On a monthly basis, the corporation recognises income from operating leases. The corporation accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

The corporation owns different buildings (some of which had been used by ETBC as warehouses) that are not currently used by ETBC for its purposes. The buildings are now leased out to third parties under an operating lease contract for a fixed lease or rent income. The corporation has assessed the contracts and determined that the lease does not transfer the risks and rewards incidental to the ownership of the assets, and hence classified the leases as Operating leases on the date of Application of IFRS.

4.10

Inventories

Inventories are generally measured at the lower of cost (acquisition cost or manufacturing cost to bring each inventory item to its present location and condition) and net realisable value. The cost is determined on a weighted average basis. The cost of purchased goods includes the purchase price and any other costs to make them ready for their intended use. Manufacturing costs comprise all costs that are directly attributable to the manufacturing process, such as direct material and labour costs and production related overheads (based on normal operating capacity and normal consumption of material, labour, and other production costs), including depreciation charges.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete the sale. As a Corporation aims to stabilise the company, given the current inflation the country is experiencing and the ever-weakening performance of the birr, the costs of inventories are generally assumed to be lower than their NRV (See Note 14 for further details).

Consignment stocks

Consignment inventories are measured at the lower of cost and net realisable value and presented as a liability. Revenues from consignment stocks are recognized only when the goods are transferred to third- parties (customers). When an entity delivers a product to another party (such customers) , the Corporation evaluates whether that other party has obtained control of the product at that point in time. A product that has been delivered to another party may be held in a consignment arrangement if that other party has not obtained control of the product. Accordingly, the Corporation does not recognise revenue upon delivery of the product to another party if the delivered product is held on consignment (See Note 26 for further details).



Corporation as a lessor: All leases where the Corporation transfers risks and benefits of the asset, and are for periods longer than 75% of the asset's estimated useful life are accounted for as financing leases. In this case, the leased asset will be derecognized and a receivable will be recognized. If none of the above criteria are fulfilled, the lease is recognized as an operating lease, in which only rental income is recognized. The corporation owns different buildings (some of which had been used by ETBC as warehouses) that are not currently used by ETBC for its purposes. The buildings are now leased out to third parties under an operating lease contract for a fixed lease or rent income. The corporation has assessed the contracts and determined that the lease does not transfer the risks and rewards incidental to the ownership of the assets, and hence classified the leases as Operating leases on the date of Application of IFRS.

Short-term Leases and Leases of Low-value assets

The Corporation has elected not to recognise right-of-use assets and lease liabilities for low-value assets and short-term leases. The Corporation recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. With respect to leases to use Office buildings and other assets, the Corporation enters into lease contracts where the lease period is about twelve months and which are renewable only up to the agreement between the two parties. On initial application, the Corporation assessed that it was neither reasonably certain to exercise the renewal option nor able to determine the period for which the option would be exercised. The Corporation, hence, has elected the practical expedient not to recognise a right of use asset or lease liability for all short term leases of equipment and buildings for which the term ends within 12 months of the date of initial application. The Corporation recognises the lease payments associated with these leases as expenses over the lease term.

Corporation as a lessor

b

When the Corporation acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease. To classify each lease, the Corporation makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Corporation considers certain indicators, such as whether the lease is for the majority of the economic life of the asset. All leases where the Corporation transfers the risks and benefits of the asset, and are for periods longer than 75% of the asset's estimated useful life are accounted for as financing leases. In this case, the leased asset will be derecognized and a receivable will be recognized. If none of the above criteria are fulfilled, the lease is recognized as an operating lease, in which only rental income is recognised.



The lease liability is measured at amortised cost. It is measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, if the Corporation changes its assessment of whether it will exercise a purchase, extension, or termination option, or if there is a revised in-substance fixed lease payment.

With respect to the lease of buildings, the Corporation enters into lease contracts where the lease period is about twelve months and which are renewable only up to the agreement between the two parties. On initial application, the Corporation assessed that it was neither reasonably certain to exercise the renewal option nor able to determine the period for which the option would be exercised. The Corporation, hence, has elected the practical expedient not to recognise a right of use asset or lease liability for all short term leases of equipment and buildings for which the term ends within 12 months of the date of initial application. The Corporation recognises the lease payments associated with these leases as expenses over the lease term.

With respect to the lease of land, The corporation has the right to use land that it leased from Addis Ababa City Administration and Hawasa City Municipality. The Right of Use Land that is leased from Addis Ababa City Administration is for 60 years, and The corporation may transfer a leasehold right or use it as collateral to the extent of the lease amount already paid. During the remaining term of the lease, the corporation pays a gross amount of 1,580,326 birr at the rate of Birr 54,494 per annum, where the outstanding liability bears interest at the incremental borrowing rate of 8.5%. The Right of use Land from Hawasa City is 5000 m2 of leased land and has a non-cancellable period of the lease term of 40 years, offering ETBC the option to apply for extensions for additional periods on request in advance before the expiration date of 10 years of expiry date. During the term of the ETBC, it is expected to pay a gross lease amount of 6,420,000 Birr over 40 years at a fixed rate of Birr 160,500 per annum. Previously, the corporation did not report this leasehold land as an asset (ROU).

However, at the date of the initial application, the lease is assessed, and ETBC considers recognising the Right-of-use land and lease liability. The Corporation adopted the modified retrospective approach to recognise lease liability and right-of-use assets, and IFRS 16 is applied to measure the right-of-use asset and lease liability as if it had applied since June 30, 2017, where: i) ETBC measures the right-of-use assets at cost, which is equal to the lease liability measured as the present value of fixed lease payments using an incremental borrowing/lease rate of 8.5% ii) ETBC applies the practical expedient to exclude the initial lease costs from the right-of-use asset.



The Corporations as a lessee

a

A lease contract is assessed by the Corporation to identify whether a contract contains a lease, based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, where the asset is explicitly and implicitly specified in the contract and either physically separate from others or represents substantially all of the capacity of a physically distinct asset b) the Corporation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and c) the Corporation has the right to direct the use of the asset.

At commencement or on modification of a contract that contains a lease component, the Corporation allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. The Corporation recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Generally, The Corporation uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date;
- Amounts expected to be payable under a residual value guarantee; and



ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)

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4.15 Cash flow Statement

The cash flow statement is prepared using the indirect method. Changes in balance sheet items that have not resulted in cash flows, such as depreciation charges and other non-cash items, are adjusted to come up with cash flow from operating activities.

4.16 Government grants

Grants from the government are recognised when there is reasonable assurance that:

1. the Company will comply with the conditions attached to them; and
2. the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a nominal value.

4.17 Events after the reporting date

The Corporation has evaluated subsequent events for recognition and disclosure. The management continues to monitor the unrecognized subsequent events related to the rapidly evolving Coronavirus (COVID-19) situation. The corporation is currently unable to determine the financial effects of the event. The management is also monitoring the unrecognized event in relation to the law enforcement operation the federal government is carrying out in Tigrina Region. The management is assessing the financial impact the operation has on the corporation. The corporation is currently unable to determine the financial effects of the event.

5 Capital

As the Corporation is a government-owned entity established by law, its capital consists of paid up capital and a legal reserve. The authorised capital of the Corporation is Birr 3,836,000,000 (Three Billion Eight Hundred thirty-six million birr), of which Birr 959,100,000 (Nine Hundred fifty-nine million one hundred thousand birr) is paid up in cash and in kind. As per Public Enterprises Proclamation No. 25/1992, the authorised capital of the Corporation should be fully paid up within five years. Where the authorised capital is not fully paid up within the specified period, the Ministry of Trade shall, without prejudice to the rights of third parties, adjust the capital to the level of the paid-up capital.

6 Earnings per Share

The Corporation is established by law and as such its paid up capital is not divided into share of stocks. As a result, the calculation and reporting of earnings per share as required by IFRS is not applicable for the Corporation.



The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in Ethiopia. During the reporting period, the Corporation didn't operate or generate taxable income in a foreign country. Management periodically evaluates positions taken in the tax returns with respect to disputable situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

4.13.2 Deferred income tax

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets, if any, is reviewed at the end of each reporting period and recognised only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rate that has been enacted or is substantively enacted by the end of the reporting period (*See Note 38 for further details*).

4.13.3 Value added tax

Revenues, expenses and assets are recognized net of the amount of value added tax except:

Were the value added tax incurred on a purchase of assets or services not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables that are stated with the amount of value added tax included.

4.14 Presentation Currency, Function currency and Foreign Currency Translation

Items included in the financial statements of the Corporation's are measured using the currency of the primary economic environment in which the Corporation operates ('the functional currency'), which is determined in accordance with the requirements of IAS 21. The Corporation's functional and presentation currency is the Ethiopian Birr.

The accounts recorded in foreign currencies have been translated into Ethiopian Birr on the following basis:

- financial assets and liabilities at the rate of exchange in effect at the balance sheet date;
- non-financial assets and liabilities at the rates of exchange in effect on the respective dates of transactions; and
- revenue and expenses at the exchange rates prevailing on the date of the transaction

Foreign exchange gains and losses resulting from the settlement of such transactions as well as the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss in the period in which they occur.



Employer's contributions to this scheme are charged to profit or loss and other comprehensive income in the period to which they relate.

4.12 Provisions, Contingent Assets and Contingent Liabilities

Provisions comprise liabilities of uncertain timing or amount that arise from construction, environmental, litigation, and other risks. Provisions are recognised when the Corporation has a legal or constructive obligation stemming from a past event and when future cash outflows can be reliably estimated. Contingent assets and liabilities are possible rights and obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the control of the Corporation. The type and treatment of provisions and contingencies by the Corporation are described hereunder (*See Note 21 for further details*).

a Legal contingencies

The Corporation is party to litigation related to a number of matters. The outcome of these matters may have a material effect on the financial position, results of operations, or cash flows of the Corporation. Management regularly analyses current information about these matters and provides provisions for probable cash outflows, including an estimate of legal expenses to resolve the matters.

Internal and external lawyers are used for these assessments. In making the decision regarding the need for provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Corporation or the disclosure of any such suit or assertion, does not automatically indicate that a provision may be appropriate.

Estimates and assumptions

The Corporation reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the management as to how it will respond to the litigation, claim or assessment.

4.13

Income Taxes

4.13.1 Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authority, the Ethiopian Revenues and Customs Authority (*See Note 36 for further details*).



4.11 Employee benefits

4.11.1 Defined contribution benefits

The Corporation has an employee benefit scheme that follows Labour Proclamation No. 377/2003. The Corporation has a defined Contribution plan post-employment scheme in line with the provisions of Ethiopian pension of private organisation employees proclamation 715/2011. Funding under the scheme is 7% and 11% provided by employees and the Corporation respectively. The pension scheme is based on employees' monthly salaries, which need to be submitted to the pension fund administered by the federal government. This pension scheme is a defined contribution plan where the Corporation's legal or constructive obligation is limited to the amount contributed to the fund. Contributions to the pension fund in respect of the services rendered in a particular month are recognised as an expense in that period.

4.11.2 Severance:

The Corporation effects severance payment as per the proclamation mentioned above for employees who leave the organisation at will after five or more years of experience. The Corporation treats the benefit scheme as another long term employee benefit. The Corporation uses estimates, averages, and computational short cuts to provide a reliable approximation of the liability incurred each year in relation to severance pay (See Note 35 for further details).

4.11.3 Leave pay

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the liability for annual leave, as a result of services provided by employees up to the reporting date (See Note 37 for further details).

4.11.4 Bonus plans

A liability for employee benefits in the form of bonus plans is recognised as a provision as past practise has created a valid expectation by employees that they will receive a bonus, and amounts can be determined before the time of issuing the financial statements. The annual bonus is calculated based on the profit performance of the Corporation. The actual bonus is approved by the board and settled within a period of 12 months.

4.11.5 Termination benefits

Termination benefits are payable to employees as per Proclamation 715/2011 when employment is terminated by the Corporation before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Corporation recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.



b Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates, which expose the Corporation to cash flow interest risk. Borrowings obtained at variable rates give rise to interest rate risk. The Corporation's exposure to the risk of changes in market interest rates is rather minimal as it currently is not engaged borrowing arrangements where the interest rates are variables. During Sene 30, 2014 and Sene 30, 2010, Corporation's borrowings are denominated in ETB.

The exposure of Corporation's borrowings to interest rate changes at the end of reporting period are as follows:

Particulars		Sene 30, 2014	
		ETB '000	ETB '000
Variable rate borrowings	Total borrowings	1,819,800.44	1,819,800.44
	Fixed rate borrowings	00.00	00.00
		<u>1,819,800.44</u>	<u>1,819,800.44</u>

Sensitivity
Profit or loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table summarises the impact of increase/decrease in interest rates on Profit

Particulars		Sene 30, 2014	
		ETB '000	ETB '000
Interest rates-Increase by -%	Impact on profit after tax	No impact	No impact
		No impact	No impact

Management of Market risk
The main objective of Market Risk Management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. Market risk is monitored by the audit department on regularly, to identify any adverse movement in the

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's long-term receivables, trade and other receivables, and cash and cash equivalents maintained with financial institutions. The Corporation places its cash and cash equivalents with the Commercial Bank of Ethiopia, the biggest bank in the country. The maximum exposure of the Corporation to credit risk at the reporting date is the carrying value of cash and cash equivalents and other receivables.



The Corporation's financial assets are classified into the following categories: at amortized cost, at fair value through P&L and at FV through OCI and the financial liabilities are classed at amortized cost.

At fair value through P/L	At amortized cost	Sene 30, 2014	
		Cash and balances with banks	Trade and Other trade receivables excluding prepayments
00.00	1,915,435.68	1,915,435.68	967,525.86
00.00	2,882,961.54	2,882,961.54	4,226,548.19
00.00	7,887,418.61	7,887,418.61	3,660,870.42
00.00	7,887,418.61	7,887,418.61	7,887,418.61
8.3.2 Market risk			

Market risk is defined as the risk of loss risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk factors such as interest rates, foreign exchange rates, equity prices, credit spreads and their volatilities. Market risk can arise in conjunction with trading and non-trading activities. The Corporation does not ordinarily engage in financial instrument trading activities as there are no active markets in Ethiopia. However, other components of market risks which are related with its business operations are discussed as follows:

Foreign Currency risk

Foreign exchange risk is the chance that a company will lose money on international trade because of currency fluctuations. The Corporation is engaged in both import and export transactions. Consequently, its operation is highly exposed to changes in the relative value of the involved currencies. The main foreign exchange risk exposure that the Corporation is encountering due to transaction risk. Transaction risk is associated with appreciation of suppliers' currencies against Birr. The Corporation has entered into deferred payment letter of credit to limit the risk of price and exchange rate. With the regular letter of payment, the corporation must put up the cash very soon after the order is shipped by the seller. With a deferred LC, the seller provides additional time before the payment will be claimed and the Corporation is recovering currency devaluation losses from the Government to compensate through subsidy. The subsidy provided by Federal Government as a result of changes in foreign currencies are summarized as follows:

Particulars	Impact on profit before tax	
	Sene 30, 2014	ETB '000
Increase	1,890.50	ETB '000
Decrease	4,357.55	No impact
	No impact	No impact



8 Financial risk management

Risk is inherent in the Corporation's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk reviews and other controls. This process of risk management is critical to the Corporation's continuing operation.

The Corporation's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, and liquidity risk. The Corporation's overall risk management programme seeks to minimise the potential adverse effects of these risks on the Corporation's financial performance. Risk management is carried out under policies approved by the Corporation's board.

The Corporation's risks are measured using methods that reflect both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual.

Monitoring and controlling risks is primarily performed based on limits established by the Corporation. These limits reflect the business strategy and market environment of the Corporation as well as the level of risk that the Corporation is willing to accept, with additional emphasis on selected regions. In addition, the Corporation measures and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types

The Corporation uses various risk mitigating techniques to reduce its risk to the level acceptable. Risk controls and mitigants, identified and approved for the Corporation, are documented for existing and new processes and systems.

8.1 Risk measurement and reporting systems

The Corporation's risks are measured using methods that reflect both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual.

Monitoring and controlling risks is primarily performed based on limits established by the Corporation. These limits reflect the business strategy and market environment of the Corporation as well as the level of risk that the Corporation is willing to accept, with additional emphasis on selected regions. In addition, the Corporation measures and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

8.2 Risk mitigation

The Corporation uses various risk mitigating techniques to reduce its risk to the level acceptable. Risk controls and mitigants, identified and approved for the Corporation, are documented for existing and new processes and systems.

8.3 Financial risk factors

The Corporation's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Corporation's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

8.3.1 Financial instruments by category

The Corporation's financial assets are classified into the following categories: at amortized cost, at fair value through P&L and at FV through OCI and the financial liabilities are classed at amortized cost. Financial instruments are classified in the statement of financial position in accordance with their legal form and substance.



Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both. This definition includes subsidiaries, associates, and joint ventures. The Corporation does not have subsidiary, associates or joint venture with which it enters into a number of transactions.

Exemption for government-related entities

Before the 2009 revision of IAS 24, if a government controlled or significantly influenced an entity, the entity was required to disclose information about all transactions with other entities controlled, or significantly influenced, by the same government. The revised standard eliminates the need to disclose information that is costly to gather, and of less value to users. The corporation, being one of extra numerous government owned entities, assessed that it will be costly and of less value to users to gather information about other government owned entities. The corporation thus uses the exception with relation to disclosure of related parties.

7.1

Key management personnel

The Corporation's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Corporation (directly or indirectly) and comprise the board members, the chief executive officer, and the heads of the major sectors.

ETB '000

Sene 30, 2014

ETB '000

Salary	Bonus	Annual leave	Allowances	Total
5,788,368.00	17,365,104.00	524,926.63	3,692,430.72	27,370,829.35
5,178,348.00	15,535,044.00	524,926.63	3,564,222.12	24,802,540.75



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As at Sene 30, 2015, the Corporation's liabilities maturities have as summarised below:

Current		
within 6 months	480,400.48	2,434,635.61
6 to 12 months		
Non - Current		
1 to 5 years	8,619,855.08	3,816,907.78
5 to 10 years	376,466.04	465,579.21
later than 10 years	00.00	00.00
Total	8,996,321.12	4,282,486.99
	8,996,321.12	4,282,486.99

The aged balance of a corporation payable account with a maturity of more than 10 years is zero, implying that the amount for ageing payables is also zero.

The strength and stability of our operations have historically supplied us with a significant source of liquidity. Our cash flows provided by operating activities, supplemented with our long-term debt and short-term borrowings, have been sufficient to fund our operations while allowing us to invest in activities that support the long-term growth of our operations. Generally, some or all of the remaining available cash flow has been used to fund various operations of the Corporation. The Corporation believe that sources of liquidity will continue to be sufficient to fund operations and finance various investment activities for at least the next 12 months and thereafter for the foreseeable future.

Net Cash Provided by Operating Activities

Sene 30, 2014	ETB '000	ETB '000
Net cash provided by operating activities	2,826,710.08	-3,432,094.05

Net cash provided by operating activities was ETB 598,381,096.09 and ETB 798,153,297.61 for fiscal Sene 30, 2014 and 2010 respectively. Net cash provided by operating activities for fiscal 2011 decreased when compared to the previous fiscal year. The decrease is primarily due to moderated levels of credit purchases.

Cash and Bank Balance and Working Capital Deficit

Sene 30, 2014	ETB '000	ETB '000
Cash and Bank Balance and Working Capital	791,649.44	-405,834.44



Sene 30, 2015
FTB '000

Lifetime expected
credit loss

Staff Debtors	Staff Debtor Balances	ECL (%)	Lifetime expected credit loss
30 days past due	01.05	-	00.00
60 days past due	4,929.34	-	00.00
90 days past due	171.29	-	00.00
180 days past due	8,709.57	-	00.00
270 days past due	00.00	1.00	00.00
360 days past due	-03.69	1.00	-03.69
More than 360 days past due	25,002.11	1.00	25,002.11
	<u>38,809.67</u>		<u>24,998.42</u>

The closing balance of the of the trade receivables loss allowance as at Sene 30, 2015 reconciles with the trade receivables loss allowance opening balance as follows:

FTB '000	
Opening loss allowance as a Hamle 1, 2013	284,523.77
Loss allowance recognised during the year	65,129.18
Loss allowance as at Sene 30, 2014	349,652.95
Loss allowance recognised during the year	36,615.95
Loss allowance as at Sene 30, 2015	<u>386,268.90</u>

d Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by the delivery of cash or another financial asset. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. The Corporation manages liquidity by maintaining adequate cash balances and tracking the due dates of its operating and financing obligations. In addition, the Corporation regularly monitors and reviews both actual and forecasted cash flows. It also deter certain discretionary expenditures and measures to reduce operating costs in order to preserve working capital.



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Sene 30, 2014
ETB '000

Trade Receivables		Staff Debtors	
Total		Total	
30 days past due	3,759.18	30 days past due	00.00
60 days past due	63,416.81	60 days past due	00.00
90 days past due	53,660.49	90 days past due	00.00
180 days past due	183,426.01	180 days past due	00.00
270 days past due	33,313.64	270 days past due	00.00
360 days past due	21,160.54	360 days past due	00.00
More than 360 days past due	285,784.48	More than 360 days past due	00.00
Trade receivables balance	644,521.15	Staff Debtor Balances	9,257.60
ECL (%)	1.00	Lifetime expected credit loss	9,257.60

Trade Receivables		Staff Debtors	
Total		Total	
30 days past due	110,131.58	30 days past due	00.00
60 days past due	2,957,374.27	60 days past due	00.00
90 days past due	44,320.36	90 days past due	00.00
180 days past due	113,156.47	180 days past due	00.00
270 days past due	75,934.90	270 days past due	00.00
360 days past due	42,151.16	360 days past due	00.00
More than 360 days past due	276,050.44	More than 360 days past due	00.00
Trade receivables balance	3,619,119.17	Staff Debtor Balances	9,257.60
ECL (%)	1.00	Lifetime expected credit loss	9,257.60

Trade Receivables		Staff Debtors	
Total		Total	
30 days past due	110,131.58	30 days past due	00.00
60 days past due	2,957,374.27	60 days past due	00.00
90 days past due	44,320.36	90 days past due	00.00
180 days past due	113,156.47	180 days past due	00.00
270 days past due	75,934.90	270 days past due	00.00
360 days past due	42,151.16	360 days past due	00.00
More than 360 days past due	276,050.44	More than 360 days past due	00.00
Trade receivables balance	3,619,119.17	Staff Debtor Balances	9,257.60
ECL (%)	1.00	Lifetime expected credit loss	9,257.60



a Classification

The Corporation's classification of its financial assets and trade and other receivables is summarized in the table below which also shows the maximum exposure to credit risk for the Corporation's financial assets. The maximum exposure is shown gross before the effect of mitigation:

	Sene 30, 2014	ETB '000	ETB '000
Cash and bank balance	1,915,435.68	4,226,548.19	7,935,845.62
Trade and other receivables	1,134,570.62	3,709,297.42	3,050,006.30

b Credit concentrations

The Corporation monitors concentrations of credit risk by sector, location and purpose. An analysis of concentrations of credit risk at Sene 30, 2014 and Sene 30, 2014 . The Corporation concentrates all its financial assets in Ethiopia.

	Sene 30, 2014	ETB '000	ETB '000	ETB '000
Cash and Bank Balances	1,915,435.68	4,226,548.19	4,226,548.19	4,226,548.19
Public	00.00	00.00	00.00	00.00
Private	1,915,435.68	4,226,548.19	4,226,548.19	4,226,548.19

c Trade and Other receivables

The Corporation applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been assessed based on the days past due.

The expected loss rates are based on the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within contractual agreement date and failure to engage with the Corporation on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis the expected credit loss for trade receivables as at Sene 30, 2015 and Sene 30, 2014 was determined as follows:



11 LEASE

ETBC AS A LESSEE (See Note 4.9)

11.1 Right-of-use asset(land)

Information on Right-of-use asset(land) at Addis Ababa and Hawasa for the reporting period (comparative)

Balance at Sene 30, 2014	ETB	Balance at Sene 30, 2015	ETB
Balance at Sene 30, 2014	ETB	Disposals	ETB
Additions	ETB	Transfers	ETB
Leased Asset Location and Cost			

Addis Ababa	580.92		580.92
Hawasa	1,815.98		1,815.98
	<u>2,396.90</u>		<u>2,396.90</u>

Addis Ababa	97.44		116.96
Hawasa	195.76		231.73
	<u>293.21</u>		<u>348.70</u>
NET BOOK VALUE	<u>2,103.70</u>		<u>2,048.21</u>

11.2 Lease Liability (Obligation)

2c Lease liability recognized in statement of financial position for the reporting period (comparative)

Sene 30, 2014	Lease at AA	Lease at Hawasa	Total
Current lease obligation	05.12	06.14	11.26
Long term lease obligation	575.81	1,779.13	2,354.94
Payment of lease obligation	00.00	00.00	00.00
Interest Payment			<u>-154.36</u>
Carrying amount as of June 30, 2014	<u>580.92</u>	<u>1,785.27</u>	<u>2,366.20</u>



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The legal requirements imposed on the Corporation puts restriction on the management to freely manage the capital structure of the Corporation. It follows a conservative approach to its statement of financial position assuming low levels of debt and maintaining substantial The capital structure of the Corporation consists of the paid up capital contributed by the federal government and the legal reserve. On establishment, the paid up capital represented not more than 25% of the authorised capital. According to Public Enterprises Proclamation No. 25/1992, the authorised capital of the Corporation should be fully paid within five years. The management of the Corporation works to ensure that the authorised capital is fully paid before the expiration of the deadline, either through the retention of profits or by requesting a contribution of money from the Federal Government. As per Proclamation No. 25/1992, the Ministry of Trade, the supervising authority of the Corporation, may cause the funds needed to increase the capital to be allocated by the Government or to be paid out of the net profits of the Corporation. The Corporation is legally required to establish and maintain a legal reserve fund and annually transfer 5% of its net profits to the fund until such a reserve fund equals 20% of its capital. The Corporation has legal restrictions on utilising the legal reserve. The legal reserve fund is utilised only for covering losses, unforeseeable expenses, and liabilities.

As per the Council of Ministers Regulation No. 107/2004, 60% and 40% of the net profits of the Corporation, after deduction of legal reserve, should be fully transferred, respectively, to the government as state dividend and as contribution to the Industrial Development Fund. The Corporation is required to effect the payments within seven months following the end of the financial year.

As at Sene 30, 2015 the Corporation does have a long-term debt of ETB 3,074,363,079.06 and is not subject to any externally imposed capital requirements.



Cash and cash equivalents were ETB 793,471,644.52 and ETB 1,505,340,760.86 as of Sene 30, 2014 and 2011, respectively. Our working capital deficit, defined as total current assets less total current liabilities, was ETB (333,600,969.92) and ETB (24,621,274.60) as of Sene 30, 2014 and 2010, respectively. The increase in our working capital deficit is primarily driven by increase in liabilities. We generally operate with a working capital deficit due to our efficient use of cash in funding operations and financing from financial institutions.

Net Cash Used in Investing Activities

Sene 30, 2014	ETB '000	ETB '000
-52,700.65	-118,581.92	Net Cash Used in

Net cash used in investing activities was ETB (71,653,992.95) and (52,306,146.51) for fiscal year Sene 30, 2014 and 2011, respectively, and generally consisted of capital expenditures. Net cash used in investing activities increased during fiscal 2011 when compared to the previous fiscal year primarily due to the result of increased purchases.

Net Cash Used in Financing Activities

Sene 30, 2014	ETB '000	ETB '000
2,663,888.55	-1,291,976.15	Net Cash Used in Financing Activities

Net cash from financing activities generally consists of debt transactions and lease payments. Net cash used in financing activities was ETB (73,672,113.84) and (4,096,481.95) for fiscal year Sene 30, 2014 and 2011, respectively. The increase is primarily due to repayments of long-term debt.

Credit quality analysis

Except for cash in bank, all financial assets the corporation has including trade and non-trade receivables are not backed by any form of guaranty. The credit quality of the financial assets depends on the creditworthiness of the holders the financial assets. The credit quality of cash and bank balances and short-term investments that were neither past due nor impaired at as Sene 30, 2010 and Sene 30, 2014 are held in banks have been classified as non-rated as there are no credit rating agencies in Ethiopia.

9 Capital Management

The Corporation's objectives in the managing the liquidity and capital structure are to safeguard the Corporation's ability to continue as a going concern and provide financial capacity to meet its strategic objectives. Generally speaking, in order to maintain or adjust the capital structure, an entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.



S/No	Location by Region	Unit	Etfuit Land m2	Value m2	ETB '000	Total Value
1	Addis Ababa	11,743.77	800.00	800.00	9,395.02	15,651.02
2	Diredawa	4,250.00	800.00	800.00	3,400.00	
3	Oromia	2,070.00	800.00	800.00	1,656.00	
4	SNNRP	1,500.00	800.00	800.00	1,200.00	
Total		19,563.77		3,200.00		

S/No	Location by Region	Unit	Procurement Land m2	Value m2	ETB '000	Total Value
1	Addis Ababa	4,250.00	800.00	800.00	3,400.00	15,651.02
Total		4,250		800.00		

The Corporation recognizes freehold land with a carrying amount of ETB 1,285,952,824.00 as of Hamle 1, 2008, or GC. This land was received free of any lease charges. In accordance with the fair value measurement guidance in IFRS 13 ("Fair Value Measurement"), the Corporation applied the cost approach to determine the fair value of the land upon adoption of IFRS on Hamle 1, 2008 (effective date). This fair value was then deemed to be the initial cost of the land under the lease accounting requirements of IFRS 16 ("Leases"). The decision to recognize the valued amount as an asset aligns with the substance over form principle in the IFRS Conceptual Framework. This principle emphasizes the economic substance of transactions over their legal form.

The Corporation's in-house valuation team employed the cost approach to determine the fair value of the land. The cost approach estimates the fair value of an asset based on the cost to replace it with an identical or similar asset. In accordance with IFRS 13, the valuation team considered the highest and best use (HBU) of the land when determining its fair value. The HBU is the reasonably probable and legal use of the land that would generate the highest value.

The valuation team evaluated various factors when determining the HBU, including:

- Physical possibilities - limitations imposed by the physical characteristics of the land.
- Justifiability - the economic viability of the use.
- Legal permissibility - compliance with zoning regulations and other legal restrictions.
- Financial feasibility - the ability to generate a positive return on investment for the HBU.

The valuation team considered different potential uses and their corresponding land values to arrive at the estimated HBU and fair value.





Location by Region		Consumer Land m2		Total Value	
S/No	Unit	Value m2	ETB '000	Total Value	
1 Addis Ababa	50,000.00	800.00	40,000.00		
3 Amhara	24,822.71	800.00	19,858.17		
10 Oromia	23,035.39	800.00	18,428.31		
Total	97,858.10	2,400.00	78,286.48		

Location by Region		Grain Land m2		Total Value	
S/No	Unit	Value m2	ETB '000	Total Value	
1 Addis Ababa	137,691.67	800.00	110,153.34		
2 Afar	13,000.00	800.00	10,400.00		
3 Amhara	472,503.21	800.00	378,002.57		
4 Direedawa	36,338.00	800.00	29,070.40		
5 Gambela	5,162.60	800.00	4,130.08		
6 Harer	9,200.00	800.00	7,360.00		
7 Hawassa	19,317.00	800.00	15,453.60		
8 Jigiga	5,748.00	800.00	4,598.40		
9 Mekei	8,000.00	800.00	6,400.00		
10 Oromia	702,741.18	800.00	562,192.94		
11 SNNRP	77,320.00	800.00	61,856.00		
Total	1,487,021.66	800.00	1,189,617.33		

Summary of the land of the Corporation summarized as follows

ETB '000	1,285,952,824.00
ETB '000	1,285,952,824

When preparing its first set of IFRS based financial statement, the Corporation valued the lands on which its buildings are built on. The lands are not under any form of lease agreement/arrangement. The management thus treats the land as land use right. By looking the substance over form of the matter, The management decided to recognize the valued amount as a land use right asset since all the criteria under the conceptual framework to be recognized as so are well met.

13 LAND USE RIGHT

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12 INTANGIBLE ASSETS

Intangible Assets information of the Corporation is summarized as belows (See Note 4.7

	Balance at Sene 30, 2014	Additions	Disposals Transfers	Balance at Sene 30, 2015
ETB	ETB	ETB	ETB	ETB
COST				
Software	10,468.73			10,468.73
	<u>10,468.73</u>			<u>10,468.73</u>
DEPRECIATION				
Accm. Dep. - Softwa	7,443.11		1,104.37	8,547.48
	<u>7,443.11</u>			<u>8,547.48</u>
NET BOOK VALU	3,025.62			<u>1,921.25</u>



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Current lease obligation	05.12	06.14	11.26
Long term lease obligation	575.81	1,779.13	2,354.94
Payment of lease obligation		-12.28	-12.28
Interest Payment		-154.36	-154.36
Carrying amount as of June 30, 2015	<u>580.92</u>	<u>1,772.99</u>	<u>2,353.91</u>
	Lease at AA	Lease at Hawasa	Total

2d

Maturity Analysis of lease obligation related to ROU Land-Contractual undiscounted cash flows

Sene 30, 2014

Less than one Year	54.49	160.50	214.99
One up to five years	217.98	642.00	859.98
Later than Five years	1,253.36	5,457.00	6,710.36
Total Undiscounted lease liability at June	1,525.83	6,259.50	7,785.33
Total Finance charge	950.02	4,449.66	5,399.68
Lease liability at June 30	<u>580.92</u>	<u>1,785.27</u>	<u>2,385.65</u>
	Lease at AA	Lease at Hawasa	Total

Sene 30, 2015

Less than one Year	54.49	160.50	214.99
One up to five years	217.98	642.00	859.98
Later than Five years	1,198.87	5,296.50	6,495.37
Total Undiscounted lease liability at June	1,471.34	6,099.00	7,570.34
Total Finance charge	901.08	4,296.39	5,197.47
Lease liability at June 30	<u>580.92</u>	<u>1,772.99</u>	<u>2,372.87</u>
	Lease at AA	Lease at Hawasa	Total

ETBC AS A LESOR

The corporation leases out its warehouses/buildings which it classified as operating leases because the leases donot substantially transfer risks and rewards incidental to the ownership of the asset.



The Corporation's valuation team primarily relied on comparable lease value data for similar properties in determining the fair value of the land. This aligns with the fair value hierarchy established in IFRS 13, which prioritizes observable market data for valuation techniques.

The Corporation will continue to report the asset at fair value deemed cost, as required by IFRS 11. If there is a material change in the fair value of the land, the Corporation will disclose the carrying amount of the land through the income statement in accordance with IAS 40.

14 Stock in hand and In-Transit

Stocks consist of the following (see Note 4.10) :

	ETB '000	ETB '000
Grains	2,282,801.89	5,469,800.17
Fruits and Vegetables	80,599.80	1,108.19
Commodity/Factory		
products	425,977.53	364,693.15
Spare Parts	45,989.80	52,903.49
Fuel and Lubricant	01.13	01.13
Materials and		
Supplies	3,470.94	2,516.45
Good In Transit	2,838,841.09	5,891,022.59
	489,145.25	17,209.99
	<u>3,327,986.34</u>	<u>5,908,232.58</u>

15 Trade and Other Debtors

Trade and other receivables consist of the following (see Note 4.8.1b and d):

	ETB '000	ETB '000
Financial Assets		
Trade Debtors	3,367,781.25	499,914.83
Sundry Debtors	279,848.32	491,354.31
Staff Debtors	38,235.25	30,743.99
Other Receivables	3,291.43	5,070.89
Less: Allowance for expected credit losses	3,689,156.25	1,027,084.02
	<u>-386,268.90</u>	<u>-349,652.95</u>
Non - Financial Assets	3,302,887.35	677,431.06
VAT Receivables	93,605.10	51,252.27
Withholding Tax Recoverable	82,191.43	86,706.64
Contract Receivables with Bank *	50.31	
Inter Business account	36,553.89	6,553.55
Provision (Ministry of Finance)*(Note 21)	145,582.34	145,582.34
	<u>357,983.07</u>	<u>290,094.80</u>
	<u>3,660,870.42</u>	<u>967,525.86</u>



All amounts are short-term by its contractual natures. The net carrying value of trade receivables is considered a reasonable approximation of fair value which was measured at amortized cost with no financing components. All of the Corporation's trade and other receivables in the comparative periods have been reviewed for indicators of impairment. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties. *Note 8.3.3* includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. Both the current and comparative impairment provisions apply simplified model of the IFRS 9 expected loss model. *The Corporation uses its letters of credit with the Commercial Bank of Ethiopia to obtain a merchandising loan in order to pay coffee sellers when it runs out of cash. 90% of the funds received, as stipulated in the contract, would be used to repay the merchandising loan, with the remaining 10% going to the Corporation's bank savings account. This was the case when the bank collected the letters of credit. The bank's excess collection balance of ETB 50,000 birr from the 2012 and 2013 accounting period will be deposited into the corporation's savings account. The balance will be debited to the Corporation's bank account in the following accounting period and shown as debit balance in the bank merchandise loan account.

16 Advance, Prepayment and Deposits

Trade and other receivables consist of the following (see Note 4.8.1c) :

	ETB '000	ETB '000
Advance and Prepaid	30,609.64	140,997.86
Deposit	17,817.37	26,046.90
	<u>48,427.01</u>	<u>167,044.76</u>
	ETB '000	Sene 30, 2014

17 Cash and Bank Balance

Cash and cash equivalents consist of the following (see Note 4.8.1a) :

	ETB '000	ETB '000
Cash at Bank	4,223,367.49	1,911,333.03
Cash on Hand	3,180.71	4,102.65
	<u>4,226,548.19</u>	<u>1,915,435.68</u>
	ETB '000	Sene 30, 2014

In addition, the aforesaid balance includes the cash balances of other entities of ETB 82,096,819.44 and 82,623,682.98 for the Sene 30, 2015 and Sene 30, 2014 accounting periods, respectively, which were put in the corporation's bank account for the purchase of goods and services. The balance is accounted for in the corporation's statement as a cash and liabilities account and is modified when an order is placed for the acquisition of goods and services for other companies.



18 Long Term Loan and Bank Overdraft
18.1 Long Term Loan

The Loan arrangement of the Corporation is provided as follows (See Note 4.8.2b):

ETB '000	
414,360.19	Balance at Sene 30, 2013
2,734,805.34	Add: Additional Loan
3,149,165.53	
37,401.23	Less: Repayments during the period
3,111,764.31	
2,738,188.46	Less: Amount repayable within 12 months
373,575.84	Balance at Sene 30, 2014
00.00	Add: Additional Loan
1,291,963.87	Less: Repayments during the period
1,819,800.44	
1,024,312.55	Less: Amount repayable within 12 months
795,487.89	Balance at Sene 30, 2015

18.2 Bank Overdraft

ETB '000	Bank Overdraft	Commercial Bank of Ethiopia
Sene 30, 2014		
ETB '000		107,886.02

Loan bearing interest at the rate of 9.5% per annum, secured on building and machinery of the Corporation and repayable in the quarterly instalment of ETB '000 20,942,750, including interest, through Meskerem 2021. Loan bearing interest at the rate of 9.5% per annum, secured on building and machinery of the Corporation and repayable in the quarterly instalment of ETB '000 313,594, including interest. Loan bearing interest at the rate of 9% per annum, secured on building and machinery of the Corporation and repayable in the quarterly instalment of ETB '000 250,415, including interest, through Hidar 2020.



19 Time Deposits

Time Deposits

20 Trade and Other Payables

Trade and other payables consist of the following (See Note 4.8.2a):

Sené 30, 2014		ETB '000
Financial Liability		
Trade Creditors		8,589,700.39
Sundry Creditors		49,180.90
Unearned Revenue		294,758.59
Retention payable		5,605.85
Accrued liability		149,167.39
Employee Related Liabilities		10,833.43
Non Financial Liability		
Other Tax Payables		00.57
Employee Income Tax Payable		3,695.28
		<u>3,695.85</u>
		9,102,942.40
Financial Liability		
Trade Creditors		5,457,491.55
Sundry Creditors		159,188.31
Unearned Revenue		519,260.92
Retention payable		4,973.51
Accrued liability		84,231.30
Employee Related Liabilities		10,074.25
Non Financial Liability		
Other Tax Payables		34,640.44
Employee Income Tax Payable		4,607.78
		<u>39,248.22</u>
		<u>6,235,219.83</u>
		6,274,468.05



Provision

The corporation has a court case with Intrade Company (United Kingdom) Ltd. in the investment trial of the Federal Court. This is because of the corporation's failure, as stated in the contractual agreement, to provide a sufficient vehicle on time when the ship arrives at the berth place, which results in additional payment due to the demurrage payment registered at the port. The additional payment requested by the company through court includes expense of ETB 108,404,809.00, and various costs and losses as well as the interest recognized by law, ETB 37 1077 526.40, which amount a total of ETB 145 582 335.40 (*See Note 4.12*)

In reference to the expert opinion, the trend of the proceedings on the record of the appellant indicates that, based on the complaint filed by the first defendant, the possibility of winning the case is not probable or certain (it is more probable to the lose the case), so that the corporation will be liable. As the case relates to the grains acquired by the Ministry of Finance to be distributed through the corporations, it will be settled from the cash balance collected from the sales of the grain. As the Corporation maintained liability account in the name Ministry of Finance, until the provision will be settled it will be accounted against the liability account of the Ministry which was included in the liability sections.

Provision Payables	145,582.34	145,582.34
Additional provision		37,659.37
22 Reconciliation of Contract liabilities		

Advances received for delivery of goods represent customer payments received in advance of performance (contract liabilities) that are expected to be recognised as revenue in subsequent accounting periods. As described in Note 4.1 and 4.8.2b:

accounting periods. As described in Note 4.1 and 4.8.2b;

Sené 30, 2014	ETB '000	ETB '000
Opening Advance contract Balance	519,260.92	233,340.60
Advance Collection during the year	32,720.01	32,720.01
Performance obligation satisfied during the year	551,980.93	266,060.61
	<u>15,029.08</u>	<u>15,029.08</u>
	294,758.59	519,260.92

Besides, the corporation has a retention payable amount of ETB 4,859,893.04 and 4,790,989.58 for the 2011 and 2012 accounting periods, respectively. This amount was deducted from contracts at 2.5% of their contract prices, where it will be paid after project compilations are



23 Capital

23.1 Paid up Capital and Non-distributable Reserve

The authorized capital of the Corporation is ETB 3,836,000,000 of which ETB 959,100,000 is paid up in cash and in kind.

Sene 30, 2014	
ETB '000	ETB '000
Paid up Capital	959,100.00
Reserve	1,879,009.47

The Corporation used to follow a depreciation method in the previous GAAP that did not reflect the proper economic consumption of the assets. When the corporation adopted IFRS, as on Hamle 1, 2008, it chose to value its fixed assets, which are reported as property, plant, and equipment under the current framework, and use the valued amounts as deemed costs. The corporation has also valued its free-hold land and recognised it as an asset under the current framework. Besides, the corporation re-measures its right of use of a land, derecognises a significant portion of its intangible assets, conducts valuations related to employee benefits, and recognises deferred tax liabilities and deferred tax assets. This whole process has resulted in a new carrying amount for the stated account. The effects of the change in the above-stated account were adjusted against non-distributable reserves. Of the total non-distributable balance, the management reclassified ETB 502,517,095.09 to a paid-up capital account starting from the date of adoption of IFRS. The remaining balance of Br.1,879,009.47 is restricted from being used for both capital increment and distribution as per a letter dated 19/02/2012 with Ref.No. AYAN/208/12 issued by the Federal Democratic Republic of Ethiopia Accounting and Audit Board of Ethiopia.

23.2 LEGAL RESERVE

The legal reserve is a statutory reserve to which 5% of the net profits is transferred each year until it amounts to 20 % of the capital.

24 Change in Retained Earnings

Balance Hamle 1,	
Total comprehensive income for the year	
Adjustment for prior	
Tax Assessment	
penalty	
Legal Reserve	
Balance at Sene 30, 2014	
Opening Balance at Hamle 1, 2014	
Total comprehensive income for the year	
Tax Assessment penalty	
Dividend paid	
Transfer to legal reserve	
Balance at Sene, 2015	



ETB '000	
-701,459.31	227,881.11
-155,207.90	
-11,394.06	
-640,180.16	
-640,180.16	
-1,118,643.41	
-135,173.67	
-129,501.01	
-55,932.17	
157,856.39	

The loss resulted from allowance for expected credit losses and other income resulted from provision (aged payables) are reconciled as follows:

provision (aged payables) are reconciled as follows:

ETB '000	ETB '000
36,615.95	65,129.18
Allowance for expected credit losses - Current	Losses and Provision (aged payables) - Current
-	-

The policy of the corporation relating to trade payables requires the aged payables over 10 years to be provided. The analysis of the aged payables, which resulted in a decrease in trade account payables by the stated account in the disclosure, was reported as in the retained earning account by the corporation.

Sales revenue of the Corporation is summarized as follows (See Note 4.1 and 4.1.1.):

Senegal, 2014	
	ETB '000
Grain Revenue	5,378,977.32
Coffee Revenue	58,495.21
Vegetables and Fruits Revenue	234,090.86
Merchandise Revenue	8,768,522.96
	<u>14,440,086.34</u>
	ETB '000
	1,124,368.37
	218,950.47
	194,113.09
	<u>8,842,694.87</u>
	<u>10,380,126.81</u>

Rent and other fees revenue of the Corporation is summarized as belows (See Note 4.1, 4.1.2 & 4.1.3):

Senegal, 2014	
ETB '000	
Procurement Income	5,854.42
Warehouse Rent Income	45,957.81
Weigh bridge Service Income	233.12
Hall and Space Rent Income	138,993.82
Machine Cleaning Service Income	105.86
Furniture Income	1,298.31
	<u>192,443.34</u>
	55,132.02



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28 Other Income

Other revenue of the Corporation is summarized as belows (See Note 4.1, 4.1.5) :

	ETB '000	ETB '000
Commission Income	15.31	06.09
Foreign currency devaluation subsidy	1,890.50	4,357.55
Bid bond income	5,173.63	2,177.92
Stabilization Revenue on shortage of shipment	00.00	00.00
Other Income	46,263.48	28,764.94
	<u>53,342.92</u>	<u>35,306.50</u>

29 Currency Gain/Loss

	ETB '000	Sene 30, 2014 ETB '000
Gain on Exchange Rate	44,612.88	38,703.05
	<u>44,612.88</u>	<u>38,703.05</u>

30 Cost of Good Sold

The reconciliation of opening and ending inventory and the actual cost of sales of the Corporation for the financial year Sene 30, 2014 and Sene 30, 2014 were provided as follows:

	ETB '000	Sene 30, 2014 ETB '000
Stocks of Merchandizes Hamle 1	5,908,232,577.75	1,567,907,823.08
Add: Purchase During the year	9,759,135,905.95	13,477,994,109.37
Less: Stocks of Merchandize Sene 30	15,667,368,483.70	15,045,901,932.45
Stocks of Merchandize Sene 30	3,327,986,338.09	5,908,232,577.75
Cost of goods Sold during the year:	12,339,382,145.61	9,137,669,354.70
Add: Direct Cost	342,042,388.49	132,931,022.32
Overhead Cost Allocated	128,194,281.92	111,039,921.73
Cost of Sales	<u>12,809,618,816.02</u>	<u>9,381,640,298.75</u>



31 Cost of Services

	ETB '000	ETB '000
Cost of Freight Services	00.00	11.76
Cost of Warehouse Rent Services	-	300.00
Cost of Weigh Bridge Services	359,363.97	19,700.00
Cost of Training	590,666.45	342,440.15
	<u>950,030.42</u>	<u>374,200.15</u>
	ETB '000	Sene 30, 2014

32 Administrative and General Expenses

	ETB '000	ETB '000
Salaries and Related Benefits	226,040.52	184,676.01
Depreciation and Amortization	78,278.79	75,106.44
Fuel and Lubricants	6,657.93	1,423.45
Repair and Maintenance	13,077.95	8,650.27
Travel and Perdiem	18,913.03	4,852.59
Spare Parts	46,769.03	9,809.87
Communications	3,039.89	2,683.30
Insurance	1,198.29	2,634.40
Demurrage	76.20	00.00
Printing and Stationery	11,594.87	5,471.50
Cleaning and Sanitation	3,594.46	3,757.10
Uniforms and Outfits	7,486.28	6,580.71
Medical Expense	4,152.17	00.00
Utilities	3,804.44	3,347.81
Rent	2,399.71	2,515.38
Board Fee	338.00	262.50
Audit fee	00.00	00.00
Donation and Contribution	6,314.38	2,299.32
Penalty and Fine	791.82	2,035,738.04
Entertainment Expense -	4,734.28	1,179.32
Annual Leave	794.48	898.17
Severance	639.50	3,151.94
Storage Loss Expense	00.00	00.00
Other Taxes and Fees	14,374.96	6,035.08
Other Expense	12,992.95	17,286.07
	<u>468,063.93</u>	<u>344,656.98</u>
	ETB '000	Sene 30, 2014



ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)
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33 Selling and distribution cost		
Advertisement & Promotion	2,589.32	4,441.41
	<u>2,589.32</u>	<u>4,441.41</u>
	ETB '000	ETB '000
		Sene 30, 2014
34 Interest and Bank Service Charges		
Interest Expense - Over Draft	8,802.61	12,756.82
Interest Expense - Business loan	67,296.36	54,153.25
Interest Expense -lease	154.36	154.36
Interest expense - Long term loan Domestic	1,524.16	207.18
Interest Expense - Other	3,554.39	331,798.06
	<u>81,331.89</u>	<u>399,069.66</u>
	ETB '000	ETB '000
		Sene 30, 2014
35 Provision for Taxation		
Provision for taxations of the Corporation is provided as follows (See 4.13.1):		
	ETB '000	ETB '000
		Sene 30, 2014
Net Profit before tax	1,293,656,179.12	313,956,646.81
Add : - Non deductible Expenses		
Depreciation and Amortization per accounting	101,084.36	97,912.01
Severance and Annual Leave Expense	1,433.98	4,050.11
Doubtful Expense	36,615.95	65,129.18
Provision of legal cases		00.00
Fine & Penalty	791.82	2,035.74
Entertainment Expenses	4,734.28	1,179.32
Demurrage	76.20	00.00
Tax assessment adjustment	-748,255.29	-83,973.28
	<u>-603,518.71</u>	<u>86,333.08</u>
Less:-Depreciation per tax proclamation	-85,682.53	-85,682.53
Taxabel Income	604,454.94	314,607.19
Profit Tax Credit/debit@ 30 %	-181,336.48	-94,382.16
Opening Balance	-94,382.16	-8,821.84
Taxa Paid	94,382.16	8,821.84
Withholding tax receivables	-181,336.48	-94,382.16
	<u>24,011.38</u>	<u>00.00</u>
Profit Tax Payable/Receivable Current	-157,325.10	-94,382.16



36. Retirement Benefit Obligations

Severance benefit plan

The severance benefit plan is an unfunded Other Long Term employee Benefit scheme. The Corporation does not maintain any assets for the schemes but ensures that it has sufficient funds for the obligations as they crystallize.

The severance benefits are based on the statutory severance benefit as set out in Labour Proclamation No. 1156/2011. Employees who have served the Corporation for 5 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund) are entitled for the benefit. The final pay-out is determined by reference to final monthly salary and number of years in service computed as one month salary of the first year in employment plus one-third of monthly salary for subsequent years to a maximum of twelve months salary (*See Note 4.11.2*).

Liability recognized in the financial position

	Sene 30, 2014	ETB '000
Severance pay	00.00	7,610.87
Current	00.00	6,971.37
Non Current		7,610.87
		<u>6,971.37</u>

Income statement charge included in personnel expenses:

	Sene 30, 2014	ETB '000
Severance benefit plan		7,610.87
Total defined benefit changes		<u>639.50</u>
		<u>-815.72</u>



ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)

Financial statements for the period ended Sene 30, 2015

Notes to the Financial Statements

Movement in Net Defined Benefit Asset / Liabilities

Net defined benefit (asset)
liability (ETB)

At Sene 30, 2015 At Sene 30, 2014

Opening balance	7,019.11	3,867.17
Included in profit or loss:		
Current service cost		3,151.94
Past service cost		00.00
Interest cost (income)		00.00
Total amount recognised in profit or loss	7,658.61	7,019.11
Included in OCI:		
Remeasurement loss (gain):		-
Actuarial loss (gain) from:		
Financial assumptions	00.00	00.00
Experience adjustment		
Demographic Assumption		
Return on plan assets excluding interest		
Income	00.00	00.00
Total amount recognised in other comprehensive income	00.00	00.00
other comprehensive income		
Other		
Contribution Paid to Fund		
Benefits paid		
Acquisition Adjustment	00.00	00.00
Closing balance	7,658.61	7,019.11

The principal assumptions used in determining defined benefit obligations

Sene 30, 2015	Sene 30, 2014
11%	11%
4%	4%



Discount rate (p.a)
Long term salary increases (p.a)

Because of the fact that there are an increase in inflation rate, the management made a modest changes to the discount rate which in turn affects the real rate. Besides, the financial assumptions takes in to considerations the effect of change in salary escalation rate which in turns affect the real

i. Discount rate

In Ethiopia, there is neither a deep market in corporate nor government bonds. Furthermore, the market for treasury bills in Ethiopia is inefficient and does not appear to be market determined. IAS 19 does not provide guidance for setting the discount rate in a country with limited government bonds or instruments.

ii. Long term salary increases

The average salary escalation rates of the past few years is assumed to prevail in the subsequent years in determining severance pay for an accounting period. The company will annually review the validity of this assumption.

iii. Mortality rate

Mortality is normally expressed as the probability of death within the next year for an individual of a specific age. Different mortality rates are thus set for each age group (higher rates for older people) and this set of rates is referred to as a mortality table.

Sene 30, 2015	Sene 30, 2014
20-24	0.30%
25-29	0.36%
30-34	0.44%
35-39	0.53%
40-44	0.64%
45-49	0.79%
50-54	0.97%
55 and above	> 1%



iv. Withdrawals from service

The withdrawal rate selected was based on experience in other similar arrangements.

Sene 30, 2015	Sene 30, 2014
20-24	6.00%
25-29	4.50%
30-34	2.90%
35-39	2.00%
40-44	1.60%
45-49	1.20%
50-54	1.20%
55 and above	1.20%

v. Ill-health / Disability

Sene 30, 2015	Sene 30, 2014
20-24	0.10%
25-29	0.10%
30-34	0.18%
35-39	0.33%
40-44	0.58%
45-49	1.08%
50-54	1.90%
55 and above	1.90%

Risk exposure

Through its post-employment benefit schemes, the Company is exposed to a number of risks. The most significant of which are detailed below:

i. Liquidity risk

The defined liabilities are unfunded and as a result, there is a risk of the Company not having the required cash flow to fund future defined benefit obligations as they fall due.

ii. Life expectancy

Increases in life expectancy will result in an increase in the schemes' liabilities.





Annual leave payable was computed for unused annual leave that were carried forward for two years as per the labour law of the country. Annual leave used during the year were included in the salary expense sections of the Corporation.

Annual Leave	
Total Annual Leave Payable	Annual Leave Expense
4,360.77	794.48
3,566.29	531.06
ETB '000	ETB '000
Sene 30, 2014	

377/2003. The Corporation recognizes a liability for short term benefits as employees render services. The Corporation accounts for annual leaves by providing in full for all unused leaves (See Note 4.11.3).

Annual Leave

36 TEMPORARY DIFFERENCES

The Corporation used to follow a depreciation method in the previous GAAP that did not reflect the proper economic consumption of the assets. When the Corporation Adopts IFRS, it chose to value its Property, Plant and Equipment (including an items that were valued as PP&E and later re-classified as Non-current Asset Held for Sale) and uses the valued amounts as deemed cost. The corporation have also valued its free hold land and recognized it as an asset under the current framework. Besides, some items which were previously recognized as intangible asset, were derecognized as per the requirement of IFRS.

The whole process has resulted in new carrying amount of PPE and Freehold land. The effects were adjusted against Transition reserve.

PROPERTY, PLANT AND EQUIPMENT

Depreciation base carried for	2,146,907.28	2,128,249.86
report purpose		
Depreciation base carried for	728,692.98	672,330.92
tax purpose		
	<u>1,418,214.30</u>	<u>1,455,918.93</u>
ETB '000		
Sene 30, 2014		

LEASE HOLD LAND

Depreciation base carried for	2,048.21	2,103.70
report purpose		
Depreciation base carried for	4,887.22	5,889.93
tax purpose		
	<u>-2,839.02</u>	<u>-3,786.23</u>
ETB '000		
Sene 30, 2014		

INTANGIBLE ASSETS

Depreciation base carried for	1,921.25	3,025.62
report purpose		
Depreciation base carried for	32,650.94	50,867.68
tax purpose		
	<u>-30,729.69</u>	<u>-47,842.06</u>
ETB '000		
Sene 30, 2014		



DEFERRED TAX LIABILITY

The Adjustments on PPEs, Freehold Land, Leasehold Land, Non-Current Asset Held for Sale, and Intangible asset has resulted in new carrying amounts. This effectively creates a taxable temporary difference between the tax base and the current IFRS based carrying amount of the items mentioned above. The resulting temporary difference is multiplied by the corporate tax rate of 30% to calculate deferred tax.

Deferred Tax Liability - PPE	Deferred Tax Liability - Leasehold Land	Deferred Tax Assets - Intangibles	Deferred Tax Liability
425,464.29	-851.70	-9,218.91	415,393.68
436,775.68	-1,135.87	-14,352.62	421,287.19
ETB '000	ETB '000	ETB '000	ETB '000
Sene 30, 2014	Sene 30, 2014	Sene 30, 2014	Sene 30, 2014

SEVERANCE & ANNUAL LEAVE EXPENSES

The corporation do not have the practice of recording annual leave and severance pay liabilities. Under the current framework, The Corporation begun to account for the liabilities and provide a sum based on year-end assessment carried out by the human resource department. The expenses registered under the IFRS report in relation to provision for employee benefits are less likely to be accepted by the tax authority in the reporting periods. The tax authority rather accepts the expenses on reporting periods where actual cash payments are made. The Recognized provision has thus resulted in deductible temporary differences. The Corporation uses the corporate tax rate of 30% to calculate deferred tax asset balances.

Annual Leave- Current Period Cost	Severance Pay - Current Period Cost
794.48	639.50
ETB '000	ETB '000
Sene 30, 2014	Sene 30, 2014



Notes to the Financial Statements

The expenses registered under the IFRs report in relation to provision for employee benefits are less likely to be accepted by the tax authority in the reporting periods. The tax authority rather accepts the expenses on reporting periods where actual cash payments are made. The Recognized provision has thus resulted in deductible temporary differences. The Corporation uses the corporate tax rate of 30% to calculate deferred tax asset balances.

DEFERRED TAX INCOME/EXPENSES

ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)
Financial statements for the period ended Sene 30, 2015
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37 ETBC – Segment Disclosure

a Segmentation Informations

Management currently identifies the Corporation's four product and service lines as its operating segments (*see Note 4.2*). These operating segments are monitored by the Corporation's chief operating decision maker and strategic decisions are made on the basis of adjusted segment operating results. The following summary describes the operations of each reportable segment (*See Note 4.2*).

Reportable segments	Operations
Grain and Coffee	The Unit is mainly engaged in grain and coffee purchase and sales for local and export markets.
Trading Business unit	
Fruit and Vegetables	The Unit purchases and sells various types of fruit, vegetable, vegetable seeds and processed agricultural products, mainly; to stabilize domestic market and exports fruits & vegetables for international market.
Trading Business Unit	
Consumer Products	The Unit is a wholesaler, which purchases basic commodities from local and international markets and distributes it through the retailers for meeting local consumers' need.
Trading Business Unit	
Procurement and	The Unit provides procurement, consultancy & procurement training services at national and international
Consultancy Service	level.

b Information about reportable segments

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.



ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)

Financial statements for the period ended Sene 30, 2015

Notes to the Financial Statements



Reportable segments		Sene 30, 2015 ETB '000				
	Note	Grain and Coffee	Consumer Products	Fruit and Vegetables	Procurement and Consultancy	Total
External revenues	4.1:26&27	11,279,582.02	2,078,389.97	1,267,404.96	7,152.73	14,632,529.68
Inter-segment revenue		-	-	-	-	00.00
Segment revenue		11,279,582.02	2,078,389.97	1,267,404.96	7,152.73	14,632,529.68
Segment profit (loss)		1,119,075.01	111,107.42	78,819.81	-15,346.06	1,293,656.18
Interest income		2,177.92	-			2,177.92
Interest expense	4.1.4:34	-22,095.75	-58,734.84	-169.74	-331.56	-81,331.89
Other Financial Items		44,416.43				44,416.43
Depreciation and amortisation		76,567.74	13,800.08	4,521.64	653.73	95,543.18
Segment assets		13,927,643.80	498,006.45	187,950.30	155,932.98	14,769,533.53
Intersgment Asset		379,121.42			21,259.60	400,381.02
Net Segment Asset		13,548,522.38	498,006.45	187,950.30	134,673.39	14,369,152.52
Segment liabilities		10,867,778.56	698,146.10	31,270.31	105,911.59	11,703,106.56
Intersegment Liabilities			315,492.37	48,334.76		363,827.12
Net Segment Liabilities		10,867,778.56	382,653.74	-17,064.45	105,911.59	11,339,279.44

ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)
Financial statements for the period ended Sene 30, 2015
Notes to the Financial Statements



Reportable segments			Sene 30, 2014		
			ETB '000		
			Total		
	Note	Grain and Coffee	Consumer Products	Fruit and Vegetables	Procurement and Consultancy
External revenues	4.1.2&27	7,286,359.77	2,153,410.51	992,304.19	3,184.36
Inter-segment revenue		-	00.00	00.00	00.00
Segment revenue		7,286,359.77	2,153,410.51	992,304.19	3,184.36
Segment profit (loss)		255,045.03	10,381.81	46,926.48	1,603.32
Interest income		1,296.98	-		00.00
Interest expense		-333,948.88	-63,460.13	-1,453.74	-206.91
	4.1.4;34				
Depreciation and amortisation		70,882.20	12,739.66	4,543.41	655.94
Other Financial Items		37,823.07			
Segment assets		11,506,309.44	569,403.64	168,440.51	152,118.43
Intersgment Asset		00.00	00.00	00.00	35,054.79
Net Segment Asset		11,506,309.44	569,403.64	168,440.51	117,063.64
					12,361,217.23
Segment liabilities		9,181,402.29	851,215.49	64,124.41	87,071.59
Intersegment Liabilities		00.00	00.00	00.00	00.00
Net Segment Liabilities		9,181,402.29	851,215.49	64,124.41	87,071.59
					10,183,813.77

Notes to the Financial Statements

		Grain and Coffee	Consumer Products	Fruit and Vegetables	Procurement and Consultancy	ETB '000 Total
Property, Plant and Equipment	4.3:10	1,830,552.64	235,791.64	52,587.12	9,318.46	2,128,249.86
Land use Right	13.00	1,187,577.33	78,286.48	16,689.02	3,400.00	1,285,952.82
Right-of-use land	4.9:11	00.00	2,103.70	00.00	00.00	2,103.70
Intangible Asset	4.7:12	00.00	3,025.62	00.00	00.00	3,025.62
		3,018,129.97	319,207.43	69,276.14	12,718.46	3,419,331.99



ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)

The totals presented for the Corporation's operating segments reconcile to the key financial figures as presented in its financial statements as follows:

	ETB '000	Sene 30, 2011 ETB '000
Revenues		
Total reportable	4,132,627	
segment revenues		
Other segment revenues	14,632,529.68	10,435,258.83
Corporation revenues	00.00	00.00
	00.00	00.00
	14,632,529.68	10,435,258.83
Profit or loss		
Total reportable segment operating profit / loss	1,330,375.19	674,323.26
Other segment profit		
Deferred Tax Income/Ex	6,323.71	8,306.62
Acturial Gain/Loss	00.00	00.00
Corporation operating profit	1,336,698.89	682,629.87
Finance costs	-81,331.89	-399,069.66
Finance income		00.00
Other financial items	44,416.43	37,823.07
	-36,915.46	-361,246.59
Corporation profit before tax	1,299,783.44	321,383.28



ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)

Financial statements for the period ended Sene 30, 2015

Notes to the Financial Statements

	ETB '000	Sene 30, 2011 ETB '000
Assets		
Total reportable segment assets	14,369,152.52	12,361,217.23
Other segment assets	00.00	00.00
Corporation Head office	00.00	00.00
Corporation Asset	14,369,152.52	12,361,217.23
Liabilities		
Total reportable segment liabilities	11,339,279.44	10,183,813.77
Other segment liabilities	00.00	00.00
Pension and employee obligations	00.00	00.00
Corporation liabilities	11,339,279.44	10,183,813.77

c Major customer

The major customer of the Corporations are government institutions



ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)
STATEMENT OF FINANCIAL POSITION CLASSIFIED BY SEGMENTS

AS AT SEPTEMBER 30, 2015

		Grain and Coffee		Consumer Products		Fruit and Vegetables		Procurement and Consultancy		TOTAL	
		ETB '000	ETB '000	ETB '000	ETB '000	ETB '000	ETB '000	ETB '000	ETB '000	ETB '000	ETB '000
ASSETS	NON-CURRENT ASSETS	1,860,001.49	227,385.92	51,043.73	8,476.14	2,146,907.28	1,285,952.82	2,048.21	1,921.25	55,202.85	13,662.11
	Notes	4,310A	1,187,577.33	78,286.48	16,689.02	3,400.00	2,048.21	1,921.25	55,202.85	13,662.11	3,505,694.51
CURRENT ASSETS	Property, Plant and Equipment	1,860,001.49	227,385.92	51,043.73	8,476.14	2,146,907.28	1,285,952.82	2,048.21	1,921.25	55,202.85	13,662.11
	Land use Right	13A	1,187,577.33	78,286.48	16,689.02	3,400.00	2,048.21	1,921.25	55,202.85	13,662.11	3,505,694.51
TOTAL ASSETS	Stock in hand and In-Transit	4,101,14A	2,833,531.30	401,866.51	92,405.61	182.92	3,327,986.34	00.00	00.00	00.00	14,769,533.53
	Trade and Other Debtors	4,815A	3,586,802.92	10,281.07	16,251.36	3,624,323.59	48,427.01	36,553.89	4,226,548.19	11,263,839.03	14,769,533.53
LIABILITIES & EQUITY	Advance, Prepayment and L	4,816A	36,171.44	6,887.67	5,278.37	89.53	48,427.01	36,553.89	4,226,548.19	11,263,839.03	14,769,533.53
	Intra Corporation Receivables	4,817A	379,121.42	-315,492.37	-48,334.76	21,259.60	48,427.01	36,553.89	4,226,548.19	11,263,839.03	14,769,533.53
EQUITY	Cash and Bank Balance	4,817A	4,043,718.59	74,177.48	57,949.86	50,702.27	4,226,548.19	36,553.89	4,226,548.19	11,263,839.03	14,769,533.53
	Total Current Assets	10,879,345.66	177,720.36	118,287.32	88,485.68	155,932.98	14,769,533.53	36,553.89	4,226,548.19	11,263,839.03	14,769,533.53
NON-CURRENT LIABILITIES	Long Term Loan	4,818,1A	468,165.88	327,322.01	00.00	793.60	00.00	00.00	00.00	00.00	00.00
	Long term lease obligation	4,911A	2,353.91	1,222.47	3,197.10	793.60	00.00	00.00	00.00	00.00	00.00
CURRENT LIABILITIES	Severance Payable	4,113,6A	2,397.70	17,866.65	9,280.78	2,539.42	00.00	00.00	00.00	00.00	00.00
	Deferred Tax Liability	4,133,7A	395,777.45	348,765.04	12,477.88	3,333.02	00.00	00.00	00.00	00.00	00.00
TOTAL LIABILITIES AND EQUITY	Total Non Current Liability	866,341.03	866,341.03	348,765.04	12,477.88	3,333.02	00.00	00.00	00.00	00.00	00.00
	Trade and Other Payables	4,122,0A	8,670,067.60	315,182.01	15,555.43	102,144.43	00.00	00.00	00.00	00.00	00.00
TOTAL LIABILITIES AND EQUITY	Provision Obligation	4,819,2A	183,241.71	00.00	00.00	00.00	00.00	00.00	00.00	00.00	00.00
	Bank Overdraft	4,818,1A	990,803.12	33,509.42	3,237.00	434.14	00.00	00.00	00.00	00.00	00.00
TOTAL LIABILITIES AND EQUITY	Current maturity of long term	37,411A	157,325.10	689.63	00.00	00.00	00.00	00.00	00.00	00.00	00.00
	Annual Leave Payable	4,133,6A	157,325.10	689.63	00.00	00.00	00.00	00.00	00.00	00.00	00.00
TOTAL LIABILITIES AND EQUITY	Provision for business Income Tax	4,133,6A	157,325.10	689.63	00.00	00.00	00.00	00.00	00.00	00.00	00.00
	Total Current Liability	10,001,437.53	498,006.45	349,381.06	18,792.43	102,578.57	00.00	00.00	00.00	00.00	00.00
TOTAL LIABILITIES AND EQUITY	Provision for business Income Tax	13,927,643.80	498,006.45	349,381.06	18,792.43	102,578.57	00.00	00.00	00.00	00.00	00.00
	Total	13,927,643.80	498,006.45	349,381.06	18,792.43	102,578.57	00.00	00.00	00.00	00.00	00.00





ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)
STATEMENT OF FINANCIAL POSITION CLASSIFIED BY SEGMENTS
AS AT SEPTEMBER 30, 2014

	Grain and Coffee	Consumer Products	Fruit and Vegetables	Fruit and Procurement and Consultancy
ASSETS				
NON-CURRENT ASSETS				
Notes				
Property, Plant and Equipment	1,830,552.64	235,791.64	52,587.12	9,318.46
Land use Right	13A	78,286.48	16,689.02	3,400.00
Right-of-use land	4,9;11A	2,103.70		2,103.70
Intangible Asset	4,7;12A	3,025.62		3,025.62
Deferred Tax Asset	4,13;37A	15,873.97	1,820.61	18,649.79
Total Non-Current Assets	3,018,778.37	335,081.40	71,096.74	13,025.26
CURRENT ASSETS				
Stock in hand and In-Transit	4,10;14A	365,029.71	102,773.84	182.54
Trade and Other Debtors	4,8;15A	5,102.33	49,520.15	34,776.58
Advance, Prepayment and L	4,8;16A	25,634.99	278.37	78.04
Intra Corporation Receivables		-166,231.23	-99,865.70	35,054.79
Cash and Bank Balance	4,8;17A	1,797,010.92	44,637.10	69,001.22
Total Current Assets	8,487,531.07	234,322.23	97,343.77	139,093.17
TOTAL ASSETS	11,506,309.44	569,403.64	168,440.51	152,118.43
LIABILITIES & EQUITY				
EQUITY				
Head Office (Paid up Capital)	5,22A	775,708.51	74,932.55	13,309.42
Head Office (Non-distributable)	5,22A	1,832,107.13	36,574.78	11,309.95
Legal Reserve		11,283.52	2,895.53	-89.22
Head Office (Retained Earnings)	23A	-294,192.01	-10,086.76	40,516.69
Total Equity	2,324,907.15	-281,811.85	104,316.10	65,046.84
NON-CURRENT LIABILITIES				
Long Term Loan	4,8;18,1A	00.00	00.00	
Long term lease obligation	4,9;11A	2,366.20		
Servance Payable	4,11;36A	1,023.32	3,068.80	717.90
Deferred Tax Liability	4,13;37A	17,360.57	10,041.55	2,798.50
Total Non Current Liability	408,736.42	394,325.93	13,110.35	3,516.40
CURRENT LIABILITIES				
Trade and Other Payables	4,8;19A	5,828,022.34	29,668.52	83,250.43
Provision Obligation	4,12;20A	145,582.34	18,345.64	
Bank Overdraft	4,8;19,2A			
Current maturity of long term	4,8;18,1A	2,704,679.04	00.00	
Annual Leave Payable	37,4,11A	261.63	2,999.90	304.76
Provision for business Incor	4,13;36A	94,382.16	00.00	00.00
Total Current Liability	8,772,665.87	456,889.56	51,014.06	83,555.19
TOTAL LIABILITIES AND EQUITY	11,506,309.44	569,403.64	168,440.51	152,118.43
	0.75	0.36	-	0.36

ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)

STATEMENT OF COMPREHENSIVE INCOME CLASSIFIED BY SEGMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Revenue	Less: Cost of Sales	Gross Profit	Other Income/Expenses	Less: Operating Expenses	Selling and distribution c	Administrative and Gener	Expected credit loss	Provision of legal cases	Income from Operation	Interest and Bank Service	Gain/Loss on Exchange R	Profit/ Loss before tax	Profit tax for the period	Other Comprehensive Income	Non recyclable Other Comprehensive Income:	Actual Gain/Loss	Deferred Tax Income/Loss	Profit/Loss (Comprehensive) after tax
Note	4,126&27A	30&31A		4,128A	33A	32A	48:25A				4,143&4A	4,8:29A		4,13:35A			4,8:36A	4,13:37A	948,607.05
Grain and Coffee Consumer Products	ETB '000		ETB '000																
	11,279,582.02	-9,810,197.98	1,469,384.03	10,861.73	-1,392.87	-307,590.17	-36,849.02	-37,659.37	-383,491.44	1,096,754.33	-22,095.75	44,416.43	1,119,075.01	-181,336.48	937,738.52		00.00	10,868.52	948,607.05
	2,078,389.97	-1,871,375.87	207,014.10	26,699.57	-909.47	-78,265.21	15,303.28	00.00	-63,871.41	169,842.26	-58,734.84	00.00	111,107.42	00.00	111,107.42		00.00	-5,735.81	105,371.61
Fruit and Vegetables	ETB '000		ETB '000																
	1,267,404.96	-1,128,404.33	139,000.63	9,142.38	-283.00	-74,127.05	5,060.14	00.00	-69,349.91	78,793.10	-169.74	196.45	78,819.81	00.00	78,819.81		00.00	870.39	79,690.20
Procurement and Consultancy	ETB '000		ETB '000																
	7,152.73	-590.67	6,562.06	6,639.25	-03.98	-8,081.50	-20,130.33	00.00	-28,215.81	-15,014.50	-331.56	00.00	-15,346.06	00.00	-15,346.06		00.00	320.61	-15,025.45
Total	ETB '000		ETB '000																
	14,632,529.68	-12,810,568.85	1,821,960.83	53,342.92	-2,589.32	-468,063.93	-36,615.95	-37,659.37	-544,928.56	1,330,375.19	-81,331.89	44,612.88	1,293,656.18	-181,336.48	1,112,319.70		00.00	6,323.71	1,118,643.41





ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)
STATEMENT OF COMPREHENSIVE INCOME CLASSIFIED BY SEGMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Grain and Coffee Consumer Products	Fruit and Vegetables	Procurement and Consultancy	Total
Revenue				
Sales Revenue	4,126,277A	992,304.19	3,184.36	10,435,258.83
Less: Cost of Sales	7,286,359.77	992,304.19	3,184.36	10,435,258.83
Cost of Sales	30,831A	-885,688.72	-342.44	-9,382,014.50
Gross Profit	788,350.45	106,615.46	2,841.92	1,053,244.33
Other Income/Expenses	4,128A	3,844.28	4,179.40	35,306.50
Less: Operating Expenses				
Selling and distribution c	33A	-839.63	-40.64	-4,441.41
Administrative and Gener	32A	-55,806.19	-7,661.62	-344,656.98
Expected credit loss	4,825A	-6,313.67	2,491.17	-65,129.18
Income from Operation	4,143,34A	47,500.25	1,810.24	674,323.26
Interest and Bank Service	4,829A	-1,453.74	-206.91	-399,069.66
Gain/Loss on Exchange Rate		879.98	00.00	38,703.05
Profit/Loss before tax	4,133,35A	46,926.48	1,603.32	313,956.65
Profit tax for the period		00.00	00.00	-94,382.16
Other Comprehensive Income		46,926.48	1,603.32	219,574.49
Non recyclable Other Compr	4,836A	00.00	00.00	00.00
Actural Gain/Loss	4,133,37A	1,031.94	264.26	8,306.62
Deferred Tax Income/Loss	37A	-4,072.32		
Profit/Loss (Comprehensive) after tax	171,745.60	6,309.49	1,867.59	227,881.11

GRAIN & COFFEE UNIT

STATEMENT OF FINANCIAL POSITION

AS AT SENE 30, 2015

Sené 30, 2014

ASSETS

NON-CURRENT ASSETS

Property, Plant and Equipment 4,3;10A

Land use Right 13A

Deferred Tax Asset 4,13;37A

Total Non-Current Assets 3,018,298.13

CURRENT ASSETS

Stock in hand and In-Transit 4,10;14A

Trade and Other Debtors 4,8;15A

Prepayment and Deposits 4,8;16A

Intra Corporation Receivables 379,121.42

Cash and Bank Balance 4,8;17

Total Current Assets 10,487,531.07

13,927,643.80

11,506,309.44

LIABILITIES & EQUITY

HEAD OFFICE ACCOUNT

Head Office (Paid up Capital) 5;22A

Head Office (Non-distributable Reserve) 5;22A

Legal Reserve 23A

Head Office (Retained Earning) 23A

3,059,865.24

2,324,907.15

NON-CURRENT LIABILITIES

Long Term Loan 468,165.88

Severance Payable 4,11;36A

Deferred Tax Liability 4,13;37A

866,341.03

408,736.42

CURRENT LIABILITIES

Trade and Other Payables 4,8;19A

Provision Obligation 4,12;20A

Current maturity of long term loan 4,13;36A

Provision for business Income Tax 4,13;36A

Total Current Liability 10,001,437.53

13,927,643.80

11,506,309.44

TOTAL LIABILITIES AND EQUITY



GRAIN & COFFEE UNIT

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED SENE 30, 2015

Note

Sene 30, 2014

ETB '000

Revenue

Sales and Fees Revenue

4.1;26&27A

11,279,582.02

7,286,359.77

Less: Cost

Cost of Good and services Sold

30&31A

-9,810,197.98

-6,498,009.32

Gross Profit

1,469,384.03

788,350.45

Other Income / Loss

Others

4.1;28A

10,861.73

20,620.43

Less: Expenses

Selling and distribution cost

33A

-1,392.87

-2,465.63

Administrative and General Expenses

32A

-307,590.17

-212,354.67

Expected credit loss

4.8;25A

-36,849.02

-42,979.73

Provision of legal cases

4.8;25

-37,659.37

00.00

Income from Operation

1,096,754.33

551,170.84

Interest and Bank Service Charges

4.1;4;34A

-22,095.75

-333,948.88

Gain on Exchange Rate

4.8;29A

44,416.43

37,823.07

Profit before tax

1,119,075.01

255,045.03

Profit tax for the period

4.13;35A

-181,336.48

-94,382.16

Other Comprehensive Income

Deferred Tax Income/Expense

4.8;36A

10,868.52

11,082.73

Actuarial Gain/Loss

4.13;37A

00.00

00.00

Comprehensive Income

948,607.05

171,745.60

The grain business units also served as the head office for the reporting periods of Sene 30, 2015 and Sene 30, 2014. As a result, these business units' record and account for the corporation's head



FRUIT AND VEGETABLE TRADING BUSINESS UNIT
STATEMENT OF FINANCIAL POSITION
AS AT SENE 30, 2015

ASSETS		ETB '000	
NON-CURRENT ASSETS		Notes	
Property, Plant and Equipment	4.3;10A	51,043.73	52,587.12
Land use Right	13A	16,689.02	16,689.02
Deferred Tax Asset	4.13;37A	1,930.23	1,820.61
Total Non-Current Assets		69,662.98	71,096.74
CURRENT ASSETS			
Stock in hand and In-Transit	4.10;14A	92,405.61	102,773.84
Trade and Other Debtors	4.8;15A	10,988.24	49,520.15
Prepayment and Deposits	4.8;16A	5,278.37	278.37
Intra Corporation Receivables		00.00	00.00
Cash and Bank Balance	4.8;17A	57,949.86	44,637.10
Total Current Assets		166,622.08	197,209.46
TOTAL ASSETS		236,285.06	268,306.21
LIABILITIES & EQUITY			
HEAD OFFICE ACCOUNT			
Head Office (Paid up Capital)	5;22A	74,932.55	74,932.55
Head Office (Non-distributable Reserve)	5;22A	36,574.78	36,574.78
Legal Reserve		6,880.04	2,895.53
Head Office (Retained Earning)	23A	38,292.62	-10,086.76
NON-CURRENT LIABILITIES		156,679.99	104,316.10
Long Term Loan	4.8;18.1A	00.00	00.00
Severance Payable	4.11;36A	3,197.10	3,068.80
Deferred Tax Liability	4.13;37A	9,280.78	10,041.55
CURRENT LIABILITIES		12,477.88	13,110.35
Trade and Other Payables	4.8;19A	15,555.43	29,668.52
Bank Overdraft	4.8;19.2A	00.00	18,345.64
Intra-Corporation Payable		48,334.76	99,865.70
Current maturity of long term loan	4.8;18.1A	00.00	00.00
Annual Leave Payable	37,4.11A	3,237.00	2,999.90
Total Current Liability		67,127.19	150,879.76
TOTAL LIABILITIES AND EQUITY		236,285.06	268,306.21

Sené 30, 2014

ETB '000



FRUIT AND VEGETABLE TRADING BUSINESS UNIT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED Sene 30, 2015

Note

	Sene 30, 2014	ETB '000	ETB '000
Revenue	4.1;26&27A	1,267,404.96	992,304.19
Less: Cost of Good and Services Sold	30&31A	-1,128,404.33	-885,688.72
Gross Profit		139,000.63	106,615.46
Other Income / Loss	4.1;28A	9,142.38	3,844.28
Less: Expenses			
Selling and distribution cost	33A	-283.00	-839.63
Administrative and General Expenses	32A	-74,127.05	-55,806.19
Expected credit loss	4.8;25A	5,060.14	-6,313.67
Income from Operation		78,793.10	47,500.25
Finance Charges	4.1;4;34A	-169.74	-1,453.74
Gain on Exchange Rate		196.45	879.98
Profit before tax		78,819.81	46,926.48
Other Comprehensive Income			
Deferred Tax Income/Expense	4.8;36A	870.39	1,031.94
Actuarial Gain/Loss	4.13;37A	00.00	00.00
Comprehensive Income before tax		79,690.20	47,958.43



CONSUMER PRODUCTS TARDE BUSINESS UNIT
STATEMENT OF FINANCIAL POSITION
AS AT SENE 30, 2015

ASSETS					
NON-CURRENT ASSETS					
Property, Plant and Equipment	4,3;10A	227,385.92		235,791.64	
Land use Right	13A	78,286.48		78,286.48	
Right-of-use land	4,9;11A	2,048.21		2,103.70	
Intangible Asset	4,7;12A	1,921.25		3,025.62	
Deferred Tax Asset	4,13;37A	10,644.24		15,873.97	
Total Non-Current Assets		320,286.09		335,081.40	
CURRENT ASSETS					
Stock in hand and In-Transit	4,10;14A	401,866.51		365,029.71	
Trade and Other Debtors	4,8;15A	10,281.07		5,102.33	
Prepayment and Deposits	4,8;16A	6,887.67		25,634.99	
Cash and Bank Balance	4,8;17A	74,177.48		4,786.44	
Total Current Assets		493,212.73		400,553.46	
TOTAL ASSETS		813,498.82		735,634.86	
LIABILITIES & EQUITY					
HEAD OFFICE ACCOUNT					
Head Office (Paid up Capital)	5;22A	95,149.52		95,149.52	
Head Office (Non-distributable R	5;22A	-982.39		-982.39	
Legal Reserve	23A	5,707.68		439.10	
Head Office (Retained Earning)		-300,014.46		-376,418.08	
NON-CURRENT LIABILITIES		-200,139.65		-281,811.85	
Long Term Loan		327,322.01		373,575.84	
Long term lease obligation	4,8;18,1A	2,353.91		2,366.20	
Deferred Tax Liability	4,9;11A	17,866.65		17,360.57	
Severance Payable	4,11;36A	1,222.47		1,023.32	
Total Non Current Liability		348,765.04		394,325.93	
CURRENT LIABILITIES					
Trade and Other Payables	4,8;19A	315,182.01		333,578.12	
Intercorporation Payable		315,492.37		166,231.23	
Bank Overdraft	4,8;18,2A	00.00		89,540.39	
Current maturity of long term loan	4,8;18,1A	33,509.42		33,509.42	
Annual Leave Payable	37,4,11A	689.63		261.63	
Total Current Liability		664,873.43		623,120.78	
TOTAL LIABILITIES AND EQUITY		813,498.82		735,634.86	



**CONSUMER PRODUCTS TARDE BUSINESS UNIT
STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED Sene 30, 2015

Note

Sene 30, 2014
ETB '000

ETB '000

Revenue	4.1;26&27A	2,078,389.97	2,153,410.51
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Less: Cost of Sale	30&31A	-1,871,375.87	-1,997,974.02
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Gross Profit		207,014.10	155,436.49
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Other Income / Loss		00.00	00.00
Currency Exchange Devaluation	4.1;28A	00.00	00.00
Bid bond income	4.1;28A	00.00	00.00
Others	4.1;28A	26,699.57	6,662.40

Less: Expenses		-909.47	-1,095.52
Selling and distribution cost	33A	-78,265.21	-68,834.49
Administrative and General Expense	32A	15,303.28	-18,326.95
Expected credit loss	4.8;25A	-63,871.41	-88,256.96

Income from Operation		169,842.26	73,841.93
Interest and Bank Service Charges	4.1.4;34A	-58,734.84	-63,460.13

Profit before tax		111,107.42	10,381.81
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Other Comprehensive Income			
Deferred Tax Income/Expense	4.8;36A	-5,735.81	-4,072.32
Actural Gain/Loss	4.13;37A	00.00	00.00

Comprehensive Income before tax		105,371.61	6,309.49
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PROCUREMENT AND CONSULTANCY SERVICE UNIT
STATEMENT OF FINANCIAL POSITION
AS AT SENE 30, 2015

ASSETS		ETB '000		Sene 30, 2014	
NON-CURRENT ASSETS					
Notes					
10A	Property, Plant and Equipment	8,476.14	9,318.46		
13A	Land use Right	3,400.00	3,400.00		
14A	Deferred Tax Asset	368.32	306.80		
	Time deposit	55,202.85	00.00		
	Total Non-Current Assets	67,447.31	13,025.26		
CURRENT ASSETS					
15A	Stock in hand and In-Transit	182.92	182.54		
16A	Trade and Other Debtors	16,251.36	34,776.58		
17A	Prepayment and Deposits	89.53	78.04		
18A	Intra Corporation Receivables	21,259.60	35,054.79		
	Cash and Bank Balance	50,702.27	69,001.22		
	Total Current Assets	88,485.68	139,093.17		
	TOTAL ASSETS	155,932.98	152,118.43		
LIABILITIES & EQUITY					
HEAD OFFICE ACCOUNT					
	Head Office (Paid up Capital)	13,309.42	13,309.42		
	Head Office (Non-distributable Reserve)	11,309.95	11,309.95		
	Legal Reserve	-840.49	-89.22		
	Head Office (Retained Earning)	26,242.51	40,516.69		
	NON-CURRENT LIABILITIES	50,021.39	65,046.84		
36A	Severance Payable	793.60	717.90		
37A	Deferred Tax Liability	2,539.42	2,798.50		
	CURRENT LIABILITIES	3,333.02	3,516.40		
20A	Trade and Other Payables	102,144.43	83,250.43		
36A	Intra Corporation Payable	00.00	00.00		
	Annual Leave Payable	434.14	304.76		
	Total Current Liability	102,578.57	83,555.19		
	TOTAL LIABILITIES AND EQUITY	155,932.98	152,118.43		
		00.00	00.00		



**PROCUREMENT AND CONSULTANCY SERVICE UNIT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED Sene 30, 2015**

Note

Sene 30, 2014
ETB '000

Revenue									
Procurement Income	26 & 27A	7,152.73	3,184.36	00.00	7,152.73	3,184.36			
Training Services Income	30 and 31A	00.00			00.00				
Cost of Service:									
Cost of Training and Compensation	29 and 30A	-590.67	-342.44		-590.67	-342.44			
Gross Profit		6,562.06	2,841.92		6,562.06	2,841.92			
Other Income / Loss									
Others	28A	6,639.25	4,179.40		6,639.25	4,179.40			
Less: Expenses									
Selling and distribution cost	32A	-03.98	-40.64		-03.98	-40.64			
Administrative and General Expenses	26A	-8,081.50	-7,661.62		-8,081.50	-7,661.62			
Expected credit loss		-20,130.33	2,491.17		-20,130.33	2,491.17			
Income from Operation		-15,014.50	1,810.24		-15,014.50	1,810.24			
Interest and Bank Service Charges	27A	-331.56	-206.91		-331.56	-206.91			
Interest Income		00.00	00.00		00.00	00.00			
Profit/Loss Before tax		-15,346.06	1,603.32		-15,346.06	1,603.32			
Other Comprehensive Income									
Deferred Tax Income/Expense	37A	320.61	264.26		320.61	264.26			
Actuarial Gain/Loss		00.00	00.00		00.00	00.00			
Comprehensive Income before tax		-15,025.45	1,867.59		-15,025.45	1,867.59			



ETHIOPIAN TRADING BUSINESS CORPORATION (ETBC)

Registration Number:

Financial statements for the period ended Sene 30, 2014

Notes to the Financial Statements

HEAD OFFICE ACCOUNT GRAIN & COFFEE UNIT

Head Office (Paid up Capital)	775,708,508.90	ETB '000	Sene 30, 2014
Head Office (Non-distributable Reserve)	1,832,107,130.42		
Head Office (Retained Earning)	522,836,733.86		
Legal Reserve	58,713,872.56		
Dividend Paid	(129,501,008.44)		
	<u>3,059,865,237.30</u>		
	2,324,907,152.29		

FRUIT AND VEGETABLE TRADING BUSINESS UNIT

Head Office (Paid up Capital)	74,932,550.49	ETB '000	Sene 30, 2014
Head Office (Non-distributable Reserve)	36,574,779.26		
Head Office (Retained Earning)	38,292,618.47		
Legal Reserve	6,880,041.88		
	<u>156,679,990.09</u>		
	104,316,103.33		

CONSUMER PRODUCTS TRADE BUSINESS UNIT

Head Office (Paid up Capital)	95,149,516.61	ETB '000	Sene 30, 2014
Head Office (Non-distributable Reserve)	(982,389.53)		
Head Office (Retained Earning)	(300,014,456.70)		
Legal Reserve	5,707,681.49		
Prior Year Adjustment	-		
	<u>(200,139,648.13)</u>		
	(281,811,849.26)		

PROCUREMENT AND CONSULTANCY SERVICE UNIT

Head Office (Paid up Capital)	13,309,424.00	ETB '000	Sene 30, 2014
Head Office (Non-distributable Reserve)	11,309,951.52		
Head Office (Retained Earning)	26,242,511.24		
Legal Reserve	(840,494.50)		
	<u>50,021,392.26</u>		
	65,046,842.08		



