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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.



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Addis Ababa
September 24, 2019



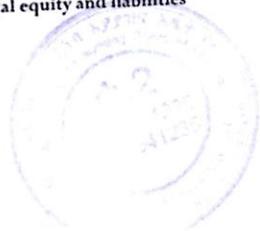
NATIONAL ALCOHOL AND LIQUOR FACTORY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 ETB	2018 ETB
Revenue	4	817,512,796	664,840,622
Cost of sales	5	(339,303,611)	(296,618,290)
Gross profit		<u>478,209,185</u>	<u>368,222,332</u>
Other operating income	6	9,985,933	13,307,960
General and administration expense	7	(179,782,605)	(145,530,146)
employee Termination benefit/severance expense	26	(1,421,062)	(375,231)
Operating profit		<u>306,991,452</u>	<u>235,624,915</u>
Finance costs/charges	8	(2,136,471)	(6,330,021.00)
Profit before tax		<u>304,854,981</u>	<u>229,294,894</u>
Income tax expense	9	(91,668,563)	(63,513,702.15)
Profit for the year		<u>213,186,418</u>	<u>165,781,191.85</u>
Other comprehensive income			
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)			
Net other comprehensive income not to be reclassified to profit or loss in the subsequent period (net of tax)			
Total comprehensive income for the year net of tax .		<u>213,186,418</u>	<u>165,781,192</u>



NATIONAL ALCOHOL AND LIQUOR FACTORY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

		2019	2018
		ETB	ETB
Assets			
Non-current assets		595,306,108	559,669,781
Property, plant and equipment	11	22,231,650	22,582,912
Right use of asset - land	18	964,252	964,252
Land improvement		-	1,500,000
Investments in Government bond	15	2,356,427	2,985,488
Deferred tax asset	10	<u>620,858,436</u>	<u>587,702,433</u>
Current assets		106,816,339	64,224,282
Inventories	17	2,610,899	1,728,623
Trade and other receivables	14.1	21,516,181	18,700,471
Advance and Prepayments	16	67,679,215	47,318,208
Cash and short-term deposits	12	<u>198,622,634</u>	<u>131,971,584</u>
Non-current assets Held For Sale	13	<u>9,350,887</u>	<u>7,254,582</u>
Total assets		<u>828,831,957</u>	<u>726,928,599</u>
Equity and liabilities			
Equity		220,985,435	220,985,435
Issued capital	19	21,390,217	10,730,896
legal reserve	20	(16,314,834)	(14,380,938)
Retained earnings	21	90,891,772	90,891,772
First time IFRS adoption revaluation reserve	22	<u>316,952,590</u>	<u>308,227,165</u>
Total equity			
Non-current liabilities		-	-
Long term loans	24	20,754,717	20,896,365
lease liability	25	7,854,755	9,951,625
Termination benefit liabilities	26	23,376,721	26,294,485
Deferred tax liabilities	10	<u>51,986,193</u>	<u>57,142,475</u>
Current liabilities		26,843,516	16,598,918
Trade and other payables	27	286,103,480	187,865,082
Dividend payable	29	-	29,508,983
Current portion of long term loan	24	141,648	141,648
Current portion of lease liability	25	92,492,576	63,831,741
Income tax payable	9	44,590,570	54,530,152
Other tax and obligation	28	9,721,384	9,082,435
Accruals and other non financial liabilities	33	<u>459,893,174</u>	<u>361,558,959</u>
Total liabilities		<u>511,879,367</u>	<u>418,701,434</u>
Total equity and liabilities		<u>828,831,957</u>	<u>726,928,599</u>



NATIONAL ALCOHOL AND LIQUOR FACTORY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 ETB	2018 ETB
Operating activities			
Profit before tax		304,854,981	229,294,894
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation of property, plant and equipment	11	32,931,078	35,816,453
Amortization of the right use of assets	18	351,262	351,262
Severance expense	26	1,421,062	375,231
Interest expense	8	2,136,471	6,330,021
(Gain) / Loss on disposal of property, plant and equipment	11	25,238,510	(5,722,291)
Reversal Of Employee Benefit		(7,440,160)	-
Working capital adjustments:			
Increase in trade and other receivables and prepayments	13,16	(3,697,986)	(8,556,185)
Increase in inventories	17	(42,592,057)	(2,297,145)
Increase in trade and other payables	27,28 & 30	(4,212,317)	(10,540,637)
		308,990,845	245,051,603
Interest paid	8	(2,136,471)	(5,234,946)
Income tax paid	9	(63,831,741)	(58,617,273)
Net cash flows from operating activities		243,022,633	181,199,384
Investing activities			
Purchase of property, plant and equipment	11	(92,510,995)	(135,322,922)
Proceeds From Sale Of PPE		1,500,000	18,769,448
Net cash flows used in investing activities		(91,010,995)	(116,553,474)
Financing activities			
Payment of lease liabilities	25	(141,648)	(283,296)
Repayment of borrowings	24	(29,508,983)	(16,283,454)
Dividends paid to owners	33	(102,000,000)	(25,000,000)
Net cash flows from/(used in) financing activities		(131,650,631)	(41,566,750)
Net increase/ (decrease) in cash and cash equivalents		20,361,007	23,079,161
Cash and cash equivalents at 1 July,2018		47,318,208	24,239,048
Cash and cash equivalents at 30 June		67,679,215	47,318,209

**NATIONAL ALCOHOL AND LIQUOR FACTORY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

Note	Share Capital ETB	Legal Reserve ETB	Retained Earnings ETB	First time IFRS	Total ETB
				adoption revaluation reserve	
Unadjusted Balance at 1 July 2016	12,209,181	2,441,836	-	-	14,651,017
First time IFRS adoption adjustments			(32,886,435)	90,891,772	58,005,337
Adjusted Balance at 1 July 2016	12,209,181	2,441,836	(32,886,435)	90,891,772	72,656,355
comprehensive income for the year			140,878,356		
First time IFRS adoption adjustments	-	-	-	90,891,772	90,891,772
Dividend Declared To state	-	-	(122,372,859)	-	-
Adjusted Balance at 1 July 2017	12,209,181	2,441,836	(14,380,938)	90,891,772	91,161,852
Prior Period Adjustment			0		
comprehensive income for the year	-	-	165,781,193	-	165,781,193
capitalization of dividend payable	208,776,254	-	-	-	208,776,254
Dividend declared to state	-	-	(157,492,135)	-	(157,492,135)
Transfer of profit to legal reserve	-	8,289,060	(8,289,060)	-	-
Balance at 30 June 2018	<u>220,985,435</u>	<u>10,730,896</u>	<u>(14,380,940)</u>	<u>90,891,772</u>	<u>308,227,163</u>
Prior Period Adjustment			(1,933,893)		(1,933,893)
comprehensive income for the year	-	-	210,897,716	-	210,897,716
capitalization of dividend payable	-	-	-	-	-
Dividend declared to state	-	-	(200,238,395)	-	(200,238,395)
Transfer of profit to legal reserve	-	10,659,321	(10,659,321)	-	-
Dividend declared to state	-	-	-	-	-
Balance at 30 June 2019	<u>220,985,435</u>	<u>21,390,217</u>	<u>(16,314,833)</u>	<u>90,891,772</u>	<u>316,952,591</u>

