

# ANNUAL REPORT & FINANCIAL STATEMENTS

2022



**SEYCHELLES  
BREWRIES LTD**

18+

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NOT FOR SALE TO PERSONS UNDER THE AGE OF 18

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JOHNNIE WALKER

KEEP WALKING



JOHNNIE WALKER

KEEP WALKING



JOHNNIE WALKER

KEEP WALKING



JOHNNIE WALKER

KEEP WALKING

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A BRAND FOR  
EVERY TASTE AND  
CELEBRATION, BIG  
AND SMALL



# 50 YEAR ANNIVERSARY FLASHBACK



On the weekend of 10<sup>th</sup> of July this calendar year, Seychelles Breweries celebrated its 50<sup>th</sup> anniversary of incorporation. To commemorate this auspicious occasion, we organized a weekend of activities for our valued stakeholders, consumers, and employees. The weekend started on the Friday evening with a prestigious corporate event with President Wavel Ramkalawan as the guest of honor with several government ministers, SBL Board members and management in attendance.



Saturday's activities were all about our consumers with the biggest road show Seychelles has ever seen across districts on Mahe, Praslin and La Digue. Then our Blue Nation event at Cap Lazare in the evening was and is, still much talked about and has been described as the Event of the Year. On Sunday, we treated our employees and their families to a Fun Day once again at Cap Lazare to thank them for their valued contribution to the business. In this Annual Report we bring you some memories of this momentous weekend.



Cap Lazare party



Cap Lazare party



Cap Lazare family Fun Day



Lighting of the monuments



Roadshow



Roadshow



Lighting of the monuments



Corporate Event



Corporate Event



Cap Lazare family Fun Day



Cap Lazare family Fun Day



Corporate Event

## FINANCIAL HIGHLIGHTS

Figures in SCR'000	2022	2021	% Change
Revenue	513,847	443,946	15.75 %
Operating profit	142,870	95,911	48.96 %
Profit before tax	142,459	94,514	50.73 %
Total comprehensive income	106,378	69,404	53.27 %
Final dividend declared	97,250	47,250	105.82 %
Total equity	431,649	422,521	2.16 %
<b>Data per SCR 5 share</b>			
Basic and diluted earnings per share (SCR)	8.44	5.51	53.18 %
Final dividend declared/proposed (SCR)	7.72	3.75	105.87 %
Net equity (SCR)	34.26	33.53	2.18 %

The directors recommend, subject to approval at the next Annual General meeting, the payment of a final dividend of SCR 50,000,000 (2021: SCR 47,250,000), which, based on the number of ordinary shares in issue at year end, represents a dividend of SCR 3.97 per ordinary share (2021: SCR 3.75). The dividend is subject to deduction of withholding tax at the applicable rates.

No interim dividend was paid for the financial year ended 30 June 2022 (2021: Nil)

Seychelles Breweries celebrated 50 years of incorporation in 2022. The Board thus approved a special, one-off dividend of SCR 50,000,000 (SCR 3.97 per share) to reward shareholders. The special dividend was paid in August.



# NOTICE OF THE ANNUAL GENERAL MEETING 2022

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Seychelles Breweries Limited (Company No 841033-1) MERJ share code ISIN: SC478BDEB69 (“the Company” or Seybrew”). Notice is hereby given to shareholders recorded in the Company’s securities register on Friday 2nd December 2022 that the 54th Annual General Meeting (“AGM”) of Seychelles Breweries Limited for the year 2022 will be held at the Savoy Seychelles Resort & Spa on Friday 2nd December 2022 at 11:00am to:

- deal with such business as may lawfully be dealt with at the AGM and;
- consider and, if deemed fit, pass, with or without modification, the Ordinary and Special Resolutions set out hereunder in the manner required by the Companies Ordinance, 1972 as amended (“the Companies Act”), as read with the MERJ Limited Listings Requirements (“MERJ Listings Requirements”) where the Company’s ordinary shares are listed.

The AGM is to be participated in and voted at by shareholders recorded in the Company’s securities register as at the voting record date of Friday 2nd December 2022.

Kindly note that shareholders attending by proxy will be required to register no later than 48 hours before the time of the meeting. Full details of the registration process and requirements is provided in the attached cover letter.

Meeting participants (including proxies) will be required to provide reasonably satisfactory identification (this includes identity cards, passports, and driver’s licenses) before being entitled to attend or participate in the AGM and will be allowed access to the venue to vote by no later than 11:00 am on Friday 2nd December 2022.

## Ordinary Resolutions

To consider and, if approved, to pass, with or without modification, the following Ordinary Resolutions:

Percentage support required for Ordinary Resolution No 1 to 8 - For these Ordinary Resolutions to be adopted, the support of more than 50% (fifty per cent) of the total number of votes per Ordinary Resolution, from the shareholders present or who are represented by proxy at this Meeting is required.

### **1. Ordinary Resolution No 1 – Approving Minutes of the 2021 AGM**

To present, consider and accept the Minutes of the AGM held on Friday 26 November 2021.

### **2. Ordinary Resolution No 2 – Presenting the Seybrew Directors and Audit Report**

To present, consider and accept the Report of the Managing Director and the Auditor’s Report for the year ended 30 June 2022.

### **3. Ordinary Resolution No 3 – Presenting the Seybrew Annual Financial Statements**

To present, consider and accept the Annual Financial Statements for the year ended 30 June 2022.

### **4. Ordinary Resolution No 4 – Reappointment of auditors**

To reappoint BDO Associates as nominated by the Company’s Audit committee, as independent auditors of the Company to hold office until the conclusion of the next AGM of the Company. It is to be noted that Ms. Nazrah Ramdin is the individual and designated auditor who is proposed to undertake the Company’s audit for the financial year ending 30 June 2023.

## Reason and effect

The reason for Ordinary Resolution No 4 is that the Companies Act requires the appointment or reappointment of the Company’s auditors each year at the AGM of the Company. Furthermore, in terms of paragraph 2.4 of the MERJ Listings Requirements, the Audit committee has considered and satisfied itself that BDO Associates, the independent auditors:

# NOTICE OF THE ANNUAL GENERAL MEETING 2022 (continued)

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- are accredited as such on the MERJ List of Auditors and Accounting Specialists; and
- meet the applicable requirements stipulated in section 2.4c of the MERJ Listings Requirements and does not appear on the MERJ list of disqualified individual auditors.

## **5. Ordinary Resolution No 5 – Appointment of directors**

To elect the following directors (Ordinary Resolution No 5.1 and 5.2) to the Board of directors of Seybrew (“the Board”) as directors in terms of clause 84 of the Company’s Articles of Association, being eligible and offering themselves for appointment.

### **Reason and effect**

The reason for and effect of Ordinary Resolution No 5.1 and 5.2 is to elect the directors to the Board of Seybrew appointed during the financial year as directors in terms of the Company’s Articles of Association.

### **5.1 Ordinary Resolution No 5.1 – Appointment of Nisreen Abdul Majid as a director**

To elect Nisreen Abdul Majid, who was appointed as a director on 8 February 2022 in terms of the Company’s Articles of Association, being eligible and offering herself for appointment.

### **5.2 Ordinary Resolution No 5.2 – Appointment of Obinna Chimere Anyalebechi as a director**

To elect Obinna Chimere Anyalebechi, who was appointed as a director on 15 September 2022 in terms of the Company’s Articles of Association, being eligible and offering himself for appointment.

## **6. Ordinary Resolution No 6 – Re-appointment of directors**

To re-elect directors as per Ordinary Resolution No. 6.1 by whom the directors retire by rotation in terms of the Company’s Articles of Association and being eligible and offering themselves for re-election.

### **6.1 Ordinary Resolution No 6.1 – Appointment of Devesh Dutt as a director**

To re-elect Devesh Dutt as a director of the company, in terms of the Company’s Articles of Association, the retiring director being eligible and offering himself for re-appointment.

## **7. Ordinary Resolution No 7 – Remuneration policy**

Shareholders are requested to cast a separate vote on the Company’s remuneration policy.

### **7.1 Ordinary Resolution No. 7.1 – vote on the remuneration of the Managing Director**

Resolved that shareholders approve the remuneration of the Managing Director at approximately SCR 6.8m per annum for the financial year 2022/23.

### **7.2 Ordinary Resolution No.7.2 – vote on the remuneration of the Finance Director**

Resolved that shareholders approve the remuneration of the Finance Director at approximately SCR 3.2m per annum for the financial year 2022/23.

### **7.3 Ordinary Resolution No. 7.3 – vote on the remuneration of the Auditors**

To authorise the Directors to fix the remuneration of the Auditors for the financial year 2022/2023

## **8. Declaration of a final dividend**

To approve that a final dividend be declared for the year ended 30 June 2022. The dividend amount and payment date will be announced at the meeting.

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote on their behalf. A proxy need not also be a member. A form of proxy is enclosed and if it is to be valid for the purposes of the meeting, the form must be completed and deposited at the Company Secretary’s office at PKF Capital Markets (Seychelles) Limited, 104 First Floor, Waterside Property, Eden Island, Seychelles, not less than 48 hours before the time of holding the meeting.

# NOTICE OF THE ANNUAL GENERAL MEETING 2022 (continued)

By Order of the Board



PKF CAPITAL MARKETS (SEYCHELLES) LIMITED  
104 First Floor, Waterside Property,  
Eden Island, Seychelles  
Tel : +248 4346 770

PKF Capital Markets (Seychelles) Limited

Company Secretary

2 December 2022





# BOARD OF DIRECTORS AND CORPORATE INFORMATION

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## Board of Directors

Anthony Smith	Chairperson	Appointed in September 2018
Conor Neiland	Managing Director	Appointed in May 2020
Devesh Dutt	Finance Director	Appointed in April 2019
Rod Thorrington	Non-executive Director	Appointed in May 2020
Jean Weeling-Lee	Non-executive Director	Appointed in June 2008
Aubray Lucas	Non-executive Director	Resigned in September 2021
Andrew Cowan	Non-executive Director	Resigned in April 2022
Nisreen Abdul Majid	Non-executive Director	Appointed in February 2022
Obinna Chimere Anyalebechi	Non-Executive Director	Appointed in September 2022

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## Registered office and principal place of business

Seychelles Breweries Limited  
O'Brien House  
PO Box 273  
Le Rocher, Mahe,  
Seychelles

## Solicitors

Christen Chambers  
Office 201, Second floor  
Waterside Building  
Marina North, Eden Island  
Seychelles

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## Auditors

BDO Associates  
Chartered Accountants  
The Creole Spirit  
Quincy Street  
Mahe  
Seychelles

## Company Secretary

PKF Capital Markets (Seychelles) Ltd.  
104 First Floor  
Waterside Property  
Eden Island  
Seychelles

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## Bankers

Absa Bank (Seychelles) Limited (formerly: Barclays Bank (Seychelles) Limited)  
Seychelles International Mercantile Banking Corporation Limited (a.k.a Nouvobanq)

# CHAIRMAN'S STATEMENT

Distinguished shareholders, ladies, and gentlemen, I am pleased to welcome you all to the 54th Annual General Meeting of our Company and to present the financial statements and reports for the financial year that ended on 30 June 2022.

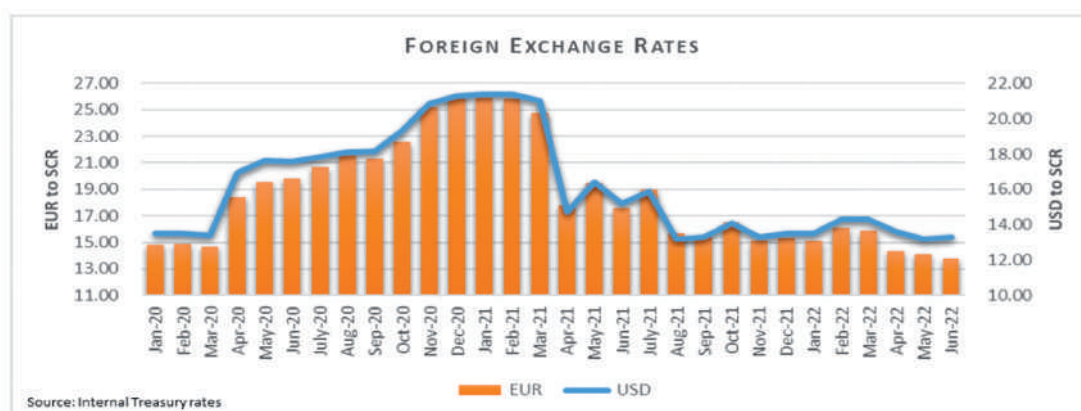
I am particularly pleased that after an imposed break due to the Covid pandemic, that we are able to meet in person this year and celebrate the 50th Year of the Brewery. I would hope that Messrs. Wells and Haase, the original founders of the business, would be proud that Seychelles Breweries has stood the test of the past half century and has become a leading business and employer in Seychelles.

## Business Environment

F22 thankfully saw the world to a greater or lesser extent emerge from the Covid-19 pandemic and some degree of normalcy returned to daily lives. This was the same here in Seychelles where the Government's approach to the pandemic must be commended. The overall approach taken in Seychelles towards managing Covid meant that the general population was vaccinated rapidly, creating an opportunity to re-open for tourism ahead of some competing destinations; this drove sharp corrections in key economic metrics from March 2021. This recovery was sustained through F22 and created sufficient stability for businesses to start recovering from Covid-19 losses; GDP is expected to grow by 7.2% (6.1% in 2021; -9.9% in 2020). Total GDP in 2022 is expected ahead of 2019, the last pre-Covid comparator.

A total of 288,692 tourists arrived in F22, bringing arrivals to over 76% of F19 arrivals, with the recovery of tourism further strengthening in H2 to over 83% of F19 arrivals. Driven by sustained tourism, the rupee had a very stable performance, holding at pre-covid levels for most of F22. Despite the sustained correction in foreign exchange, the 12-month average inflation rate closed +5.99% for F22 vs F21, and average earnings declined by 1.1% first quarter of 2022, indicating that the process of economic recovery is still ongoing.

The Seychelles economy remains vulnerable to external shocks due to its high dependence on tourism and fishing, and climate change continues to pose a long-term sustainability risk. In the 2022 budget speech, the government demonstrated an acute awareness of these risks and voiced the intent to continue diversifying the economy, leaving a sustainable economy for future generations, and further implementing the learnings from Covid-19.



## Our performance

Seychelles Breweries Limited (SBL) continues to be the only Total Beverage Company in Seychelles with a rich and diversified portfolio spanning Beer, Ready-to-Drink, Carbonated soft drink and Spirit categories across Returnable glass, PET and Can formats.

SBL is a proudly local business with over half the population of the islands directly or indirectly invested in our success – we are fortunate to have over 1,300 Seychellois shareholders and a further 45,000 local stakeholders by virtue of the Seychelles Pension Fund's significant stake in our business. We greatly appreciate the continued support of all the people of Seychelles for our brands and our business.

## CHAIRMAN'S STATEMENT (continued)

I am delighted to report that SBL delivered excellent results in F22. Our “emerging stronger” mindset made this performance possible, setting the foundation for us to accelerate out of the global COVID-19 pandemic. Our continued focus on expanding market share, growing talent and capabilities, and getting closer to our consumers contributed to more than offsetting the remaining economic headwinds in F22. I am also very proud of our flagship beer, Seybrew, which won a Gold Medal in the African Beer Cup “International Lager” category, while also clinching third overall in the competition for the title of Best Beer in Africa out of 251 beers. For a smaller brewery in the middle of the Indian Ocean it is something that all Seychellois should also be proud of.

### Revenue

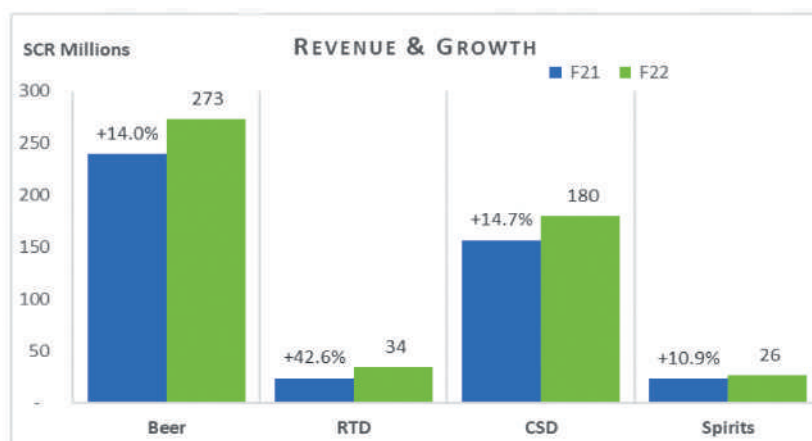
The business registered overall revenue growth of 15.7% in F22 (4.6% in F21), officially becoming a half-billion rupee business for the first time. Growth was skewed towards the year's second half as we lapped Covid restrictions in F21 and benefitted from key innovation launches.

Beer revenue increased by 14% in F22 (vs 3% in F21), underpinned by the successful implementation of our canning line, price increases and the recovery of the on-trade. Growth was amplified by improved event execution, digital capabilities, and overall visibility in trade.

Carbonated soft drink (CSD) revenue increased by 14.7% (vs 5.1% in F21), driven by price increases and our diversified portfolio enabling us to capture shifts in consumer needs.

Revenue from ready-to-drink (RTD) had a breakthrough performance to grow 42.6% in the year (vs 4.8% in F21).

This growth was driven by focused innovations, occasion-based promotions, and net revenue management. Spirits revenue grew 10.9% in the year, driven by portfolio expansion, the launch of Black & White, a focus on premiumisation and active pricing management more than offsetting any impact from supply disruptions.



### Innovation

The ability to delight our consumers with timely and appropriate product & format innovation continues to be an essential building block of our strategy. We continue to improve our processes, capabilities and analytical rigour resulting in a more disciplined innovation approach. In Fiscal 22, we successfully launched two new RTDs and Guinness Smooth. Notably, Smirnoff Ice Guarana contributed almost 50% of RTD growth in the year.

With the continued focus on sustaining innovations, innovation's contribution to net sales value improved from 14% in F22 to 22% in F22. We expect this strong trajectory to continue based on our innovation pipeline and improved processes.

# CHAIRMAN'S STATEMENT (continued)

## Supply chain

<b>2</b> <i>Lost Time Accidents (LTA)</i>	<b>6%</b> Improvement on Operation Efficiencies	<b>Top 3</b> Best tasting Beer in Diageo Global	<b>Productivity</b> 600,000 GBP savings delivered
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F22 continued to be challenging due to the well documented Global external factors impacting import / logistics and emerging inflationary pressure on raw materials and freight due to foreign conflicts. Nevertheless, it helped us to emerge stronger as a business with more stable operations, improved cost management, materials planning, Logistics, Quality and Line efficiencies.

Regrettably, we recorded 2 LTAs during the year; however, we have redoubled our efforts to improve our Health and Safety agenda further with significant ongoing focus in this area. This was delivered through a focused approach towards Risks and Hazards, growing awareness through a robust training programme including all Seychelles Breweries employees.

Better adherence to brewing excellence resulted in constantly excellent overall beer flavour scores, with the average score for all beers moving over 9/10. Further integration to Diageo centres of Excellence in Planning, Logistic and Procurement brought additional stability into our operations, resulting in customer service improvements and helped us win market share across all key categories.

Supply support was instrumental in delivering our innovations to market in a timely fashion, allowing us to bring new news to our customers with new offerings, including Smirnoff Guarana, Guinness Smooth and an entire portfolio of canned products.

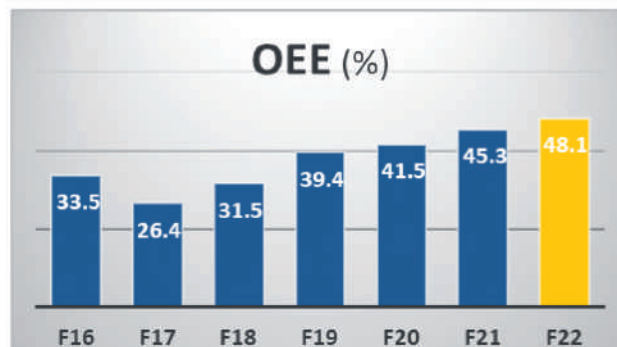
We continue to support sustainable long-term growth with targeted Capex investments and process improvements, including a new BBT tank farm, can Filler installation and CO2 recovery plant.

As part of our '2030 Spirit of Progress' ESG (Environment, Social and Governance) agenda, we installed a solar panel farm on the roof of one of our warehouses, which has reduced our Electricity consumption from the national grid by 5% and removes circa 160 Tons of carbon from our Carbon footprint annually. We will continue on an aggressive journey to become a more energy efficient and sustainable business.

The cost management driven through the supply mission's agenda has delivered an additional 600,000 GBP of cost savings, helping us offset significant increased raw materials and logistics costs, thus improving our gross and operating margins.

People development, Everyday Efficiency and Consistent Quality in everything we do remains our key focus to win market share and grow the business, underpinned by our compliance and productivity agendas.

In F23 we will continue to invest in CAPEX programmes to strengthen our position further, including completing the work on the CO2 Recovery plant and a full overhaul of our Returnable Glass Packaging line.

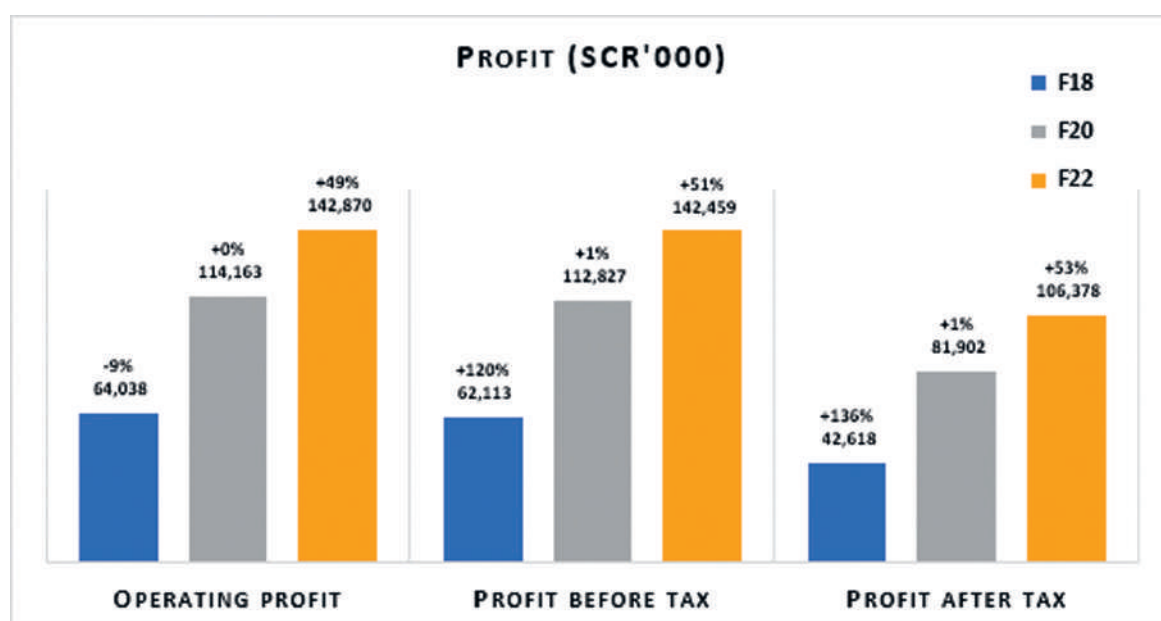


## CHAIRMAN'S STATEMENT (continued)

### Profit

Gross profit increased by 45% in the year, well ahead of pre-COVID levels, as we continually focus on revenue growth management and productivity to more than offset inflation during the year.

Operating profit increased 49% to SCR 142.9 million (F21: SCR 95.9 million), primarily driven by gross margin expansion. We again up weighted the investment in our brands to SCR 35.6 million (F22: 25 million), enabling us to emerge stronger and celebrate 50 years of Seybrew.



### F23 performance outlook

We continue to take a prudent approach to the business given the existing global volatilities and local economic headwinds; however, our strategy remains consistent. We continue to invest in appropriate capital projects to guarantee consistent world-class quality while also investing in a sustainable supply footprint. We take into F23 the learnings from the past years and continue focusing on growing our people to create an advantaged culture, shaping the future of our categories, supporting responsible drinking, and injecting everyday efficiency into all areas of our business. We will continue our “Society 2030” sustainability initiatives, which include reducing our carbon output, replenishing water, generating solar electricity, and promoting our “Smashed” campaign dedicated to preventing alcohol misuse amongst underage teenagers.

### Dividend

2022 is a special year as it is the 50th year of the incorporation of Seychelles Breweries and our flagship brand Seybrew. The Board has thus approved a special, one-off dividend of SCR 50m (SCR 3.97 per share) to reward the shareholders; in addition, the Board is recommending a final dividend pay-out of SCR 3.97 per share, bringing our pay-out ratio to 94% for F22.

## CHAIRMAN'S STATEMENT (continued)

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### Conclusion

In conclusion and particularly so in this 50th Year, I would like to thank all shareholders for your continued support of our Company, particularly in the current environment. Many of you have held your shares in this Company for several decades. This goes to show the confidence you place in this business and its rich history. I ask you to continue your support as the Board and management work together to move the Company forward.

I also thank our key partners, including distributors, customers, suppliers, and professional advisers, for contributing to the Company's success story.

I take this opportunity to also thank the Government of Seychelles for implementing investment-friendly and supportive policies for local manufacturers.

I want to commend our parent company, Diageo PLC, for its unwavering support for our Company and its continued belief in Seychelles. I would also like to thank the Coca-Cola Company for their support. We look forward to a continued partnership in the years ahead.

I must also appreciate my fellow Directors for their continued commitment to the success of our Company.

I want to take this opportunity to thank outgoing Director Aubray Lucas for contributing his passion to Seychelles Breweries over many years and Andrew Cowan for his valuable leadership. We also welcome Nisreen Abdul Majid and Obinna Chimere Anyalebechi to the Board and look forward to the contribution that their experience will bring.

Finally, I appreciate the management team and all our committed employees for their hard work and untiring dedication, without whom these results would not have been possible.



**Mr. Anthony Smith**

Chairman

Signed on 2 December, 2022

# MANAGING DIRECTOR'S REPORT

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The Managing Director is pleased to present to members his Report together with the audited Financial Statements of the Company for the year ended 30 June 2022.

## **Statement of Directors' Responsibilities**

The Directors are responsible for the preparation and presentation of the financial statements of Seychelles Breweries Limited set out on pages 28 to 64 which comprises the statement of financial position at 30 June 2022, the comprehensive income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Directors' responsibilities include: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances; designing, implementing and maintaining internal control relevant to the preparation and presentation of these financial statements that are free from material mis-statements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1972. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in the manner required by the Companies Act 1972. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating results.

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

The Directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the company will not be a going concern for at least the next twelve months from the date of this statement.

The Directors consider that they have met their responsibilities as set out in the Companies Act 1972.

## **Legal form and principal activities**

Seychelles Breweries Limited, a public limited Company quoted on the Seychelles Securities Exchange (aka MERJ) was incorporated under the Companies Act 1972 on 10 July 1972. The Company was listed on the Securities Exchange on 30th June 2016. The principal activities of the Company during the period continue to be the production, importation, marketing and selling of alcoholic and non-alcoholic drinks.

# MANAGING DIRECTOR'S REPORT (continued)

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## Corporate Social Responsibility

### SMASHED covers half of secondary school students in Seychelles

The SMASHED programme is a Diageo preventative programme intended to help delay the onset of early alcohol use amongst young people by engaging participants in a safe and motivational learning environment, enabling them to explore the dangers and consequences of underage drinking and equipping them with facts, skills, and the confidence to make responsible choices and develop a responsible attitude towards alcohol.

For this year we have covered almost half of the secondary school population in Seychelles with the SMASHED programme. The programme came back online after a two-year break due to Covid-19 restrictions.

Due to continuing Covid restrictions in force, our service provider Kurt Lagrenade made the appropriate adjustments to the programme with the approval of Collingwood College in UK.

Instead of live performances, SMASHED was filmed in studio and then projected to students at the participating schools. The workshop component of the programme was done live by Kurt himself. Despite this change, the students were very much engaged in the workshop and actively participated in the discussions. Secondary schools from Mahe, Praslin and La Digue participated in the programme.





# MANAGING DIRECTOR'S REPORT (continued)

## Supporting the Deaf community in Seychelles

The company is proud to share that we donated SCR300,000 to the Association for People with Hearing Impairment for the setting up of a hearing aid mould laboratory at their Centre at Mont Fleuri.



The hearing aid mould laboratory project, which included the sourcing out of equipment and training of technicians, has benefitted the approximately 1,000 deaf people in Seychelles. The project was led by Jude Marcel, who is also deaf. Jude received his initial training as a technician in Mauritius a couple of years ago, and he was responsible for training two of his deaf colleagues to operate the equipment.

Jude received his initial training as a technician in Mauritius a couple of years ago, and he was responsible for training two of his deaf colleagues to operate the equipment.

When we talk about Inclusion and Diversity, this is what we mean – helping people who are less able to be productive and lead normal lives so that they can contribute towards the development of the country. Supporting the Association with this very important project has helped the deaf community in Seychelles tremendously.

## We continue to support the farming community

Water is the basis of life and our most precious resource. By 2030 every drink we manufacture will use 30% less water than today and by 2026 we will replenish more water than we use in all our water-stressed areas.



This year alone, we have supported 15 farmers in the water stressed areas of Val D'en Dor, Baie Lazare, Bougainville, Anse Royale and Pointe Au Sel with piping and fittings to install drip irrigation on their farms. We also donated large plastic holding containers (IBCs) for them to use for water storage. This is an ongoing project with the support of Sustainability for Seychelles (S4S).

Our water replenishment programme is a programme initiated by our Parent Company Diageo, with the intention for Seychelles Breweries to give back to the community the same amount of water it uses in production. This is done through local water projects which will benefit the community. During the financial year, we replenished a total of 12,960m<sup>3</sup> of water.

## Partnering with MCSS to protect Anse Bazarka

Promoting sustainable practices that reduces carbon emission is one direction that we have taken as a business and it is equally important that we engage in activities that protect the environment.



During the financial year under review, we initiated a partnership with the Marine Conservation Society of Seychelles (MCSS) for the adoption of the beach at Anse Bazarka, Takamaka in the south of Mahe. Our employees engaged in the monitoring and protection of sea turtles that came on to the beach during the nesting season and we also participated with MCSS in tree planting activities to prevent coastal erosion in an effort to extend nesting space for the sea turtles.

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## MANAGING DIRECTOR'S REPORT (continued)

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### Board Changes

In February 2022, Ms Nisreen Abdul Majid was appointed as board member, replacing Mr Aubray Lucas who resigned in September 2021. Since the last Annual General Meeting, Mr Andrew Cowan has resigned from the Board. On your behalf we wish to thank him for his contributions to the Company during his tenure. He has been succeeded by Mr. Obinna Chimere Anyalebechi, who has been appointed in September 2022.

The Director to retire by rotation is Devesh Dutt, and being eligible, hereby offers himself for re-election.

### Directors and their interests

The interests of Directors in the issued capital of the Company as recorded in the Register of Members and or notified by the Directors for the purpose of Section 111 of the Companies Act, 1972 and in compliance with the listing requirements of the Seychelles Securities Exchange are as follows:

Ordinary Shares held as at 30th June 2022 were:

Director Name	Nationality	Shares in Seychelles Breweries
Anthony Smith	British	Nil
Conor Neiland	Irish	Nil
Devesh Dutt	British	Nil
Rod Thorrington	Seychellois	Nil
Jean Weeling-Lee	Seychellois	Nil
Nisreen Abdul Majid	Seychellois	Nil
Obinna Chimere Anyalebechi	Nigerian	Nil

### Directors' interest in contracts

No Directors had any material interest, directly or indirectly, in any contract with the company, nor did any Director hold any share option during the period under review.



**Conor Neiland** | Managing Director

Signed on 2 December, 2022

# EKU

GERMAN BREWING EXCELLENCE



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 DRINK RESPONSIBLY  
NOT FOR SALE TO PERSONS UNDER THE AGE OF 18

# CORPORATE GOVERNANCE REPORT

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**“We ask our customers, consumers, shareholders, government and the communities in which we operate, to trust that we understand our responsibility as the leading premium drinks Company in Seychelles and that we behave accordingly”**

## Introduction

Seychelles Breweries Limited (SBL) accepts the importance of achieving the highest standards of corporate governance, corporate responsibility and risk management when conducting its business. SBL is also committed to carrying out its business responsibly and in accordance with all laws and regulations which its business activities are subject to. The board and the management team are as a whole, collectively responsible for ensuring that the highest standards of corporate governance are achieved when directing and controlling the business.

## Board of Directors

### Composition

Please refer to pages 20 and 21 of the Annual Report for details regarding the composition of the Board.

### Board Procedure

The Board which is chaired by a non-executive director is responsible for promoting the success of the Company by directing and supervising the Company's affairs. The Board:

1. Provides leadership of the Company with a framework of prudent and effective controls which enable risks to be assessed and managed;
2. Provides input into the development of the long-term objectives and overall commercial strategy for the company and is responsible for the oversight of the company's operations while evaluating and directing the implementation of the Company's controls and procedures;
3. Provides oversight of the Company's strategic aims, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives, as well as reviewing management performance; and
4. Upholds the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

### Meetings held

There were five (5) well-attended meetings of the Board of Directors during the year under review, scheduled to ensure that the Directors could provide the appropriate guidance and necessary approval as well as perform their statutory obligations

## Audit Sub-Committee

The Audit Sub-Committee (ASC) of the Board is comprised of two (2) non-executive directors. It is chaired by a nonexecutive director and is required to exert a high level of oversight over, and scrutiny into, the Company's operations, financial reporting, internal controls and compliance systems. The ASC assists the Board in fulfilling its oversight responsibilities relating to the integrity of the financial statements, compliance with legal and regulatory requirements, the independent auditor's qualifications, independence and remuneration, the performance of the internal compliance function and the performance of our independent auditors. The ASC ensures that recommendations by the auditors and the ASC itself for procedural improvements and rectifications, are duly completed by the Company.

In line with these requirements the ASC met four (4) times during the financial year under review and was fully engaged in reviewing both the internal and external audit reports and ensuring that the Company followed through on issued to be addressed. In addition, the committee reviewed in detail the Company's Financial statements to ensure they provide a true and accurate record of the state of the Company's affairs.

## Risk Management and Internal Control

We are proud of our commitment to operate in the right way from grain to glass.

In F22 we applied the same principles and approaches adopted in F21 to drive the Business Integrity Agenda. This has enabled us to build capabilities within the business, drive ownership and accountability, assess and monitor control embedment and operational effectiveness, all in line with our Business Integrity Strategy.

Our Risk Management methodology has enabled us to identify and assess live or emerging risks that we are exposed to. It is designed to promote an insightful discussion that results in effective mitigation planning and positive business performance outcomes. Risk Management at SBL addresses all aspects of risk including Strategic, Anti Money Laundering, Anti Bribery and Corruption, Tax, Financial, Operational, Reputational, Compliance and/or any other related internal or external risk factors.

Our Controls Assurance and Risk Mitigation (CARM) process enables us to assess, test and report on the operational effectiveness of our internal controls. Gaps identified are mitigated through effective mitigation planning, thus driving process and control improvement, embedment and adherence to policies and standards in place.

Additionally, we have our external auditing for the annual financial audit, which was undertaken by BDO Associates our external auditor. Internally, while we have not been audited by our Diageo internal audit department - Global Audit Risk (GAR), all relevant stakeholders have been fully engaged in the GAR preparedness exercise.

## Occupational Health and Environmental Safety

Our Company is committed to provide the highest standards of health, safety and welfare to all employees, and also committed to minimise its environmental footprint. All aspects of our operations are therefore conducted in compliance with the relevant health and safety laws and regulations and Company policies.



**Conor Neiland** | Managing Director

Signed on 2 December, 2022

## BOARD OF DIRECTORS

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***Anthony Smith***

Anthony Smith is the Senior Counsel for Diageo Africa and Corporate Relations. Anthony started his career at London law firm Addleshaw Goddard where he worked on a range of M&A, Corporate Finance and Private Equity transactions before joining Diageo in 2011. Initially responsible for Diageo's UK business, Anthony then rejoined the Africa team which he now leads. Anthony holds a Bachelor's degree in languages from Durham University as well as GDL and LPC qualifications from the College of Law in Guildford.



***Conor Neiland***

Conor Neiland is the Managing Director for Seychelles Breweries Limited. He was appointed on the 1st February 2020. Conor joined Diageo the parent company of Seychelles Breweries in 2005 as part of Ireland's Sales team. He progressed through several roles, joining the Western Europe team as Commercial Innovation Manager in 2012. From there, he spent four years as the Commercial and Customer Marketing Director for Guinness globally. Prior to his appointment as interim GM to Seychelles Breweries, Mr Neiland was the Mainstream Spirits Director for Africa. He holds a Bachelor's Degree in Commerce from Univeristy College Galway as well as a Post Graduate Diploma in Marketing Practice.



***Devesh Dutt***

Devesh Dutt is the Finance Director for Seychelles Breweries Limited. Devesh is a member of Institute of Chartered Accountants of India (ICAI) and Chartered Institute of Management Accountants, UK (ACMA). Devesh joined Diageo in 2006 and since then has worked across both developed and developing markets emerging markets in various functions within finance.

Devesh has gained experience in India, Great Britain, Northern Europe, Western Europe, Ethiopia, Ghana and Kenya working in global, regional and market facing roles within Diageo as well as having prior experience in the Oil and Gas industry. Devesh joined Seychelles Breweries Limited in April 2019.



***Rod Thorrington***

Rod Thorrington was born in South Africa, graduating from the University of South Africa with a degree in Finance. He emigrated to Seychelles in 2003 where he entered the private sector. He has successfully built a number of Seychelles startups across sectors in luxury retail, wholesale/distribution, and in the entertainment industry, whilst also consulting privately for a number of groups in Seychelles since 2014. Rod was an independent director of the Sacos Group between 2015 and 2021 where he also chaired the Investment Committee, and is currently an independent director of Seychelles Breweries and Absa Bank Seychelles. Rod was the first Honorary Consul for South Africa in Seychelles, from 2015 until 2022. Rod joined the Corvina Investment Group in 2022.

## BOARD OF DIRECTORS (continued)

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***Jean Weeling-Lee***

Jean Weeling-Lee holds a Master's in Economics from the University of Warwick and began his career in 1984 as an economist with the Central Bank of Seychelles and rose to become General Manager on January 1, 1993. He joined the private sector in 1995 and has served as the Managing Director of Corvina Investment Company Limited, holding director positions in various subsidiaries/associates, including Mahe Shipping Co Ltd and Corvina Management Services Ltd, for over 20 years. On July 27, 2009, he was appointed as Chairman of the board of ABSA Bank (Seychelles) Ltd and served in this capacity until November 2021. He has also held the Chairmanship of Air Seychelles Ltd until his retirement in April 2021. Currently, he sits on the boards of Le Refuge du Pecheur Ltd (the holding company of the Lemuria and Ephelia Resorts), H Savy Insurance Co Ltd, 70 South Ltd, Aquarius Shipping Agency Ltd, Space Ltd as well as various other companies. He is a member of the board of the Seychelles Hospitality & Tourism Association.

Previously he has also served as member of the Economic Finance Committee and the National Economic Council under the chairmanship of the Head of State.

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***Nisreen Abdul Majid***

Nisreen Abdul Majid holds a Masters in Finance and Accounting from the University of Huddersfield as well as having ACCA professional qualifications. She is currently the Chief Executive Officer of the Seychelles Pension Fund since 1st February 2021. Prior to her appointment as the CEO of SPF, she was the Chief Finance Officer at the Seychelles Civil Aviation Authority from 1st February 2020 to 31st January 2021. Prior to her appointment as CFO at SCAA, she held the same position at the Seychelles Pension Fund from May 2017, she also held other positions in internal and external auditing at Seychelles Pension Fund and at the Office of the Auditor General respectively. Her specialization is in auditing where her career expanded for over 15 years in this field.

On 16th June 2017, she was also appointed as the member of the Anti-Corruption Commission Board until March 2021 when the Anti-Corruption Act 2016, was amended.

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***Dr Obinna Anyalebechi***

Dr Obinna Anyalebechi holds a Doctor of Veterinary Medicine degree from the University of Nigeria. He has over 16 years cognate experience in Marketing and Commercial functions, garnered whilst working across different multinationals, brands and categories. He joined Diageo in 2012 and has held several roles including Customer Marketing Director, Nigeria; Commercial Director, Ghana; and is currently the Field Sales and Operations Director for Diageo Great Britain.

Prior to joining Diageo, he held marketing roles at Promasidor Nigeria Limited and Unilever Nigeria PLC. Obinna is an alumnus of the Darden School of Business, Cranfield School of Management and the I.E. Business School. He has also attended management courses at Harvard Business School, Yale and IMD. An ardent Arsenal fan and DJ enthusiast, Obinna is married with children. He currently resides in England.

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## SENIOR MANAGEMENT TEAM

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### Conor Neiland

**Position:**  
Managing Director

**Nationality:**  
Irish

**Qualification:**

- UCD Graduate School of Business Studies Dublin, Ireland
- Bachelor of Commerce Degree University College Galway, Ireland



### Devesh Dutt

**Position:**  
Finance Director

**Nationality:**  
British

**Qualification:**

- Bachelor of Commerce, Agra University, India
- ICAI - Member of the Institute of Chartered Accountants of India
- ACMA, CGMA - Member of Chartered Institute of Management Accountants, UK



### Jan Brestovansky

**Position:**  
Supply Chain Director

**Nationality:**  
Slovak

**Qualification:**

- MSc. Chemical Engineering, Slovak University of Technology, Faculty of Food and Science Technology, Bratislava, Slovakia
- Master Brewer, Institute of Brewing & Distilling, London, UK



### Bertrand Belle

**Position:**  
Commercial Director

**Nationality:**  
Seychellois

**Qualification:**

- M-Eng Master in Chemical Engineering, University of Manchester (UK)
- MPA/ID Masters in Public Administration in International Development from Harvard University (USA)



### Shirley Louise

**Position:**  
Human Resources Director

**Nationality:**  
Seychellois

**Qualification:**

- BA (Hons) Human Resource Management from Southampton Solent University (UK)



# AUDIT COMMITTEE REPORT

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We, the members of the Audit Committee, have:

- a. reviewed the scope and planning of the audit requirements;
- b. reviewed the external Auditors' Memorandum of Recommendations on Accounting Policies and Internal Controls together with Management Responses; and
- c. ascertained that the accounting and reporting policies of the Company for the year ended 30 June 2022 are in accordance with legal requirements and agreed ethical practices.
- d. reviewed and discussed the operational risk landscape of the business.

In our opinion, the scope and planning of the audit for the year ended 30 June 2022 were adequate and the Management Responses to the Auditors findings were satisfactory.



**Jean Weeling-Lee**

Chairman, Audit Committee

Signed on 14 September 2022



## SEYCHELLES BREWERIES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

#### Report on the audit of the Financial Statements

##### Opinion

We have audited the financial statements of **SEYCHELLES BREWERIES LIMITED** (the Company), on pages 28 to 62 which comprise the Statement of Financial Position as at June 30, 2022, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at June 30, 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Seychelles Companies Act, 1972 and Securities Act 2007.

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the *Financial Statements* section of our report. We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics* for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other information

The Directors are responsible for the other information. The other information comprises the Financial Highlights, Notice of Annual General Meeting, Chairman's Statement and the Managing Director's Report, Corporate Governance Report and leadership overview, Directors' Report, Directors' responsibility for financial reporting and Shareholder information, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Companies Act, 1972 and Securities Act 2007 and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.



## **SEYCHELLES BREWERIES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)**

#### **Report on the audit of the Financial Statements (Cont'd)**

#### **Responsibilities of Directors and Those Charged with Governance for the Financial Statements (Cont'd)**

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## **SEYCHELLES BREWERIES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)**

#### **Report on the audit of the Financial Statements (Cont'd)**

#### **Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)**

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.

#### **Report on Other Legal and Regulatory Requirements**

##### *Companies Act, 1972*

We have no relationship with, or interests in, the Company, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

##### *Securities Act 2007, The Securities (Financial Statements) Regulation 2008 and Listing requirements of the Seychelles Securities Exchange (MERJ Exchange Limited)*

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the financial statements have been prepared as per International Financial Reporting Standards and all records were kept according to the requirements of the Securities Act 2007 and Regulations as well Listing requirements.

In our opinion, the Company complied with the requirements of Seychelles Securities Act 2007, the Securities (Financial Statements) Regulation 2008 and applicable Listing requirements of the Seychelles Securities Exchange (MERJ Exchange Limited).



**SEYCHELLES BREWERIES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)**

**Report on the audit of the Financial Statements (Cont'd)**

**Other Matter**

This report is made solely to the members of the Company, as a body, in accordance with the requirements of the Companies Act 1972 and Securities Act 2007, the Securities (Financial Statements) Regulation 2008 and Listing requirements of the Seychelles Securities Exchange (MERJ Exchange Limited). Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**BDO ASSOCIATES**  
*Chartered Accountants*

**NAZRAH RAMDIN** – FCA (ICAEW), ACMA & CGMA  
*Engagement Partner*

Dated: December 2, 2022  
Victoria, Seychelles

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

Figures in SCR'000	Notes	2022	2021
Revenue	5	513,847	443,946
Cost of sales	6 & 8	(248,604)	(261,153)
<b>Gross profit</b>		<b>265,243</b>	<b>182,793</b>
Administrative expenses	7 & 8	(62,401)	(57,424)
Advertising and marketing costs	8	(35,593)	(25,031)
Other (expenses)/income	10	(24,379)	(4,427)
<b>Operating profit</b>		<b>142,870</b>	<b>95,911</b>
Finance income	11(a)	612	141
Finance costs	11(b)	(1,023)	(1,538)
<b>Profit before income tax</b>		<b>142,459</b>	<b>94,514</b>
Tax expense	12(a)	(36,081)	(25,110)
<b>Profit and total comprehensive income for the year</b>		<b>106,378</b>	<b>69,404</b>
<b>Basic and diluted earnings per share - SCR</b>	<b>14</b>	<b>8.44</b>	<b>5.51</b>

The notes on pages 32-62 are an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

Figures in SCR'000	Notes	2022	2021
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	16	387,290	378,845
Intangible assets	17	4,535	5,028
Right-of-use assets	18(a)	—	2,795
Loan receivable	19	2,106	2,106
<b>Total non-current assets</b>		<b>393,931</b>	<b>388,774</b>
<i>Current assets</i>			
Inventories	20(a)	97,350	86,579
Current tax assets	12(c)	8,025	28,170
Trade and other receivables	21	47,607	53,541
Cash and cash equivalents		120,381	35,808
<b>Total current assets</b>		<b>273,363</b>	<b>204,098</b>
<b>Total assets</b>		<b>667,294</b>	<b>592,872</b>
<b>EQUITY</b>			
Share capital	15	63,000	63,000
Actuarial gains		500	500
Retained earnings		368,149	359,021
<b>Total equity</b>		<b>431,649</b>	<b>422,521</b>
<b>LIABILITIES</b>			
<i>Non-current liabilities</i>			
Deferred tax liabilities	22	57,516	51,407
Post-employment provision	23	20,966	18,760
<b>Total non-current liabilities</b>		<b>78,482</b>	<b>70,167</b>
<i>Current liabilities</i>			
Trade and other payables	24	157,163	96,990
Lease liabilities	18(b)	—	3,194
<b>Total current liabilities</b>		<b>157,163</b>	<b>100,184</b>
<b>Total liabilities</b>		<b>235,645</b>	<b>170,351</b>
<b>Total equity and liabilities</b>		<b>667,294</b>	<b>592,872</b>

The notes on pages 32-62 are an integral part of these financial statements.

  
 \_\_\_\_\_  
 Anthony Smith  
 Chairperson

  
 \_\_\_\_\_  
 Conor Neiland  
 Managing Director

  
 \_\_\_\_\_  
 Devesh Dutt  
 Finance Director

Signed on 2 December 2022

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

Figures in SCR'000	Share capital	Actuarial valuation gains	Retained earnings	Total equity
Balance at 1 July 2020	63,000	500	336,867	400,367
<b>Total comprehensive income:</b>				
Profit for the year	—	—	69,404	69,404
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>69,404</b>	<b>69,404</b>
<b>Transactions with owners of the company</b>				
Final dividend for 2020 (Note 13)	—	—	(47,250)	(47,250)
<b>Total transactions with owners</b>	<b>—</b>	<b>—</b>	<b>(47,250)</b>	<b>(47,250)</b>
<b>Balance at 30 June 2021</b>	<b>63,000</b>	<b>500</b>	<b>359,021</b>	<b>422,521</b>
<b>Balance at 1 July 2021</b>	<b>63,000</b>	<b>500</b>	<b>359,021</b>	<b>422,521</b>
<b>Total comprehensive income:</b>				
Profit for the year	—	—	106,378	106,378
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>106,378</b>	<b>106,378</b>
<b>Transactions with owners of the company</b>				
Final dividend for 2021 (Note 13)	—	—	(47,250)	(47,250)
Special dividend for 2022 (Note 13)	—	—	(50,000)	(50,000)
<b>Total transactions with owners</b>	<b>—</b>	<b>—</b>	<b>(97,250)</b>	<b>(97,250)</b>
<b>Balance at 30 June 2022</b>	<b>63,000</b>	<b>500</b>	<b>368,149</b>	<b>431,649</b>

The notes on pages 32-62 are an integral part of these financial statements.



# STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2022

Figures in SCR'000	Notes	2022	2021
<b>Cash flows from operating activities</b>			
<b>Profit before tax</b>		<b>142,459</b>	<b>94,514</b>
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	16	33,299	28,791
Exceptional impairment of property, plant and equipment	16	15,892	—
Depreciation of right-of-use assets	18(a)	1,783	3,122
Amortization of intangible assets	17	1,630	1,630
Tangible assets write off	16	2,463	1,706
Interest received	11(a)	(612)	(141)
Interest paid	11(b)	1,023	969
Post employment benefits charge	23	4,302	3,686
Unrealised exchange difference		1,473	9,292
<b>Total adjustments</b>		<b>203,712</b>	<b>143,569</b>
<b>Changes in working capital:</b>			
Increase in inventories	20	(10,771)	(30,597)
Decrease/(increase) in trade and other receivables	21	5,879	(10,644)
Increase/(decrease) in trade and other payables	24	10,228	(3,554)
<b>Net changes in working capital</b>		<b>5,336</b>	<b>(44,795)</b>
<b>Cash generated from operating activities</b>			
Interest paid	11(b)	(1,023)	(969)
Interest received	11(a)	612	141
Tax paid	12(c)	(9,827)	(20,791)
Post employment benefits - paid	23	(2,096)	(3,540)
<b>Net cash generated from operating activities</b>		<b>196,714</b>	<b>73,615</b>
<b>Cash flows from investing activity</b>			
Acquisition of property, plant and equipment	16	(59,584)	(50,733)
Acquisition of intangible assets	17	(1,652)	—
<b>Net cash used in investing activity</b>		<b>(61,236)</b>	<b>(50,733)</b>
<b>Cash flows from financing activities</b>			
Repayment of principal portion of lease liabilities	18(b)	(2,182)	(3,199)
Dividends paid during the year	13	(47,250)	(47,250)
<b>Net cash used in financing activities</b>		<b>(49,432)</b>	<b>(50,449)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>86,046</b>	<b>(27,567)</b>
Cash and cash equivalents at 1 July		35,808	72,667
Effect of movements in exchange rates on cash held		(1,473)	(9,292)
<b>Cash and cash equivalents at 30 June</b>		<b>120,381</b>	<b>35,808</b>

The notes on pages 32-62 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

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## 1. General information

Seychelles Breweries Limited is incorporated as a limited liability Company in Seychelles under the Companies Act 1972 and is domiciled in Seychelles. The address of its registered office and principal place of business is as follows:

Seychelles Breweries Limited,  
O Brien House,  
PO Box 273,  
Le Rocher,  
Mahe, Seychelles.

Seychelles Breweries Limited is in the business of brewing beer and the manufacturer of mineral and aerated waters, cordials and alcoholic and non-alcoholic beverages. The Company also imports spirits which it supplies to the local market. There were no changes in these activities during the year under review.

For the Companies Act 1972 reporting purposes, the Balance Sheet is represented by the Statement of Financial Position and the Profit and Loss Account by the Statement of Profit or Loss and Other Comprehensive Income, in these financial statements.

## 2. Summary of significant accounting policies

### a. Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”), interpretations issued and effective at the time of preparing these financial statements and the Seychelles Companies Act 1972 and Securities Act 2007.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Seychelles Rupees, which is the Company’s functional and presentation currency.

These accounting policies are consistent with the previous period. Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year.

### b. Use of judgement and estimates

The preparation of financial statements requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

### c. Revenue recognition

Revenue from contract with customers is recognised as or when performance obligations are satisfied by transferring control of a good or service to the customer. Transfer of control of goods occurs at the time of delivery. The Company’s revenue is the net consideration to which it expects to be entitled, net of returns, trade discounts, taxes and volume rebates.

Revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

Generally, payment of the transaction price is due within credit period of between 14 to 30 days with no element of financing.

### 2. Summary of significant accounting policies (continued)

#### c. Revenue recognition (continued)

It is the Company's policy to sell its products to the end customer with a right of return. Therefore, a refund liability (included in trade and other payables) and a right to the returned goods are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

#### d. Foreign currency translation

##### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Seychelles Rupees ("SCR"), by applying to the foreign currency amount the spot exchange rate at the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in the Statement of Profit or Loss, any exchange component of that gain or loss is recognised in the Statement of Profit or Loss.

Cash flows arising from transactions in a foreign currency are recorded in Seychelles Rupees by applying to the foreign currency amount the exchange rate between the Seychelles Rupee and the foreign currency at the date of the cash flow.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

#### e. Property, plant and equipment

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

### 2. Summary of significant accounting policies (continued)

#### e. Property, plant and equipment (continued)

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Ongoing repairs and maintenance are expensed as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income" in the Statement of Profit or Loss.

Freehold land is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis to estimated residual values over their expected useful lives, and these values and lives are reviewed each year.

Subject to these reviews, the estimated useful lives fall within the following ranges: buildings – 10 to 50 years; plant and equipment – 5 to 25 years; fixture and fittings – 5 to 10 years; and bottles and crates – 5 to 50 years.

Assets in the course of construction are carried at cost less any recognised impairment loss. Depreciation of those assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Reviews are carried out if there is an indication that assets may be impaired, to ensure that property, plant and equipment are not carried at above their recoverable amounts.

#### f. Intangible assets- Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of intangible asset from the date that they are available for use. The estimated useful life is 8.2 years.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized net within "other income" in the Statement of Profit or Loss.

#### g. Leases

On the commencement date of each lease (excluding leases with a term of 12 months or less on commencement and leases for which the underlying asset is of low value), the Company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

For leases that contain non-lease components, the Company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

### 2. Summary of significant accounting policies (continued)

#### g. Leases (continued)

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Company at the end of the lease term, the estimated useful life would not exceed the lease term.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognized in the Statement of Profit or Loss on a straight-line basis over the lease period.

#### h. Bottles and crates

The Company charges its customers refundable deposits on glass bottles and crates. The liabilities for returnable deposits are disclosed under Current liabilities in the Statement of Financial Position.

Glass bottles and crates are reported in the accounts at cost.

Bottles and crates, held both at the Brewery and customers, are set out separately in the note 16 to the Statement of Financial Position and stated at their historical value.

Depreciation of bottles and crates is provided to write their cost over their anticipated useful lives as set out below:

- Bottles - 5 years
- Crates - 10 years

#### i. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average method and expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The cost of finished goods and work in progress comprises an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Inventories which are retained for more than one year are classified as current assets, as they are expected to be realised in the normal operating cycle.

#### j. Loan receivable

Loan receivable is a non-derivative financial asset with no fixed or determinable payments that are not quoted in an active market. It arose with the Company providing money directly to its related party with no intention of trading the receivable. They are included in non-current assets when maturity is greater than twelve months.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### 2. Summary of significant accounting policies (continued)

#### j. Loan receivable (continued)

Loan receivable is initially measured at cost. Subsequent to initial measurement, loan receivable is carried at amortised cost using the effective interest rate method, net of provision for expected credit loss. The amount of expected credit loss is recognised in the Statement of Profit or Loss.

#### k. Trade and other receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the customer and an analysis of the customer's current financial position, adjusted for factors that are specific to the customers, general economic conditions in which the customers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

#### l. Cash and cash equivalents

Cash comprises of cash in hand and at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, against which bank overdrafts, if any, are deducted. The cash flow statement is prepared using the indirect method.

#### m. Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions would comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### n. Share capital and equity

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised by the proceeds received, net of direct issue costs.

#### o. Trade and other payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

### 2. Summary of significant accounting policies (continued)

#### o. Trade and other payables (continued)

If not, they are presented as non-current liabilities. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The Company charges its customers refundable deposits on glass bottles and crates. The liabilities for returnable deposits are disclosed under Current liabilities in the Statement of Financial Position.

#### p. Employee benefits

##### i. Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

##### ii. Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted after every three years by independent actuaries separately for each plan. Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset.

##### iii. Defined benefit plans

The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In the Statement of Profit or Loss, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets. This is wholly unfunded for the Company.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

### 2. Summary of significant accounting policies (continued)

#### q. Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation and any adjustments to tax payable or receivable in respect to previous years. The current tax charge is calculated on the basis of the tax rates enacted or substantively enacted at the reporting date.

Included in the current tax is Corporate social responsibility (CSR) tax which aims to ensure compliance with ethical and regulatory standards, promoting accountability for businesses' actions that can lead to a positive impact on the communities and markets in which they operate. CSR tax is levied on monthly turnover in accordance with the relevant tax legislation. Corporate social responsibility tax is no longer applicable since April 2021.

Deferred tax is measured using tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

#### r. Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared. Dividend payable is recognised as a liability in the period in which they are declared and the shareholders right to receive payment has been established.

#### s. Offsetting of financial assets and liabilities

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

#### t. Impairment of assets

##### *Impairment of non-financial assets*

The Company assesses at each end of the reporting period whether there is any indication that an asset may



## 2. Summary of significant accounting policies (continued)

### t. Impairment of assets (continued)

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

#### *Impairment of financial assets*

#### **Expected credit loss**

Critical estimates are made by the Directors in determining the recoverable amount of receivables. The carrying amount of receivables is set out in Note 4.

In the process of applying the Company's accounting policies, management has made judgements in determining:

- The classification of financial assets and leases;
- Whether assets are impaired.

### u. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Exco that makes strategic decisions.

Seychelles is the Company's primary geographical segment as 100% of the Company's revenue is earned from sales in Seychelles.

Internally, segmental information regarding business segments is only available on the basis of revenue, and not operating profit as required by IFRS 8. All of the Company's revenue is derived from sale of similar products with similar risks and returns.

The entity is unable to identify with sufficient accuracy reportable segments, thus no further business or geographical segment information will be reported.

### v. New and amended standards and interpretations

#### ***New and amended standards adopted by the Company***

The following standards and amendments have been applied by the Company for the first time for the financial year beginning 1 July 2021:

#### **(i) Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (Phase 2)**

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

## 2. Summary of significant accounting policies (continued)

### v. New and amended standards and interpretations (continued)

The Phase 2 amendments provide the following reliefs:

- When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.
- The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition.

Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries. The amendments have no material impact on the financial statements of the Company.

### vi. Standards and interpretations not yet effective

#### ***Amendments to IAS 16: Property, Plant and Equipment - Proceeds before intended use***

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements of the Company.

#### ***Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract***

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements of the Company.

#### **Annual Improvements to IFRS Standards 2018–2020**

The Annual Improvements to IFRS Standards 2018-2020 cycle make amendments to the following standards:

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. Summary of significant accounting policies (continued)

#### v. New and amended standards and interpretations (continued)

- *IFRS 9 Financial Instruments* – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- *IFRS 16 Leases* – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- *IFRS 1 First-time Adoption of International Financial Reporting Standards* – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- *IAS 41 Agriculture* – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements of the Company.



### 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expected future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### Estimating variable consideration for returns

The Company estimates variable consideration to be included in the transaction price for the sale of goods where customers are entitled to a right of return within a specified time frame. The Company uses the expected value method for forecasting sales returns which is based on historical return data. Any significant changes in experience as compared to historical return patterns will impact the expected return percentages estimated by the Company. Because the number of products return has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur.

#### Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

#### Expected credit loss (ECL)

The Company has established a provision matrix that is based on historical credit loss experience and applicable credit insurance/cover, adjusted for forward looking factors specific to trade and other receivables and the economic environment. At each reporting period, the historical observed default rates are updated and changes in forward looking estimates are analysed. The assessment of historical observed default rates and forward looking factors require significant judgement and estimates. The Company's historical credit loss experience and forecast economic conditions may therefore not be representative of the actual default in the future.

#### Taxes

The Company is subject to taxes in Seychelles. Significant judgment is required in determining the Company's provision for taxes. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

### 3. Critical accounting estimates and judgements (continued)

#### Impairment of non-financial assets

Non-financial assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

#### Asset lives and residual values

Non-financial assets are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets. Non-financial assets are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Company would currently obtain from the disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

#### Retirement benefit obligations

The cost of defined benefit pension plans has been determined using Actuarial Valuation and the Directors have estimated that the amount of liability provided will not be materially different had it been computed by using the method as per the Seychelles Employment Act.

#### Going concern

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern for at least twelve months from the date of this statement. The financial statements have been prepared on a going concern basis.

#### Limitation of sensitivity analysis

Sensitivity analysis demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's views of possible near-term market changes that cannot be predicted with any certainty.

## 4. Financial risk management policies and objectives

### Overview

The Company's activities expose it to a variety of financial risks:

- a. Credit risk
- b. Liquidity risk
- c. Market risk

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

### Risk management framework

The Company's Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. An audit committee of the board is responsible for monitoring the Company's risk management policies and operation of controls to manage risks, the committee reports to the Board of Directors on its activities.

The Company has established a risk and compliance function which carries out regular and ad hoc review of risk management controls and procedures. The results are reported to senior management.

#### a. Credit risk

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

#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, have less influence on credit risk.

The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company review includes ratings, where available, and in some cases bank references. Credit limits are established for each customer, geographic location, maturity and existence of previous financial difficulties.

In monitoring customer credit risk, customers are classified according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, maturity and existence of previous financial difficulties.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the customer and an analysis of the customer's current financial position, adjusted for factors that are specific to the customers, general economic conditions in which the customers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The allowance for credit losses was estimated to be immaterial, hence no adjustment was made as at 30 June 2022 (2021: Nil).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. Financial risk management policies and objectives (continued)

#### a. Credit risk (continued)

The maximum exposure to credit risk at the reporting date was:

Figures in SCR'000	2022	2021
Trade receivables (Note 21)	39,132	41,837
Receivables from related companies (Notes 21 and 25)	737	2,397
Other receivables (Note 21)	6,338	6,543
Cash and cash equivalents	120,381	35,808
Loan receivable (Note 19)	2,106	2,106
	<b>168,694</b>	<b>88,691</b>

The ageing of trade receivables and other receivables at the reporting date was:

Figures in SCR'000	Gross	Impaired	Net
2022			
Current	45,470	—	45,470
<b>Trade and other receivables</b>	<b>45,470</b>	<b>—</b>	<b>45,470</b>
2021			
Current	48,380	—	48,380
<b>Trade and other receivables</b>	<b>48,380</b>	<b>—</b>	<b>48,380</b>

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

Figures in SCR'000	2022	2021
Current	505	862
0-30 days	221	360
31-60 days	—	25
61-90 days	—	1,150
91+ days	11	—
<b>Receivables from related companies (Note 28(b))</b>	<b>737</b>	<b>2,397</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. Financial risk management policies and objectives (continued)

#### b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows.

The following are the contractual maturities of financial liabilities.

Figures in SCR'000	Carrying amount	Current	0-90 days	91-120 days	121 - 365 days	365+ days
<b>2022</b>						
Related party payables (Note 25(b))	11,354	1,690	9,664	—	—	—
Trade and other payables (Note 24)	145,809	117,093	28,630	86	—	—
- Trade payables	28,716	—	28,630	86	—	—
- Other payables	117,093	117,093	—	—	—	—
<b>Total financial liabilities</b>	<b>157,163</b>	<b>118,783</b>	<b>38,294</b>	<b>86</b>	<b>—</b>	<b>—</b>
<b>2021</b>						
Related party payables (Note 25(b))	7,994	4,076	3,918	—	—	—
Trade and other payables (Note 24)	84,073	67,357	16,716	—	—	—
- Trade payables	19,726	3,010	16,716	—	—	—
- Other payables	64,347	64,347	—	—	—	—
Lease liabilities (Note 18(b))	3,194	—	875	268	2,051	—
<b>Total financial liabilities</b>	<b>95,261</b>	<b>71,433</b>	<b>21,509</b>	<b>268</b>	<b>2,051</b>	<b>—</b>

#### c. Market risk

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

#### Foreign exchange risk

The Company's currency risk arises mainly from purchases denominated in currencies other than Seychelles Rupees and to a small extent from receipts denominated in foreign currencies. The Company is exposed to currency risk due to high dependency on import of raw material and expertise. The Company's exposure to the foreign currency risk was as follows in notional terms.

	Cash and cash equivalent	Debtors	Creditors	Net
<b>2022</b>				
American Dollar	171	—	(385)	(214)
British Pound	—	—	(140)	(140)
Euro	350	10	(442)	(82)
Other	—	—	(532)	(532)
<b>2021</b>				
American Dollar	361	—	(934)	(573)
British Pound	—	59	(554)	(495)
Euro	209	139	(790)	(442)



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. Financial risk management policies and objectives (continued)

#### c. Market risk (continued)

The following significant exchange rates applied during the year:

	2022		2021	
	Average rates	Closing rates	Average rates	Closing rates
American Dollar	13.78	13.27	18.78	14.74
British Pound	18.33	16.06	25.35	20.49
Euro	15.53	3.84	22.43	17.51

#### Sensitivity analysis on foreign currency risk:

A 5 percent strengthening of the Seychelles Rupee against the above currencies at 30 June would have increased post-tax profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remains constant. The analysis is performed on the same basis for 2021.

Figures in SCR'000	2022	2021
Increase on Statement of Profit or Loss		
American Dollar	256	689
British Pound	113	507
Euro	299	570
Other	22	109
<b>Total</b>	<b>690</b>	<b>1,875</b>

A 5 percent weakening of the Seychelles Rupees against the above currencies at 30 June would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as total shareholders' equity.

#### Capital Management

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

#### Fair value estimation

At 30 June 2022, the Company did not have any financial instruments measured at fair value (2021 - Nil).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. Revenue

Figures in SCR'000	2022	2021
Sales net of discounts	675,983	597,337
Duty paid on sales	(162,136)	(153,391)
	<b>513,847</b>	<b>443,946</b>

Seychelles is the Company's primary and only geographical segment as 100% of the Company's revenue is earned from sales in Seychelles. All of the Company's revenue is derived from sale of similar products with similar risks and returns. Accordingly, no further business or geographical segment information is reported.

### 6. Cost of sales

Figures in SCR'000	2022	2021
Raw materials and consumables (Note 20)	55,763	112,711
Depreciation (Notes 16 and 18)	31,661	28,097
Personnel costs (Note 9)	48,427	41,590
Repairs and maintenance of property, plant and equipment	52,706	30,114
Utilities	32,812	27,600
Royalties & technical services fees	11,474	6,052
Distribution and warehousing costs	14,510	13,679
Other costs	1,251	1,310
	<b>248,604</b>	<b>261,153</b>

### 7. Administrative expenses

Figures in SCR'000	2022	2021
Personnel costs (Note 9)	24,698	18,586
Directors' remuneration (Note 25(c))	8,476	10,039
Auditor's remuneration	463	350
IT systems	16,361	9,505
Travelling and entertainment	857	301
Depreciation (Notes 16 and 18)	3,421	694
Amortisation of intangible assets (Note 17)	1,630	1,630
Other administration expenses	6,495	16,319
	<b>62,401</b>	<b>57,424</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. Expenses by nature

<b>Figures in SCR'000</b>	<b>2022</b>	<b>2021</b>
Raw materials and consumables	55,763	112,711
Repairs and maintenance of property, plant and equipment	52,706	30,114
Utilities	32,812	27,600
Royalties & technical services fees	11,474	6,052
Personnel costs (Note 9(a))	73,125	60,176
Directors' remuneration (Note 25(c))	8,476	10,039
Auditor's remuneration	463	356
Advertising and marketing costs	35,593	25,032
Distribution and warehousing costs	14,510	13,678
Depreciation (Notes 16 and 18)	35,082	28,791
Amortization of intangible assets (Note 17)	1,630	1,630
Travelling and entertainment	857	301
IT systems	16,361	9,505
Other costs	7,746	17,623
	<b>346,598</b>	<b>343,608</b>
<i>Represented by:</i>		
Cost of sales (Note 6)	248,604	261,153
Advertising and marketing costs	35,593	25,031
Administrative expenses (Note 7)	62,401	57,424
	<b>346,598</b>	<b>343,608</b>

### 9. Personnel costs

a. The following items are included within personnel costs:

<b>Figures in SCR'000</b>	<b>2022</b>	<b>2021</b>
Salaries and wages	53,611	42,998
Post-employment plan service costs (Note 23)	3,374	3,686
Other staff related costs	16,140	13,492
	<b>73,125</b>	<b>60,176</b>

b. The average number of persons employed during the year:

<b>Number of employees</b>	<b>2022</b>	<b>2021</b>
Operations and technical	137	108
Sales and marketing	12	17
Finance, IT and Human Resources	10	10
Administration	2	5
Apprentices	—	4
	<b>161</b>	<b>144</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. Personnel costs (continued)

- c. Average number of employees of the Company as at 30 June, whose duties were wholly or mainly discharged in Seychelles, received annual remuneration (excluding certain benefits) in the following ranges:

Number of employees	2022	2021
Below 100,000	30	28
SCR 100,001 - SCR 200,000	67	72
SCR 200,001 - SCR 400,000	48	31
SCR 400,001 - SCR 600,000	11	7
SCR 600,001 - SCR 800,000	—	3
SCR 800,001 - SCR 1,000,000	1	—
SCR 1,000,001 - SCR 1,200,000	1	—
SCR 1,200,001 - SCR 1,400,000	—	—
SCR 1,400,001 - SCR 1,600,000	—	—
SCR 1,600,001 - SCR 1,800,000	—	2
SCR 1,800,001 - SCR 2,000,000	2	—
SCR 2,000,001 and above	1	1
	<b>161</b>	<b>144</b>

### 10. Other (expense)/income

Figures in SCR'000	2022	2021
Transactional foreign exchange loss	(20,846)	(12,532)
Bad debts write-off	—	(73)
Management and tax related fees	(1,867)	969
Other miscellaneous income	6,080	3,526
Exceptional impairment (Note 16)	(15,892)	—
Prior year tax penalties and interest	—	(10)
Unrealised foreign exchange gain	15,607	7,262
Tangible assets write-off (Note 16)	(2,463)	(1,706)
Returnable packaging deposit liabilities adjustment	(4,998)	(1,863)
	<b>(24,379)</b>	<b>(4,427)</b>

### 11 (a) Finance income

Figures in SCR'000	2022	2021
Interest received on cash accounts	612	141

### 11 (b) Finance expense

Figures in SCR'000	2022	2021
Interest on overdraft	—	(41)
Interest on post-employment plan liabilities (Note 23)	(928)	(928)
Interest on leases (Note 18(b))	(95)	(569)
	<b>(1,023)</b>	<b>(1,538)</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. Current tax

(a) Figures in SCR'000	2022	2021
<i>Amounts recognized in income statement:</i>		
Business tax for the current year at applicable rate (25%)	29,664	10,836
Corporate Social Responsibility tax for the current year (0.50%)	—	2,761
Provision for Corporate Social Responsibility tax	308	—
Tax charge for the year	29,972	13,597
Deferred tax movement (Note 22)	6,109	11,513
<b>Total tax expense for the year</b>	<b>36,081</b>	<b>25,110</b>

#### (b) Reconciliation of effective tax rate

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

Figures in SCR'000	2022	2021
Profit before tax	142,459	94,514
Tax calculated at tax rate (25%)	35,365	23,629
Adjustments for:		
- Items not deductible for tax purposes	76,660	49,109
- Items not subject to tax	(100,464)	(100,280)
Income tax expense	29,664	10,836
<b>Effective tax rate</b>	<b>21 %</b>	<b>11 %</b>

#### (c) Tax (payable)/recoverable:

Figures in SCR'000	2022	2021
Opening balance	28,170	20,976
Tax paid	9,827	20,791
Tax charge for the year (Note 12(a))	(29,972)	(13,597)
<b>Closing balance</b>	<b>8,025</b>	<b>28,170</b>

#### (d) Business tax rate:

The applicable business tax rate used for tax and deferred tax calculation is 25% on the taxable income as a result of listing on the Seychelles Stock Exchange (MERJ Exchange Limited).

#### Changes in tax rates - effective 2022

In exercise of the powers conferred by section 81 of the Business Tax Act 2009, the Minister of Finance, Economic Planning & Trade announced changes to tax rates for all companies effective 1 January 2022 as follows:

- less than SCR 1,000,000 - 15%
- more than SCR 1,000,000 - 25%

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13. Dividend

A Special Dividend payment of SCR 50,000,000 was carried out on 2nd August 2022 for the financial year ended 30 June 2022 to commemorate the 50th year anniversary of Seychelles Breweries being incorporated. The Directors recommend the payment of final dividend of SCR 50,000,000 for the year ended 30 June 2022 on 16th December 2022 (2021: SCR 47,250,000) which represents a dividend of SCR 3.97 per ordinary share (2021: SCR 3.75).

Total dividends paid during the year amounted to SCR 47,250,000 (2021: SCR 47,250,000).

Payment of dividends is subject to withholding tax at a rate of either 0%, 5% or 15% depending on shareholding and/or the residence of the respective shareholders.

### 14. Earnings per share

Basic earnings per share of SCR 8.44 (2021: SCR 5.51) is based on a profit of SCR 106,378,000 (2021: SCR 69,404,000) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the year ended 30 June 2022 of 12,600,000 (2021: 12,600,000). There are no dilutive shares.

### 15. Share capital

	Number of shares	Share Capital SCR '000
2022		
Authorised, issued and fully paid		
<b>Balance as at 30 June 2022</b>	<b>12,600,000</b>	<b>63,000</b>
2021		
Authorised, issued and fully paid		
<b>Balance as at 30 June 2021</b>	<b>12,600,000</b>	<b>63,000</b>

The total authorised number of ordinary shares is 12,600,000 with a par value of SCR 5.00 per share.

The Holders of ordinary shares are entitled to receive dividend as it is declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 16. Property, plant and equipment

Figures in SCR'000	Bottles & crates	Freehold land & buildings	Plant & equipment	Fixture & fittings	Capital work in progress	Total
Cost						
At 1 July 2020	57,229	36,943	366,850	6,401	45,938	513,361
Additions	11,268	—	10,829	1	28,635	50,733
Write-offs	(2,666)	—	(7,556)	(2,496)	—	(12,718)
Transfers	148	—	10,373	—	(10,521)	—
<b>At 30 June 2021</b>	<b>65,979</b>	<b>36,943</b>	<b>380,496</b>	<b>3,906</b>	<b>64,052</b>	<b>551,376</b>
At 1 July 2021	65,979	36,943	380,496	3,906	64,052	551,376
Additions	3,672	4,350	33,705	—	17,857	59,584
Write-offs	(7,773)	(463)	(11,808)	(55)	—	(20,099)
Reclassifications (Note 17)	—	—	185	—	330	515
Transfers	5,537	6,356	40,667	—	(52,560)	—
<b>At 30 June 2022</b>	<b>67,415</b>	<b>47,186</b>	<b>443,245</b>	<b>3,851</b>	<b>29,679</b>	<b>591,376</b>

#### Accumulated depreciation and impairment

At 1 July 2020	44,839	9,525	94,642	5,746	—	154,752
Charge for the year	5,120	1,418	21,993	260	—	28,791
Write-offs	(1,026)	—	(7,490)	(2,496)	—	(11,012)
<b>At 30 June 2021</b>	<b>48,933</b>	<b>10,943</b>	<b>109,145</b>	<b>3,510</b>	<b>—</b>	<b>172,531</b>
At 1 July 2021	48,933	10,943	109,145	3,510	—	172,531
Charge for the year	6,470	1,822	24,823	184	—	33,299
Write-offs	(5,480)	(463)	(11,638)	(55)	—	(17,636)
Exceptional impairment	—	—	15,892	—	—	15,892
<b>At 30 June 2022</b>	<b>49,923</b>	<b>12,302</b>	<b>138,222</b>	<b>3,639</b>	<b>—</b>	<b>204,086</b>
<b>Net book value</b>						
<b>At 30 June 2021</b>	<b>17,046</b>	<b>26,000</b>	<b>271,351</b>	<b>396</b>	<b>64,052</b>	<b>378,845</b>
<b>At 30 June 2022</b>	<b>17,492</b>	<b>4,884</b>	<b>305,023</b>	<b>212</b>	<b>29,679</b>	<b>387,290</b>

Exceptional impairment amounting to SCR 15,892,000 related mainly to pasteurizers, which have been fully impaired.

### 17. Intangible assets

Figures in SCR'000	2022	2021
<b>Cost</b>		
Balance at 1 July	13,314	13,314
Additions	1,652	—
Reclassification (Note 16)	(515)	—
<b>Balance at 30 June</b>	<b>14,451</b>	<b>13,314</b>
<b>Amortization</b>		
Balance at 1 July	8,286	6,656
Charge for the year	1,630	1,630
<b>Balance at 30 June</b>	<b>9,916</b>	<b>8,286</b>
<b>Carrying amount</b>	<b>4,535</b>	<b>5,028</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18. Leases

#### (a) Right-of-use assets

Upon adoption of IFRS 16 Leases on 1 July 2019, the right-of-use assets were recognised and remeasured at an amount equal to the lease liabilities, with exception of motor vehicles, which has been recognised at an amount equal to the originally recognised prepaid operating lease rentals.

	Buildings SCR '000	Motor vehicles SCR '000	Total SCR '000
<b>Cost</b>			
At 1 July 2020	1,287	6,996	8,283
Remeasurement	(303)	299	(4)
Additions	—	619	619
Derecognition/write-off	(984)	(2,042)	(3,026)
<b>At 30 June 2021</b>	<b>—</b>	<b>5,872</b>	<b>5,872</b>
At 1 July 2021	—	5,872	5,872
Remeasurement	—	(901)	(901)
Derecognition/write-off	—	(4,971)	(4,971)
<b>At 30 June 2022</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Accumulated depreciation</b>			
At 1 July 2020	(586)	(2,395)	(2,981)
Depreciation charge	(398)	(2,724)	(3,122)
Derecognition	984	2,042	3,026
<b>At 30 June 2021</b>	<b>—</b>	<b>(3,077)</b>	<b>(3,077)</b>
At 1 July 2021	—	(3,077)	(3,077)
Depreciation charge	—	(1,783)	(1,783)
Derecognition	—	4,860	4,860
<b>At 30 June 2022</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Carrying amount</b>			
<b>At 30 June 2021</b>	<b>—</b>	<b>2,795</b>	<b>2,795</b>
<b>At 30 June 2022</b>	<b>—</b>	<b>—</b>	<b>—</b>

The Company leases residential buildings and motor vehicles. The leases of motor vehicles are mainly for 5 years with an option to renew. The Directors are not reasonably certain that the option to renew the lease would be exercised at the expiry of the lease. The option has therefore not been considered in determining the life of the lease. The leases of residential buildings are on a 2 years term.

Under the previous accounting policy, payments made under operating leases were charged to the Statement of Profit or Loss account on a straight-line basis over the lease period. Prepaid operating lease rentals were recognised at historical cost and subsequently amortised over the lease period.

The contract for hired vehicles expired at year end 30 June 2022, and renewed on an annual basis.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18. Leases (continued)

#### (b) Lease liabilities

Figures in SCR'000	2022	2021
At 1 July	3,194	5,778
Additions	—	615
Remeasurement	(901)	—
Derecognition	(111)	—
Interest expense on leases (Note 11(b))	95	569
Payment of lease liabilities:		
- Repayment of the principal portion of the lease liability	(2,182)	(3,199)
- Interest paid on lease liabilities	(95)	(569)
<b>At 30 June</b>	<b>—</b>	<b>3,194</b>
Presented as:		
Current lease liabilities	—	3,194

### 19. Loan receivable

Figures in SCR'000	2022	2021
Parcel C2172, situated at Pointe Aux Sel, Mahe	2,106	2,106
<b>Carrying value</b>	<b>2,106</b>	<b>2,106</b>

The loan relates to an amount advanced to Seybrew Property Management Limited in previous years and it is unsecured, interest free and has no definite terms of repayment. It is denominated in Seychelles Rupee and is assumed to approximate its fair value. Based on Directors' opinion, this amount has been classified as a non-current asset and the Directors are of the opinion that no impairment is required at 30 June 2022 (2021: Nil).

### 20. Inventories

(a) Figures in SCR'000	2022	2021
Raw materials and consumables	57,174	35,323
Work in progress	12,779	3,187
Finished goods	1,325	24,440
Engineering spares	34,813	32,659
Less impairment (Note 20 (c))	(8,741)	(9,030)
	<b>97,350</b>	<b>86,579</b>

(b) The cost of inventories recognised as expense and included in cost of sales amounted to SCR 55.76 million (2021: SCR 112.71 million) as shown on Note 6.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 20. Inventories (continued)

(c) Figures in SCR'000	2022	2021
At 1 July	9,030	7,217
Addition	10,713	6,640
Release	(11,002)	(4,827)
<b>At 30 June</b>	<b>8,741</b>	<b>9,030</b>

### 21. Trade and other receivables

Figures in SCR'000	2022	2021
Trade receivables	39,132	41,837
Receivables from related companies (Notes 4(a) and 25(b))	737	2,397
Other receivables	6,338	6,543
Prepayments	1,400	2,764
	<b>47,607</b>	<b>53,541</b>

Movements in provision for expected credit loss of trade receivables are detailed in Note 4(a).



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 22. Deferred tax

The movement on the deferred tax account is as follows:

Figures in SCR'000	2022	2021
At 1 July	(51,407)	(39,894)
Charged to Statement of Profit or Loss (Note 12)	(6,109)	(11,513)
<b>At 30 June</b>	<b>(57,516)</b>	<b>(51,407)</b>

The deferred tax assets and the deferred tax liability relate to business tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Figures in SCR'000	2022	2021
<b>At 1 July</b>	<b>(51,407)</b>	<b>(39,894)</b>
Taxable / (deductible) temporary difference on:		
- compensation provisions	551	37
- movement on leave provision	10	(5)
- movement on stock provisions	5	187
- movement on tangible fixed assets	(953)	(7,347)
- movement on engineering spares	(239)	267
- movement on exchange gains/losses	(5,382)	(4,633)
- movement on leases	(101)	(19)
<b>Movement charged to the Statement of Profit or Loss</b>	<b>(6,109)</b>	<b>(11,513)</b>
<b>At 30 June</b>	<b>(57,516)</b>	<b>(51,407)</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 22. Deferred tax (continued)

Deferred tax assets and liabilities, deferred tax charge/(credit) in the Statement of Profit or Loss, and deferred tax charge/(credit) in equity are attributable to the following items:

Figures in SCR'000	At 1 July	Movement in the current year	At 30 June
<b>Year ended 30 June 2022:</b>			
<i>Deferred tax liabilities</i>			
Property, plant and equipment on historical cost basis	(56,909)	(953)	(57,862)
Unrealised exchange gains/losses	(1,837)	(5,382)	(7,219)
	<b>(58,746)</b>	<b>(6,335)</b>	<b>(65,081)</b>
<i>Deferred tax assets</i>			
Stock provision	991	5	996
Retirement benefit provision	4,691	551	5,242
Leave provision	290	10	300
Engineering Spares provision	1,266	(239)	1,027
IFRS 16 asset	101	(101)	—
	<b>7,339</b>	<b>226</b>	<b>7,565</b>
<b>Net deferred tax</b>	<b>(51,407)</b>	<b>(6,109)</b>	<b>(57,516)</b>
<b>Year ended 30 June 2021:</b>			
<i>Deferred tax liabilities</i>			
Property, plant and equipment on historical cost basis	(49,562)	(7,347)	(56,909)
Unrealised exchange gains/losses	—	(1,837)	(1,837)
	<b>(49,562)</b>	<b>(9,184)</b>	<b>(58,746)</b>
<i>Deferred tax assets</i>			
Stock provision	804	187	991
Exchange losses	2,796	(2,796)	—
Retirement benefit provision	4,654	37	4,691
Leave provision	295	(5)	290
Engineering Spares provision	999	267	1,266
IFRS 16 asset	120	(19)	101
	<b>9,668</b>	<b>(2,329)</b>	<b>7,339</b>
<b>Net deferred tax</b>	<b>(39,894)</b>	<b>(11,513)</b>	<b>(51,407)</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 23. Post employment benefits - Defined benefit plan (continued)

The defined benefit plan, to which 100% of employees belong (2021: 100%), consists of two separate defined benefit plans, namely:

- i. The Seychelles Breweries Limited Gratuity plan.
- ii. Compensation Plan in terms of the Seychelles Employment Act.

This plan is wholly financed by the Company, and the plan has no assets.

The actuarial valuation determined the present value of the defined benefit obligation based on the following key assumptions. No further recommendations have been made by the actuaries, the Company is currently in a position to fund the current portion of this liability as and when it becomes due in the ordinary course of business.

Figures in SCR'000	2022	2021
<b>Movement:</b>		
Opening balance	(18,760)	(18,614)
Benefits paid	2,096	3,540
Expense recognized in the statement of profit or loss	(4,302)	(3,686)
Present value of the defined benefit obligation-wholly unfunded	<b>(20,966)</b>	<b>(18,760)</b>
<b>Net expense recognized in Statement of Profit or Loss:</b>		
Post-employment plan liabilities service cost (Note 9 (a))	(3,374)	(2,758)
Interest on post-employment plan liabilities (Note 11 (b))	(928)	(928)
	<b>(4,302)</b>	<b>(3,686)</b>
<b>Key assumptions:</b>		
Assumptions used on valuation		
- Discount rates used	5.5 %	5.5 %
- Expected increase in salaries	5.0 %	5.0 %
- Inflation	3.0 %	3.0 %

### 24. Trade and other payables

Figures in SCR'000	2022	2021
Trade payables	28,716	19,726
Payables to related companies (Notes 4(b) and 25(b))	11,354	7,994
Import taxes for prior years	—	4,923
Other payables and accrued expenses	117,093	64,347
	<b>157,163</b>	<b>96,990</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 25. Related party transactions

#### a. Parent and ultimate controlling entity

Related party includes parent and ultimate controlling Company, Diageo PLC. and other Diageo group entities. Directors, their close family members and any employees who are able to exert significant influence on the operating policies of the Company are considered related parties.

Key management personnel are also regarded as related parties. Key management are those persons having authority for planning, directing and controlling the activities of the entity, directly or indirectly, including Director (whether executive or otherwise) of that entity.

As at 30 June 2022, Guinness Overseas Limited, Diageo Holdings Netherlands BV, Seychelles Pension Fund and other shareholders owned 30.00% (2021: 30.00%), 24.40% (2021: 24.40%), 26.31% (2021: 26.31%) and 19.29% (2021: 19.29%) respectively of the issued share capital of the Company.

#### b. Transactions with related companies

The Company has transactions with its parent and related parties which are related by virtue of being members of the Diageo group. The total amounts due to related companies by nature of the transactions are shown below:

Figures in SCR'000	Transaction value		Balance due to/(from)	
	2022	2021	2022	2021
Purchase of goods and services	(70,920)	(44,154)	(10,087)	(6,830)
Sale of goods and services	10,142	8,544	737	2,397
Royalties and technical services fees	(5,650)	(4,686)	(1,267)	(1,164)
	<b>(66,428)</b>	<b>(40,296)</b>	<b>(10,617)</b>	<b>(5,597)</b>
Receivable from related companies (Note 4a & 21)			737	2,397
Payable to related companies (Note 4b & 24)			(11,354)	(7,994)
<b>Net Payable</b>			<b>(10,617)</b>	<b>(5,597)</b>

There were no related party loans and finance costs as at 30 June 2022 (2021: Nil).

#### c. Directors' Remuneration (Note 7 & 8)

Except for payment of the below fees, none of the Directors received any emoluments during the year.

Figures in SCR'000	2022	2021
C. Neiland	5,873	6,460
D. Dutt	2,208	3,109
R. Thorrington	120	120
A. Lucas	123	195
J.G. Weeling-Lee	152	155
	<b>8,476</b>	<b>10,039</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26. Contingent liabilities

There was no potential exposure since there were no legal cases against the Company.

### 27. Capital commitments

Capital expenditure contracted for at the reporting date but not recognised in the financial statements is as follows:

Figures in SCR'000	2022	2021
Approved and not contracted for	25,904	26,341
Approved and contracted for	23,726	28,905
<b>Capital expenditure</b>	<b>49,630</b>	<b>55,246</b>



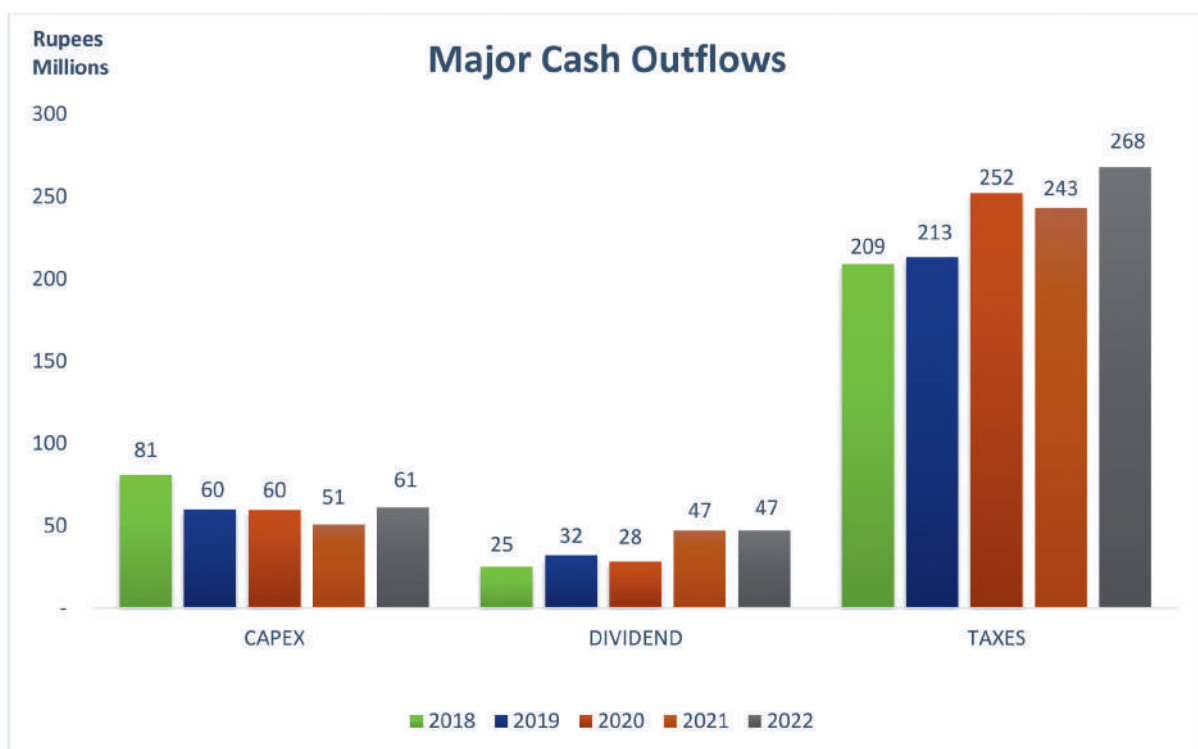
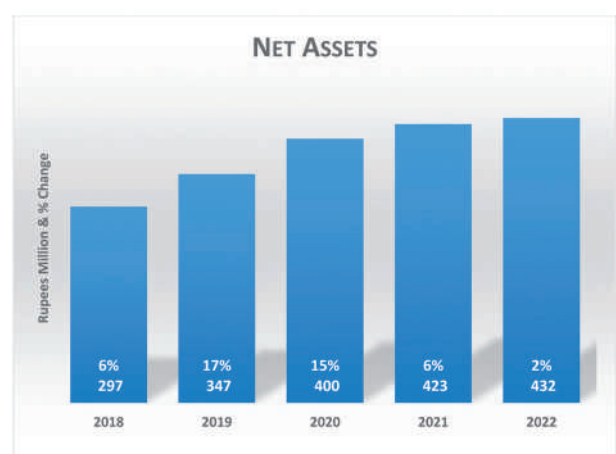
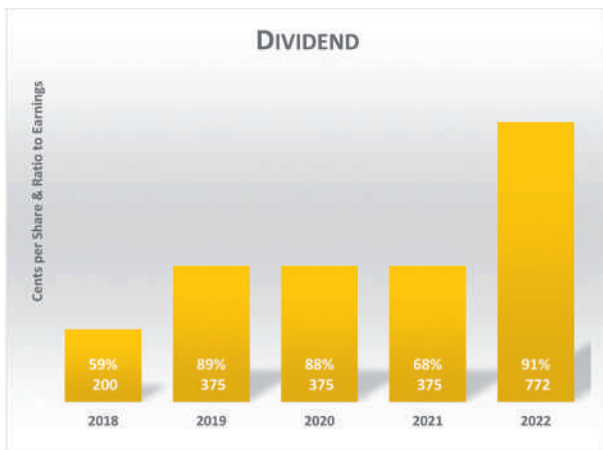
## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 28. Financial Summary

Figures in SCR'000	Year to 30 June 2022	Year to 30 June 2021	Year to 30 June 2020	Year to 30 June 2019	Year to 30 June 2018
<b>Statement of Profit or Loss and Other Comprehensive Income</b>					
Revenue	513,847	443,946	424,441	422,177	375,534
Profit before taxation	142,459	94,514	112,827	111,790	62,113
Total comprehensive income	106,378	69,404	81,902	80,996	42,618
Dividends declared/proposed	97,250	47,250	28,350	31,500	25,200
Basic and diluted earnings per share	8.44	5.51	6.50	6.43	3.38
Declared/proposed dividend per share	7.72	3.75	3.75	3.75	2.00
<b>Statement of Financial Position</b>					
Share Capital	63,000	63,000	63,000	63,000	63,000
Actuarial valuation gain	500	500	500	500	500
Retained earnings	368,149	359,021	336,867	283,316	233,820
<b>Shareholders' funds</b>	<b>431,649</b>	<b>422,521</b>	<b>400,367</b>	<b>346,816</b>	<b>297,320</b>
Property, plant and equipment	387,290	378,845	358,609	329,575	302,555
Intangible assets	4,535	5,028	6,658	8,322	9,986
Right-of-use assets	—	2,795	5,302	—	—
Loan receivable	2,106	2,106	2,106	2,106	2,106
Inventory	97,350	86,579	55,982	52,991	55,857
Trade and other receivables	47,662	53,541	42,897	50,322	49,050
Current tax recoverable	8,025	28,170	20,976	22,612	44,524
Cash and cash equivalents	120,381	35,808	72,667	22,355	1,991
Bank overdrafts	—	—	—	—	(19,388)
Lease liabilities	—	(3,194)	(5,778)	—	—
Trade and other liabilities	(157,163)	(96,990)	(100,544)	(90,255)	(110,304)
Post-employment provision	(20,966)	(18,760)	(18,614)	(16,872)	(14,242)
Deferred tax liabilities	(57,516)	(51,407)	(39,894)	(34,340)	(24,815)
<b>Net Assets</b>	<b>431,649</b>	<b>422,521</b>	<b>400,367</b>	<b>346,816</b>	<b>297,320</b>



# GRAPHS TO FINANCIAL SUMMARY



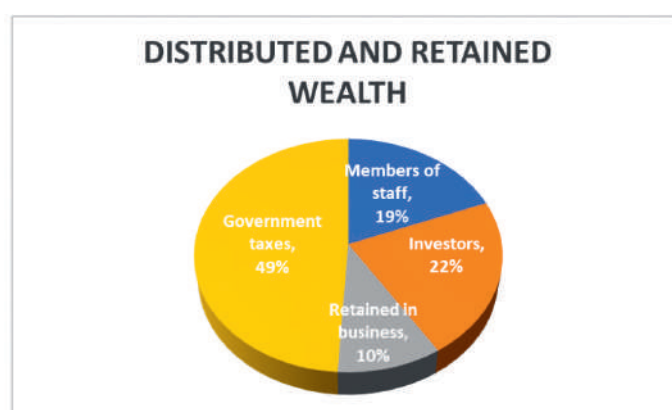
## DISTRIBUTION OF WEALTH STATEMENT

The statement shows how wealth created by the Company during the financial year goes back, directly or indirectly, in to the Seychelles economy. The calculation also takes into account the portion retained for the replacement and expansion of the assets employed by the Company.

Figures in SCR'000	2022	2021
Turnover	675,983	597,337
Paid to suppliers for materials and services	(216,950)	(228,028)
Other income and expenses	(24,379)	(4,427)
Finance costs	(1,023)	(1,538)
<b>Total wealth created</b>	<b>433,631</b>	<b>363,344</b>

Wealth distributed as follows:

<b>To Employees &amp; Directors</b>				
Salaries, wages, remuneration, bonuses, pensions and other benefits	81,601	19 %	70,125	19 %
<b>To providers of Capital</b>				
Dividends declared	97,250	22 %	47,250	13 %
<b>To Government</b>				
Trade tax	162,136		153,391	
Company tax	36,081		25,110	
Import duties	12,506		14,803	
	210,723	49 %	193,304	53 %
<b>Retained in business</b>				
For replacement of property, plant and equipment	33,299		28,791	
For replacement of intangible assets	1,630		1,630	
Net change in retained earnings	9,128		22,154	
	44,057	10 %	52,575	15 %
<b>Total wealth distribution and retained</b>	<b>433,631</b>	<b>100 %</b>	<b>363,344</b>	<b>100 %</b>



## SHAREHOLDING PROFILE

The share ownership and the categories of shareholders at 30 June 2022 are set out below.

Figures in SCR'000	Number of shares owned	% of total issued
Foreign Shareholders shares		
Guinness Overseas Limited	3,780,000	30.00 %
Diageo Holdings Netherland BV	3,074,756	24.40 %
<b>Total Foreign Ownership</b>	<b>6,854,756</b>	<b>54.40 %</b>
Local Ownership		
Seychelles Pension Fund	3,314,606	26.31 %
Other	2,430,638	19.29 %
<b>Total Local Ownership</b>	<b>5,745,244</b>	<b>45.60 %</b>
<b>Total</b>	<b>12,600,000</b>	<b>100.00 %</b>

Number of Shareholders	Size of Shareholding	Number of shares owned	% of total issued shares
993	1 – 500	178,002	1.41 %
165	501 – 1,000	132,635	1.05 %
152	1,001 – 5,000	340,405	2.70 %
31	5,001 – 10,000	230,840	1.83 %
22	10,001 – 50,000	483,157	3.83 %
3	50,001 – 100,000	230,347	1.83 %
4	100,001 – 250,000	557,377	4.42 %
1	250,001 – 1,000,000	277,875	2.21 %
3	Over 1,000,000	10,169,362	80.71 %
<b>1,374</b>		<b>12,600,000</b>	<b>100.00 %</b>

Number of Shareholders	Category of Shareholders	Number of shares owned	% of total issued shares
1,353	Individuals	1,915,655	15.20 %
2	Diageo Group	6,854,756	54.40 %
1	Seychelles Pension Scheme	3,314,606	26.31 %
18	Other Corporate Bodies	514,983	4.09 %
<b>1,374</b>		<b>12,600,000</b>	<b>100.00 %</b>



# PROXY FORM

**The Company Secretary**  
PKF Capital Markets (Seycheles) Limited  
104 First Floor, Waterside Property  
Eden Island, Seychelles

I/We \_\_\_\_\_ of \_\_\_\_\_

being a member/ members of Seychelles Breweries Limited, bearing Company No 841033-1 and MERJ share code ISIN:

SC478BDEB69 (“the Company”) hereby apont: \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or failing of whom \_\_\_\_\_ of \_\_\_\_\_

or failing of whom the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday 2nd December 2022 and at any adjournment thereof. Unless otherwise instructed, the proxy will vote as he/she thinks fit.

.....	.....
Name	Signature
.....	.....
Date	

**Note:**

1. Please return this Form to the Company Secretary’s Office at PKF Capital Markets (Seychelles) Limited on the following addresses:  
a. 104 First Floor, Waterside Property, Eden Island, Seychelles; or  
b. Email: cosec.sc@pkf.com  
not less than 48 hours before the time for holding the meeting.
2. In the case of joint shareholders, each shareholder should sign the proxy form but only one can attend the meeting.
3. If executed by a corporation, the proxy form should bear its Common Seal or be signed on its behalf by a duly authorised person.
4. Proxies produced at the AGM will not be accepted.






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