

QUALITY BEVERAGES LIMITED
ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>
	Rs	Rs	Rs	Rs
ASSETS				
Non-current assets	1,436,400,725	1,191,925,103	1,249,654,368	1,198,118,775
Current assets	1,182,763,260	780,947,822	758,290,942	764,889,180
TOTAL ASSETS	2,619,163,985	1,972,872,925	2,007,945,310	1,963,007,955
EQUITY AND LIABILITIES				
Capital and reserves				
Owner's interest	780,064,219	703,650,047	718,133,870	696,615,590
Non-controlling interest	15,082,210	-	-	-
Non-current liabilities	808,797,235	518,107,556	600,843,317	515,060,875
Current liabilities	1,015,220,322	751,115,322	688,968,123	751,331,490
TOTAL EQUITY AND LIABILITIES	2,619,163,985	1,972,872,925	2,007,945,310	1,963,007,955

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	<u>Year ended</u>	<u>Year ended</u>	<u>Year ended</u>	<u>Year ended</u>
	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>
	Rs	Rs	Rs	Rs
Revenue from contracts with customers	2,291,695,619	2,045,630,899	1,949,448,987	1,725,555,889
Operating Profit	92,589,676	95,902,347	103,364,491	91,169,555
Finance costs	(39,097,733)	(27,016,215)	(40,091,231)	(27,411,344)
Profit before taxation	53,491,943	68,886,132	63,273,260	63,758,211
Taxation	(7,610,235)	(16,077,931)	(6,030,899)	(14,761,939)
Profit for the year	45,881,708	52,808,201	57,242,361	48,996,272
Other comprehensive income for the year	(36,654,511)	93,768,820	(35,724,081)	93,412,750
Total comprehensive income for the year	9,227,197	146,577,021	21,518,280	142,409,022
Basic and diluted earnings per share	1.25	1.44		

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

	THE GROUP		THE COMPANY	
	<u>Year ended</u>	<u>Year ended</u>	<u>Year ended</u>	<u>Year ended</u>
	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>
	Rs	Rs	Rs	Rs
Balance at 1 January	703,650,047	557,073,026	696,615,590	554,206,568
Profit for the year	45,881,708	52,808,201	57,242,361	48,996,272
Other comprehensive income for the year	(36,654,511)	93,768,820	(35,724,081)	93,412,750
Total comprehensive income for the year	9,227,197	146,577,021	21,518,280	142,409,022
Acquisition of subsidiary	67,186,975	-	-	-
Non-controlling interests	15,082,210	-	-	-
Balance at 31 December	795,146,429	703,650,047	718,133,870	696,615,590

QUALITY BEVERAGES LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	Year ended	Year ended	Year ended	Year ended
	<u>31 December 2023</u>	<u>31 December 2022</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>
	Rs	Rs	Rs	Rs
NET CASH GENERATED FROM OPERATING ACTIVITIES	133,878,566	87,229,664	148,420,513	66,493,625
NET CASH USED IN INVESTING ACTIVITIES	(282,625,721)	(68,536,063)	(150,808,040)	(66,753,015)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	86,705,386	(116,100,999)	63,688,706	(70,701,551)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(62,041,769)	(97,407,398)	61,301,179	(70,960,941)
EFFECTS OF CURRENCY TRANSLATION	(48,523)	(2,355,502)	(48,523)	(2,355,510)
CASH AND CASH EQUIVALENTS-OPENING	(71,382,617)	28,380,283	(68,018,617)	5,297,834
CASH AND CASH EQUIVALENTS-CLOSING	<u>Rs (133,472,909)</u>	<u>(71,382,617)</u>	<u>(6,765,961)</u>	<u>(68,018,617)</u>

SEGMENTAL INFORMATION - GROUP

	THE GROUP	
	Year ended	Year ended
	<u>31 December 2023</u>	<u>31 December 2022</u>
	<u>(Audited)</u>	<u>(Audited)</u>
	Rs	Rs
Revenue		
Manufacturing and trading	2,276,557,847	2,030,939,320
Advertising	15,137,772	14,691,579
Rs	<u>2,291,695,619</u>	<u>2,045,630,899</u>
Segment Results		
Manufacturing and trading	52,198,390	67,496,641
Advertising	1,293,553	1,389,491
Rs	<u>53,491,943</u>	<u>68,886,132</u>
Taxation	(7,610,235)	(16,077,931)
Rs	<u>45,881,708</u>	<u>52,808,201</u>

NOTES:

The audited condensed financial statements for the year ended 31 December 2023 are prepared in accordance with IFRS Accounting Standards and on the same basis as the accounting policies set out in the audited statutory financial statements for the year ended 31 December 2022.

ACQUISITION

The Company acquired 90.3% of the issued share capital of Soap and Allied Industries Ltd (SAIL), a manufacturer and distributor of laundry and toilet soaps, detergents and cosmetics as well as distributor of imported fast-moving consumer goods. The acquisition was through a voluntary offer made to the shareholders on 22nd December 2023. The SAIL profit or loss was not consolidated, as the performance for the period 22 December 2023 to 31 December 2023 is considered immaterial for consolidation. As such, only the balance sheet has been consolidated at year-end 2023.

RESULTS

Group sales for the year stood at Rs2.3 Billion, up by +12% compared to prior year, fueled by double digit volume growth from our core beverage categories, and incremental revenue from the juice and cereals brands introduced during 2022. Our snacks business continued to see strong growth momentum. On the other hand, our retail spreads and margarines business was significantly affected by an imposed mandatory mark-up. In spite of this, our Group Gross Profit increased by 18% and our Gross Profit margins improved by 1.5% compared to 2022.

The Group ended the year with a Profit after Tax of Rs45.9 Million compared to Rs52.8M prior year. One off restructuring costs, increased retirement obligations as a result of a decrease in discount rate and a temporary increase in our warehousing and logistics costs, especially during the first half of the year drove up our operating costs and therefore impacted our overall profitability.

PROSPECTS

A more optimistic business environment was observed especially during the last quarter of the year where we saw some sectors performance largely surpassing pre-pandemic levels. While we are fairly positive about the future, we have to remain cautious in view of the volatile geo-political global environment. We are confident in the resilience of our categories and our ability to improve our performance by making our core stronger, accelerate growth from the new categories we entered during the past year, drive synergies from our newly acquired business while continuing to focus on cost management initiatives and stepping up our execution.

By order of the Board

Currimjee Secretaries Limited
Secretary

Dated this: 28 March 2024

The Board of Directors of Quality Beverages Limited accepts full responsibility for the accuracy of the information contained in these condensed unaudited financial statements prepared in accordance with IFRS Accounting Standards. Copies of the report are available to the public, free of charge, at the registered office of the Company: 38, Royal Street, Port Louis.

These Financial Statements are issued pursuant to DEM Rule 18.

The statement of direct and indirect interests pursuant to the rule 8(2)(m) of the Securities Act(Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, Currimjee Secretaries Limited.