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በቻርተር የተመሠከረላቸው የሂሳብ አዋቂዎች /ለገደገ/  
የተፈቀደለት አዲተር/ኢትዮጵያ/  
HABTEWOLD MENKIR  
CHARTERED CERTIFIED ACCOUNTANTS (U.K.)  
AND AUTHORIZED AUDITOR (ETHIOPIA)

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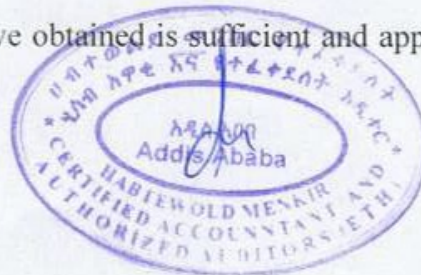
**INDEPENDENT AUDITORS' REPORT**  
**ETHIOPIA AGRICULTURAL BUSINESSES CORPORATION**  
**1. UNQUALIFIED OPINION**

We have audited the accompanying financial statements of Ethiopia Agricultural Businesses Corporation which comprise the statement of the financial position as at 30 Sene 2015 E.C (7 July, 2023), Statement of comprehensive income, Statement of changes in equity, Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all materials respects, the financial position of the Corporation as at 30 Sene 2015 E.C (7 July, 2023), its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

**2. BASIS OF UNQUALIFIED 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 Statement section of our report. We are independent of the Corporation in accordance with the international Ethics Standards Board for Accountants' code of Ethics for Professional Accounts (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, 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.





**ETHIOPIA AGRICULTURAL BUSINESSES CORPORATION**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 07 JULY 2023 / ( 30 SENE 2015 E.C)**

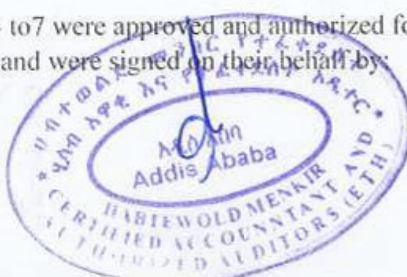
Currency: Ethiopian Birr

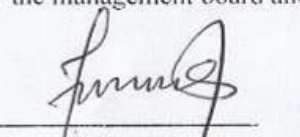
ASSETS	Notes	2023	2022
<i>Non-current assets</i>			
Property, plant and equipment	6	1,402,115,015	1,113,560,848
Intangible Assets	7	2,400,017	2,880,000
Right of use asset	8	21,356,104	21,410,289
		<b>1,425,871,136</b>	<b>1,137,851,137</b>
<i>Current assets</i>			
Inventories	9	4,355,541,449	6,182,715,259
Biological asset	10	24,589,555	6,287,524
Contract asset	12	253,585,382	3,163,775,542
Trade and other receivables	11	7,038,580,196	3,684,247,747
Cash and cash equivalents	13	3,426,712,760	1,791,011,502
		<b>15,099,009,340</b>	<b>14,828,037,574</b>
<b>TOTAL ASSETS</b>		<b>16,524,880,476</b>	<b>15,965,888,711</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
Paid up Capital	21	2,537,814,376	2,440,000,000
Retained earnings	24	-	(826,071,294)
Other reserve		2,054,219	149,040
Legal Reserve	22	78,145,385	24,907,090
		<b>2,618,013,980</b>	<b>1,638,984,837</b>
<b>LIABILITIES</b>			
<i>Non-current liabilities</i>			
Lease obligation	20	11,696,713	48,350,417
Long Employee benefit obligations	19	62,097,983	56,544,162
Deferred tax liability	25,d	167,693,886	182,635,084
		<b>241,488,582</b>	<b>287,529,664</b>
<i>Current liabilities</i>			
Trade and Other payables	15	3,252,747,729	2,248,079,201
Contract liabilities	16	9,758,201,491	11,309,415,295
Short term employee benefit	18	111,225,278	79,025,932
Provisions for outstanding legal cases	17	71,162,799	50,580,542
Employee benefit obligations - Current portion		1,146,752	1,971,436
Provision for tax	25,e	470,893,865	350,301,801
		<b>13,665,377,914</b>	<b>14,039,374,208</b>
<b>Total Liabilities</b>		<b>13,906,866,496</b>	<b>14,326,903,872</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>16,524,880,476</b>	<b>15,965,888,711</b>

The notes on pages 8 to 48 are an integral part of these financial statements.

The financial statements on pages 4 to 7 were approved and authorized for issue by the management board and executive management on January 25, 2024 and were signed on their behalf by:

  
**Kifle Woldemariam**  
 Chief Executive Officer



  
**Girma Amente (Dr.)**  
 Chairman of Board of Directors

**ETHIOPIAN AGRICULTURAL BUSINESSES CORPORATION**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 07 JULY 2023 /( 30 SENE 2015 E.C)**

Currency: Ethiopian Birr

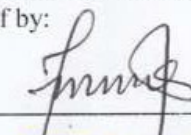
	Notes	2023	2022
Revenue from contracts with Customers	26	11,208,140,088	4,831,131,560
Cost of sales	28	(8,856,861,201)	(3,642,571,764)
<b>Gross Operating Profit</b>		<b>2,351,278,888</b>	<b>1,188,559,796</b>
Other Income	27	62,919,842	61,823,175
		<b>2,414,198,730</b>	<b>1,250,382,971</b>
<b>Expenses</b>			
Expected credit loss	11 a	(39,986,554)	(32,758,608)
Cash impairment loss		(974,452)	-
Selling and Distribution Expense:	29	(147,208,838)	(92,769,512)
General Administration Expenses	30	(351,949,453)	(594,823,579)
		<b>(540,119,297)</b>	<b>(720,351,700)</b>
<b>Operating profit</b>		<b>1,874,079,433</b>	<b>530,031,271</b>
Finance Cost-net	31	(306,839,413)	(31,647,759)
<b>Profit Before Tax</b>		<b>1,567,240,020</b>	<b>498,383,512</b>
Profit tax expense	25,c	(502,474,123)	(291,412,609)
<b>Profit (loss) for the year</b>		<b>1,064,765,897</b>	<b>206,970,903</b>
<b>Other Comprehensive Income:</b>			
<b>Profit (loss) for the year</b>		<b>1,064,765,897</b>	<b>206,970,903</b>
Remeasurement gain/(loss) on	19,c	2,721,684	(1,933,042)
Deferred tax (liability)/asset on	19,c	(816,505)	579,913
<b>Other comprehensive income, net of tax</b>		<b>1,905,179</b>	<b>(1,353,129)</b>
<b>Total comprehensive income</b>		<b>1,066,671,076</b>	<b>205,617,774</b>

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 Chief Executive Officer



  
**Girma Amente (Dr.)**  
 Chairman of Board of Directors



**ETHIOPIAN AGRICULTURAL BUSINESS CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 07 JULY 2023 / ( 30 SENE 2015 E.C )**

Currency: Ethiopian Birr

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Profit before tax	1,567,240,020	498,383,512
Less: Gain on sale of equipment	(5,521,299)	(9,011,216)
Less: Fixed asset and right of use asset adjustment	928,720	2,015,112
Add: Depreciation	88,831,056	83,724,845
Add: Expected credit loss	39,986,554	32,758,608
Add: Cash impairment loss	974,452	-
Add: Interest expense on lease obligation	229,616	-
Add: Provision for inventories	(334,977,751)	-
Add: Long term employee benefit	8,597,572	7,436,856
Add: Inter branch head office accounts	0	45,948
Decrease (increase) in trade and other receivables	(3,394,319,002)	(892,798,060)
Decrease (increase) in contract assets	2,910,190,160	(2,227,183,782)
Decrease (increase) in inventories	2,162,151,561	(3,488,626,432)
Decrease (increase) in biological assets	(18,302,031)	3,697,903
Decrease (increase) in non-current asset held for sales	-	483,999
Increase (decrease) in trade and other payables	1,004,668,528	1,336,713,399
Increase (decrease) in contract liabilities	(1,551,213,804)	6,148,334,765
Increase (decrease) in short term employee benefit obligations	32,199,346	19,865,110
Increase (decrease) in provisions for outstanding legal cases	20,582,257	(32,381,579)
Long term employee benefit paid	(1,146,752)	(1,971,436)
Profit taxes paid	(350,301,801)	(431,069,316)
Prior period taxes paid	(65,061,254)	(33,475,374)
Prior period adjustments	(22,580,679)	-
Withholding tax paid	(47,337,961)	(33,409,776)
<b>Net cash from (used in) operating activities</b>	<b>2,045,817,508</b>	<b>983,533,087</b>
<b>Cash flows from investing activities</b>		
Expenditure for PPE and intangible assets	(378,383,696)	(172,526,145)
Additions to right of use asset	-	(18,396,991)
Proceeds from sale of Non-current assets	6,125,220	9,622,425
<b>Net cash from (used in) investing activities</b>	<b>(372,258,476)</b>	<b>(181,300,710)</b>
<b>Cash flows from financing activities</b>		
Less: Land lease payment	(67,410)	-
Less: Lease purchase payment	(36,815,910)	(17,395,478)
<b>Net cash from (used in) financing activities</b>	<b>(36,883,324)</b>	<b>(17,395,478)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,636,675,709</b>	<b>784,836,895</b>
Cash and cash equivalents at beginning of year	1,791,011,502	1,006,174,607
<b>Cash and cash equivalents at end of year</b>	<b>3,427,687,211</b>	<b>1,791,011,502</b>
<b>Cash and Cash Equivalent at end of the year</b>		
Cash on hand	-	2,936,132
Cash at bank	3,427,687,211	1,788,075,370
<b>Total Net Cash and cash Equivalent at end of the year</b>	<b>3,427,687,211</b>	<b>1,791,011,502</b>

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