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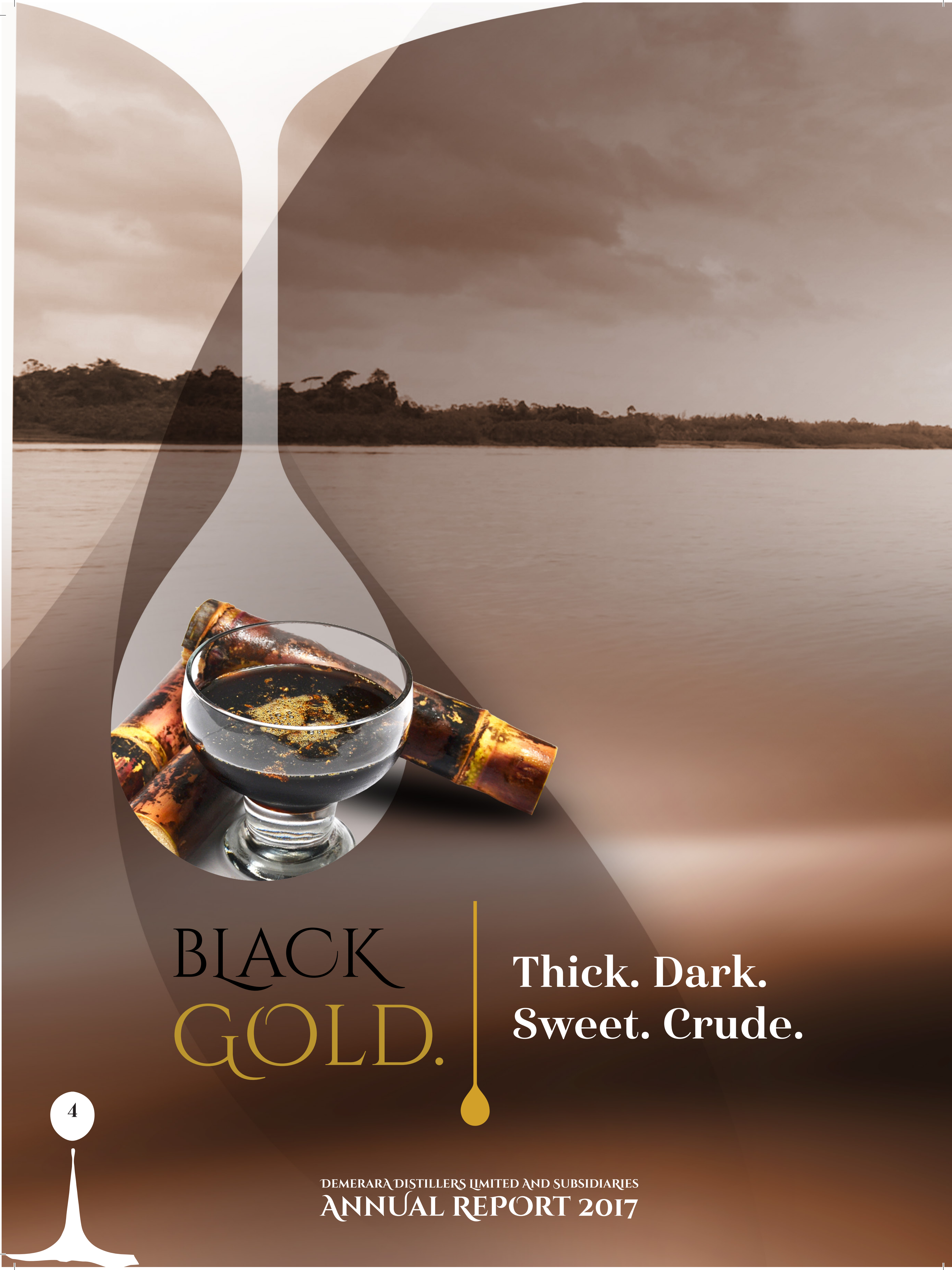


BLACK GOLD.

Thick. Dark.
Sweet. Crude.

Ever since its 2015 discovery at the Liza 1 Well in the Stabroek Block offshore of Demerara, the talk of the town has been about the three billion barrels of recoverable reserves.

This, and five other discoveries since, was made about 120 miles off the Demerara coast, just where the blue waters turn to brown - a point in our peculiar seashore best captured in the poetry and song of our legendary R. C. G. Potter, viz.

That Demerara coast is home to another crude - just as thick, just as dark, just as sweet.

It flows like oil. Sometimes looks like it. But that about which we are talking is truly sweet.

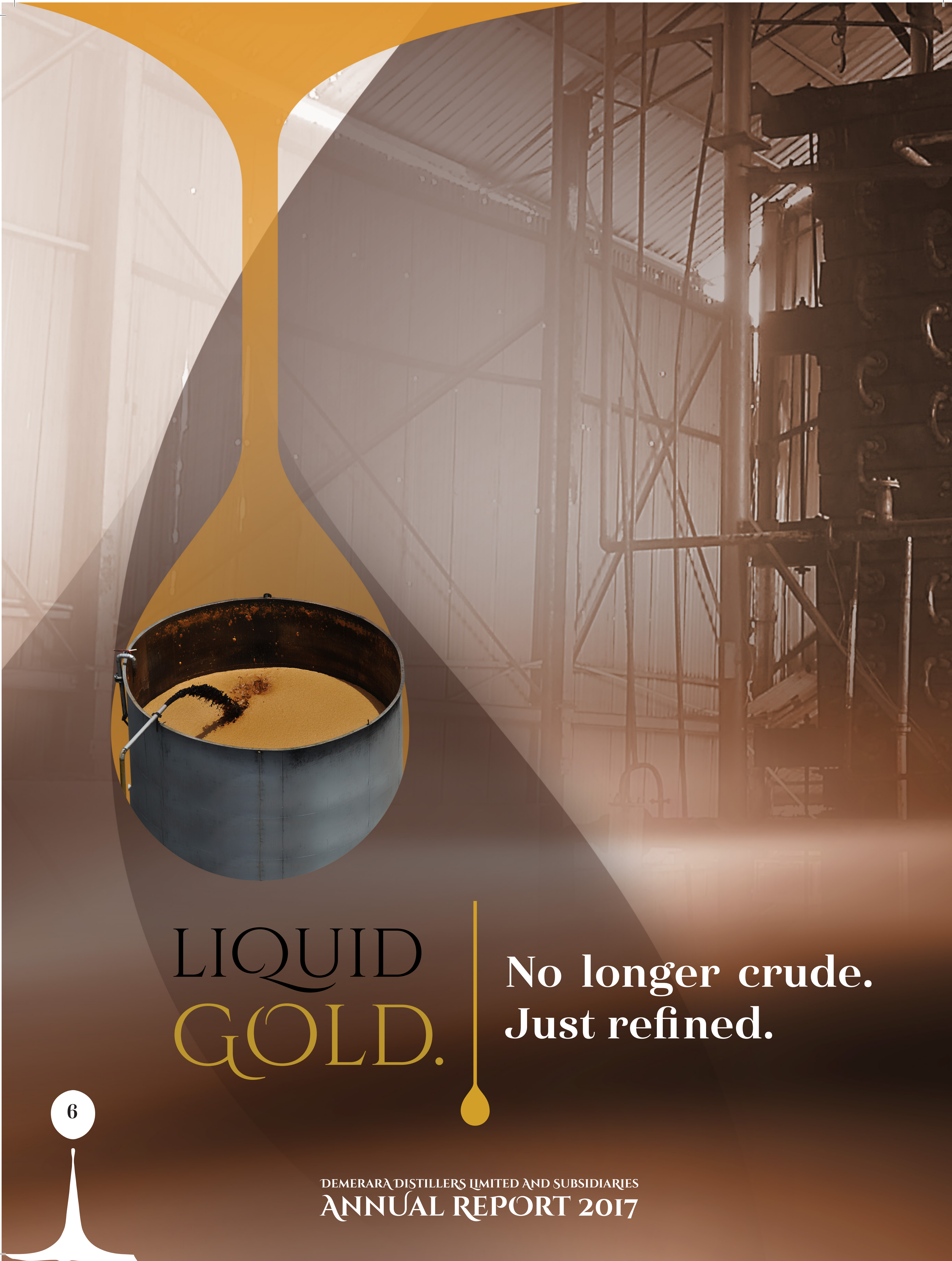
Molasses!

In Demerara, home of the eponymous Demerara Distillers Limited (DDL) and its range of premium Demerara rums, this thick, dark, crude is very much a function of its origin.

The Atlantic Ocean, which once covered the Demerara coast, imbues into the reclaimed soil a tilled character that is rich in organics and high in minerality.

This vestige finds its ways into the sugarcane crop, thus into the molasses, and into the rum.

"When your ship has passed the islands and the blue sea turns to brown,
And the leadsman calls 'Five Fathoms' when he casts the lead-line down,
And you see a long flat coastland and a smokeless wooden town,
You can reckon you are nearing Demerara."


LIQUID
GOLD.
No longer crude.
Just refined.

Here at DDL, we are singularly responsible for refining the crude Demerara Molasses, through fermentation and distillation, to produce the world's best rums.

This heritage, preserved for over three centuries, harkens to looking back to moving forward.

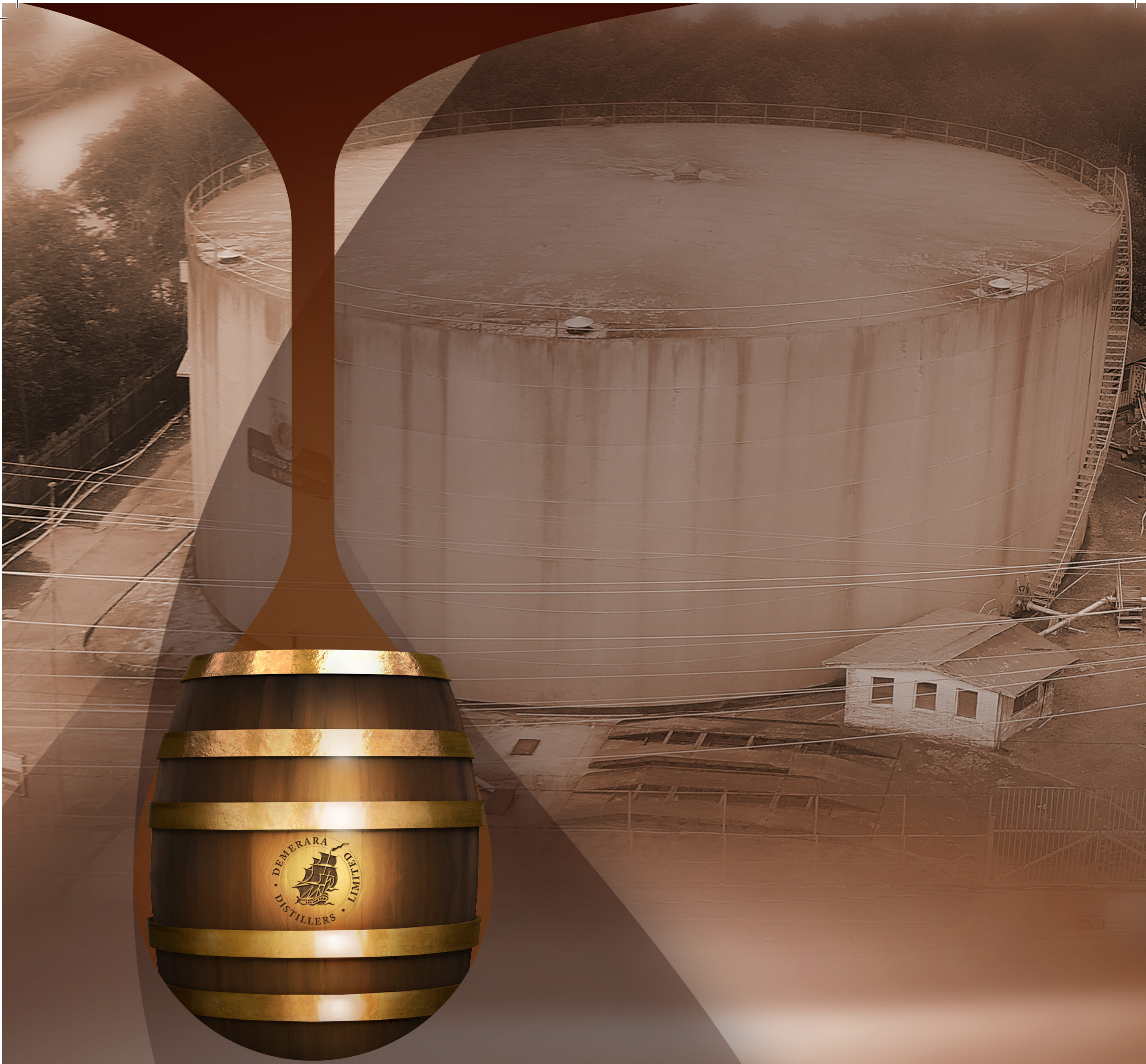
Since the British endeavour in 1650 to cultivate sugarcane in the rich Demerara soils, production of sugar was so successful that a mere two decades later, distilling the molasses by-product was introduced to the plantations.

One hundred years later, by 1780, Demerara was home to over 300 distilleries, fermenting and refining the crude molasses.

Just like R.C.G. Potter's sighting of the wooden town, wood was very central to this refinement, from fermenting in wooden vats, distilling in wooden pots and columns, and ageing in wooden barrels.

By 1940, most wooden vats and wooden stills gave way to steel, and only three of the nine surviving, consolidated sugar estates retained operation of wooden stills, one as old as 1732.

All of these stills from the 'Big 9' estates now find their home among the unique assembly at the Diamond Distillery on the East Bank of the Demerara River. And now, all of the molasses produced in Demerara and the rest of the coast of Guyana is destined for this historic distillery.



DEMERARA GOLD.

History. Culture. Flavour.

Today, Demerara Distillers Limited, like its predecessors, continues to not only refine its contemporary products, but also to preserve this steep legacy.

Everything about our products is a time-tested combination that bridges our proud traditions, our current innovations, and our clear vision for the future.

Like the other crude and its refined products, we can measure our product in barrels too, and we do. This Demerara heritage, and the heads, hearts and hands driving the work of today's craftsmen, are splendidly captured in each barrel, and aged to perfection.

These days, navigation is a lot easier, and there is so much more technology that even if one knows no geography, one could still get here. And, if one is still sailing, where the blue waters turn to brown, one will find the rigs extracting the thick dark sweet crude and know that one is nearing Demerara.

That Demerara is more than physical geography; it's history, it's culture, it's flavour and it's people. We have captured Demerara. And now, just as in the past, we will continue well into the future taking the thick dark sweet stuff, fermenting it, distilling it, and blending it to uniquely take the taste of Demerara to the world.

Each barrel tells a story, of our past and how we got here.

COMPANY IN PERSPECTIVE

THE core business of Demerara Distillers Limited for the three centuries has been **Demerara Rum**. In the 17th Century, every sugar plantation had its own small distillery and these, with the passage of time, were gradually consolidated into one distillery at Diamond on the East Bank of Demerara. The Company's alcoholic products especially its rums, including its flagship brand, the El Dorado 15 Year Old Special Reserve, and its other brands - the El Dorado 25 Year Old, the El Dorado 21 Year Old, the El Dorado 12 Year Old, the El Dorado Cask Aged 8 Year, the El Dorado 5 Year Old, the El Dorado Cask Aged 3 Year, the El Dorado Deluxe Silver Aged 6 Year - are well known in the Caribbean and International markets. The Company is also a leading supplier of bulk rum to bottlers in Europe and North America and its Bulk Terminal ensures the most efficient service to customers.

Over time, the Company has been diversifying its activities. It is a leading producer of carbonated beverages including **Pepsi**, **Seven-Up** and **Slice**, in addition to its own wide range of **Soca** flavours. It also produces **Diamond Mineral Water**. It produces its own **Carbon Dioxide** and **Dry Ice**.

It has been producing high grade **Fruit Jams and Jellies, Fruit Juices** and the well known **Three County Fruit Mix**. The Group's **Shipping** and **Warehouse** services are among the most modern in Guyana. Its Fruit Juice operations range from fresh juice delivered to homes and premier restaurants and hotels to conveniently packaged juices done in a state-of-the-art **Tetra Pak** packaging plant under the brand name **TOPCO**. The Group also has interests in the **Insurance** industry.

The Company has expanded into the **Distribution** Business, where it is now the Distributor in Guyana for some of the most well-known consumer products such as **Johnson & Johnson** and **Nestle.** Distribution Services Limited as this part of the group is known also represents several leading local companies.

Demerara Distillers Limited has Subsidiaries and Associates in Europe, North America and the Caribbean. Demerara Distillers Limited is best known for its commitment to quality and has held continuous certification through the **ISO 9001 (2008)** International Quality Standard.

NOTICE OF MEETING

The **SIXTY-SIXTH ANNUAL GENERAL MEETING** of Demerara Distillers Limited (DDL) will be held at DDL's Diamond Complex, Plantation Great Diamond, East Bank Demerara on **Thursday, March 29, 2018 at 4:30p.m.**

AGENDA

1. To receive and consider the Company's Accounts and Reports of the Directors and Auditors for the year ended December 31, 2017
2. To declare a Final Dividend of $0.60 per share free of Company Taxes in respect of the year ended December 31, 2017.
3. To elect Directors.
4. To fix the Emoluments of the Directors.
5. To appoint Auditors and authorise the Directors to fix their remuneration.

BY ORDER OF THE BOARD

REGISTERED OFFICE
Block A, Plantation
Great Diamond,
East Bank Demerara,
Guyana.

Allison Thorne
Director/Company Secretary
February 20, 2018

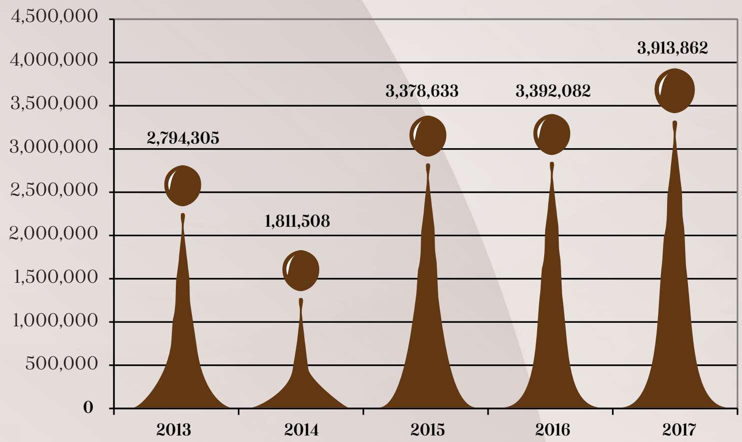
·Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not also be a member of the Company.
·A form for use at this meeting must be received at the registered office of the Company stated above, not less than 24 (twenty four) hours before the date of the Meeting

REGISTER OF MEMBERS
The Register of Members and Share Transfer Books of Demerara Distillers Limited will be closed from March 5, 2018- March 29, 2018 - both days inclusive- for the purpose of preparing warrants of the Final Dividends for the year ended December 31, 2017.

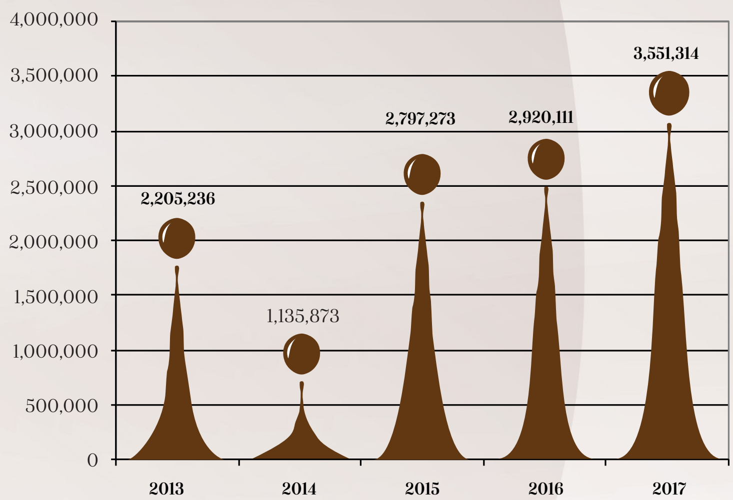
N.B. Gifts will be distributed only to shareholders present at the Meeting and not at any time or place thereafter.

FINANCIAL HIGHLIGHTS

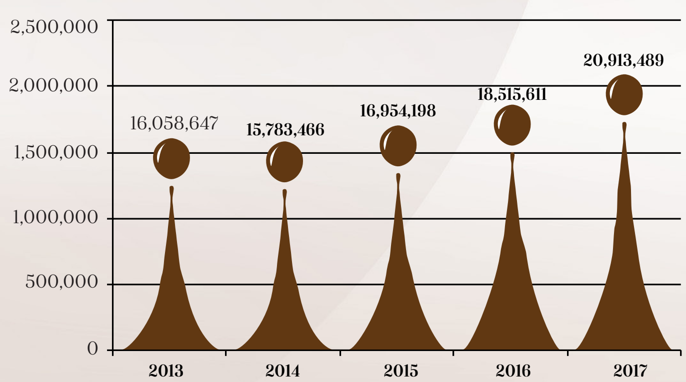
Operating Profit | G$000



Profit Before Tax | G$000



Shareholders' Equity | G$000



CORPORATE INFORMATION

AUDITORS
TSD Lal & Co.
77 Brickdam, Stabroek,
Georgetown, Guyana.

REGISTRAR & TRANSFER AGENT
Trust Company (Guyana) Limited
11 Lamaha Street, Queenstown,
Georgetown, Guyana.

LEGAL ADVISORS
De Caries, Fitzpatrick & Karran
80 Cowan Street, Kingston,
Georgetown, Guyana.

BANKERS
Demerara Bank Limited
230 Camp & South Streets,
Georgetown, Guyana.

The Bank of Nova Scotia
104 Carmichael Street,
Georgetown, Guyana.

Republic Bank (Guyana) Limited
Water Street,
Georgetown, Guyana.

REGISTERED OFFICE
Block A, Plantation Great Diamond,
East Bank Demerara, Guyana.
Email: ddlweb@demrum.com
Website: www.theeldoradorum.com

BOARD OF DIRECTORS

From Left to Right:

RUDOLPH COLLINS
CCH, BSc. (Hons)
DPA Director

KOMAL R. SAMAROO
AA, FCCA, ACIS
President · Chairman of the Board

SHARON SUE-HANG
BSc (Chemistry) · EMBA
Director of Technical Services

TIMOTHY JONAS
L.L.B. (Hons) · Director

ALLISON THORNE
L.L.B · Director
Company Secretary

From Left to Right:

SHARDA VEEREN-CHAND
BA · Marketing Director

EGBERT CARTER
MSC. (Civil Engineering)
Director

HARRYRAM PARMESAR
FCCA · Director

DR. YESU PERSAUD
CCH, FCCA, FRSA, CCMI · Director

LANCELOT TYRELL
Director

> *With the recent announcements of proven deposits of petro-carbon off Guyana's shore and the expected first oil production in 2020, the future economic prospects of the country has been considerably enhanced.*

KOMAL R. SAMAROO
President · Chairman of the Board

CHAIRMAN'S REPORT

I am pleased to report to shareholders that the Group's performance for 2017 was very good. We continued our brand building and market development activities locally and internationally while simultaneously advancing our diversification strategy.

In the International Monetary Fund (IMF) January 2018 issue on World Economic Outlook Update, the IMF reported that the global rise in activity, which started in the second half of 2016, gained further momentum in the first half of 2017. By the end of the year, the result was that global economic growth strengthened in 2017 to 3.7% compared to 3.2% in 2016. However, countries that depended on commodity exports continued to be hard hit, experiencing sharp declines in foreign earnings.

Global spirits market was expected to grow in 2017 by a cumulative annual growth rate of 3.3%. However, in relation to the Rum category, the cumulative annual growth was estimated at only 0.5%, that growth being confined to the premium and super-premium segments, while the standard segment was projected to experience marginal decline. Given these projections, the Group's strategic decision to premiumise its Eldorado Rum brand was certainly well timed.

At the local level, the domestic economy was originally projected to grow at 3.8% but by the end of the year, this estimate had been revised downwards to 2.9%. A significant contributing factor to this downward revision was the contraction of the Sugar Industry, which produced 137,298 tons in 2017 compared to 183,615 tons produced in 2016. The state-owned Guyana Sugar Corporation (GUYSUCO) had been kept afloat in recent years by subsidies from the National Treasury. At the end of 2017, the Government announced the plan to downsize the sugar operations to only three Estates: Albion, Blairmont and Uitvlugt, while the other three Estates: Enmore, Skeldon and Rose Hall would be closed.

The downsizing of the local Sugar Industry has serious implications for the liquor operations of our Group. As such, we have been exploring all options as we seek to mitigate any potential adverse effects of such downsizing. It is, in this context, that our strategic decision sometime ago to diversify our business must be seen as the right course of action by the Group. However, our core business is rum production and molasses is a key raw material for such production. DDL has expressed to the Government an interest in investing in the Enmore Estate to continue molasses production there. If that proposal does not prove to be economically feasible, DDL may have to source molasses from foreign suppliers to ensure adequate and reliable supply.

RESULTS FOR 2017

The Group revenue in 2017 was $19.569 billion, representing an increase of $1.460 billion or 8% over that of 2016. The revenue from both the domestic as well as international markets showed steady growth.

Group profit before tax for 2017 was $3.551 billion compared to $2.920 billion for the previous year, an increase of $631m or almost 22%.

Profit after tax for the year was $2.6 billion compared to $2.191 billion for the previous year, an increase of $409m or almost 19%.

Earnings per share were $3.38 in 2017 compared to $2.85 in 2016.

Shareholders' Funds increased by 13% in the year, while net debt to equity ratio at the end of the year improved from 22:1 in 2016 to 13:1 in 2017.

SUBSIDIARIES

Distribution Services Ltd (DSL), which has been a major focus of our diversification, achieved $396m in profit before tax in 2017 compared to $358m the previous year, an increase of about 10.6%. This subsidiary has outgrown its present distribution facilities and a new warehouse and distribution centre is presently being constructed at Plantation Diamond. This 42,000 square feet new modern facility, including cold storage and offices, is projected to cost approximately $1 billion and is scheduled for completion in the second half of this year.

Demerara Shipping Co. Ltd (DSCL) achieved an operational profit before tax of $132m in 2017 compared to $102m the previous year, an increase of 29%. In 2017, the company acquired two nearby properties at a total cost of $143m. With these two properties, ancillary operations such as the Workshop and Retailing Outlet would be relocated in order to facilitate greater warehouse space required for our expanding shipping business. Additionally, this subsidiary has embarked on a phased rehabilitation and upgrade of its Port and Warehouse facilities. In 2017, $33m was expended on such phased rehabilitation and upgrade while a further $1.5 billion has been earmarked to be expended over the next four years.

Tropical Orchard Products Company Ltd. (TOPCO) endured the entire year with the loss of the School Feeding contract, a Ministry of Education Project, which was contracted out to a foreign company. This company steadily increased its sales on the domestic market but made a loss of $53m in the year compared with a loss of $16m the previous year. In January 2018, the company was awarded the School feeding contract for the first three months of the year and we are hopeful for its renewal. In the meantime, management has been crafting an aggressive expansion plan for this company to widen and expand the range of products offered on the domestic and export market.

Our overseas subsidiaries, which provided route to market services for our liquor products, also performed well contributing $212m in Profit before Tax compared to $185m the previous year. Demerara Distillers St Kitts-Nevis Ltd recorded a profit of $23m, Demerara Distillers USA Inc. recorded a profit of $37m, Demerara Distillers Europe recorded a profit of $95m and Demerara Rum Co recorded a profit of $57m.

DIVIDENDS

An Interim Dividend of $0.20 per share was recommended and paid in November 2017. The Directors have recommended a Final Dividend of $0.60 per share which, if approved by the members at the Annual General Meeting, would result in a total of $0.80 per share paid for 2017.

CAPITAL EXPENDITURE

The Group has continued its investment program to modernise, expand and diversify its operations.

In addition to the construction of the DSL warehouse and the phased rehabilitation and upgrade of DSCL Wharf facilities, a new warehouse to accommodate 30,000 barrels of rum for aging along with access roadway is also being constructed at our Plantation Diamond complex and is expected to be completed before the end of the first quarter of this year. The cost of this project is estimated at almost $500m.

QUALITY AND OPERATIONAL IMPROVEMENTS

Our production facilities and supporting services were audited by SGS during the year and certification of ISO 9001:2008 Quality Management System was maintained. In addition, our Distillery achieved Hazard Analysis and Critical Control Points (HACCP) certification while the Liquor Bottling Plant was also successful in its Good Manufacturing Practices (GMP) certification in the year.

Our Beverage Plant maintained certification from AIB (American Institute of Bakery) Audit as well as PepsiCo International Global Audit respectively.

We continue to place great emphasis on training of our staff to equip them with the skills required to ensure that our various operations continue to meet high and continuously evolving international standards. During the year, both the Executive and Management Teams were exposed to Lean Six Sigma training.

Our ongoing program to create a trained pool of professional staff for career development in the organization continued with the recruitment of additional graduate trainees. Through our Cadetship Program, we continued to sponsor employees pursuing undergraduate programs in various fields such as chemistry and engineering.

FUTURE PROSPECTS

Internationally, we will continue to monitor the potential impact of the apparent reversal trend for free trade as some Western countries, who previously championed this cause, now appear to be resorting to more nationalistic policies.

Locally, the Government's announcement of the downsizing of GUYSUCO to three Estates has triggered our re-assessment of our molasses procurement plans in both the short as well as long term. The projected molasses from the three retained Estates in 2018 is 42,000 tons. Our Distillery's projected requirement for 2018 is 70,000 tons. As a short-term response therefore, we are exploring in collaboration with the Special Project Unit, which has been established under the National Industrial and Commercial Investments Limited (NICIL) to manage the divestment and privatisation of the three Estates, the possibility of utilising the standing cane in the fields from the closed Estates. We are also assessing the feasibility of importing molasses to bridge the supply gap.

CHAIRMAN'S REPORT - CONT'D

A long-term solution is also being pursued as we comprehensively assess the viability of acquiring the Enmore Estate for the purpose of providing molasses inputs for our distillery operations.

The Group's diversification will gain momentum in 2018 with several major projects, at the planning stage, that would significantly expand our revenue from non-alcoholic products.

With the recent announcements of proven deposits of petro-carbon off Guyana's shore and the expected first oil production in 2020, the future economic prospects of the country has been considerably enhanced.

ACKNOWLEDGEMENTS
I would like to thank the members of the Management Team and Staff for their continued dedication, commitment and hard work towards making these results possible. I wish to thank the Board of Directors for their advice, guidance and support throughout the year. I would also like to thank our customers, business partners and shareholders for their continued support and confidence.

Komal R. Samaroo
Chairman

LONG SERVICE AWARDS

35 YEARS

Ahmad Amzah
DSCL

30 YEARS

Parbattie Bipath
Finance

Bhoupaul Looknarain
Distillery

Jagdesh M. Persaud
Distillery

Kawall Singh
Marketing

25 YEARS

Nurmal Kissoonlall
Beverage Plant

Nandranie Lawrence
Finance

Boodram Persaud
Projects

Mahendra Sawh
Distillery

George R. Singh
Quality Assurance (Central Lab)

Khelowattie Singh-Armanauth
Beverage Plant

20 YEARS

Eric Alfred
DSCL

Asif Ally
Beverage Sales

Ashira Bacchus-Sukdeo
Distillery

Pauline Brathwaite
Marketing

Donny A. Brumell
Bottling Plant

Thirbani C. Doobay
DSL

Premindra Gharbaran
Distillery

20 YEARS - CONT'D

Naeem Hallim
DSCL

Colin A. Harte
Beverage Plant

Fizal Hussain
DDL-Berbice

Trevor A. John
Beverage Plant

Denis Kishun
Bottling Plant

Roy Kishun
Bottling Plant

Harry P. Lookram
DSCL

Arjune Mahadeo
DSCL

Udjister Mahase
Beverage Plant

Khemrajie Mangal
Finance

Vishnudat Narain
DDL-Security

Chintaman Pariaug
DSCL

Randolph Persaud
Distillery

Bishnu Ramnarine
DSL

Indar Rampersaud
DDL-Essequibo

Michael Roberts
Special Events

Arjun Roopnarine
DDL-Essequibo

Chanmattie Seemangal
Bottling Plant

Wayne Williams
DSL

15 YEARS

Intaz Ally
Distillery

15 YEARS - CONT'D

Adrian Andries
Distillery

Jerome F. Baird
Distillery

Komalram Bisram
DSL

Edward C. Bristol
DDL-Security

Andre N Browne
DSL

Tilak Budhu
Distillery

Parmanand Dolai
Distillery

Gupta P. Gayadeen
DSCL

Shamnarayan Goberdhan
Marketing-Liquor

Beneram Heeralall
DSCL

Ferdinand A. Hollingsworth
Topco

Shivangali James-Ramjeawan
Finance

Harry Narine
Beverage Plant

Nateram Narine
Essequibo

Chandrashakar Persaud
DSCL

Rommel Persaud
Quality Assurance (Central Lab)

Roshanie Ragoonauth
Customer Service

Doodnauth Ramnaraine
Distillery

Seepaul Ramsurace
Beverage Sales

Jaichan Seetahal
Beverage Plant

Khemraj Sukhdeo
Beverage Plant

MANAGEMENT TEAM

From Left to Right:

SHAUN CALEB
Senior Process Improvement Manager

FAZAL BACCHUS
Chief Internal Auditor

VASUDEO SINGH
Finance Controller

MONEETA SINGH-BIRD
Human Resource Director

YESHWAR BHAGWANDAT
Senior Business Development Manager

REPORT OF THE DIRECTORS

The Board of Directors ("the Board") is pleased to present its Report together with the Audited Financial Statements of Demerara Distillers Limited & Subsidiaries ("the Group") for the year ended December 31, 2017.

Turnover and Profitability
Group turnover increased by $1.5 billion from $18.1 billion recorded in 2016 to $19.6 billion in 2017. Group pre-tax profits increased by $631 million from $2.920 billion 2016 to $3.551 billion achieved in 2017.

Dividends
A final dividend of $0.60 per share has been recommended, in addition to $0.20 per share interim dividend already paid, bringing the total dividends for the year to $0.80 per share.

BOARD OF DIRECTORS	DESIGNATION
Komal Samaroo	Executive Chairman
Yesu Persaud	Non-Executive Director
Rudolph Collins	Non-Executive Director
Egbert Carter	Non-Executive Director
Timothy Jonas	Non-Executive Director
Harryram Parmesar	Non-Executive Director
Lancelot Tyrell	Non- Executive Director
Sharda Veeren-Chand	Executive Director
Sharon Sue Hang	Executive Director
Allison Thorne	Executive Director

Directors
In accordance with Article 122 of the Company's Articles of Association, **Directors Messrs. Egbert Carter, Rudolph Collins, Timothy Jonas, Harryram Parmesar, Yesu Persaud and Lancelot Tyrell** will retire by rotation at the close of the Annual General Meeting held on the 29th day of March 2018 and being eligible, offer themselves up for re-election.

Directors' Emoluments as at December 31, 2017

Egbert Carter	$1,946,669
Rudolph Collins	$1,946,669
Timothy Jonas	$1,946,669
Harryram Parmesar	$1,946,669
Yesu Persaud	$1,946,669
Lancelot Tyrell	$1,946,669

Directors' Interest – Demerara Distillers Limited
The interests of Directors holding office in the ordinary shares of Demerara Distillers Limited at December 31, 2017 and up to the date of this Report were as follows:

DIRECTOR	ORDINARY SHARES AT NO. PAR VALUE			
	Beneficial Interest		Associates' Interest	
	2017	2016	**2017**	2016
Komal Samaroo	**931,646**	931,646	**1,137,141**	1,137,141
Egbert Carter	**Nil**	Nil	**Nil**	Nil
Rudolph Collins	**Nil**	929	**Nil**	Nil
Timothy Jonas	**50,000**	50,000	**Nil**	Nil
Harryram Parmesar	**214, 463**	128,838	**Nil**	Nil
Yesu Persaud	**Nil**	Nil	**Nil**	Nil
Lancelot Tyrell	**29,750**	29,750	**Nil**	Ni
Sharda Veeren-Chand	**1,500,000**	1,500,00	**Nil**	Nil
Sharon Sue Hang	**223,334**	223,334	**Nil**	Nil
Allison Thorne	**Nil**	Nil	**Nil**	Nil

The Associate's interest disclosed for Mr. Komal Samaroo is held beneficially.

Contracts with Directors
During the financial year there were no:

- Service contracts with any of the Directors of the Company
- Significant contracts to which any of the Directors of the Company was party to or materially interested in either directly or indirectly.

Auditors
The Auditors, Messrs TSD Lal & Co. have retired and being eligible, offer themselves for re-appointment. Accordingly, a motion for their re-appointment will be proposed for the approval of Shareholders at the Annual General Meeting.

Corporate Governance
The Group's corporate governance framework continues to be grounded in the principles of fairness, ethical management, transparency and accountability.

As both trustees as well as principal strategic leaders of the Group, the Board is positioned at the core of the Group's governance practice in order to ensure that the highest standards of governance are maintained. The Board believes that the active promotion of a corporate culture of integrity; maintenance of effective controls and compliance with regulatory obligations collectively creates the foundation for sustaining shareholder value as well as improving the overall growth and performance of the Group.

In order to enhance shareholder value maximisation through its leadership and direction of the Group, the Board convened at least twelve (12) Meetings during the year. At these Meetings, the Board regularly evaluated the Group's strategic objectives; the adequacy of resources available to achieve agreed objectives as well as the efficacy of systems and controls implemented by Management to assess and manage potential risks associated with such objectives.

The Board also deliberated on matters specifically reserved for Board consideration including:

- the Group's proposed investment and expansion plans;
- the annual business strategy and objectives;
- the review of corporate and operational practices and policies;
- the provisions for adequate succession planning;
- the financial and operational performance of the Group's business operations;
- internal financial controls and financial planning;
- risk mitigation and management;
- the review of interim result, final results, annual report and accounts;
- the review of interim and final dividend proposals;
- the analysis of industry trends;
- capital projects and plans;
- corporate acquisitions, disposals and related matters.

REPORT OF THE DIRECTORS - CONT'D

For 2017, the Board comprised six Non-Executive Directors and four Executive Directors including the Executive Chairman.

At the last Annual General Meeting of the Group convened on April 7, 2017, Non-Executive Directors of the Board were re-elected by Shareholders. The re-elected Non-Executive Directors, each of whom is highly accomplished in their respective sectors, possess a diverse range of expertise and professional skills in areas relevant to the Group including accounting, audit, law, civil and mechanical engineering and human resource management. This apposite blend of varied knowledge and skills affords the Group access to substantive expert capacity as well as facilitates a healthy balance of perspectives and views during Board deliberations.

Within 2017, Non-Executive Directors convened formal as well as informal meetings amongst themselves as well as with Executive Directors and Management without the presence of the Executive Chairman.

Non-Executive Directors have abstained from active participation in the Group's daily management in order to safeguard their independence as Shareholder's representatives on the Board. Non-Executive Directors have instead delegated the responsibility for day to day management of the Group to the Executive Committee.

The Executive Committee comprises Executive Directors and Senior Management. This Committee is collectively responsible for ensuring that the policies, strategies and resources of the Group are properly utilised to achieve the Group's objectives.

The Executive Committee, led by the Executive Chairman, convened at least twelve (12) Meetings in 2017, where the Committee focused on: Production, Sales, Marketing, Information Technology, Quality Assurance, New Product Development, Financial Performance, Regulatory Compliance, Corporate Social Responsibility, Human Resources, Training & Development, Health, Safety and Environment, Capital Projects, Security, Risk Management and Internal Controls.

The Group's Management structure embraces the dichotomy of roles and responsibilities between its operational units such as Production and Sales and its corporate service units such as Commercial, Human Resources, Legal & Compliance, Management Information Systems, Quality Assurance, Finance and Security so as to minimise the risks of conflict of interest and preserve the system of controls.

In an ever changing business environment in which the Group operates, the Board holds firm to its commitment towards safeguarding the integrity of the Group's operations through continued adoption of sound governance practices and policies.

Board Committees
To assist in discharging some of its oversight functions, the Board has established and entrusted certain responsibilities to Board Committees. Throughout the year, these Committees have submitted periodic reports on the matters reviewed and agreed by the respective Committees which were then presented and reviewed at Board Meetings.

Audit Committee
The Board has delegated its responsibility for adequate supervision of financial controls to the Audit Committee, which regularly reports to the Board on its findings as well as recommendations.

The Members of the Audit Committee are:

Harryram Parmesar	Non-Executive Director	Chairman
Timothy Jonas	Non-Executive Director	Member

The general responsibilities of the Audit Committee include the following:

- to review the scope, quality and findings of internal as well as external audits;
- to follow up on important findings of internal and external audits as well as the status of recommendations agreed to be adopted by Management;
- to evaluate the adequacy of internal control policies and procedures;
- to scrutinize the Financial Statements and provide its conclusions to the Board;
- to assess and advise the Board on the competence, independence and performance of the Company's Internal Audit Department as well as its Independent Auditors.

In addition to its general responsibilities, for the period under review, the Audit Committee also provided oversight of risk based assessment activities and is satisfied that its recommendations are being addressed by Management.

REPORT OF THE DIRECTORS - CONT'D

Technical Committee

The primary role of the Technical Committee is to assist and guide the Board and Group in the technical and engineering oversight of: capital improvement plans; manufacturing practices, processes, and procedures as well as health, safety and environmental plans.

The specific objectives of the Technical Committee include:

- to guide the Board and Group on feasibility and strategies relating to the preparation and implementation of capital projects;
- to develop, monitor and review policies for planned maintenance of buildings, plant and equipment of the Group in keeping with engineering best practices and industry standards;
- to guide the Board and Group on potential complexities relative to the preparation and implementation of programs, procedures and systems to achieve the designed operating parameters.
- to review the adequacy of the Group's health, safety and environmental systems and procedures

During the period, the Technical Committee held several meetings to examine and evaluate organizational plans, buildings, and equipment designs, rehabilitation work and progress reports. In this context the Committee undertook the following activities:

- monitored the progress of new and on-going projects including the comprehensive evaluation of alternative energy solutions such as the Liquefied Natural Gas Pilot Project;
- evaluated designs and tender documents for project proposals and recommended suitable contractors;
- at Board's request, investigated and prepared reports, complete with recommendations, on matters aimed at strategic operational improvement and upgrade;

In 2017, the composition of the Technical Committee remained unchanged, with five (5) Members namely:

Lancelot Tyrell	Non-Executive Director	Chairman
Egbert Carter	Non-Executive Director	Member
Sharon Sue Hang	Technical Director, Non-Liquor Plants	Member
Lennox Caleb	Senior Process Improvement Manager, Liquor Plants	Member
Kenneth Ragnauth	Project Manager	Member
Vasudeo Singh	Finance Controller	Member

Substantial Shareholders

Company/Institution	**2017**		2016	
	# of Shares	**% Shareholding**	# of Shares	% Shareholding
Trust Company (Guyana) Limited	**233,667,669**	**30.34**	233,486,291	30.32
Secure International Finance Co Ltd	**142,524,388**	**18.51**	142,338,498	18.49
National Insurance Company	**61,600,000**	**8.00**	61,600,000	8.00

A substantial shareholder is defined as a person who is entitled to exercise, or control the exercise of five percent (5%) or more of the voting power at any general meeting of the company.

REPORT OF THE DIRECTORS - CONT'D

Changes in Affairs of the Company
There were no significant changes in the affairs of the Company during the year ended December 31, 2017.

Issued Share Capital of Subsidiaries

Demerara Contractors & Engineers Limited	10,000,000 shares at no par value
Demerara Shipping Company Limited	5,000,000 shares at no par value
Distribution Services Limited	10,000,000 shares at no par value
Tropical Orchard Products Company Limited	13,300 shares at $1,000
Breitenstein Holdings BV	22,689 shares at no par value
Demerara Distillers (St. Kitts-Nevis) Limited	10,000 shares at EC$270
Demerara Distillers (TT) Limited	2 shares at no par value
Demerara Distillers (US) Inc.	90,000 shares at no par value
Demerara Rum Company	100 shares at no par value

BY ORDER OF THE BOARD

Allison Thorne (Ms.)
Director/Company Secretary
February 20, 2018

CORPORATE SOCIAL RESPONSIBILITY

At Demerara Distillers Limited we remain focused on our responsibility to help develop the next generation of consumers and employees who will be the future of both our Company and our Country. In 2017 our emphasis continues on the development of youth through several avenues in the areas of Education and Sports, including:

The DDL Foundation
The DDL Foundation continues to be the key area of focus under our drive for education. This year, we saw four awardees who successfully completed their secondary education bringing the total number of graduates to twelve, since the foundation was launched in 2010. Khemchand Omadath, Bhovana Persaud, Andrew Persaud and Timall Phillips were among those that graduated this year.

This year, the foundation welcomed an additional five students; Wanita Williams, Prem Balmacoon, Rebekah McPherson, Micah Fordyce and Jasmine Johnson.

The goal of the Foundation is the advancement of education in secondary students by providing scholarships to assist with the main costs associated with attending school. This includes books, uniforms, transportation and, in some cases, meals.

All students who have excelled in the National Grade Six Examination and who have demonstrated their need for assistance as a result of their financial or social constraints can apply to the Foundation.

The Foundation comprises mainly volunteers from the DDL staff body, includes a Mentorship Program where each child is paired with a Mentor who monitors the performance of the child and provides the necessary moral and other support during the period of their relationship with the Foundation.

Today the Foundation has a total of twenty-four (24) students from across the country who benefit from scholarships

SPORTS - LOCAL SPONSORSHIPS

Pepsi Under 16 Boxing
Demerara Distillers Limited continued to support the development of youth boxing in Guyana during 2017 by extending its relationship with the Guyana Amateur Boxing Association (GABA). In 2017, two (2) Pepsi Under-16 Boxing tournaments were executed. The GABA continued to build on the tournament expansion by including participants from varies islands in the Caribbean such as St. Lucia, Jamaica, Barbados and Antigua. This tournament also continues to bring excitement and experience to the young boxers who look forward to it every year.

Hockey
The Guyana Hockey Board and Demerara Distillers Limited, under its Diamond Mineral Water Brand once again executed the most anticipated in door hockey tournament, the 14th Annual Diamond Mineral Water International In-Door Hockey Festival. With the new venue of the National Sports Hall, teams from Trinidad and Barbados were on board for this edition of the hockey festival. The Diamond Mineral Water International In-Door Hockey Festival continues to be the longest and most exciting in-door hockey tournament throughout the Caribbean.

Horse Racing
DDL maintains a strong relationship with Kennard Memorial Turf Club (KMTC).This 45th year saw the club hosting three of the four meets due to adverse weather conditions. The club has been well maintained over the years and attracts many families to witness some of the fastest horses and skillful jockeys in Guyana. Many Berbicians deem these meets a key event in their entertainment calendar. DDL plans on maintaining this relationship for many more years.

Rose Hall Town Youth and Sports Club
Demerara Distillers Limited and the Rose Hall Town Youth and Sports Club Pepsi U-19 team continues to work together and towards the development of the team and the community through outreach programs.

SPONSORSHIPS

Hero Caribbean Premier League T20 2017
Demerara Distillers' under our El Dorado brand has renewed its sponsorship of the HERO Caribbean Premier League for five years as the 'Official Spirit' and 'Celebration Partner' of the tournament. To celebrate this occasion, El Dorado launched its limited edition rum, the El Dorado Master Blender's Special Edition Rum, for cricket fans all around the world. Chairman of Demerara Distillers Limited, Komal Samaroo, said that "Every bottle of El Dorado Rum is imbued with the rich heritage of centuries of rum crafting experience. We take great care to preserve, enrich and showcase the heritage and skill and craftsmanship that makes every bottle of El Dorado so unique. It is in this context that our relationship with CPL since its inauguration must be seen - richer and deeper with the passage of time. As we commence a new and enhanced relationship over the next five years we are delighted to mark the occasion with the launch of this new El Dorado blend specially crafted by our Master Blender to celebrate once again the partnership between the World's Best Rum and the Biggest Party in Sport."

Mr. Jamie Stewart, Commercial Director of the Hero CPL, noted: "Over the years since CPL first exploded onto the regional stage, the deep, rich taste of El Dorado has become beloved by CPL players, officials and fans. It is with great pleasure we welcome this

CORPORATE SOCIAL RESPONSIBILITY - CONT'D

special CPL edition of the world's finest rum. It's a landmark for the relationship and we are sure these unique cricket bat shaped bottles will be coveted by CPL fans around the world."

Apart from the launching of its very first rum in celebration of the League, DDL has also gained exclusive pouring rights for the Jamaica Tallawahs for the very first time. El Dorado maintained its sponsorship of the other five teams; Guyana Amazon Warriors, Trinbago Knight Riders, St. Lucia Stars, Barbados Tridents and the St. Kitts Patriots.

The company looks forward to the next four years as the 'Official Spirit' of the League as the brand continues to win the hearts of cricket fans not only in the Caribbean but all around the world.

EDUCATION AND PERSONNEL DEVELOPMENT

Bursary Scheme

Demerara Distillers Limited held its annual Bursary Awards Program on the 27th July, 2017 and awarded new bursaries to Ten (10) employees' children who passed the year 2017 National Grade Six Assessment of the Secondary School Entrance Examination (SSEE).

DDL currently has a bursary scheme of sixty- nine (69) students receiving annual bursary. The DDL Bursary Awardees are located throughout the length and breadth of Guyana.

The Bursary Awards program aims to support employees within the company to provide education for their children.

Work Attachment

As part of our Corporate Social Responsibility, the Company facilitated a limited Work Study Program for forty-two (42) students from i) University of Guyana ii) Secondary Schools iii) Government Technical Institute iv) Kuru Kuru Training Centre. These students were involved in on the job/ hands on activities at plants, as well as contributed in cultural and talent display within the company.

These students were assigned to the a) Diamond Vehicle Workshop b) New Bottling Plant c) Beverage Plant d) Distillery e) Central Lab f) Finance Department g) Audit h) Human Resources i) Demerara Shipping Company Limited j) Tropical Orchard Products Company Limited.

Tours

During the year 2017, twelve (12) Institutions consisting of Eight Hundred and Five (805) students visited the company to gain onsite exposure to the operations of the Topco, Beverage Plant and Biomet Plant in order to assist in the Education and Career Pathing for in and out of school youths.

Cadetship/Scholarship/Sponsorship Programme

Demerara Distillers Limited continues to maintain its cadetship/ scholarship/sponsorship programmes and provides full and partial scholarships to staff.

There are currently five (5) persons who are at the University of Guyana on cadetship. These persons are pursuing Undergraduate Degrees in the areas of Engineering and Chemistry.

Fifty - Six (56) staff members are beneficiaries of partial support for professional development at Universities (local and foreign), and other professional institutions in accounting, information technology, business administration, distillation, human resources, marketing etc.

These developmental programmes and initiatives represent just a few ways the Company gives back to the society, and underscores the Company's commitment to human resource development.

Management Trainee Programme

In 2017, the Demerara Distillers Limited accepted Six (6) University Graduates from the Departments of Social Sciences and Technology, into its Management Trainee Programme.

Most of these graduates are currently involved in on and off the job training. Their training will ensure exposure to most areas of operations within the business, so as to prepare them to function effectively in their future assignments.

Staff Self Improvement Programme (SIP)

All categories of Staff within the Demerara Distillers Limited are provided additional opportunities to enable their personal growth, and identify with a career of their choice, through accredited programmes conducted by the Diamond Institute of Management and Technology (DIMATECH), which has been approved to conduct professional examinations under the Government Technical Educational Examinations (GTEE) and the Institute of Brewing and Distillation (IBD), UK.

In 2017, eight (8) staff sat the Government Technical Educational Examination (GTEE) in Craft and Advance Electrics. Six (6) were successful, with one (1) staff gaining a distinction and five (5) receiving credits.

During the year, three (3) of our staff also sat the modular examination in Distillation conducted by the Institute of Brewing and Distillation (IBD), UK. They were all successful and are continuing on the next phase in the Distillation Programme.

The Demerara Distillers' Limited (DDL) will continue to build human capacity, as it prides itself as a responsible corporate entity, ensuring development of staff and community.

FINANCIAL STATEMENTS

Independent Auditor's Report

TO THE MEMBERS OF DEMERARA DISTILLERS LIMITED AND SUBSIDIARIES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

Opinion

We have audited the financial statements of Demerara Distillers Limited and Subsidiaries, which comprise the consolidated statement of financial position as at 31 December, 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 35 to 96.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Demerara Distillers Limited and Subsidiaries as at 31 December, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 and its Subsidiaries 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 Guyana, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended 31 December 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation and impairment of property, plant and equipment. (Refer to note 10 in the Group financial statements) The financial statements detailed property, plant and equipment with a net book value of G$7.0B and G$9.8B in the Company and Group accounts respectively. No revaluation of property, plant and equipment was done during the year. Property, plant and equipment are considered Key Audit Matters as significant management judgment was used to select depreciation rates for items of property, plant and equipment. In addition, an annual impairment review of property, plant and equipment was done which involved significant management judgment. We found that the assumptions used by management in relation to the carrying value of property, plant and equipment were in line with our expectations and the disclosure in note 10 to be appropriate.	Our procedures in relation to management's valuation and impairment of property, plant and equipment included: • Test checking of depreciation rates for property, plant and equipment to ensure consistency with the accounting policies and industry rates; • Obtaining and checking written representation by management on their assessment of impairment; • Assessing the methodology used by management to carry out impairment review; • Physical verification of selected assets which were acquired during the current and prior years; • Verification of the policy for acquisitions and disposals of property, plant and equipment.
Valuation and impairment of investment properties. (Refer to note 11 in the Group financial statements) The financial statements detailed investment properties with a net book value of G$2.1B and G$196M in the Company and Group accounts respectively. No revaluation of investment properties was done during the year.	Our procedures in relation to management's valuation and impairment of investment properties included: • Test checking of depreciation rates for investment properties to ensure consistency with the accounting policies and industry rates;

Key Audit Matter	How our audit addressed the Key Audit Matter
Investment properties are considered Key Audit Matters as significant management judgment was used to select depreciation rates for items of land and building and equipment. In addition, an annual impairment review of land and building and equipment was done which involved significant management judgment. We found that the assumptions used by management in relation to the carrying value of investment properties were in line with our expectations and the disclosure in note 11 to be appropriate.	• Assessing the methodology used by management to carry out impairment review and also ensuring written representation was obtained and checked; • Physical verification of selected investment properties, also verification of the policy for acquisitions and disposals; • Ensuring owner-occupied properties were correctly eliminated in the consolidated financial statements and presented and disclosed in accordance with IAS 40.
Valuation and impairment of investments. *(Refer to note 12 in the Group financial statements)* At 31 December 2017, investments in the Company amounted to G$1.4B, consisting of "Available for sale" "Subsidiary companies" and "Associate companies". The Group's investments were stated at G$1.6 B and consist of "Available for sale" and "Associate companies". Investments are considered a Key Audit Matter because they are material to the financial statements. Also, there is significant measurement uncertainty involved in the valuation. As a result, the valuation of these instruments was significant to our audit.	Our procedures in relation to valuation and impairment of investments included; • Obtaining an understanding of the valuation methods used by the Company and Group to assess whether they were consistent with prior years and our understanding of the client; • Reviewing the source data used by the Company in the valuation method and performing tests to ascertain its completeness and accuracy; • Reviewing of the Group's policy on accounting for the various categories of investments and ensuring compliance with relevant IFRS/IAS; • Review audited financial statements of subsidiaries and associates to ensure going concern and no impairment of investment.
Valuation of Defined Benefit Asset/Liabilities. *(Refer to note 13 in the Group financial statements)* The Company and Group has recognised a defined benefit asset and liability of G$1.4B and G$8.7M respectively. These are considered to be Key Audit Matters since the assumptions that underpin the valuation of the defined benefit pension assets and liabilities are important and also involve subjective judgments as the surplus/deficit balance is volatile and affects the Company's distributable reserves. Management has employed actuarial specialists in order to calculate this balance and uncertainty arises as a result of estimates made based on the Company's expectation about long-term trends and market conditions.	Our procedures in relation to actuarial valuation included; • Reviewing of the actuarial report for the year ended December 31, 2017 and ensuring information was presented and disclosed in accordance with IAS 19. • Obtaining an understanding of the methodology and assumptions used by the actuary and assessing whether these were consistent with prior years and our understanding of the client; • Reviewing the source data used by the Company's actuary and performing tests to ascertain its completeness and accuracy; • Assessing the professional competence, including the qualifications, experience and reputation of the actuary.

Other information in the annual report

Management is responsible for the other information. The other information comprises all the information included in the Company's 2017 annual report, but 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 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 based on the work we have performed, we conclude that if 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 Those Charged with Governance for the Consolidated Financial Statements

The Directors/Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Directors/Management is responsible for overseeing the Company and its Subsidiaries' financial reporting process.

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

The audit committee assists the Directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing 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 consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Group 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 Group's internal control.

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

- Conclude on the appropriateness of the 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 Group'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 Group 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Group financial statements, including the disclosures, and whether the Group financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements - cont'd

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee 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 the Audit Committee, we determine those matters that were of most significance in the audit of the Group 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
The financial statements comply with the requirements of the Companies Act 1991.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Rameshwar Lal FCCA.

TSD LAL & CO
CHARTERED ACCOUNTANTS

February 12, 2018

77 Brickdam, Stabroek, Georgetown, Guyana.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

	NOTES	COMPANY		GROUP	
		2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Turnover		**15,221,765**	13,043,233	**19,569,018**	18,109,126
Cost of sales		**(9,439,832)**	(7,645,376)	**(11,961,927)**	(10,762,350)
Gross profit		**5,781,933**	5,397,857	**7,607,091**	7,346,776
Other income	5	**1,719,014**	470,542	**437,840**	403,253
Investment properties income		**108,394**	90,994	**11,094**	9,759
Selling and distribution expenses		**(1,822,521)**	(1,711,831)	**(2,496,128)**	(2,497,216)
Administration expenses		**(1,372,084)**	(1,539,541)	**(1,737,801)**	(1,991,388)
Profit before interest and taxation		**4,414,736**	2,708,021	**3,822,096**	3,271,184
Finance cost		**(319,176)**	(419,036)	**(362,548)**	(471,971)
Share of profit of associate companies	12b(i)	**-**	-	**91,766**	120,898
Profit before taxation	6	**4,095,560**	2,288,985	**3,551,314**	2,920,111
Taxation	7	**(640,366)**	(431,680)	**(951,269)**	(728,683)
Profit for the year		**3,455,194**	1,857,305	**2,600,045**	2,191,428
Other Comprehensive Income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit pension plans	7	**168,000**	(114,034)	**168,000**	(114,034)
		168,000	(114,034)	**168,000**	(114,034)
Items that may be subsequently reclassified to profit or loss:					
Exchange difference on consolidation	18(c)	**-**	-	**175,776**	(29,392)
Fair value gain/(loss) on investments	18(b)	**2,241**	(11,205)	**(30,043)**	(9,189)
		2,241	(11,205)	**145,733**	(38,581)
Other comprehensive income/(loss) for the year		**170,241**	(125,239)	**313,733**	(152,615)
Total comprehensive income for the year		**3,625,435**	1,732,066	**2,913,778**	2,038,813
Basic earnings per share in dollars	9	**4.49**	2.41	**3.38**	2.85

"The accompanying notes form an integral part of these financial statements"

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

		COMPANY				
	Notes	Share capital	Capital reserves	Other reserve	Retained earnings	Total
		G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Balance at January 01, 2016		770,000	489,565	784,790	11,378,812	13,423,167
Changes in equity 2016						
Total comprehensive income for the year		-	-	(11,205)	1,743,271	1,732,066
Dividends	8	-	-	-	(477,400)	(477,400)
Balance at December 31, 2016		770,000	489,565	773,585	12,644,683	14,677,833
Changes in equity 2017						
Total comprehensive income for the year		-	-	2,241	3,623,194	3,625,435
Dividends	8	-	-	-	(515,900)	(515,900)
Balance at December 31, 2017		770,000	489,565	775,826	15,751,977	17,787,368

"The accompanying notes form an integral part of these financial statements"

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

		GROUP					
	Notes	**Share capital**	**Capital reserves**	**Other reserve**	**Exchange difference reserve**	**Retained earnings**	**Total**
		G$ 000	**G$ 000**	**G$ 000**	**G$ 000**	**G$ 000**	**G$ 000**
Balance at January 01, 2016		770,000	450,854	837,571	(196,289)	15,092,062	16,954,198
Changes in equity 2016							
Total comprehensive income/ (loss) for the year		-	-	(9,189)	(29,392)	2,077,394	2,038,813
Dividends	8	-	-	-	-	(477,400)	(477,400)
Balance at December 31, 2016		770,000	450,854	828,382	(225,681)	16,692,056	18,515,611
Changes in equity 2017							
Total comprehensive income/ (loss) for the year		-	-	(30,043)	175,776	2,768,045	2,913,778
Dividends	8	-	-	-	-	(515,900)	(515,900)
Balance at December 31, 2017		770,000	450,854	798,339	(49,905)	18,944,201	20,913,489

"The accompanying notes form an integral part of these financial statements"

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

AS AT DECEMBER 31, 2017

	NOTES	COMPANY		GROUP	
		2017 **G$ 000**	2016 G$ 000	**2017** **G$ 000**	2016 G$ 000
ASSETS					
Non current assets					
Property, plant and equipment	10	**6,995,835**	6,937,677	**9,826,372**	9,688,250
Investment properties	11	**2,144,987**	2,189,059	**195,725**	206,600
Investments	12	**1,438,448**	1,436,207	**1,556,501**	1,540,207
Retirement benefit asset	13	**1,353,844**	1,111,303	**1,353,844**	1,111,303
Total non-current assets		**11,933,114**	11,674,246	**12,932,442**	12,546,360
Current assets					
Inventories	14	**10,151,292**	10,960,030	**11,428,684**	12,275,914
Trade and other receivables	15	**1,990,754**	908,969	**2,748,875**	1,599,713
Prepayments		**75,002**	85,879	**113,922**	105,314
Taxes recoverable		**48,850**	48,850	**156,910**	359,942
Cash in hand and at bank		**79,776**	449,560	**1,115,041**	1,049,503
Total current assets		**12,345,674**	12,453,288	**15,563,432**	15,390,386
TOTAL ASSETS		**24,278,788**	24,127,534	**28,495,874**	27,936,746
EQUITY AND LIABILITIES					
Equity					
Issued capital	17	**770,000**	770,000	**770,000**	770,000
Capital reserves	18 (a)	**489,565**	489,565	**450,854**	450,854
Other reserve	18 (b)	**775,826**	773,585	**798,339**	828,382
Exchange difference reserve	18 (c)	-	-	**(49,905)**	(225,681)
Retained Earnings		**15,751,977**	12,644,683	**18,944,201**	16,692,056
TOTAL EQUITY		**17,787,368**	14,677,833	**20,913,489**	18,515,611

"The accompanying notes form an integral part of these financial statements"

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION - CONT'D

AS AT DECEMBER 31, 2017

	NOTES	COMPANY		GROUP	
		2017	2016	**2017**	2016
		G$ 000	G$ 000	**G$ 000**	G$ 000
Non-current liabilities					
Loans due after one year	19	**1,222,654**	1,904,968	**1,463,449**	2,299,706
Deferred tax	7	**1,203,774**	1,086,389	**1,162,453**	1,045,027
Retirement benefit obligation	13	**8,777**	9,400	**8,777**	9,400
Total non-current liabilities		**2,435,205**	3,000,757	**2,634,679**	3,354,133
Current liabilities					
Trade and other payables	16	**2,200,380**	4,064,181	**2,421,119**	2,892,602
Taxes payable		**103,080**	240,973	**228,329**	330,793
Current portion of Interest bearing borrowings	19	**682,313**	909,455	**777,243**	1,014,189
Bank overdraft (secured)	19	**1,070,442**	1,234,335	**1,521,015**	1,829,418
Total current liabilities		**4,056,215**	6,448,944	**4,947,706**	6,067,002
TOTAL LIABILITIES		**6,491,420**	9,449,701	**7,582,385**	9,421,135
TOTAL EQUITY AND LIABILITIES		**24,278,788**	24,127,534	**28,495,874**	27,936,746

The Board of Directors approved these financial statements for issue on February 12, 2018.

.... Chairman

Hargram Parmesar .... Director

"The accompanying notes form an integral part of these financial statements"

OUR HISTORY IS OUR FUTURE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Operating activities				
Profit before taxation	**4,095,560**	2,288,985	**3,551,314**	2,920,111
Adjustments for:				
Depreciation on property, plant and equipment	**579,894**	508,106	**716,512**	640,790
Depreciation on investment properties	**68,495**	66,858	**10,875**	9,573
Increase in defined benefit asset	**(64,117)**	(68,564)	**(64,117)**	(68,564)
Decrease in defined benefit liability	**(811)**	(765)	**(811)**	(765)
Gain on disposal of investment	**-**	-	**(66,457)**	(2,000)
Increase in investment in associate companies	**-**	-	**(63,005)**	(67,392)
DD India write off	**-**	-	**-**	111,731
Exchange difference on consolidation	**-**	-	**175,776**	(29,392)
Interest received	**(941)**	(612)	**(941)**	(612)
Interest paid	**320,117**	419,648	**363,489**	472,583
Operating profit before working capital changes	**4,998,197**	3,213,656	**4,622,635**	3,986,063
Decrease in inventories	**808,738**	751,343	**847,230**	1,216,304
(Increase) / decrease in receivables and prepayments	**(1,070,908)**	43,615	**(1,157,770)**	423,779
Decrease in payables and accruals	**(565,310)**	(1,197,483)	**(471,483)**	(1,255,053)
Increase / (decrease) in due from subsidiaries	**(1,298,491)**	478,029	**-**	-
Cash generated from operations	**2,872,226**	3,289,160	**3,840,612**	4,371,093
Taxes paid/adjusted	**(671,110)**	(363,168)	**(743,511)**	(579,613)
Net cash provided by operating activities	**2,201,116**	2,925,992	**3,097,101**	3,791,480
Investing activities				
Interest received	**941**	612	**941**	612
Purchase/transfer of property, plant and equipment	**(638,052)**	(474,836)	**(854,634)**	(930,508)
Purchase/transfer of investment properties	**(24,423)**	(406,461)	**-**	-
Sale of investment	**-**	-	**83,125**	42,000
Net cash used in investing activities	**(661,534)**	(880,685)	(770,568)	(887,896)

"The accompanying notes form an integral part of these financial statements"

CONSOLIDATED STATEMENT OF CASH FLOWS - CONT'D

FOR THE YEAR ENDED DECEMBER 31, 2017

	COMPANY		GROUP	
	2017	2016	**2017**	2016
	G$ 000	G$ 000	**G$ 000**	G$ 000
Financing activities				
Loan repayments and transfers	**(909,456)**	(903,898)	**(1,073,203)**	(1,048,905)
Interest paid	**(320,117)**	(419,648)	**(363,489)**	(472,583)
Dividends paid	**(515,900)**	(477,400)	**(515,900)**	(477,400)
Net cash used in financing activities	**(1,745,473)**	(1,800,946)	**(1,952,592)**	(1,998,888)
Net increase/(decrease) in cash and cash equivalents	**(205,891)**	244,361	**373,941**	904,696
Cash and cash equivalents at beginning of period	**(784,775)**	(1,029,136)	**(779,915)**	(1,684,611)
Cash and cash equivalents at end of period	**(990,666)**	(784,775)	**(405,974)**	(779,915)
Comprising:				
Cash in hand and at bank	**79,776**	449,560	**1,115,041**	1,049,503
Bank overdraft (secured)	**(1,070,442)**	(1,234,335)	**(1,521,015)**	(1,829,418)
Cash and cash equivalents at end of period	**(990,666)**	(784,775)	**(405,974)**	(779,915)

"The accompanying notes form an integral part of these financial statements"

1 Incorporation and activities

Incorporation

The Company was incorporated on November 17, 1952 under the name Guyana Distilleries Limited. In 1983, the Company's name was changed to Demerara Distillers Limited.

Activities

The principal activities of the company, its subsidiaries and associate companies are as follows:

(a) Manufacturing

The distilling, blending and sale of bulk spirits and alcoholic products, manufacturing and sale of non-alcoholic beverages, Co2 gas and fruit juices.

(b) Trading

Distributors of branded products.

(c) Services

Shipping, contracting services, insurance, sales and logistics.

2 New and amended standards and interpretations

Amendments effective for the current year end

New and Amended Standards	Effective for annual periods beginning on or after
IAS 12 Income taxes	1 January 2017
IAS 7 Disclosure initiative	1 January 2017

IAS 12: Income Taxes
The amendments to IAS 12: Income Taxes are to be applied retrospectively and are effective from 1 January 2017 with earlier application permitted. The amendments were issued to clarify recognition of deferred tax assets for unrealized losses related to debt instruments measured at fair value in the financial statements but at cost for tax purposes which can give rise to deductible temporary differences.

The amendments also clarify that:
- The carrying amount of an asset does not limit the estimation of probable future profits; and that;
- when comparing deductible temporary differences with future taxable profits, the future taxable profits exclude tax deductions resulting from the reversal of those deductible temporary differences;

IAS 7 Disclosure initiative
The amendments to IAS 7 Statement of Cash Flows respond to investors' requests for improved disclosures about changes in an entity's liabilities arising from financing activities. The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cashflows and non-cashflows.

2 New and amended standards and interpretations - cont'd

Pronouncements effective in future period for early adoption

New and Amended Standards

IAS 40 Transfers of investment property	1 January 2018
IFRS 2 Share based Payment: Classification and measurement of share based transactions	1 January 2018
IFRS 4 Insurance contracts: Applying IFRS 9 ''Financial Instrument'' with ''IFRS 4 ''Insurance Contracts''	1 January 2018
IFRS 9 Financial Instruments: Classification andMeasurement	1 January 2018
IFRS 9 Additions for Financial Liability Accounting	1 January 2018
IFRS 15 Revenue from Contracts With Customers	1 January 2018
Annual improvements to IFRS 2014-2016	1 January 2018
IFRS 16 Leases	1 January 2019
IFRS 17 Insurance contracts	1 January 2021

The Company has not opted for early adoption.

The standards and amendments that are expected to have a material impact on the Company's accounting policies when adopted are explained below.

IAS 40 Transfers of investment property

The amendments to IAS 40 Investment property amend the state that an entity shall transfer a property to or from investment property when and only when there is evidence of a change in use. A change in use occurs if property meets or ceases to meet the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.

IFRS 2 - Share based payment

The amendment to IFRS 2-Share Based Payment clarifies the classification and measurement of share-based payment transactions. The amendments are as follows:-

(a) Accounting for cash-settled share-based payment transactions that include a performance condition;
(b) Classification of share-based payment transactions with net settlement features;
(c) Accounting for modifications of share-based payment transactions from cash-settled to equity-settled;

IFRS 4 - Insurance contracts

The amendment to IFRS 4 provides two options for entities that issue insurance contracts within the scope of IFRS 4:

(a) an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets;
(b) an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4;

2 New and amended standards and interpretations - cont'd

IFRS 9-Financial instruments
IFRS 9 is effective for annual periods beginning on or after1 January 2018 with earlier application permitted. Early adoption must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

1. the presentation of fair value gains and losses attributable to changes in the credit risk of financial liabilities designated as at FVTPL, the requirements for which an entity may early apply without applying the other requirements in IFRS 9; and
2. hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

The standard contains specific transitional provisions for:
(i) classification and measurement of financial assets;
(ii) impairment of financial assets; and
(iii) hedge accounting.

IFRS 15: Revenue From Contracts With Customers
This standard provides amendment to clarify how to:
- Identify the contract with the customer
- Determine whether an entity is a principal or an agent
- Determine whether the revenue from granting a licence to an entity's intellectual property should be recognised at a point in time or over time.

In addition to clarifications, the amendments include two additional reliefs to reduce cost and complexity for an entity when it first applies IFRS 15

IFRS 16: Leases
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRS 17 Insurance liabilities
IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.

Annual improvements 2014-2016
The annual improvements to IFRS Standards 2014-2016 cycle contains three amendments related to three standards. The following shows the topics addressed by these amendments:

Standard	**Subject of amendment**
IFRS1- First time adoption to IFRS	Deletion of short-term exemptions for first time adopters
IFRS 12- Disclosure of interest in other entities	Clarification of the scope of the Standard
IAS 28-Investments in Associates and Joint Ventures	Measuring an associate or Joint Venture at fair value

2 New and amended standards and interpretations - cont'd

New and revised interpretations

Available for early adoption

	Effective for annual periods beginning on or after
IFRIC 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23 Uncertainty over Income Tax treatments	1 January 2019

IFRIC 22 Foreign Currency Transactions and Advance Consideration

- There is consideration that is denominated or priced in a foreign currency;
- The entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- The prepayment asset or deferred income liability is non-monetary

The interpretation committee came to the following conclusion:

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

IFRIC 23 Uncertainty over Income Tax Treatment

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatment should be considered collectively;
- Assumptions for taxation authorities' examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- The effect of changes in facts and circumstances.

3 Summary of significant accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments, property and equipment and conform with International Financial Reporting Standards.

(b) Property, plant and equipment and depreciation

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the statement of financial position at cost or revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation determined from market-based evidence by appraisal undertaken by professional valuers.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the revaluation reserve. Depreciation on revalued assets is charged to the statement of profit or loss and other comprehensive income.

Equipment, fixtures and vehicles are stated at cost less accumulated depreciation and any recognised impairment loss.

3 Summary of significant accounting policies – cont'd

Depreciation is charged so as to write off the cost or valuation of assets, other than land and construction work in progress, over their estimated useful lives using the straight line method as follows:

		2017/2016
Buildings	-	2.00%
Plant and Machinery-Distillery	-	6.25%
Plant and Machinery-Others	-	7.25%
Office Equipment	-	12.50%
Furniture, Fixtures & Fittings	-	10.00%
Sundry equipment	-	20.00%
Computer equipment	-	20.00%
Vehicles	-	25.00%

(c) Inventories

Stocks are valued at the lower of cost and net realisable value using the weighted average cost method. Work-in-progress and finished goods cost comprise cost of production and attributable overheads appropriate to the location and condition. Net realisable value is the selling price in the normal course of business less costs of completion and selling expenses.

Bottles/Crates in circulation

These represent returnable bottles and crates amortised over a period of three years.

(d) Foreign Currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the date of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Non monetary assets and liabilities carried at fair value that are denominated in foreign currency are translated at the rates prevailing when the fair value was determined. Gains and losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period, except for exchange differences arising on non monetary assets and liabilities where the changes in fair value are recognised in the statement of changes in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are expressed in Guyana dollars using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the group's exchange difference reserve. Such exchange differences are recognised in the profit or loss in the period in which the foreign operation is disposed of.

(e) Pension Funding

The group participates in two defined benefit pension plans for its employees. The contributions are held in trustee administered funds, which are separate from the company's resources. The plans cover all permanent employees.

The last actuarial valuation was done as at 31 December 2014 and was used as the basis for information presented in Note 13 in accordance with International Accounting Standards No. 19 – Employee Benefits (Revised).

The valuation was done using the Projected Unit Credit Method, as required by IAS 19 – Employee Benefits (Revised).

3. Summary of significant accounting policies – cont'd

(f) Consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries). Control is achieved through share ownership. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the group.

All intra-group transactions, income and expenses are eliminated in full on consolidation.

Non controlling interest in the net assets (excluding goodwill) of consolidated subsidiaries is identified separately from the group's equity therein. Non controlling interest consists of the amount of those interests at the date of the original business combination and non controlling interest's share of changes in equity since the date of the combination.

Losses applicable to the non controlling interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the non controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

The consolidated accounts incorporate the accounts as at December 31, 2017 of the following:

Name of Company	Country of Registration	% Shareholding	Main Business
Tropical Orchard Products Company Limited	Guyana	100.00	Manufacturing
Distillers Gas Company	Guyana	100.00	Dormant
Distribution Services Limited	Guyana	100.00	Distribution
Demerara Distillers (TT) Limited	Trinidad	100.00	Dormant
Demerara Distillers (US) Inc.	USA	100.00	Distribution
Demerara Distillers (St. Kitts-Nevis) Limited	St. Kitts	100.00	Manufacturing & Distribution
Demerara Contractors and Engineers Limited	Guyana	100.00	Contracting Services
Demerara Shipping Company Limited	Guyana	100.00	Shipping
Breitenstein Holdings BV. (i)	Netherlands	100.00	Distribution
Demerara Rum Company Inc.	Canada	100.00	Sales & Logistics

(i) Breitenstein Holdings BV includes the accounts of:

Name of Company	Country of Registration	% Shareholding	Main Business
Demerara Distillers (Europe) BV	Netherlands	100	Distribution
Breitenstein Trading BV	Netherlands	100	Distribution

3 Summary of significant accounting policies – cont'd

(f) Consolidation – cont'd

Associate Companies

The company's associate companies are National Rums of Jamaica Limited and Diamond Fire and General Insurance Inc. The company owns 33.33% of the share capital of National Rums of Jamaica Limited and 19.5% of the shares of Diamond Fire and General Insurance Inc. Although the group owns 19.5% of the equity shares of Diamond Fire and General Insurance Inc. and it has less than 20% of the voting power in shareholder meetings the group exercises significant influence by virtue of its directorship.

(g) Taxation

Income tax expense represents the sum of the tax currently payable and the deferred tax.

Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The group's liability for current tax is calculated using tax rates that have been enacted in Guyana or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

The carrying amount of the deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to the statement of profit or loss and other comprehensive income except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

3 Summary of significant accounting policies – cont'd

(h) Revenue and expense recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business to third parties, net of discounts, and sales related taxes. Sales of goods are recognised when goods are delivered and title has passed. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Expenses are recognized on an accrual basis.

(i) Investments properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured at cost less accumulated depreciation and any recognised impairment loss.

All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the cost value model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives using the straight line method as follows:

		2017/2016
Buildings	-	2.00%
Plant and Machinery	-	7.25%

(j) Financial instruments

Financial assets and liabilities are recognized on the group's statement of financial position when the group becomes a party to the contractual provisions of the instruments.

Trade and other receivables
Trade and other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in the statement of profit or loss and other comprehensive income when there is objective evidence that the asset is impaired. The allowance recognized is based on management's evaluation of the collectability of the receivables.

Trade and other payables
Trade and other payables are measured at amortised cost.

Deposit on empties represents advances from customers for the usage of returnable bottles and crates.

Financial assets and liabilities are recognized on the group's statement of financial position when the group becomes a party to the contractual provisions of the instruments.

Investments
The group's investments have been classified as follows:

"Available for sale" investments are initially recognized at cost and adjusted to fair value at subsequent periods.

3 Summary of significant accounting policies – cont'd

(j) Financial instruments - cont'd

Gains or losses on "available for sale financial assets" are recognized through the statement of profit or loss and other comprehensive income until the asset is sold or otherwise disposed, at which time previously recognized gains or losses are transferred to the statement of profit or loss and other comprehensive income for that period.

"Investments held to maturity" are carried at amortised cost. Any gain or loss on these investments is recognized in the statement of profit or loss and other comprehensive income when the asset is de-recognized or impaired.

Investments in subsidiaries and associate companies are carried at cost in the company's financial statements.

Investment in associate companies in the group is stated using the equity method.

Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

These are readily convertible to a known amount of cash, with maturity dates of three (3) months or less.

(k) Capital reserves

This comprises the share premium account and revaluation surplus which arose from the revaluation of land and buildings. These reserves are not distributable.

(l) Other reserve

Fair value adjustments of available-for-sale investments are credited to this account. This reserve is not distributable.

(m) Impairment of tangible assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(n) Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the company and group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

De-recognition of Provisions

Provisions are de-recognized when it is no longer probable that an outflow of economic resources will be required to settle the obligation.

3 Summary of significant accounting policies – cont'd

(o) Dividends

Dividends that are proposed and declared are recorded as an appropriation of retained earnings in the statement of changes in equity in the period in which they have been approved. Dividends that are proposed and declared after the reporting date are disclosed as a note to the financial statements.

(p) Segment reporting

A business segment is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is a group of assets and operations engaged in providing similar products and service that are subject to risks and returns that are different from those of other business segments.

The company analyses its operations by both business and geographic segments. The primary format is business reflecting manufacturing, trading and services, its secondary format is that of geographic segments reflecting the primary economic environment in which the company has exposure.

(q) Borrowing Costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds – IAS 23 – Borrowing Costs. Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalized during the period. The amounts capitalized during the year was nil (2016: $1,670,923) for interest charges. Borrowing costs were computed using the effective interest method in accordance with IAS 39 – Financial Instruments: Recognition and measurement.

4 Critical accounting judgments and key sources of estimation uncertainty

In the application of the company's and group's accounting policies, which are described in note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

(i) Other financial assets
In determining the fair value of investments and other financial assets in the absence of a market, the directors estimate the likelihood of impairment by using discounted cash flows.

(ii) Property, plant and equipment and investment properties
Management reviews the estimated useful lives of property, plant and equipment and investment properties at the end of each year to determine whether their useful lives should remain the same and the assets not impaired.

(iii) Impairment of financial assets
Management makes judgment at each reporting date to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

4 Critical accounting judgments and key sources of estimation uncertainty - cont'd

(iv) Retirement benefit asset/obligation

The provisions for defined benefit asset/obligation are determined by the actuary based on data provided by management. The computation of the provisions by the actuary assumes that the data provided is not materially misstated.

5 Other income

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Investment income (a)	**1,440,507**	176,798	**40,507**	26,798
Rent and Miscellaneous income	**275,338**	293,744	**394,164**	376,455
Sale of asset	**3,169**	-	**3,169**	-
	1,719,014	470,542	**437,840**	403,253

(a) This represents dividends received from available for sale investments of G$22.410M (2016 - G$22.410M) and G$1.418B (2016 - G$164.388M) from subsidiaries and associate companies.

Investment income consists of G$22.410M (2016 - G$22.410M) from quoted investments and G$1.418B (2016 - G$154.388M) from unquoted investments.

6 Profit before taxation

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Profit before taxation	**4,095,560**	2,288,985	**3,551,314**	2,920,111
After charging:				
Property Tax	**185,018**	169,860	**193,958**	169,860
Interest and other finance charges	**320,117**	419,648	**363,489**	472,583
Depreciation on property, plant and equipment	**579,894**	508,106	**716,512**	640,790
Investment properties expense	**68,495**	66,858	10,875	9,573
Exchange difference	**(17,777)**	128,154	**(31,345)**	112,370
Directors' emoluments (a)	**11,680**	10,800	**11,680**	10,800
Staff costs:				
Salaries and wages	**1,686,430**	1,495,510	**2,098,008**	1,977,298
Other staff costs	**448,367**	379,483	**588,269**	540,169
Pension	**115,668**	72,924	**147,945**	120,035
Auditors' remuneration	**8,907**	8,800	**26,615**	29,884
Inventory provision	**69,918**	68,112	**87,670**	69,473
Provision for bad debts	**12,779**	619	**11,538**	(6,092)
And after crediting				
Dividends from Subsidiaries and associate companies	**1,418,097**	154,388	**18,097**	4,388
Interest	**941**	612	**941**	612

(a) At the end of the period there were six (2016 - six) non-executive Directors who received equal emoluments.

7 Taxation

Reconciliation of tax expense and accounting profit	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Accounting profit	**4,095,560**	2,288,985	**3,551,314**	2,920,111
Corporation tax at 27.5% / 40% (30% / 40% 2016)	**1,126,279**	686,696	**1,431,644**	1,022,039
Add:				
Tax effect of expenses not deductible in determining taxable profits:				
Depreciation for accounting purposes	**178,307**	172,489	**200,031**	168,010
Property tax	**50,880**	50,958	**56,377**	64,447
Adjustment for tax rate change	**6,747**	-	**6,747**	-
Others	**224**	53,801	**224**	53,801
	1,362,437	963,944	**1,695,023**	1,308,297
Deduct:				
Tax effect of depreciation, dividends and other allowances for tax purposes	**561,865**	298,871	**583,589**	335,378
Export allowance	**267,355**	158,183	**267,355**	158,183
Corporation tax charge	**533,217**	506,890	**844,079**	814,736
Deferred tax	**107,149**	(75,210)	**107,190**	(86,053)
	640,366	431,680	**951,269**	728,683
Taxation - current	**533,217**	506,890	**815,318**	761,230
associate companies	**-**	-	**28,761**	53,506
	533,217	506,890	**844,079**	814,736
deferred	**107,149**	(75,210)	**107,190**	(86,053)
	640,366	431,680	**951,269**	728,683

7 Taxation - cont'd

Components of deferred tax

	Notes	COMPANY		GROUP	
		2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Deferred tax liability		**1,203,774**	1,086,389	**1,162,453**	1,045,027
Fixed Assets		**833,881**	756,318	**792,560**	714,956
Defined benefit asset		**372,307**	333,391	**372,307**	333,391
Defined benefit liability		**(2,414)**	(3,320)	**(2,414)**	(3,320)
		1,203,774	1,086,389	**1,162,453**	1,045,027

Movement in temporary differences

	COMPANY			
	Fixed Assets	**Defined Benefit Asset**	**Defined Benefit Liability**	**Total**
	G$ 000	G$ 000	**G$ 000**	G$ 000
At January 01, 2016	**852,327**	362,083	**(3,939)**	1,210,471
Movement during the year:				
Statement of P&L	**(96,009)**	20,569	**230**	(75,210)
Statement of OCI	**-**	(49,261)	**389**	(48,872)
At December 31, 2016	**756,318**	333,391	**(3,320)**	1,086,389
Movement during the year				
Statement of P&L	**77,563**	28,628	**958**	107,149
Statement of OCI	**-**	10,288	**(52)**	10,236
At December 31, 2017	**833,881**	372,307	**(2,414)**	1,203,774

7 Taxation - cont'd

	GROUP			
	Fixed Assets	Defined Benefit Asset	Defined Benefit Liability	Total
	G$ 000	G$ 000	G$ 000	G$ 000
At January 01, 2016	821,808	362,083	(3,939)	1,179,952
Movement during the year				
Statement of P&L	(106,852)	20,569	230	(86,053)
Statement of OCI	-	(49,261)	389	(48,872)
At December 31, 2016	714,956	333,391	(3,320)	1,045,027
Movement during the year				
Statement of P&L	77,604	28,628	958	107,190
Statement of OCI	-	10,288	(52)	10,236
At December 31, 2017	792,560	372,307	(2,414)	1,162,453

7 Taxation - cont'd

Tax effect of IAS 19 actuarial valuation:

COMPANY

	2017			2016		
	Before tax amount	**Tax benefit**	**Net of tax amount**	Before tax amount	Tax (expense)	Net of tax amount
	G$000	**G$000**	**G$000**	G$000	G$000	G$000
Remeasurement of defined benefit pension plan	**178,236**	**(10,236)**	**168,000**	(162,906)	48,872	(114,034)
Gain/(Loss) arising on revaluation of available for sale financial assets	**2,241**	**-**	**2,241**	(11,205)	-	(11,205)
	180,477	**(10,236)**	**170,241**	(174,111)	48,872	(125,239)

GROUP

	2017			2016		
	Before tax amount	**Tax benefit**	**Net of tax amount**	Before tax amount	Tax (expense)	Net of tax amount
	G$000	**G$000**	**G$000**	G$000	G$000	G$000
Remeasurement of defined benefit pension plan	**178,236**	**(10,236)**	**168,000**	(162,906)	48,872	(114,034)
Exchange differences on translating foreign operations	**175,776**	**-**	**175,776**	(29,392)	-	(29,392)
Loss arising on revaluation of available for sale financial assets	**(30,043)**	**-**	**(30,043)**	(9,189)	-	(9,189)
	323,969	**(10,236)**	**313,733**	(201,487)	48,872	(152,615)

8 Dividends

	COMPANY AND GROUP	
	2017 G$ 000	2016 G$ 000
Amount recognised as distributions to equity holders in the period:		
Interim dividend for the year ended December 31, 2017 G$0.20 (G$0.16 2016)	**154,000**	123,200
Final dividend for the year ended December 31, 2016 G$0.47 (G$0.46 2015)	**361,900**	354,200
	515,900	477,400

The Directors recommended a final dividend of G$0.60 per share (2016 - G$0.47).

9 Basic earnings per share

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Calculated as follows:-				
Profit for the year	**3,455,194**	1,857,305	**2,600,045**	2,191,428
Ordinary shares issued and fully paid	**770,000,000**	770,000,000	**770,000,000**	770,000,000
Basic earnings per share in dollars	**4.49**	2.41	**3.38**	2.85

10 Property, plant and equipment

COMPANY

	Land and buildings	Equipment	Construction work-in - progress	2017 Total	2016 Total
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Cost/valuation					
At January 01	2,963,306	10,162,084	413,968	**13,539,358**	13,114,637
Additions	25,350	218,364	406,074	**649,788**	424,721
Disposals	(4,463)	-	-	**(4,463)**	-
Intergroup transfers	-	(7,273)	-	**(7,273)**	-
Transfers		475,635	(475,635)	**-**	-
At December 31	2,984,193	10,848,810	344,407	**14,177,410**	13,539,358
Comprising:					
Valuation	6,662	68	-	6,730	6,730
Cost	2,977,531	10,848,742	344,407	**14,170,680**	13,532,628
	2,984,193	10,848,810	344,407	**14,177,410**	13,539,358
Accumulated depreciation					
At January 01	698,644	5,903,037	-	**6,601,681**	6,093,842
Charge for the year	52,463	527,431	-	**579,894**	507,839
At December 31	751,107	6,430,468	-	**7,181,575**	6,601,681
Net book values:					
At December 31, 2017	2,233,086	4,418,342	344,407	**6,995,835**	
At December 31, 2016	2,264,662	4,259,047	413,968	-	6,937,677

10 **Property, plant and equipment cont'd**

GROUP

	Land and buildings	Equipment	Construction work-in - progress	2017 Total	2016 Total
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Cost/valuation					
At January 01	5,786,025	11,920,911	413,968	**18,120,904**	17,190,396
Additions	49,773	403,250	406,074	**859,097**	931,181
Disposals	(4,463)	-	-	**(4,463)**	(673)
Transfers	-	475,635	(475,635)	**-**	-
At December 31	5,831,335	12,799,796	344,407	**18,975,538**	18,120,904
Comprising:					
Valuation	6,662	68	-	**6,730**	6,730
Cost	5,824,673	12,799,728	344,407	**18,968,808**	18,114,174
	5,831,335	12,799,796	344,407	**18,975,538**	18,120,904
Accumulated depreciation					
At January 01	1,277,775	7,154,879	-	**8,432,654**	7,791,864
Charge for the year	91,547	624,965	-	**716,512**	640,790
At December 31	1,369,322	7,779,844	-	**9,149,166**	8,432,654
Net book values:					
At December 31, 2017	4,462,013	5,019,952	344,407	**9,826,372**	
At December 31, 2016	4,508,250	4,766,032	413,968	**-**	9,688,250

Certain freehold land and buildings were revalued on December 09, 1974 while others were revalued at December 31, 1977 based on professional advice. The surplus arising from the revaluations was credited to capital reserves.

Because of the number of years since the revaluation was done and the small revaluation surplus, the net book value of the land and buildings if no revaluation was done, approximated to the values stated in the Financial Statements.

Some of these assets are held as securities for loans drawndown and overdraft. Refer to note 19.

11 Investment properties

	COMPANY			
	Land and buildings	**Equipment**	**2017 Total**	2016 Total
	G$ 000	**G$ 000**	**G$ 000**	G$ 000
Cost/valuation				
At January 01	2,305,103	575,090	**2,880,193**	2,423,617
Additions	24,423	-	**24,423**	456,576
At December 31	2,329,526	575,090	**2,904,616**	2,880,193
Comprising:				
Cost	2,329,526	575,090	**2,904,616**	2,880,193
	2,329,526	575,090	**2,904,616**	2,880,193
Accumulated depreciation				
At January 01	314,965	376,169	**691,134**	624,009
Charge for the year	32,552	35,943	**68,495**	67,125
At December 31	347,517	412,112	**759,629**	691,134
Net book values:				
At December 31, 2017	1,982,009	162,978	**2,144,987**	-
At December 31, 2016	1,990,138	198,921	**-**	2,189,059

The investment properties are rented to subsidiary companies.

	GROUP		
	Land and buildings	**2017 Total**	2016 Total
	G$ 000	**G$ 000**	G$ 000
Cost			
At January 01 and December 31	357,844	**357,844**	357,844
Accumulated depreciation			
At January 01	151,244	**151,244**	141,671
Charge for the year	10,875	**10,875**	9,573
At December 31	162,119	**162,119**	151,244
Net book values:			
At December 31, 2017	195,725	**195,725**	-
At December 31, 2016	206,600	**-**	206,600

The investment properties are rented to third parties. Demerara Distillers Limited has granted a guarantee to Breitenstein Trading BV for the investment properties amounting to G$169M (2016 G$169M)

12 Investments

	COMPANY		GROUP	
	Fair Value		Fair Value	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Available for Sale	**855,546**	853,305	**850,546**	897,257
Provision for Impairment	**(57,750)**	(57,750)	**(57,750)**	(57,750)
	797,796	795,555	**792,796**	839,507
Others:				
Subsidiary companies (a)	**181,453**	181,453	**-**	-
Associate companies (b)	**459,199**	459,199	**763,705**	700,700
	640,652	640,652	**763,705**	700,700
	1,438,448	1,436,207	**1,556,501**	1,540,207

	COMPANY	
	2017 G$ 000	2016 G$ 000
(a) Subsidiary companies at cost		
At January 01 and December 31	**181,453**	181,453
At December 31	**181,453**	181,453

12 Investments - cont'd

	COMPANY		GROUP	
(b) Associate companies	**2017 G$ 000**	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
At January 01	**459,199**	459,199	**700,700**	633,308
Share of reserves of associate companies (i)	**-**	-	**63,005**	67,392
At December 31	**459,199**	459,199	**763,705**	700,700

	GROUP	
(i) Share of reserves of associate companies	**2017 G$ 000**	2016 G$ 000
At January 01	**700,700**	633,308
Group's share of associate companies profits/reserves	**91,766**	120,898
Group's share of associate companies taxes	**(28,761)**	(53,506)
At December 31	**763,705**	700,700

The financial statement of Diamond Fire and General Insurance Inc. in summary form at December 31 (the financial reporting date) and National Rums of Jamaica Limited in summary form at September 30 (the financial reporting date) are presented below:

	Diamond Fire & General Insurance Inc.		National Rums of Jamaica Ltd.	
Income statement	**2017 G$ 000**	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Revenue	**380,009**	373,224	**2,721,804**	3,416,365
Profit after taxation	**86,649**	72,453	**176,407**	198,534
Statement of Financial Position				
Total assets	**1,382,867**	1,772,340	**3,130,847**	3,116,175
Shareholders funds	**1,221,367**	1,047,681	**2,319,366**	2,031,211
Long term liabilities	**14,352**	14,352	**291,806**	373,921
Current liabilities	**147,148**	710,307	**519,675**	711,043
Total equity and liabilities	**1,382,867**	1,772,340	**3,130,847**	3,116,175

13 Defined benefit (asset)/liability - company and group

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at December 31, 2014 by Bacon Woodrow & De Souza. The present value of the defined benefit obligation and the related current service cost to comply with IAS 19 were measured by the actuaries as at December 31, 2017 using the Projected Unit Credit Method.

	PENSION PLAN 1	
	2017 **G$ 000**	2016 G$ 000
Amounts recognised in the statement of financial position		
Present value of obligations	**3,899,624**	3,330,466
Fair value of plan assets	**(5,253,468)**	(4,441,769)
	(1,353,844)	(1,111,303)
Net defined benefit asset	**(1,353,844)**	(1,111,303)
Reconciliation of amounts recognised In the balance sheet		
Opening defined benefit asset	**(1,111,303)**	(1,206,942)
Net pension cost	**102,991**	92,369
Re-measurements recognised in Other Comprehensive Income	**(178,424)**	164,203
Contributions paid	**(167,108)**	(160,933)
Closing defined benefit asset	**(1,353,844)**	(1,111,303)

13 Defined benefit (asset)/liability - company and group - cont'd

	PENSION PLAN 1	
Amounts recognised in the statement of profit or loss and other comprehensive income	**2017 G$ 000**	2016 G$ 000
Current service cost	**164,200**	158,152
Net interest on defined benefit (asset)/obligation	**(61,209)**	(65,783)
Net pension cost included in administrative expenses	**102,991**	92,369
Actual return on plan (assets)/liability	**748,563**	151,275
Unfunded ex-gratia arrangement		
Defined benefit obligation	**8,777**	9,400
	8,777	9,400
Reconciliation of opening and closing retirement benefit obligation in the statement of financial position		
Opening defined benefit liability	**9,400**	11,462
Plus net pension cost	**439**	541
Less: company contributions paid	**(1,250)**	(1,306)
Re-measurements recognised in Other Comprehensive Income	**188**	(1,297)
Closing defined benefit liability	**8,777**	9,400
Interest on defined benefit obligation	**439**	541

13 Defined benefit (asset)/liability - company and group - cont'd

PENSION PLAN 1

	2017	2016	2015	2014 Restated	2013
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Experience history					
Defined benefit obligation	**3,899,624**	3,330,466	2,989,140	2,708,541	2,105,684
Fair value of plan assets	**(5,253,468)**	(4,441,769)	(4,196,082)	(3,993,426)	(3,488,866)
Surplus	**(1,353,844)**	(1,111,303)	(1,206,942)	(1,284,885)	(1,383,182)

PENSION PLAN 2

	2017	2016	2015	2014	2013
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Experience history					
Defined benefit obligation	**-**	-	-	-	382,001
Fair value of plan assets	**-**	-	-	-	(332,458)
Deficit	**-**	-	-	-	49,543

Unfunded Ex Gratia

	2017	2016	2015
	G$ 000	G$ 000	G$ 000
Experience History			
Defined benefit obligation	**8,777**	9,400	11,462
Deficit	**8,777**	9,400	11,462
Experience adjustment on plan liabilities	**188**	(1,297)	(698)

13 Defined benefit (asset)/liability - company and group (cont'd)

	Pension Plan 1		Pension Plan 2		Unfunded Ex Gratia	
	2017 G$000	2016 G$000	**2017 G$000**	2016 G$000	**2017 G$000**	2016 G$000
Summary of main assumptions	**%**	%	**%**	%	**%**	%
Discount rate	**5.0**	5.0	**-**	-	**-**	5.0
Salary increases	**5.0**	5.0	**-**	-	**-**	-
Pension increases	**2.0**	2.0	**-**	-	**-**	2.0

	2017 G$ 000	2016 G$ 000
Retirement benefit obligations		
Unfunded exgratia	**8,777**	9,400
	8,777	9,400
Retirement benefit asset		
Pension plan 1	**1,353,844**	1,111,303

14 Inventories

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Finished stocks (a)	**7,073,075**	7,742,388	**8,080,551**	8,662,782
Raw materials, containers & goods-in-transit	**2,535,017**	2,851,992	**2,634,458**	2,967,611
Spares	**630,498**	601,392	**811,360**	888,186
Provision for stock impairment (b)	**(87,298)**	(235,742)	**(97,685)**	(242,665)
	10,151,292	10,960,030	**11,428,684**	12,275,914
Cost of inventory recognised as expense during the period	**4,747,275**	4,588,924	**5,010,511**	5,027,163
Inventories expected to be recovered after more than twelve months	**4,993,753**	5,688,394	**4,993,753**	5,688,394
Raw material damaged written off	**71,958**	59,994	**75,154**	88,210

(a) Finished goods include maturing rums that are available for sale during various points of the ageing process.

(b) Provision for impairment

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Balance as at January 01	**(235,742)**	(167,630)	**(242,665)**	(173,192)
(Increase)/decrease during the year	**148,444**	(68,112)	**144,980**	(69,473)
Balance as at December 31	**(87,298)**	(235,742)	**(97,685)**	(242,665)

Provisions were individually assessed.

15 Trade and other receivables

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Trade receivables	**1,899,119**	795,968	**2,496,349**	1,400,030
Provision for impairment (a)	**(13,398)**	(619)	**(31,005)**	(19,467)
	1,885,721	795,349	**2,465,344**	1,380,563
Other receivables	**105,033**	113,620	**283,531**	219,150
	1,990,754	908,969	**2,748,875**	1,599,713

(a) Provision for impairment (individually assessed)

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Balance as at January 01	**619**	-	**19,467**	25,559
Increase/(decrease) during the year	**12,779**	619	**11,538**	(6,092)
Balance as at December 31	**13,398**	619	**31,005**	19,467

16 Trade and other payables

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Trade payables	**814,322**	459,397	**1,066,532**	628,855
Accruals	**554,736**	950,756	**628,361**	986,944
Other payables	**703,844**	928,059	**726,226**	976,803
Consumption and other taxes	**-**	300,000	**-**	300,000
Due to subsidiary companies	**127,478**	1,425,969	**-**	-
	2,200,380	4,064,181	**2,421,119**	2,892,602

17 Share capital

	COMPANY AND GROUP	
	2017	2016
Authorised No. of ordinary shares	**1,000,000,000**	1,000,000,000
	G$ 000	G$ 000
Issued and fully paid At January 01 and December 31 770,000,000 ordinary shares	**770,000**	770,000

All fully paid ordinary shares with no par value carry equal voting and dividend rights

18 (a) Capital reserves

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Share premium account	**489,565**	489,565	**450,854**	450,854

This reserve is not distributable.

(b) Other reserves

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Balance as at January 01	**773,585**	784,790	**828,382**	837,571
Fair value adjustment on available for sale investments	**2,241**	(11,205)	**(30,043)**	(9,189)
Balance as at December 31	**775,826**	773,585	**798,339**	828,382

This represents fair value adjustments of investments held and is not distributable.

There was no tax effect on gains or losses.

(c) Exchange difference reserve

	GROUP	
	2017 G$ 000	2016 G$ 000
At January 01	**(225,681)**	(196,289)
For the year	**175,776**	(29,392)
At December 31	**(49,905)**	(225,681)

This arose as a result of translating foreign subsidiaries financial statements to Guyana dollars.

There was no tax effect on gains or losses.

19 Loans and bank overdraft

	COMPANY		GROUP	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Bank overdraft (secured)	**1,070,442**	1,234,335	**1,521,015**	1,829,418
Loans	**1,904,967**	2,814,423	**2,240,692**	3,313,895
	2,975,409	4,048,758	**3,761,707**	5,143,313

Overdrafts are repayable on demand and attract interest at 8% (2016: 8%)

19 Loans and bank overdraft - cont'd

Loans are repayable as follows:	COMPANY 2017 G$ 000	COMPANY 2016 G$ 000	GROUP 2017 G$ 000	GROUP 2016 G$ 000
(i) Repayable - 2004 to 2017 - rate of interest 3.25% per annum (Breitenstein Holdings BV)	**-**	-	**-**	65,570
(ii) Repayable - 2009 - 2018 - rate of interest of 3.88% per annum (Demerara Distillers Ltd)	**77,704**	388,523	**77,704**	388,523
(iii) Repayable - 2015 - 2020 - rate of interest of 4.19% per annum (Demerara Distillers Ltd)	**93,244**	134,686	**93,244**	134,686
(iv) Repayable - 2013 - 2020 - rate of interest of 8% per annum (Demerara Distillers Ltd)	**65,360**	114,320	**65,360**	114,320
(v) Repayable - 2014 - 2017 - rate of interest of 8% per annum (Demerara Shipping Company Ltd)	**-**	-	**-**	9,247
(vi) Repayable - 2013 - 2020 - rate of interest of 8% per annum (Demerara Distillers Ltd)	**469,894**	565,566	**469,894**	565,566
(vii) Repayable - 2013 - 2020 - rate of interest of 8% per annum (Demerara Distillers Ltd)	**1,020,000**	1,360,000	**1,020,000**	1,360,000
(viii) Repayable - 2013 - 2020 - rate of interest of 8% per annum (Demerara Distillers Ltd)	**178,765**	251,328	**178,764**	251,328
(ix) Repayable - 2013 - 2020 - rate of interest of 8% per annum (Distribution Services Ltd)	**-**	-	**227,500**	272,500
(x) Repayable - 2013 - 2020 - rate of interest of 8% per annum (Demerara Shipping Company Ltd)	**-**	-	**108,226**	152,155
	1,904,967	2,814,423	**2,240,692**	3,313,895

Loan (i) is guaranteed by the Parent Company Demerara Distillers Limited.

19 Loans and bank overdraft - cont'd

Maturity profile of loan	**COMPANY**		**GROUP**	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Repayments due in one year and included in current liabilities	**682,313**	909,455	**777,243**	1,014,189
Repayments due in the second year	**578,523**	682,313	**681,818**	781,415
Repayments due in the third year	**644,131**	578,523	**781,631**	681,544
Repayments due in the fourth and fifth year	**-**	644,132	**-**	836,747
	1,222,654	1,904,968	**1,463,449**	2,299,706
	1,904,967	2,814,423	**2,240,692**	3,313,895

The foregoing loans and overdraft for the company are secured by floating and fixed charges on the assets of the company valued at G$8.142B (2016: G$11.544B).

The loans for the group are secured by floating and fixed charges on the assets of the Group valued at G$8.142 B (2016 - G$11.644B).

20 Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the company and group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

For management purposes, the group is currently organised into three operating divisions - manufacturing, trading and services. These divisions are the basis on which the group reports its primary segment information.

Principal activities are as follows:

Manufacturing:
The distilling, blending and sale of bulk spirits and alcoholic products, manufacturing and sale of non-alcoholic beverages, Co2 gas and fruit juices.

Trading:
Distributors of branded products.

Services:
Shipping, contracting services, insurance, sales and logistics.

	2017				
INDUSTRY	**Manufacturing**	**Trading**	**Services**	**Eliminations**	**Total**
	G$ 000	**G$ 000**	**G$ 000**	**G$ 000**	**G$ 000**
Revenue					
External sales	13,883,024	4,757,638	928,356	-	19,569,018
Inter-segment sales	2,755,758	-	-	(2,755,758)	-
Total revenue	16,638,782	4,757,638	928,356	(2,755,758)	19,569,018
Results					
Segment result	4,158,419	432,927	268,202	(1,400,000)	3,459,548
Operating profit					3,459,548
Share of profit from associates					91,766
Profit before tax					3,551,314
Income tax					(951,269)
Profit for the year attributable to equity shareholders of the company					2,600,045
Other Information					
Capital additions	675,145	17,477	162,012	-	854,634
Depreciation and amortisation	662,193	39,330	25,864	-	727,387
Balance sheet					
Assets					
Segment assets	28,985,837	2,163,027	212,910	(3,629,605)	27,732,169
Interest in associates	-	-	-	-	763,705
Consolidated assets					28,495,874
Liabilities					
Segment liabilities	6,944,899	1,066,558	1,072,415	(1,501,487)	7,582,385
Consolidated liabilities					7,582,385

20 Segment reporting - cont'd

	2016				
INDUSTRY	**Manufacturing**	**Trading**	**Services**	**Eliminations**	**Total**
	G$ 000	**G$ 000**	**G$ 000**	**G$ 000**	**G$ 000**
Revenue					
External sales	11,623,514	5,652,604	833,008	-	18,109,126
Inter-segment sales	2,950,046	-	-	(2,950,046)	-
Total revenue	14,573,560	5,652,604	833,008	(2,950,046)	18,109,126
Results					
Segment result	2,385,219	399,464	164,530	(150,000)	2,799,213
Operating profit					2,799,213
Share of profit from associates					120,898
Profit before tax					2,920,111
Income tax					(728,683)
Profit for the year attributable to equity shareholders of the company					2,191,428
Other Information					
Capital additions	890,435	22,692	17,381	-	930,508
Depreciation and amortisation	588,664	37,419	24,280	-	650,363
Statement of Financial Position					
Assets					
Segment assets	27,598,763	2,491,443	176,188	(3,255,952)	27,010,442
Interest in associates	-	-	-	-	926,304
Consolidated assets					27,936,746
Liabilities					
Segment liabilities	9,958,184	829,767	1,350,401	(2,717,217)	9,421,135
Consolidated liabilities					9,421,135

20 Segment reporting - cont'd

The Group's operations are located in Guyana, Europe, United States of America, St. Kitts, Jamaica and Trinidad. Its manufacturing operations are located in Guyana, St. Kitts and Jamaica. Its trading and services operations are located in Guyana, Europe, U.S.A, Canada and Trinidad. The geographical segment is defined by the location of the operation from which the sale is made and does not consider the location of the customer.

GEOGRAPHICAL	Revenue		Profit before tax	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Guyana	**17,351,115**	16,139,194	**3,341,389**	2,735,460
Europe	**1,089,476**	972,709	**92,707**	87,594
North America	**1,024,233**	890,348	**94,174**	72,052
St. Kitts	**104,194**	106,875	**23,044**	25,005
	19,569,018	18,109,126	**3,551,314**	2,920,111

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located.

	Carrying amount of segment assets		Additions to property, plant and equipment & intangible assets	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Guyana	**28,933,389**	25,654,525	**847,667**	930,658
Europe	**1,639,790**	1,481,128	**-**	-
North America	**726,140**	634,145	728	-
St. Kitts	**196,555**	166,948	**6,239**	523
	28,495,874	27,936,746	**854,634**	931,181

The following represents 5% or more of group revenue generated from a single geographical region of an external customer:

Revenue Generating Segment (s)	Revenue Generating Region		Revenue Generated	
	2017	2016	**2017 G$ 000**	2016 G$ 000
Guyana and United States	**North America**	North America	**3,356,887**	3,321,441
Guyana, Europe and Caribbean	**Europe**	Europe	**2,907,409**	1,689,470
Guyana and Caribbean	**Caribbean**	Caribbean	**1,259,670**	1,346,432
Guyana	**Guyana**	Guyana	**11,803,376**	11,591,949
Others			**241,676**	159,834
Total			**19,569,018**	18,109,126

There was no customer which represented 5% or more of group revenue generated from a single external customer for the current and prior year.

21 Contingent liabilities

	COMPANY AND GROUP	
	2017 **G$ 000**	2016 G$ 000
Bonds in respect of duty on spirits warehoused and exportation of goods	**94,393**	71,394
Bonds in favour of the State of Guyana	**53,100**	53,100

22 Capital commitments

	COMPANY		GROUP	
	2017 **G$ 000**	2016 G$ 000	**2017** **G$ 000**	2016 G$ 000
Contracted for but not received	**75,003**	69,674	**75,003**	69,674

These comprise of acquisition of non current assets.

23 Related party transactions and other disclosures

(a) Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Listed below are transactions and balances with related parties.

(i) Subsidiary companies

	COMPANY	
	2017 G$ 000	**2016 G$ 000**
Sales	**2,158,695**	2,464,640
Commission paid	**5,926**	7,578
Purchases	**451,136**	354,777
Management fees received	**139,931**	220,743
Rent received	**108,394**	90,994
Dividends received	**1,400,000**	150,000
Human resource charges	**277,776**	346,357
Royalties charged	**-**	375,391
Marketing fees paid	**10,819**	248,353
Interest paid	**75,704**	87,643
Balances at end of year	**(127,478)**	(1,425,969)
Guarantee provided by the parent company on behalf of:		
Subsidiaries	**755,000**	755,000

Associate companies	COMPANY		GROUP	
	2017 G$ 000	**2016 G$ 000**	**2017 G$ 000**	**2016 G$ 000**
Balances at end of year	763,705	926,304	763,705	926,304
Dividends received	3,510	4,388	3,510	4,388
Insurance premiums paid	41,194	36,780	-	-

(ii) Short Term Loans
During the year 2017, the company took two short term loans from Demerara Distillers Limited (DDL) Foundation $20M at 4% interest, and Distillers and Associates Co-op Credit Union Limited $45M at 4.5%. Both loans were fully repaid in December 2017.

23 Related party transactions and other disclosures - cont'd

(a) Related party transactions - cont'd

(ii) Key management personnel

Compensation

The company's key management personnel comprise its Directors, its Chief Executive Officer and Managers. The remuneration paid to key management personnel during the year was as follows:

	2017 G$ 000	2016 G$ 000
Short-term employee benefits	**217,008**	229,859
Post-employment benefits	**39,193**	17,995
Directors emoluments	**11,680**	10,800

No provision was made for balances receivable from related parties.

(b) Other disclosures

The following are transactions with companies that share directors of the company:

	COMPANY		**GROUP**	
	2017 G$ 000	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
Demerara Bank Limited				
Overdraft interest (8%)	**41,254**	50,654	**86,595**	86,227
Balance at end of the year:				
Cash	**49,122**	352,783	**353,881**	353,680
Overdraft	**695,636**	757,224	**1,205,512**	1,350,022
Trust Company (Guyana) Limited also provides registrar and pension management services for the company:				
Pension management and registrar's service fees	**26,554**	22,845	**26,554**	22,845

24 Pending Litigations

There are several pending litigations against the company and group, the outcome of which cannot be determined at this date.

Also the company has challenged in court an assessment by the Guyana Revenue Authority for corporate tax liability amounting to approximately $450M.

25 (a) Analysis of financial assets and liabilities by measurement basis

	COMPANY			
2017	**Available for sale**	**Loans and receivables**	**Financial assets and liabilities at amortised cost**	**Total**
ASSETS	**G$000**	**G$000**	**G$000**	**G$000**
Investments	797,796	-	-	797,796
Trade receivables	-	1,885,721	-	1,885,721
Other receivables	-	105,033	-	105,033
Prepayments	-	75,002	-	75,002
Taxes recoverable	-	-	48,850	48,850
Cash on hand and at bank	-	-	79,776	79,776
Total assets	797,796	2,065,756	128,626	2,992,178
LIABILITIES				
Trade payables	-	-	814,322	814,322
Other payables and accruals	-	-	1,258,580	1,258,580
Due to subsidiaries	-	-	127,478	127,478
Bank overdraft (secured)	-	-	1,070,442	1,070,442
Taxation	-	-	103,080	103,080
Loans	-	-	1,904,967	1,904,967
Total liabilities	-	-	5,278,869	5,278,869

	COMPANY			
2016	**Available for sale**	**Loans and receivables**	**Financial assets and liabilities at amortised cost**	**Total**
ASSETS	**G$000**	**G$000**	**G$000**	**G$000**
Investments	795,555	-	-	795,555
Trade receivables	-	795,349	-	795,349
Other receivables	-	113,620	-	113,620
Prepayments	-	85,879	-	85,879
Taxes recoverable	-	-	48,850	48,850
Cash on hand and at bank	-	-	449,560	449,560
Total assets	795,555	994,848	498,410	2,288,813
LIABILITIES				
Trade payables	-	-	459,397	459,397
Other payables and accruals	-	-	2,178,815	2,178,815
Due to subsidiaries	-	-	1,425,969	1,425,969
Bank overdraft (secured)	-	-	1,234,335	1,234,335
Taxation	-	-	240,973	240,973
Loans	-	-	2,814,423	2,814,423
Total liabilities	-	-	8,353,912	8,353,912

25 (a) Analysis of financial assets and liabilities by measurement basis - cont'd

2017	GROUP				
	Available for sale	Held to maturity	Loans and receivables	Financial assets and liabilities at amortised cost	Total
ASSETS	**G$000**	**G$000**	**G$000**	**G$000**	**G$000**
Investments	792,796	-	-		792,796
Trade receivables	-	-	2,465,344	-	2,465,344
Other receivables	-	-	283,531	-	283,531
Prepayments	-	-	113,922	-	113,922
Taxes recoverable	-	-	-	156,910	156,910
Cash on hand and at bank	-	-	-	1,115,041	1,115,041
Total assets	792,796	-	2,862,797	1,271,951	4,927,544
LIABILITIES					
Trade payables	-	-	-	1,066,532	1,066,532
Other payables and accruals	-	-	-	1,354,587	1,354,587
Bank overdraft (secured)	-	-	-	1,521,015	1,521,015
Loans	-	-	-	2,240,692	2,240,692
Taxation	-	-	-	228,329	228,329
Total liabilities	-	-	-	6,411,155	6,411,155

2016	GROUP				
	Available for sale	Held to maturity	Loans and receivables	Financial assets and liabilities at amortised cost	Total
ASSETS	**G$000**	**G$000**	**G$000**	**G$000**	**G$000**
Investments	839,507	-	-		839,507
Trade receivables	-	-	1,380,563	-	1,380,563
Other receivables	-	-	219,150	-	219,150
Prepayments	-	-	105,314	-	105,314
Taxes recoverable	-	-	-	359,942	359,942
Cash on hand and at bank	-	-	-	1,049,503	1,049,503
Total assets	839,507	-	1,705,027	1,409,445	3,953,979
LIABILITIES					
Trade payables	-	-	-	628,855	628,855
Other payables and accruals	-	-	-	2,263,747	2,263,747
Bank overdraft (secured)	-	-	-	1,829,418	1,829,418
Loans	-	-	-	3,313,895	3,313,895
Taxation	-	-	-	330,793	330,793
Total liabilities	-	-	-	8,366,708	8,366,708

26 Fair value estimation

Fair value measurment recognised in the statement of financial position

Level 1 - Fair value determination is with reference to quoted prices in active markets for identical assets and liabilites. Quotation from recognised stock exchange was used to value investments under this ranking.

Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilty that are not based on observable market data (unobservable inputs).

The following table details the carrying cost of assets and liabilities and their fair values estimated for disclosure purposes.

COMPANY

		2017			2016	
		Carrying Value	**Fair Value**		Carrying Value	Fair Value
	IFRS 13 Level	**G$ 000**	**G$ 000**	IFRS 13 Level	G$ 000	G$ 000
Assets						
Property, plant and equipment	**2**	**6,995,835**	**6,995,835**	2	6,937,677	6,994,562
Investment properties	**2**	**2,144,987**	**2,144,987**	2	2,189,059	2,132,174
Retirement benefit asset	**3**	**1,353,844**	**1,353,844**	3	1,111,303	1,111,303
Trade and other receivables	**2**	**1,990,754**	**1,990,754**	2	908,969	908,969
Prepayments	**2**	**75,002**	**75,002**	2	85,879	85,879
Taxes recoverable	**2**	**48,850**	**48,850**	2	48,850	48,850
Cash on hand and at bank	**1**	**79,776**	**79,776**	1	449,560	449,560
		12,689,048	**12,689,048**		11,731,297	11,731,297
Liabilities						
Trade payables and other payables	**2**	**2,200,380**	**2,200,380**	2	4,064,181	4,064,181
Current portion of interest bearing debts	**2**	**682,313**	**682,313**	2	909,455	909,455
Loans due after one year	**2**	**1,222,654**	**1,222,654**	2	1,904,968	1,904,968
Retirement benefit obligation	**3**	**8,777**	**8,777**	3	9,400	9,400
Taxation	**2**	**103,080**	**103,080**	2	240,973	240,973
Bank overdraft (secured)	**1**	**1,070,442**	**1,070,442**	1	1,234,335	1,234,335
		5,287,646	**5,287,646**		8,363,312	8,363,312

26 Fair value estimation - cont'd

	GROUP					
		2017			2016	
		Carrying Value	**Fair Value**		Carrying Value	Fair Value
	IFRS 13 Level	**G$ 000**	**G$ 000**		G$ 000	G$ 000
Assets						
Property, plant and equipment	**2**	**9,826,372**	**9,826,372**	2	9,688,250	9,688,250
Investment properties	**2**	**195,725**	**195,725**	2	206,600	206,600
Retirement benefit asset	**3**	**1,353,844**	**1,353,844**	3	1,111,303	1,111,303
Trade and other receivables	**2**	**2,748,875**	**2,748,875**	2	1,599,713	1,599,713
Prepayments	**2**	**113,922**	**113,922**	2	105,314	105,314
Taxes recoverable	**2**	**156,910**	**156,910**	2	359,942	359,942
Cash on hand and at bank	**1**	**1,115,041**	**1,115,041**	1	1,049,503	1,049,503
		15,510,689	**15,510,689**		14,120,625	14,120,625
Liabilities						
Trade payables and other payables	**2**	**2,421,119**	**2,421,119**	2	2,892,602	2,892,602
Current portion of interest bearing debts	**2**	**777,243**	**777,243**	2	1,014,189	1,014,189
Loans due after one year	**2**	**1,463,449**	**1,463,449**	2	2,299,706	2,299,706
Retirement benefit obligation	**3**	**8,777**	**8,777**	3	9,400	9,400
Taxation	**2**	**228,329**	**228,329**	2	330,793	330,793
Bank overdraft (secured)	**1**	**1,521,015**	**1,521,015**	1	1,829,418	1,829,418
		6,419,932	**6,419,932**		8,376,108	8,376,108

26 Fair value estimation - cont ‘ d

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of assets and liabilities were determined as follows:

(a) Property, plant, equipment and investment properties fair values were measured primarly at cost less accumulated depreciation. Management’s judgement was used to determine that fair value approximates the carrying value.

(b) For available for sale financial assets, the fair values were determined with reference to quoted market prices and level 2 fair value measurements.

(c) Retirement benefit assets and liabilites were measured by management on the advice from the actuaries.

(d) Trade receivables and other receivables are net of provision for impairment. The fair value of trade receivables and other receivables was based on expected realisation of outstanding balances taking into account the company’s history with respect to delinquencies.

(e) Financial instruments where the carrying amounts were equal to fair value:- Due to their short term maturity, the carrying values of certain financial instruments approximate their fair values. These include cash and cash equivalents, trade and other payables, tax liability/recoverable, prepayments and bank overdraft. Long term loans are fixed by contract.

Asset carried at fair value
The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the value is observable.

	COMPANY			COMPANY		
	2017			2016		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
	G$ 000	**G$ 000**	**G$ 000**	G$ 000	G$ 000	G$ 000
Available for Sale	**-**	**797,796**	**-**	-	795,555	-
	-	**797,796**	**-**	-	795,555	-

	GROUP			GROUP		
	2017			2016		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
	G$ 000	**G$ 000**	**G$ 000**	G$ 000	G$ 000	G$ 000
Available for Sale	**-**	**797,796**	**-**	-	839,507	-
	-	**797,796**	**-**	-	839,507	-

During the year, available for sale investment for 2016 was reclassified from Level 1 to Level 2 due to the activity of the market.

27 Financial risk management

Objectives

The company's and group's management monitors and manages the financial risks relating to the operations of the company and group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The company and group seek to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk which are approved by the board of directors.

The company's and group's management reports monthly to the board of directors on matters relating to risk and management of risk

(a) Market risk

The company's and group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The company uses interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the company and group's exposure to market risks or the manner in which it manages these risks.

(i) Foreign currency risk

The financial statements at December 31, include the following assets and liabilities denominated in foreign currencies stated in the Guyana Dollar equivalent

	COMPANY		GROUP	
Assets	**2017 G$ 000**	2016 G$ 000	**2017 G$ 000**	2016 G$ 000
US Dollar	**1,374,511**	747,056	**1,882,199**	1,200,199
GBP	**29,420**	51,364	**29,420**	51,364
Euro	**35**	-	**1,060,559**	946,450
Others	**163,902**	200,301	**784,044**	544,228
	1,567,868	998,721	**3,756,222**	2,742,241
Liabilities				
US Dollar	**556,278**	1,461,217	**592,753**	719,120
GBP	**10,246**	(12,789)	**10,246**	9,891
Euro	**35,844**	311,763	**66,712**	127,006
Others	**674**	(14,400)	**43,655**	60,952
	603,042	1,745,791	**713,366**	916,969
Net assets/(liabilities)	**964,826**	(747,070)	**3,042,856**	1,825,272

27 Financial risk management - cont'd

(a) Market risk - cont'd

(i) Foreign currency sensitivity analysis - cont'd

The following table details the company's and group's sensitivity to a 2.5% increase and decrease in the Guyana dollar against balances denominated in foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2.5% change in foreign currency rates. A positive number indicates an increase in profit where foreign currencies strengthen 2.5% against the G$. For a 2.5% weakening of the foreign currencies against G$ there would be an equal and opposite impact on the profit, and the balances below would be negative.

	COMPANY		GROUP	
	2017 G$000	2016 G$000	**2017 G$000**	2016 G$000
Profit/(loss)	**24,121**	(18,677)	**76,071**	45,632

(ii) Interest sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate at the end of the reporting period.

The sensitivity analysis includes only outstanding balances at the end of the reporting period. A 50 basis point increase or decrease is used when reporting interest rate internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

A positive number indicates an increase in profits where the interest rate appreciated by 50 basis points. For a decrease of 50 basis points in the interest rate, this would have an equal and opposite impact on profit and the balances below would be negative. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the impact on the company's and group's profit would have been:

		Impact on profit for the year			
	Increase/ Decrease in Basis Point	COMPANY		GROUP	
		2017 G$000	2016 G$000	**2017 G$000**	2016 G$000
Cash and cash equivalent					
Foreign currency	+/-50	**245**	1,764	245	1,764
Overdrafts					
Local currency	+/-50	**(5,352)**	(6,170)	(7,594)	(9,134)

Apart from the foregoing with respect to the other financial assets and liabilites, it was not possible to determine the expected impact of a reasonable possible change in interest rates on profit or equity as other factors such as credit risks, market risks, political and disaster risks can affect the value of assets and liabilities.

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

The company and group are exposed to various risks that are associated with the effects of variations in interest rates. This impacts directly on its cash flows.

The company's and group's management continually monitors and manages these risks through the use of appropriate tools and implements relevant strategies to hedge against any adverse effects.

		COMPANY				
		Maturing 2017				
	Interest rate Range	Within 1 year	2 to 5 years	Over 5 years	Non-interest bearing	Total
	%	G$000	G$000	G$000	G$000	G$000
Assets						
Investments	-	-	-	-	797,796	797,796
Trade and other receivables	-	-	-	-	1,990,754	1,990,754
Prepayments	-	-	-	-	75,002	75,002
Taxes recoverable	-	-	-	-	48,850	48,850
Cash at bank	0.03% - 1.5%	48,960	-	-	30,816	79,776
		48,960	-	-	2,943,218	2,992,178
Liabilities						
Trade payable and accruals	-	-	-	-	2,200,380	2,200,380
Bank overdraft (secured)	8%	1,070,442	-	-	-	1,070,442
Loans	3.88% - 8%	682,313	1,222,654	-	-	1,904,967
Taxation	-	-	-	-	103,080	103,080
		1,752,755	1,222,654	-	2,303,460	5,278,869
Interest sensitivity gap		(1,703,795)	(1,222,654)	-		

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

		COMPANY				
		Maturing 2016				
	Interest rate Range %	**Within 1 year G$000**	**2 to 5 years G$000**	**Over 5 years G$000**	**Non-interest bearing G$000**	**Total G$000**
Assets						
Investments	-	-	-	-	795,555	795,555
Trade and other receivables	-	-	-	-	908,969	908,969
Prepayments	-	-	-	-	85,879	85,879
Taxes recoverable	-	-	-	-	48,850	48,850
Cash at bank	0.03% - 1.5%	352,783	-	-	96,777	449,560
		352,783	-	-	1,936,030	2,288,813
Liabilities						
Trade payable and accruals	-	-	-	-	4,064,181	4,064,181
Bank overdraft (secured)	3.88% - 8%	1,234,335	-	-	-	1,234,335
Loans	8%	909,455	1,817,760	87,208	-	2,814,423
Taxation	-	-	-	-	240,973	240,973
		2,143,790	1,817,760	87,208	4,305,154	8,353,912
Interest sensitivity gap		(1,791,007)	(1,817,760)	(87,208)		

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

		GROUP				
		Maturing 2017				
	Interest rate Range	**Within 1 year**	**2 to 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
	%	**G$000**	**G$000**	**G$000**	**G$000**	**G$000**
Assets						
Investments	-	-	-	-	792,796	792,796
Trade and other receivables	-	-	-	-	2,748,875	2,748,875
Prepayments	-				113,922	113,922
Taxes recoverable	-	-	-	-	156,910	156,910
Cash on hand and at bank	0.03% - 1.5%	48,960	-	-	1,066,081	1,115,041
		48,960	-	-	4,878,584	4,927,544
Liabilities						
Trade payable and accruals	-	-	-	-	2,421,119	2,421,119
Bank overdraft (secured)	8%	1,521,015	-	-	-	1,521,015
Loans	3.25% - 8%	777,243	1,463,449	-	-	2,240,692
Taxation	-	-	-	-	228,329	228,329
		2,298,258	1,463,449	-	2,649,448	6,411,155
Interest sensitivity gap		(2,249,298)	(1,463,449)	-		

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

		GROUP				
		Maturing 2016				
	Interest rate Range	Within 1 year	2 to 5 years	Over 5 years	Non-interest bearing	Total
	%	G$000	G$000	G$000	G$000	G$000
Assets						
Investments	-	-	-	-	839,507	839,507
Trade and other receivables	-	-	-	-	1,599,713	1,599,713
Prepayments	-				105,314	105,314
Taxes recoverable	-	-	-	-	359,942	359,942
Cash on hand and at bank	0.03% - 1.5%	352,783	-	-	696,720	1,049,503
		352,783	-	-	3,601,196	3,953,979
Liabilities						
Trade payable and accruals	-	-	-	-	2,892,602	2,892,602
Bank overdraft (secured)	8%	1,829,418	-	-	-	1,829,418
Loans	3.25% - 8%	1,014,189	2,132,213	167,493	-	3,313,895
Taxation	-	-	-	-	330,793	330,793
		2,843,607	2,132,213	167,493	3,223,395	8,366,708
Interest sensitivity gap		(2,490,824)	(2,132,213)	(167,493)		

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iv) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Management continually identifies, underwrites and diversifies risk in order to minimize the total cost of carrying such risk.

(b) Credit risk

The table below shows the company's maximum exposure to credit risk

	COMPANY		GROUP	
	Maximum Exposure		Maximum Exposure	
	2017 G$000	2016 G$000	**2017 G$000**	2016 G$000
Cash on hand and at bank	**79,776**	449,560	**1,115,041**	1,049,503
Investments				
Available for Sale	**797,796**	795,555	**792,796**	839,507
Trade and other receivables	**1,990,754**	908,969	**2,748,875**	1,599,713
Taxes recoverable	**48,850**	48,850	**156,910**	359,942
Total Credit risk exposure	**2,917,176**	2,202,934	**4,813,622**	3,848,665

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the company and group.

The company and group faces credit risk in respect of its cash and cash equivalents, investments and receivables.

However, this risk is controlled by close monitoring of these assets by the company and group. The maximum credit risk faced by the company and group is the balance reflected in the financial statements.

Cash and cash equivalents are held by commercial banks. These banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due. The related risk is therefore considered very low.

Investments reflected in the company's and group's financial statement are assets for which the likelihood of default are considered minimal by the Directors.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas Ongoing credit evaluation is performed on the financial condition of accounts receivable on a regular basis.

27 Financial risk management - cont'd

(b) Credit risk - cont'd

Trade and other receivables	COMPANY 2017 G$000	COMPANY 2016 G$000	GROUP 2017 G$000	GROUP 2016 G$000
Trade receivables	**1,885,721**	795,349	**2,496,349**	1,400,030
Other receivables	**105,033**	113,620	**283,531**	219,150
Taxes Recoverable	**48,850**	48,850	**156,910**	359,942
	2,039,604	957,819	**2,936,790**	1,979,122

The above balances are classified as follows:

	COMPANY 2017 G$000	COMPANY 2016 G$000	GROUP 2017 G$000	GROUP 2016 G$000
Current	**1,675,026**	814,383	**2,003,439**	1,237,693
Past due but not impaired	**377,902**	142,817	**915,670**	721,962
Impaired	**(13,324)**	619	**17,681**	19,467
	2,039,604	957,819	**2,936,790**	1,979,122

	COMPANY 2017 G$000	COMPANY 2016 G$000	GROUP 2017 G$000	GROUP 2016 G$000
Ageing of past due but not impaired				
31-60 days	**88,308**	59,183	**288,545**	150,868
61-90 days	**203,518**	45,991	**312,669**	147,877
91-120 days	**35,844**	(104)	**107,470**	70,135
over 120 days	**50,232**	37,747	**206,986**	353,082
Total	**377,902**	142,817	**915,670**	721,962

While the foregoing is past due they are still considered to be collectible in full.

	COMPANY 2017 G$000	COMPANY 2016 G$000	GROUP 2017 G$000	GROUP 2016 G$000
Ageing of impaired trade receivables				
31-60 days	**-**	-	**-**	-
61-90 days	**-**	621	**-**	621
91-120 days	**-**	9	**-**	9
over 120 days	**(13,324)**	(11)	**17,681**	18,837
Total	**(13,324)**	619	**17,681**	19,467
Provision for impairment	**13,398**	619	**31,005**	19,467

27 Financial risk management - cont'd

(b) Credit risk - cont'd

The table below shows the credit limit and balance of five major counterparties at the balance sheet date.

COMPANY

Details	Location 2017	Location 2016	2017 Credit Limit	2017 Carrying Amount	2016 Credit Limit	2016 Carrying Amount
			G$ 000	G$ 000	G$ 000	G$ 000
Counterparty # 1	U.K.	Canada	467,500	467,449	87,500	29,984
Counterparty # 2	Canada	U.K.	87,500	-	100,000	98,050
Counterparty # 3	Netherlands	Canada	63,500	63,212	62,500	60,911
Counterparty # 4	United States	Canada	349,500	349,152	60,000	58,272
Counterparty # 5	Canada	Trinidad	78,500	78,107	31,000	12,917
			1,046,500	957,920	341,000	260,134

GROUP

Details	Location 2017	Location 2016	2017 Credit Limit	2017 Carrying Amount	2016 Credit Limit	2016 Carrying Amount
			G$ 000	G$ 000	G$ 000	G$ 000
Counterparty # 1	U.K.	Canada	467,500	467,449	87,500	29,984
Counterparty # 2	Canada	U.K.	87,500	-	100,000	98,050
Counterparty # 3	Netherlands	Canada	63,500	63,212	62,500	60,911
Counterparty # 4	United States	Canada	349,500	349,152	60,000	58,272
Counterparty # 5	Canada	Trinidad	78,500	78,107	31,000	12,917
			1,046,500	957,920	341,000	260,134

There were two customers who represented more than 5% of the total balance of trade receivables (2016: 1). The average age of total receivables was 46 days (2016:28 days).

The foregoing best represent the maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancement (for which none exists).

27 Financial risk management - cont'd

(c) Liquidity risk

Liquidity risk is the risk that the company and group will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The company and group manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The following table shows the distribution of assets and liabilities by maturity:

	COMPANY			
	Maturing 2017			
	Within 1 year	2 to 5 years	Over 5 years	Total
	G$000	G$000	G$000	G$000
Assets				
Investments	-	797,796	-	797,796
Trade and other receivables	1,990,754	-	-	1,990,754
Prepayments	75,002	-	-	75,002
Taxes recoverable	48,850	-	-	48,850
Cash on hand and at bank	79,776	-	-	79,776
	2,194,382	797,796	-	2,992,178
Liabilities				
Trade payables and other payables	(2,200,380)	-	-	(2,200,380)
Current portion of interest bearing debts	(682,313)	-	-	(682,313)
Loans	-	(1,222,654)	-	(1,222,654)
Bank overdraft (secured)	(1,070,442)	-	-	(1,070,442)
Taxation	(103,080)	-	-	(103,080)
	(4,056,215)	(1,222,654)	-	(5,278,869)
Net liabilities	(1,861,833)	(424,858)	-	(2,286,691)

27 **Financial risk management - cont'd**

(c) Liquidity risk - cont'd

	COMPANY			
	Maturing 2016			
	Within 1 year	**2 to 5 years**	**Over 5 years**	**Total**
	G$000	**G$000**	**G$000**	**G$000**
Assets				
Investments	-	795,555	-	795,555
Trade and other receivables	908,969	-	-	908,969
Prepayments	85,879	-	-	85,879
Taxes recoverable	48,850	-	-	48,850
Cash on hand and at bank	449,560	-	-	449,560
	1,493,258	795,555	-	2,288,813
Liabilities				
Trade payables and other payables	(4,064,181)	-	-	(4,064,181)
Current portion of interest bearing debts	(909,455)	-	-	(909,455)
Loans	-	(1,817,760)	(87,208)	(1,904,968)
Bank overdraft (secured)	(1,234,335)	-	-	(1,234,335)
Taxation	(240,973)	-	-	(240,973)
	(6,448,944)	(1,817,760)	(87,208)	(8,353,912)
Net liabilities	(4,955,686)	(1,022,205)	(87,208)	(6,065,099)

27 Financial risk management - cont'd

(c) Liquidity risk - cont'd

	GROUP			
	Maturing 2017			
	Within 1 year	2 to 5 years	Over 5 years	Total
	G$000	G$000	G$000	G$000
Assets				
Investments	-	792,796	-	792,796
Trade and other receivables	2,748,875	-	-	2,748,875
Prepayments	113,922	-	-	113,922
Taxes recoverable	156,910	-	-	156,910
Cash on hand and at bank	1,115,041	-	-	1,115,041
	4,134,748	792,796	-	4,927,544
Liabilities				
Trade payables and other payables	(2,421,119)	-	-	(2,421,119)
Current portion of interest bearing debts	(777,243)	-	-	(777,243)
Loans	-	(1,463,449)	-	(1,463,449)
Bank overdraft (secured)	(1,521,015)	-	-	(1,521,015)
Taxation	(228,329)	-	-	(228,329)
	(4,947,706)	(1,463,449)	-	(6,411,155)
Net liabilities	(812,958)	(670,653)	-	(1,483,611)

27 Financial risk management - cont'd

(c) Liquidity risk - cont'd

	GROUP			
	Maturing 2016			
	Within 1 year	2 to 5 years	Over 5 years	Total
	G$000	G$000	G$000	G$000
Assets				
Investments	-	839,507	-	839,507
Trade and other receivables	1,599,713	-	-	1,599,713
Prepayment	105,314	-	-	105,314
Taxes recoverable	359,942	-	-	359,942
Cash on hand and at bank	1,049,503	-	-	1,049,503
	3,114,472	839,507	-	3,953,979
Liabilities				
Trade payables and other payables	(2,892,602)	-	-	(2,892,602)
Current portion of interest bearing debts	(1,014,189)	-	-	(1,014,189)
Loans	-	(2,132,213)	(167,493)	(2,299,706)
Bank overdraft (secured)	(1,829,418)	-	-	(1,829,418)
Taxation	(330,793)	-	-	(330,793)
	(6,067,002)	(2,132,213)	(167,493)	(8,366,708)
Net liabilities	(2,952,530)	(1,292,706)	(167,493)	(4,412,729)

28 Capital risk management

The company and group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged from 2016.

The capital structure of the company and group consists of cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings.

Gearing ratio

The company's and group's management reviews the capital structure on an on-going basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The company and group have not set a target gearing ratio .

The gearing ratio at the year end was as follows:

	COMPANY		GROUP	
	2017 G$000	2016 G$000	**2017 G$000**	2016 G$000
Debt (i)	**2,975,409**	4,048,758	**3,761,707**	5,143,313
Cash and cash equivalents	**(79,776)**	(449,560)	**(1,115,041)**	(1,049,503)
Net debt	**2,895,633**	3,599,198	**2,646,666**	4,093,810
Equity (ii)	**17,787,368**	14,677,833	**20,913,489**	18,515,611
Net debt to equity ratio	**0.16:1**	0.25:1	**0.13:1**	0.22:1

(i) Debt is defined as advances long- and short-term borrowings as detailed in note 19.

(ii) Equity includes all capital and reserves of the company and group.

29 Reclassifications

In 2016, certain items of property, plant and equipment in the prior year were reclassified to investment properties to conform with the current year's presentation.

Deposit on empties and crates, and goods received but not paid for were reclassified to payables from inventory for prior year to also conform with the current year's presentation.

An amount of $225M previously shown separately as provision for impairment has been reclassified to the associate company balance as of December 31, 2016.

30 Approval of financial statements

The financial statements were approved for issue by the Directors on February 12, 2018.

TEN YEAR REVIEW

	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Turnover	**19,569,018**	18,109,126	18,020,518	18,112,393	17,529,199	15,783,081	14,582,598	13,673,267	12,363,533	12,063,533
Operating Profit	**3,913,862**	3,392,082	3,378,633	1,811,508	2,794,305	2,581,005	2,653,109	2,360,738	2,306,837	2,032,012
Interest Paid/ Received	**362,548**	471,971	581,359	675,645	589,069	668,937	642,957	606,509	653,898	592,296
Profit Before Tax	**3,551,314**	2,920,111	2,797,273	1,135,873	2,205,236	1,912,068	2,010,152	1,754,229	1,652,939	1,439,716
Taxation	**951,269**	728,683	901,418	721,579	635,815	597,849	463,342	614,605	619,589	533,693
Profit after Tax	**2,600,045**	2,191,428	1,895,856	414,284	1,569,421	1,314,219	1,546,810	1,139,624	1,033,350	906,023
Gross Assets Employed	**28,495,874**	27,936,746	27,033,095	28,386,324	28,726,954	27,843,241	24,668,630	23,602,480	22,968,411	21,518,395
Capital Employed	**23,548,168**	21,869,744	21,484,490	21,114,315	21,084,368	18,562,940	17,201,510	15,819,174	15,905,774	12,889,270
Shareholder's Equity	**20,913,489**	18,515,611	16,954,198	15,783,466	16,058,647	14,655,669	13,176,203	12,019,383	11,256,519	10,496,948
Operating profit as % of sales	**20.00%**	18.73%	18.75%	10.00%	15.94%	16.35%	18.19%	17.27%	18.66%	16.84%
Operating profit as % of Capital Employed	**16.62%**	15.51%	15.73%	8.58%	13.25%	13.90%	15.42%	14.92%	14.50%	15.77%
Return on Gross Assets	**13.73%**	12.55%	12.09%	6.38%	9.73%	9.27%	10.75%	10.00%	10.04%	9.44%
Return on Shareholders' Funds	**16.98%**	15.77%	16.50%	7.20%	13.73%	13.05%	15.26%	14.55%	14.68%	13.72%
Basic Earnings per share in Dollars	**3.38**	2.85	2.46	0.54	2.04	1.71	2.01	1.49	1.29	1.18
Equity per share	**27.16**	24.05	22.02	20.50	20.86	19.03	17.11	15.61	14.62	13.63
Dividend Cover	**5.04**	4.59	4.10	0.91	3.71	3.56	4.46	3.47	3.16	3.26

PROCEDURES FOR
TRANSFER OF SHARES

From time to time, Management has been approached by Shareholders concerning the procedure for effecting the Transfer of Shares. For the future benefit of Shareholders, we take this opportunity to remind members of the procedure as stated hereunder.

Trust Company (Guyana) Limited is the Registrar and Transfer Agent of Demerara Distillers Limited.

A Shareholder who wishes to transfer his/her shares should take with him/her to the Trust Company (Guyana) Limited, the relevant share certificate (s), and officials there will assist in having the Transfer instrument completed as well as the Certificates of non-alienship in respect of both the Transferor / Transferee.

Stamp duty and the cost of the stamp for the new share certificate are payable and the Registrar will advise the Shareholders on this at the time of execution of the Transfer.

Without a Share Certificate, it would not be possible to execute a Transfer of Shares. Where a Shareholder has not his/her share certificate, it would be necessary, after conferring with the Registrar, to have the loss advertised in the Press at the Shareholder's expense and the Shareholder will also be required to sign a form of indemnity and pay stamp duty.

Where the legal personal representatives of deceased Shareholders seek to have such shares transferred, they should, in addition to the relevant share certificate, take along with them the original of Letters of Administration/Probate of the Court with the Will attached (where applicable), for presentation to the Registrar.

If at any time you change your address or wish to revoke instructions given to the company or its Registrar, you should inform us promptly.

Under the provisions of the Company's Articles of Association, replacement of Dividend Warrants, lost or mislaid from any cause whatsoever, will be for the account of the Shareholder reporting the cause. The Company's Registrar will apprise you of the charges payable at the time of the report.

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FORM OF PROXY

DEMERARA DISTILLERS LIMITED • ANNUAL GENERAL MEETING

I, ____

of ____

A MEMBER OF Demerara Distillers Limited hereby appoint

____

OR IN HIS/HER ABSENCE ______________________________

To act as my proxy at the Annual General Meeting on March 29, 2018 and at every adjournment thereof.

As witness my hand this ____________ day of ______________________ 2018

Signed ____

____

Unless otherwise instructed the proxy will vote as he/she thinks fit.

The date of the AGM is as per Notice published in the Press and as it appears in the Annual Report & Accounts, relevant to the particular year under review.