



DEMERARA DISTILLERS LTD.

Plantation Diamond, East Bank Demerara, Guyana, South America.

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ANNUAL REPORT 2014



“Coming together is a beginning;
staying together is progress;
working together is success”
- Henry Ford



GLOBAL
FOOTPRINT

TABLE OF Contents

Introduction	• 3
Company in Perspective	• 12
Notice of Meeting	• 13
Financial Highlights	• 14
Corporate Information	• 15
Board of Directors	• 16
Chairman's Report	• 18
Long Service Awards	• 21
Management Team	• 22
Report of the Directors	• 25
Corporate Social Responsibility	• 29
Financial Statements	• 32
Ten Year Review	• 98
Procedure for Transfer of Shares	• 100
Proxy Form	• 101



DDL's Global Footprint: We're all over the map, really!

Long before globalization became a buzzword among economists, global bankers, politicians, and protesters alike; it was a concept understood, embraced and pursued by the leadership of Demerara Distillers Limited.

Perhaps, it's because making EL Dorado a global brand was always in our DNA; not because of the oft told story of the search for the mythical city of El Dorado by the legendary explorers of old, but because our product is the result of the coming together of the primary elements of the foundation on which globalization is built.

The sugarcane farms of the Demerara coastlands where the process of creating EL Dorado, the world's best rum, begins, were one of the critical points of the historic European trade and transactions with the New World in the 15th and 16th centuries. European entrepreneurs and seafarers were making significant investments and were moving capital for new investments. The Europeans themselves, the African slaves they traded and the primarily

East Indian indentured labourers that replaced them represent a substantial 'migration' and unprecedented movement of people across the oceans and in so doing unleashed a flow and sharing of knowledge before the communication age that made the earth "flat"

It was in that age that Demerara Rums were born and it's that heritage that DDL still nurtures. The global movements of that time brought together the necessary elements of the land, the peoples, the capital, the knowledge to create a product that, just like sugar, would be a product for the world.

And so, with an unswerving commitment to maintaining the rich heritage of Demerara Rums and out of recognition that what was produced represented an equally rich history of investment, labour, sweat, tears and blood, DDL has worked to take Demerara Rums back to the world. So as the winds of globalization picked up, the famous DDL ship had already hoisted its sails and had set course for the far flung parts of the globe to deliver the premiere product of Demerara.

GLOBAL FOOTPRINT

Our **CARIBBEAN** Footprint





The Demerara coastlands are in Guyana, on the Atlantic coast of South America. However, in spite of the South American geography, Guyana is historically and culturally closer to the islands of the English-speaking Caribbean. It is natural, therefore, that the Caribbean be first among the places on the globe that El Dorado rums find a home. But just as the European Sailing ships came to the Caribbean islands, just as they came to Guyana, so too should the Caribbean be a part of taking El Dorado back to the world.

Often these days, unlike the 15th century, we use the air for our travels for investment, trade, vacation and entertainment. So a relationship between Demerara Distillers and Caribbean Airlines was a natural development for taking El Dorado Rums to the Caribbean and northwards in the Americas and to Europe.



GLOBAL FOOTPRINT

Our **AMERICAN** Footprint





More and more these days as you walk around the fine dining restaurants and bars of the USA and Canada you could find yourself placing your feet in the larger footprint left by DDL and find a wider and ever increasing selection of the extensive El Dorado line up on the menus.

In North America, the El Dorado Rums are also breaking traditional barriers and leaving their mark in the midst of wine buffs and whiskey connoisseurs.

North American mixologists are discovering the rich Caribbean palate contained in El Dorado rums especially when combined with tropical fruits.



GLOBAL FOOTPRINT

Our **EUROPEAN** Footprint





In 1503, in his Mundus Novus letter written in Lisbon and sent to Lorenzo in Florence, European explorer Amerigo Vespucci declared that he had found a “new world” he went on to add that the new world was “even more temperate and pleasant than any other region known to us.” Indeed, before him, Columbus thought that he had found paradise.

Today, the richness of this ‘temperate and pleasant’ almost paradise, is still desired by Europeans. El Dorado has become the vehicle for delivering the life, colour and flavor of the West Indies to Europe, keeping our footprint indelibly on that continent.



Our **ASIA PACIFIC** Footprint





Over eighty years ago a West Indies cricket team sailed Down Under to take our unique brand of cricket to the game's passionate lovers there. Our team lost the first test in Adelaide, in fact, our boys lost the first 4 tests and didn't win until the 5th in Sydney. Losses notwithstanding, by the time the team eventually won they had created an insatiable desire for things West Indian among the Australians. The fortunes of West Indies cricket today may be similar to those of that first team that sailed there. However, that appetite for West Indian flavour is now satisfied by El Dorado Rums.

If you take a look at the globe today, you'll see our footprints all over it; from the nearby Caribbean to the home of the legendary explorers who started it in Britain and Europe; from nearby North America to the home of early sugar plantation workers in Asia; and from our neighbourhood to the down-under in Australia and the Pacific.



COMPANY IN PERSPECTIVE

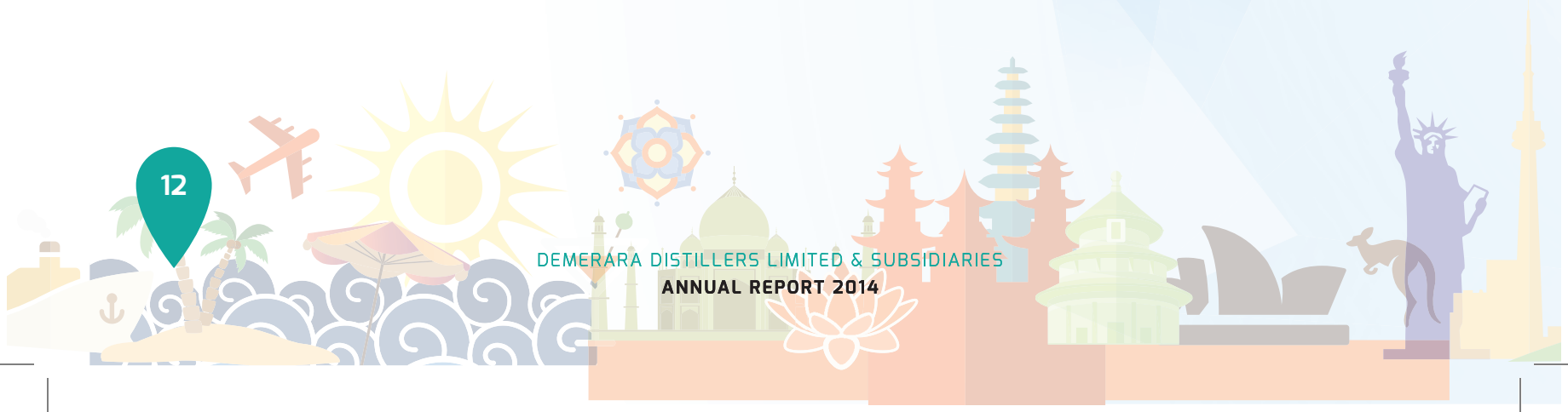
THE core business of Demerara Distillers Limited for the three centuries has been **Demerara Rum**. In the 17th Century, every sugar plantation had its own small distillery and these, with the passage of time, were gradually consolidated into one distillery at Diamond on the East Bank of Demerara. The 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, El Dorado 21 Year Old, El Dorado 12 Year Old, the El Dorado 5 Year Old, El Dorado Cask Aged 3 Year, El Dorado Cask Aged 8 Year, 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 a 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**, in addition to the co-packing **TROPICANA** and **GATORADE**. 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-THIRD ANNUAL GENERAL MEETING** of Demerara Distillers Limited (DDL) will be held at DDL's Diamond Complex, Plantation Diamond, East Bank Demerara on Friday, March 27, 2015 at 4:30 p.m.

AGENDA

1. To receive and consider the Company's Accounts and Reports of the Directors and Auditors for the year ended December 31, 2014
2. To declare a Final Dividend of \$0.44 per share free of Company Taxes in respect of the year ended December 31, 2014.
3. To elect Directors.
4. To fix the Emoluments of the Directors.
5. To appoint Auditors and authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD



Allison Thorne
Company Secretary/Legal Officer
February 20, 2015

REGISTERED OFFICE

44 B High Street,
Kingston,
Georgetown,
Guyana.

- 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

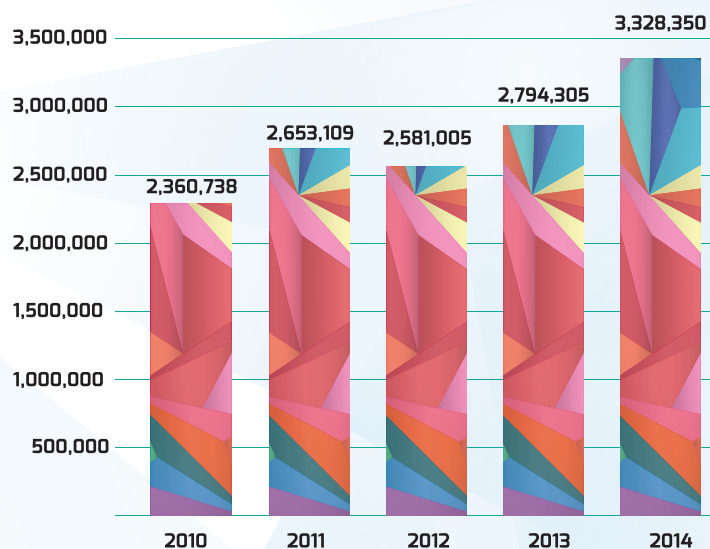
REGISTER OF MEMBERS

The Register of Members and Share Transfer Books of Demerara Distillers Limited will be closed from March 9, 2015 - March 27, 2015 - both days inclusive- for the purpose of preparing warrants of the Final Dividends for the year ended December 31, 2014.

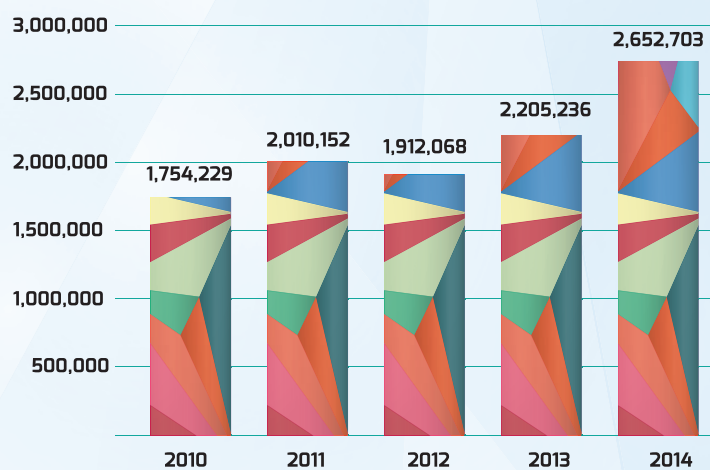
N.B. Gifts will be distributed only to shareholders present at the Meeting and not at any time or place thereafter.

FINANCIAL HIGHLIGHTS

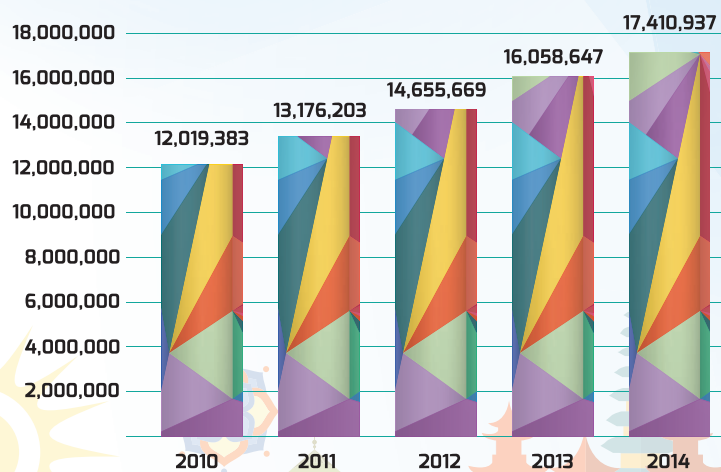
OPERATING PROFIT • G\$000



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
230 Camp & South Streets,
Georgetown, Guyana.

LEGAL ADVISORS

deCaries, 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

**44B High Street, Kingston,
Georgetown, Guyana.**
Email: ddlweb@demrum.com
Website: www.theeldoradorum.com

BOARD OF DIRECTORS

EGBERT CARTER
MSC. (Civil Engineering), Director

SHARON SUE HANG-BAKSH
BSc (Chemistry)
Director - Quality Assurance &
New Product Development

LANCELOT TYRELL
Director

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

CHANDRADAT CHINTAMANI
FCCA • Operations Director

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

RUDY COLLINS
CCH, BSc. (Hons), DPA
Director

HARRYRAM PARMESAR
FCCA • Director

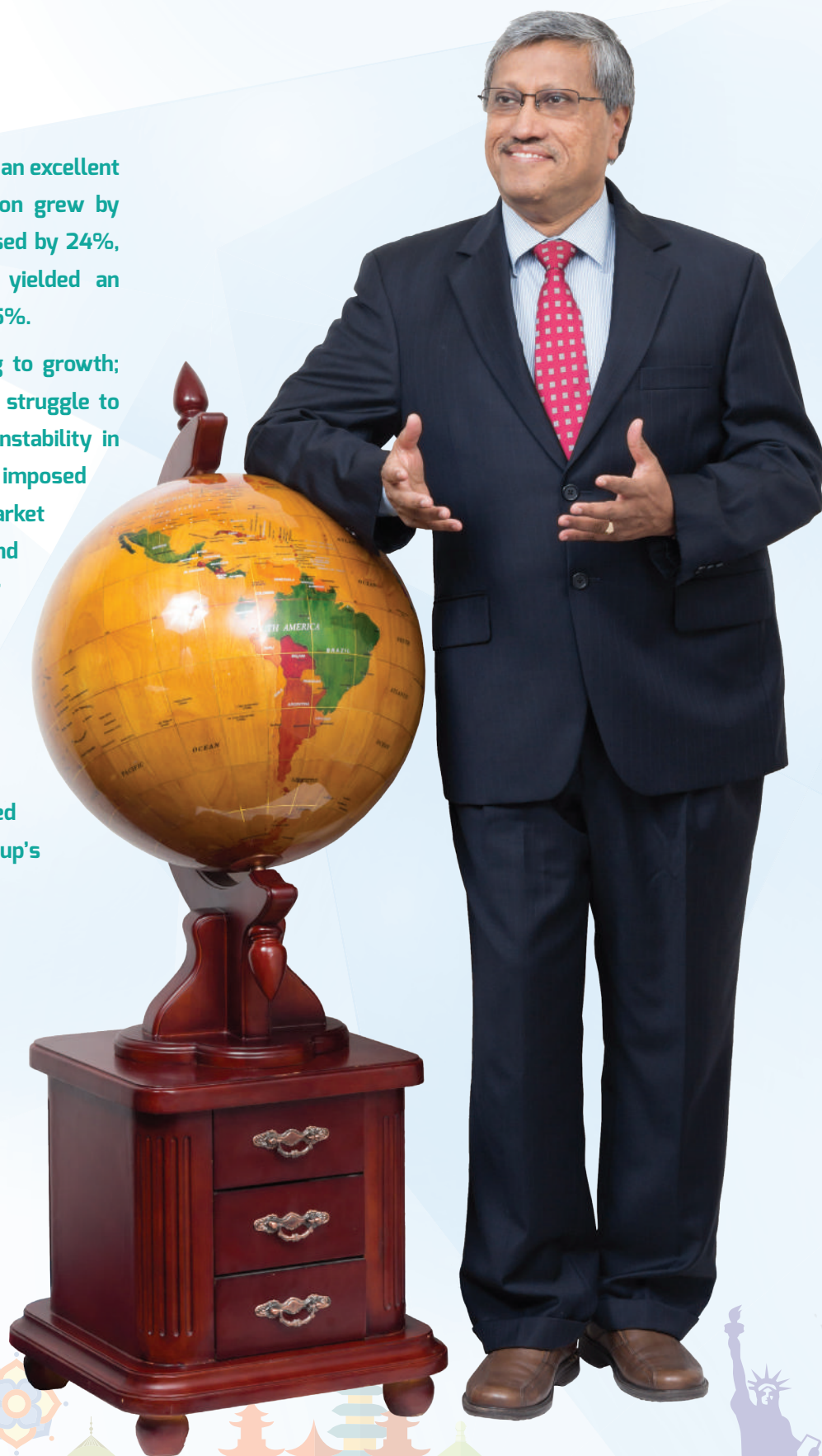
SHARDA VEEREN-CHAND
BSc. • Marketing Director

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

CHAIRMAN'S REPORT

I am very pleased to report that 2014 was an excellent year for the Group. Profit before taxation grew by 20%, export of branded products increased by 24%, and our efficiency improvement drive yielded an overall improvement in gross margins of 5%.

The year saw the US economy returning to growth; while the Euro Zone region continued to struggle to get back to pre-recession growth. The instability in Eastern Ukraine as well as sanctions imposed against Russia had adverse effects on market conditions in both countries. By the end of 2014, oil prices had declined to their lowest since 2009. The economies of most Caribbean countries struggled to achieve growth in the year; Guyana appears to have led regional economies with a projected growth in the region of 5%. It is in the context of this summarized global economic background that the Group's performance should be viewed.



Group Performance

The Group's profit before taxation was \$2.653 billion for the year compared to \$2.205 billion in the preceding year. This reflected an increase of \$448 million or 20%, representing the highest profit growth of the Group in any year.

Gross profit for the year increased 8% over the previous year, with 3% generated from increased turnover and 5% from increased margins, derived from operational improvements and costs reductions in the year. Overall, Administration, Selling and Distribution Costs declined by just under 6%. Interest costs increased by \$87 million on account of high level of working capital, particularly, in the early part of the year. In the course of the year, we rationalised our financing facilities to better meet the needs of the Group. Consequently, current liabilities at the end of the year declined by more than \$1.8 billion from the previous year end balance.

Turnover increased marginally by 3.3%, with local revenues increasing by almost 8%. International branded sales grew by 24%; while international bulk rum sales declined by 14%. The Group's key strategic focus for its product is to continue developing export markets for its branded products.

International Branded Sales

As Shareholders, you will be pleased to know that our El Dorado Brand continues to be recognised in international markets for its premium positioning and outstanding quality. Exports of branded products in the year increased by 24% over the previous year.

Our brands experienced strong growth in North America and Caribbean markets. In Canada where, according to industry data, the overall national rum market actually declined by 1.7%, our brands experienced growth of 35%. In the United States, where industry data shows that the national rum market declined by 0.8%, our brands grew by 25%. In Caribbean markets, our brands experienced growth of 28%. However, in Europe, branded sales declined by 18%, mainly in Russia and Ukraine, where sales declined by 58% as a result of the instability in Ukraine and the sanctions taken against Russia.

The reality is that international markets have been and will most likely continue to be adversely affected by global events, over which the Group may have little or no control. We therefore remain resolute in our strategic goal of seeking diversity of markets as we build a global business to hedge against the risks of upheaval in any one market.

Our Subsidiaries

Local

Demerara Shipping Company Ltd continued to perform well with profit before tax of \$217 million compared to \$185 million in 2013.

Distribution Services Ltd was seriously affected by parallel importation of several of the brands it represents. The profit before tax was \$313 million compared to \$455 million in 2013.

Tropical Orchard Products Ltd reported profit before tax of \$22.5 million compared to \$20.9 million the previous year.

Overseas

Our overseas Subsidiaries all recorded reduced profits in the year. St Kitts performed well with profit before tax of \$47.5 million, even though this was below the previous year profit

of \$54.4 million. Demerara Distillers USA Inc invested heavily in various marketing and brand building activities resulting in their profit after tax decline to \$2.4 million from \$36 million the previous year. Demerara Distillers Europe had a poor year, recording a loss of \$17 million versus a profit of \$122 million the preceding year. Apart from the decline in branded sales alluded to before in this report, the bulk business experienced intense competition from heavily subsidised sources.

Dividends

The Company proposed and paid an interim dividend of \$0.16 per share in December 2014 and the Directors have recommend a final dividend of \$0.44 per share making a total of \$0.60 per share for the year. In 2013, a total dividend of \$0.58 per share was paid.

Capital Expenditure

The planned upgrading of the Wharf facilities was deferred to 2015 as the project entailed the acquisition of additional land, which is expected to materialise during the second quarter of 2015. In addition, the Group will be investing in its information technology infrastructure with the aim of bringing its business processes in line with contemporary best and industry practices adopted worldwide.

Building Organisation Capacity

We are engaged in the process of transforming the Group into a brand building, market oriented entity that is innovative in its product conceptualisation and design as well as effective in our market execution. Such a transformation necessarily involves the recruitment of highly skilled talent to undertake research and product development as well as design of cutting-edge route-to-market strategies. Our success so far has been quite remarkable, but we need to keep investing in our skilled human resources if we are to consistently build on our accomplishments to date and successfully compete with those global companies, with strong brands supported by generous marketing budgets which dominate the retail shelf space available.

Future Prospects

Early economic predictions for the 2015 business environment suggest that this will be a very challenging year. The domestic market may be affected by political uncertainty for most of the first half of the year, with General Elections scheduled for May 2015. The early 2015 forecast for Caribbean economies also projects sluggish growth. However, from initial indications, the US and UK economies are expected to continue on the growth path. Unfortunately, the Euro Zone countries are expected to experience slow or negative growth with the Euro currency predicted to decline further compared to other major currencies.

Despite the predicted challenges, we remain optimistic about the Group's future prospects. We will continue our brand building activities as well as the distribution expansion of our core brands. We expect to introduce new product offerings in 2015, which will allow the Group to take advantage of new emerging niche market opportunities.

DDL will also continue our efficiency improvement drive, seeking to derive greater benefits from our investments in innovative technology. We will continue to increase investments in human resources development in order to maximize and improve capacity to manage our business in an increasingly complex and rapidly changing international market place.

CHAIRMAN'S REPORT

Acknowledgements

Our partnerships with our many stakeholders including our customers, agents and distributors in the domestic and international markets have grown stronger in 2014. I would like to thank them for their loyalty and support during the last year.

Our staff at all levels of the organisation rose admirably to and successfully braved the 2014 challenges, both anticipated as well as unexpected. I thank all of them for their continued support and contribution to the vision of building a strong viable business with great long term potential.

I am immensely grateful to our hard working Board of Directors for their sound advice and guidance in the last year. Their oversight of the company's operations has helped in no small measure to realise these results and end the year on a very positive note.



Komal Samaroo
President, Chairman of the Board



LONG SERVICE AWARDS

These employees were honoured at the annual staff party

35 YEARS

BIBI KHOURI • Commercial

MARLON BLAKE • DSCL

30 YEARS

DEORAM GOBINDASS • Beverage Plant

MOHAMED BAKSH • Distillery

BRIAN ALLEYNE • Human Resources

HEMENCHAL PERSAUD • Bottling Plant

RAMNARASE PERSAUD • Bottling Plant

25 YEARS

SHAMIR BUX • Beverage Plant

INDERJIT MANIKCHAND • Distillery

JENNIFER SARJOO • Distillery

SURDHARIE SINGH • Distillery

SHAWN LEWIS • Bottling Plant

AVRIL WILLIAMS • Security

RAMPAUL SUKDEO • Bottling Plant

BUDDY LALL DASRATH • Human Resources

BHARRAT DHANRAJ • Rum Delivery

HARGOBIN HARIRAM • Marketing

20 YEARS

DIARAM PARBHU • Administration

BRIAN ANTHONY • Beverage Plant

VIRJANAND BISRAM • DSCL

KHEMRAJ DHANRAJ • DSCL

DHANESHWAR GANESH • DSCL

KHEMCHAND • DSCL

MAHESH SINGH • DSCL

PRAKASH SINGH • DSCL

RAJNARINE GOWTAMRAM • Distillery

SOOKRANIE ALLEN • Human Resources

WILLET SUGRIM • Security

MAHESS EUGENE • Security

BALDEO PERSAUD • Security

KAYSAREE RAMJIT • Security

RAJENDRA SINGH • Security

ANIL SEERAM • Distillery

NARENDRA MAIKU • Finance

ZEANA MOHAMED • TOPCO

ERROL WADE • Security

15 YEARS

RICHARD ROZARIO • Berbice

SOHAN SOOKRAM • DSCL

NOREEN SINGH • Essequibo

BASDEO ROOPNARINE • Essequibo

TOTARAM • Essequibo

GAITREE HARRICHAND-BUDHAI • Finance

JERANZEE MARQUES • Marketing

MANAGEMENT TEAM



ALLISON THORNE
Company Secretary/Legal Officer



VASUDEO SINGH
Finance Controller



MONEETA SINGH-BIRD
Human Resource Director



FAZAL BACCHUS
Chief Internal Auditor



SHAUN CALEB
Senior Process
Improvement Manager



YESHWAR BHAGWANDAT
Senior Business Development
Manager

MANAGEMENT TEAM

AKILA ASH
Manager, Demerara
Distillers (St. Kitts - Nevis) Ltd.

BRIAN BOURNE
Manager, Demerara
Rum Company Inc.

PATRICK KEIJZER
Manager, Breitenstein Holdings BV.

IAN LYE
Demerara Distillers
(US) Inc.

REPORT OF THE DIRECTORS

The Board of Directors is pleased to present its Report together with the Audited Financial Statements of Demerara Distillers Limited & Subsidiaries for the year ended December 31, 2014.

Turnover and Profitability

Group turnover increased by \$0.6 billion from \$17.5 billion in 2013 to \$18.1 billion in 2014. Group pre-tax profits increased by \$448 million in 2014 from \$2.2 billion in 2013 to \$2.6 billion.

Dividends

A final dividend of \$0.44 per share has been recommended, in addition to \$0.16 per share interim dividend already paid, bringing the total dividends for the year to \$0.60 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
Chandradat Chintamani	Executive Director
Sharon Sue Hang	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 27th day of March 2015, and being eligible, offer themselves up for re-election.

Directors' Emoluments as at December 31, 2014

Egbert Carter	\$1,620,000
Rudolph Collins	\$1,620,000
Timothy Jonas	\$1,620,000
Harryram Parmesar	\$1,620,000
Yesu Persaud	\$1,620,000
Lancelot Tyrell	\$1,328,226

Directors' Interest – Demerara Distillers Limited

The interests of Directors holding office in the ordinary shares of Demerara Distillers Limited at December 31, 2014 and up to the date of this Report were as follows:

DIRECTOR	ORDINARY SHARES AT NO. PAR VALUE			
	Beneficial Interest		Associates' Interest	
	2014	2013	2014	2013
Komal Samaroo	931,646	931,646	1,137,141	1,137,141
Egbert Carter	14,000	14,000	Nil	Nil
Rudolph Collins	929	929	Nil	Nil
Timothy Jonas	50,000	50,000	Nil	Nil
Harryram Parmesar	55,504	50,254	Nil	Nil
Yesu Persaud	0	4,677,912	Nil	Nil
Lancelot Tyrell	29,750	29,750	Nil	Nil
Sharda Veeren-Chand	1,500,000	1,500,000	Nil	Nil
Chandradat Chintamani	200,000	200,000	Nil	Nil
Sharon Sue Hang	23,334	23,334	Nil	Nil

REPORT OF THE DIRECTORS

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

In its formulation, guidance and oversight of the Group's growth and expansion strategy, the Board ascribes indispensable importance to those corporate governance best practices which ensure transparency, accountability, fairness, and corporate responsibility in all decisions, dealings, transactions and interactions of the Group.

The Board bona fide believes that a robust corporate governance culture strengthens the confidence placed in the Group by its shareholders, business associates, partners, suppliers, employees and consumers. In discharging its principal role as Trustees of Shareholders, the Board resolutely embraces all corporate governance best practices which generally advances the interest of shareholders and specifically:

- protects and facilitates the exercise of shareholders' rights;
- ensures the equitable treatment of all shareholders;
- ensures the Board's accountability to shareholders;
- promotes transparent and efficient markets;
- adhere to the rule of law;
- recognizes the rights of stakeholders established by law and through mutual agreements;
- ensures that timely and accurate disclosures are made on all material matters relating to the Company; and
- ensures the strategic guidance of the Company as well as the effective monitoring of Management.

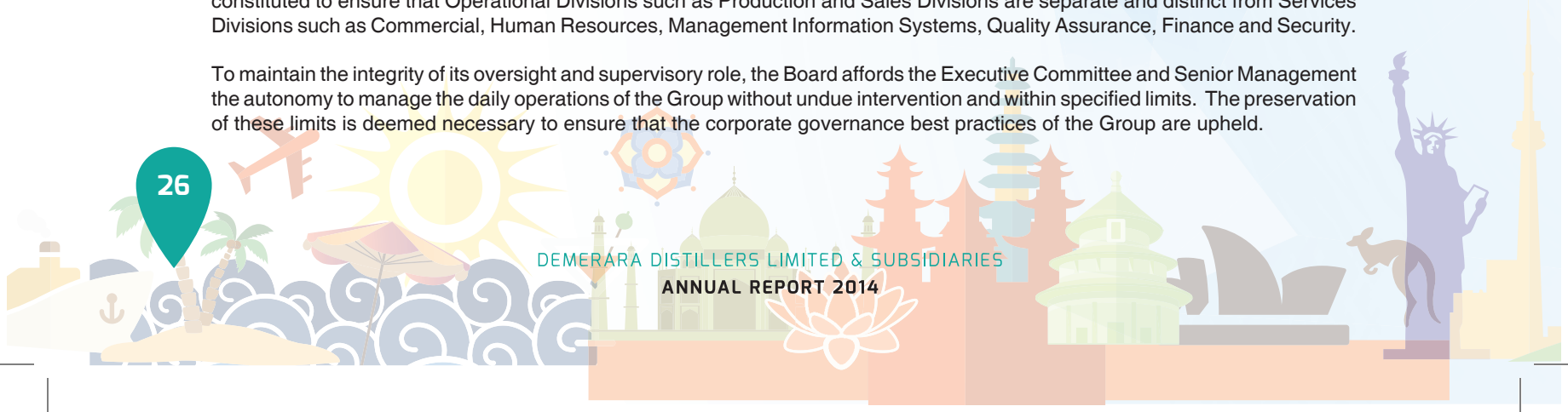
In its oversight of the Group's affairs, on behalf of Shareholders, the Board meets, at least, once monthly in order to, inter alia:

- comprehensively and constructively review the operational and financial performance of the Group;
- set and supervise the Group's strategic objectives as well as ensure the adequacy of resources to achieve those objectives; and
- guide and monitor the framework for effective assessment, mitigation and management of corporate and operational risks.

The diverse composition of the Board creates an appropriate balance of expertise, experience, independence, creativity as well as constructive challenge to ensure effective and inclusive decision making in all Board deliberations and decisions.

The Executive Committee, which comprises Executive Directors and Senior Management as supported by Middle Management, are responsible for the implementation and daily management of the decisions, directives and policies approved by the Board. The corporate philosophy behind the Group's Management Structure is and has been to preserve the segregation of duties, prevent cross-responsibilities and minimize the possibility of conflict of interest. To this end, the Management Structure is constituted to ensure that Operational Divisions such as Production and Sales Divisions are separate and distinct from Services Divisions such as Commercial, Human Resources, Management Information Systems, Quality Assurance, Finance and Security.

To maintain the integrity of its oversight and supervisory role, the Board affords the Executive Committee and Senior Management the autonomy to manage the daily operations of the Group without undue intervention and within specified limits. The preservation of these limits is deemed necessary to ensure that the corporate governance best practices of the Group are upheld.



REPORT OF THE DIRECTORS

In the Group's relentless drive to responsibly and ethically advance its long term strategic objectives of achieving global competitiveness and capacity expansion, the Board reaffirms its commitment to strict adherence to well settled and superior corporate governance best practices.

Audit Committee

The Audit Committee is an active Committee of the Board that meets monthly.

The Members of the Audit Committee are:

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

The main objective of the Audit Committee is to aid the Board of Directors in discharging its responsibility to oversee:

- the Company's financial reporting, auditing and internal control policies and procedures, including the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements;
- the performance of the Company's Internal Audit Department; and
- the independent auditors' competence, independence and performance.

The Audit Committee is supported in its activities by the Company's Internal Auditor, who reports directly to the Chairman of the Audit Committee, and is responsible for carrying out independent checks to ensure compliance with and adherence to the Company's internal controls, established systems and documented procedures. At the request of the Committee, the Internal Auditor ordinarily attends the monthly Audit Committee Meetings along with any other Executive Directors, Managers or Officers, whose presence the Committee deems necessary.

Technical Committee

The Technical Committee was formally established by Board Decision of October 23, 2014 and constituted as a Committee of the Board in respect of all duties assigned thereto by the Board.

The Members of the Technical Committee are:

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

The primary objectives of the Technical Committee are:

- to prudently guide the Board and Group on all technical matters relating to the preparation and implementation of capital projects;
- to develop, monitor and review policies for operational maintenance of all plant and equipment of the Group in view of industry best practices;
- guide the Board and Group's Management on technical issues in the preparation and implementation of maintenance processes to achieve the designed operating parameters.

The Technical Committee meets at least once every month to evaluate the engineering activities, processes and functions in various operations of the Group; to monitor environmental health and safety practices; to review and if thought fit, approve all drawings, designs, specifications and contract documents for capital projects and modification of existing plant and equipment

REPORT OF THE DIRECTORS

as well as to provide guidance on training and development of the engineering workforce and assist in identifying training needs of the Group.

Substantial Shareholders

Company/Institution	2014		2013	
	# of Shares	% Shareholding	# of Shares	% Shareholding
Trust Company (Guyana) Limited	158,495,834	20.58	154,317,005	20.04
Secure International Finance Co Ltd	141,054,231	18.32	140,413,433	18.23
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.

Changes in Affairs of the Company

There were no significant changes in the affairs of the Company during the year ended December 31, 2014.

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.)
Company Secretary/Legal Officer
February 20, 2015

CORPORATE SOCIAL RESPONSIBILITY

At Demerara Distillers Limited it is our philosophy that we should help to develop the next generation of consumers and employees who will be the future of both our Company and our Country. In 2014 we continued our focus on the development of youth through several avenues in the areas of Education and Sports. Some of these were:

Education – the DDL Foundation

The Foundation which was launched in December 2010 focuses on 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, and would also include a Mentorship Program where each child would be linked to a Mentor who will monitor the performance of the child and provide the necessary moral and other support during the period of their relationship with the Foundation.

In 2013, we had 22 students from leading secondary schools and in 2014, we added 4 more students, which now takes us to a total of 26 students. We wish to keep increasing this number as the benefits of this programme to the students are invaluable.

SPORTS – LOCAL SPONSORSHIPS

Pepsi Scotia Bank Football Academy

Demerara Distillers Limited through our brand Pepsi continued our partnership with the Guyana Sports Development Foundation and Scotia Bank to host the fourth annual Scotia Bank/Pepsi School Football Academy.

While this program is the first comprehensive secondary school football program, it is the only program that caters to both males and females between the ages of 10 and 15 years old. This program focuses on training and developing the skills of these young students. The program over the last four years has trained over 125 PE Teachers as coaches and over 75 students have been trained as assistant referees. In 2014, 24 schools participated in the tournament. Twelve (12) girls from the academy were selected for

the national squad for World Cup qualification.

Pepsi Under 16 Boxing

DDL's relationship with the Guyana Amateur Boxing Association (GABA) continued in 2014 with Pepsi partnering with the GABA to sponsor three (3) Pepsi Under-16 Boxing tournaments in 2014.

Since this tournament was first executed in 2012, we have been able to see a number of boxers using the competition to showcase and develop their talent. Two (2) boxers from the tournament have been able to represent Guyana in 2014. The tournament which acts as a nursery for young boxers gives them an opportunity to participate in an organised tournament. For most of the young people involved in this sport, boxing is a lifeline that will not only provide the path to professionalism but will also provide gainful meaningful engagement.

Diamond Mineral Water Cycling

DDL, under its Diamond Mineral Water, brand collaborated once again with National Cycling Coach, Hassan Mohamed in hosting of two major cycling events in the year 2014. The 9th Annual Youth Program and Invitation Event was held in March at the National Park and the 14th Annual Diamond Mineral Water 50 Miles Road Race which was held in November from Wales to Parika and back to the Demerara Harbour Bridge was captured by Mr. Hamza Eastman who won first prize in the Senior category.

Horse Racing

DDL, under its Five O brand, continued its tradition of over 30 years of sponsorship of Kennard Memorial Turf Club (KMRC) Grand Horse Race Meet. This activity is primarily targeted to the people of West Berbice and is deemed a key event in the horse racing calendar.

Golf

Despite being a rather unpopular sport in Guyana, El Dorado understands the need to develop all sports regardless of popularity. For the past four years, El Dorado has been sponsoring Golf held at the Lusignan Golf Club. This sport has the potential to grow in coming years.

CORPORATE SOCIAL RESPONSIBILITY

Hockey

Demerara Distillers Limited, under its Diamond Mineral Water Brand, renewed its collaboration with the Guyana Hockey Board to host the 10th Annual Diamond Mineral Water International In-Door Hockey Festival held at the National Gymnasium on December 4, 5, 6, 2014. The festival is one of the largest and most popular in the hockey category that attracts top teams from the Caribbean Region and North America. Unfortunately in 2014, due to the recently concluded Central America and Caribbean Games in Mexico, the level of participation dwindled. Despite this fact, Hikers managed to defend their title as champions.

Mainstay Regatta

This is one of the biggest regattas in the Essequibo County attracting thousands of patrons. DDL under its Ivanoff Vodka Brand sponsored the 150 horse power boat racing. This event saw a attendance of over 2,500 persons and the numbers continue to grow as more emphasis on these local events.

Rodeo

The El Dorado Rupununi Rodeo has become a major part of our sponsorship on the annual list of activities at DDL. This event takes place in the Lethem community attracting both tourists from the neighbouring Brazil as well as those journeying the trail from Georgetown.

Rose Hall Town Youth and Sports Club

DDL extends its partnership with the Rose Hall Town Youth and Sports Club under 19 team. As a part of our developmental program in sports, DDL under its Pepsi brand continues to support the RHY&SC Pepsi under 19 team.

GuyExpo 2014

Demerara Distillers Limited was once again honoured to take part in one of the largest tourism exhibitions in Guyana, GuyExpo. Several well displayed bars, including our first ever Retro Themed Cocktail Bar and an ever fascinating El Dorado booth served to engage patrons. The El Dorado booth served to educate patrons on the rich history attached to over 300 years of rum making and coupled with prize giveaways on selected bottles of rums, persons were truly amazed and excited.

INTERNATIONAL SPONSORSHIPS

Limacol Caribbean Premier League T20 2014

Demerara Distillers' most popular brand, El Dorado, returned as the Official Partner to the Limacol Caribbean Premier League. El Dorado Rum had renewed its sponsorship of the CPL, for three more years, enabling fans of the hugely successful cricket tournament to enjoy the liquid gold of Guyana alongside scintillating T20 cricket.

In addition to being the Official Partner to the League, El Dorado also signed up as Official Partner to the Guyana Amazon Warriors, Trinidad and Tobago Red Steel and the Barbados Tridents franchise teams.

This year's grand prize allowed one lucky winner, Mr. George Pile, a trip to see the final of the tournament in St. Kitts.

EDUCATION AND HR DEVELOPMENT

Bursary Scheme

Demerara Distillers Limited awarded fourteen bursaries to children of employees who passed the National Grade Six Assessment. The children were awarded at a ceremony held on Thursday August 24, 2014.

These awardees now bring the total to eighty students from across the country, who are now receiving the annual bursary.

Work Attachments

The company facilitated fifty four students from a number of institutions on work study attachments. The students were attached to a wide number of Departments (eg. Workshop, New Bottling Plant, Beverage Plant, Distillery, Central Laboratory, International Marketing, DSCL etc) of the company and received exposure to all areas of work.

Educational Tours

The company continued to facilitate tours to its operations from school children, and in 2014, facilitated four thousand two hundred and eighty eight students from fifty seven (57) institutions across Guyana. The students gained an insight into the operations of TOPCO and the Beverage Plants.

CORPORATE SOCIAL RESPONSIBILITY

Cadetship/Scholarship Programme

The company continued its support of employees who are interested in pursuing Degrees at the University of Guyana, offering three cadetships in Chemistry and Electrical Engineering in 2014. We now have six students enrolled in first degree programmes at the University of Guyana.

Demerara Distillers continues to provide support for professional development of its staff, and in 2014, it offered assistance to fifty six staff members who pursued a range of courses with various organizations.

This support to staff underscores the Company's commitment to human resource development.

Graduate Trainee Programme

In 2014, Demerara Distillers Limited accepted seven graduates from the University of Guyana, as part of its Graduate Trainee Programme.

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



FINANCIAL Statements

Independent Auditor's Report | 33

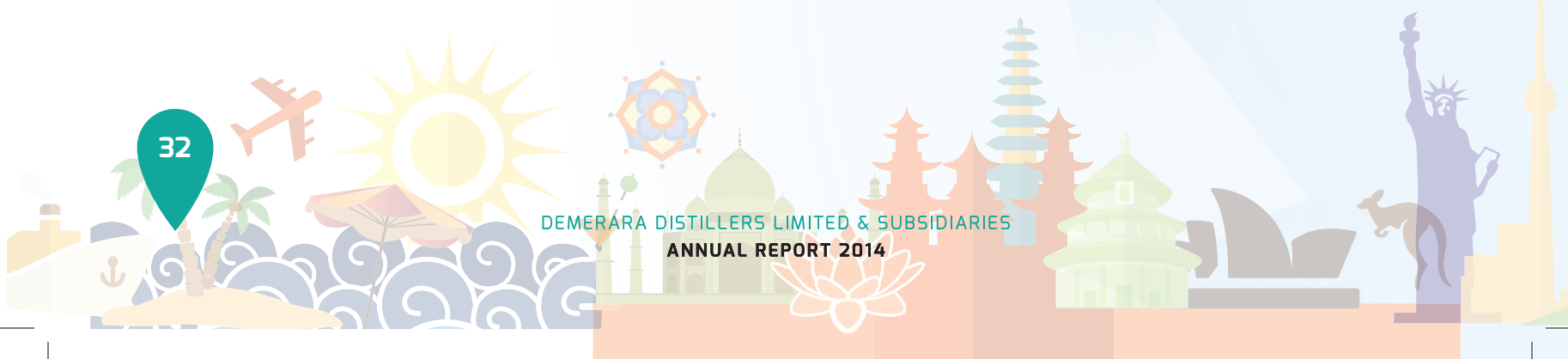
Consolidated Statement Of Profit or Loss and
other Comprehensive Income | 34

Statement Of Changes in Equity | 35

Consolidated Statement Of Financial Position | 37

Consolidated Statement Of Cash Flows | 39

Notes On The Accounts | 41



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DEMERARA DISTILLERS LIMITED AND SUBSIDIARIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Report on the Financial Statements

We have audited the accompanying financial statements of Demerara Distillers Limited and Subsidiaries which comprise the statement of financial position as at December 31, 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 34 to 97.

Directors'/Management's Responsibility for the Financial Statements

The Directors/ Management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

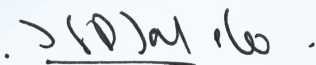
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects of the financial position of Demerara Distillers Limited and Subsidiaries as at December 31, 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991.



TSD LAL & CO.
CHARTERED ACCOUNTANTS

77 Brickdam, Stabroek, Georgetown, Guyana
February 12, 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

	NOTES	COMPANY		GROUP	
		2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Turnover		12,642,287	11,449,408	18,112,393	17,529,199
Cost of sales		(8,552,738)	(7,868,849)	(11,341,039)	(11,266,704)
Gross profit		4,089,549	3,580,559	6,771,354	6,262,495
Other income	5	420,736	360,611	291,187	389,079
Selling and distribution expenses		(982,195)	(698,537)	(2,279,811)	(2,055,739)
Administration expenses		(898,781)	(1,186,469)	(1,561,268)	(2,010,034)
Profit before interest and taxation		2,629,309	2,056,164	3,221,462	2,585,801
Finance cost		(590,422)	(594,361)	(675,645)	(589,069)
Share of profit of associate companies	11c(i)	-	-	106,886	208,504
Profit before taxation	6	2,038,887	1,461,803	2,652,703	2,205,236
Taxation	7	(447,814)	(312,751)	(706,848)	(635,815)
Profit for the year		1,591,073	1,149,052	1,945,855	1,569,421
Other Comprehensive Income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit pension plans	7	1,543	125,359	1,543	125,359
		1,543	125,359	1,543	125,359
Items that may be subsequently reclassified to profit or loss:					
Exchange difference on consolidation	18(c)	-	-	(165,223)	65,137
Fair value gain on investments	18(b)	10,005	93,681	24,415	66,561
		10,005	93,681	(140,808)	131,698
Other comprehensive income for the year		11,548	219,040	(139,265)	257,057
Total comprehensive income for the year		1,602,621	1,368,092	1,806,590	1,826,478
Profit attributable to:					
Equity holders of the parent		1,591,073	1,149,052	1,945,855	1,569,421
Non Controlling Interest	19	-	-	-	-
		1,591,073	1,149,052	1,945,855	1,569,421
Total Comprehensive Income attributable to:					
Equity holders of the parent		1,602,621	1,368,092	1,806,590	1,826,478
Non Controlling Interest	19	-	-	-	-
-		1,602,621	1,368,092	1,806,590	1,826,478
Basic earnings per share in dollars	9	2.07	1.49	2.53	2.04

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

		COMPANY Attributable to equity holders of the parent				
	Notes	Share capital	Capital reserves	Other reserve	Retained earnings	Total
		G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Balance at January 01, 2013		770,000	489,565	675,989	9,944,653	11,880,207
Changes in equity 2013						
Total comprehensive income for the year		-	-	93,681	1,274,411	1,368,092
Dividends	8	-	-	-	(423,500)	(423,500)
Balance at December 31, 2013		770,000	489,565	769,670	10,795,564	12,824,799
Changes in equity 2014						
Total comprehensive income for the year		-	-	10,005	1,592,616	1,602,621
Dividends	8	-	-	-	(454,300)	(454,300)
Balance at December 31, 2014		770,000	489,565	779,675	11,933,880	13,973,120

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

GROUP								
Notes	Attributable to equity holders of the parent						Non Controlling interest	Total equity
	Share capital	Capital reserves	Other reserve	Exchange difference reserve	Retained earnings	Total		
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Balance at January 01, 2013	770,000	450,854	785,329	44,886	12,604,600	14,655,669	29,333	14,685,002
Changes in equity 2013								
Total comprehensive income for the year	-	-	66,561	65,137	1,694,780	1,826,478	(29,333)	1,797,145
Dividends 8	-	-	-	-	(423,500)	(423,500)	-	(423,500)
Balance at December 31, 2013	770,000	450,854	851,890	110,023	13,875,880	16,058,647	-	16,058,647
Changes in equity 2014								
Total comprehensive income for the year	-	-	24,415	(165,223)	1,947,398	1,806,590	-	1,806,590
Dividends 8	-	-	-	-	(454,300)	(454,300)	-	(454,300)
Balance at December 31, 2014	770,000	450,854	876,305	(55,200)	15,368,978	17,410,937	-	17,410,937

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

	NOTES	COMPANY		GROUP	
		2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
ASSETS					
Non current assets					
Property, plant and equipment	10	8,746,278	8,953,929	9,566,309	9,812,371
Investments	11	1,442,777	1,432,772	1,618,816	1,518,119
Deferred expenditure	12	-	80	-	80
Retirement benefit asset	13	1,421,885	1,383,182	1,421,885	1,383,182
Total non-current assets		11,610,940	11,769,963	12,607,010	12,713,752
Current assets					
Inventories	14	10,355,610	10,182,806	13,095,155	12,691,321
Trade and other receivables	15	798,668	1,062,892	1,839,139	2,151,732
Prepayments		209,978	76,950	280,971	110,513
Taxes recoverable		48,850	524,913	330,121	693,643
Cash in hand and at bank		189,225	155,304	387,768	365,993
Total current assets		11,602,331	12,002,865	15,933,154	16,013,202
TOTAL ASSETS		23,213,271	23,772,828	28,540,164	28,726,954
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
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)	779,675	769,670	876,305	851,890
Exchange difference reserve	18 (c)	-	-	(55,200)	110,023
Accumulated profits		11,933,880	10,795,564	15,368,978	13,875,880
		13,973,120	12,824,799	17,410,937	16,058,647
Non Controlling Interest	19	-	-	-	-
TOTAL EQUITY		13,973,120	12,824,799	17,410,937	16,058,647

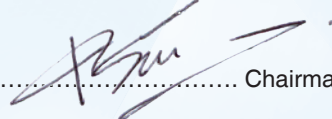
"The accompanying notes form an integral part of these financial statements"


CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONT'D

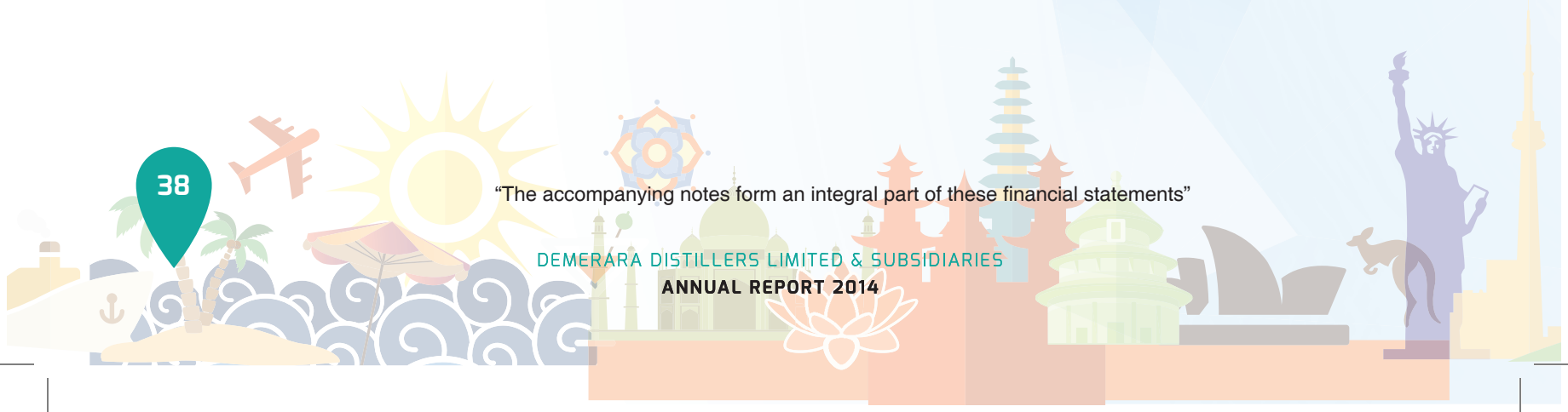
AS AT DECEMBER 31, 2014

	NOTES	COMPANY		GROUP	
		2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Non-current liabilities					
Loans due after one year	20	3,558,912	2,999,833	4,226,569	3,708,102
Deferred tax	7	1,132,261	1,294,729	1,132,261	1,298,216
Retirement benefit obligation	13	13,129	63,783	13,129	63,783
Total non-current liabilities		4,704,302	4,358,345	5,371,959	5,070,101
Current liabilities					
Trade and other payables	16	2,297,342	4,055,825	2,376,029	3,805,275
Taxes payable		89,921	262,809	125,838	242,673
Current portion of Interest bearing borrowings	20	708,679	815,716	812,340	869,261
Bank overdraft (secured)	20	1,439,907	1,455,334	2,443,061	2,680,997
Total current liabilities		4,535,849	6,589,684	5,757,268	7,598,206
TOTAL LIABILITIES		9,240,151	10,948,029	11,129,227	12,668,307
TOTAL EQUITY AND LIABILITIES		23,213,271	23,772,828	28,540,164	28,726,954

The Board of Directors approved these financial statements for issue on February 12, 2015


..... Chairman


..... Director



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Operating activities				
Profit before taxation	2,038,887	1,461,803	2,652,703	2,205,236
Adjustments for:				
Depreciation	554,845	543,927	633,566	620,828
Decrease in deferred expenditure	80	-	80	46,358
Fair value adjustment on investment	-	-	2,138	12,704
Increase in defined benefit asset	(38,703)	(72,989)	(38,703)	(72,989)
Increase / (decrease) in defined benefit liability	(50,654)	4,426	(50,654)	4,426
Loss on disposal of investment	-	267,824	-	267,824
Increase in investment in associate companies	-	-	(78,421)	(181,480)
Exchange difference on consolidation	-	-	(165,223)	65,137
Interest received	(24)	(35)	(24)	(35)
Interest paid	590,446	594,396	675,669	589,104
Operating profit before working capital changes	3,094,877	2,799,352	3,631,131	3,557,113
Increase in inventories	(172,804)	(1,318,241)	(403,834)	(1,461,851)
(Increase) / decrease in receivables and prepayments	131,196	(75,376)	142,135	1,136,501
Decrease in payables and accruals	(1,264,773)	(720,771)	(1,429,246)	(1,886,163)
Increase / (decrease) in due to subsidiaries	(493,710)	488,936	-	-
Cash generated from operations	1,294,786	1,173,900	1,940,186	1,345,600
Taxes paid/adjusted	(305,564)	(207,548)	(624,572)	(597,996)
Net cash provided by operating activities	989,222	966,352	1,315,614	747,604
Investing activities				
Interest received	24	35	24	35
Purchase/transfer of property, plant and equipment	(347,194)	(757,477)	(387,504)	(912,425)
Sale of property, plant and equipment	-	-	-	60,902
Net cash used in investing activities	(347,170)	(757,442)	(387,480)	(851,488)
Financing activities				
Loans drawn down	1,101,000	2,340,122	1,201,000	2,994,122
Loan repayments and transfers	(648,958)	(1,304,631)	(739,454)	(1,675,462)
Interest paid	(590,446)	(594,396)	(675,669)	(589,104)
Dividends paid	(454,300)	(423,500)	(454,300)	(423,500)
Net cash provided by/(used in) financing activities	(592,704)	17,595	(668,423)	306,056
Net increase in cash and cash equivalents	49,348	226,505	259,711	202,172

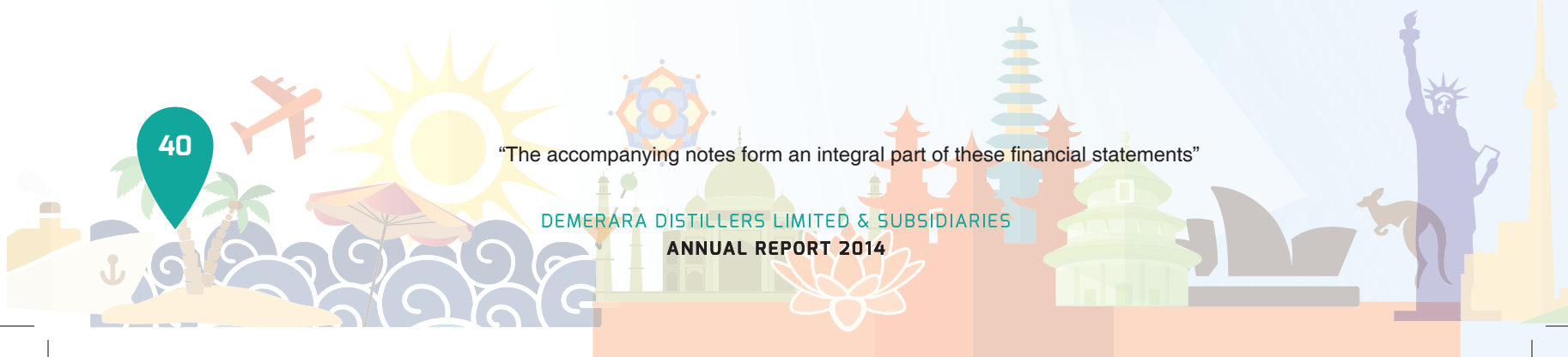
"The accompanying notes form an integral part of these financial statements"

CONSOLIDATED STATEMENT

OF CASH FLOWS CONT'D

FOR THE YEAR ENDED DECEMBER 31, 2014

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Cash and cash equivalents at beginning of period	(1,300,030)	(1,526,535)	(2,315,004)	(2,517,176)
Cash and cash equivalents at end of period	(1,250,682)	(1,300,030)	(2,055,293)	(2,315,004)
Comprising:				
Cash and bank	189,225	155,304	387,768	365,993
Bank overdraft (secured)	(1,439,907)	(1,455,334)	(2,443,061)	(2,680,997)
Cash and cash equivalents at end of period	(1,250,682)	(1,300,030)	(2,055,293)	(2,315,004)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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, sales and logistics.

2. New and amended standards and interpretations

Effective for the current year end

New and Amended Standards

IFRS 10 Consolidated Financial Statements
IFRS 12 Disclosure of Interests in Other Entities
IAS 27 Separate Financial Statements
IAS 32 Financial Instruments - Offsetting Financial Assets and Financial Liabilities
IAS 36 Impairment of Assets
IAS 39 Financial Instruments: Recognition and Measurement

Effective for annual periods beginning on or after

1 January 2014
1 January 2014
1 January 2014
1 January 2014
1 January 2014
1 January 2014

New interpretation

IFRIC 21 Levies

1 January 2014

The standards and amendments that are expected to have an impact on the Company's and Group's accounting policies are explained below:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

2. New and amended standards and interpretations – Cont'd

Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities

Amends IAS 32 Financial Instruments: Presentation to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas.

This amendment did not have a material impact on the entity as the Group does not have any financial assets and financial liabilities that qualify for offset.

Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities

Amends IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements to:

- provide 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss.
- require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries
- require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements.

The amendments did not have a material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets

Amends IAS 36 Impairment of Assets to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment.

These amendments did not have a material impact on the disclosures or on amounts recognised in the Group's financial statements.

Available for early adoption for the current year end

New and Amended Standards

IAS 19 Employee Benefits
Annual Improvements 2010-2012 Cycle
Annual Improvements 2011-2013 Cycle
IFRS 14 Regulatory Deferral Accounts
IFRS 11 Joint Arrangements
IAS 16 & IAS 38 Clarification of Acceptable Methods of Depreciation And Amortisation
IAS 16 & IAS 41 Agriculture: Bearer Plants
IAS 27 Separate Financial Statements
IFRS 10 & IAS 28 Sale or Contribution of Assets Between Investor and Associate or Joint Venture
Disclosure Initiative Amendments to IAS 1
IFRS 10, IFRS 12 & IAS 28 Applying Consolidation Exceptions
Annual Improvements 2012-2014 Cycle
IFRS 15 Revenue From Contracts With Customers
IFRS 7 Financial Instruments: Disclosures
IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9 Additions for Financial Liability Accounting

Effective for annual periods beginning on or after

1 July 2014
1 July 2014
1 July 2014
1 January 2016
1 January 2016

1 January 2016
1 January 2016
1 January 2016

1 January 2016
1 January 2016
1 January 2016
1 July 2016
1 January 2017
1 January 2017
1 January 2018
1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

2. New and amended standards and interpretations – Cont'd

The Company has not opted for early adoption.

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

Amendments to IAS 19: Defined Benefit Plans: Employee Contributions

Amends IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

The application of the amendments to IAS 19 may have impact on amounts reported in respect of the Company's defined benefit plans. The management is in discussion with the actuary to determine any possible effect of the amendments.

Annual Improvements

The annual improvements programme of the International Accounting Standards Board deals with amendments and clarifications to IFRS.

IFRS 1 — First-time Adoption of International Financial Reporting Standards

IFRS 2 — Share-based Payment

IFRS 3 — Business Combinations

IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations

IFRS 7 — Financial Instruments Disclosure

IFRS 8 — Operating Segments

IFRS 9 — Financial Instruments

IFRS 13 — Fair Value Measurement

IAS 16 — Property, Plant and Equipment

IAS 24 — Related Party Disclosures

IAS 34 — Interim Financial Reporting

IAS 38 — Intangible Assets

IAS 40 — Investment Property

The directors do not anticipate that the application of the foregoing amendments will have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to clarify that a depreciation method for the use of an asset that is not appropriate for property, plant and equipment.

The application of the amendments may have impact on amounts reported in respect of depreciation. However, the directors do not anticipate a significant effect.

Disclosure Initiative (Amendments to IAS 1)

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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) Fixed Assets 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.

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:

	2014/2013
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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

3. Summary of significant accounting policies – cont'd

(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 2011 and was used as the basis for information presented in Note 13 in accordance with International Accounting Standards No. 19 – Employee Benefits (Revised).

The actuarial valuation due to be carried out on or before 31 December, 2014 has not commenced.

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

3. Summary of significant accounting policies – cont'd

(f) Consolidation – cont'd

The consolidated accounts incorporate the accounts as at December 31, 2014 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	Distribution
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
Demerara Distillers Limited-Hyderabad (ii)	India	50.00	Manufacturing & Distribution

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
Mc Murdo Distillers Ltd.	United Kingdom	100	Distribution
Demerara Distillers (UK) Ltd	United Kingdom	100	Distribution
Caribbean Distillers Ltd	United Kingdom	100	Distribution
Mc Cloud Distillers Ltd	United Kingdom	100	Distribution

ii. Demerara Distillers Limited – Hyderabad

The joint venture agreement between the company and Demerara Distillers Limited - Hyderabad came to an end during the year 2013.

iii. 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. As stated in 3 (f) (ii) Demerara Distillers Limited – Hyderabad is from 2013 an associate company with a 50% ownership in the share capital of the company.

3. Summary of significant accounting policies – cont'd

(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 substantially 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

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 substantially 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.

(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) Deferred expenditure

Deferred expenditure is measured at amortised cost and tested annually for impairment.

(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.

3. Summary of significant accounting policies – cont'd

(j) Financial instruments – cont'd

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.

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.

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.

3. Summary of significant accounting policies – cont'd

(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.

(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 were \$4,272,864 (2013: \$4,390,675) for interest charges. Borrowing costs were computed using the effective interest method in accordance with IAS 39 – Financial Instruments: Recognition and measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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) Trade and other receivables

On a regular basis, management reviews trade and other receivables to assess impairment. Based on information available as to the likely impairment in cash flows, decisions are taken in determining appropriate provisions to be made for impairment.

ii) 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.

iii) Useful lives of property, plant and equipment

Management reviews the estimated useful lives of property, plant and equipment at the end of each year to determine whether the useful lives of property, plant and equipment should remain the same.

iv) 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.

v) 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.

vi) Deferred expenditure

At the end of each year management reviews the performance of its products in the relevant territories to determine whether the deferred expenditure is impaired.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

5 Other income

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Investment income (a)	236,944	225,778	36,944	25,778
Rent and Miscellaneous income	183,792	134,833	254,243	363,301
	420,736	360,611	291,187	389,079

(a) This represents dividends received from available for sale investments of G\$33.434M (2013 - G\$21.668M) and G\$203.510M (2013 - G\$204.110M) from subsidiaries and associate company.

Investment income consists of G\$33.434M (2013 - G\$21.668M) from quoted investments and G\$203.510M (2013 - G\$204.110M) from unquoted investments.

6 Profit before taxation

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Profit before taxation	2,038,887	1,461,803	2,652,703	2,205,236
After charging:				
Property Tax (a)	157,186	145,761	169,408	157,275
Interest and other finance charges	590,446	594,396	675,669	589,104
Depreciation	554,845	543,927	633,566	620,828
Exchange loss	1,136,691	736,114	1,136,691	736,114
Directors' emoluments (b)	9,428	5,016	9,428	5,016
Staff costs:				
Salaries and wages	1,240,418	1,100,532	1,809,907	1,642,991
Other staff costs	292,188	229,306	574,899	506,487
Pension	21,664	19,800	75,139	75,253
Auditors' remuneration	8,000	7,400	28,709	28,787
Increase / (decrease) in provision for Impairment:				
Inventory	(364,602)	50,383	(364,602)	50,383
Receivables	5,107	(21,568)	3,422	(37,475)
Provision for impaired investments - Joint venture/associate company (c)	-	267,824	-	113,871
And after crediting				
Exchange gain	1,101,026	415,872	1,101,026	415,872
Interest	24	35	24	35

(a) With effect from January 01, 2013 (YA 2014) property tax is calculated on asset values at January 01, 2011 instead of January 01, 1991. Also, the bands on which property tax is calculated were changed.

(b) At the end of the period there were six (2013 - four) non-executive Directors who received equal emoluments.

(c) During the year 2013 the Joint Venture agreement with Demerara Distillers Limited Hyderabad came to an end and a provision has been made for impairment on this investment after it was transferred as an associate company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

7 Taxation

Reconciliation of tax expense and accounting profit

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Accounting profit	2,038,887	1,461,803	2,652,703	2,205,236
Corporation tax at 30% / 40%	611,666	438,541	928,446	771,833
Add:				
Tax effect of expenses not deductible in determining taxable profits:				
Depreciation for accounting purposes	180,793	244,561	181,742	260,018
Property tax	47,155	43,728	58,979	54,845
	839,614	726,830	1,169,167	1,086,696
Deduct:				
Tax effect of depreciation and other allowances for tax purposes	277,863	250,655	344,895	289,682
Export allowance	133,070	119,553	133,070	119,553
Corporation tax charge	428,682	356,622	691,203	677,460
Deferred tax	(163,130)	(43,871)	(166,617)	(41,645)
Prior years' adjustment (a)	182,262	-	182,262	-
	447,814	312,751	706,848	635,815
Taxation - current	428,682	356,622	662,738	650,436
Prior years' adjustment (a)	182,262	-	182,262	-
associate companies	-	-	28,465	27,024
	610,944	356,622	873,465	677,460
deferred	(163,130)	(43,871)	(166,617)	(41,645)
	447,814	312,751	706,848	635,815

(a) Prior years' adjustment arose as a result of agreeing and settling with the Guyana Revenue Authority several prior years' tax positions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

7 Taxation - cont'd

Components of deferred tax

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Deferred tax liability	1,132,261	1,294,729	1,132,261	1,298,216
Fixed Assets	709,634	898,910	709,634	902,397
Defined benefit asset	426,566	412,001	426,566	412,001
Defined benefit liability	(3,939)	(16,182)	(3,939)	(16,182)
	1,132,261	1,294,729	1,132,261	1,298,216

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, 2013	963,350	353,125	(31,600)	1,284,875
Movement during the year:				
Statement of P&L and OCI	(64,440)	13,524	7,045	(43,871)
Statement of changes in equity	-	45,352	8,373	53,725
At December 31, 2013	898,910	412,001	(16,182)	1,294,729
Movement during the year:				
Statement of P&L and OCI	(189,276)	13,916	12,230	(163,130)
Statement of changes in equity	-	649	13	662
At December 31, 2014	709,634	426,566	(3,939)	1,132,261

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2013	964,611	353,125	(31,600)	1,286,136
Movement during the year statement of				
P&L and OCI	(62,214)	13,524	7,045	(41,645)
Statement of Changes in Equity	-	45,352	8,373	53,725
At December 31, 2013	902,397	412,001	(16,182)	1,298,216
Movement during the year statement of				
P&L and OCI	(192,763)	13,916	12,230	(166,617)
Statement of Changes in Equity	-	649	13	662
At December 31, 2014	709,634	426,566	(3,939)	1,132,261

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

7 Taxation - cont'd

Deferred tax effect of revised IAS 19 adoption:

		COMPANY					
		2014			2013		
		Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
		G\$000	G\$000	G\$000	G\$000	G\$000	G\$000
Remeasurement of defined benefit pension plan		2,205	(662)	1,543	179,084	53,725	125,359
Gain arising on revaluation of available for sale financial assets		10,005	-	10,005	93,681	-	93,681
		12,210	(662)	11,548	272,765	53,725	219,040

		GROUP					
		2014			2013		
		Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
		G\$000	G\$000	G\$000	G\$000	G\$000	G\$000
Remeasurement of defined benefit pension plan		2,205	(662)	1,543	179,084	53,725	125,359
Exchange differences on translating foreign operations		(165,223)	-	(165,223)	65,137	-	65,137
Gain arising on revaluation of available for sale financial assets		24,415	-	24,415	66,561	-	66,561
		(138,603)	(662)	(139,265)	310,782	53,725	257,057

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

8 Dividends

COMPANY AND GROUP

	2014	2013
	G\$ 000	G\$ 000
Amount recognised as distributions to equity holders in the period:		
Interim dividend for the year ended December 31, 2014 of G\$0.16 (G\$0.15 - 2013)	123,200	115,500
Final dividend for the year ended December 31, 2013 of G\$0.43 (G\$0.40 - 2012)	331,100	308,000
	454,300	423,500

The Directors recommended a final dividend of G\$0.44 per share (2013 - G\$0.43).

9 Basic earnings per share

COMPANY

GROUP

	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Calculated as follows:-				
Profit attributable to equity holders of the parent	1,591,073	1,149,052	1,945,855	1,569,421
Ordinary shares issued and fully paid	770,000,000	770,000,000	770,000,000	770,000,000
Basic earnings per share in dollars	2.07	1.49	2.53	2.04

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

10 Property, plant and equipment

	COMPANY			
	Land and buildings	Equipment	Construction work-in - progress	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Cost/valuation				
At January 01, 2014	4,384,059	8,920,158	1,225,810	14,530,027
Additions	73,769	150,822	123,321	347,912
Intergroup Transfers	-	(718)	-	(718)
Transfers	28,521	463,363	(491,884)	-
At December 31, 2014	4,486,349	9,533,625	857,247	14,877,221
Comprising:				
Valuation	6,662	68	-	6,730
Cost	4,479,687	9,533,557	857,247	14,870,491
	4,486,349	9,533,625	857,247	14,877,221
Accumulated depreciation				
At January 01, 2014	773,736	4,802,362	-	5,576,098
Charge for the year	77,688	477,157	-	554,845
At December 31, 2014	851,424	5,279,519	-	6,130,943
Net book values:				
At December 31, 2014	3,634,925	4,254,106	857,247	8,746,278
At December 31, 2013	3,610,323	4,117,796	1,225,810	8,953,929

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

10 Property, plant and equipment - cont'd

	GROUP			
	Land and buildings	Equipment	Construction work-in- progress	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Cost/valuation				
At January 01, 2014	5,102,258	9,991,117	1,225,810	16,319,185
Additions	76,006	188,177	123,321	387,504
Transfers	28,521	463,363	(491,884)	-
At December 31, 2014	5,206,785	10,642,657	857,247	16,706,689
Comprising:				
Valuation	6,662	68	-	6,730
Cost	5,200,123	10,642,589	857,247	16,699,959
	5,206,785	10,642,657	857,247	16,706,689
Accumulated depreciation				
At January 01, 2014	1,029,696	5,477,118	-	6,506,814
Charge for the year	83,567	549,999	-	633,566
At December 31, 2014	1,113,263	6,027,117	-	7,140,380
Net book values:				
At December 31, 2014	4,093,522	4,615,540	857,247	9,566,309
At December 31, 2013	4,072,562	4,513,999	1,225,810	9,812,371

Certain freehold land and buildings were revalued on December 09, 1974 while some 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 drawdown and overdraft. Refer to note 20.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

11 Investments

	COMPANY		GROUP	
	Fair Value		Fair Value	
	2014	2013	2014	2013
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Held to Maturity	-	-	39,725	39,725
Available for Sale	859,875	849,870	690,297	668,021
Provision for Impairment	(57,750)	(57,750)	(57,750)	(57,750)
	802,125	792,120	672,272	649,996
Others:				
Subsidiary companies (a)	181,453	181,453	-	-
Joint venture (b)	267,824	267,824	-	-
Provision for Impairment	(267,824)	(267,824)	-	-
Associate companies (c)	459,199	459,199	1,060,415	981,994
Provision for Impairment	-	-	(113,871)	(113,871)
	640,652	640,652	946,544	868,123
	1,442,777	1,432,772	1,618,816	1,518,119
Others				
(a) Subsidiary companies at cost				
At January 01 and December 31	181,453	181,453	-	-
(b) Joint venture				
At January 01	267,824	267,824	-	-
Provision for Impairment	(267,824)	(267,824)	-	-
At December 31	-	-	-	-

During the year 2013 the Joint Venture agreement came to an end and a provision for impairment was made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

11 Investments - cont'd

(c) Associate companies

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
At January 01	459,199	459,199	459,199	459,199
Share of reserves of associate companies (i)	-	-	601,216	522,795
At December 31	459,199	459,199	1,060,415	981,994

(i) Share of reserves of associate companies

	GROUP	
	2014 G\$ 000	2013 G\$ 000
At January 01	522,795	341,315
Group's share of associate companies profits/reserves	106,886	208,504
Group's share of associate companies taxes	(28,465)	(27,024)
At December 31	601,216	522,795

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.	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Income statement				
Income	371,723	260,118	6,212,545	7,327,173
Profit after taxation	88,554	51,438	183,459	287,706
Balance sheet				
Total assets	1,259,663	1,110,799	4,356,975	4,354,181
Shareholders funds	979,752	878,878	2,032,510	1,847,385
Long term liabilities	-	-	597,312	641,066
Current liabilities	263,085	215,868	1,727,153	1,865,731
Total equity and liabilities	1,242,837	1,094,746	4,356,975	4,354,182

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

11 Investments - cont'd

(c) Associate companies - cont'd

(ii) Demerara Distillers Limited - Hyderabad

	2014 G\$ 000	2013 G\$ 000
Share of reserves	113,871	113,871
Provision for impairment	(113,871)	(113,871)

During the year the joint venture agreement came to an end. However, Demerara Distillers Limited share of net assets and losses has been accounted for in accordance with the equity method.

12 Deferred expenditure

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
El Dorado trademark				
At January 01	80	80	80	46,438
Adjustment for impairment	(80)	-	(80)	(46,358)
At December 31	-	80	-	80

The balance represents expenses incurred in acquiring the El Dorado Trade Mark in the United States of America and Europe.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2011 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, 2014 using the Projected Unit Credit Method.

	Pension Plan 1		Pension Plan 2	
	2014	2013	2014	2013
Amounts recognised in the statement of financial position	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Present value of obligations	2,708,541	2,105,684	-	382,001
Fair value of plan assets	(4,130,426)	(3,488,866)	-	(332,458)
	(1,421,885)	(1,383,182)	-	49,543
Unrecognised gain/(loss)	-	-	-	-
Net defined benefit (asset)/liability	(1,421,885)	(1,383,182)	-	49,543
Reconciliation of amounts recognised				
In the balance sheet				
Opening defined benefit (asset)/liability	(1,383,182)	(1,159,018)	-	71,129
Transfer from Steps	44,710	-	-	-
Net pension cost	54,120	51,757	-	8,075
Re-measurements recognised in Other Comprehensive Income	(2,161)	(151,175)	-	(27,060)
Contributions paid	(135,372)	(124,746)	-	(2,601)
Closing defined benefit (asset)/liability	(1,421,885)	(1,383,182)	-	49,543

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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

	Pension Plan 1		Pension Plan 2	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Amounts recognised in the statement of profit or loss and other comprehensive income				
Current service cost	125,374	113,921	-	4,607
Net interest on defined benefit (asset)/obligation	(71,254)	(62,164)	-	3,468
Net pension cost included in administrative expenses	54,120	51,757	-	8,075
Actual return on plan assets/liability	205,678	319,980	-	(4,573)
Unfunded ex-gratia arrangement				
Defined benefit obligation	13,129	14,240		
Unrecognised gain	-	-		
	13,129	14,240		
Reconciliation of opening and closing statement of financial position				
Opening defined benefit liability	14,240			
Plus net pension cost	669			
Less: company contributions paid	(1,736)			
Re-measurements recognised in Other Comprehensive Income	(44)			
Closing defined benefit liability	13,129			
Interest on defined benefit obligation	669			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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

	Pension Plan 1				
	2014 G\$ 000	2013 G\$ 000	2012 G\$ 000	2011 G\$ 000	2010 G\$ 000
Experience history					
Defined benefit obligation	2,708,541	2,105,684	1,899,092	1,761,427	1,568,763
Fair value of plan assets	(4,130,426)	(3,488,866)	(3,058,110)	(2,269,044)	(1,983,705)
Surplus	(1,421,885)	(1,383,182)	(1,159,018)	(507,617)	(414,942)

	Pension Plan 2				
	2014 G\$ 000	2013 G\$ 000	2012 G\$ 000	2011 G\$ 000	2010 G\$ 000
Experience history					
Defined benefit obligation	-	382,001	445,333	439,244	437,290
Fair value of plan assets	-	(332,458)	(374,204)	(352,592)	(354,503)
Deficit	-	49,543	71,129	86,652	82,787

	Unfunded Ex Gratia		
	2014 G\$ 000	2013 G\$ 000	2012 G\$ 000
Experience History			
Defined benefit obligation	13,129	14,240	16,137
Fair value of plan assets	-	-	-
Deficit	13,129	14,240	16,137
Experience adjustment on plan liabilities	(44)	(849)	(362)
Experience adjustment on plan assets	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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

	Pension Plan 1		Pension Plan 2		Unfunded Ex Gratia	
	2014 G\$000	2013 G\$000	2014 G\$000	2013 G\$000	2014 G\$000	2013 G\$000
Summary of main assumptions	%	%	%	%	%	%
Discount rate	5.0	5.0	-	5.0	5.0	5.0
Salary increases	5.0	5.0	-	5.0	-	-
Pension increases	2.0	2.0	-	2.0	2.0	2.0
Expected return on assets	-	-	-	-	-	-
	2014 G\$ 000	2013 G\$ 000				
Retirement benefit obligations						
Pension plan 2	-	49,543				
Unfunded exgratia	13,129	14,240				
	13,129	63,783				
Retirement benefit asset						
Pension plan 1	1,421,885	1,383,182				

The company ceased participating in Guyana Sugar and Trading Enterprises Pension Scheme (STEPS) and the accumulated liabilities and corresponding assets were transferred from Guyana Sugar and Trading Enterprises Pension Scheme (STEPS) to the DDL scheme during 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

14 Inventories

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Finished stocks (a)	7,564,152	6,600,657	9,970,885	7,955,020
Work-in-progress	2,271	-	2,271	-
Raw materials & goods-in-transit	2,415,373	3,451,643	2,543,037	3,729,611
Spares, containers, and miscellaneous stocks	504,545	625,839	709,693	1,502,023
Provision for stock impairment (b)	(130,731)	(495,333)	(130,731)	(495,333)
	10,355,610	10,182,806	13,095,155	12,691,321
Cost of inventory recognised as expense during the period	5,489,718	5,672,877	7,485,926	8,074,499
Inventories expected to be recovered after more than twelve months	5,732,718	4,329,894	6,013,934	4,682,090
Raw material damaged written off	34,268	21,402	46,283	35,104

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

(b) Provision for impairment

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Balance as at January 01	(495,333)	(444,950)	(495,333)	(444,950)
(Increase)/Decrease during the year	364,602	(50,383)	364,602	(50,383)
Balance as at December 31	(130,731)	(495,333)	(130,731)	(495,333)

Provisions were individually assessed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

15 Trade and other receivables

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Trade receivables	693,803	585,981	1,703,583	1,718,594
Provision for impairment (i)	(5,414)	(307)	(82,260)	(78,838)
Other receivables	688,389	585,674	1,621,323	1,639,756
	110,279	477,218	217,816	511,976
	798,668	1,062,892	1,839,139	2,151,732

15 (i) Provision for impairment (individually assessed)

Balance as at January 01	307	21,875	78,838	116,313
Increase/(Decrease) during the year	5,107	(21,568)	3,422	(37,475)
Balance as at December 31	5,414	307	82,260	78,838

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
16 Trade and other payables				
Trade payables	806,800	1,215,996	1,125,914	1,694,412
Accruals	574,235	493,545	761,740	675,225
Others payables (i)	469,613	1,405,880	488,375	1,435,638
Due to subsidiary companies	446,694	940,404	-	-
	2,297,342	4,055,825	2,376,029	3,805,275

(i) Other payables

Included in other payables are advances totalling G\$212M (2013: G\$1,150M). Interest charged on these advances varies from 8% to 12% (2013: 8% to 12%). The advances are secured. See note 20. No advances were in default at the end of the reporting period 2014 or 2013.

	COMPANY AND GROUP	
	2014	2013
17 Share capital		
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 and carry equal voting and dividend rights

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
18 (a) Capital reserves				
Share premium account	488,863	488,863	450,152	450,152
Revaluation surplus	702	702	702	702
	489,565	489,565	450,854	450,854

This reserve is not distributable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

18 (b) Other reserves

	COMPANY		GROUP	
	2014	2013	2014	2013
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Balance as at January 01	769,670	675,989	851,890	785,329
Fair value adjustment on available for sale investments	10,005	93,681	24,415	66,561
Balance as at December 31	779,675	769,670	876,305	851,890

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

There was no tax effect on gains or losses.

18 (c) Exchange Difference Reserve

	GROUP	
	2014	2013
	G\$ 000	G\$ 000
At January 01	110,023	44,886
For the year	(165,223)	65,137
At December 31	(55,200)	110,023

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

There was no tax effect on gains or losses.

19 Non controlling interest

	GROUP	
	2014	2013
	G\$ 000	G\$ 000
At January 01	-	29,333
For the year	-	(29,333)
At December 31	-	-

This represented non controlling interest in the joint venture with Demerara Distillers Limited-Hyderabad.

20 Loans and bank overdraft

	COMPANY		GROUP	
	2014	2013	2014	2013
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Bank overdraft (secured)	1,439,907	1,455,334	2,443,061	2,680,997
Loans	4,267,591	3,815,549	5,038,909	4,577,363
	5,707,498	5,270,883	7,481,970	7,258,360

Overdrafts are repayable on demand and attract interest rates between 4.81% and 11.5% (2013: 4.81% and 11.5%)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

20 Loans and bank overdraft - cont'd

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Loans are repayable as follows:				
(i) Repayable - 2004 to 2029 - rate of interest 3.25% per annum (Breitenstein Holdings BV)	-	-	107,629	130,314
(ii) Repayable - 2005-2014 rate of interest is 1% above Government of Guyana treasury bills interest rate (Demerara Distillers Ltd)	-	50,000	-	50,000
(iii) Repayable - 2007 - 2014 rate of interest of 8.25% per annum (Demerara Distillers Ltd)	-	53,532	-	53,532
(iv) Repayable - 2007 - 2015 rate of interest of 8.25% per annum (Demerara Distillers Ltd)	23,324	99,114	23,324	99,114
(v) Repayable - 2009 - 2018 rate of interest of 3.88% per annum (Demerara Distillers Ltd)	1,010,148	1,319,364	1,010,148	1,319,364
(vi) Repayable - 2013 - 2015 rate of interest of 4.19% per annum (Demerara Distillers Ltd)	207,210	206,959	207,210	206,959
(vii) Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Distillers Ltd)	200,000	200,000	200,000	200,000
(viii) Repayable - 2014 - 2016 rate of interest of 8% per annum (Demerara Shipping Company)	-	-	77,189	-
(ix) Repayable - 2013 - 2019 rate of interest of 8% per annum (Demerara Distillers Ltd)	756,909	852,580	756,909	852,580
(x) Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Distillers Ltd)	1,700,000	664,000	1,700,000	664,000
(xi) Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Distillers Ltd)	370,000	370,000	370,000	370,000
(xii) Repayable - 2013 - 2019 rate of interest of 8% per annum (Distribution Services Ltd)	-	-	362,500	407,500
(xiii) Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Shipping Company Ltd)	-	-	224,000	224,000
	4,267,591	3,815,549	5,038,909	4,577,363

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

20 Loans and bank overdraft - cont'd

Maturity profile of loan	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Repayments due in one year and included in current liabilities	708,679	815,716	812,340	869,261
Repayments due in the second year	853,500	477,768	937,327	562,587
Repayments due in the third year	859,050	645,924	952,174	740,041
Repayments due the fourth and fifth year	1,192,591	1,076,090	1,385,558	1,274,656
Repayments due after five years	653,771	800,051	951,510	1,130,818
	3,558,912	2,999,833	4,226,569	3,708,102
	4,267,591	3,815,549	5,038,909	4,577,363

The foregoing loans, overdraft and the advances in note 16 for the company are secured by floating and fixed charges on the assets of the company valued at G\$11.544B (2013: G\$11.353B).

The loans for the group are secured by floating and fixed charges on the assets of the Group valued at G\$11.644 B (2013 - G\$11.544B).

21 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, insurance, contracting services, sales and logistics.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

21 Segment reporting - cont'd

INDUSTRY	2014				
	Manufacturing	Trading	Services	Eliminations	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Revenue					
External sales	6,455,699	10,688,100	968,594	-	18,112,393
Inter-segment sales	8,909,547	-	-	(8,909,547)	-
Total revenue	15,365,246	10,688,100	968,594	(8,909,547)	18,112,393
Results					
Segment result	2,041,096	437,690	267,031	(200,000)	2,545,817
Operating profit					2,545,817
Share of profit from associates					106,886
Profit before tax					2,652,703
Income tax					(706,848)
Profit for the year attributable to equity shareholders of the company					1,945,855
Other Information					
Capital additions	364,031	9,613	13,860	-	387,504
Depreciation and amortisation	581,918	27,140	24,588	-	633,646
Balance sheet					
Assets					
Segment assets	28,732,217	2,321,115	99,619	(3,673,202)	27,479,749
Interest in associates	-	-	-	-	1,060,415
Consolidated assets					28,540,164
Liabilities					
Segment liabilities	10,492,063	1,055,629	1,450,881	(1,869,346)	11,129,227
Consolidated liabilities					11,129,227

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

21 Segment reporting - cont'd

INDUSTRY	2013				
	Manufacturing	Trading	Services	Eliminations	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Revenue					
External sales	6,867,239	9,699,940	962,020	-	17,529,199
Inter-segment sales	7,829,594	-	-	(7,829,594)	-
Total revenue	14,696,833	9,699,940	962,020	(7,829,594)	17,529,199
Results					
Segment result	1,522,144	491,234	183,354	(200,000)	1,996,732
Operating profit					1,996,732
Share of profit from associates					208,504
Profit before tax					2,205,236
Income tax					(635,815)
Profit for the year attributable to equity shareholders of the company					1,569,421
Other Information					
Capital additions	771,984	23,009	117,432	-	912,425
Depreciation and amortisation	618,194	28,758	20,234	-	667,186
Statement of Financial Position					
Assets					
Segment assets	27,837,552	2,314,216	81,709	(2,488,517)	27,744,960
Interest in associates	-	-	-	-	981,994
Consolidated assets					28,726,954
Liabilities					
Segment liabilities	12,283,992	1,247,016	1,552,426	(2,415,127)	12,668,307
Consolidated liabilities					12,668,307

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

21 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, Europe, 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	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Guyana	15,076,696	14,131,348	2,464,127	1,863,817
Europe	2,089,059	2,599,208	(17,817)	122,162
United States of America	768,984	614,792	19,366	36,187
Canada	51,871	48,953	34,666	29,819
India	-	-	-	98,871
St. Kitts	125,783	134,898	47,506	54,407
Trinidad	-	-	104,855	(27)
	18,112,393	17,529,199	2,652,703	2,205,236

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	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Guyana	25,818,770	25,801,728	386,834	910,008
Europe	2,100,924	2,233,637	-	-
United States of America	348,116	402,377	-	-
Canada	99,619	81,709	-	-
St. Kitts	172,735	193,781	670	2,417
Trinidad	-	13,722	-	-
	28,540,164	28,726,954	387,504	912,425

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

21 Segment reporting - cont'd

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	
	2014	2013	2014 G\$ 000	2013 G\$ 000
Guyana and United States	North America	North America	2,413,345	1,950,525
Guyana, Europe and Caribbean	Europe	Europe	3,275,804	4,192,371
Guyana, United States and Caribbean	Caribbean	Caribbean	1,029,573	1,358,964
Guyana	Guyana	Guyana	11,243,240	9,827,204
Others			150,431	200,135
Total			18,112,393	17,529,199

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

	Revenue Generating Region		Revenue Generated	
	2014	2013	2014 G\$ 000	2013 G\$ 000
Customer # 1	Guyana	-	992,275	-

COMPANY AND GROUP

	2014 G\$ 000	2013 G\$ 000
Bonds in respect of duty on spirits warehoused and exportation of goods	132,746	132,746
Bonds in favour of the State of Guyana	53,100	53,100

COMPANY

	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Authorised by the directors but not contracted for	-	-	-	86,254
Contracted for but not received	118,820	9,191	118,820	9,191

These comprise of acquisition of non current assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

24 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		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Sales	8,649,483	7,509,229	-	-
Commission paid	75,176	31,909	-	-
Purchases	64,017	127,347	-	-
Management fees received	302,070	335,394	-	-
Rent received	90,994	90,994	-	-
Dividends received	200,000	200,000	-	-
Human resource charges	623,868	599,108	-	-
Royalties charged	1,707,155	1,463,518	-	-
Marketing fees paid	730,631	697,522	-	-
Interest paid	74,008	134,528	-	-
Balances at end of year	(446,694)	(940,404)	-	-

Guarantee provided by the parent company on behalf of:

Subsidiaries	755,000	655,000	-	-
Employees	-	743	-	-

Associate companies

Balances at end of year	1,060,415	981,994	1,060,415	981,994
Rent received	4,104	3,911	4,104	3,911
Dividends received	3,510	4,110	3,510	4,110
Insurance premiums paid	40,043	39,423	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

24 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:

	2014 G\$ 000	2013 G\$ 000
Short-term employee benefits	200,886	165,487
Post-employment benefits	15,059	12,546
Directors emoluments	9,428	5,016

No provision was made for balances receivable from related parties.

(b) Other disclosures

The following are transactions with companies that share a common chairmanship with the previous chairman of the company:

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Demerara Bank Limited				
Overdraft interest (11%-13.50%)	68,796	67,543	70,270	108,635
Balance at end of the year:				
Cash	103,126	100,660	106,182	140,236
Overdraft	946,719	970,264	1,335,476	1,773,118
Trust Company (Guyana) Limited				
Interest charged (12%)	-	5,208	-	5,208
Trust Company (Guyana) Limited also provides registrar and pension management services for the company				
Pension management and registrar's service fees	7,358	13,256	7,358	13,256

25 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 raised a legal challenge against the Guyana Revenue Authority (GRA) on the basis used for the assessment of certain taxes. In February 2005 the courts found in favour of DDL. The Guyana Revenue Authority had appealed the decision.

On July 31, 2008, the Guyana Court of Appeal unanimously dismissed GRA's Appeal. Following the dismissal of the appeal, the GRA commenced a new assessment in August 2008 and on January 16, 2009 issued a new claim in the amount of G\$5,392M. On the application of DDL, the High Court issued an Order Nisi pending the hearing of the matter.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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

2014	COMPANY			
	Available for sale	Loans and receivables	Financial assets and liabilities at amortised cost	Total
	G\$000	G\$000	G\$000	G\$000
ASSETS				
Investments	802,125	-	-	802,125
Trade receivables	-	688,389	-	688,389
Other receivables	-	110,279	-	110,279
Prepayments	-	209,978	-	209,978
Taxes recoverable	-	-	48,850	48,850
Cash on hand and at bank	-	-	189,225	189,225
Total assets	802,125	1,008,646	238,075	2,048,846
LIABILITIES				
Trade payables	-	-	806,800	806,800
Other payables and accruals	-	-	1,043,848	1,043,848
Due from subsidiaries	-	-	446,694	446,694
Bank overdraft (secured)	-	-	1,439,907	1,439,907
Taxation	-	-	89,921	89,921
Loans	-	-	4,267,591	4,267,591
Total liabilities	-	-	8,094,761	8,094,761

2013	COMPANY			
	Available for sale	Loans and receivables	Financial assets and liabilities at amortised cost	Total
	G\$000	G\$000	G\$000	G\$000
ASSETS				
Investments	792,120	-	-	792,120
Trade receivables	-	585,674	-	585,674
Other receivables	-	477,218	-	477,218
Due from subsidiaries	-	76,950	-	76,950
Prepayments	-	-	-	-
Taxes recoverable	-	-	524,913	524,913
Cash on hand and at bank	-	-	155,304	155,304
Total assets	792,120	1,139,842	680,217	2,612,179
LIABILITIES				
Trade payables	-	-	1,215,996	1,215,996
Other payables and accruals	-	-	1,899,425	1,899,425
Due from subsidiaries	-	-	940,404	940,404
Bank overdraft (secured)	-	-	1,455,334	1,455,334
Taxation	-	-	262,809	262,809
Loans	-	-	3,815,549	3,815,549
Total liabilities	-	-	9,589,517	9,589,517

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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

2014	GROUP				Total
	Available for sale	Held to maturity	Loans and receivables	Financial assets and liabilities at amortised cost	
	G\$000	G\$000	G\$000	G\$000	G\$000
ASSETS					
Investments	632,547	39,725	-	-	672,272
Trade receivables	-	-	1,621,323	-	1,621,323
Other receivables	-	-	217,816	-	217,816
Prepayments	-	-	280,971	-	280,971
Taxes recoverable	-	-	-	330,121	330,121
Cash on hand and at bank	-	-	-	387,768	387,768
Total assets	632,547	39,725	2,120,110	717,889	3,510,271
LIABILITIES					
Trade payables	-	-	-	1,125,914	1,125,914
Other payables and accruals	-	-	-	1,250,115	1,250,115
Bank overdraft (secured)	-	-	-	2,443,061	2,443,061
Loans	-	-	-	5,038,909	5,038,909
Taxation	-	-	-	125,838	125,838
Total liabilities	-	-	-	9,983,837	9,983,837

2013	GROUP				Total
	Available for sale	Held to maturity	Loans and receivables	Financial assets and liabilities at amortised cost	
	G\$000	G\$000	G\$000	G\$000	G\$000
ASSETS					
Investments	610,271	39,725	-	-	649,996
Trade receivables	-	-	1,639,756	-	1,639,756
Other receivables	-	-	511,976	-	511,976
Prepayments	-	-	110,513	-	110,513
Taxes recoverable	-	-	-	693,643	693,643
Cash on hand and at bank	-	-	-	365,993	365,993
Total assets	610,271	39,725	2,262,245	1,059,636	3,971,877
LIABILITIES					
Trade payables	-	-	-	1,694,412	1,694,412
Other payables and accruals	-	-	-	2,110,863	2,110,863
Bank overdraft (secured)	-	-	-	2,680,997	2,680,997
Loans	-	-	-	4,577,363	4,577,363
Taxation	-	-	-	242,673	242,673
Total liabilities	-	-	-	11,306,308	11,306,308

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

27 Fair value of financial instruments

The following table details the carrying cost of financial assets and liabilities and their fair values

	COMPANY			
	2014		2013	
	Carrying Value G\$ 000	Fair Value G\$ 000	Carrying Value G\$ 000	Fair Value G\$ 000
Financial assets				
Investments				
Available for Sale	802,125	802,125	792,120	792,120
Trade and other receivables	798,668	798,668	1,062,892	1,062,892
Prepayments	209,978	209,978	76,950	76,950
Taxes recoverable	48,850	48,850	524,913	524,913
Cash on hand and at bank	189,225	189,225	155,304	155,304
	2,048,846	2,048,846	2,612,179	2,612,179
Financial liabilities				
Trade payables and other payables	2,297,342	2,297,342	4,055,825	4,055,825
Current portion of interest bearing debts	708,679	708,679	815,716	815,716
Loans due after one year	3,558,912	3,558,912	2,999,833	2,999,833
Taxation	89,921	89,921	262,809	262,809
Bank overdraft (secured)	1,439,907	1,439,907	1,455,334	1,455,334
	8,094,761	8,094,761	9,589,517	9,589,517
GROUP				
	2014		2013	
	Carrying Value G\$ 000	Fair Value G\$ 000	Carrying Value G\$ 000	Fair Value G\$ 000
	Carrying Value G\$ 000	Fair Value G\$ 000	Carrying Value G\$ 000	Fair Value G\$ 000
Financial assets				
Investments				
Held to Maturity	39,725	39,725	39,725	39,725
Available for Sale	632,547	632,547	610,271	610,271
Trade and other receivables	1,839,139	1,839,139	2,151,732	2,151,732
Prepayments	280,971	280,971	110,513	110,513
Taxes recoverable	330,121	330,121	693,643	693,643
Cash on hand and at bank	387,768	387,768	365,993	365,993
	3,510,271	3,510,271	3,971,877	3,971,877
Financial liabilities				
Trade payables and other payables	2,376,029	2,376,029	3,805,275	3,805,275
Current portion of interest bearing debts	812,340	812,340	869,261	869,261
Loans due after one year	4,226,569	4,226,569	3,708,102	3,708,102
Taxation	125,838	125,838	242,673	242,673
Bank overdraft (secured)	2,443,061	2,443,061	2,680,997	2,680,997
	9,983,837	9,983,837	11,306,308	11,306,308

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

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

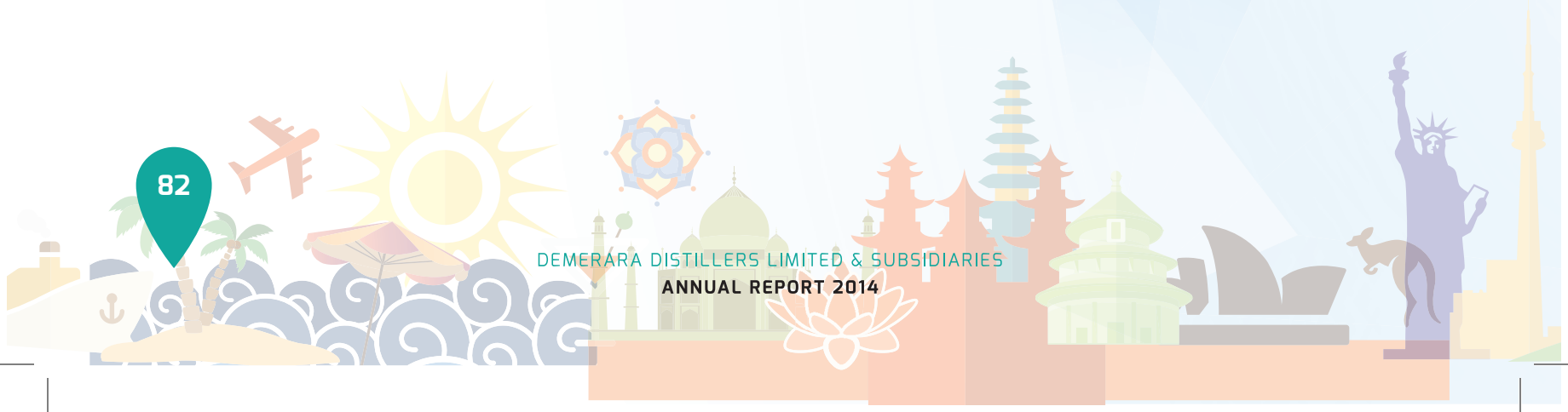
(b) Trade receivables and other receivables are net of provision for impairment. The fair value of trade receivables and other receivables was based on expected realisation of outstanding balances taking into account the company's history with respect to delinquencies.

Fair value measurement 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 liabilities. 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 liability that are not based on observable market data (unobservable inputs).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

27 Fair value of financial instruments - cont ' d

	COMPANY			COMPANY		
	2014			2013		
	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	-	802,125	-	-	792,120	-
	-	802,125	-	-	792,120	-
	GROUP			GROUP		
	2014			2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Held to Maturity	-	39,725	-	-	39,725	-
Available for Sale	-	-	632,547	-	-	610,271
	-	39,725	632,547	-	39,725	610,271

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 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	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Assets				
US Dollar	816,239	459,774	1,159,541	857,337
GBP	41,589	49,644	41,911	49,985
Euro	25	28	1,874,571	1,996,241
Others	151,126	198,513	411,184	472,544
	1,008,979	707,959	3,487,207	3,376,107
Liabilities				
US Dollar	1,888,095	3,191,467	2,101,533	3,461,773
GBP	2,862	7,343	2,862	7,343
Euro	19,369	49,647	712,877	707,002
Rupee	-	-	14,718	15,000
Others	6,617	6,064	61,604	247,603
	1,916,943	3,254,521	2,893,594	4,438,721
Net liabilities	(907,964)	(2,546,562)	593,613	(1,062,614)

28 Financial risk management - cont'd

(a) Market risk - cont'd

(i) Foreign currency risk - cont'd

Foreign currency sensitivity analysis

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 or 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	
	2014 G\$000	2013 G\$000	2014 G\$000	2013 G\$000
Profit/(loss)	(22,699)	(63,664)	14,840	(26,565)

(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 profit would have been:

	Increase / Decrease in Basis Point	Impact on profit for the year			
		COMPANY		GROUP	
		2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Cash and cash equivalent					
Local currency	+/-50	(7,200)	(7,263)	-	-
Foreign currency	+/-50	515	502	515	688
Overdrafts					
Local currency	+/-50	(7,200)	(7,263)	(10,668)	(11,277)
Foreign currency	+/-50	-	-	(1,536)	(2,103)

Apart from the foregoing with respect to the other financial assets and liabilities, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 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 2014				
	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	-	-	-	-	802,125	802,125
Trade and other receivables	-	-	-	-	798,668	798,668
Prepayments	-	-	-	-	209,978	209,978
Taxes recoverable	-	-	-	-	48,850	48,850
Cash on hand	-	-	-	-	2,003	2,003
Cash at bank	0.03% - 1.5%	187,222	-	-	-	187,222
		187,222	-	-	1,861,624	2,048,846
Liabilities						
Accounts payable and accruals	7.25% - 10%	-	-	-	2,297,342	2,297,342
Bank overdraft	10% -13.5%	1,439,907	-	-	-	1,439,907
Loans	4.81% - 10.50%	708,679	2,905,141	653,771	-	4,267,591
Taxation	-	-	-	-	89,921	89,921
		2,148,586	2,905,141	653,771	2,387,263	8,094,761
Interest sensitivity gap		(1,961,364)	(2,905,141)	(653,771)		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

		COMPANY				
		Maturing 2013				
	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	-	-	-	-	792,120	792,120
Trade and other receivables	-	-	-	-	1,062,892	1,062,892
Prepayments	-	-	-	-	76,950	76,950
Taxes recoverable	-	-	-	-	524,913	524,913
Cash on hand	-	-	-	-	1,882	1,882
Cash at bank	0.03% - 1.5%	153,422	-	-	-	153,422
		153,422	-	-	2,458,757	2,612,179
Liabilities						
Accounts payable and accruals	7.25% - 10%	1,150,000	-	-	2,905,825	4,055,825
Bank overdraft	10% -13.5%	1,455,334	-	-	-	1,455,334
Loans	4.81% - 10.50%	815,716	2,199,782	800,051	-	3,815,549
Taxation	-	-	-	-	262,809	262,809
		3,421,050	2,199,782	800,051	3,168,634	9,589,517
Interest sensitivity gap		(3,267,628)	(2,199,782)	(800,051)		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

		GROUP				
		Maturing 2014				
		Within 1 year	2 to 5 years	Over 5 years	Non-interest bearing	Total
		G\$000	G\$000	G\$000	G\$000	G\$000
Interest rate Range %						
Assets						
Investments	-	-	-	-	672,272	672,272
Trade and other receivables	-	-	-	-	1,839,139	1,839,139
Prepayments	-	-	-	-	280,971	280,971
Taxes recoverable	-	-	-	-	330,121	330,121
Cash on hand	-	-	-	-	2,003	2,003
Cash at bank	0.03% - 1.5%	385,765	-	-	-	385,765
		385,765	-	-	3,124,506	3,510,271
Liabilities						
Accounts payable and accruals	7.25% - 10%	-	-	-	2,376,029	2,376,029
Bank overdraft	10% -13.5%	2,443,061	-	-	-	2,443,061
Loans	4.81% - 10.50%	812,340	3,275,059	951,510	-	5,038,909
Taxation	-	-	-	-	125,838	125,838
		3,255,401	3,275,059	951,510	2,501,867	9,983,837
Interest sensitivity gap		(2,869,636)	(3,275,059)	(951,510)		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

		GROUP				
		Maturing 2013				
	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	-	-	-	-	649,996	649,996
Trade and other receivables	-	-	-	-	2,151,732	2,151,732
Prepayments	-	-	-	-	110,513	110,513
Taxes recoverable	-	-	-	-	693,643	693,643
Cash on hand	-	-	-	-	1,882	1,882
Cash at bank	0.03% - 1.5%	364,111	-	-	-	364,111
		364,111	-	-	3,607,766	3,971,877
Liabilities						
Accounts payable and accruals	7.25% - 10%	1,150,000	-	-	2,655,275	3,805,275
Bank overdraft	10% -13.5%	2,680,997	-	-	-	2,680,997
Loans	4.81% - 10.50%	869,261	2,577,284	1,130,818	-	4,577,363
Taxation	-	-	-	-	242,673	242,673
		4,700,258	2,577,284	1,130,818	2,897,948	11,306,308
Interest sensitivity gap		(4,336,147)	(2,577,284)	(1,130,818)		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 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	
	2014 G\$ 000	2013 G\$000	2014 G\$000	2013 G\$000
Cash on hand and at bank	189,225	155,304	387,768	365,993
Investments				
Held to Maturity	-	-	39,725	39,725
Available for Sale	802,125	792,120	632,547	610,271
Trade and other receivables	798,668	1,062,892	1,839,139	2,151,732
Taxes recoverable	48,850	524,913	330,121	693,643
Total Credit risk exposure	1,838,868	2,535,229	3,229,300	3,861,364

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 and group 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 Financial risk management - cont'd

(b) Credit risk - cont'd

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Trade and other receivables				
Trade receivables	693,803	585,981	1,703,583	1,718,594
Other receivables	110,279	477,218	217,816	511,976
Taxes Recoverable	48,850	524,913	330,121	693,643
	852,932	1,588,112	2,251,520	2,924,213

The above balances are classified as follows:..

	COMPANY		GROUP	
	2014 G\$ 000	2013 G\$ 000	2014 G\$ 000	2013 G\$ 000
Current	689,465	835,861	1,746,463	1,758,575
Past due but not impaired	162,083	752,251	434,691	1,117,211
Impaired	1,384	-	70,366	48,427
	852,932	1,588,112	2,251,520	2,924,213

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 Financial risk management - cont'd

(b) Credit risk - cont'd

	COMPANY		GROUP	
	2014 G\$000	2013 G\$000	2014 G\$000	2013 G\$000
Ageing of past due but not impaired				
31-60 days	26,415	35,011	160,050	251,336
61-90 days	71,099	59,401	145,609	138,674
91-120 days	12,636	12,473	52,438	57,917
over 120 days	51,933	645,366	76,594	669,284
Total	162,083	752,251	434,691	1,117,211

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

Ageing of impaired trade receivables

31-60 days	-	-	-	-
61-90 days	-	-	-	-
91-120 days	-	-	-	-
over 120 days	1,384	-	70,366	48,427
Total	1,384	-	70,366	48,427
Provision for impairment	5,414	307	82,260	78,838

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

Details	Location		COMPANY			
			2014		2013	
			Credit Limit	Carrying Amount	Credit Limit	Carrying Amount
	2014	2013	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Counterparty # 1	Canada	U.K.	87,500	17,336	68,100	64,557
Counterparty # 2	Canada	Canada	43,000	13,187	87,500	18,241
Counterparty # 3	Trinidad	Canada	31,000	10,979	43,000	28,324
Counterparty # 4	Canada	Canada	25,000	20,667	65,500	65,119
Counterparty # 5	Canada	Canada	56,300	44,225	31,000	156
			242,800	106,394	295,100	176,397

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 Financial risk management - cont'd

(b) Credit risk - cont'd

			GROUP			
			2014		2013	
Details	Location		Credit Limit	Carrying Amount	Credit Limit	Carrying Amount
	2014	2013	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Counterparty # 1	Netherlands	Netherlands	130,000	138,904	108,290	92,349
Counterparty # 2	Canada	U.K.	87,500	17,336	65,500	65,119
Counterparty # 3	Canada	Guyana	56,300	44,225	68,100	64,557
Counterparty # 4	Canada	Germany	43,000	13,187	87,500	18,241
Counterparty # 5	Trinidad	Guyana	31,000	10,979	43,000	28,324
			347,800	224,631	372,390	268,590

There were two customers who represented more than 5% of the total balance of trade receivables (2013: nil). The average age of total receivables was 34 days (2013:37 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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 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 2014			
	Within 1 year	2 to 5 years	Over 5 years	Total
	G\$000	G\$000	G\$000	G\$000
Assets				
Investments	802,125	-	-	802,125
Trade and other receivables	798,668	-	-	798,668
Prepayments	209,978	-	-	209,978
Taxes recoverable	48,850	-	-	48,850
Cash on hand and at bank	189,225	-	-	189,225
	<u>2,048,846</u>	<u>-</u>	<u>-</u>	<u>2,048,846</u>
Liabilities				
Trade payables and other payables	(2,297,342)	-	-	(2,297,342)
Current portion of interest bearing debts	(708,679)	-	-	(708,679)
Loans	-	(2,905,141)	(653,771)	(3,558,912)
Bank overdraft (secured)	(1,439,907)	-	-	(1,439,907)
Taxation	(89,921)	-	-	(89,921)
	<u>(4,535,849)</u>	<u>(2,905,141)</u>	<u>(653,771)</u>	<u>(8,094,761)</u>
Net liabilities	<u>(2,487,003)</u>	<u>(2,905,141)</u>	<u>(653,771)</u>	<u>(6,045,915)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 Financial risk management - cont'd

(c) Liquidity risk - cont'd

	COMPANY			
	Maturing 2013			
	Within 1 year	2 to 5 years	Over 5 years	Total
	G\$000	G\$000	G\$000	G\$000
Assets				
Investments	792,120	-	-	792,120
Trade and other receivables	1,062,892	-	-	1,062,892
Prepayments	76,950	-	-	76,950
Taxes recoverable	524,913	-	-	524,913
Cash on hand and at bank	155,304	-	-	155,304
	2,612,179	-	-	2,612,179
Liabilities				
Trade payables and other payables	(4,055,825)	-	-	(4,055,825)
Current portion of interest bearing debts	(815,716)	-	-	(815,716)
Loans	-	(2,199,782)	(800,051)	(2,999,833)
Bank overdraft (secured)	(1,455,334)	-	-	(1,455,334)
Taxation	(262,809)	-	-	(262,809)
	(6,589,684)	(2,199,782)	(800,051)	(9,589,517)
Net liabilities	(3,977,505)	(2,199,782)	(800,051)	(6,977,338)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

28 Financial risk management - cont'd

(c) Liquidity risk - cont'd

	GROUP			
	Maturing 2014			
	Within 1 year	2 to 5 years	Over 5 years	Total
	G\$000	G\$000	G\$000	G\$000
Assets				
Investments	-	672,272	-	672,272
Trade and other receivables	1,839,139	-	-	1,839,139
Prepayments	280,971	-	-	280,971
Taxes recoverable	330,121	-	-	330,121
Cash on hand and at bank	387,768	-	-	387,768
	2,837,999	672,272	-	3,510,271
Liabilities				
Trade payables and other payables	(2,376,029)	-	-	(2,376,029)
Current portion of interest bearing debts	(812,340)	-	-	(812,340)
Loans	-	(3,275,059)	(951,510)	(4,226,569)
Bank overdraft (secured)	(2,443,061)	-	-	(2,443,061)
Taxation	(125,838)	-	-	(125,838)
	(5,757,268)	(3,275,059)	(951,510)	(9,983,837)
Net liabilities	(2,919,269)	(2,602,787)	(951,510)	(6,473,566)

	GROUP			
	Maturing 2013			
	Within 1 year	2 to 5 years	Over 5 years	Total
	G\$000	G\$000	G\$000	G\$000
Assets				
Investments	-	649,996	-	649,996
Trade and other receivables	2,151,732	-	-	2,151,732
Prepayment	110,513	-	-	110,513
Taxes recoverable	693,643	-	-	693,643
Cash on hand and at bank	365,993	-	-	365,993
	3,321,881	649,996	-	3,971,877
Liabilities				
Trade payables and other payables	(3,805,275)	-	-	(3,805,275)
Current portion of interest bearing debts	(869,261)	-	-	(869,261)
Loans	-	(2,577,284)	(1,130,818)	(3,708,102)
Bank overdraft (secured)	(2,680,997)	-	-	(2,680,997)
Taxation	(242,673)	-	-	(242,673)
	(7,598,206)	(2,577,284)	(1,130,818)	(11,306,308)
Net liabilities	(4,276,325)	(1,927,288)	(1,130,818)	(7,334,431)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

29 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 2013

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	
	2014 G\$000	2013 G\$000	2014 G\$000	2013 G\$000
Debt (i)	5,707,498	5,270,883	7,481,970	7,258,360
Advances (note 16)	212,154	1,150,112	212,154	1,150,112
Cash and cash equivalents	(189,225)	(155,304)	(387,768)	(365,993)
Net debt	5,730,427	6,265,691	7,306,356	8,042,479
Equity (ii)	13,973,120	12,824,799	17,410,937	16,058,647
Net debt to equity ratio	0.41:1	0.49:1	0.42:1	0.50:1

(i) Debt is defined as advances in note 16 and long- and short-term borrowings as detailed in note 20.

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

30 Approval of Financial Statements

The Financial Statements were approved by the Board of Directors and authorised for issue on February 12, 2015.

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Turnover	18,112,393	17,529,199	15,783,081	14,582,598	13,673,267	12,363,533	12,063,533	11,788,636	11,693,495	10,929,809
Operating Profit	3,328,350	2,794,305	2,581,005	2,653,109	2,360,738	2,306,837	2,032,012	2,101,662	1,984,027	1,712,424
Interest Paid/ Received	675,645	589,069	668,937	642,957	606,509	653,898	592,296	522,769	500,802	457,799
Profit Before Tax	2,652,703	2,205,236	1,912,068	2,010,152	1,754,229	1,652,939	1,439,716	1,578,893	1,483,225	1,254,625
Taxation	706,848	635,815	597,849	463,342	614,605	619,589	533,693	600,780	544,720	491,419
Profit after Tax	1,945,855	1,569,421	1,314,219	1,546,810	1,139,624	1,033,350	906,023	978,113	938,505	763,205
Gross Assets Employed	28,540,164	28,726,954	27,843,241	24,668,630	23,602,480	22,968,411	21,518,395	17,621,678	15,384,695	14,390,186
Capital Employed	22,741,057	21,084,368	18,562,940	17,201,510	15,819,174	15,905,774	12,889,270	12,710,181	11,180,125	10,476,194
Shareholder's Equity	17,410,937	16,058,647	14,655,669	13,176,203	12,019,383	11,256,519	10,496,948	9,923,505	8,857,377	8,213,965
Operating profit as % of sales	18.38%	15.94%	16.35%	18.19%	17.27%	18.66%	16.84%	17.83%	16.97%	15.67%
Operating profit as % of Capital Employed	14.64%	13.25%	13.90%	15.42%	14.92%	14.50%	15.77%	16.54%	17.75%	16.35%
Return on Gross assets	11.66%	9.73%	9.27%	10.75%	10.00%	10.04%	9.44%	11.93%	12.90%	11.90%
Return on Shareholders' Funds	15.24%	13.73%	13.05%	15.26%	14.55%	14.68%	13.72%	15.91%	16.80%	15.27%
Basic Earnings per share in Dollars	2.53	2.04	1.71	2.01	1.49	1.29	1.18	1.28	1.22	0.99
Equity per share	22.61	20.86	19.03	17.11	15.61	14.62	13.63	12.89	11.47	10.67
Dividend Cover	4.28	3.71	3.56	4.46	3.47	3.16	3.26	3.26	3.34	2.72

NOTES

This image shows a blank sheet of white paper with horizontal ruling lines. The background has a light blue gradient with faint, stylized illustrations at the bottom: a red-roofed building on the left, a yellow pyramid in the center, a blue tower on the right, and a small figure of a person running on the far right.

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.



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 27, 2015 and at every adjournment thereof.

As witness my hand this _____ day of _____ 2015

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.