

# 2022

## Annual Report



**DEMERARA  
DISTILLERS**  
LIMITED







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# Company in Perspective

Demerara Distillers Limited (DDL) is one of the leading manufacturing companies in Guyana and an internationally recognised producer of award-winning rums. For three centuries, the core business of the company has been the production of Demerara Rum.

Exclusively owning and operating the only remaining distillery in Guyana, the Diamond Distillery at Plantation Diamond on the East Bank of Demerara, the company is renowned for producing the award-winning **El Dorado Rums** and is the largest supplier of bulk rums and alcohols from the Caribbean to brand owners in Europe and North America.

Over the years, the company has transformed its business from a commodity-oriented to brand-focused business with the growth of its own demerara rum brands **El Dorado**, **Diamond Reserve** as well as its own Vodka brand **Ivanoff Vodka**. The company has also diversified into the non-alcoholic beverage industry and is today the leading producer of non-alcoholic beverages in Guyana. The company is the bottler for **PEPSI**, **Seven-Up** and **Slice** and is the producer of its own range of carbonated soft drinks under its **SOCA** brand. Healthy and delicious fruit juices are produced by DDL, under its **TOPCO** brand. The 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. The company also produces **Diamond Mineral Water**, **Quenchers Juice Drink** and has been producing top-of-the-line **Fruit Jams and Jellies**, and the well-known Fruit Mix under the **Three Counties** Brand. Quite

recently, DDL entered the dairy market with the launch of its range of 1-Litre Ultra High Temperature (UHT) milks under the **Savannah** brand.

Today, the Company is made up of several subsidiaries, covering a range of key industries. DDL is a key player in the local distribution business through Distribution Services Limited (DSL), and the shipping industry through Demerara Shipping Company Limited (DSCL). DSL is one of the leading distributors in Guyana for some of the world's leading FCMG brands such as such **Johnson & Johnson**, **Pepsico Foods**, **Energiser**, **Henkel**, and other consumer brands. DSCL is the agent for leading shipping brands such as **MSC** and **ECL/VERTRACO**. The Company contributes to the evolving industrial sector through Demerara Technical Services Limited (DTSL) which creates and provides technical and specialized services to this sector in Guyana. DDL also has subsidiaries in St Kitts, USA and in Europe, which focus on the distribution of its spirits in those regions.

The Company's sustained commitment to quality is demonstrated through its continuous certification through the **ISO International Quality Standard**.

# Notice of Meeting

The **71st ANNUAL GENERAL MEETING of Demerara Distillers Limited (Company/DDL)** will be held at the Parking Lot of the Guyana National Stadium, Providence, East Bank Demerara, on Friday, April 21, 2023, at 4:30p.m.

## AGENDA

1. To receive and consider the Company's Accounts and Reports of the Directors and Auditors for the year ended December 31, 2022
2. To consider and, if thought fit, approve a Final Dividend of \$1.35 per share free of Company Taxes in respect of the year ended December 31, 2022
3. To elect Directors
4. To fix the Emoluments of Directors
5. To appoint Auditors and authorize the Directors to fix their remuneration.

## BY ORDER OF THE BOARD



**Allison Thorne**  
Director/Company Secretary  
February 28, 2023

## REGISTERED OFFICE

Block A, Plantation, Great Diamond,  
East Bank Demerara

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 DDL will be closed from March 27, 2023- April 14, 2023 – both days inclusive- for the purpose of preparing warrants of the Final Dividends for the year ended December 31, 2022.

N.B: tokens/gifts will be distributed only to Members present at the General Meeting and not at any time or place thereafter.



# Corporate Information

## AUDITORS

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

## LEGAL ADVISORS

**De Caires, Fitzpatrick & Karran**  
80 Cowan Street, Kingston,  
Georgetown, Guyana.

## REGISTERED OFFICE

Block A, Plantation Great Diamond,  
East Bank Demerara, Guyana.  
Email: [ddlweb@demrum.com](mailto:ddlweb@demrum.com)  
Website: [www.demeraradistillers.com](http://www.demeraradistillers.com)

## REGISTRAR & TRANSFER AGENT

**Trust Company (Guyana) Limited**  
11 Lamaha Street, Queenstown,  
Georgetown, Guyana.

## BANKERS

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

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

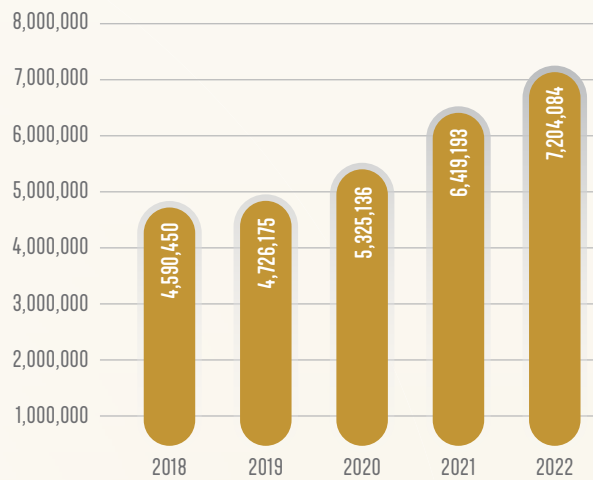
**Republic Bank (Guyana) Limited**  
Water Street,  
Georgetown, Guyana.

**Guyana Bank for Trade & Industry**  
47-48 Water Street,  
Georgetown, Guyana.

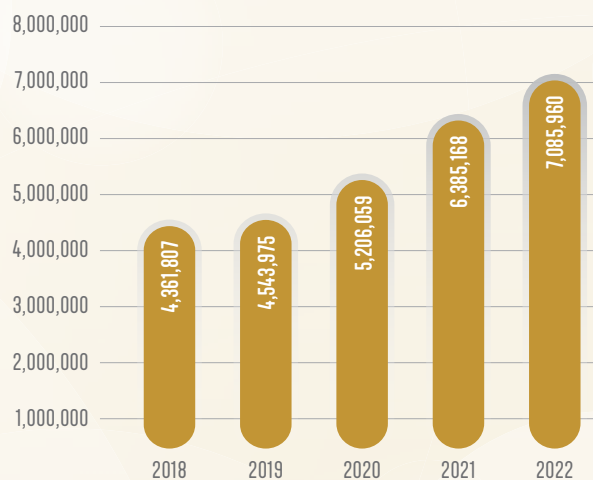
**Bank of Baroda (Guyana) Inc.**  
Lot 30 Tract A, Mon Repos,  
East Coast Demerara, Guyana.

# Financial Highlights

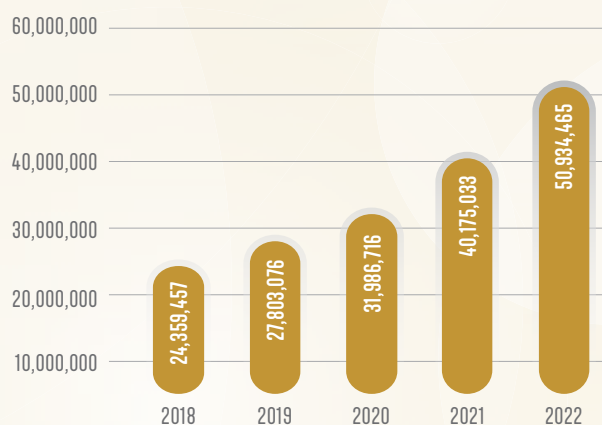
## OPERATING PROFIT | G\$000



## PROFIT BEFORE TAX | G\$000



## SHAREHOLDERS' EQUITY | G\$000





# Long Service Awards

## 35 YEARS

**PARBATTIE BIPATH**  
Procurement Manager

**BHOUPAUL LOOKNARAIN**  
Fitter

**KAWALL SINGH**  
Expense Control & Statistics  
Supervisor

## 30 YEARS

**NURMAL KISSOONLALL**  
Machine Operator

**KHELOWATTIE SINGH-  
ARMANAUT**  
Light Inspector

**NANDRANIE LAWRENCE**  
Credit Controller

**BOODRAM PERSAUD**  
Gardener

**MAHENDRA SAWH**  
Washloft/Still Operator

**GEORGE R. SINGH**  
Senior Analytical Chemist

## 25 YEARS

**ASIF ALLY**  
Driver/Salesman

**DONNY A. BRUMELL**  
Light Inspector

**DENIS KISHUN**  
Machine Operator

**ROY KISHUN**  
Labourer

**CHANMATTIE SEEMANGAL**  
Labourer

**THIRBANI C. DOOBAY**  
Van Sales Rep

**WAYNE WILLIAMS**  
Porter

**PREMINDRA GHARBARAN**  
Welder/Fabricator

## 25 YEARS - CONT'D

**RANDOLPH PERSAUD**  
Assistant Fitter

**FIZAL HUSSAIN**  
Driver/Salesman

**TREVOR A. JOHN**  
Operator

**COLIN A. HARTE**  
Machine Operator

**UDJISTER MAHASE**  
Production Supervisor

**KHEMRAJIE MANGAL**  
Accountant (AG)

**MICHAEL ROBERTS**  
Driver

**ARJUN ROOPNARINE**  
Driver / Salesman

**INDAR RAMPERSAUD**  
Pre-Seller

## 20 YEARS

**INTAZ ALLY**  
Cooper

**PARMANAND DOLAI**  
Forklift Operator

**TILAK BUDHU**  
Genset Operator

**SHAUNDELL ANDRIES**  
Genset Operator

**KOMALRAM BISRAM**  
Operations' Manager - Retail

**ANDRE N. BROWNE**  
Forklift Operator

**EDWARD C. BRISTOL**  
Security Supervisor

**SHAMNARAYAN GOBERDHAN**  
Pre-Seller (Liquor)

**CHANDRASHAKAR PERSAUD**  
Agency & Brokerage Coordinator

**BENERAM HEERALALL**  
Porter

## 20 YEARS - CONT'D

**NATERAM NARINE**  
Sales Manager

**ROMMEL PERSAUD**  
Senior Product Development  
Chemist

**SEEPAUL RAMSURACE**  
Porter

**JAICHAN SEETAHAL**  
Machine Operator

**KHEMRAJ SUKHDEO**  
Plant Manager

## 15 YEARS

**PAUL POORAN**  
Operator

**RABINDRA AMARNAUTH**  
Driver / Salesman

**DARSHANI NARAIN-SINGH**  
Product Development Chemist

**QUINCY WILLIAMS**  
Porter

**JAIRAM CHAITLALL**  
Asst. Senior Guard

**GREGORY LOVELL**  
Surveillance Officer

**TAJEBRITTE SINGH**  
Cleaner

**BIBI TASLEMA ALLY**  
Admin. Assistant

**CALVIN BERNARD**  
Generator Operator

**YASWANT SINGH**  
Deputy Port Facility Security  
Officer

**DENIS MONGAL**  
Sales Assistant

**LENNOX SHAUN CALEB**  
Chief Production Officer

**VASUDEO SINGH**  
DCEO / Group Finance Director

**TATUM ATKINSON-KHAN**  
Clerk

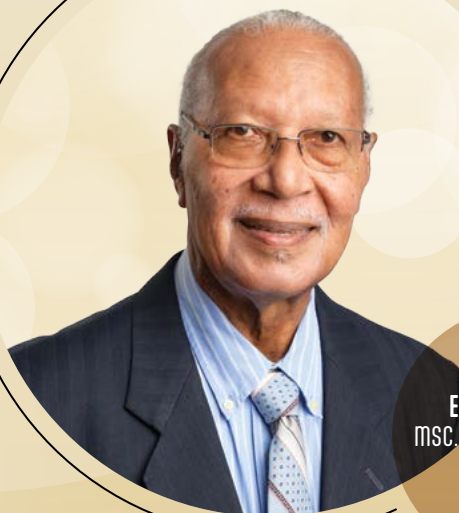
# Board of Directors



**ALLISON THORNE**  
L.L.B. - Director,  
Company Secretary



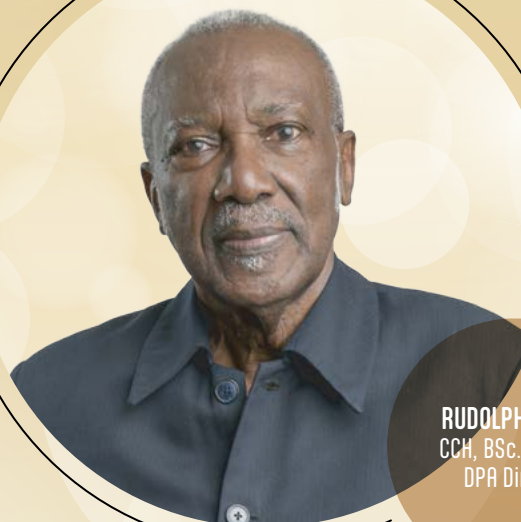
**KOMAL R. SAMAROO**  
CCH, AA, FCCA, ACG  
- President, Chairman  
of the Board



**EGBERT CARTER**  
MSc. (Civil Engineering)  
- Director



**JOSEPH SINGH**  
Major General (Ret'd)  
- Director

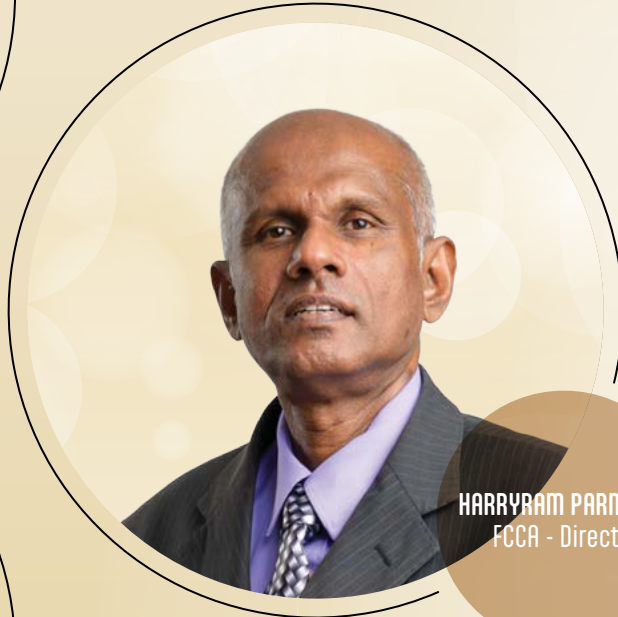


**RUDOLPH COLLINS**  
CCH, BSc. (Hons) -  
DPA Director





**TIMOTHY JONAS S.C.**  
L.L.B. (Hons)  
- Director



**HARRYRAM PARMESAR**  
FCCA - Director



**SHARDA VEEREN-CHAND**  
BA. Marketing  
- Director

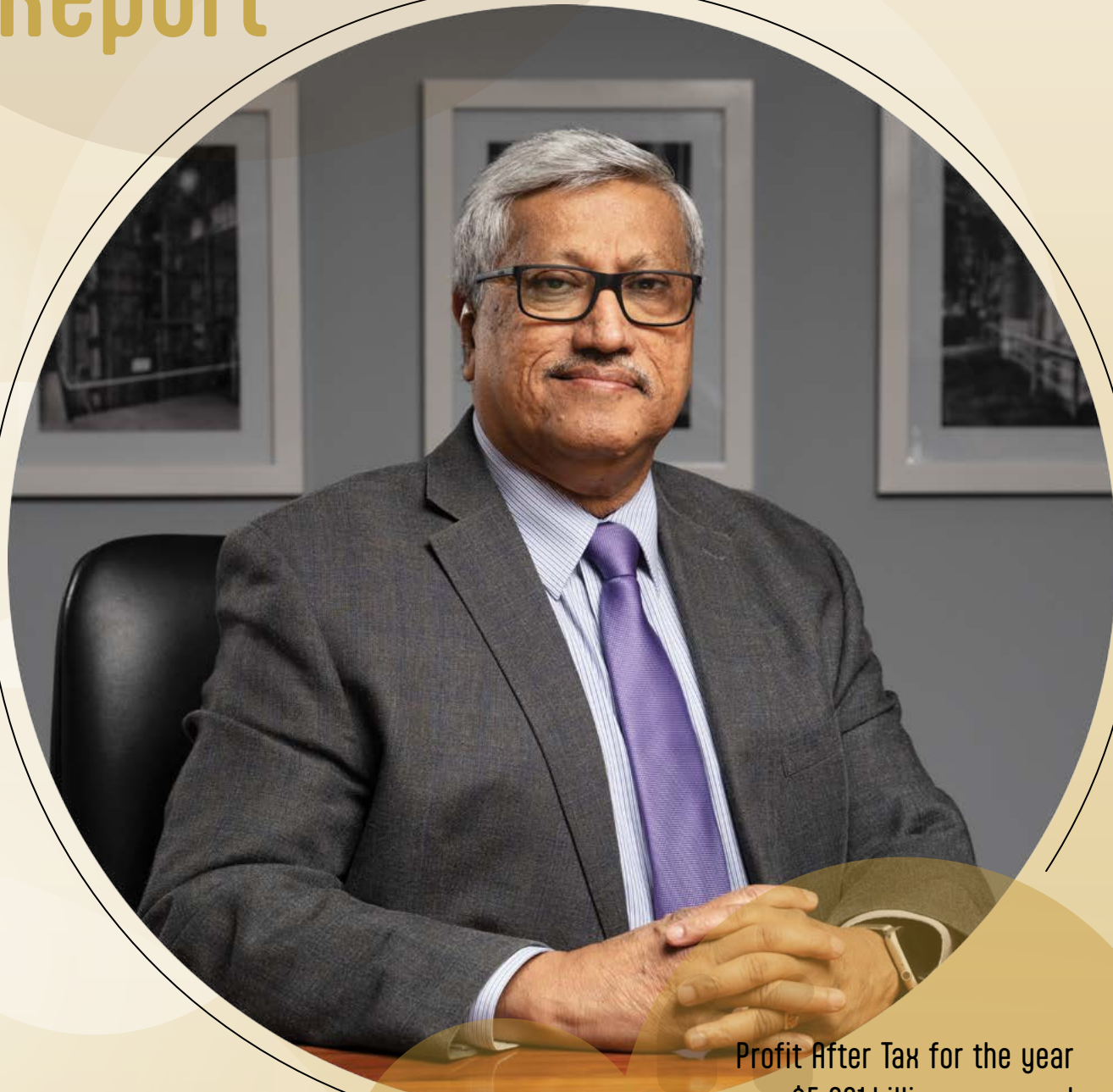


**SHARON SUE-HANG**  
BSc. (Chemistry)  
- EMBA, Director of  
Technical Services



**LANCELOT TYRELL**  
- Director

# Chairman's Report



**Komal Samaroo**  
Chairman

Profit After Tax for the year was \$5.321 billion, compared to \$4.789 billion, an increase of \$532 million or 11 percent over the previous year.



## BACKGROUND

The year 2022 was yet another challenging one for the Group on account of external factors. Just as the world was starting to return to normalcy from the effects of the COVID 19 Pandemic the war started in Ukraine. Quite apart from the human catastrophe that the war has created in Ukraine, prices for some commodities rose dramatically and disrupted normal supply chains in international shipping around the world, as both Russia and Ukraine are major global suppliers of energy and food.

The dramatic rise in the costs of energy and molasses, both major primary inputs in our distillery operations, as well as the costs of secondary inputs, such as packaging and other consumable materials, has impacted profit margins and working capital resources. Confronted with extraordinarily high costs and unreliability of both shipping schedules and availability of containers to ship product, the management of the Group undertook extra-ordinary efforts to service markets and meet customers' expectations, and to ameliorate the inroads to profit margins so that shareholders continue to enjoy positive returns.

On the economic front, global growth for 2022 is expected to be 2.9 percent, a significant decline from 5.9 percent in the previous year. This dramatic slow-down affected the countries of North America and Western Europe, major export markets for the Group.

Inflation was also a major issue in 2022 as countries around the world grappled with soaring prices, resulting from high fuel and food prices and the tightening of labour markets on account of a wave of retirement during COVID 19 pandemic.

On the domestic front, Guyana's economy is estimated to record growth rate in real terms of 62.3 percent, the highest growth rate recorded by any country in the world in 2022. While much of this growth is fuelled by the newly emerging oil and gas sector, the non-oil sector expanded in real terms by 11.5 percent, exceeding the 7.7 percent projected at the beginning of the year.

While the agriculture, forestry and fishing sector expanded by 11.9 percent in 2022, the sugar sub-sector declined by 18.9 percent on account of floods experienced in 2021.

## RESULTS FOR THE YEAR

In 2022 the Group's diversification drive continued to gather pace. Ongoing global uncertainties and macro-policy adjustments on account of experiences following COVID has re-enforced our commitment to build an integrated, outward-looking Group positioned to take advantage of opportunities as and where they present themselves.

Despite the challenges in 2022, the Group continued to journey on a growth path through positive and proactive leadership at all levels.

The Group turnover for the year was \$31.4 billion, compared to \$27.6 billion in 2021. This represented an increase of \$3.8 billion, an almost 14% increase in 2022.

In 2022, domestic revenue grew by 12 %, while international revenue increased by 17%.

The Group Profit Before Tax for the year was \$7.086 billion compared to \$6.385 billion in 2021. This represents an increase of \$701 million or 11 percent over the previous year.

Profit After Tax for the year was \$5.321 billion, compared to \$4.789 billion, an increase of \$532 million or 11 percent over the previous year.

Earnings per share for 2022 was \$6.91 compared to \$6.22 the previous year.

Shareholders' Equity at the end of the year was \$50.934 billion compared to \$40.175 billion at the end of the previous year, an increase of almost 27%.

## DIVIDENDS

An Interim Dividend of \$0.40 per share was paid in November 2022. The Directors have recommended a final dividend of \$1.35 per share which, if approved by the shareholders at the Annual General Meeting will result in total dividend of \$1.75 per share. In the preceding year dividend payment total \$1.55 per share.

The dividend paid and proposed for this year would result in an appropriation of \$1,347.5 million. In the preceding year, dividends paid required an appropriation of \$1,193.5 million.

## CAPITAL EXPENDITURE

In 2022, we continued to invest in expansion, improvements and replacement of obsolete equipment. Capital Expenditure in the year totalled \$2,746 million which was funded from self-generated resources of the Group.

Just around 50% of the expenditure was incurred to complete projects started in 2021 and replace and upgrade operating assets. The other 50% was in relation to five new projects which started in 2022 and will be completed in 2023. These projects are:

- (a) Expansion of the non-alcoholic beverage production with the addition of a new production line and increased storage for raw materials, finished goods and supporting services. This project will also see the upgrading of existing equipment and re-orientation of the operation to bring about improved efficiencies.
- (b) Expansion of the Storage Bond of the Liquor Bottling operation to support the growth in volume produced as well as provide additional storage occasioned by the supply chain challenges being experienced.
- (c) Expansion of the Distillery Production by replacing equipment that constrained the full realisation of the installed capacity, thus allowing more production units to operate simultaneously resulting in greater optimisation.
- (d) The modification of the former head office building at Kingston Georgetown to house the World Trade Centre, Georgetown.
- (e) Major Drainage Enhancement Project throughout the entire complex at Diamond to avoid flooding given the unpredictable weather pattern being experienced.

# Chairman's Report - cont'd

These projects and several others which are still at the planning stages are aimed at positioning the Group as a strong competitor in the various market segments in which it operates.

## NEW PRODUCTS

In May 2022, TOPCO launched a Vanilla Flavoured Milk under its Savannah brand, and introduced its Orange Juice in the 200ml package in December of 2022.

The Bottled Liquor Division of the Group introduced for the Christmas Holidays its French Vanilla Rum Cream Liqueur.

A Special Blend under the Eldorado Brand was released to mark the 10th Anniversary of the CPL Cricket Tournament.

At the request of the University of Guyana Alumni Association a special blend was formulated for them to use as fund raising for improvement projects at the university.

## QUALITY SYSTEMS AND INTERNATIONAL CERTIFICATION

During the year, the company maintained its international certifications with the successful conclusion of the following audits -

- (1) ISO 9001:2015 – Surveillance audits of all certified locations – November 2022
- (2) Stage 2: FSSC 22000 v5.1 audit covering standards for ISO 22000, ISO/TS 22002-1 (Food Manufacturing), PAS 96 and FSSC additional requirements at the Distillery and Bottling Operations – June 2022
- (3) American Institute of Bakery (AIB) Food Safety audit at the Beverage Operations - June 2022
- (4) PepsiCo International Global Audit conducted by the Pepsi Cola International at the Beverage Operations – June 2022
- (5) US Army Supplier Audit – November 2022

Sustainability and Corporate Ethics platforms underscored the Group's focus to monitor, plan and improve performance for a sustainable future. These include the following:

1. Carbon Disclosure Programme (CDP)
2. International Compliance Information Exchange (ICIX)
3. Supplier Ethical Data Exchange (SEDEX)
4. Business Social Compliance Initiative (BSCI)

## HUMAN RESOURCES

In 2022, we re-commenced in-person activities which had previously been suspended as a result of the Pandemic. Several classroom training sessions organised in the year

resulted in the participation of one thousand, two hundred and eleven (1,211) employees in a wide range of areas such as Customer Service, Employee and Industrial Relations, Food Handlers Training, Instrumentation and Controls, Safety, etc.

We continue to support specialized in-house training of our employees for upward mobility in the Group. Currently, there are nine (9) employees on full-time cadetship at University of Guyana pursuing studies in Chemistry, Food Science and Engineering. In addition, there are sixty (60) employees pursuing part-time studies in professional accounting and various other Master's Degree level programmes, with financial support from the Group.

In the middle of 2022, we resumed our doctor-on-site program, and ninety-five (95) employees benefitted from medical services during the year.

In October 2022, a corporate Toastmasters Club was formed with a membership of twenty-nine (29) staff members. This initiative is part of the Group's management/leadership development programme where staff members are given opportunity for self enhancement.

## FUTURE PROSPECTS

Guyana's economic prospects for the foreseeable future is very positive. Continued strong growth is expected from the Oil and Gas sector. Major investments in public infrastructure and the energy sector may enable competitiveness internationally by Guyanese businesses in the non-oil sector.

The Caricom focus on Regional Food Security also opens up new growth opportunities. The Group has taken advantage of this development to enter discussions for a joint venture with the L R Group from Israel to invest in a modern dairy project to integrate into TOPCO's present packaging operations.

Growth has to be managed. Given Guyana's relatively small population and the growing demand for skills from all sectors, we foresee major challenges in this area and will continue to place great emphasis on people development in the Group.

## ACKNOWLEDGEMENTS

As I mentioned earlier in this report, this was a very demanding year. The leadership team of the Group supported by the staff at all levels rose to the challenges of the times and gave of their best. I take this opportunity to express my profound gratitude to all staff members for their efforts, commitment and dedication throughout the year.

I thank the members of the Board of Directors for their guidance, advice and vision that helped us in no small

# Chairman's Report - cont'd

measure to overcome the challenges in the year. Their experience, technical knowledge and understanding provided a steady hand as we navigated the storms of 2022.

We are grateful for our customers whose loyalty and ongoing support strengthened our resolve to overcome hurdles as they arose. As we expand the range of products and services, we look forward to being of greater service to them in the future.

We thank our suppliers and service providers for their commitments and support. They worked with our team collaboratively to overcome the many difficulties experienced in the year.

Together, we look forward to the future with optimism and hope for greater growth.



**Komal Samaroo**  
Chairman



# Management Team



**VASUDEO SINGH**  
Group Finance Director  
Deputy Chief Executive  
Officer



**MONEETA SINGH-BIRD**  
Human Resources  
Director



**SHAUN CALEB**  
Chief Production  
Officer

# Report of the Directors

The Board of Directors ("the Board") presents its Report together with the Audited Financial Statements of Demerara Distillers Limited & Subsidiaries ("the Group") for the year ended December 31, 2022.

## TURNOVER AND PROFITABILITY

The Board is pleased to report that the Group achieved Revenue of \$31.42B, which represented an increase of \$3.77B compared to Revenue of \$27.65B recorded in 2021. Group Profit before tax increased by \$701M from \$6.39B recorded in 2021 to \$7.09B secured in 2022.

## DIVIDENDS

An interim dividend of \$0.40 per share (\$0.308B) was paid during the year and a final dividend of \$1.35 per share (\$1.04B) for the year ended December 31, 2022, is recommended. If the recommended final dividend is approved at the upcoming General Meeting of Demerara Distillers Limited, this will result in total dividend of \$1.75 per share (\$1.35B) paid for 2022.

## BOARD OF DIRECTORS

The Board consists of Non-Executive and Executive Members who possess diverse experience and skills that best serves the strategic objectives of the Group.

As at December 31, 2022, the Board comprised:

- (i) **six (6) Non-Executive Directors** namely: Rudolph Collins, Egbert Carter, Timothy Jonas, S.C, Harryram Parmesar, Lancelot Tyrell and Joseph Singh, all of whom were re-elected at the third hybrid General Meeting held on May 12, 2022 pursuant to Order of Court dated March 15, 2022; and
- (ii) **four (4) Executive Directors**, including the Chairman, Komal Samaroo, as well as Sharda Veeren-Chand, Sharon Sue Hang and Allison Thorne.

## Emoluments of Non- Executive Directors as at December 31, 2022

Rudolph Collins	\$2,700,000
Egbert Carter	\$2,700,000
Timothy Jonas, S.C.	\$2,700,000
Harryram Parmesar	\$2,700,000
Lancelot Tyrell	\$2,700,000
Joseph Singh	\$2,426,792

In accordance with <sup>1</sup>Article 122 of the Company's Articles of Association, **Directors Messrs. Egbert Carter, Rudolph Collins, Timothy Jonas, S.C., Harryram Parmesar, Lancelot Tyrell and Joseph Singh** will retire by rotation at the close of the upcoming General Meeting of Demerara Distillers Limited and being eligible, offer themselves up for re-election.

<sup>1</sup> Article 122 states "At the annual general meeting in every year all the directors, except a managing director or assistant managing director or an Executive Director in respect of whom a resolution of the Board has been passed as aforesaid, shall retire from office but shall act as directors throughout the meeting and shall be eligible for re-election."

# Report of the Directors - cont'd

## DIRECTORS' INTEREST – DEMERARA DISTILLERS LIMITED

The interests of Directors holding office, as at December 31, 2022, in the ordinary shares of Demerara Distillers Limited were as follows:

DIRECTOR	ORDINARY SHARES AT NO. PAR. VALUE			
	Beneficial Interest		Associates' Interest	
	2022	2021	2022	2021
Komal Samaroo	931,646	931,646	1,137,141	1,137,141
Egbert Carter	Nil	Nil	Nil	Nil
Rudolph Collins	929	929	Nil	Nil
Timothy Jonas, S.C.	109,634	109,634	Nil	Nil
Harryram Parmesar	234,463	234,463	Nil	Nil
Lancelot Tyrell	29,750	29,750	Nil	Nil
Joseph Singh	Nil	Nil	Nil	Nil
Sharda Veeren-Chand	1,500,000	1,500,000	Nil	Nil
Sharon Sue Hang	684,295	610,477	Nil	Nil
Allison Thorne	20,278	Nil	Nil	Nil

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

## CONTRACTS WITH DIRECTORS

During the financial year there were no:

- service contracts with any of the Directors of the Company
- significant contracts to which any of the Directors of the Company were party to or materially interested in either directly or indirectly.

## BOARD COMMITTEES

The Board maintained the delegation of specific responsibilities to the following Board Committees:

1. Audit Committee
2. Technical Committee

## AUDIT COMMITTEE

The Audit Committee comprised the following Members:

- Mr. Harryram Parmesar Non-Executive Director Chairman
- Mr. Timothy Jonas, S.C. Non-Executive Director Member

In 2022, the Audit Committee's priorities were guided by an agreed audit plan which included review of the key operational and financial controls of the Group's assets, liabilities, income and expenditure. The aim of the agreed audit plan was to ensure continuous monitoring of internal controls as part of administering a strong control environment focused on accountability, transparency, compliance, efficiency and service excellence in an ever-changing business environment.

In this context, the Audit Committee reviewed audit reports tabled for discussion and suggested:

- a. where appropriate, revisions to pre-existing standard operating procedures to ensure that the Group's internal control framework remained robust;
- b. follow-up actions for timely implementation by Management.

The Committee, in assisting to strengthen the Group's risk management policies and practices, continues to create synergies to support the control environment of various Divisions, Subsidiaries and Associates of the Group through implementation of technology, sharing of resources and monitoring the impact of corrective measures emanating from audit activities.

# Report of the Directors - cont'd

## TECHNICAL COMMITTEE

The Technical Committee comprised the following Members:

• Lancelot Tyrell	Non-Executive Director	Chairman
• Egbert Carter	Non-Executive Director	Member
• Sharon Sue Hang	Technical Director	Member
• Lennox Caleb	Chief Production Officer	Member
• Kenneth Ragnauth	Project Manager	Member
• Vasudeo Singh	Group Finance Director	Member

In order to discharge its responsibility for providing technical guidance and oversight of capital improvement plans and projects during the year, the Committee met on a regular basis to review the following projects undertaken by the Group:

- ongoing rehabilitation of the CO2 Plant;
- expanded fruits processing, packaging and milk production facilities;
- new raw materials bond at the Bottling Plant;
- monitoring of P. L. C and H. M. I control systems;
- water treatment plant for Distillery Operations;
- collaboration with regulatory bodies including the EPA

Reports on these matters were submitted to the Board on a periodic basis with recommendations from the Committee.

## GOVERNANCE

The Board maintains its commitment to upholding good governance practices, policies and principles in its leadership of the Group's strategic priorities, including the enhancement of consistent economic value in a lawful, environmentally sustainable and socially responsible manner.

Amidst challenging external headwinds in the form of disruption to global supply chains, inflationary pressures and increased cost of raw material inputs, the Board met each month in 2022 to address the customary matters reserved exclusively for Board consideration such as reviewing the performance of each business unit within the Group as well as to:

- review and refine, as necessary, the immediate, medium- and long-term objectives of the Group;
- assess the Group's strategies to ensure sustainable resilience against foreseeable supply chain challenges;
- evaluate the adequacy of human capital engagement, retention, technical training and developmental programs pursued by the Group; and
- monitor the implementation of the Group's key environmental preservation and sustainability plans;

Additionally, Board Members undertook site visits of significant capital projects undertaken or completed in 2022 including the Group's New Bulk Terminal Operations at its Plantation Diamond facilities (shown below)



Board Members at a site visit of the recently completed New Bulk Terminal Operations at Plantation Diamond



# Report of the Directors - cont'd

## SUBSTANTIAL SHAREHOLDING

There is an outstanding query as to whether a public company's declaration of substantial shareholding refers to 5% shareholding as defined by clause 2 of the Securities Industry (Disclosure by Reporting Issuers) Regulation No. 8 of 2002<sup>1</sup> or to 10% shareholding as defined by section 125 of the Companies Act 1991<sup>2</sup>. For the avoidance of doubt, the following list applies the 5% criterion.

COMPANY	2022		2021	
	# of Shares	% Shareholding	# of Shares	% Shareholding
Trust Company (Guyana) Limited	235,542,445	30.5	235,425,645	30.57
Secure International Finance Co. Inc.	142,582,506	18.52	142,582,506	18.52
National Insurance Company	61,600,000	8	61,600,000	8

## CHANGES IN AFFAIRS OF THE COMPANY

Apart from the changes detailed in this Report, there were no significant changes in the affairs of the Company during the year ended December 31, 2022.

## ISSUED SHARE CAPITAL OF SUBSIDIARIES

Demerara Technical Services Ltd	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

## 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 upcoming General Meeting.

## BY ORDER OF THE BOARD



Allison Thorne  
Director/Company Secretary  
February 28, 2023

<sup>2</sup> Under clause 2 of the Securities Industry (Disclosure by Reporting Issuers) Regulation No. 8 of 2002 substantial shareholder is defined as a person entitled to exercise or control the exercise of five or more percent of the voting power at any general meeting of the issuer.

<sup>3</sup> Under section 125 of the Companies Act 1991 substantial shareholder is defined as a person who holds by himself or his nominee, shares in the company which entitle him to exercise at least ten percent of the unrestricted voting rights at any general meeting of the company.

# Corporate Social Responsibility

At Demerara Distillers Limited (DDL), we remain committed to our responsibility to develop the next generation of consumers and employees who will be the future of both our Company and our country.

This was displayed through our focus on the development of youth through Education and Sport:

## THE DDL FOUNDATION

Supporting the DDL Foundation continued to be a key area of focus. In 2022, five (5) awardees successfully completed their secondary education bringing the total number of graduates to thirty-four (34), since the foundation was launched in 2010. Prem Balmacoon (Bishop's High School), Wanita Williams (Queen's College), Jasmine Johnson (Bishop's High School), Rebekah McPherson (Bishop's High School), and Micah Fordyce (Queen's College) graduated this year.

1. Prem Balmacoon (Bishop's High School) – 8 ones, 2 twos & 1 four
2. Wanita Williams (Queen's College) – 6 ones, 6 twos, 2 threes & 1 four
3. Jasmine Johnson (Bishop's High School) – 5 ones, 1 two & 2 threes
4. Rebekah Mc Pherson (Bishop's High School) – 5 ones & 5 twos
5. Micah Fordyce (Queen's College) – 3 ones, 7 twos, 2 threes, 1 four & 1 five

The foundation then welcomed an additional six students to the programme: Chivraj Singh, Anna Regina Multilateral Secondary; Adrian Amsterdam, Anna Regina Multilateral Secondary; Ziyaad Ally, Anna Regina Multilateral Secondary; Garfield Bryan, Anna Regina Multilateral Secondary; and Arianna Courtman, Anna Regina Multilateral Secondary and Rodwyn Austin, Queen's College.

Today, the DDL Foundation has a total of twenty-nine (29) students from across the country who benefit from scholarships. The goal of the Foundation is to support 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 Assessment (NGSA) and have demonstrated their need for assistance due to their financial or social constraints can apply to the Foundation. The Foundation includes a Mentorship Programme which comprises mainly of volunteers from the DDL staff body. Each child is paired with a mentor who monitors the performance of the child and provides the necessary moral support and guidance during the period of their relationship with the Foundation.



Arianna Courtman



Adrian Amsterdam



Ziyaad Ally



Rodwyn Austin



Garfield Bryan



Chivraj Singh

## SUPPORTING YOUTH THROUGH SPORTS

### Pepsi Under-16 Boxing

Demerara Distillers Limited through its Pepsi brand, partnered with the Guyana Boxing Association (GBA) for the 12th year to support youth boxing. Through its partnership, the GBA was able to host its Pepsi-sponsored Mike Parris National U-16 Boxing tournament, following its haul due to the COVID-19 pandemic. The event saw over 40 young boxers 'punching' things out for trophies and medals.

### Hockey

#### Pepsi Hikers Hockey Summer Camp

Pepsi continues to contribute towards grassroots youth development programmes. In 2022, Pepsi supported the Hikers Hockey Summer Camp. The camp focused on teaching the basics of hockey and included drill sessions. The coaching and educational programme was followed by a mini hockey tournament where medals and certificates were awarded to participants.

# Corporate Social Responsibility - cont'd

## International Indoor Hockey Festival

Diamond Mineral Water partnered with the Guyana Hockey Association to execute the 16th staging of the Diamond Mineral Water International Indoor Hockey Festival, being played for the first time since the COVID-19 pandemic at the Cliff Anderson Sports Hall. The tournament featured eighteen (18) teams, including six (6) foreign teams. In addition, four (4) players from Canada and two (2) from the USA were on show as guest players among the local sides, adding to the international flare of the festival. Demerara Distillers Limited, through the Diamond Mineral Water brand, has been the mainstay of the festival, and has been the title sponsor since the inception of the festival in 2004. The Diamond Mineral Water International Indoor Hockey Festival is the longest running indoor hockey tournament in Guyana and throughout the Caribbean.

## Rose Hall Town Youth and Sports Club

The partnership between the Rose Hall Town Youth and Sports Club (RHTYSC) and DDL was renewed in 2022. The renewal was done under the Company's Pepsi brand. The relationship between RHTYSC and Pepsi started in 2004, with Pepsi as the official sponsor of the Under-19 and intermediate cricket teams. Over the years, the association between the two organisations has produced several Berbice Under-19 championships while numerous players have emerged to play for Berbice, Guyana and the West Indies.

## Horse Racing

DDL maintained sponsorship of the Kennard Memorial Turf Club's (KMTC) annual race meetings under the Ivanoff Vodka brand. This premier horse-racing event in Berbice attracts many spectators and families.

## Cycling

DDL, under its Diamond Mineral Water brand, continued to support the development of cycling in Guyana. In 2022, the Company partnered with National Cycling Coach, Hassan Mohamed, to host the 21st Diamond Mineral Water 50-mile Road Race. The race began at Schoonard, proceeded along the West Bank and Coast of Demerara and concluded at Parika.

## Football

In 2022, for the fifth year, DDL through its Pepsi brand recommitted support to the Petra Organisation for the Boys and Girls Under-14 school's football tournament. A total of 30 teams were involved in the tournament.

## SPONSORSHIP

Demerara Distillers Limited, under its El Dorado brand, renewed its partnership with the Hero Caribbean Premier League (CPL) for the next five years (2022-2026). El Dorado also celebrated its 10th Anniversary as the "Official Spirit" of the Tournament. Over the

past 10 years, El Dorado has enjoyed bringing to consumers, both regionally and internationally, the best that Guyana and the Caribbean has to offer – allowing them to enjoy their favourite sport whilst responsibly consuming the smooth and uniquely complex El Dorado aged rums. In celebration of its 10th anniversary with CPL, DDL released the limited edition 'El Dorado Master Blender's 10th Anniversary CPL T20 Rum'.

El Dorado's partnership with CPL continues to reinforce what a strong Caribbean brand we are while simultaneously celebrates the single largest sporting event in Caribbean culture. The company looks forward to the next four years as the "Official Spirit" of the League.

## EDUCATION AND PROFESSIONAL DEVELOPMENT

The Company continued to take its role as a progressive and responsible employer seriously. Our Education and Professional Development programmes provide opportunities for employees to improve skills, knowledge, and attitudes. Over the past year, there were several initiatives taken in this regard, a few of which are highlighted below.

## BURSARY AWARD PROGRAMME

The Company distributed Bursary Awards to the children of thirty (30) employees who were successful at the National Grade Six Assessment (N.G.S.A). Presently, there are ninety-six (96) children benefitting from the Bursary Award Programme. The DDL Bursary Awardees are located throughout the length and breadth of Guyana. The Bursary Awards Programme aims to support employees within the company to provide secondary education for their children.

## TRAINING PROGRAMMES

In 2022, the Company returned to in-person training sessions at the Diamond Institute of Management and Technology (DIMATECH). There were fifty-one (51) face-to-face sessions conducted for the year involving one thousand, two hundred and eleven (1211) employees. The sessions included training in Safety, Boilers, Employee & Industrial Relations, Customer





# Corporate Social Responsibility - cont'd

Service, Security, Food Handlers, Firearm, Workplace Expectations, Risk Management, Fire Safety, and Instruments & Controls. Training sessions were also conducted virtually and in-plant at departmental locations, and the central lab.

## WORK ATTACHMENT & INTERSHIPS

During the period July - September 2022, DDL facilitated a limited Work Study Programme for thirty-one (31) students from the University of Guyana, the Government Technical Institute, the Government Industrial Training Centre and secondary schools across Guyana.

These students were assigned to various departments in the Company, including Workshop, Beverage Plant, Distillery, Central Lab, Finance and Human Resources, Demerara Shipping Company Limited and Tropical Orchard Products Company (TOPCO) and were exposed to all activities within the working environment.

## TOASTMASTERS CLUB

In October 2022, Demerara Distillers Limited registered an in-house Toastmasters Club. The Toastmasters initiative forms part of the Company's Management/ Leadership Programme, which exposes staff members to communication and leadership development training.

## CADETSHIP / SCHOLARSHIP PROGRAMMES

The Company's Cadetship / Scholarship programme provides opportunities for staff, with the requisite entry requirements, to attend the University of Guyana to seek academic progression in the areas of Chemistry, Food Science, Mechanical Engineering, Electrical Engineering, and Industrial Engineering. In 2022, one employee was selected to attend the University of Guyana to read for the Bachelor of Science Degree in Chemistry, bringing the total number of staff in the programme to nine (9).

## STUDY ASSISTANCE SCHEME

In addition to offering fully paid programmes to staff, DDL continues to provide partial support or study assistance for professional development at universities (both locally and overseas), and other professional institutions in Accounting, Health and Safety, Information Technology, Business Administration, Human Resources, Marketing, and other areas of study. In 2022, twenty-one (21) of the sixty-one (61) active staff members on the DDL Study Assistance Scheme benefitted from additional payments to their programmes.

These programmes represent just some of the many ways the Company gives back to the staff and in extension the society thus, underscores the Company's commitment to human resource development.

## MANAGEMENT TRAINEE PROGRAMME

In 2022, nine (9) University of Guyana graduates joined the Demerara Distillers Limited Management Trainee Programme. These graduates possess qualifications in the disciplines of Marketing, Chemistry/Food Science, Health/Safety and Environment, or Engineering; and are currently involved in "on the job training". Their training will ensure exposure to most areas of operations within the business to prepare them to function effectively in their future assignments.

## PROFESSIONAL DEVELOPMENT

Over the course of the past year, selected staff were provided professional development training through Arthur Lok Jack Global School of Business - University of West Indies, School of Occupational Safety and Health - University of Fredericton, Canada, and Tetra Pak.

In addition, DDL through the DIMATECH continued to provide training and development to staff under the 'Self Improvement Programme' in the areas of Fundamentals in Mechanical Systems and Fundamentals in Electrical Systems. These training programmes prepare and allow staff the opportunity to acquire the Caribbean Vocational Qualification (CVQ) certification. DIMATECH also facilitated the development and recognition of previous experience gained by staff in selected occupational areas through the process of an assessment and evaluation to demonstrate competencies in skill, knowledge, and attitude.

## COMMUNITY AND NATIONAL REPRESENTATION (CNR)

DDL continues to be involved in the development of social capacity, nationally and within the community through active representation, participation, and continual engagement with the National Council for Technical and Vocational Education and Training (CTVET), Government Technical Institutes (TIs), Practical Instructional Centres (PICs) and Technical and Vocational Training Centres (TVTCs).

## SCHOOL BASED ASSESSMENTS (SBAS) - INTERVIEWS/ DISCUSSIONS

In 2022, DIMATECH was able to support the educational development of over sixty (60) fifth formers from various secondary schools within Region Four by providing essential information for their School Based Assessments (SBAs). These interactions took the form of interviews, reviews of forms, and in-depth discussions.

Demerara Distillers Limited will continue to focus on the development of its people, resulting in strengthened human capacity, in the years ahead.





# Financial Statements

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# Independent Auditor's Report

## TO THE MEMBERS OF DEMERARA DISTILLERS LIMITED AND SUBSIDIARIES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Demerara Distillers Limited and Subsidiaries, which comprise the consolidated statement of financial position as at 31 December, 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 28 to 84.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Demerara Distillers Limited and Subsidiaries as at 31 December, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Basis for Opinion

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<i>Valuation and impairment of property, plant and equipment. (Refer to note 10 in the Group financial statements)</i>	Our procedures in relation to management's valuation and impairment of property, plant and equipment included but were not limited to the following:
The financial statements detailed property, plant and equipment with a net book value of G\$9.9B and G\$17.1B in the Company and Group accounts respectively.	<ul style="list-style-type: none"><li>• We reviewed depreciation rates for property, plant and equipment to ensure consistency with the accounting policies and industry rates;</li></ul>
Property, plant and equipment was considered a Key Audit Matter as significant management judgment was used to select depreciation rates for items of property, plant and equipment. In addition, an annual impairment review of property, plant and equipment was done which involved significant management judgment.	<ul style="list-style-type: none"><li>• We obtained and reviewed the written representation by management on their assessment of impairment;</li><li>• We assessed the methodology used by management to carry out impairment review;</li><li>• We physically inspected selected assets which were acquired during the current and prior years;</li><li>• We verified the company's and group's policy for acquisitions and disposals of property, plant and equipment.</li><li>• We tested internal controls governing the procurement, monitoring and disposal of property, plant and equipment. We also verified samples of the material assets to supporting documents.</li></ul>

# Independent Auditor's Report - cont'd

## Key Audit Matter

*Valuation and impairment of investment properties. (Refer to note 11 in the Group financial statements)*

The financial statements detailed investment properties with a net book value of G\$6.1B and G\$145M in the Company and Group accounts respectively.

Investment properties was considered a Key Audit Matter as significant management judgment was used to select depreciation rates for items of building and equipment. In addition, an annual impairment review of land and building and equipment was done which involved significant management judgment.

*Valuation and impairment of investments. (Refer to note 12 in the Group financial statements)*

At 31 December 2022, investments in the Company amounted to G\$9.2B, consisting of "Fair Value through Other Comprehensive Income", "Subsidiary companies" and "Associate companies". The Group's investments were stated at G\$10.1B and consist of "Fair Value through Other Comprehensive Income" and "Associate companies".

Investments was considered a Key Audit Matter because it was material to the financial statements.

Also, there was significant measurement uncertainty involved in the valuation. As a result, the valuation of these instruments was significant to our audit.

## How our audit addressed the Key Audit Matter

Our procedures in relation to management's valuation and impairment of investment properties included but were not limited to the following:

- We reviewed depreciation rates for investment properties to ensure consistency with the accounting policies and industry rates;
- We assessed the methodology used by management to carry out impairment review and also ensured written representation was obtained and reviewed;
- We physically inspected a selection of investment properties and we verified the policy for acquisitions and disposals;
- We ensured that owner-occupied properties were correctly eliminated in the consolidated financial statements and presented and disclosed in accordance with IAS 40.
- We tested internal controls governing the procurement and monitoring and disposal of investment properties and we also verified samples of the material assets to supporting documents.

Our procedures in relation to valuation and impairment of investments included but were not limited to the following:

- We obtained understanding of the valuation methods used by the Company and Group and assessed whether they were consistent with prior years and our understanding of the client;
- We reviewed the source data used by the Company in the valuation method and performed tests to ascertain its completeness and accuracy;
- We reviewed the Company's and Group's policy on accounting for the various categories of investments and ensured compliance with relevant IFRS/IAS;
- We reviewed audited financial statements of subsidiaries, associates and other investments to ensure going concern and no impairment of investment.

# Independent Auditor's Report - cont'd

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Valuation of Defined Benefit Asset/Liabilities.</i> (Refer to note 13 in the Group financial statements)</p> <p>The Company and Group had recognised a defined benefit asset and liability of G\$10.4B and G\$5.2M respectively. These were considered to be Key Audit Matters since the assumptions that underpin the valuation of the defined benefit pension assets and liabilities were important and also involve subjective judgments as the surplus/deficit balance was volatile and affects the Company's distributable reserves. Management has employed actuarial specialists in order to calculate this balance and uncertainty arises as a result of estimates made based on the Company's expectation about long-term trends and market conditions.</p>	<p>Our procedures in relation to actuarial valuation included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We reviewed the actuarial report for the year ended December 31, 2022 and ensured information was presented and disclosed in accordance with IAS 19.</li> <li>• We obtained an understanding of the methodology and assumptions used by the actuary and assessed whether these were consistent with prior years and our understanding of the client;</li> <li>• We reviewed the source data used by the Company's actuary and performed tests to ascertain its completeness and accuracy;</li> <li>• We assessed the professional competence, including the qualifications, experience and reputation of the actuary.</li> </ul>

## Other information in the annual report

Management is responsible for the other information. The other information comprises all the information included in the Group's 2022 annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements based on the work we have performed, we conclude that if there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with



## Independent Auditor's Report - cont'd

International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the Group financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Group financial statements, including the disclosures, and whether the Group financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

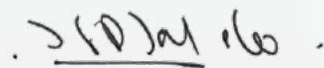
From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the Group financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Independent Auditor's Report - cont'd

### Report on Other Legal and Regulatory Requirements

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Rajiv Nandalal FCCA.



TSD LAL & CO  
CHARTERED ACCOUNTANTS

February 16, 2023

77 Brickdam,  
Stabroek, Georgetown  
Guyana

# Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the year ended December 31, 2022

	NOTES	COMPANY		GROUP	
		2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Turnover	5 (a)	24,984,904	21,524,954	31,415,239	27,646,995
Cost of sales		(15,091,247)	(12,416,468)	(18,531,730)	(15,968,941)
Gross profit		9,893,657	9,108,486	12,883,509	11,678,054
Other income	5 (b)	475,271	283,690	424,476	303,838
Investment properties income		323,050	188,244	9,927	9,061
Selling and distribution expenses		(2,274,670)	(2,148,338)	(3,194,930)	(3,067,125)
Administration expenses		(2,153,987)	(1,803,825)	(3,072,322)	(2,618,561)
Profit before interest and taxation		6,263,321	5,628,257	7,050,660	6,305,267
Finance cost		(111,932)	(28,753)	(118,124)	(34,025)
Share of profit of associate companies	12b(i)	-	-	153,424	113,926
Profit before taxation	6	6,151,389	5,599,504	7,085,960	6,385,168
Taxation	7	(1,374,175)	(1,334,109)	(1,765,186)	(1,596,503)
Profit for the year		4,777,214	4,265,395	5,320,774	4,788,665
Other Comprehensive Income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit pension plans	7	2,821,213	1,879,593	2,821,213	1,879,593
Fair value gain on investments	18(b)	3,899,340	2,689,200	3,899,340	2,689,200
		6,720,553	4,568,793	6,720,553	4,568,793
Items that may be subsequently reclassified to profit or loss:					
Exchange difference on consolidation	18(c)	-	-	(88,396)	(129,641)
Other comprehensive income for the year		6,720,553	4,568,793	6,632,157	4,439,152
Total comprehensive income for the year		11,497,767	8,834,188	11,952,931	9,227,817
Basic earnings per share in dollars	9	6.20	5.54	6.91	6.22

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



# Consolidated Statement of Changes in Equity

For the year ended December 31, 2022

	Note	COMPANY				
		Share capital	Capital reserves	Other reserve	Retained earnings	Total
		G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Balance at January 01, 2021		770,000	489,565	2,017,340	24,773,534	28,050,439
Changes in equity 2021						
Total comprehensive income for the year		-	-	2,689,200	6,144,988	8,834,188
Dividends	8	-	-	-	(1,039,500)	(1,039,500)
Balance at December 31, 2021		770,000	489,565	4,706,540	29,879,022	35,845,127
Changes in equity 2022						
Total comprehensive income for the year		-	-	3,899,340	7,598,427	11,497,767
Dividends	8	-	-	-	(1,193,500)	(1,193,500)
Balance at December 31, 2022		770,000	489,565	8,605,880	36,283,949	46,149,394

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

# Consolidated Statement of Changes in Equity - cont'd

For the year ended December 31, 2022

		GROUP					
	Note	Share capital	Capital reserves	Other reserve	Exchange difference reserve	Retained earnings	Total
		G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Balance at January 01, 2021		770,000	450,854	2,048,020	(5,797)	28,723,639	31,986,716
Changes in equity 2021							
Total comprehensive income for the year		-	-	2,689,200	(129,641)	6,668,258	9,227,817
Dividends	8	-	-	-	-	(1,039,500)	(1,039,500)
Balance at December 31, 2021		770,000	450,854	4,737,220	(135,438)	34,352,397	40,175,033
Changes in equity 2022							
Total comprehensive income for the year		-	-	3,899,340	(88,396)	8,141,988	11,952,932
Dividends	8	-	-	-	-	(1,193,500)	(1,193,500)
Balance at December 31, 2022		770,000	450,854	8,636,560	(223,834)	41,300,885	50,934,465

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

# Consolidated Statement of Financial Position

For the year ended December 31, 2022

	NOTES	COMPANY		GROUP	
		2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
<b>ASSETS</b>					
Non current assets					
Property, plant and equipment	10	9,877,602	10,588,267	17,149,824	15,589,641
Investment properties	11	6,060,983	4,039,708	145,413	153,313
Investments	12	9,249,354	5,350,014	10,106,983	6,097,350
Retirement benefit asset	13	10,429,587	6,369,439	10,429,587	6,369,439
<b>Total non-current assets</b>		<b>35,617,526</b>	<b>26,347,428</b>	<b>37,831,807</b>	<b>28,209,743</b>
<b>Current assets</b>					
Inventories	14	13,379,766	12,078,504	17,489,047	14,135,965
Trade and other receivables	15	4,299,972	2,375,513	3,046,462	2,421,679
Prepayments		369,847	492,161	522,998	564,421
Taxes recoverable		351,603	351,603	627,511	640,368
Cash in hand and at bank		613,402	520,500	1,293,365	1,071,919
<b>Total current assets</b>		<b>19,014,590</b>	<b>15,818,281</b>	<b>22,979,383</b>	<b>18,834,352</b>
<b>TOTAL ASSETS</b>		<b>54,632,116</b>	<b>42,165,709</b>	<b>60,811,190</b>	<b>47,044,095</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
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)	8,605,880	4,706,540	8,636,560	4,737,220
Exchange difference reserve	18 (c)	-	-	(223,834)	(135,438)
Retained earnings		36,283,949	29,879,022	41,300,885	34,352,397
<b>TOTAL EQUITY</b>		<b>46,149,394</b>	<b>35,845,127</b>	<b>50,934,465</b>	<b>40,175,033</b>

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




# Consolidated Statement of Financial Position - cont'd

For the year ended December 31, 2022

	NOTES	COMPANY		GROUP	
		2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
<b>Non-current liabilities</b>					
Deferred tax	7	3,319,949	2,349,764	3,162,632	2,217,082
Retirement benefit obligation	13	5,233	5,737	5,233	5,737
<b>Total non-current liabilities</b>		<b>3,325,182</b>	<b>2,355,501</b>	<b>3,167,865</b>	<b>2,222,819</b>
<b>Current liabilities</b>					
Trade and other payables	16	2,817,328	3,178,893	4,160,030	3,675,726
Taxes payable		365,989	549,443	572,322	712,510
Bank overdraft (secured)	19	1,974,223	236,745	1,976,508	258,007
<b>Total current liabilities</b>		<b>5,157,540</b>	<b>3,965,081</b>	<b>6,708,860</b>	<b>4,646,243</b>
<b>TOTAL LIABILITIES</b>		<b>8,482,722</b>	<b>6,320,582</b>	<b>9,876,725</b>	<b>6,869,062</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>54,632,116</b>	<b>42,165,709</b>	<b>60,811,190</b>	<b>47,044,095</b>

The Board of Directors approved these financial statements for issue on February 16, 2023.

 Chairman

 Director

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

# Consolidated Statement of Cash Flows

For the year ended December 31, 2022

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
<b>Operating activities</b>				
Profit before taxation	6,151,389	5,599,504	7,085,960	6,385,168
Adjustments for:				
Depreciation on property, plant and equipment	826,759	785,327	954,086	997,664
Depreciation on investment properties	238,457	90,765	7,900	10,385
Loss on disposal of PPE	1,762	-	-	-
Remeasurement in defined benefit asset	(298,531)	(167,719)	(298,531)	(167,719)
Remeasurement in defined benefit liability	(504)	(490)	(504)	(490)
Provision for investment	-	(57,750)	-	(57,750)
Increase in investment in associate companies	-	-	(110,293)	(61,199)
Exchange difference on consolidation	-	-	(88,396)	(129,641)
Interest received	(744)	(752)	(744)	(752)
Interest paid	112,676	29,505	118,868	34,777
<b>Operating profit before working capital changes</b>	<b>7,031,264</b>	<b>6,278,390</b>	<b>7,668,346</b>	<b>7,010,443</b>
Increase in inventories	(1,301,262)	(1,536,742)	(3,353,080)	(1,602,453)
Increase in receivables and prepayments	(650,757)	(36,143)	(583,360)	(192,611)
Increase/(Decrease) in payables and accruals	(361,565)	709,020	484,304	1,030,083
Increase in due from subsidiaries	(1,151,388)	(217,200)	-	-
Cash generated from operations	3,566,292	5,197,325	4,216,210	6,245,462
Taxes paid/adjusted	(1,527,848)	(1,181,379)	(1,887,372)	(1,579,894)
<b>Net cash provided by operating activities</b>	<b>2,038,444</b>	<b>4,015,946</b>	<b>2,328,838</b>	<b>4,665,568</b>
<b>Investing activities</b>				
Interest received	744	752	744	752
Purchase of property, plant and equipment	(2,258,470)	(939,284)	(2,514,270)	(2,351,021)
Purchase of investment properties	(123,293)	(1,161,832)	-	-
Proceeds on disposal of assets	4,175	-	-	-
<b>Net cash used in investing activities</b>	<b>(2,376,844)</b>	<b>(2,100,364)</b>	<b>(2,513,526)</b>	<b>(2,350,269)</b>

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

# Consolidated Statement of Cash Flows - cont'd

For the year ended December 31, 2022

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Financing activities				
Loan repayments and transfers	-	(275,379)	-	(275,379)
Interest paid	(112,676)	(29,505)	(118,867)	(34,777)
Dividends paid	(1,193,500)	(1,039,500)	(1,193,500)	(1,039,500)
Net cash used in financing activities	(1,306,176)	(1,344,384)	(1,312,367)	(1,349,656)
Net increase/(decrease) in cash and cash equivalents	(1,644,576)	571,198	(1,497,055)	965,643
Cash and cash equivalents at beginning of period	283,755	(287,443)	813,912	(151,731)
Cash and cash equivalents at end of period	(1,360,821)	283,755	(683,143)	813,912
Comprising:				
Cash in hand and at bank	613,402	520,500	1,293,365	1,071,919
Bank overdraft (secured)	(1,974,223)	(236,745)	(1,976,508)	(258,007)
Cash and cash equivalents at end of period	(1,360,821)	283,755	(683,143)	813,912

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



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 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, fruit juices and milk.
- (b) Trading - distributors of branded products.
- (c) Services - shipping, property rental and provision of services, insurance, sales and logistics.

## 2 New and amended standards and interpretations

### Amendments effective for the current year end

#### New and Amended Standards

Amendments to IFRS 3: Reference to the Conceptual Framework  
 Amendments to IAS 16: Proceeds before intended use  
 Amendments to IAS 37: Onerous Contracts – Cost of fulfilling a contract  
 Annual Improvements 2018-2020

**Effective for annual periods beginning on or after**

1 January 2022  
 1 January 2022  
 1 January 2022  
 1 January 2022

None of the new and amended standards and interpretations had a significant effect on the financial statements of the Company and Group.

### Pronouncements effective in future periods available for early adoption

#### New and Amended Standards

IFRS 17 Insurance contracts  
 Amendments to IAS 1 and IFRS Practice statement 2: Disclosure of Accounting Policies  
 Amendments to IAS 8: Definition of Accounting Estimates  
 Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction  
 Amendments to IAS 1: Presentation of financial statements on classification of liabilities

**Effective for annual periods beginning on or after**

1 January 2023  
 1 January 2023  
 1 January 2023  
 1 January 2023  
 1 January 2024

The Company and Group have not opted for early adoption.

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 2 New and amended standards and interpretations - cont'd

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 1 and IFRS Practice statement 2: Disclosure of Accounting Policies**

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

### **Amendments to IAS 8: Definition of Accounting Estimates**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

### **Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

### **Amendments to IAS 1: Presentation of financial statements on classification of liabilities**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The Board proposed to defer the effective date to no earlier than 1 January 2024 (from 1 January 2023).

## 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 and conform with International Financial Reporting Standards.

### **(b) Property, plant and equipment and depreciation**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the statement of financial position at cost.

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

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 3 Summary of significant accounting policies - cont'd

### (b) Property, plant and equipment and depreciation - cont'd

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

	2022/2021
Buildings	- 2.00%
Plant and Machinery	- 6.25%
Office Equipment	- 12.50%
Furniture, Fixtures & Fittings	- 10.00%
Sundry equipment	- 20.00%
Computer equipment	- 20.00%
Vehicles	- 25.00%

### (c) Inventories

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

Bottles/Crates in circulation

These represent returnable bottles and crates and barrels.

Bottles and crates are amortised over a period of three years. Barrels are amortised over a period of eight years.

### (d) Foreign Currencies

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 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 December 31, 2020 and was used as the basis for information presented in Note 13 in accordance with International Accounting Standards No. 19 – Employee Benefits (Revised).

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

### (f) Consolidation

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

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

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

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

The consolidated accounts incorporate the accounts as at December 31, 2022 of the following:

Name of Company	Country of Registration	% Shareholding	Main Business
Tropical Orchard Products Company Limited	Guyana	100.00	Manufacturing
Distillers Gas Company	Guyana	100.00	Dormant
Distribution Services Limited	Guyana	100.00	Distribution
Demerara Distillers (TT) Limited	Trinidad	100.00	Dormant
Demerara Distillers (US) Inc.	USA	100.00	Distribution
Demerara Distillers (St. Kitts-Nevis) Limited	St. Kitts	100.00	Manufacturing & Distribution
Demerara Technical Services Limited	Guyana	100.00	Property Rental & Provision of services
Demerara Shipping Company Limited	Guyana	100.00	Shipping
Breitenstein Holdings BV. (i)	Netherlands	100.00	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



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 3 Summary of significant accounting policies - cont'd

### (f) Consolidation - cont'd

#### (ii) Associate Companies

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

### (g) Taxation

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

#### Current tax

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

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

#### Deferred tax

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

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

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 3 Summary of significant accounting policies - cont'd

### (h) Revenue and expense recognition

The Group follows a 5-step process to determine whether to recognize revenue:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

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. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Sales of goods are recognised when goods are delivered and control of the asset has been transferred. While services are recognised when provided. The Group considers whether there are other promises in contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Management's judgment is involved in estimating the allocation of transaction price to performance obligations and variable consideration. Management has determined that these estimates are not constrained based on its historical experience, business forecast and the current economic conditions and any uncertainty with respect to variable consideration will be resolved within a short time frame.

#### Disaggregation of revenue

The Group's revenue is derived from manufacturing, trading and services and is organised according to the location of its customers. An analysis of the Group's revenue segments is detailed in Note 20.

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) Investment properties

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

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 3 Summary of significant accounting policies - cont'd

### (i) Investment properties - cont'd

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

		2022/2021
Buildings	-	2.00%
Equipment	-	6.25%

### (j) Financial instruments

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

The Group classifies its financial assets into the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVTOCI) and
- those to be measured at amortised cost.

#### Trade and other receivables

Trade and other receivables are measured at amortised cost.

#### Impairment policy

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

This approach for measuring expected credit losses for trade and other receivables reflects:

- (a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money
- (c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

All of the Group's other receivables are considered to have low credit risk and the loss allowance is limited to 12 months expected losses. The identified impairment loss was therefore considered immaterial. Other receivables are considered to be low credit risk when they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term.

#### Trade and other payables

Trade and other payables are measured at amortised cost.

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

#### Investments

The Group's investments have been classified as follows:

##### Investments at FVTOCI

The Group subsequently measures all equity investments not held for trading at FVTOCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of these investments. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 3 Summary of significant accounting policies – cont'd

### (j) Financial instruments – cont'd

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

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.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

### (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 investments at FVTOCI are credited to this account. This reserve is not distributable.

### (m) Impairment of tangible assets

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

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

### (n) Provisions

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

#### De-recognition of Provisions

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



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 3 Summary of significant accounting policies – cont'd

### (o) Dividends

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

### (p) Segment reporting

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

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

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

### (q) Leases

The Company leases some of its property to subsidiaries; these transactions were recorded in the subsidiaries accounts as right of use assets and lease liabilities. These were initially measured on a present value basis. The lease payments are discounted using the lessee's incremental borrowing rates of 5% and 8%.

Rental contracts cover a fixed period of five years; however, the option exists for same to be renewed for an additional five years. Rental payments are fixed.

Lease payments are allocated between principal and finance cost by the subsidiaries and recorded as other income by the Parent. The finance cost is charged to profit or loss over the lease period. Depreciation is charged on a straight-line basis over the lease period.

All inter-company leases were eliminated upon consolidation.

### (r) Earnings per share

Basic earnings per share attributable to ordinary equity holders of the Company's and Group's equity is calculated by dividing profit or loss attributable to ordinary equity holders of the Company's and Group's equity by the weighted number of ordinary shares outstanding during the period.

## 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.

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

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

### Key sources of estimation uncertainty

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

#### i) Other financial assets

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

#### ii) Property, plant and equipment and investment properties

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

#### iii) Impairment of financial assets

Expected credit losses for financial assets are based on assumptions about risk of default and expected loss rates. Management uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### iv) Retirement benefit asset/obligation

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

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 5 a) Turnover

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Manufacturing	23,045,051	19,861,728	22,398,797	19,927,936
Trading	1,938,746	1,662,355	7,352,541	6,500,951
Services	1,107	871	1,663,901	1,218,108
	<b>24,984,904</b>	<b>21,524,954</b>	<b>31,415,239</b>	<b>27,646,995</b>

## b) Other income

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Investment income (i)	176,583	88,323	100,113	47,360
Rent and miscellaneous income	294,513	194,617	320,188	255,728
Sale of asset	4,175	750	4,175	750
	<b>475,271</b>	<b>283,690</b>	<b>424,476</b>	<b>303,838</b>

- (i) This represents dividends received from FVTOCI investments (which are quoted) of G\$100.11M (2021 - G\$47.36M) and G\$76.47M (2021 - G\$40.96M) from subsidiaries and associated companies (which are not quoted).

## 6 Profit before taxation

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Profit before taxation	6,151,389	5,599,504	7,085,960	6,385,168
After charging:				
Property tax	404,846	335,513	416,146	345,194
Interest and other finance charges	112,676	29,505	118,867	34,777
Depreciation on property, plant and equipment	826,759	785,327	954,086	997,664
Depreciation on investment properties	238,457	90,765	7,900	10,385
Exchange difference	67,826	15,845	67,826	15,845
Directors' emoluments (a)	15,927	15,640	15,927	15,640
Staff costs:				
Salaries and wages	2,557,766	2,351,450	3,325,799	2,989,151
Other staff costs	741,224	576,571	962,601	780,574
Pension	(89,589)	35,127	(22,912)	89,107
Auditor's remuneration	10,010	9,718	32,055	31,437
Inventory provision	135,364	280,642	135,364	280,642
Provision for bad debts / expected credit loss	(349)	(968)	(1,233)	(3,223)
And after crediting				
Dividends from Subsidiaries and associate companies	76,470	40,963	-	-
Interest	744	752	744	752

- (a) At the end of the year there were six (2021 - six) non-executive Directors who received equal emoluments.

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 7 Taxation

### Reconciliation of tax expense and accounting profit

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Accounting profit	6,151,389	5,599,504	7,085,960	6,385,168
Corporation tax at 25% / 40%	1,537,847	1,390,912	1,880,255	1,648,656
Add:				
Tax effect of expenses not deductible in determining taxable profits:				
Depreciation for accounting purposes	317,286	272,061	354,977	304,101
Property tax	101,212	83,878	112,511	93,559
Adjustment for dual tax rates	28,398	19,121	28,398	19,121
Others	(69,267)	(53,815)	(42,876)	(11,501)
	1,915,476	1,712,157	2,333,265	2,053,936
Deduct:				
Tax effect of depreciation and other allowances for tax purposes	265,414	273,892	267,557	276,303
Export allowance	305,668	183,932	305,668	183,932
Corporation tax charge	1,344,394	1,254,333	1,760,040	1,593,701
Deferred tax	29,781	79,776	5,146	2,802
	1,374,175	1,334,109	1,765,186	1,596,503
Taxation - current	1,344,394	1,254,333	1,716,909	1,540,974
associate companies	-	-	43,131	52,727
	1,344,394	1,254,333	1,760,040	1,593,701
deferred	29,781	79,776	5,146	2,802
	1,374,175	1,334,109	1,765,186	1,596,503

The Group separately classifies its activities as non-commercial and commercial, with the applicable corporation tax rates being 25% and 40%, respectively (2021: 25% and 40%)

### Components of deferred tax

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Deferred tax liability	3,319,949	2,349,764	3,162,632	2,217,082
Property, plant and equipment	713,860	758,838	556,543	626,156
Defined benefit asset	2,607,399	1,592,362	2,607,399	1,592,362
Defined benefit liability	(1,310)	(1,436)	(1,310)	(1,436)
	3,319,949	2,349,764	3,162,632	2,217,082



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 7 Taxation - cont'd

### Movement in temporary differences

	COMPANY			
	Property Plant and Equipment	Defined Benefit Asset	Defined Benefit Liability	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
At January 01, 2021	721,311	924,693	(2,285)	1,643,719
Movement during the year:				
Statement of P&L	37,527	41,930	319	79,776
Statement of OCI	-	625,739	530	626,269
At December 31, 2021	758,838	1,592,362	(1,436)	2,349,764
Movement during the year:				
Statement of P&L	(44,978)	74,633	126	29,781
Statement of OCI	-	940,404	-	940,404
At December 31, 2022	713,860	2,607,399	(1,310)	3,319,949

	GROUP			
	Property Plant and Equipment	Defined Benefit Asset	Defined Benefit Liability	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
At January 01, 2021	665,603	924,693	(2,285)	1,588,011
Movement during the year:				
Statement of P&L	(39,447)	41,930	319	2,802
Statement of OCI	-	625,739	530	626,269
At December 31, 2021	626,156	1,592,362	(1,436)	2,217,082
Movement during the year:				
Statement of P&L	(69,613)	74,633	126	5,146
Statement of OCI	-	940,404	-	940,404
At December 31, 2022	556,543	2,607,399	(1,310)	3,162,632

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 7 Taxation - cont'd

Tax effect of IAS 19 actuarial valuation, exchange differences on translating foreign operations and gain / (loss) arising on revaluation of FVTOCI financial assets:

	COMPANY					
	2022			2021		
	Before tax amount	Tax (expense)	Net of tax amount	Before tax amount	Tax (expense)	Net of tax amount
	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000
Remeasurement of defined benefit pension plan	3,761,617	(940,404)	2,821,213	2,505,862	(626,269)	1,879,593
Gain arising on revaluation of FVTOCI financial assets	3,899,340	-	3,899,340	2,689,200	-	2,689,200
	<b>7,660,957</b>	<b>(940,404)</b>	<b>6,720,553</b>	<b>5,195,062</b>	<b>(626,269)</b>	<b>4,568,793</b>
	GROUP					
	2022			2021		
	Before tax amount	Tax benefit	Net of tax amount	Before tax amount	Tax (expense)	Net of tax amount
	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000
Remeasurement of defined benefit pension plan	3,761,617	(940,404)	2,821,213	2,505,862	(626,269)	1,879,593
Exchange differences on translating foreign operations	(88,396)	-	(88,396)	(129,641)	-	(129,641)
Gain arising on revaluation of FVTOCI financial assets	3,899,340	-	3,899,340	2,689,200	-	2,689,200
	<b>7,572,561</b>	<b>(940,404)</b>	<b>6,632,157</b>	<b>5,065,421</b>	<b>(626,269)</b>	<b>4,439,152</b>

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 8 Dividends

### COMPANY AND GROUP

	2022 G\$ 000	2021 G\$ 000
Amount recognised as distributions to equity holders in the period:		
Interim dividend for the year ended December 31, 2022 - G\$0.40 (G\$0.40 - 2021)	308,000	308,000
Final dividend for the year ended December 31, 2021 - G\$1.15 (G\$0.95 - 2020)	885,500	731,500
	<b>1,193,500</b>	<b>1,039,500</b>

The Directors recommended a final dividend of G\$1.35 per share (2021 - G\$1.15).

## 9 Basic earnings per share

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Calculated as follows:-				
Profit attributable to equity holders of the parent	4,777,214	4,265,395	5,320,774	4,788,665
Ordinary shares issued and fully paid	770,000,000	770,000,000	770,000,000	770,000,000
Basic earnings per share in dollars	6.20	5.54	6.91	6.22

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 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, 2021	4,062,117	12,615,999	3,027,779	19,705,895
Additions	194,012	3,060,534	1,243,516	4,498,062
Disposals	-	(32,863)	-	(32,863)
Intergroup transfers	-	(84)	(3,514,454)	(3,514,538)
Transfers	-	(11,377)	-	(11,377)
At December 31, 2021	4,256,129	15,632,209	756,841	20,645,179
Additions	122,260	591,245	1,623,820	2,337,325
Disposals	-	(62,844)	-	(62,844)
Intergroup transfers	-	(5,895)	-	(5,895)
Transfers - investment properties/WIP	-	(2,161,023)	(78,855)	(2,239,878)
At December 31, 2022	4,378,389	13,993,692	2,301,806	20,673,887
Comprising:				
Valuation	6,662	68	-	6,730
Cost	4,371,727	13,993,624	2,301,806	20,667,157
	4,378,389	13,993,692	2,301,806	20,673,887
Accumulated depreciation				
At January 01, 2021	931,756	8,339,829	-	9,271,585
Charge for the year	63,699	752,238	-	815,937
Written back on Disposal	-	(30,610)	-	(30,610)
At December 31, 2021	995,455	9,061,457	-	10,056,912
Charge for the year	67,173	759,586	-	826,759
Written back on Disposal	-	(62,802)	-	(62,802)
Transfers to investment properties	-	(24,584)	-	(24,584)
At December 31, 2022	1,062,628	9,733,657	-	10,796,285
Net book values:				
At December 31, 2022	3,315,761	4,260,035	2,301,806	9,877,602
At December 31, 2021	3,260,674	6,570,752	756,841	10,588,267

Certain land, building and equipment were transferred to investment properties as they were rented mainly to subsidiary companies.



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 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, 2021	8,115,679	14,586,441	3,180,549	25,882,669
Additions	1,419,613	5,528,527	1,273,495	8,221,635
Disposals	-	(37,402)	-	(37,402)
Transfers	(2,366,718)	195,476	(3,661,970)	(5,833,212)
At December 31, 2021	7,168,574	20,273,042	792,074	28,233,690
Additions	289,753	830,403	1,626,015	2,746,171
Disposals	-	(62,927)	-	(62,927)
Transfers	18,920	(136,608)	(114,088)	(231,776)
At December 31, 2022	7,477,247	20,903,910	2,304,001	30,685,158
Comprising:				
Valuation	6,662	68	-	6,730
Cost	7,470,585	20,903,842	2,304,001	30,678,428
	7,477,247	20,903,910	2,304,001	30,685,158
Accumulated depreciation				
At January 01, 2021	1,767,088	9,879,297	-	11,646,385
Charge for the year	148,556	849,108	-	997,664
At December 31, 2021	1,915,644	10,728,405	-	12,644,049
Charge for the year	168,124	785,963	-	954,087
Written back on disposals	-	(62,802)	-	(62,802)
At December 31, 2022	2,083,768	11,451,566	-	13,535,334
Net book values:				
At December 31, 2022	5,393,479	9,452,344	2,304,001	17,149,824
At December 31, 2021	5,252,930	9,544,637	792,074	15,589,641

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

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

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 11 Investment properties

Cost

At January 01, 2021

Additions

At December 31, 2021

Additions

Transfers from Property, Plant and Equipment

At December 31, 2022

Comprising:

At January 01, 2021

Charge for the year

At December 31, 2021

Charge for the year

Transfers from Property, Plant and Equipment

At December 31, 2022

Net book values:

At December 31, 2022

At December 31, 2021

The investment properties are rented mainly to subsidiary companies.

### COMPANY

Land and buildings	Equipment	Total
G\$ 000	G\$ 000	G\$ 000
3,385,467	557,953	3,943,420
1,161,832	-	1,161,832
4,547,299	557,953	5,105,252
8,904	114,389	123,293
-	2,161,023	2,161,023
4,556,203	2,833,365	7,389,568
474,014	500,765	974,779
58,882	31,883	90,765
532,896	532,648	1,065,544
74,647	163,810	238,457
-	24,584	24,584
607,543	721,042	1,328,585
3,948,660	2,112,323	6,060,983
4,014,403	25,305	4,039,708

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 11 Investment properties - cont'd

	GROUP	
	Land and buildings	Total
	G\$ 000	G\$ 000
Cost		
At January 01 and December 31, 2021	357,844	357,844
At December 31, 2022	357,844	357,844
Accumulated depreciation		
At January 01, 2021	194,146	194,146
Charge for the year	10,385	10,385
At December 31, 2021	204,531	204,531
Charge for the year	7,900	7,900
At December 31, 2022	212,431	212,431
Net book values:		
At December 31, 2022	145,413	145,413
At December 31, 2021	153,313	153,313

The investment properties are rented to third parties. Demerara Distillers Limited has granted a guarantee to Breitenstein Trading BV for the investment properties amounting to G\$169M (2021:G\$169M).

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 12 Investments

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
FVTOCI	8,685,600	4,786,260	8,680,600	4,781,260
Others:				
Subsidiary companies (a)	104,555	104,555	-	-
Associate companies (b)	459,199	459,199	1,426,383	1,316,090
	563,754	563,754	1,426,383	1,316,090
	9,249,354	5,350,014	10,106,983	6,097,350
	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000		
(a) Subsidiary companies at cost	104,555	104,555		
At January 01 and December 31				
	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
(b) Associate companies				
At January 01	459,199	459,199	1,316,090	1,254,891
Share of reserves of associate companies (i)	-	-	110,293	61,199
At December 31	459,199	459,199	1,426,383	1,316,090
	GROUP		2022 G\$ 000	2021 G\$ 000
(i) Share of reserves of associate companies				
Group's share of associate companies profits/reserves			153,424	113,926
Group's share of associate companies taxes			(43,131)	(52,727)
			110,293	61,199



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 12 Investments - cont'd

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.	
	2022 G\$ 000	Restated 2021 G\$ 000	2022 G\$ 000	Restated 2021 G\$ 000
Income statement				
Revenue	770,388	659,129	3,829,497	3,057,407
Profit after taxation	145,087	160,489	180,188	109,745
Statement of Financial Position				
Total assets	5,829,481	3,622,629	4,562,293	3,632,390
Shareholders funds	5,262,210	3,162,835	2,329,961	2,173,873
Long term liabilities	30,767	30,767	688,242	710,878
Current liabilities	536,504	429,027	1,544,090	747,639
Total equity and liabilities	5,829,481	3,622,629	4,562,293	3,632,390

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 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, 2020 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, 2022 using the Projected Unit Actuarial Method.

	<b>PENSION PLAN 1</b>	
	<b>2022</b>	2021
	<b>G\$ 000</b>	G\$ 000
Amounts recognised in the statement of financial position		
Present value of obligations	<b>6,625,367</b>	5,997,405
Fair value of plan assets	<b>(17,054,954)</b>	(12,366,844)
Net defined benefit asset	<b>(10,429,587)</b>	(6,369,439)
Reconciliation of amounts recognised In the balance sheet		
Opening defined benefit asset	<b>(6,369,439)</b>	(3,698,765)
Net pension cost	<b>(39,915)</b>	55,671
Re-measurements recognised in Other Comprehensive Income	<b>(3,761,617)</b>	(2,502,955)
Contributions paid	<b>(258,616)</b>	(223,390)
Closing defined benefit asset	<b>(10,429,587)</b>	(6,369,439)

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

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

	<b>PENSION PLAN 1</b>	
	<b>2022</b>	2021
	<b>G\$ 000</b>	G\$ 000
Amounts recognised in the statement of profit or loss and other comprehensive income		
Current service cost	<b>287,292</b>	248,154
Net interest on defined benefit asset	<b>(327,207)</b>	(192,483)
Net pension cost included in administrative expenses	<b>(39,915)</b>	55,671
Actual return on plan liability	<b>4,554,105</b>	3,270,885
Unfunded ex-gratia arrangement		
Defined benefit obligation	<b>5,233</b>	5,737
	<b>5,233</b>	5,737
Reconciliation of opening and closing retirement benefit obligation in the statement of financial position		
Opening defined benefit liability	<b>5,737</b>	9,134
Plus: net pension cost	<b>(504)</b>	434
Less: company contributions paid	-	(924)
Re-measurements recognised in Other Comprehensive Income	-	(2,907)
Closing defined benefit liability	<b>5,233</b>	5,737
Interest on defined benefit obligation	<b>(504)</b>	434

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

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

### PENSION PLAN 1

	2022 G\$ 000	2021 G\$ 000	2020 G\$ 000	2019 G\$ 000	2018 G\$ 000
<b>Experience history</b>					
Defined benefit obligation	6,625,367	5,997,405	5,283,645	4,847,551	4,496,529
Fair value of plan assets	(17,054,954)	(12,366,844)	(8,982,410)	(7,727,462)	(6,492,588)
Surplus	(10,429,587)	(6,369,439)	(3,698,765)	(2,879,911)	(1,996,059)

### Unfunded Ex Gratia

	2022 G\$ 000	2021 G\$ 000	2020 G\$ 000
<b>Experience History</b>			
Defined benefit obligation	5,233	5,737	9,134
Deficit	5,233	5,737	9,134
Experience adjustment on plan liabilities	-	(2,907)	226

### PENSION PLAN 1

	2022 G\$000	2021 G\$000
<b>Summary of main assumptions</b>	%	%
Discount rate	5.0	5.0
Salary increases	5.0	5.0
Pension increases	2.0	2.0
Retirement benefit obligations	5,233	5,737
Unfunded exgratia	5,233	5,737
Retirement benefit asset	10,429,587	6,369,439
Pension plan 1	10,429,587	6,369,439



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 14 Inventories

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Finished stocks (a)	8,863,121	7,807,607	12,626,145	9,599,250
Raw materials, containers & goods-in-transit	3,616,415	3,843,794	3,980,568	4,088,610
Spares	1,035,594	935,013	1,083,337	983,824
Provision for stock impairment (b)	(135,364)	(507,910)	(201,003)	(535,719)
	<b>13,379,766</b>	<b>12,078,504</b>	<b>17,489,047</b>	<b>14,135,965</b>
Cost of inventory recognised as expense during the period	<b>9,824,585</b>	<b>7,844,654</b>	<b>11,159,596</b>	<b>8,593,931</b>
Inventories expected to be recovered after more than twelve months	<b>6,196,407</b>	<b>4,913,320</b>	<b>6,196,407</b>	<b>4,913,320</b>
Raw material damaged written off	<b>53,844</b>	<b>91,729</b>	<b>75,423</b>	<b>96,027</b>

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

(b) Provision for impairment

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Balance as at January 01	(507,910)	(257,697)	(535,719)	(281,699)
Net movement during the year	372,546	(250,213)	334,716	(254,020)
Balance as at December 31	<b>(135,364)</b>	<b>(507,910)</b>	<b>(201,003)</b>	<b>(535,719)</b>

The above provision was individually assessed.

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 15 Trade and other receivables

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Trade receivables	2,128,304	1,371,298	2,810,493	2,189,701
Provision for impairment (a)	(68,661)	(68,661)	(71,604)	(72,837)
	2,059,643	1,302,637	2,738,889	2,116,864
Other receivables	242,985	226,920	307,573	304,815
Due from subsidiary companies	1,997,344	845,956	-	-
	4,299,972	2,375,513	3,046,462	2,421,679
(a) Provision for impairment				
Balance as at January 01	68,661	69,629	72,837	76,060
Expected credit loss movement during the year	-	(968)	(1,233)	(3,223)
Balance as at December 31	68,661	68,661	71,604	72,837

The above provision for impairment consists of individually assessed provision of \$13M (2021: \$13M) and provision of \$55M (2021: \$55M) in accordance with IFRS 9.

## 16 Trade and other payables

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Trade payables	1,140,035	994,426	2,239,316	1,336,790
Accruals	754,054	876,998	968,909	994,690
Other payables	923,239	1,307,469	951,805	1,344,246
	2,817,328	3,178,893	4,160,030	3,675,726

## 17 Share capital

	COMPANY AND GROUP	
	2022	2021
Authorised Number of ordinary shares	1,000,000,000	1,000,000,000
Issued and fully paid At January 01 and December 31 770,000,000 ordinary shares	770,000	770,000

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

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 18 (a) Capital reserves

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Share premium account	489,565	489,565	450,854	450,854

This reserve is not distributable.

## (b) Other reserves

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Balance as at January 01	4,706,540	2,017,340	4,737,220	2,048,020
Fair value adjustment on FVTOCI	3,899,340	2,689,200	3,899,340	2,689,200
Balance as at December 31	8,605,880	4,706,540	8,636,560	4,737,220

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

There was no tax effect on gains or losses.

## (c) Exchange difference reserve

	GROUP	
	2022 G\$ 000	2021 G\$ 000
At January 01	(135,438)	(5,797)
For the year	(88,396)	(129,641)
At December 31	(223,834)	(135,438)

This arose as a result of translating foreign subsidiaries financial statements to Guyana dollars.  
There was no tax effect on gains or losses.

## 19 Bank overdraft

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Bank overdraft (secured)	1,974,223	236,745	1,976,508	258,007
	1,974,223	236,745	1,976,508	258,007

Overdrafts are repayable on demand and attract interest at 8% (2021: 8%)

The foregoing overdrafts for the company and group are secured by floating and fixed charges on the assets of the company valued at G\$2.8B (2021: G\$2.8B).

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 20 Segment reporting

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

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

Principal activities are as follows:

### Manufacturing:

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

### Trading:

Distributors of branded products.

### Services:

Shipping, contracting services, insurance, sales and logistics.

INDUSTRY	2022				
	Manufacturing	Trading	Services	Eliminations	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Revenue					
External sales	22,398,796	7,352,541	1,663,901	-	31,415,238
Inter-segment sales	5,221,838	-	-	(5,221,838)	-
Total revenue	27,620,634	7,352,541	1,663,901	(5,221,838)	31,415,238
Results					
Segment result	5,965,576	589,544	453,886	(76,470)	6,932,536
Operating profit					6,932,536
Share of profit from associates					153,424
Profit before tax					7,085,960
Income tax					(1,765,186)
Profit for the year attributable to equity shareholders of the company					5,320,774
Other Information					
Capital additions net of transfers	3,185,271	69,444	337,139	(1,037,922)	2,553,932
Depreciation and amortisation	1,242,913	85,406	166,569	(556,166)	938,722
Statement of Financial Position					
Assets					
Segment assets	53,093,619	2,846,766	2,608,084	836,338	59,384,807
Interest in associates	-	-	-	-	1,426,383
Consolidated assets					60,811,190
Liabilities					
Segment liabilities	10,617,879	681,220	1,932,091	(3,354,465)	9,876,725
Consolidated liabilities					9,876,725



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 20 Segment reporting - cont'd

INDUSTRY	2021				
	Manufacturing	Trading	Services	Eliminations	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Revenue					
External sales	19,927,936	6,500,951	1,218,108	-	27,646,995
Inter-segment sales	3,690,048	-	-	(3,690,048)	-
Total revenue	23,617,984	6,500,951	1,218,108	(3,690,048)	27,646,995
Results					
Segment result	5,521,409	559,762	231,035	(40,964)	6,271,242
Operating profit					6,271,242
Share of profit from associates					113,926
Profit before tax					6,385,168
Income tax					(1,596,503)
Profit for the year attributable to equity shareholders of the company					4,788,665
Other Information					
Capital additions	2,197,382	26,051	164,990	-	2,388,423
Depreciation and amortisation	953,699	74,333	138,269	(158,252)	1,008,049
Statement of Financial Position					
Assets					
Segment assets	40,712,899	2,629,753	2,450,594	(65,241)	45,728,005
Interest in associates	-	-	-	-	1,316,090
Consolidated assets					47,044,095
Liabilities					
Segment liabilities	7,219,092	748,652	1,072,257	(2,170,939)	6,869,062
Consolidated liabilities					6,869,062

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 20 Segment reporting - cont'd

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

### GEOGRAPHICAL

	REVENUE		PROFIT BEFORE TAX	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Guyana	28,914,870	24,925,714	6,912,943	6,183,961
Europe	1,127,850	1,289,061	55,071	56,677
North America	1,264,097	1,340,186	99,948	108,977
St. Kitts	108,422	92,034	17,998	35,553
	<b>31,415,239</b>	<b>27,646,995</b>	<b>7,085,960</b>	<b>6,385,168</b>

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	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Guyana	58,003,065	44,447,704	2,502,529	2,386,925
Europe	1,911,826	1,724,721	2,846	-
North America	542,759	548,255	-	-
St. Kitts	353,540	323,415	9,020	1,498
	<b>60,811,190</b>	<b>47,044,095</b>	<b>2,514,395</b>	<b>2,388,423</b>

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	
	2022	2021	2022 G\$ 000	2021 G\$ 000
Guyana and United States	North America	North America	4,252,016	4,492,557
Guyana, Europe and Caribbean	Europe	Europe	1,810,301	3,001,184
Guyana and Caribbean	Caribbean	Caribbean	1,401,788	1,365,838
Guyana	Guyana	Guyana	23,856,281	18,691,895
Others			94,853	95,521
Total			<b>31,415,239</b>	<b>27,646,995</b>

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 21 Contingent liabilities

### COMPANY AND GROUP

	2022 G\$ 000	2021 G\$ 000
Bonds in respect of duty on spirits warehoused and exportation of goods	259,361	256,361
Bonds in favour of the State of Guyana	5,000	5,000

## 22 Capital commitments

### COMPANY

### GROUP

	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Contracted for but not received	1,609,329	12,620	1,609,329	12,620

These comprise of acquisition of non current assets.

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 23 Related party transactions and other disclosures

### (a) Related party transactions

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

Listed below are transactions and balances with related parties.

#### (i) Subsidiary companies

	COMPANY	
	2022 G\$ 000	2021 G\$ 000
Sales	4,093,711	2,951,798
Commission paid	13,011	4,277
Purchases	966,759	636,485
Management fees received	161,350	163,484
Rent received	323,050	188,244
Dividends received	76,470	40,963
Human resource charges	399,884	409,415
Interest paid	71,109	94,355
Balances at end of year	1,997,344	845,956
Guarantee provided by the parent company on behalf of:		
Subsidiaries	346,500	268,500

#### Associate companies

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Balances at end of year	459,199	459,199	1,426,383	1,316,090
Insurance premiums paid	80,251	66,975	-	-



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 23 Related party transactions and other disclosures - cont'd

### (a) Related party transactions - cont'd

#### (iii) 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:

	2022 G\$ 000	2021 G\$ 000
Short-term employee benefits	377,212	342,554
Post-employment benefits	35,235	47,887
Directors emoluments	15,927	15,640

No provision was made for balances receivable from related parties.

### (b) Other disclosures

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

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
Demerara Bank Limited				
Overdraft interest (8%)	93,756	8,490	93,814	8,715
Balance at end of the year:				
Cash	486,373	246,382	903,844	422,000
Overdraft	1,974,223	236,745	1,974,223	236,745
Trust Company (Guyana) Limited also provides registrar and pension management services for the company				
Pension management and registrar's service fees	27,433	18,265	27,433	18,265

## 24 Pending Litigations

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

Judgment was given in favor of Demerara Distillers Limited, with reference to Guyana Revenue Authority's challenge against Demerara Distillers Limited for corporation tax assessment raised in 2017. The Guyana Revenue Authority has since appealed the decision. The parties are awaiting a hearing date from the court.

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

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

2022	COMPANY		
	Financial assets and liabilities at fair value through OCI	Financial assets and liabilities at amortised cost	Total
	G\$000	G\$000	G\$000
<b>ASSETS</b>			
Investments	8,685,600	-	8,685,600
Trade receivables	-	2,059,643	2,059,643
Other receivables	-	2,240,329	2,240,329
Prepayments	-	369,847	369,847
Taxes recoverable	-	351,603	351,603
Cash on hand and at bank	-	613,402	613,402
Total assets	8,685,600	5,634,824	14,320,424
<b>LIABILITIES</b>			
Trade payables	-	1,140,035	1,140,035
Other payables and accruals	-	1,677,293	1,677,293
Bank overdraft (secured)	-	1,974,223	1,974,223
Taxation	-	365,989	365,989
Total liabilities	-	5,157,540	5,157,540

2021	COMPANY		
	Financial assets and liabilities at fair value through OCI	Financial assets and liabilities at amortised cost	Total
	G\$000	G\$000	G\$000
<b>ASSETS</b>			
Investments	4,786,260	-	4,786,260
Trade receivables	-	1,302,637	1,302,637
Other receivables	-	1,072,876	1,072,876
Prepayments	-	492,161	492,161
Taxes recoverable	-	351,603	351,603
Cash on hand and at bank	-	520,500	520,500
Total assets	4,786,260	3,739,777	8,526,037
<b>LIABILITIES</b>			
Trade payables	-	994,426	994,426
Other payables and accruals	-	2,184,467	2,184,467
Bank overdraft (secured)	-	236,745	236,745
Taxation	-	549,443	549,443
Total liabilities	-	3,965,081	3,965,081

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

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

2022	GROUP		
	Financial assets and liabilities at fair value through OCI	Financial assets and liabilities at amortised cost	Total
	G\$000	G\$000	G\$000
<b>ASSETS</b>			
Investments	8,680,600	-	8,680,600
Trade receivables	-	2,738,889	2,738,889
Other receivables	-	307,573	307,573
Prepayments	-	522,998	522,998
Taxes recoverable	-	627,511	627,511
Cash on hand and at bank	-	1,293,365	1,293,365
<b>Total assets</b>	<b>8,680,600</b>	<b>5,490,336</b>	<b>14,170,936</b>
<b>LIABILITIES</b>			
Trade payables	-	2,239,316	2,239,316
Other payables and accruals	-	1,920,714	1,920,714
Bank overdraft (secured)	-	1,976,508	1,976,508
Taxation	-	572,322	572,322
<b>Total liabilities</b>	<b>-</b>	<b>6,708,860</b>	<b>6,708,860</b>

2021	GROUP		
	Financial assets and liabilities at fair value through OCI	Financial assets and liabilities at amortised cost	Total
	G\$000	G\$000	G\$000
<b>ASSETS</b>			
Investments	4,781,260	-	4,781,260
Trade receivables	-	2,116,864	2,116,864
Other receivables	-	304,815	304,815
Prepayments	-	564,421	564,421
Taxes recoverable	-	640,368	640,368
Cash on hand and at bank	-	1,071,919	1,071,919
<b>Total assets</b>	<b>4,781,260</b>	<b>4,698,387</b>	<b>9,479,647</b>
<b>LIABILITIES</b>			
Trade payables	-	1,336,790	1,336,790
Other payables and accruals	-	2,338,936	2,338,936
Bank overdraft (secured)	-	258,007	258,007
Taxation	-	712,510	712,510
<b>Total liabilities</b>	<b>-</b>	<b>4,646,243</b>	<b>4,646,243</b>

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 26 Fair value estimation

### 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).

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

COMPANY						
2022				2021		
		Carrying Value	Fair Value		Carrying Value	Fair Value
	IFRS 13 Level	G\$ 000	G\$ 000	IFRS 13 Level	G\$ 000	G\$ 000
<b>Assets</b>						
Property, plant and equipment	2	9,877,602	9,877,602	2	10,588,267	10,588,267
Investment properties	2	6,060,983	6,060,983	2	4,039,708	4,039,708
Trade and other receivables	2	4,299,972	4,299,972	2	2,375,513	2,375,513
Prepayments	2	369,847	369,847	2	492,161	492,161
Taxes recoverable	2	351,603	351,603	2	351,603	351,603
Cash on hand and at bank	1	613,402	613,402	1	520,500	520,500
		<b>21,573,409</b>	<b>21,573,409</b>		<b>18,367,752</b>	<b>18,367,752</b>
<b>Liabilities</b>						
Trade payables and other payables	2	2,817,328	2,817,328	2	3,178,893	3,178,893
Taxation	2	365,989	365,989	2	549,443	549,443
Bank overdraft (secured)	1	1,974,223	1,974,223	1	236,745	236,745
		<b>5,157,540</b>	<b>5,157,540</b>		<b>3,965,081</b>	<b>3,965,081</b>



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 26 Fair value estimation - cont'd

		GROUP					
		2022			2021		
		Carrying Value		Fair Value	Carrying Value		Fair Value
		IFRS 13 Level	G\$ 000	G\$ 000	IFRS 13 Level	G\$ 000	G\$ 000
<b>Assets</b>							
Property, plant and equipment	2	17,149,824	17,149,824		2	15,589,641	15,589,641
Investment properties	2	145,413	145,413		2	153,313	153,313
Trade and other receivables	2	3,046,462	3,046,462		2	2,421,679	2,421,679
Prepayments	2	522,998	522,998		2	564,421	564,421
Taxes recoverable	2	627,511	627,511		2	640,368	640,368
Cash on hand and at bank	1	1,293,365	1,293,365		1	1,071,919	1,071,919
		22,785,573	22,785,573			20,441,341	20,441,341
<b>Liabilities</b>							
Trade payables and other payables	2	4,160,030	4,160,030		2	3,675,726	3,675,726
Taxation	2	572,322	572,322		2	712,510	712,510
Bank overdraft (secured)	1	1,976,508	1,976,508		1	258,007	258,007
		6,708,860	6,708,860			4,646,243	4,646,243

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

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

- Property, plant, equipment and investment properties fair values were measured primarily at cost less accumulated depreciation. Management's judgement was used to determine that fair value approximates the carrying value.
- For FVTOCI assets, the fair values were determined with reference to quoted market prices and level 2 fair value measurements.
- Trade receivables and other receivables are net of expected credit loss. 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.
- Financial instruments where the carrying amounts were equal to fair value:- Due to their short term maturity, the carrying values of certain financial instruments approximate their fair values. These include cash and cash equivalents, trade and other payables, tax liability/recoverable, prepayments and bank overdraft.

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 26 Fair value estimation - cont'd

FVTOCI

FVTOCI

COMPANY	COMPANY
2022 Level 2	2021 Level 2
G\$ 000	G\$ 000
8,685,600	4,786,260
GROUP	GROUP
2022 Level 2	2021 Level 2
G\$ 000	G\$ 000
8,680,600	4,720,061

## 27 Financial risk management

### Objectives

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

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

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

### (a) Market risk

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

### (i) Foreign currency risk

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

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 27 Financial risk management - cont'd

### (a) Market risk - cont'd

#### (i) Foreign currency risk - cont'd

	COMPANY		GROUP	
	2022 G\$ 000	2021 G\$ 000	2022 G\$ 000	2021 G\$ 000
<b>Assets</b>				
US Dollar	2,599,479	1,440,446	3,142,237	1,988,700
GBP	-	83,382	-	83,382
Euro	4,745,416	3,931,622	6,657,242	4,816,322
Others	127,649	284,810	481,189	608,225
	<b>7,472,544</b>	<b>5,740,260</b>	<b>10,280,668</b>	<b>7,496,629</b>
<b>Liabilities</b>				
US Dollar	766,976	605,838	786,430	627,319
GBP	23,460	30,865	23,460	30,865
Euro	4,631,370	4,820,170	4,934,586	4,886,466
Others	41,262	38,125	45,506	50,472
	<b>5,463,068</b>	<b>5,494,998</b>	<b>5,789,982</b>	<b>5,595,122</b>
Net assets	<b>2,009,476</b>	<b>245,262</b>	<b>4,490,686</b>	<b>1,901,507</b>

#### 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 for a 2.5% change in foreign currency rates. A positive number indicates an increase in profit where foreign currencies strengthen 2.5% against the G\$. For a 2.5% weakening of the foreign currencies against G\$ there would be an equal and opposite impact on the profit, and the balances below would be negative.

	COMPANY		GROUP	
	2022 G\$000	2021 G\$000	2022 G\$000	2021 G\$000
Profit/(loss)	<b>50,237</b>	<b>6,132</b>	<b>112,267</b>	<b>47,538</b>

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 27 Financial risk management - cont'd

### (a) Market risk - cont'd

#### (ii) Interest sensitivity analysis

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

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

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

	Increase/ Decrease in Basis Point	IMPACT ON PROFIT FOR THE YEAR			
		COMPANY		GROUP	
		2022 G\$000	2021 G\$000	2022 G\$000	2021 G\$000
Cash and cash equivalent					
Foreign currency	+/-50	2,606	2,002	4,510	2,625
Overdrafts					
Local currency	+/-50	9,871	1,184	9,871	1,089

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.

#### (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.

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 27 Financial risk management - cont'd

### (a) Market risk - cont'd

#### (iii) Interest rate risk - cont'd

		COMPANY		
		Maturing 2022		
	Interest rate Range %	Within 1 year G\$000	Non-interest bearing G\$000	Total G\$000
<b>Assets</b>				
Investments	-	-	8,685,600	8,685,600
Trade and other receivables	-	-	4,299,972	4,299,972
Prepayments	-	-	369,847	369,847
Taxes recoverable	-	-	351,603	351,603
Cash at bank	0.03% - 1.5%	613,402	-	613,402
		613,402	13,707,022	14,320,424
<b>Liabilities</b>				
Trade payable and accruals	0.0 - 6.6%	-	2,817,328	2,817,328
Bank overdraft (secured)	8%	1,974,223	-	1,974,223
Taxation		-	365,989	365,989
		1,974,223	3,183,317	5,157,540
Interest sensitivity gap		(1,360,821)		



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 27 Financial risk management - cont'd

### (a) Market risk - cont'd

#### (iii) Interest rate risk - cont'd

		COMPANY		
		Maturing 2021		
	Interest rate Range %	Within 1 year G\$000	Non-interest bearing G\$000	Total G\$000
<b>Assets</b>				
Investments	-	-	4,786,260	4,786,260
Trade and other receivables	-	-	2,375,513	2,375,513
Prepayments	-	-	492,161	492,161
Taxes recoverable	-	-	351,603	351,603
Cash at bank	0.03% - 1.5%	520,500	-	520,500
		520,500	8,005,537	8,526,037
<b>Liabilities</b>				
Trade payable and accruals	-	313,825	2,865,068	3,178,893
Bank overdraft (secured)	8%	236,745	-	236,745
Taxation	-	-	549,443	549,443
		550,570	3,414,511	3,965,081
Interest sensitivity gap		(30,070)		

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 27 Financial risk management - cont'd

### (a) Market risk - cont'd

#### (iii) Interest rate risk - cont'd

		GROUP		
		Maturing 2022		
	Interest rate Range %	Within 1 year G\$000	Non-interest bearing G\$000	Total G\$000
<b>Assets</b>				
Investments	-	-	10,106,983	10,106,983
Trade and other receivables	-	-	3,046,462	3,046,462
Prepayments	-	-	522,998	522,998
Taxes recoverable	-	-	627,511	627,511
Cash on hand and at bank	0.03% - 1.5%	1,293,365	-	1,293,365
		1,293,365	14,303,954	15,597,319
<b>Liabilities</b>				
Trade payable and accruals	-	-	4,160,030	4,160,030
Bank overdraft (secured)	8%	1,976,508	-	1,976,508
Taxation	-	-	572,322	572,322
		1,976,508	4,732,352	6,708,860
Interest sensitivity gap		(683,143)		

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 27 Financial risk management - cont'd

### (a) Market risk - cont'd

#### (iii) Interest rate risk - cont'd

		GROUP		
		Maturing 2021		
	Interest rate Range %	Within 1 year G\$000	Non-interest bearing G\$000	Total G\$000
<b>Assets</b>				
Investments	-	-	6,097,350	6,097,350
Trade and other receivables	-	-	2,421,679	2,421,679
Prepayments	-	-	564,421	564,421
Taxes recoverable	-	-	640,368	640,368
Cash on hand and at bank	0.03% - 1.5%	1,071,919	-	1,071,919
		1,071,919	9,723,818	10,795,737
<b>Liabilities</b>				
Trade payable and accruals	-	313,825	3,361,901	3,675,726
Bank overdraft (secured)	8%	258,007	-	258,007
Taxation	-	-	712,510	712,510
		571,832	4,074,411	4,646,243
Interest sensitivity gap		500,087		

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 27 Financial risk management - cont'd

### (a) Market risk - cont'd

#### (iv) Price risk

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

The below shows the sensitivity analysis of a 5% increase / decrease in FVTOCI traded on the local and regional stock exchange.

	COMPANY AND GROUP	
	2022 G\$000	2021 G\$000
Net impact	431,393	236,426

### (b) Credit risk

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

	COMPANY		GROUP	
	Maximum Exposure		Maximum Exposure	
	2022 G\$000	2021 G\$000	2022 G\$000	2021 G\$000
Cash on hand and at bank	613,402	520,500	1,293,365	1,071,919
Investments				
FVTOCI	8,685,600	4,786,260	8,680,600	4,781,260
Trade and other receivables	4,299,972	2,375,513	3,046,462	2,421,679
Taxes recoverable	351,603	351,603	627,511	640,368
Total Credit risk exposure	13,950,577	8,033,876	13,647,938	8,915,226

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

The company and group faces credit risk in respect of its cash and cash equivalents, investments and receivables. However, this risk is controlled by close monitoring of these assets by the company and group. The maximum credit risk faced by the company and group is the balance reflected in the financial statements.

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 27 Financial risk management - cont'd

### (b) Credit risk - cont'd

	COMPANY		GROUP	
	2022 G\$000	2021 G\$000	2022 G\$000	2021 G\$000
Trade and other receivables				
Trade receivables	2,059,643	1,302,637	2,738,889	2,116,864
Other receivables	242,985	226,920	307,573	304,815
Taxes Recoverable	351,603	351,603	627,511	640,368
Due from subsidiaries	1,997,344	845,956	-	-
	<b>4,651,575</b>	<b>2,727,116</b>	<b>3,673,973</b>	<b>3,062,047</b>

The above balances are classified as follows:

	COMPANY		GROUP	
	2022 G\$000	2021 G\$000	2022 G\$000	2021 G\$000
Current	3,982,851	2,316,883	2,463,017	1,721,961
Past due but not impaired	737,385	478,743	1,282,561	1,412,772
Impaired	-	151	-	151
Provision for impairment	(68,661)	(68,661)	(71,604)	(72,837)
	<b>4,651,575</b>	<b>2,727,116</b>	<b>3,673,973</b>	<b>3,062,047</b>

	COMPANY		GROUP	
	2022 G\$000	2021 G\$000	2022 G\$000	2021 G\$000
<b>Ageing of past due but not impaired</b>				
01-30 days	12,521	18,438	188,324	181,307
31-60 days	167,566	32,954	267,600	350,895
61-90 days	71,669	51,826	77,386	208,913
91-120 days	129,630	28,666	132,058	35,917
over 120 days	355,999	346,859	617,192	635,740
Total	<b>737,385</b>	<b>478,743</b>	<b>1,282,561</b>	<b>1,412,772</b>

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

#### Ageing of impaired trade receivables

over 120 days	-	151	-	151
Provision for impairment	<b>68,661</b>	<b>68,661</b>	<b>71,604</b>	<b>72,837</b>



# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 27 Financial risk management - cont'd

### (b) Credit risk - cont'd

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

			COMPANY			
			2022		2021	
Details	Location		Credit Limit	Carrying Amount	Credit Limit	Carrying Amount
	2022	2021	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Counterparty # 1	U.K.	U.K.	1,030,000	1,028,999	580,000	45,139
Counterparty # 2	Guyana	Guyana	11,955	10,798	11,955	7,848
Counterparty # 3	Canada	Canada	190,000	(17,063)	90,000	82,142
Counterparty # 4	Canada	Guyana	150,000	146,040	190,000	182,975
Counterparty # 5	Canada	U.S.	78,500	31,316	78,500	59,293
			1,460,455	1,200,090	950,455	377,397
			GROUP			
			2022		2021	
Details	Location		Credit Limit	Carrying Amount	Credit Limit	Carrying Amount
	2022	2021	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Counterparty # 1	U.K.	U.K.	1,030,000	1,028,999	580,000	45,139
Counterparty # 2	Guyana	Guyana	11,955	10,798	11,955	7,848
Counterparty # 3	Canada	Canada	190,000	(17,063)	90,000	82,142
Counterparty # 4	Canada	Guyana	150,000	146,040	190,000	182,975
Counterparty # 5	Canada	U.S.	78,500	31,316	78,500	59,293
			1,460,455	1,200,090	950,455	377,397

There were two customers who represented more than 5% of the total balance of trade receivables (2021: 2). The average age of total receivables was 35 days (2021: 32 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 Consolidated Financial Statements

For the year ended December 31, 2022

## 27 Financial risk management - cont'd

### (c) Liquidity risk

Liquidity risk is the risk that the company and group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The company and group manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The table below shows the contractual undiscounted cash flows arising on financial liabilities.

	COMPANY	
	Maturing 2022	
	Within 1 year	Total
	G\$000	G\$000
Trade payables and other payables	(2,817,328)	(2,817,328)
Taxes Payable	(365,989)	(365,989)
Bank overdraft (secured)	(1,974,223)	(1,974,223)
	(5,157,540)	(5,157,540)

	COMPANY	
	Maturing 2021	
	Within 1 year	Total
	G\$000	G\$000
Trade payables and other payables	(3,178,893)	(3,178,893)
Taxes Payable	(549,443)	(549,443)
Bank overdraft (secured)	(236,745)	(236,745)
	(3,965,081)	(3,965,081)

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 27 Financial risk management - cont'd

### (c) Liquidity risk - cont'd

Trade payables and other payables  
Taxes Payable  
Bank overdraft (secured)

#### GROUP

##### Maturing 2022

Within 1 year	Total
G\$000	G\$000
(4,160,030)	(4,160,030)
(572,322)	(572,322)
(1,976,508)	(1,976,508)
(6,708,860)	(6,708,860)

#### GROUP

##### Maturing 2021

Trade payables and other payables  
Taxes Payable  
Bank overdraft (secured)

Within 1 year	Total
G\$000	G\$000
(3,675,726)	(3,675,726)
(712,510)	(712,510)
(258,007)	(258,007)
(4,646,243)	(4,646,243)

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

## 28 Capital risk management

The company and group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged from 2021.

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	
	2022 G\$000	2021 G\$000	2022 G\$000	2021 G\$000
Debt (i)	<b>1,974,223</b>	550,570	<b>1,976,508</b>	571,832
Cash and cash equivalents	<b>(613,402)</b>	(520,500)	<b>(1,293,365)</b>	(1,071,919)
Net debt	<b>1,360,821</b>	30,070	<b>683,143</b>	(500,087)
Equity (ii)	<b>46,149,394</b>	35,845,127	<b>50,934,465</b>	40,175,033
Net debt to equity ratio	<b>0.03:1</b>	0.001:1	<b>0.01:1</b>	-

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

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

## 29 Approval of financial statements

The financial statements were approved for issue by the Directors on February 16, 2023

# Ten Year Review

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Turnover	<b>31,415,239</b>	27,646,995	24,686,097	22,402,602	21,861,762	19,569,018	18,109,126	18,020,518	18,112,393	17,529,199
Operating Profit	<b>7,204,084</b>	6,419,193	5,325,136	4,726,175	4,590,450	3,913,861	3,392,082	3,378,633	1,811,508	2,794,305
Interest Paid/Received	<b>118,124</b>	34,025	119,077	182,200	228,642	362,548	471,971	581,359	675,645	589,069
Profit Before Tax	<b>7,085,960</b>	6,385,168	5,206,059	4,543,976	4,361,807	3,551,313	2,920,111	2,797,273	1,135,863	2,205,236
Taxation	<b>1,765,186</b>	1,596,503	1,313,459	1,059,310	1,083,208	951,269	728,683	901,418	721,579	635,815
Profit after Tax	<b>5,320,774</b>	4,788,665	3,892,600	3,484,665	3,278,599	2,600,044	2,191,428	1,895,856	414,284	1,569,421
Gross Assets Employed	<b>60,811,190</b>	47,044,095	37,797,945	35,003,982	31,231,964	28,495,874	27,033,095	27,953,739	28,386,324	28,726,954
Capital Employed	<b>54,102,330</b>	42,397,853	33,718,568	29,325,855	26,329,600	23,548,168	21,869,744	21,484,490	21,114,315	21,084,368
Shareholder's Equity	<b>50,934,465</b>	40,175,033	31,986,717	27,803,076	24,359,457	20,913,489	18,515,611	16,954,198	15,783,466	16,058,647
Operating profit as % of sales	<b>22.93%</b>	23.22%	21.57%	21.10%	21.00%	20.00%	18.73%	18.75%	10.00%	15.94%
Operating profit as % of Capital Employed	<b>13.32%</b>	15.14%	15.79%	16.12%	17.43%	16.62%	15.51%	15.73%	8.58%	13.25%
Return on Gross assets	<b>11.85%</b>	13.65%	14.09%	13.50%	14.70%	13.73%	12.55%	12.09%	6.38%	9.73%
Return on Shareholders' Funds	<b>13.91%</b>	15.89%	16.28%	16.34%	17.91%	16.98%	15.77%	16.50%	7.20%	13.73%
Basic Earnings per share in Dollars	<b>6.91</b>	6.22	5.06	4.53	4.26	3.38	2.85	2.46	0.54	2.04
Equity per share	<b>66.15</b>	52.18	41.54	36.11	31.64	27.16	24.05	22.02	20.50	20.86
Dividend Cover	<b>4.46</b>	4.61	4.21	4.11	5.01	5.04	4.59	4.10	0.91	3.71



## Procedure 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 April 21, 2023 and at every adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2023

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.*





# Notes

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# Notes

[illegible]







**DEMERARA  
DISTILLERS**  
LIMITED

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•  
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