



**DEMERARA
DISTILLERS**
LIMITED

ANNUAL
REPORT **2021**



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Through Time

*Legacy and the preservation of heritage,
have for many centuries
been the hallmark of what we do at
Demerara Distillers Limited.*



**DEMERARA
DISTILLERS**
LIMITED



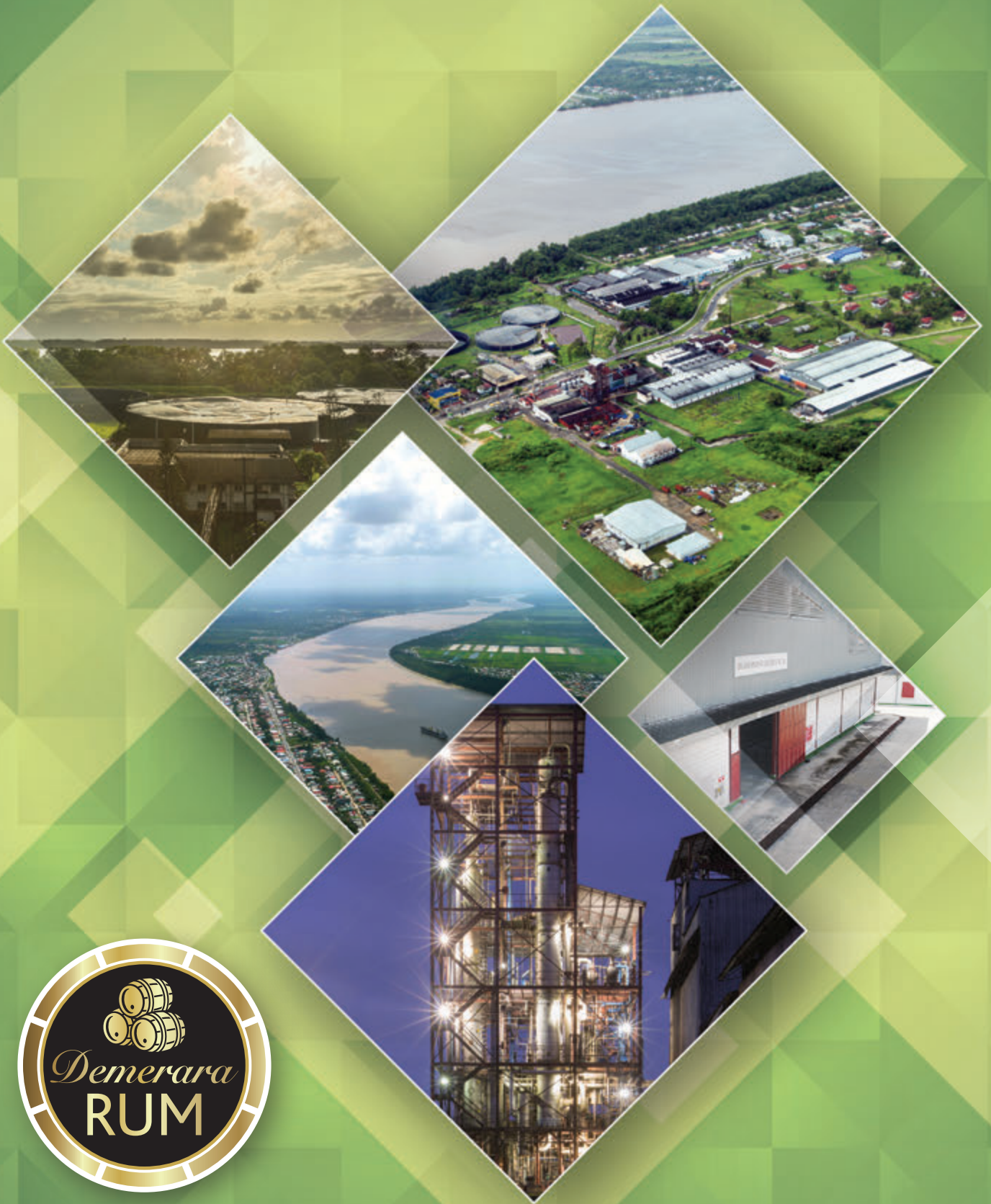
Through People

As one of the leading manufacturing companies in Guyana, making quality products is our business. Yet, at heart, we're people-centred. We're just as focused on the people who create our products as we are on the people who consume them, a trademark of the late former Chairman of the Company, Dr. Yesu Persaud. Understanding the importance of this delicate balance continues to guide the decisions that enrich the lives of the many men and women — and by extension their families and communities — who've served and who continue to serve our Company. The preservation of our very rich, and unique heritage is key to our operations — ensuring the transfer of knowledge, understanding and wisdom associated with who we are, what we do, and how we do it. Investing in people — in their professional development and training — goes without being said. Fundamental methods and practices remain alive today, thanks to generations of employees with a passion for preserving the special craft and culture of our Company. Life is a continuum of change and our capacity to adapt and thrive in and through those changes. This is how we've managed to not only stay afloat, but to thrive on the tides of change throughout our existence as a Company. We invest in ourselves by investing in our people.



Through Process

Important to what we do, is how we do it. At DDL, we proudly continue to use Guyanese raw materials to produce the diverse range of our world-renowned products. For us, process is much more than just the transition from raw materials to the finished product. Process is also forging partnerships, acquiring learnings, developing new products, and the passing down of knowledge and skills. We are deliberate in ensuring that the supply chain benefits our local farmers and suppliers. Guyanese fruit farmers supporting our operations are afforded with the opportunity to collaborate with a network of financial and agriculture-support agencies, as part of the holistic market-driven approach to developing partnerships. Our process is also about our culture. It's how we've been able to improve and expand while maintaining the consistency that we're known for in Guyana and around the world.



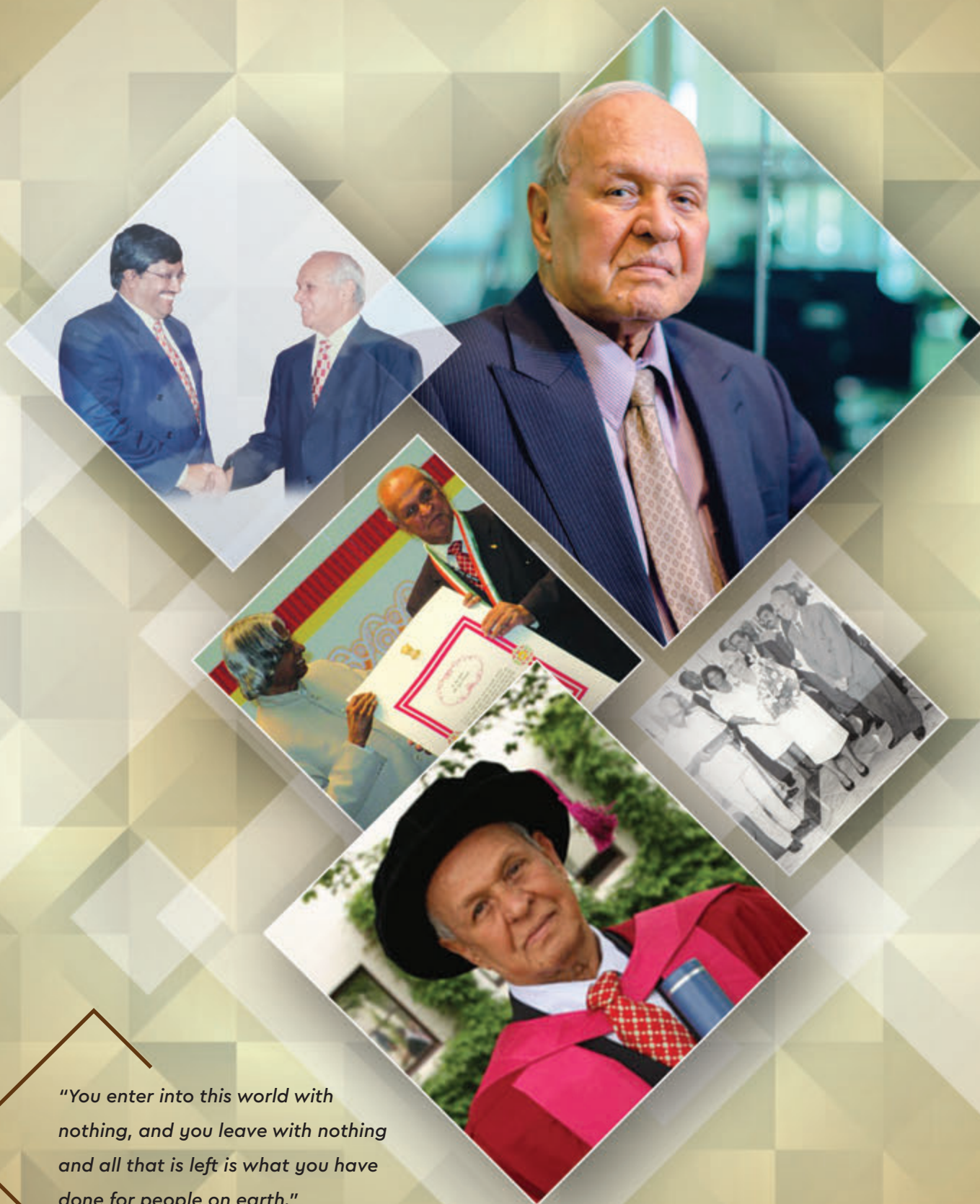
Through Place

Demerara rum is as unique as the people who produce it, and the place in which it is made. In the Demerara region of Guyana, we've been making rum for over 300 years using a vibrant tapestry of rum-making methods. Our rums are used and enjoyed the world over, by brands and people who appreciate its complexity.

Like our culture and craft, our climate has also remained constant throughout our history. The Demerara terroir, influenced by the mighty Demerara River, collides with coastal trade-winds to create an atmosphere for distilling that is totally unique, and very special. This harmony between culture, climate and craft is what gives our rum depth and makes it so versatile.

For a rum to be deemed a 'Demerara rum', it must be made and aged in Demerara using our equipment and our process — there's no other way. This fact was further solidified in 2021 when we formally applied for and were granted Geographic Indication (GI) from the European Union (EU) for our Demerara rum. Geographical Indication (GI) is a *"sign used on products that have a specific geographical origin and possess qualities or a reputation that are based on or due to that place of origin"*. The qualities of the product depend on the geographical place of production, and there's a clear link between the product and its original place of production — as is the case with our Demerara rum.

Our rum has so impressed and impacted the world with its signature Demerara characteristics, that it has been agreed that what we do here cannot and will not be replicated anywhere else around the globe. Today, we are proud of this accomplishment. As time goes on, we will continue to advance and improve while maintaining our unique identity that is Demerara.



*"You enter into this world with
nothing, and you leave with nothing
and all that is left is what you have
done for people on earth."*

A Legendary Icon Dr Yesu Persaud

On January 17, 2022, Dr. Yesu Persaud, Founding Chairman of Demerara Distillers Limited (DDL) passed away. He was 93.

There is no doubt that Dr. Persaud will go down in history as the most iconic businessman of his era, whose pioneering leadership impacted not only DDL but the Guyana private sector and laid the critical foundation for future success of these organisations.

Born on October 18, 1928, at Diamond Sugar Plantation in Guyana, Dr. Persaud's story is an inspiring one; one that exemplifies struggle and success. In 1947, Dr Persaud started work on the sugar estate as a lowly Sanitation Assistant, with one of the duties being rat catcher in the estates but worked his way up to a supervisory position of Assistant to the Punt Captain.

In 1955, Dr. Persaud decided to move to England to further his education, which he did while working several semi-skilled jobs. It was here that he completed his ACCA and worked for some time at a professional accounting firm as the Senior Auditor.

In 1966, he returned to Guyana and joined the Public Service as an Inspector of Taxes but after a few months he was offered a job at Sandbach Parker & Company the oldest British company in Guyana which had been operating here from the 18th Century. In record time, he rose to be the Group Finance Director, a position which so far had only been open to qualified expatriates.

In 1975, the Government of Guyana decided to nationalize the Demerara Sandbach Group and Dr. Persaud was one of the three negotiators on the Sandbach side. An agreement suitable to both parties was amicably arrived at, and he was offered a position of Executive Chairman of Diamond Liquors Limited (DLL) and Managing Director of Demerara Sugar Company.

With the merger of Diamond Liquors Limited with Guyana Distilleries Limited in 1983, Demerara Distillers Limited was formed and Dr. Persaud continued as Chairman of DDL.

DDL's journey over the years was not without its challenges, particularly in its early years. However, Dr. Persaud's leadership was robust and exemplary. DDL stands out in the economic history of Guyana. It created one of the most respected Spirits distilleries in the World and its El Dorado Demerara Rum is now acknowledged to be the World's best, winning all the major competitions year after year. That's why, the DDL we know today owes a great debt of gratitude to Dr. Persaud, for his bold and imaginative leadership for over four decades. During his years at the

Company, Dr. Persaud was at the forefront of innovation, modernization, and diversification. He always displayed abiding humility and understanding, while at the same time promoting the highest levels of discipline, honesty, and productivity.

He will forever be remembered for his commitment to the development of young employees. In the mid 1970's, Dr. Persaud pursued policies that gave young Guyanese career opportunities to advance the corporate ladder to the highest level, while defending the welfare of every employee, regardless of position. It was also under this leadership, that all employees were given the opportunity to become shareholders of the company, in the early 1980's. His immense contributions were seen and celebrated nationally, as he was awarded the Golden Arrow of Achievement (1981) for developing and expanding the distilling industry and the Cacique Crown of Honour (1983) for his exemplary work in advancing new industries. He is also the recipient of several prestigious regional and international awards and honours; having spearheaded the development of the Institute of Private Enterprise Development Limited (IPED), Demerara Bank Limited, Trust Company (Guyana), Diamond Fire and General Insurance Company, among others.

In 1991, Dr. Persaud saw the importance of a unified Private Sector and founded the Guyana Private Sector Commission (PSC), giving a very important voice to the private sector at a critical time in Guyana's history.

While he refused to align himself with any political party, and prided himself on being an impartial voice, he was considered one of the leading figures behind the Guyanese Action for Reform and Democracy movement (GUARD) which was formed in 1989. Dr. Persaud served as the Honorary Consul of Chile for many years and internationally, he served on the Caribbean Council for Europe for many years and was also a Trustee of the Caribbean Latin American Action (CLAA). He was past president and executive member of the Caribbean Association of Industry and Commerce, past president of West Indies Rum and Spirit Producers' Association and member of the Global Organisation of People of Indian Origin.

Dr. Yesu Persaud was a champion for the people. He lived a life dedicated to service and the advancement of many causes. Throughout his journey on this earth, he was described as a humanitarian and pioneer; his humility and grace were often admired by everyone he interacted with. DDL will continue to draw on the life of this national treasure; his unmatched approach to governance, and his staunch commitment to doing what is right.

Company in Perspective

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

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

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

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

Demerara Distillers Limited has Subsidiaries and Associates in Europe, North America and the Caribbean. Demerara Distillers Limited is best known for its commitment to quality and has held continuous certification through the **ISO 9001 (2015)** International Quality Standard.

Notice of Meeting

The **SEVENTIETH ANNUAL GENERAL MEETING (AGM)** of DEMERARA DISTILLERS LIMITED (DDL) has been scheduled for **Thursday, May 12, 2022 at 4:00 p.m.** at Lot 214 Camp Street, North Cummingsburg, Georgetown, Guyana.

Pursuant to the terms of Order of Court dated the 15th day of March 2022 granted in light of the ongoing COVID-19 issues, in particular, the health and safety risks associated with large public gatherings, the AGM will be conducted in the following manner:

- (a) no more than seven individuals (whose names are set out at (i) to (vii) below) representing, personally or by proxy, no less than 40% of the shareholding of DDL shall be present, in the capacity solely as shareholders, at the AGM namely;
 - (i) Chandra Gajraj, Trust Company (Guyana) Ltd
 - (ii) Maurice John, Hand in Hand Trust Corp. Inc
 - (iii) Roger Yee, Guyana & Trinidad Mutual Group of Companies
 - (iv) Phillip Fernandes, JP Santos & Co. Ltd,
 - (v) Khemraj Goberdhan, Diamond Fire & General Insurance Inc,
 - (vi) Ede Tyrell
 - (vii) Colin Thompson
- (b) as a shareholder of DDL you are entitled to observe the AGM via electronic/virtual platform but not to be physically present at the Meeting. The access code for the electronic/virtual platform has been mailed to you along with this Notice;
- (c) as a shareholder of DDL you are entitled to appoint one of the seven individuals named at (a) above as your proxy with instructions as to voting on the Motions to be proposed at the AGM. These Motions are set out in the Proxy Form, mailed to you along with this Notice;
- (d) shareholders may contact the Company Secretary's Office at telephone numbers 592-265-2089 or 592- 265-6000 or email: csec@demrum.com to address any questions in relation to this Notice or the AGM

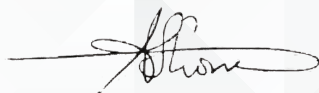
Notice of Meeting-Cont'd

AGENDA

The following matters will be considered at the AGM:

- 1) To receive and consider the Company's Accounts and Reports of the Directors and Auditors for the year ended December 31, 2021;
- 2) To declare a Final Dividend of \$1.15 per share free of Company Taxes in respect of the year ended December 31, 2021;
- 3) To re-elect Directors (Messrs. Rudolph Collins, Egbert Carter, Timothy Jonas, Harryram Parmesar, Lancelot Tyrell & Joseph Singh);
- 4) To fix the Emoluments of the Directors;
- 5) To re-appoint TSD Lal & Co and authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD



Allison Thorne
Director/Company Secretary
March 24, 2022

REGISTERED OFFICE

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

INSTRUCTIONS TO SHAREHOLDERS

1. REGISTER OF MEMBERS

The Register of Members and Share Transfer Books of Demerara Distillers Limited will be closed from April 25, 2022 to May 12, 2022 both days inclusive- for the purpose of preparing warrants of the Final Dividends for the year ended December 31, 2021.

2. PROXY FORMS

Proxy Forms must be completed, dated and received at the Registered Office of DDL, Block A, Plantation Great Diamond East Bank Demerara, no less than (48) forty-eight hours before the date of the AGM.

3. QUESTIONS, COMMENTS OR RECOMMENDATIONS

Shareholders may also exercise their right to participate in the AGM, through the Proxy Holder, by submitting any number of questions, comments and/or recommendations with respect to the matters to be considered at the AGM, so that, the Proxy Holder may raise such questions, comments and/ or recommendations at the Meeting. Such questions, comments and/ or recommendations may be included in the space provided in the Proxy Form found on page 97 of the Annual Report.

Alternatively, such questions, comments and /or recommendations may be sent to the Company's Registered Office at the above address or emailed to csec@demrum.com no later than May 11, 2022 at 4:00 p.m. (GYT).

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: ddl@demrum.com
Website: 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.

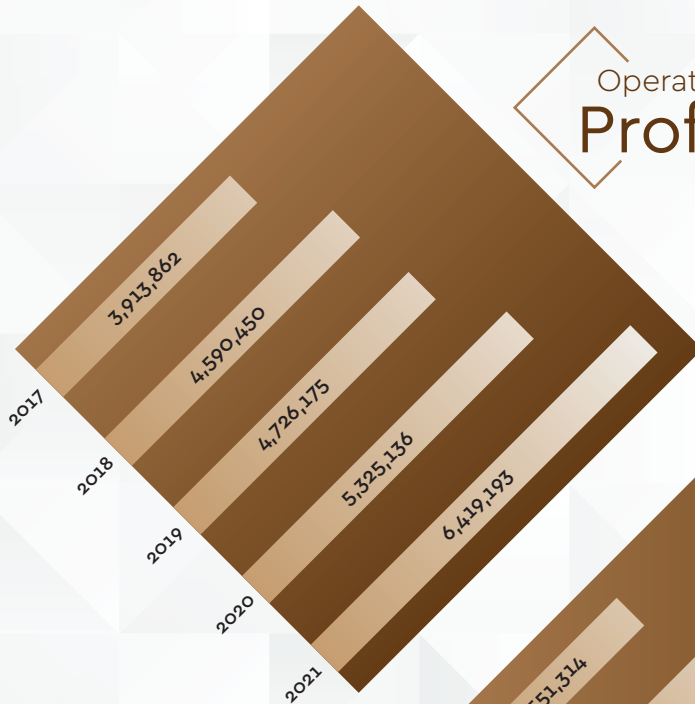
Republic Bank (Guyana) Limited
Water Street,
Georgetown, Guyana.

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

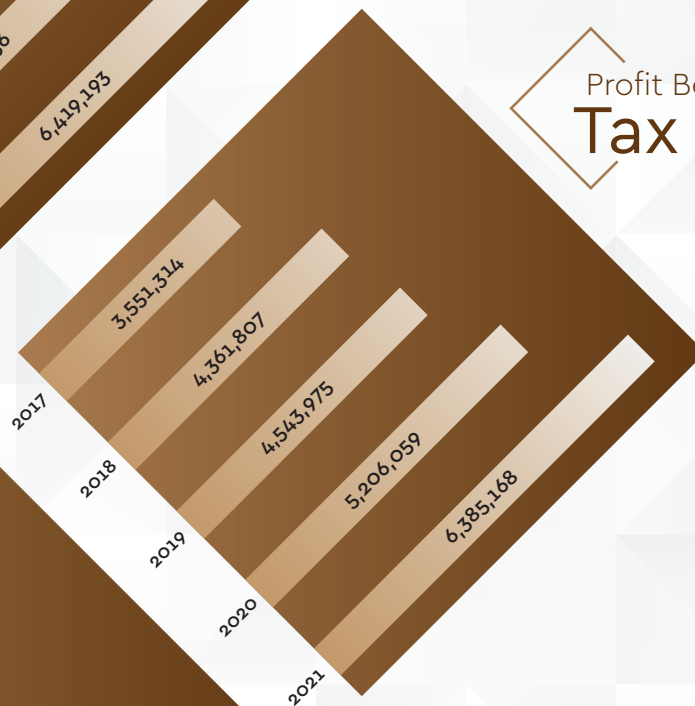
Bank of Baroda (Guyana) Inc.
Lot 30 Tract A, Mon Repos,
East Coast Demerara, Guyana.

Financial Highlights

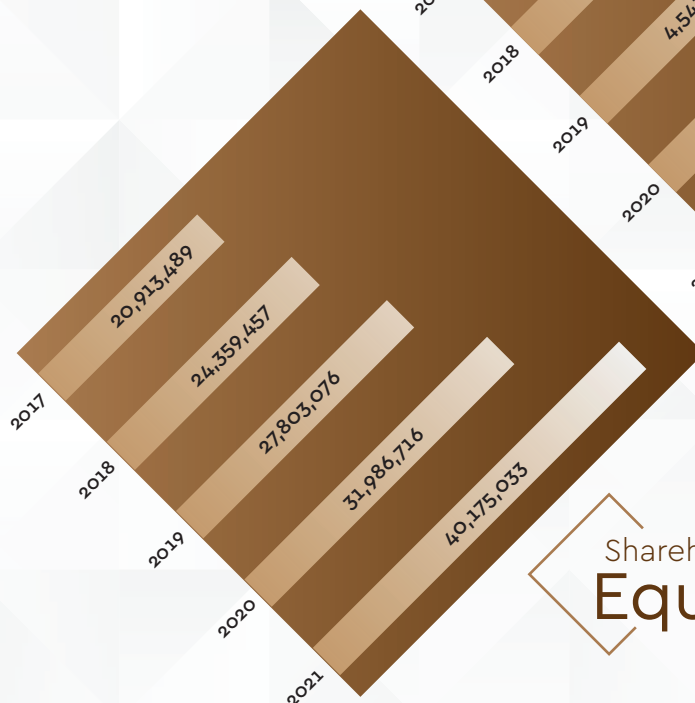
Operating Profit



Profit Before Tax



Shareholders' Equity



Long Service Awards

40 YEARS

Ronald Ramoo
Bottling Plant

35 YEARS

Bibi R Abraham
Administration

30 YEARS

Andrew Sandy
Beverage Sales

Amarchand Seweda
Blending & Ageing

Mahindralall Nandalall
Distillery

Rawlston Cadogan
Bottling Plant

25 YEARS

Manasseh Boodhoo
Beverage Sales

Mark A Chinapen
Marketing

Jermaine D Hillman
Beverage Plant

Orwin W Hunte
Beverage Plant

Mahindra John
Workshop

Feroze Khan
Distillery

Himman Mangroo
Facilities Maintenance

25 YEARS - CONT'D

Hervenson R Murphy
Beverage Sales

Deonarine Rambarran
Distillery

Mahendra Ramjeawan
MIS

Ganeshwar Singh
Facilities Maintenance

Ramchan Sukhlall
Beverage Plant

Nigel D White
East Berbice

Joyce Wong
Duty Free Shop

20 YEARS

Veronica Arjoon
East Berbice

Vishwanand Chandrashekhar
DSC

Sameer Khan
Bottling Plant

Mohamed R Mohamed
Bottling Plant

Rai Persaud
Distillery Security

Sasenerine Persaud
Bottling Plant

Maharanie Simon
Essequibo

Kamaludeen Zameed
Distillery

15 YEARS

Tamsia Clement-Jodhan
BDU

Ravitri Dayanand
Customer Service

Elisha A Grantstuart
Distillery

Parmanand Gurucharan
Beverage Plant

Vinod Harry
Bottling Plant

Gaitree Mahdu-Singh
Bottling Plant

Rahaman Mohan
East Berbice

Judith A Phillips
Essequibo

Khavita Ramchand
Customer Service

Doodnauth Ramsaran
Distillery

Amanda Singh
Finance

Dharam R Sookhai
DSL

Sharon Thompson
Beverage Sales

Sohan Tulsidas
Beverage Sales

Board of Directors



2



1



4



3



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1 KOMAL R. SAMAROO
AA, FCCA, ACIS, CCH – President
Chairman of the Board

2 SHARDA VEEREN-CHAND
BA. Marketing Director

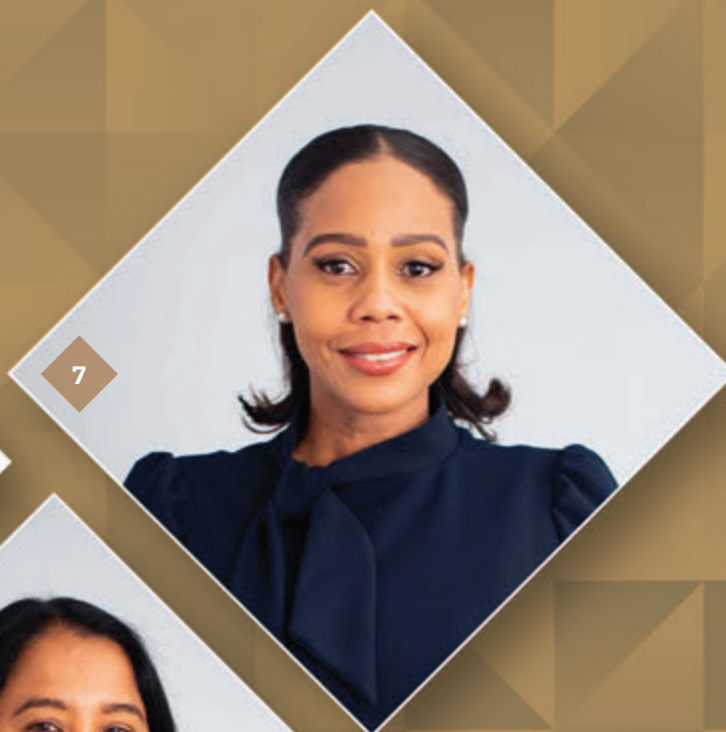
3 TIMOTHY JONAS S.C.
L.L.B. (Hons) – Director

4 EGBERT CARTER
MSC. (Civil Engineering) – Director

5 LANCELOT TYRELL
Director



6



7



8



9



10

19

6 RUDOLPH COLINS
CCH, BSc. (Hons) – DPA Director

7 ALLISON THORNE
L.L.B. – Director, Company Secretary

8 SHARON SUE-HANG
BSc. (Chemistry) – EMBA
Director of Technical Services

9 HARRYRAM PARMESAR
FCCA – Director

10 JOSEPH SINGH
Major General (Ret'd) – Director



Profit After Tax for the year under review was \$4.789 billion reflecting an increase of \$896 million or 23 percent over that for the previous year, when it was \$3.893 billion.

My tribute to the late Dr Yesu Persaud

This statement is being prepared a few weeks after the death of Dr. Yesu Persaud, the former Chairman of this Company, who from 1975 to 2013 committed considerable energy, intellect, and enthusiasm in pursuance of his vision for Demerara Distillers Limited (DDL) and its predecessor companies. Notwithstanding his retirement from the Chairmanship of the DDL Board in 2013, he remained an active Member of the Board and attended his very last Board Meeting on December 16, 2021.

I wish to place on record my tribute to him for his outstanding contribution towards creating the strong foundation - sometimes in extremely difficult and challenging times - to make this Company what it is today.

Dr. Persaud was a dynamic and visionary leader. In the early formative years of this Company, he saw opportunities which

he pursued with forward-looking strategies. He built alliances internationally and invested in training of local professionals, as he recognised that team effort was vital for progress.

He was enterprising, bold, and pro-active in the pursuit of growth and expansion of DDL. He believed that national development and improvement in the quality of lives of people could only come from the growth of business and expansion of the private sector. He led from the front in pursuit of that agenda. Dr. Persaud has accomplished much during his life and leaves a rich legacy for future generations.

I was privileged to be part of that journey since 1976, and I am profoundly grateful for his mentorship, encouragement and guidance over the years that shaped my career with the Company.

Chairman's Report

THE YEAR UNDER REVIEW

Although 2021 began with positive signs globally of declining cases of COVID-19, the emergence of variants during the year reversed that trend. As a result, steps to re-open markets were followed by re-introduction of restrictions with each new variant, first Delta and later the Omicron variant. The resulting uncertainty in 2021 affected the travel, hospitality, and retail sectors as well as the supply chains that service these sectors.

The disruption of these global supply chains presented major challenges to companies engaged in international trade. Our Operations, both the import of supplies and export of our products, were also impacted adversely by suppliers' and logistical delays, availability of containers, reduced shipping opportunities and sky-rocketing shipping rates. These challenges are triggering inflationary increases around the world.

In recent months, with high rates of vaccination in the developed markets, steps are being taken once again to remove restrictions and return to some degree of normalcy in everyday life.

On the economic front, the global economy recorded strong recovery in demand from the recession in 2020. The World Bank estimates that global growth in 2021 rebounded to 5.5 percent after a decline in 2020 of 3.4 percent. Advanced economies grew by 5.0 percent after a decline of 4.6 percent

in 2020, while emerging markets and developing economies grew by 6.3 percent after a decline in 2020 of 1.7 percent.

Latin American and Caribbean economies grew by 6.7 percent after declining in 2020 by 6.4 percent.

Guyana's economy continues to record the highest growth rate in the world on account of its new emerging Oil and Gas Sector, growing by 21.2 percent in 2021, following the growth of 43.5 percent recorded in 2020.

RESULTS FOR THE YEAR

It is against the above background that I am very pleased to report that our Group recorded outstanding results in 2021, achieving its best results ever and ending the year at its strongest financial position.

Group turnover in the year was more than \$27.6 billion compared to almost \$24.7 billion in 2020, an increase of \$2.9 billion or 12 percent.

Domestic revenue in the year grew by 11.6 percent over the previous year, while international revenue increased by 12.9 percent. Historically, since its separation from the sugar industry, the Company's international revenues were derived primarily from sale of bulk commodity rum products to brand owners around the world. In 2021, international revenue from bulk rum products increased by 1 percent over the preceding year, while international revenue from

Chairman's Report-Cont'd

sale of branded products increased by more than 25 percent. This is the first time, since the company entered the international branded products market thirty years ago, that sales revenue from branded products exceeded those from bulk products. I am confident that this trend will continue in future years.

The Group Profit Before Tax for the year was \$6.385 billion compared to \$5.206 billion in 2020. This represents an increase of \$1.179 billion or almost 23 percent.

Profit After Tax for the year under review was \$4.789 billion reflecting an increase of \$896 million or 23 percent over that for the previous year, when it was \$3.893 billion.

Earnings per share for 2021 was \$6.22 compared with \$5.06 the previous year.

Shareholders' Equity at the end of the year was \$40.175 billion compared to \$31.987 billion at the end of the previous year, an increase of almost 26 percent.

Net Cash generated from operating activities in the year was \$4.666 billion, which adequately funded the capital expenditure of \$2.351 billion and liquidation of bank loans \$275 million, also sufficiently funded the working capital requirements of the Group.

DEMERARA RUM – Geographical Indications EU registration.

I am pleased to report to Shareholders that the Company successfully completed the Geographic Indication (GI) registration of Demerara Rum under the European Commission Implementing Regulation 2021/1291 of July 28, 2021, which was published in the European Union (EU) Official Journal on August 4, 2021. This is a major development which will give Demerara Rum greater protection as we continue to premiumise the rums we produce in the EU markets and other markets in the world.

Demerara Rum is the first rum in the Caribbean to have achieved this recognition, and the first Guyanese product to be so recognised in the EU.

DIVIDENDS

An Interim Dividend of \$0.40 per share was paid in November 2021. The Directors have recommended a final dividend of \$1.15 per share which, if approved by the Shareholders at the Annual General Meeting, will result in a total dividend for the year of \$1.55 per share. In the previous year, dividends payments totalled \$1.25 per share.

The dividends payments proposed for this year would result in an appropriation of \$1,193.5 million which, when compared to the previous year amount of \$962.5 million, represents an increase of \$231 million or 24 percent.

CAPITAL EXPENDITURE

The Group continued to invest in expansion and improvements during the year. In this regard Capital Expenditure in the year was \$2.351 billion, which was funded totally from self-generated resources of the Group.

The TOPCO Fruit Processing and Packaging Plant was commissioned in 2021. A total of \$821 million in expenditure was incurred on this project in 2021. Juice products were launched in February and the dairy products were launched in August.

In 2021, a new bulk storage facility was built near to the Distillery, at our Diamond, East Bank Demerara Complex, to provide buffer storage between production and export shipments, utilising the stainless-steel tanks that were no longer in use at the Bulk Terminal in Water and Schumaker Street, Georgetown (the "Port"). The space released at the Port has been used to expand the storage capacity of Demerara Shipping Company Ltd (DSCL). An expenditure of \$288 million was incurred on this project, which has proven to be quite timely given the shipping and logistics challenges affecting our bulk exports.

Upgrading of the DSCL Wharf facility also continued in 2021, the improvement saw the replacement of the wooden deck with re-enforced concrete. A total of \$101 million was spent in the year on this project. This project is phased over three-years.

In addition, several other aspects of the operations of the Group were improved. These included power generation and transmission (\$136 million), and distribution fleet (\$165 million).

The Group is also upgrading the information systems throughout its operation to digital technology, as we aim to adopt industry best practices to improve international competitiveness.

NEW PRODUCTS

We continued to innovate and develop new products including line extensions for several existing brands.

As an extension of the ENVIRON brand of sanitising cleaner, launched in March 2020 in response to the COVID-19 pandemic, we introduced the ENVIRON hand sanitising gel in four scents and three sizes on the domestic market.

Chairman's Report-Cont'd

TOPCO introduced its one-litre package of juices in February 2021, the range now consists of five products. In August 2021, TOPCO also launched, under its new SAVANNAH brand, its one-litre milk product range comprising of three products.

The Diamond Reserve Rum portfolio was also extended in 2021, with the addition of the Diamond Reserve 151 Demerara Rum. Several special releases were also done under the El Dorado Rum brand in response to requests from key customers, while three Single Still products were added to the regular portfolio.

The Holiday Season Special release in 2021 was the El Dorado Cookies & Cream Rum Cream Liqueur.

QUALITY SYSTEM AND INTERNATIONAL CERTIFICATION

Despite the challenges from the pandemic in the year, the international certification and benchmarking of our operations were fully maintained.

The following successful audits were conducted by various external registrars and companies in 2021:

1. ISO 9001:2015 – Recertification audit of all certified locations – November 2021
2. Stage 1: 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 – November 2021
3. American Institute of Bakery (AIB) Food Safety Audit at the Beverage Operations – November 2021
4. PepsiCo International Global Audit conducted by the Pepsi Cola International at the Beverage Operations – July 2021
5. Regulatory Audits and Inspections were completed by the Government Analyst Department – Food and Drug.

Sustainability and Corporate Ethics platforms were also used as a tool to monitor, plan, and improve performance for a sustainable future. These included 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)

FUTURE OUTLOOK

The World Bank projects global growth in 2022 to be 4.1 percent, lower than the 5.5 percent growth in 2021. This estimate is based on the possibility of COVID-19 renewed outbreaks and supply chain bottlenecks. More recently, the invasion of Ukraine by Russia adds further uncertainty to the world. Globally, inflation is rising as fuel and food prices surge.

The Guyana economy is projected to grow by 47.5 percent mainly on account of increasing oil production. The non-oil economy is expected to grow by 7.7 percent in 2022. In addition, it is estimated that there will be major investments by Government in public infrastructure including power and human capacity building. The effects of these public policy measures are likely to contribute to growth in the domestic market as well as increased spending power by local consumers.

We continue to invest in expansion, diversification, and upgrade of our production capacity to take full advantage of the positive economic environment, while ensuring international competitiveness in the segments in which we operate. The strength derived through a diversified portfolio of products, and now the GI registration of Demerara Rum, which will provide a platform to further premiumise the core business, will ensure that the Group is well positioned to continue its growth in the future.

ACKNOWLEDGEMENTS

I take this opportunity to thank the leadership team and staff at all levels in the Group for their tremendous efforts in the past year that contributed to these outstanding results. It was a challenging year, and the commitment and dedication of all members of the team must be commended.

I wish to thank the Members of the Board of Directors for their invaluable advice and guidance. The wisdom and expertise of the Board has helped in no small way in the continued growth of the Group.

Our customers are the centre of our focus. I wish to thank them for their loyalty and support. The willingness of our customers to work with us as we seek to meet their growing needs will continue to drive our growth.

In these times of supply chain challenges, we also wish to thank all suppliers and service providers for their understanding and commitments to meet our needs.

There will always be challenges of one kind or the other. But the network that we build over the years will be strengthened as we work together to overcome and take advantage of new opportunities ahead.



Komal Samaroo
Chairman

Management Team

1



2



3



4



1 VASUDEO SINGH
Group Finance Director
Deputy Chief Executive Officer

2 SHAUN CALEB
Chief Production Officer

3 MONEETA SINGH-BIRD
Human Resources Director

4 RAMESH PERSAUD
Managing Director

Report of the Directors

The Board of Directors ("the Board") welcomes this opportunity to present its Report together with the Audited Financial Statements of Demerara Distillers Limited & Subsidiaries ("the Group") for the year ended December 31, 2021.

TURNOVER AND PROFITABILITY

The Board is pleased to announce Group turnover of \$27.65B for the year, which increased by \$2.96B from \$24.69B recorded in 2020. Group pre-tax profits increased by \$1.18B from \$5.21B recorded in 2020 to \$6.39B realized in 2021.

DIVIDENDS

The Board has recommended a final dividend of \$1.15 per share in respect of the year ended December 31, 2021.

If approved at the upcoming General Meeting of the Company, the recommended final dividend in addition to the interim dividend of \$0.40 per share, already paid to Shareholders, would result in total dividend of \$1.55 per share paid for 2021.

GOVERNANCE

The Board remains committed to pursuing its stewardship and governance responsibilities by setting and steering the Group's strategic direction as well as encouraging an ethical and responsible corporate culture which achieves optimum stakeholder outcomes.

Central to the Board's aim of creating sustainable growth and enhancing long-term stakeholder interest is its ongoing review and refinement of the Group's governance policies and practices to ensure alignment with statutory changes and evolving stakeholder expectations in the environment of challenges and opportunities in which the Group operates.

In 2021, the Board continued to navigate the Group through the ebbs and flows of COVID-19 and its variants by convening twelve (12) Board Meetings, which took the form of physical, virtual and hybrid meetings. At these Board Meetings, in addition to the matters generally reserved for Board consideration, the Board regularly focused on:

- (i) the Group's immediate as well as long-term growth objectives and commercial strategies to achieve such objectives;
- (ii) continuous development of the Group's human capital;
- (iii) implementation of sustained measures that encourage environmental preservation and reduce our carbon footprint;
- (iv) reliable and sustainable procurement of critical raw materials for the Group's operations;
- (v) investment in technology to drive transformation in operational and business processes.

Additionally, the Board undertook site visits of significant capital projects, including the TOPCO Fruits & Dairy Processing & Packaging Plant.

BOARD OF DIRECTORS

The Board remains at the apex of the Group's governance structure. The Board consists of:

- (i) **Non-Executive Directors** - who maintain their independence by abstaining from active participation in the Group's daily management; and
- (ii) **Executive Directors** - who, together with Senior Management, are directly responsible and accountable for the daily management of the Group's Operations.

The Board comprises adequate number of Members with diverse skills and lived experiences in areas such as accounting, finance, administration, sales and marketing, law, engineering, which collectively serves the strategic needs as well as adds value to the performance of the Group.

As at December 31, 2021, the Board comprised:

- (i) six (6) Non-Executive Directors namely: Yesu Persaud, Rudolph Collins, Egbert Carter, Timothy Jonas, S.C, Harryram Parmesar and Lancelot Tyrell, all of whom were re-elected at our second hybrid General Meeting held on April 23, 2021 pursuant to Order of Court dated March 3, 2021, and
- (ii) four (4) Executive Directors, including the Chairman, Komal Samaroo, as well as Sharda Veeren-Chand, Sharon Sue-Hang and Allison Thorne.

Report of the Directors-Cont'd

EMOLUMENTS OF NON-EXECUTIVE DIRECTORS AS AT DECEMBER 31, 2021

Yesu Persaud	\$2,606,667
Rudolph Collins	\$2,606,667
Egbert Carter	\$2,606,667
Timothy Jonas, S.C.	\$2,606,667
Harryram Parmesar	\$2,606,667
Lancelot Tyrell	\$2,606,667

BOARD CHANGES

The Board mourned the regrettable passing of DDL's Founding Chairman, Yesu Persaud, who sadly departed this life on January 17, 2022.

In February, 2022, the Board welcomed Major General (Ret'd) Joseph Singh, as a Non-Executive Director, appointed on February 7, 2022.

In accordance with '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 the Company and being eligible, offer themselves up for re-election.

DIRECTORS' INTEREST — DEMERARA DISTILLERS LIMITED

The interests of Directors holding office in the ordinary shares of Demerara Distillers Limited at December 31, 2021 and up to March 10, 2022 were as follows:

DIRECTOR	ORDINARY SHARES AT NO. PAR. VALUE			
	Beneficial Interest		Associates' Interest	
	2021	2020	2021	2020
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	610,477	552,334	Nil	Nil
Allison Thorne	Nil	Nil	Nil	Nil

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

CONTRACTS WITH DIRECTORS

During the financial year there were no:

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

BOARD COMMITTEES

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

1. Audit Committee
2. Technical Committee

¹ 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

AUDIT COMMITTEE

The Audit Committee comprised the following Members:

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

Guided by the Audit Committee Charter, approved by the Board of Directors, the Audit Committee was assisted by the Internal Audit Department in the discharge of its mandate.

The specific responsibilities of the Committee, as outlined in the Audit Charter, encompassed:

- evaluation of internal controls and risk management systems;
- review of the scope, quality, and findings of internal audits;
- scrutiny of financial statements;
- oversight of appointment, independence, competence, and performance of the Independent Auditor.

During 2021, the Committee's key priorities included:

- continued focus on ensuring recommendations from internal audit reviews were implemented and root cause analysis bolstered as part of the continuous improvement of risk mitigation and compliance with financial controls across the Group;
- continued review of the audit plan to ensure that such plan sufficiently addressed the existing and changing business environment;
- evaluating the competencies, experience, and level of resources within the Internal Audit Department to ensure these remained adequate to achieve the audit plan.

Through monthly convened meetings, the Audit Committee considered the role and effectiveness of the Internal Audit Department by reviewing audit reports and management's responsiveness to such reports. Based on the feedback received from the Committee's review of audit reports, post audit reviews and time-focused action plans were developed to ensure deficiencies were addressed.

With the aim of ensuring continued compliance with the Group's risk management policies and practices, the Committee has identified synergies that aim to strengthen the control environment of the Group's Subsidiaries and Associates, which would be a key area of focus in 2022.

TECHNICAL COMMITTEE

In 2021, 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 |
| Vasudeo Singh | Finance Director | Member |
| Kenneth Ragnauth | Project Manager | Member |

The Primary objective of the Technical Committee is to guide the Board on the following matters:

- the extent to which capital projects and plans are in-keeping with engineering standards and best practices;
- the adequacy of maintenance operating practices and procedures in existing and new plants; and,
- health, safety and environmental issues.

During the year, the Committee met on a regular basis as well as undertook site visits to provide technical input on the following matters:

- (i) the imminent expansion plans for the existing Beverage Operations;
- (ii) Blending Plant Project including the construction and process automation aspects of such Project;
- (iii) Biomethanisation Plant including rehabilitation of Digester Tanks and construction of Containment Wall;
- (iv) Carbon Dioxide Plant with emphasis on improved efficiency of Equipment in the Plant;
- (v) Power Generation improvement with focus on suitable alternative energy sources for the Group's Operations;
- (vi) Compliance with regulatory permits governing the Operations of the Group;
- (vii) Topco Fruits & Milk Processing & Packaging Plant;
- (viii) DSL Diamond Warehouse;

Report of the Directors-Cont'd

Reports on the projects, operational systems and matters, listed above, were submitted to the Board on a consistent basis with recommendations from the Technical Committee

SUBSTANTIAL SHAREHOLDING

There is an outstanding query 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 2002² or to 10% shareholding as defined by section 125 of the Companies Act 1991³. For the avoidance of doubt, the following list applies the 5% criterion.

COMPANY	2021		2020	
	# of Shares	% Shareholding	# of Shares	% Shareholding
Trust Company (Guyana) Limited	235,425,645	30.57	235,351,574	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

In order to, among other things, more strategically manage and execute the Group's transformation agenda and that of its affiliated companies through the use of information technology and related services as well as provide specialized services to various sectors, on February 10, 2022, our subsidiary, Demerara Contractors & Engineers Ltd, effected a change of its corporate name to Demerara Technical Services Limited.

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, 2021.


ISSUED SHARE CAPITAL OF SUBSIDIARIES

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

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
March 24, 2022

² 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.

³ 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

"I fervently believe that as capable human beings we have the capacity to do things for the benefit of others and hence I've taken an active part in anything to do with development of youngsters and people in general."

- Yesu Persaud

At Demerara Distillers Limited (DDL), inspired by those who went before us, we have continued our philosophy of contributing to the development of youth through education and sports. We remain dedicated to advancing the next generation of consumers and employees, who will be the future of both our Company and our country.

In 2021, we continued to support youth through Education and Sport.

THE DDL FOUNDATION

The DDL Foundation continued to be the key area of focus under our drive for education. This year, we saw four awardees who successfully completed their secondary education bringing the total number of graduates to 29, since the foundation was launched in 2010. Roshni Samaroo, Joel Ally, Joshua Melville and Aletha Joseph were among those that graduated this year. The foundation also welcomed an additional six students: Rachel Joseph, Rebekah Joseph, Dwayne Lovell, Angel Peters, De Candi Waldron and Bebi Aliyah Salim.

Today the DDL Foundation has a total of 28 students from across the country who benefit from scholarships. The Foundation functions 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 Examination and who have demonstrated their need for assistance because of their financial or social constraints can apply to the Foundation.

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

SUPPORTING YOUTH THROUGH SPORTS

Due to COVID-19 restrictions, several of the annual in-person sport programmes were suspended.

However, DDL, under its TOPCO brand, once again sponsored the Guyana Chess Federation's Online Chess Programme. The contribution, amounting to the sum of GYD\$210,000, covered the purchase of premium licences for 66 junior players on Chesskid.com. Membership on the website allows children the opportunity to access an unlimited number of chess puzzles, tactical exercises, challenges, educational videos and lessons among other learning resources. Additionally, players using the Chesskid.com website were afforded, from a beginner's



Corporate Social Responsibility-Cont'd

level, the opportunity to learn chess at their own pace from the comfort and safety of their homes. They are also given the chance to play chess online with other members of the Chesskid.com platform which provides a rating system for our junior players.

PROVIDING HUMANITARIAN SUPPORT

Through a partnership with the Civil Defence Commission (CDC), DDL donated \$13.3 million in humanitarian aid to St. Vincent and the Grenadines (SVG), whose citizens are currently being affected by the eruption of the La Soufrière volcano. The company sent a total of 10,000 cases of its bottled 20oz Diamond Mineral Water, as well as 500 cases of 1.14 litres alcohol-based Environ Sanitising Cleaner. Between 16,000 and 20,000 people, including children, were evacuated due to the eruption of La Soufrière, in April 2021.

ENSURING A SAFE WORKFACE - VACCINATION DRIVES

DDL remains committed to protecting the health and safety of its employees. In an effort to curb the spread of COVID-19 and to help drive up immunity, the Company facilitated a number of COVID-19 vaccination drives for employees across the Group. Over one hundred and thirty-nine (139) employees were vaccinated, at the drives, which was a partnership between DDL and the Ministry of Health.

EDUCATION AND PROFESSIONAL DEVELOPMENT

The Company continued to take its role as a good and responsible employer seriously. Over the past year, there were a number of initiatives taken in this regard, a few of which are highlighted below.

BURSARY AWARD PROGRAMME

The Company distributed Bursary Awards to the children of nineteen (19) employees who were successful at the National Grade Six Assessment (N.G.S.A). Presently, there are sixty-four (64) 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 education for their children.

TRAINING PROGRAMMES

During the year 2021, a strong emphasis was placed on virtual training via Zoom and Microsoft Teams which ensured that employees were safe while being provided training in various areas including health and safety, ISO certification and other technical and non-technical training programmes, including the FSSC 22000 training and the Pepsico Bottlers training. These programmes are required for certification and

ensuring that our quality standards are maintained.

The training work plan covered training activities for all Departments, with sixty-two (62) programmes being executed. During the year we have had several sessions on the same training to ensure that employees were adequately distanced and comfortable.

STUDY ASSISTANCE

The assistance for study scheme continued, with a total of twenty-one (21) staff members benefitting from the scheme in 2021. Some of the assistance is for studies lasting more than one year. We now have a total of forty-four (44) employees who are currently being assisted to study under the scheme.

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, 2021

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, 2021, 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 36 to 93.

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, 2021, 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 2021. 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.

Valuation and impairment of property, plant and equipment. (Refer to note 10 in the Group financial statements)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The financial statements detailed property, plant and equipment with a net book value of G\$10.6B and G\$15.6B in the Company and Group accounts respectively.</p> <p>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.</p> <p>Our procedures in relation to management's valuation and impairment of property, plant and equipment included but were not limited to the following:</p>	<ul style="list-style-type: none">• We reviewed depreciation rates for property, plant and equipment to ensure consistency with the accounting policies and industry rates;• We obtained and reviewed the written representation by management on their assessment of impairment;• We assessed the methodology used by management to carry out impairment review;• We physically inspected selected assets which were acquired during the current and prior years;• We verified the group's policy for acquisitions and disposals of property, plant and equipment.• We tested internal controls governing the procurement and monitoring and disposal of property, plant and equipment and we also verified samples of the material assets to supporting documents.

INDEPENDENT AUDITOR'S REPORT – CONT'D

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Valuation and impairment of investment properties. (Refer to note 11 in the Group financial statements)</i></p> <p>The financial statements detailed investment properties with a net book value of G\$4.04B and G\$153M in the Company and Group accounts respectively.</p> <p>Investment properties was considered a Key Audit Matter as significant management judgment was used to select depreciation rates for items of land and building and equipment. In addition, an annual impairment review of land and building and equipment was done which involved significant management judgment.</p>	<p>Our procedures in relation to management's valuation and impairment of investment properties included but were not limited to the following:</p> <ul style="list-style-type: none"> • 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.
<p><i>Valuation and impairment of investments. (Refer to note 12 in the Group financial statements)</i></p> <p>At 31 December 2021, investments in the Company amounted to G\$5.4B, consisting of "Fair Value through Other Comprehensive Income", "Subsidiary companies" and "Associate companies". The Group's investments were stated at G\$6.1B and consist of "Fair Value through Other Comprehensive Income" and "Associate companies".</p> <p>Investments was considered a Key Audit Matter because it was material to the financial statements.</p> <p>Also, there was significant measurement uncertainty involved in the valuation. As a result, the valuation of these instruments was significant to our audit.</p>	<p>Our procedures in relation to valuation and impairment of investments included but were not limited to the following:</p> <ul style="list-style-type: none"> • 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 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 and associates to ensure going concern and no impairment of investment.

INDEPENDENT AUDITOR'S REPORT – CONT'D

Key Audit Matter

*Valuation of Defined Benefit Asset/Liabilities.
(Refer to note 13 in the Group financial statements)*

The Company and Group had recognised a defined benefit asset and liability of G\$6.4B and G\$5.7M 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.

How our audit addressed the Key Audit Matter

Our procedures in relation to actuarial valuation included but were not limited to the following:

- We reviewed the actuarial report for the year ended December 31, 2021 and ensured information was presented and disclosed in accordance with IAS 19.
- 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;
- We reviewed the source data used by the Company's actuary and performed tests to ascertain its completeness and accuracy;
- We assessed the professional competence, including the qualifications, experience and reputation of the actuary.

Other information in the annual report

Management is responsible for the other information. The other information comprises all the information included in the Group's 2021 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 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.

INDEPENDENT AUDITOR'S REPORT – CONT'D

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.

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 ACCA.



TSD LAL & CO
CHARTERED ACCOUNTANTS

March 24, 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2021

	NOTES	COMPANY		GROUP	
		2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Turnover	20	21,524,954	18,868,142	27,646,995	24,686,097
Cost of sales		(12,416,468)	(11,286,671)	(15,968,941)	(14,725,410)
Gross profit		9,108,486	7,581,471	11,678,054	9,960,687
Other income	5	283,690	1,071,122	303,838	332,564
Investment properties income		188,244	181,216	9,061	12,210
Selling and distribution expenses		(2,148,338)	(1,856,982)	(3,067,125)	(2,694,928)
Administration expenses		(1,803,825)	(1,716,503)	(2,618,561)	(2,533,728)
Profit before interest and taxation		5,628,257	5,260,324	6,305,267	5,076,805
Finance cost		(28,753)	(117,907)	(34,025)	(119,077)
Share of profit of associate companies	12b(i)	-	-	113,926	248,331
Profit before taxation	6	5,599,504	5,142,417	6,385,168	5,206,059
Taxation	7	(1,334,109)	(982,022)	(1,596,503)	(1,313,460)
Profit for the year		4,265,395	4,160,395	4,788,665	3,892,599
Other Comprehensive Income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit pension plans	7	1,879,593	513,121	1,879,593	513,121
Adjustment on disposal of subsidiary	12a(ii)	-	-	-	68,732
Fair value gain on investments	18(b)	2,689,200	493,020	2,689,200	501,187
		4,568,793	1,006,141	4,568,793	1,083,040
Items that may be subsequently reclassified to profit or loss:					
Exchange difference on consolidation	18(c)	-	-	(129,641)	132,001
Other comprehensive income for the year		4,568,793	1,006,141	4,439,152	1,215,041
Total comprehensive income for the year		8,834,188	5,166,536	9,227,817	5,107,640
Basic earnings per share in dollars	9	5.54	5.40	6.22	5.06

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

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2021

	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, 2020		770,000	489,565	1,524,320	21,024,018	23,807,903
Changes in equity 2020						
Total comprehensive income for the year		-	-	493,020	4,673,516	5,166,536
Dividends	8	-	-	-	(924,000)	(924,000)
Balance at December 31, 2020		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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2021

		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, 2020		770,000	450,854	1,546,833	(137,798)	25,173,187	27,803,076
Changes in equity 2020							
Total comprehensive income for the year		-	-	501,187	132,001	4,474,452	5,107,640
Dividends	8	-	-	-	-	(924,000)	(924,000)
Balance at December 31, 2020		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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended December 31, 2021

	NOTES	COMPANY		GROUP	
		2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
ASSETS					
Non current assets					
Property, plant and equipment	10	10,588,267	10,434,310	15,589,641	14,236,284
Investment properties	11	4,039,708	2,968,641	153,313	163,698
Investments	12	5,350,014	2,603,064	6,097,350	3,289,201
Retirement benefit asset	13	6,369,439	3,698,765	6,369,439	3,698,765
Total non-current assets		26,347,428	19,704,780	28,209,743	21,387,948
Current assets					
Inventories	14	12,078,504	10,541,762	14,135,965	12,533,512
Trade and other receivables	15	2,375,513	2,396,288	2,421,679	2,527,774
Prepayments		492,161	218,043	564,421	265,715
Taxes recoverable		351,603	351,603	640,368	625,700
Cash in hand and at bank		520,500	253,259	1,071,919	457,297
Total current assets		15,818,281	13,760,955	18,834,352	16,409,998
TOTAL ASSETS		42,165,709	33,465,735	47,044,095	37,797,946
EQUITY AND LIABILITIES					
Equity					
Issued capital	17	770,000	770,000	770,000	770,000
Capital reserves	18 (a)	489,565	489,565	450,854	450,854
Other reserve	18 (b)	4,706,540	2,017,340	4,737,220	2,048,020
Exchange difference reserve	18 (c)	-	-	(135,438)	(5,797)
Retained earnings		29,879,022	24,773,534	34,352,397	28,723,639
TOTAL EQUITY		35,845,127	28,050,439	40,175,033	31,986,716

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

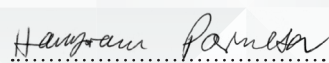
CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CONT'D

For the year ended December 31, 2021

	NOTES	COMPANY		GROUP	
		2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Non-current liabilities					
Loans due after one year	19	-	134,707	-	134,707
Deferred tax	7	2,349,764	1,643,719	2,217,082	1,588,011
Retirement benefit obligation	13	5,737	9,134	5,737	9,134
Total non-current liabilities		2,355,501	1,787,560	2,222,819	1,731,852
Current liabilities					
Trade and other payables	16	3,178,893	2,469,873	3,675,726	2,645,643
Taxes payable		549,443	476,489	712,510	684,035
Current portion of interest bearing borrowings	19	-	140,672	-	140,672
Bank overdraft (secured)	19	236,745	540,702	258,007	609,028
Total current liabilities		3,965,081	3,627,736	4,646,243	4,079,378
TOTAL LIABILITIES		6,320,582	5,415,296	6,869,062	5,811,230
TOTAL EQUITY AND LIABILITIES		42,165,709	33,465,735	47,044,095	37,797,946

The Board of Directors approved these financial statements for issue on March 24, 2022.

 Chairman

 Director

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Operating activities				
Profit before taxation	5,599,504	5,142,417	6,385,168	5,206,059
Adjustments for:				
Depreciation on property, plant and equipment	785,327	729,561	997,664	907,955
Depreciation on investment properties	90,765	87,494	10,385	11,249
Remeasurement in defined benefit asset	(167,719)	(134,467)	(167,719)	(134,467)
Remeasurement in defined benefit liability	(490)	(683)	(490)	(683)
Provision for investment	(57,750)	-	(57,750)	-
Increase in investment in associate companies	-	-	(61,199)	(176,141)
Exchange difference on consolidation	-	-	(129,641)	132,001
Interest received	(752)	(587)	(752)	(587)
Interest paid	29,505	118,494	34,777	119,664
Operating profit before working capital changes	6,278,390	5,942,229	7,010,443	6,065,050
(Increase) / decrease in inventories	(1,536,742)	39,846	(1,602,453)	341,804
Increase in receivables and prepayments	(36,143)	(358,134)	(192,611)	(308,545)
Increase / (decrease) in payables and accruals	709,020	166,183	1,030,083	(321,577)
Increase in due from subsidiaries	(217,200)	(524,121)	-	-
Cash generated from operations	5,197,325	5,266,003	6,245,462	5,776,732
Taxes paid/adjusted	(1,181,379)	(774,368)	(1,579,894)	(984,468)
Net cash provided by operating activities	4,015,946	4,491,635	4,665,568	4,792,264
Investing activities				
Interest received	752	587	752	587
Purchase/transfer of property, plant and equipment	(939,284)	(1,871,553)	(2,351,021)	(2,100,630)
Purchase/transfer of investment properties	(1,161,832)	(83,156)	-	-
Net cash used in investing activities	(2,100,364)	(1,954,122)	(2,350,269)	(2,100,043)

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

CONSOLIDATED STATEMENT OF CASH FLOWS- CONT'D

For the year ended December 31, 2021

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Financing activities				
Loan repayments and transfers	(275,379)	(515,519)	(275,379)	(515,519)
Interest paid	(29,505)	(118,494)	(34,777)	(119,664)
Dividends paid	(1,039,500)	(924,000)	(1,039,500)	(924,000)
Net cash used in financing activities	(1,344,384)	(1,558,013)	(1,349,656)	(1,559,183)
Net increase in cash and cash equivalents	571,198	979,500	965,643	1,133,038
Cash and cash equivalents at beginning of period	(287,443)	(1,266,943)	(151,731)	(1,284,769)
Cash and cash equivalents at end of period	283,755	(287,443)	813,912	(151,731)
Comprising:				
Cash in hand and at bank	520,500	253,259	1,071,919	457,297
Bank overdraft (secured)	(236,745)	(540,702)	(258,007)	(609,028)
Cash and cash equivalents at end of period	283,755	(287,443)	813,912	(151,731)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

1 Incorporation and activities

Incorporation

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

Activities

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

- (a) Manufacturing - the distilling, blending and sale of bulk spirits and alcoholic products, manufacturing and sale of non-alcoholic beverages, Co2 gas and fruit juices.
- (b) Trading - distributors of branded products.
- (c) Services - shipping, contracting services, insurance, sales and logistics.

2 New and amended standards and interpretations

Amendments effective for the current year end

New and Amended Standards

Interest Rate Benchmark Reform — Phase 2
(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

Effective for annual periods beginning on or after

1 January 2021

Amendments to IFRS 16 Leases:
Covid-19-Related rent concessions beyond 30 June 2021

1 April 2021

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

Annual Improvements 2018-2020
Narrow scope amendments to IFRS 3, IAS 16 and IAS 37
IFRS 17 Insurance contracts
Amendments to IFRS 4 (Deferral of effective date of IFRS 9)
Amendments to IAS 1: Presentation of financial statements on classification of liabilities
Narrow scope amendments to IAS 1, IAS 8 and IFRS Practice statement 2
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after

1 January 2022
1 January 2022
1 January 2023
Immediately available
1 January 2023
1 January 2023
1 January 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

2 New and amended standards and interpretations - cont'd

The Company and Group have not opted for early adoption.

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

Annual Improvements 2018-2020

Makes amendments to the following standards:

IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

Narrow scope amendments to IFRS 3, IAS 16 and IAS 37

IFRS 3: The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

IAS 16: The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

IAS 37: The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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 effective date of the amendments was deferred to 1 January 2023.

Narrow scope amendments to IAS 1 and IFRS Practice statement 2

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

2 New and amended standards and interpretations - cont'd

Amendments to IAS 8

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.

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.

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:

	2021/2020
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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

3 Summary of significant accounting policies - cont'd

(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 of.

(e) Pension Funding

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

The last actuarial valuation was done as at 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

3 Summary of significant accounting policies – cont'd

(f) Consolidation – cont'd

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, 2021 of the following:

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

(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

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

3 Summary of significant accounting policies – cont'd

(g) Taxation

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

Current tax

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

The Group's liability for current tax is calculated using tax rates that have been enacted in Guyana or 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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

3 Summary of significant accounting policies – cont'd

(h) Revenue and expense recognition - cont'd

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. 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.

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:

		2021/2020
Buildings	-	2.00%
Equipment	-	6.25%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

3 Summary of significant accounting policies – cont'd

(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.

The Group applies the IFRS 9 general approach for measuring expected credit losses for trade and other receivables in a way that 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

3 Summary of significant accounting policies – cont'd

(j) Financial instruments – cont'd

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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

3 Summary of significant accounting policies – cont'd

(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, 2021

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, 2021

5 Other Income

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Investment income (a)	88,323	838,875	47,360	38,875
Rent and Miscellaneous income	194,617	228,822	255,728	290,264
Sale of asset	750	3,425	750	3,425
	283,690	1,071,122	303,838	332,564

(a) This represents dividends received from FVTOCI investments (which are quoted) of G\$44.82M (2020 - G\$38.88M) and G\$43.50M (2020 - G\$800M) from subsidiaries and associated companies (which are not quoted).

6 Profit before taxation

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Profit before taxation	5,599,504	5,142,417	6,385,168	5,206,059
After charging:				
Property tax	335,513	264,080	345,194	272,699
Interest and other finance charges	29,505	118,494	34,777	119,664
Depreciation on property, plant and equipment	785,327	729,561	997,664	907,955
Depreciation on investment properties	90,765	87,494	10,385	11,249
Exchange difference	15,845	102,212	15,845	102,212
Directors' emoluments (a)	15,640	14,400	15,640	14,400
Staff costs:				
Salaries and wages	2,351,450	2,031,482	2,989,151	2,578,485
Other staff costs	576,571	512,857	780,574	687,773
Pension	35,127	54,129	89,107	108,169
Auditor's remuneration	9,718	9,435	31,437	30,400
Inventory provision	280,642	217,386	280,642	217,386
Provision for bad debts / expected credit loss	(968)	-	(3,223)	6,078
And after crediting				
Dividends from Subsidiaries and associate companies	40,963	800,000	-	-
Interest	752	587	752	587

(a) At the end of the period there were six (2020 - six) non-executive Directors who received equal emoluments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

7

Taxation

Reconciliation of tax expense and accounting profit

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Accounting profit	5,599,504	5,142,417	6,385,168	5,206,059
Corporation tax at 25% / 40%	1,390,912	1,285,604	1,648,656	1,538,267
Add:				
Tax effect of expenses not deductible in determining taxable profits:				
Depreciation for accounting purposes	272,061	281,165	304,101	310,661
Property tax	83,878	66,020	93,559	75,138
Adjustment for tax changes	19,121	17,563	19,121	17,563
Others	(53,815)	(29,946)	(11,501)	14,556
	1,712,157	1,620,406	2,053,936	1,956,185
Deduct:				
Tax effect of depreciation and other allowances for tax purposes	273,892	384,299	276,303	383,784
Export allowance	183,932	255,224	183,932	255,224
Corporation tax charge	1,254,333	980,883	1,593,701	1,317,177
Deferred tax	79,776	1,139	2,802	(3,717)
	1,334,109	982,022	1,596,503	1,313,460
Taxation - current	1,254,333	980,883	1,540,974	1,244,987
associate companies	-	-	52,727	72,190
	1,254,333	980,883	1,593,701	1,317,177
deferred	79,776	1,139	2,802	(3,717)
	1,334,109	982,022	1,596,503	1,313,460

Components of deferred tax

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Deferred tax liability	2,349,764	1,643,719	2,217,082	1,588,011
Property, plant and equipment	758,838	721,311	626,156	665,603
Defined benefit asset	1,592,362	924,693	1,592,362	924,693
Defined benefit liability	(1,436)	(2,285)	(1,436)	(2,285)
	2,349,764	1,643,719	2,217,082	1,588,011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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, 2020	753,960	719,979	(2,399)	1,471,540
Movement during the year:				
Statement of P&L	(32,649)	33,617	171	1,139
Statement of OCI	-	171,097	(57)	171,040
At December 31, 2020	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

	GROUP			
	Property Plant and Equipment	Defined Benefit Asset	Defined Benefit Liability	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
At January 01, 2020	703,108	719,979	(2,399)	1,420,688
Movement during the year:				
Statement of P&L	(37,505)	33,617	171	(3,717)
Statement of OCI	-	171,097	(57)	171,040
At December 31, 2020	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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					
	2021			2020		
	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	2,505,862	(626,269)	1,879,593	684,161	(171,040)	513,121
Gain arising on revaluation of FVTOCI financial assets	2,689,200	-	2,689,200	493,020	-	493,020
	5,195,062	(626,269)	4,568,793	1,177,181	(171,040)	1,006,141
	GROUP					
	2021			2020		
	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	2,505,862	(626,269)	1,879,593	684,161	(171,040)	513,121
Exchange differences on translating foreign operations	(129,641)	-	(129,641)	132,001	-	132,001
Adjustment on disposal of subsidiary	-	-	-	68,732	-	68,732
Gain arising on revaluation of FVTOCI financial assets	2,689,200	-	2,689,200	501,187	-	501,187
	5,065,421	(626,269)	4,439,152	1,386,081	(171,040)	1,215,041

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

8 Dividends

COMPANY AND GROUP

2021	2020
G\$ 000	G\$ 000

Amount recognised as distributions to equity holders in the period:

Interim dividend for the year ended December 31, 2021 - G\$0.40 (G\$0.30 - 2020)	308,000	231,000
Final dividend for the year ended December 31, 2020 - G\$0.95 (G\$0.90 - 2019)	731,500	693,000
	1,039,500	924,000

The Directors recommended a final dividend of G\$1.15 per share (2020 - G\$0.95).

9 Basic earnings per share

COMPANY

GROUP

2021	2020
G\$ 000	G\$ 000

2021	2020
G\$ 000	G\$ 000

Calculated as follows:-

Profit attributable to equity holders of the parent	4,265,395	4,160,395	4,788,665	3,892,599
Ordinary shares issued and fully paid	770,000,000	770,000,000	770,000,000	770,000,000
Basic earnings per share in dollars	5.54	5.40	6.22	5.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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, 2020	4,009,353	12,005,281	1,819,708	17,834,342
Additions	52,764	626,312	1,456,757	2,135,833
Disposals	-	(13,997)	-	(13,997)
Intragroup transfers	-	(1,719)	-	(1,719)
Transfers	-	122	(248,686)	(248,564)
At December 31, 2020	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)
Intragroup 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
Comprising:				
Valuation	6,662	68	-	6,730
Cost	4,249,467	15,632,141	756,841	20,638,449
	4,256,129	15,632,209	756,841	20,645,179
Accumulated depreciation				
At January 01, 2020	868,747	7,673,277	-	8,542,024
Charge for the year	63,009	680,531	-	743,540
Written back on Disposal	-	(13,979)	-	(13,979)
At December 31, 2020	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
Net book values:				
At December 31, 2021	3,260,674	6,570,752	756,841	10,588,267
At December 31, 2020	3,130,361	4,276,170	3,027,779	10,434,310

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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, 2020	7,953,335	13,658,682	2,170,055	23,782,072
Additions	162,344	957,419	1,231,253	2,351,016
Disposals	-	(29,660)	-	(29,660)
Transfers	-	-	(220,759)	(220,759)
At December 31, 2020	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
Comprising:				
Valuation	6,662	68	-	6,730
Cost	7,161,912	20,272,974	792,074	28,226,960
	7,168,574	20,273,042	792,074	28,233,690
Accumulated depreciation				
At January 01, 2020	1,641,733	9,096,730	-	10,738,463
Charge for the year	125,355	782,600	-	907,955
Written back on disposals	-	(33)	-	(33)
At December 31, 2020	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
Net book values:				
At December 31, 2021	5,252,930	9,544,637	792,074	15,589,641
At December 31, 2020	6,348,591	4,707,144	3,180,549	14,236,284

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 reserve. These were minor adjustments as such the cost method was adopted.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

11 Investment properties

Cost/valuation
At January 01, 2020
Additions

At December 31, 2020

Additions

At December 31, 2021

Accumulated depreciation

At January 01, 2020
Charge for the year

At December 31, 2020

Charge for the year

At December 31, 2021

Net book values:

At December 31, 2021

At December 31, 2020

COMPANY

Land and buildings	Equipment	Total
G\$ 000	G\$ 000	G\$ 000
3,302,311	557,953	3,860,264
83,156	-	83,156
3,385,467	557,953	3,943,420
1,161,832	-	1,161,832
4,547,299	557,953	5,105,252
420,335	466,950	887,285
53,679	33,815	87,494
474,014	500,765	974,779
58,882	31,883	90,765
532,896	532,648	1,065,544
4,014,403	25,305	4,039,708
2,911,453	57,188	2,968,641

The investment properties are rented mainly to subsidiary companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

11 Investment properties - cont'd

	GROUP	
	Land and buildings	Total
	G\$ 000	G\$ 000
Cost		
At January 01 and December 31, 2020	357,844	357,844
At December 31, 2021	357,844	357,844
Accumulated depreciation		
At January 01, 2020	182,897	182,897
Charge for the year	11,249	11,249
At December 31, 2020	194,146	194,146
Charge for the year	10,385	10,385
At December 31, 2021	204,531	204,531
Net book values:		
At December 31, 2021	153,313	153,313
At December 31, 2020	163,698	163,698

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 (2020:G\$169M).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

12 Investments

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
FVTOCI	4,786,260	2,097,060	4,781,260	2,092,060
Provision for Impairment	-	(57,750)	-	(57,750)
FVTOCI	4,786,260	2,039,310	4,781,260	2,034,310
Others:				
Subsidiary companies (a)	104,555	104,555	-	-
Associate companies (b)	459,199	459,199	1,316,090	1,254,891
	563,754	563,754	1,316,090	1,254,891
	5,350,014	2,603,064	6,097,350	3,289,201
	COMPANY			
	2021 G\$ 000	2020 G\$ 000		
(a) Subsidiary companies at cost At January 01 and December 31	104,555	104,555		

a(ii) Subsidiary Demerara Rum Company Inc. was dissolved on February 25, 2020. Gain on dissolution of \$68.73M was recognised through other comprehensive income. There was no accounting consequence of this in 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

12 Investments - cont'd

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
(b) Associate companies				
At January 01	459,199	459,199	1,254,891	1,078,750
Share of reserves of associate companies (i)	-	-	61,199	176,141
At December 31	459,199	459,199	1,316,090	1,254,891
			GROUP	
			2021 G\$ 000	2020 G\$ 000
(i) Share of reserves of associate companies				
At January 01			1,254,891	1,078,750
Group's share of associate companies profits/reserves			113,926	248,331
Group's share of associate companies taxes			(52,727)	(72,190)
At December 31			1,316,090	1,254,891

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.	
	2021 G\$ 000	Restated 2020 G\$ 000	2021 G\$ 000	Restated 2020 G\$ 000
Income statement				
Revenue	654,393	553,653	4,076,067	5,051,897
Profit after taxation	156,584	127,311	107,038	623,550
Statement of Financial Position				
Total assets	3,573,350	2,543,924	3,629,449	3,837,478
Shareholders funds	3,176,676	2,144,905	2,171,166	2,301,882
Long term liabilities	12,263	12,263	695,899	861,329
Current liabilities	384,412	386,756	762,384	674,268
Total equity and liabilities	3,573,351	2,543,924	3,629,449	3,837,478

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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, 2021 using the Projected Unit Actuarial Method.

	PENSION PLAN 1	
	2021 G\$ 000	2020 G\$ 000
Amounts recognised in the statement of financial position		
Present value of obligations	5,997,405	5,283,645
Fair value of plan assets	(12,366,844)	(8,982,410)
Net defined benefit asset	(6,369,439)	(3,698,765)
Reconciliation of amounts recognised In the balance sheet		
Opening defined benefit asset	(3,698,765)	(2,879,911)
Net pension cost	55,671	74,372
Re-measurements recognised in Other Comprehensive Income	(2,502,955)	(684,387)
Contributions paid	(223,390)	(208,839)
Closing defined benefit asset	(6,369,439)	(3,698,765)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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

	PENSION PLAN 1	
	2021 G\$ 000	2020 G\$ 000
Amounts recognised in the statement of profit or loss and other comprehensive income		
Current service cost	248,154	225,421
Net interest on defined benefit asset	(192,483)	(151,049)
Net pension cost included in administrative expenses	55,671	74,372
Actual return on plan liability	3,270,885	1,138,898
Unfunded ex-gratia arrangement		
Defined benefit obligation	5,737	9,134
Reconciliation of opening and closing retirement benefit obligation in the statement of financial position		
Opening defined benefit liability	9,134	9,591
Plus: net pension cost	434	452
Less: company contributions paid	(924)	(1,135)
Re-measurements recognised in Other Comprehensive Income	(2,907)	226
Closing defined benefit liability	5,737	9,134
Interest on defined benefit obligation	434	452

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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

	PENSION PLAN 1				
	2021 G\$ 000	2020 G\$ 000	2019 G\$ 000	2018 G\$ 000	2017 G\$ 000
Experience history					
Defined benefit obligation	5,997,405	5,283,645	4,847,551	4,496,529	3,899,624
Fair value of plan assets	(12,366,844)	(8,982,410)	(7,727,462)	(6,492,588)	(5,253,468)
Surplus	(6,369,439)	(3,698,765)	(2,879,911)	(1,996,059)	(1,353,844)

	Unfunded Ex Gratia		
	2021 G\$ 000	2020 G\$ 000	2019 G\$ 000
Experience History			
Defined benefit obligation	5,737	9,134	9,591
Deficit	5,737	9,134	9,591
Experience adjustment on plan liabilities	(2,907)	226	(480)

	PENSION PLAN 1	
	2021 G\$000	2020 G\$000
Summary of main assumptions		
	%	%
Discount rate	5.0	5.0
Salary increases	5.0	5.0
Pension increases	2.0	2.0
Retirement benefit obligations	5,737	9,134
Unfunded exgratia	5,737	9,134
Retirement benefit asset	6,369,439	3,698,765
Pension plan 1	6,369,439	3,698,765

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

14 Inventories

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Finished stocks (a)	7,807,607	6,880,823	9,599,250	8,470,988
Raw materials, containers & goods-in-transit	3,843,794	3,032,119	4,088,610	3,411,874
Spares	935,013	886,517	983,824	932,349
Provision for stock impairment (b)	(507,910)	(257,697)	(535,719)	(281,699)
	12,078,504	10,541,762	14,135,965	12,533,512
Cost of inventory recognised as expense during the period	7,844,654	6,518,422	8,593,931	6,966,165
Inventories expected to be recovered after more than twelve months	4,913,320	4,981,877	4,913,320	4,981,877
Raw material damaged written off	91,729	31,234	96,027	31,260

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

(b) Provision for impairment

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Balance as at January 01	(257,697)	(189,718)	(281,699)	(208,566)
Net movement during the year	(250,213)	(67,979)	(254,020)	(73,133)
Balance as at December 31	(507,910)	(257,697)	(535,719)	(281,699)

The above provision was individually assessed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

15 Trade and other receivables

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Trade receivables	1,371,298	1,520,310	2,189,701	2,140,036
Provision for impairment (a)	(68,661)	(69,629)	(72,837)	(76,060)
	1,302,637	1,450,681	2,116,864	2,063,976
Other receivables	226,920	316,851	304,815	463,798
Due from subsidiary companies	845,956	628,756	-	-
	2,375,513	2,396,288	2,421,679	2,527,774
(a) Provision for impairment				
Balance as at January 01	69,629	69,629	76,060	69,982
Expected credit loss movement during the year	(968)	-	(3,223)	6,078
Balance as at December 31	68,661	69,629	72,837	76,060

The above provision for impairment consists of individually assessed provision of \$13M (2020: \$13M) and provision for expected credit loss of \$56M (2020: \$63M) in accordance with IFRS 9.

16 Trade and other payables

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Trade payables	994,426	730,274	1,336,790	760,297
Accruals	876,998	697,000	994,690	843,652
Other payables	1,307,469	1,042,599	1,344,246	1,041,694
	3,178,893	2,469,873	3,675,726	2,645,643

17 Share capital

	COMPANY AND GROUP	
	2021	2020
Authorised Number of ordinary shares	1,000,000,000	1,000,000,000
	G\$ 000	G\$ 000
Issued and fully paid At January 01 and December 31 770,000,000 ordinary shares	770,000	770,000

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

18 (a) Capital reserves

Share premium account

This reserve is not distributable.

COMPANY		GROUP	
2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
489,565	489,565	450,854	450,854

(b) Other reserves

Balance as at January 01

Fair value adjustment on FVTOCI

Balance as at December 31

COMPANY		GROUP	
2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
2,017,340	1,524,320	2,048,020	1,546,833
2,689,200	493,020	2,689,200	501,187
4,706,540	2,017,340	4,737,220	2,048,020

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

At January 01

For the year

At December 31

GROUP	
2021 G\$ 000	2020 G\$ 000
(5,797)	(137,798)
(129,641)	132,001
(135,438)	(5,797)

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

19 Loans and bank overdraft

Bank overdraft (secured)
Loans

COMPANY		GROUP	
2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
236,745	540,702	258,007	609,028
-	275,379	-	275,379
236,745	816,081	258,007	884,407

Overdrafts are repayable on demand and attract interest at 8% (2020: 8%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

19 Loans and bank overdraft - cont'd

Loans are repayable as follows:

(i) Repayable - 2013 - 2022
rate of interest of 8% per annum
(Demerara Distillers Ltd)

(ii) Repayable - 2019 - 2023
rate of interest of 8% per annum
(Demerara Distillers Ltd)

COMPANY		GROUP	
2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
-	182,879	-	182,879
-	92,500	-	92,500
-	275,379	-	275,379

Maturity profile of loan

Repayments due in one year and
included in current liabilities

Repayments due in the second year
Repayments due in the third year

COMPANY		GROUP	
2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
-	140,672	-	140,672
-	132,207	-	132,207
-	2,500	-	2,500
-	134,707	-	134,707
-	275,379	-	275,379

The foregoing loans and overdraft for the company and group are secured by floating and fixed charges on the assets of the company valued at G\$2.8B (2020: G\$6.394B).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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	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
Balance sheet					
Assets					
Segment assets	43,163,493	2,629,753	-	(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, 2021

20 Segment reporting - cont'd

INDUSTRY	2020				
	Manufacturing	Trading	Services	Eliminations	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Revenue					
External sales	17,449,691	6,311,300	925,106	-	24,686,097
Inter-segment sales	3,011,451	-	-	(3,011,451)	-
Total revenue	20,461,142	6,311,300	925,106	(3,011,451)	24,686,097
Results					
Segment result	5,057,428	565,708	134,592	(800,000)	4,957,728
Operating profit					4,957,728
Share of profit from associates					248,331
Profit before tax					5,206,059
Income tax					(1,313,460)
Profit for the year attributable to equity shareholders of the company					3,892,599
Other Information					
Capital additions	2,018,519	157,629	70,320	(116,211)	2,130,257
Depreciation and amortisation	873,442	88,014	126,652	(168,904)	919,204
Statement of Financial Position					
Assets					
Segment assets	34,090,875	2,365,182	-	86,998	36,543,055
Interest in associates	-	-	-	-	1,254,891
Consolidated assets					37,797,946
Liabilities					
Segment liabilities	6,122,937	772,223	802,474	(1,886,404)	5,811,230
Consolidated liabilities					5,811,230

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Guyana	24,925,714	22,390,765	6,183,961	5,050,753
Europe	1,289,061	1,111,120	56,677	52,671
North America	1,340,186	1,088,262	108,977	71,075
St. Kitts	92,034	95,950	35,553	31,560
	27,646,995	24,686,097	6,385,168	5,206,059

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	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Guyana	44,447,704	35,117,731	2,386,925	2,121,028
Europe	1,724,721	1,830,770	-	-
North America	548,255	572,388	-	-
St. Kitts	323,415	277,057	1,498	9,229
	47,044,095	37,797,946	2,388,423	2,130,257

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	
	2021	2020	2021 G\$ 000	2020 G\$ 000
Guyana and United States	North America	North America	4,492,557	3,824,188
Guyana, Europe and Caribbean	Europe	Europe	3,001,184	2,939,050
Guyana and Caribbean	Caribbean	Caribbean	1,365,838	1,048,703
Guyana	Guyana	Guyana	18,691,895	16,761,725
Others			95,521	112,431
Total			27,646,995	24,686,097

There was no customer (2020 - one) which represented 5% or more of group revenue generated from a single external customer for the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

21 Contingent liabilities

Bonds in respect of duty on spirits warehoused and exportation of goods

Bonds in favour of the State of Guyana

COMPANY AND GROUP

2021	2020
G\$ 000	G\$ 000

256,361	217,394
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5,000	53,100
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22 Capital commitments

Contracted for but not received

COMPANY

2021	2020
G\$ 000	G\$ 000

12,620	485,898
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GROUP

2021	2020
G\$ 000	G\$ 000

12,620	485,898
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These comprise of acquisition of non current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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	
	2021 G\$ 000	2020 G\$ 000
Sales	2,951,798	2,543,876
Commission paid	4,277	1,807
Purchases	636,485	408,933
Management fees received	163,484	164,316
Rent received	188,244	181,216
Dividends received	40,963	800,000
Human resource charges	409,415	338,219
Interest paid	94,355	82,249
Balances at end of year	845,956	628,756
Guarantee provided by the parent company on behalf of:		
Subsidiaries	268,500	755,000

Associate companies

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Balances at end of year	459,199	459,199	459,199	459,199
Insurance premiums paid	66,975	52,582	-	-

(ii) Short Term Loans

During the year 2021, the company took two short term loans:

- (a) Distillers and Associates Co-op Credit Union Limited for \$100M at 4.5% interest which was fully repaid in December 2021.
- (b) Demerara Bank Limited in the amount of US \$1.5M at 6.74% interest which is due to be repaid in June 2022.

- (iii) DDL loaned National Rums of Jamaica (NRJ) US\$1.5M in 2020. At the reporting date US\$0.4M remains unpaid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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:

	2021 G\$ 000	2020 G\$ 000
Short-term employee benefits	342,554	272,664
Post-employment benefits	47,887	42,134
Directors emoluments	15,640	14,400

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	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Demerara Bank Limited				
Overdraft interest (8%)	8,490	52,070	8,715	52,894
Balance at end of the year:				
Cash	246,382	147,437	422,000	266,843
Overdraft	236,745	420,841	236,745	1,144,828
Trust Company (Guyana) Limited also provides registrar and pension management services for the company.				
Pension management and registrar's service fees	18,265	34,117	18,265	34,117

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, 2021

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

	COMPANY		
	Financial assets and liabilities at fair value through OCI	Financial assets and liabilities at amortised cost	Total
2021	G\$000	G\$000	G\$000
ASSETS			
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
LIABILITIES			
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
	COMPANY		
	Financial assets and liabilities at fair value through OCI	Financial assets and liabilities at amortised cost	Total
2020	G\$000	G\$000	G\$000
ASSETS			
Investments	2,039,310	-	2,039,310
Trade receivables	-	1,450,681	1,450,681
Other receivables	-	945,607	945,607
Prepayments	-	218,043	218,043
Taxes recoverable	-	351,603	351,603
Cash on hand and at bank	-	253,259	253,259
Total assets	2,039,310	3,219,193	5,258,503
LIABILITIES			
Trade payables	-	730,274	730,274
Other payables and accruals	-	1,739,599	1,739,599
Bank overdraft (secured)	-	540,702	540,702
Taxation	-	476,489	476,489
Loans	-	275,379	275,379
Total liabilities	-	3,762,443	3,762,443

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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

2021	GROUP		
	Financial assets and liabilities at fair value through OCI	Financial assets and liabilities at amortised cost	Total
ASSETS	G\$000	G\$000	G\$000
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
Total assets	4,781,260	4,698,387	9,479,647
LIABILITIES			
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
Total liabilities	-	4,646,243	4,646,243

2020	GROUP		
	Financial assets and liabilities at fair value through OCI	Financial assets and liabilities at amortised cost	Total
ASSETS	G\$000	G\$000	G\$000
Investments	2,034,310	-	2,034,310
Trade receivables	-	2,063,976	2,063,976
Other receivables	-	463,798	463,798
Prepayments	-	265,715	265,715
Taxes recoverable	-	625,700	625,700
Cash on hand and at bank	-	457,297	457,297
Total assets	2,034,310	3,876,486	5,910,796
LIABILITIES			
Trade payables	-	760,297	760,297
Other payables and accruals	-	1,885,346	1,885,346
Bank overdraft (secured)	-	609,028	609,028
Loans	-	275,379	275,379
Taxation	-	684,035	684,035
Total liabilities	-	4,214,085	4,214,085

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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						
2021			2020			
		Carrying Value	Fair Value		Carrying Value	Fair Value
	IFRS 13 Level	G\$ 000	G\$ 000	IFRS 13 Level	G\$ 000	G\$ 000
Assets						
Property, plant and equipment	2	10,588,267	10,588,267	2	10,434,310	10,434,310
Investment properties	2	4,039,708	4,039,708	2	2,968,641	2,968,641
Trade and other receivables	2	2,375,513	2,375,513	2	2,396,288	2,396,288
Prepayments	2	492,161	492,161	2	218,043	218,043
Taxes recoverable	2	351,603	351,603	2	351,603	351,603
Cash on hand and at bank	1	520,500	520,500	1	253,259	253,259
		18,367,752	18,367,752		16,622,144	16,622,144
Liabilities						
Trade payables and other payables	2	3,178,893	3,178,893	2	2,469,873	2,469,873
Current portion of interest bearing debts		-	-	2	140,672	140,672
Loans due after one year		-	-	2	134,707	134,707
Taxation	2	549,443	549,443	2	476,489	476,489
Bank overdraft (secured)	1	236,745	236,745	1	540,702	540,702
		3,965,081	3,965,081		3,762,443	3,762,443

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

26 Fair value estimation - cont'd

Fair Value Estimation – cont'd		GROUP					
		2021			2020		
		Carrying Value		Fair Value	Carrying Value		Fair Value
		IFRS 13 Level	G\$ 000	G\$ 000	IFRS 13 Level	G\$ 000	G\$ 000
Assets							
Property, plant and equipment	2	15,589,641	15,589,641		2	14,236,284	14,236,284
Investment properties	2	153,313	153,313		2	163,698	163,698
Trade and other receivables	2	2,421,679	2,421,679		2	2,527,774	2,527,774
Prepayments	2	564,421	564,421		2	265,715	265,715
Taxes recoverable	2	640,368	640,368		2	625,700	625,700
Cash on hand and at bank	1	1,071,919	1,071,919		1	457,297	457,297
		20,441,341	20,441,341		18,276,468		18,276,468
Liabilities							
Trade payables and other payables	2	3,675,726	3,675,726		2	2,645,643	2,645,643
Current portion of interest bearing debts		-	-		2	140,672	140,672
Loans due after one year		-	-		2	134,707	134,707
Taxation	2	712,510	712,510		2	684,035	684,035
Bank overdraft (secured)	1	258,007	258,007		1	609,028	609,028
		4,646,243	4,646,243		4,214,085		4,214,085

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. Long term loans are fixed by contract.

All FVTOCI financial instruments are held at level 2 fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

27 Financial risk management

Objectives

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

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

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

(a) Market risk

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

(i) Foreign currency risk

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

	COMPANY		GROUP	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Assets				
US Dollar	1,440,446	1,653,202	1,988,700	2,225,590
GBP	83,382	43,003	83,382	43,003
Euro	3,931,622	4,160,457	4,816,322	5,145,765
Others	284,810	158,305	608,225	366,670
	5,740,260	6,014,967	7,496,629	7,781,028
Liabilities				
US Dollar	605,838	463,356	627,319	497,232
GBP	30,865	4,454	30,865	4,454
Euro	4,820,170	5,016,546	4,886,466	5,092,495
Others	38,125	48,489	50,472	54,181
	5,494,998	5,532,845	5,595,122	5,648,362
Net assets	245,262	482,122	1,901,507	2,132,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

27 Financial risk management - cont'd

(a) Market risk - cont'd

(i) Foreign currency risk - cont'd

Foreign currency sensitivity analysis

The following table details the company's and group's sensitivity to a 2.5% increase and decrease in the Guyana dollar against balances denominated in foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end 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	
	2021 G\$ 000	2020 G\$ 000	2021 G\$ 000	2020 G\$ 000
Profit/(loss)	6,132	12,053	47,538	53,317

(ii) Interest sensitivity analysis

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

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

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

		Impact on profit for the year			
	Increase / Decrease in Basis Point	COMPANY		GROUP	
		2021 G\$000	2020 G\$000	2021 G\$000	2020 G\$000
Cash and cash equivalent					
Foreign currency	+/-50	2,002	1,156	2,625	1,281
Overdrafts					
Local currency	+/-50	1,184	5,235	1,089	4,981

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk

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

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

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

COMPANY					
Maturing 2021					
	Interest rate Range %	Within 1 year G\$000	2 to 5 years G\$000	Non-interest bearing G\$000	Total G\$000
Assets					
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
Liabilities					
Trade payable and accruals	0.0 - 6.6%	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, 2021

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

		COMPANY			
		Maturing 2020			
	Interest rate Range %	Within 1 year G\$000	2 to 5 years G\$000	Non-interest bearing G\$000	Total G\$000
Assets					
Investments	-	-	-	2,039,310	2,039,310
Trade and other receivables	-	-	-	2,396,288	2,396,288
Prepayments	-	-	-	218,043	218,043
Taxes recoverable	-	-	-	351,603	351,603
Cash at bank	0.03% - 1.5%	253,259	-	-	253,259
		253,259	-	5,005,244	5,258,503
Liabilities					
Trade payable and accruals	-	-	-	2,469,873	2,469,873
Bank overdraft (secured)	8%	540,702	-	-	540,702
Loans	3.88% - 8%	140,672	134,707	-	275,379
Taxation	-	-	-	476,489	476,489
		681,374	134,707	2,946,362	3,762,443
Interest sensitivity gap		(428,115)	(134,707)		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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	2 to 5 years G\$000	Non-interest bearing G\$000	Total G\$000
Assets					
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
Liabilities					
Trade payable and accruals	0.0 - 6.6%	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, 2021

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

GROUP					
Maturing 2020					
	Interest rate Range %	Within 1 year G\$000	2 to 5 years G\$000	Non-interest bearing G\$000	Total G\$000
Assets					
Investments	-	-	-	3,289,201	3,289,201
Trade and other receivables	-	-	-	2,527,774	2,527,774
Prepayments	-	-	-	265,715	265,715
Taxes recoverable	-	-	-	625,700	625,700
Cash on hand and at bank	0.03% - 1.5%	457,297	-	-	457,297
		457,297	-	6,708,390	7,165,687
Liabilities					
Trade payable and accruals	-	-	-	2,645,643	2,645,643
Bank overdraft (secured)	8%	609,028	-	-	609,028
Loans	3.25% - 8%	140,672	134,707	-	275,379
Taxation	-	-	-	684,035	684,035
		749,700	134,707	3,329,678	4,214,085
Interest sensitivity gap		(292,403)	(134,707)		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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	
	2021 G\$000	2020 G\$000
Net impact	236,426	101,966

(b) Credit risk

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

	COMPANY		GROUP	
	Maximum Exposure		Maximum Exposure	
	2021 G\$000	2020 G\$000	2021 G\$000	2020 G\$000
Cash on hand and at bank	520,500	253,259	1,071,919	457,297
Investments				
FVTOCI	4,786,260	2,039,310	4,781,260	2,034,310
Trade and other receivables	2,375,513	2,396,288	2,421,679	2,527,774
Taxes recoverable	351,603	351,603	640,368	625,700
Total Credit risk exposure	8,033,876	5,040,460	8,915,226	5,645,081

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, 2021

27 Financial risk management - cont'd

(b) Credit risk

	COMPANY		GROUP	
	2021 G\$000	2020 G\$000	2021 G\$000	2020 G\$000
Trade and other receivables				
Trade receivables	1,302,637	1,450,681	2,116,864	2,063,976
Other receivables	226,920	316,851	304,815	463,798
Taxes recoverable	351,603	351,603	640,368	625,700
Due from subsidiaries	845,956	628,756	-	-
	2,727,116	2,747,891	3,062,047	3,153,474

The above balances are classified as follows:.

	COMPANY		GROUP	
	2021 G\$000	2020 G\$000	2021 G\$000	2020 G\$000
Current	2,316,883	2,202,035	1,721,961	1,858,771
Past due but not impaired	478,743	613,976	1,412,772	1,369,254
Impaired	151	1,509	151	1,509
Provision for impairment	(68,661)	(69,629)	(72,837)	(76,060)
	2,727,116	2,747,891	3,062,047	3,153,474

	COMPANY		GROUP	
	2021 G\$000	2020 G\$000	2021 G\$000	2020 G\$000
Ageing of past due but not impaired				
01-30 days	18,438	2,539	181,307	207,717
31-60 days	32,954	69,342	350,895	265,398
61-90 days	51,826	153,708	208,913	197,124
91-120 days	28,666	43,402	35,917	80,737
over 120 days	346,859	344,985	635,740	618,278
Total	478,743	613,976	1,412,772	1,369,254

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

Ageing of impaired trade receivables

	2021 G\$000	2020 G\$000	2021 G\$000	2020 G\$000
over 120 days	151	1,509	151	1,509
Provision for impairment	68,661	69,629	72,837	76,060

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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.

Details	Location		COMPANY			
			2021		2020	
			Credit Limit	Carrying Amount	Credit Limit	Carrying Amount
	2021	2020	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Counterparty # 1	U.K.	U.K.	580,000	45,139	580,000	388,548
Counterparty # 2	Guyana	Guyana	11,955	7,848	11,955	8,882
Counterparty # 3	Canada	Canada	90,000	82,142	110,000	102,778
Counterparty # 4	Canada	Guyana	190,000	182,975	25,517	22,448
Counterparty # 5	Canada	U.S	78,500	59,293	349,500	137,243
			950,455	377,397	1,076,972	659,899

Details	Location		GROUP			
			2021		2020	
			Credit Limit	Carrying Amount	Credit Limit	Carrying Amount
	2021	2020	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Counterparty # 1	U.K.	U.K.	580,000	45,139	580,000	388,548
Counterparty # 2	Guyana	Guyana	11,955	7,848	11,955	8,882
Counterparty # 3	Canada	Canada	90,000	82,142	110,000	102,778
Counterparty # 4	Canada	Guyana	190,000	182,975	25,517	22,448
Counterparty # 5	Canada	U.S	78,500	59,293	349,500	137,243
			950,455	377,397	1,076,972	659,899

There was one customer who represented more than 5% of the total balance of trade receivables (2020: 1). The average age of total receivables was 32 days (2020: 37 days).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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 2021		
	Within 1 year	2 to 5 years	Total
	G\$000	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)

	COMPANY		
	Maturing 2020		
	Within 1 year	2 to 5 years	Total
	G\$000	G\$000	G\$000
Trade payables and other payables	(2,469,873)	-	(2,469,873)
Current portion of interest bearing debts	(140,672)	-	(140,672)
Taxes payable	-	(134,707)	(134,707)
Loans	(540,702)	-	(540,702)
Bank overdraft (secured)	(476,489)	-	(476,489)
	(3,627,736)	(134,707)	(3,762,443)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

27 Financial risk management - cont'd

(c) Liquidity risk - cont'd

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

GROUP		
Maturing 2021		
Within 1 year	2 to 5 years	Total
G\$000	G\$000	G\$000
(3,675,726)	-	(3,675,726)
(712,510)	-	(712,510)
(258,007)	-	(258,007)
(4,646,243)	-	(4,646,243)

Trade payables and other payables
Current portion of interest bearing debts
Taxes payable
Loans
Bank overdraft (secured)

GROUP		
Maturing 2020		
Within 1 year	2 to 5 years	Total
G\$000	G\$000	G\$000
(2,645,643)	-	(2,645,643)
(140,672)	-	(140,672)
(684,035)	-	(684,035)
-	(134,707)	(134,707)
(609,028)	-	(609,028)
(4,079,378)	(134,707)	(4,214,085)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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 2020.

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	
	2021 G\$000	2020 G\$000	2021 G\$000	2020 G\$000
Debt (i)	550,570	816,081	571,832	884,407
Cash and cash equivalents	(520,500)	(253,259)	(1,071,919)	(457,297)
Net debt	30,070	562,822	(500,087)	427,110
Equity (ii)	35,845,127	28,050,439	40,175,033	31,986,716
Net debt to equity ratio	0.001:1	0.020:1	-	0.010:1

(i) Debt is defined as advances long- and short-term borrowings as detailed in note 19 and note 23(a)(ii)(b).

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

29 Reclassification of balances

In the current year, certain prior year amounts in note 7 were reclassified to confirm with current year presentation.

30 Approval of financial statements

The financial statements were approved for issue by the Directors on March 24, 2022.

TEN YEAR REVIEW

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Turnover	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	15,783,081
Operating Profit	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	2,581,005
Interest Paid/Received	34,025	119,077	182,200	228,642	362,548	471,971	581,359	675,645	589,069	668,937
Profit Before Tax	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	1,912,068
Taxation	1,596,503	1,313,459	1,059,310	1,083,208	951,269	728,683	901,418	721,579	635,815	597,849
Profit after Tax	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	1,314,219
Gross Assets Employed	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	27,843,241
Capital Employed	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	18,562,940
Shareholder's Equity	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	14,655,669
Operating profit as % of sales	23.22%	21.57%	21.10%	21.00%	20.00%	18.73%	18.75%	10.00%	15.94%	16.35%
Operating profit as % of Capital Employed	15.14%	15.79%	16.12%	17.43%	16.62%	15.51%	15.73%	8.58%	13.25%	13.90%
Return on Gross assets	13.65%	14.09%	13.50%	14.70%	13.73%	12.55%	12.09%	6.38%	9.73%	9.27%
Return on Shareholders' Funds	15.89%	16.28%	16.34%	17.91%	16.98%	15.77%	16.50%	7.20%	13.73%	13.05%
Basic Earnings per share in Dollars	6.22	5.06	4.53	4.26	3.38	2.85	2.46	0.54	2.04	1.71
Equity per share	52.18	41.54	36.11	31.64	27.16	24.05	22.02	20.50	20.86	19.03
Dividend Cover	4.61	4.21	4.11	5.01	5.04	4.59	4.10	0.91	3.71	3.56

PROCEDURES FOR TRANSFER OF SHARES

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

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

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

DEMERARA DISTILLERS LIMITED 70TH ANNUAL GENERAL MEETING **LIVE WEBCAST**

Shareholders desirous of viewing DDL's AGM Proceedings scheduled for **Thursday May 12, 2022 at 4:00 p.m.** may do so on any internet connected device by:

- (i) Visiting our website at: **<https://www.demeraradistillers.com/>**
- (ii) Clicking on the **AGM** link provided
- (iii) Entering Password: **DDLAGM2022**

FORM OF PROXY

DEMERARA DISTILLERS LIMITED • ANNUAL GENERAL MEETING

I/We _____ of _____

a MEMBER OF Demerara Distillers Limited hereby appoint _____
_____ (being any of the seven
individuals named at sub-paragraph (a) of the AGM Notice)

OR IN HIS/HER ABSENCE _____

_____ (being another of the
seven individuals named at sub-paragraph (a) of the AGM Notice)

To act as my/our proxy at the Annual General Meeting on _____
and at every adjournment thereof.

I/We request such proxy to vote on the following Resolutions as indicated below:

RESOLUTIONS	FOR	AGAINST	ABSTAIN
To receive and consider the Financial Statements of the Company for the year ended December 31, 2021 and the Report of the Directors and Auditors thereon			
To declare a final dividend of \$1.15 per share, free of Company Taxes, in respect of the year ended December 31, 2021			
To re-elect Egbert Carter, as a Non-Executive Director, until the conclusion of the next Annual General Meeting of the Company			
To re-elect Rudolph Collins, as a Non-Executive Director, until the conclusion of the next Annual General Meeting of the Company			
To re-elect Timothy Jonas - S.C., as a Non-Executive Director, until the conclusion of the next Annual General Meeting of the Company			
To re-elect Harryram Parmesar, as a Non-Executive Director, until the conclusion of the next Annual General Meeting of the Company			
To re-elect Lancelot Tyrell, as a Non-Executive Director, until the conclusion of the next Annual General Meeting of the Company			
To re-elect Joseph Singh, as a Non-Executive Director, until the conclusion of the next Annual General Meeting of the Company			
To fix the Remuneration of the elected Non-Executive Directors, at \$2,606,667 each per annum as approved at the last General Meeting of the Company and paid in 2021 until the conclusion of the next Annual General Meeting of the Company			
To: (i) Reappoint Messrs TSD Lal & Company, as Auditors of the Company, until the conclusion of the next Annual General Meeting; (ii) increase their remuneration from \$9,435,000 paid in 2020 to \$9,718,000 confirmed for year ended December 31, 2021 and that the Directors of the Company be authorized to fix their remuneration for the current financial year.			

As Witness my hand this _____ day of _____ 2022

Signed by _____

Corporate Shareholder to Affix Stamp/Seal:

UNLESS INSTRUCTED BY AN INSTRUMENT OF POWER OF ATTORNEY OR BY COMPLETION OF THE AFORESAID RESOLUTIONS, THE APPOINTED PROXY HOLDER WILL VOTE AS HE/SHE

Shareholders may raise any questions, seek clarification or make any comments or recommendations via proxy in the space provided below:

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LIMITED

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