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# RESP INSIBLE FRIEND

Outfit and shoes - check! Hair and makeup - check! Driver's licence and keys - check! That's right, I am ready to go.

Tonight I'm 'chilling with the bffs' – the sacred tradition my friends and I have kept since our high school days. Of course now, as adults, we have a little more curfew leverage – so we maximize every second we spend together. Honestly, I always look forward to these meetings. It's never quite the same experience – though it's always the same people. Believe me, we've come a long way – highs and lows, thick and thin – and through it all, our friendship has grown. Yet, though we've matured in age and other areas of our lives, we don't all share the spirit of 'the responsible'.

That's why tonight, like nights before, I'm the designated driver – but hey, who's counting? Yes, there is the risk of being called 'babysitter' or 'mommy', but that's a small price to pay for their safety and that of others. Don't get me wrong, we always have fun together. But when it's my turn to look out for the guys, I take that responsibility very seriously. That usually means one alcoholic beverage for the night – and strictly 'high quality H<sub>2</sub>O' after that. My friends are very dear to me. Friends look out for each other. Friends are accountable to each other. Are you a responsible friend?









# RESP NSIBLE SHOP OWNER

I've been a shop owner for as long as I can remember. I grew up helping my father and mother with the work of running this shop – they too were shop owner. I was privileged to inherit our family business and I feel a great sense of joy about the growth this shop has experienced over the years. But also, I feel very responsible to my family, community and to my customers concerning the way in which my business operates.

Sometimes it's very hectic around here – it takes more than three pairs of hands to run this shop now. We interact with all kinds of people everyday – different appearances, needs and motives. This is why our service is guided by lawful practices and good principles. I am not interested in gaining a profit by any means necessary. I'm well aware of the reality facing our communities and in the potential impact of my misdeeds. Therefore, I act responsibly.

We never sell alcohol, or any other product, to those who are not old enough to purchase it. Neither do we sell such things to individuals who are intoxicated or who are in an otherwise questionable frame of mind to be doing such. We embrace a positive initiative, if identification cannot be produced to show that customers are old enough to make the purchase, we do not release the product.

Our shop and community have been a part of each other for longer than I can remember. I intend to keep our relationship as a positive one. I am a Responsible Shop Owner.











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

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

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

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

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



The SIXTY SECOND ANNUAL GENERAL MEETING of Demerara Distillers Limited (DDL) will be held at DDL's Diamond Complex, Plantation Diamond, East Bank Demerara on Friday, April 25, 2014 at 4:30 p.m.

#### **AGENDA**

- 1. To receive and consider the Company's Accounts and Reports of the Directors and Auditors for the year ended December 31, 2013
- 2. To declare a Final Dividend of 43 cents (\$0.43) per share free of Company Taxes in respect of the year ended December 31, 2013.
- 3. To elect Directors.
- 4. To fix the Emoluments of the Directors.
- 5. To appoint Auditors and authorize the Directors to fix their remuneration.
- 6. To present long service awards to employees.

REGISTERED OFFICE

44 B High Street, Kingston, Georgetown, Guyana.

#### BY ORDER OF THE BOARD

**Allison Thorne** 

Company Secretary/Legal Officer

March 20, 2014

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

#### REGISTER OF MEMBERS

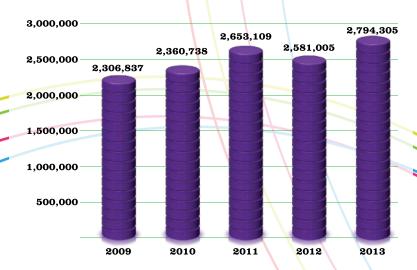
The Register of Members and Share Transfer Books of Demerara Distillers Limited will be closed from April 02, 2014 - April 25, 2014 - both days inclusive- for the purpose of preparing warrants of the Final Dividends for the year ended December 31, 2013.

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

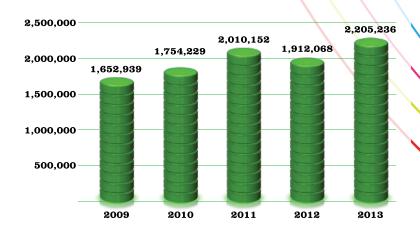


# FINANCIAL HIGHLIGHTS

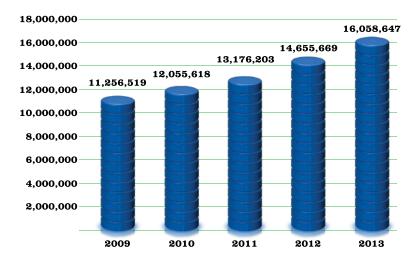
#### **OPERATING PROFIT • G\$000**



#### PROFIT BEFORE TAX • G\$000



#### **SHAREHOLDERS' EQUITY • G\$000**



DEMERARA DISTILLERS LIMITED
AND SUBSIDIARIES
annual report 2013



Registrar & Transfer Agent

Trust Company (Guyana) Limited

#### Auditors

#### TSD Lal & Co.

77 Brickdam, Stabroek, Georgetown, Guyana.

### Legal Advisors

#### **deCaries, Fitzpatrick & Karran** 80 Cowan Street, Kingston,

80 Cowan Street, Kingston, Georgetown, Guyana.

#### **Registered Office**

#### 44B High Street, Kingston, Georgetown, Guyana.

Email: ddlweb@demrum.com Website: www.theeldoradorum.com

#### **Bankers**

#### **Demerara Bank Limited**

230 Camp & South Streets, Georgetown, Guyana.

230 Camp & South Streets,

Georgetown, Guyana.

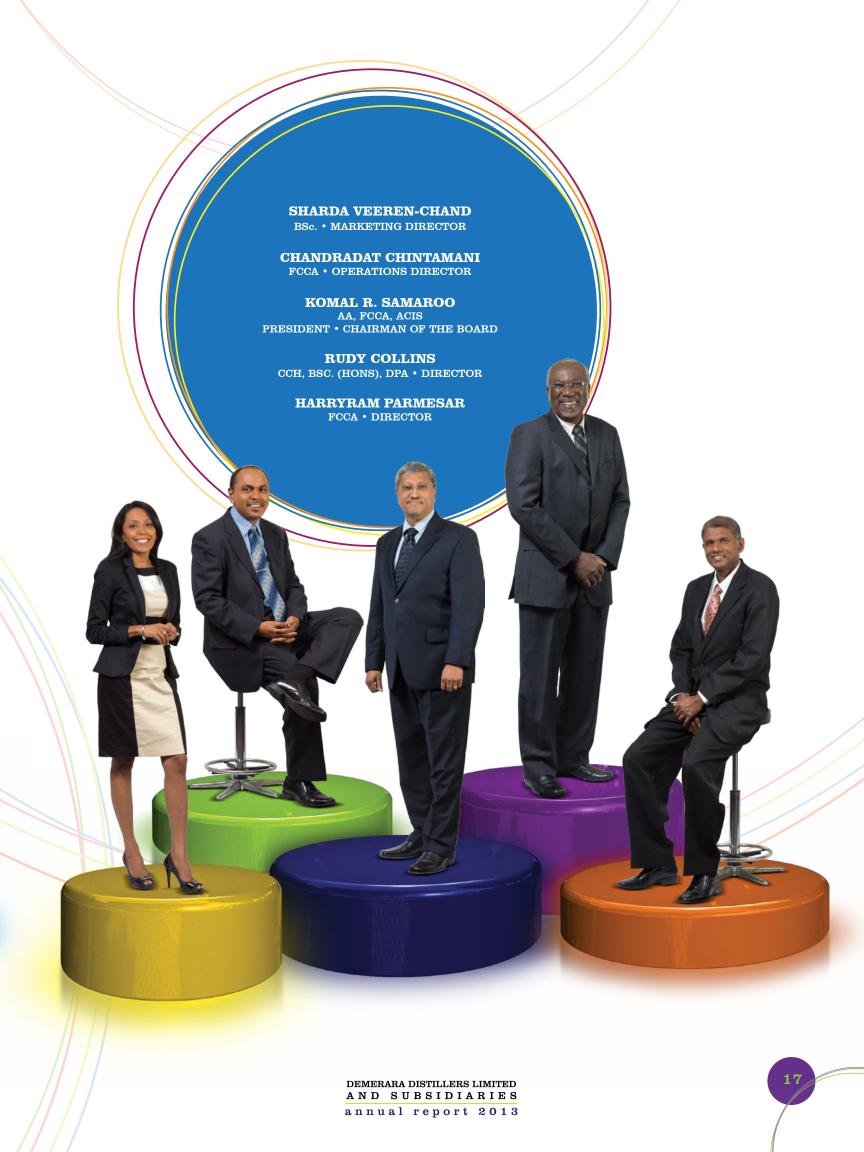
#### The Bank of Nova Scotia

104 Carmichael Street, Georgetown, Guyana.

#### Republic Bank (Guyana) Limited

Water Street, Georgetown, Guyana.









t the end of 2013 Dr. Yesu Persaud retired as Chairman of the Group after serving for more than 37 years in that position. 37 years ago, the Company's only area of business was liquor production. Under Dr. Persaud's leadership, the Company consolidated and expanded its liquor operations and also diversified into new areas, building on the strengths and core competencies of the organisation. Dr. Persaud's vision, tenacity and capacity for calculated risk taking has made the Company one of the leading private sector entities in Guyana. The Chairman, the Board and the Shareholders of Demerara Distillers Limited owe Dr. Yesu Persaud a profound debt of thanks for his great contribution and decisive leadership over those many years. We wish him a happy, healthy and peaceful retirement for many years to come.

The year 2013 was another reasonably good year for the Demerara Distillers Limited group. The earnings per share increased by 19% from \$1.71 recorded in the previous year to \$2.04. Turnover for the Group increased by \$1.7 billion, or 11%, from \$15.8 billion recorded in 2012 to \$17.5 billion achieved in 2013. This growth was primarily as a result of our ongoing aggressive efforts to obtain greater market share internationally and to make El Dorado one of the world's leading Rum Brands.

The Group's performance must be considered against the background of the slow economic recovery seen in 2013 as global economic growth slowed down to 2.9 % from 3.2 % in 2012. However, the domestic economy continued to show consistent growth, despite the fall in gold prices and the low sugar production. Notwithstanding these factors, the economy grew by 4.8% and the rate of inflation was 3.5%.



#### **Group Performance**

While the Group's turnover increased by 11% to \$17.5 billion, the Group's profit before tax increased by 15% from \$1.912 billion to \$2.205 billion in 2013, reflecting improved margins from cost reduction initiatives and efficiency drive undertaken by the management of the Company. The Group's profit after tax increased by 19% to \$1.569 billion from \$1.314 billion recorded in the previous year.

Most operating companies within the Group recorded improvement in their performance for the year.

#### **Company Performance**

Turnover for the year was \$11.5 billion when compared to \$10.6 billion in 2012, an increase of 8%. The Company's profit before tax increased from \$1.282 billion in 2012 to \$1.462 billion in 2013, an increase of 14%.

#### **Subsidiaries and Associated Companies**

Demerara Shipping Company Ltd has performed well, showing significant growth over 2012. The Company recorded a profit before tax of \$185 million compared to \$146 million in the previous year.

The profit before tax of Distribution Services Limited was \$455 million compared to \$490 million achieved the previous year. This reduction reflects the challenges facing the distribution division of the Company by parallel trading of some of the major brands it represents. The Company continues to strategically address these issues in conjunction with its Principals.

Tropical Orchards Product Company Ltd. continues to show improved results. For the year, the Company achieved a profit before tax of \$20.9 million when compared to \$16.2 million in the previous year.

Our overseas subsidiaries have also performed well. Our operations in St. Kitts had a very good year recording a profit before tax of \$54.4 million when compared to \$22 million in 2012.

Demerara Distillers (USA) Inc continues to show steady growth. The profit before tax increased from \$32.6 million to \$36.1 million in 2013. We anticipate further growth in the US market in 2014.

While our European operation has seen growth in bottled products, it was also affected by delayed shipments into that Continent as a result of the unavailability of specialized bulk vessels to transport our bulk products. This resulted in a shortfall in sales of approximately 3.3 million LPA. This amount remained as stocks in transit at the end of the year. The Company's profit before tax was \$122 million when compared to \$143 million in 2012. We are confident that this lost ground will be recovered in 2014.

National Rums of Jamaica (NRJ) has had a very good year, overcoming some of the challenges faced by the Company in the previous year. Demerara Distillers Limited's share of profit before tax in 2013 was \$93 million when compared to \$46 million in 2012.

In 2013 the joint venture agreement in India came to an end and we decided not to renew it. With the country reducing import tariff on imported alcohol we have changed our approach in this, the largest rum market in the world. Our approach will be to export and build our brand in the top end of the spirits market.

#### **Dividends**

The Company paid an interim dividend of \$0.15 per share, and the Directors recommend a final dividend of \$0.43 per share making the total \$0.58 for the year. In 2012, a total dividend of \$0.52 was paid.

#### Awards

We are pleased to announce that during the year 2013, the El Dorado 8 YO was adjudged Best Rum and trophy winner for the year at the International Wines and Spirits Competition held annually in London. The Eldorado 21YO, 15YO, and 12YO all won Gold Medals while the 5YO and 3YO won Silver Medals. The Company was also adjudged the Distiller of the Year for the Americas and the Caribbean.

#### **Capital Expenditure and Investment**

The Group has expended \$854M during the year 2013 to upgrade key machinery and equipment. A new Sidel Blow Molding Machine was installed, during the year; in order to expand our PET blowing capacity. A new Chilling and Filtration Unit was also purchased and this will increase the Company's capacity to meet the growing market for its aged rums internationally. Six new Freightliner Trucks were acquired to complement the existing distribution fleet and a new Container Stacker for our Shipping Operations was purchased during the year. There were also major upgrades to our Wharf facilities.

The Group will continue with its modernization plan in 2014, and has budgeted \$1.3 billion, in this regard. It plans to continue the upgrade, which started in 2013, to the Wharf facilities of the Shipping Operations, along with the acquisition of additional trucks for its fleet, improvement to its storage facilities and replacement of critical production equipment. The Group will also continue the expansion of the distribution business.

#### **New Product Development**

In 2013 the Company entered a new segment of the non-alcoholic beverage market, the juice based drinks segment, with the introduction of the line of TOPCO Quenchers in three convenient sizes. These products were well received in the market.

We also introduced into our range of beverages a new 400 ml size which was similarly well received.

#### **Quality Assurance**

During the past year, our quality assurance system has been subjected to several rigorous external audits by our principals, our suppliers and our registrars and we are happy to report that we have successfully preserved and upheld the high international standards as are required by these stakeholders.

Our team remains committed to maintaining the very highest standards of quality and to ensuring the delivery of safe products to our consumers. As evident by our award winning rums, quality is in everything we do.





During the year, our Quality Assurance Laboratory will be continuing its drive to upgrade its equipment with the investment in a Gas Chromatograph/Mass Spectrometer (GC/MS) and further enhancing its technological capabilities. A modern laboratory and skilled personnel are important mainstays in maintaining our commitment towards ensuring quality products always.

#### **Human Resources**

The Company continued to invest in building its human resource capacity in keeping with the growing demands of its business, constantly looking for new and exciting ways to attract new persons to the Company, and continuously developing those already employed.

In 2013, tremendous emphasis was placed on improving the quality and skills of our Machine Operators, and specific training and developmental opportunities are being provided for this group of employees.

The Company also started its Apprenticeship Programme in 2013. At present, there are six Apprentices currently on training with the Company, each for a period of two years.

The Company continues to recruit and train graduates for specialized roles to meet our specific personnel needs. In 2013, we recruited 8 graduate trainees (7 new and 1 sponsored). For those already employed, the Company continues its policy of offering scholarships to pursue studies at the University of Guyana, and grants to pursue relevant courses of study.

As part of its commitment to providing work experience to persons who are currently pursuing studies at various educational institutions, the Company provided work attachments to 66 persons from various educational institutions, mainly in regions 3 and 4.

#### Long Serving employees

We are pleased to recognize employees who have given dedicated service to the Company. These services range from 15-35 years. We thank them for their continued hard work and support during the year and look forward to their continued commitment in the future. We will be honoring these employees during our meeting.

#### **Board of Directors**

A Group as diverse and dynamic as the DDL group, with its wide range of product and services, as well as the numerous markets around the world in which it operates, requires a very involved and focused direction and management to continuously and sustainably plan, execute and monitor its activities and progress. Leadership of such an organization requires a Board of Directors with the vision, knowledge and experience to guide the growth of the Company within a framework of good corporate governance.

The continued growth and expansion of our Company has been due in no small measure to the breadth, depth and range of experience in areas like international affairs, law, finance as well as engineering and management that reside in our Board of Directors.

We are pleased that Mr. Lancelot Tyrell, a former Booker

Engineering Cadet has accepted our invitation to join the Board. He brings with him a wide range of experiences in the mechanical and electrical engineering fields, as well as in technical training and management at the senior executive level. Our Board has been strengthened by his addition.

We are equally pleased to announce the Executive Board appointment of Mrs. Sharon Sue Hang-Baksh, who has been and continues to be the Company's Quality Assurance Director, with responsibility for monitoring and improving the quality systems in the various manufacturing operations. Coupled with her expertise in Food Chemistry and experience in managing systems from a quality control as well as quality assurance perspective, the Board anticipates the contributions of Mrs. Sharon Sue Hang-Baksh towards the further advancement of our premium quality brands.

#### Acknowledgement

I would like to express my sincere appreciation to the Board of Directors for their continuous commitment to the Company and direction given, through Board and Special Committee Meetings and other forms of participation.

My appreciation is also extended to the management team and employees at all levels, for their hard work, dedication and commitment during 2013 and look forward to their continued support in 2014.

I would like to thank all our valued customers and other partners both locally and internationally for the support they have given us throughout the year and I look forward to their continued support in 2014.

**Komal Samaroo** 

President, Chairman of the Board



NAME	DEPARTMENT	YEARS OF SERVICE	NAME	DEPARTMENT	YEARS OF SERVICE
Mohan Jagdeo	New Bottling Plant	35	Vijay Persaud	Distillery	20
Rajpattie	Security	25	Rasheed Khan	Distillery	20
Kawall Singh	Sales & Marketing	25	Ramrattan Harichand	Central Stores	20
Bridgemohan Ramdas	New Bottling Plant	25	Shaunett Kingston	Beverage Plant	20
Phralad	Engineering Services	25	Pramendra Budhoo	Beverage Plant	20
Chandrapaul Jairam	Distillery	25	Dipchand Dhanpaul	Berbice Branch	20
Nabila Shaw	Commercial	25	Sewdat Miranjie	Beverage Plant	15
Parmanand Sooklall	Operations	25	Gomaday Shivratan	TOPCO	15
Donald Murray	New Bottling Plant	25	Jhagnarine Ramsumair	TOPCO	15
Muneshwar Tajeshwar	Sales & Marketing	20	Shivnarine Singh	Special Events	15
Margaret Bhulai	DSL	20	Nandlall Roopnarine	Security	15
Delbert Sagon	Distillery	20	Indar Kissoon	Security	15
Gopaul Charan	DSCL	20	Francis Gordon	Security	15
Rohan Mangra	Operations	20	Kedar Bharat	Security	15
Inderdeo Deonarine	Security	20	Laverne Dazzell	New Bottling Plant	15
Kali Das Ram	Rum Delivery	20	Rajcoomarie Narine	New Bottling Plant	15
Bhebehechen Narine	Rum Delivery	20	Deodat Sooknanan	New Bottling Plant	15
Yvette Wilkinson	New Bottling Plant	20	Bibi Gobin	New Bottling Plant	15
Vedwattie Persaud	New Bottling Plant	20	Zareena Carreiro	New Bottling Plant	15
Roxanne Meusa	New Bottling Plant	20	Deonan Prashad	Engineering Services	s 15
Henry Lackan	New Bottling Plant	20	Colan Bernard	DSL	15
Ameer Khan	New Bottling Plant	20	Donald Mahase	Distillery	15
Andy W. Sukhram	Engineering Services	20	Keon Garnett	Distillery	15
Haman Sooklall	Distillery	20	Azim Gafoor	Distillery	15







## **MANAGEMENT**

**Production & Logistics** 

DONALD MURRAY AMAR SEWEDA

Bottling Plant Manager Blending & Aging Manager

ASIF GAFOOR MAHENDRA RAMJEAWAN
Beverage Plant Manager DSCL Operations Manager

SHAUN CALEB NARENDRA MAIKU
Distillery Plant Manager TOPCO Plant Manager





Sales & Marketing

TAMSIA JODHAN NATASHA ALLY
Int'l Marketing Division Manager Retail Manager - DSL

**BRYAN PRITTIPAUL YESHWAR BHAGWANDAT** Operations Manager - DSL Senior Business Development

Manager

LARRY WILLS

Brand Executive MARK CHINAPEN

Sales & Distribution Manager







The Board of Directors submits the Annual Report of Demerara Distillers Limited & Subsidiaries together with the Audited Financial Statements for the year ended December 31, 2013.

#### **Turnover and Profitability**

Group turnover increased by \$\$1.7 billion from \$15.783 billion in 2012 to \$17.529 billion in 2013. Group pre-tax profits increased by \$293 million in 2013 from \$1.912 billion in 2012 to \$2.205 billion.

#### **Dividends**

A final dividend of 43 cents (\$0.43) per share has been recommended, in addition to the 15 cents (\$0.15) per share interim dividend already paid, bringing the total dividends for the year to 58 cents (\$0.58) per share.

#### **Directors**

The Directors of the Company during the financial year ended December 31, 2013 were and until the date of this Report are:

DIRECTOR	DESIGNATION			
Komal Samaroo	Executive Chairman (appointed January 01, 2014)			
Egbert Carter	Non-Executive Director			
Rudolph Collins	Non-Executive Director			
Timothy Jonas	Non-Executive Director			
Harryram Parmesar	Non-Executive Director			
Yesu Persaud	Non-Executive Director (appointed January 01, 2014)			
Sharda Veeren Chand	Executive Director			
Chandradat Chintamani	Executive Director			
Sharon Sue Hang-Baksh	Executive Director (appointed January 21, 2014)			
Lancelot Tyrell	Non-Executive Director (appointed March 06, 2014)			

#### **Board Changes**

On November 16, 2013, the Company publicly announced the retirement of Dr. Yesu Persaud as Chairman of the Board of Directors of the Group, which took effect from January 01, 2014.

The Company also notified that effective January 01, 2014, Dr. Yesu Persaud would serve on the Board of Directors of the Group as a Non-Executive Director.

On November 16, 2013, the Company publicized the succession of the Chairmanship of the Board to Mr. Komal Samaroo, who at that time, held the position of Managing Director and Vice President of International Marketing.

Effective January 01, 2014, Mr. Komal Samaroo was appointed the Chairman of the Board of the Directors of the Group.

On January 21, 2014, Mrs. Sharon Sue Hang-Baksh, who prior to her appointment was the Company's Quality Assurance Director, was appointed to the Board as an Executive Director.

On March 06, 2014, Mr. Lancelot Tyrell, Electrical Engineer, was appointed to the Board as a Non-Executive Director.

In accordance with Article 122 of the Company's Articles of Association, Directors Messrs. Egbert Carter, Rudolph Collins, Timothy Jonas, Harryram Parmesar, Yesu Persaud and Lancelot Tyrell will retire by rotation at the close of the Annual General Meeting held on the 25 day of April 2014, and being eligible, offer themselves up for re-election.

#### Directors' Emoluments as at December 31, 2013

Mr. Egbert Carter	\$1,254,000
Mr. Rudolph Collins	\$1,254,000
Mr. Timothy Jonas	\$1,254,000
Harryram Parmesar	\$1,254,000
Yesu Persaud	Nil
Lancelot Tyrell	Nil





Directors' Interest - Demerara Distillers Limited

The interests of Directors holding office in the ordinary shares of Demerara Distillers Limited at December 31, 2013 and up to the date of this Report were as follows:

#### DIRECTOR

#### **ORDINARY SHARES AT NO. PAR VALUE**

	Beneficial Interest		Associates' Interest	
	2013	2012	2013	2012
Komal Samaroo	931,646	908,312	1,137,141	1,137,141
Egbert Carter	14,000	14,000	Nil	Nil
Rudolph Collins	929	929	Nil	Nil
Timothy Jonas	50,000	50,000	Nil	Nil
Harryram Parmesar	50,254	Nil	Nil	Nil
Yesu Persaud	4,677,912	4,654,578	Nil	Nil
Sharda Veeren-Chand	1,500,000	1,000,000	Nil	Nil
Chandradat Chintamani	200,000	Nil	Nil	Nil
Sharon Sue Hang-Baksh	23,334	23,334	Nil	Nil
Lancelot Tyrell	29,750	29,750	Nil	Nil

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

#### **Contracts with Directors**

During the financial year there were no:

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

#### **Auditors**

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

#### **Corporate Governance**

The Board's continued recognition of its responsibility for the prudent stewardship and governance of the Company in a transparent, accountable, fair and responsible manner remained its highest priority in the oversight of the strategic goals and objectives of the Company.

In establishing and monitoring the progress of the Company's strategic goals and objectives, the Board continues to be led by those corporate governance best practices that:

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





Board Meetings are convened monthly allowing for critical review on substantive matters including but not limited to the business and financial direction of the Company as well as the management and mitigation of various corporate and operational risks. The diversity in skills, experience, perspectives and gender amongst Board Members fosters an atmosphere of healthy debates as well as inclusive decision making at such Board Meetings.

With respect to the daily management of the operations and affairs of the Company, the Executive Committee and Senior Management, supported by Middle Management, are primarily tasked with discharging this responsibility in keeping with the objectives, policies and guidelines agreed by the Board. The Board allows the Executive Committee and Senior Managers to administer the daily operations of the Company without intervention, within specified limits. These limits are preserved to ensure that the guiding principles and best practices of corporate governance are adhered to.

The Company's Management structure allows for the segregation of duties and entails various levels of authority depending on the nature of the transaction. The Production and Sales Divisions are separate and distinct from the Service Divisions such as Commercial, Human Resources, Quality Assurance, Finance and Security. There is no cross responsibility between these two aspects of the Company and the reporting hierarchy is designed to ensure that the possibility of conflict of interest is minimized.

As the Board continues to ensure the sustainable generation of long term value whilst balancing investments, expenditures, returns, resource maximization and environmental preservation it maintains strict adherence to superior corporate best practices.

#### **Audit Committee**

The Members of the Audit Committee are:

Harryram Parmesar Chairman Timothy Jonas Member

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

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

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

#### **Substantial Shareholders**

	:	2013	2012		
Company/Institution	# of Shares	% Shareholding	# of Shares	% Shareholding	
Trust Company (Guyana) Limited	154,317,005	20.04	148,978,887	19.34	
Secure International Finance Co Ltd	140,413,433	18.23	140,147,192	18.20	
National Insurance Company	61,600,000	8.00	61,600,000	8.00	

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

#### Changes in Affairs of the Company

There were no significant changes in the affairs of the Company during the year ended December 31, 2013.





#### **Issued Share Capital of Subsidiaries**

Demerara Contractors & Engineers Limited

Demerara Shipping Company Limited

Distribution Services Limited

Tropical Orchard Products Company Limited

Breitenstein Holdings BV

Demerara Distillers (St. Kitts-Nevis) Limited

Demerara Distillers (TT) Limited

Demerara Distillers (US) Inc.

Demerara Rum Company

10,000,000 shares at no par value

5,000,000 shares at no par value

10,000,000 shares at no par value

13,300 shares at \$1,000

22,689 shares at no par value

10,000 shares at EC\$270

2 shares at no par value

90,000 shares at no par value

100 shares at no par value

BY ORDER OF THE BOARD

Allison Thorne (Ms.)

Company Secretary/Legal Officer

March 20, 2014





# C RPORATE SOCIAL RESPONSIBILITY

At Demerara Distillers Limited it is our philosophy that we should help to develop the next generation of consumers and employees who will be the future of both our Company and our Country. In 2013 we continued our focus on the development of youth through several avenues in the areas of Education and Sports.



















#### **EDUCATION**

#### The DDL Foundation

The Foundation which was launched in December 2010 focuses on the advancement of secondary education for students by providing scholarships to assist with the main costs associated with attending school. This includes books, uniforms, transportation and in some cases, meals.

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

The Foundation comprises mainly volunteers from the DDL staff body, and would also include a Mentorship Programme where each child would be linked to a Mentor who will monitor the performance of the child and provide the necessary moral and other support during the period of their relationship with the Foundation.

Currently there are 22 students who attend leading secondary schools around Guyana who benefit from this scholarship programme.

#### **SPORTS**

#### Cricket

In 2013 we continued our sponsorship of the Guyana Cricket Board Pepsi Inter-County 50-over tournament. This critical tournament continues to give exposure to our young cricketers and is a critical part of Guyana's preparation for the regional competitions.

This game is also used by the senior selectors to pick the best possible team to represent Guyana at the regional tournaments.

#### Football

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

This programme is one of the first comprehensive secondary school football programmes for male and females between the ages of 10 and 15 years old. This programme focuses on training.

The programme over the last four years has trained over 75 PE Teachers as coaches and over 50 students have been trained as assistant referees.

We have seen participation of over 24 schools from across Guyana. We are pleased that thirteen of this programme's beneficiaries were selected to the Guyana National Squad after three years of the programmes.

#### **Boxing**

Demerara Distillers Limited's relationship with the Guyana Amateur Boxing Association (GABA) continued in 2013 with Pepsi partnering with the GABA to sponsor the Under-16 boxing championship in 2013.

Known as the "nursery" for boxing, the GABA has emphasized the importance of these matches to honing the skills of young boxers. The main objective of this tournament is to provide young amateur boxers with an opportunity to participate in organized activity. For most of the young people involved in this sport, boxing is a lifeline that will not only provide the path to professionalism but will also provide gainful meaningful engagement.

#### Chess

In March and October 2013, Demerara Distillers Limited under its Diamond Mineral Water brand partnered with the Guyana Chess Federation in hosting of the One day Rapid tournament and the Diamond Mineral Water Junior Championship Qualifiers. This sport enhances both the social and mental skills of individuals.

#### Cycling

Once again Demerara Distillers Limited under its Diamond Mineral Water brand collaborated with National Cycling Coach, Hassan Mohamed in hosting of two major cycling events in the year 2013. The 8th Annual Youth Programme and Invitation Event was held in March while the 14th Annual Diamond Mineral Water 50 Miles Road Race was held in November, where Mr. Warren Mckay emerged as the winner.

#### **Hockey**

Demerara Distillers Limited, under its Diamond Mineral Water brand once again teamed up with the Guyana Hockey Board in hosting of the 9th Diamond Mineral Water International Indoor Hockey Festival which was held at the National Gymnasium from the 28th November to 1st December. This year 19 teams participated in the festival and were placed in the Men's, Women's or Veteran's category. These teams were from Canada, Trinidad and Guyana. Canada Revamp men emerged winners in the Men's category.

#### Golf

Demerara Distillers Limited has aided in the development of various sporting activities in Guyana. For the last three years, El Dorado has been sponsoring Golf. This tournament was once again held at the Lusignan Golf Club and this year saw over 50 persons participating in the tournament.

#### **COMMUNITY ACTIVITIES**

#### Horse racing

Continuing years of tradition Demerara Distillers Limited continued our sponsorship of the Kennard Memorial Annual Horse Racing Tournament. This activity is a key one in the horse racing calendar and is a major event for the Bush Lot Community as well as surrounding areas.

#### Rode

The El Dorado Rupununi Rodeo has become a mainstay in our annual list of activities at Demerara Distillers Limited. This event is a major one from the Lethem community attracting both tourists from the neighbouring Brazil as well as those journeying the trail from Georgetown.

#### INTERNATIONAL SPONSORSHIPS

#### Caribbean Premier League

Demerara Distillers Limited was proud to be an official partner



of the inaugural Caribbean Premier League Tournament which was held in the Caribbean in July through August of 2013.

El Dorado was pleased to bring our distinctive taste and spirit to the tournament. El Dorado was not only the rum of choice for this landmark event, but also sponsored the tournament's Catch of the Match award. This Award went to one player in each of the 24 matches who pulled off a thrilling catch in the game, demonstrating the spirit of the tournament and the El Dorado brand. Since the El Dorado Rum brand embodies the spirit of Guyana and the Caribbean-competitiveness, fun, hard work and enjoyment –all at the same time, it was a perfect match as the spirit of the CPL.

## SPONSORSHIPS, AWARDS AND OTHER IN-HOUSE ACTIVITIES

#### **Bursary Awards**

In addition to all the work that is being done outside the company, there are a few areas that we would like to highlight internally. The company continues its Bursary Award scheme, awarding 17 children with bursary awards for the next five years. This was done on Monday, August 12th, 2013. The company started offering bursary awards in 1998, and currently has eighty three (83) students receiving annual bursaries, from all across Guyana.

#### **Work Attachment**

As part of our Corporate Social Responsibility, Demerara Distillers Limited facilitated a limited work study programme that accommodated sixty six (66) students. These students were acquired from the University of Guyana, Secondary Schools across Guyana, Government Technical Institute, Kuru Kuru Training Centre, Leonora Technical and Vocational Training Centre.

These students were assigned to various departments within the company, for various periods of time.

#### Tours

The facilities at Demerara Distillers Limited have always fascinated individuals. During the year 2013, the Company facilitated two thousand, four hundred and fifty (2,450) students from forty eight (48) different institutions to gain onsite exposure and knowledge of the operations of the Topco and Beverage Plants.

#### Cadetship/Sponsorship Programme

In 2013, the Demerara Distillers Limited offered one (1) cadetship in Chemistry at the University of Guyana, bringing the current number of sponsored students to three.

In addition to the Cadetships, there are fifty eight (58) beneficiaries of support for professional development at both local and foreign Universities and other professional institutions. These students are studying a wide range of subjects, from accounting, information technology, business administration, human resources, marketing etc.

This programme represents just one of the many ways in which the Company gives back to the society/ community and underscores

the Company's commitment to human resource development.

#### **Apprenticeship**

During 2013, the company started its in-house apprenticeship scheme. The company was named as Master to receive and train apprentices under the Board of Industrial training.

#### **Management Trainee Programme**

In 2013, Demerara Distillers Limited accepted eight (8) University Graduates from the Departments of Social Sciences and Technology, into its Graduate Trainee Programme.

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

#### Staff Health and welfare

Demerara Distillers Limited continues to pay keen attention to the general health of its employees. Employees are continuously encouraged to be productive citizens. In 2013, Demerara Distillers Limited once again partnered with the National Blood Transfusion Service. This collaboration was done on March 19th and September 27th 2013 and saw 24 and 38 units of blood collected by the Blood Bank respectively.

During the 2013, Demerara Distillers Limited also held an immunisation session for employees where over 100 staff members were immunised with yellow fever, diphtheria (tetanus), measles mumps and rubella and Hepatitis B Vaccines.

As a multi-cultural company, Demerara Distillers Limited employees have planned and executed a number of events that coincided with the various religious and cultural holidays in Guyana. These included an Emancipation concert, Diwali concert and Inter departmental Rangoli competition and a Christmas concert.



## FINANCIAL STATEMENTS

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## TO THE MEMBERS OF DEMERARA DISTILLERS LIMITED AND SUBSIDIARIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Demerara Distillers Limited and Subsidiaries which comprise the statement of financial position as at December 31, 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 36 to 102.

#### Directors'/Managements' Responsibility for the Financial Statements

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the financial statements give a true and fair view, in all material respects of the financial position of Demerara Distillers Limited and Subsidiaries as at December 31, 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Report on Other Legal and Regulatory Requirements

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

TSD LAL & CO.

CHARTERED ACCOUNTANTS

77 Brickdam, Stabroek, Georgetown, Guyana March 08, 2014



# consolidated statement of PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2013

	NOTES	COMPANY		GROUP	
		2013 G\$ 000	2012 Restated G\$ 000	2013 G\$ 000	2012 Restated G\$ 000
Turnover Cost of sales		11,449,408 (7,868,849)	10,610,194 (7,597,086)	17,529,199 (11,266,704)	15,783,081 (10,163,616)
Gross profit Other income Selling and distribution expenses Administration expenses	5	3,580,559 360,611 (698,537) (1,186,469)	3,013,108 511,122 (644,565) (977,306)	6,262,495 389,079 (2,055,739) (2,010,034)	5,619,465 345,366 (1,706,122) (1,738,127)
Profit before interest and taxation Finance cost Share of profit of associate companies	11c (i)	2,056,164 (594,361) -	1,902,359 (620,659) -	2,585,801 (589,069) 208,504	2,520,582 (668,937) 60,423
Profit before taxation Taxation	6 7	1,461,803 (312,751)	1,281,700 (317,697)	2,205,236 (635,815)	1,912,068 (597,849)
Profit for the year		1,149,052	964,003	1,569,421	1,314,219
Other Comprehensive Income: Items that will not be reclassified to profit or loss: Remeasurement of defined benefit pension plans	7	125,359	442,743	125,359	442,743
Items that may be subsequently reclassified to		125,359	442,743	125,359	442,743
profit or loss: Exchange difference on consolidation Fair value gain on investments	18(c) 18(b)	- 93,681	58,779	65,137 66,561	21,419 67,480
		93,681	58,779	131,698	88,899
Other comprehensive income for the year		219,040	501,522	257,057	531,642
Total comprehensive income for the year		1,368,092	1,465,525	1,826,478	1,845,861
Profit attributable to: Equity holders of the parent Non Controlling Interest	19	1,149,052 -	964,003 -	1,569,421 	1,317,424 (3,205)
		1,149,052	964,003	1,569,421	1,314,219
Total Comprehensive Income attributable to: Equity holders of the parent Non Controlling Interest		1,368,092	1,465,525 -	1,826,478	1,849,066 (3,205)
		1,368,092	1,465,525	1,826,478	1,845,861
Basic earnings per share in dollars	9	1.49	1.25	2.04	1.71
				—	

### statement of CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2013

### COMPANY Attributable to equity holders of the parent

	Notes	Share capital	Capital reserves	Other reserve	Retained earnings	Total
		G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Balance at January 01, 2012 (previously reported	)	770,000	489,565	617,210	8,805,809	10,682,584
Change in accounting policy	30	-	-	-	101,698	101,698
Balance at January 01, 2012 Restated		770,000	489,565	617,210	8,907,507	10,784,282
Changes in equity 2012						
Total comprehensive income for the year		-	-	58,779	1,406,746	1,465,525
Dividends	8	_	-	-	(369,600)	(369,600)
Balance at December 31, 2012 Restated		770,000	489,565	675,989	9,944,653	11,880,207
Changes in equity 2013						
Total comprehensive income for the year		-	-	93,681	1,274,411	1,368,092
Dividends	8	_	-	-	(423,500)	(423,500)
Balance at December 31, 2013		770,000	489,565	769,670	10,795,564	12,824,799



# statement of CHANGES IN EQUITY AS AT DECEMBER 31, 2013

### GROUP

		А	ttributable to	equity ho	ders of the	parent		Non Control	ing Total equity
	Notes	Share capital	Capital reserves	Other reserve	Exchange difference reserve	Retained earnings	Total	moreot	oquity
		G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Balance at January 01, 2012 (previously reported)		770,000	450,854	717,849	23,467	11,112,335	13,074,505	32,538	13,107,043
Change in accounting policy	30	-	-	-	-	101,698	101,698	-	101,698
Balance at January 01, 2012 Restated		770,000	450,854	717,849	23,467	11,214,033	13,176,203	32,538	13,208,741
Changes in equity 2012					$\langle \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \$				
Total comprehensive income for	or the year	-	-	67,480	21,419	1,760,167	1,849,066	(3,205)	1,845,861
Dividends	8	-	-	-	1 /	(369,600)	(369,600)	) -	(369,600)
Balance at December 31, 2012 Restated		770,000	450,854	785,329	44,886	12,604,600	14,655,669	29,333	14,685,002
Changes in equity 2013									
Total comprehensive income for	or the year	-	-	66,561	65,137	1,694,780	1,826,478	(29,333)	1,797,145
Dividends	8	-	-	-	-	(423,500)	(423,500)	-	(423,500)
Balance at December 31, 2013		770,000	450,854	851,890	110,023	13,875,880	16,058,647		16,058,647

### consolidated statement of FINANCIAL POSITION

AS AT DECEMBER 31, 2013

	NOTES		COMPANY			GROUP	
		2013	2012	2011	2013	2012	2011
ASSETS Non current assets		G\$ 000	Restated G\$ 000	Restated G\$ 000	G\$ 000	Restated G\$ 000	Restated G\$ 000
Property, plant and equipment Investments Deferred expenditure Retirement benefit asset	10 11 12 13	8,953,929 1,432,772 80 1,383,182	8,740,379 1,606,915 80 1,159,018	8,594,329 1,557,138 5,185 507,617	9,812,371 1,518,119 80 1,383,182	9,581,676 1,579,936 46,438 1,159,018	9,474,645 1,459,925 76,938 507,617
Total non-current assets		11,769,963	11,506,392	10,664,269	12,713,752	12,367,068	11,519,125
Current assets							
Inventories Trade and other receivables Prepayments Taxes recoverable Cash in hand and at bank	14 15	10,182,806 1,062,892 76,950 524,913 155,304	8,864,565 999,811 64,655 557,298 80,469	8,074,729 694,895 92,059 410,545 63,987	12,691,321 2,151,732 110,513 693,643 365,993	11,229,470 3,197,578 201,168 661,641 186,316	9,913,152 2,508,339 227,042 519,609 167,208
Total current assets		12,002,865	10,566,798	9,336,215	16,013,202	15,476,173	13,335,350
TOTAL ASSETS		23,772,828	22,073,190	20,000,484	28,726,954	27,843,241	24,854,475
EQUITY AND LIABILITIES							
Equity attributable to equity holde	ers of the pa	arent					
Issued capital Capital reserves Other reserve Exchange difference reserve Accumulated profits	17 18 (a) 18 (b) 18 (c)	770,000 489,565 769,670 - 10,795,564	770,000 489,565 675,989 - 9,944,653	770,000 489,565 617,210 - 8,907,507	770,000 450,854 851,890 110,023 13,875,880	770,000 450,854 785,329 44,886 12,604,600	770,000 450,854 717,849 23,467 11,214,033
		12,824,799	11,880,207	10,784,282	16,058,647	14,655,669	13,176,203
Non Controlling Interest	19	-	-	-	-	29,333	32,538
TOTAL EQUITY		12,824,799	11,880,207	10,784,282	16,058,647	14,685,002	13,208,741



### consolidated statement of FINANCIAL POSITION cont'd

AS AT DECEMBER 31, 2013

	NOTES		COMPANY			GROUP	
		2013	2012 Restated	2011 Restated	2013	2012 Restated	2011 Restated
Non-current liabilities		G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Loans due after one year	20	2,999,833	2,127,854	2,766,271	3,708,102	2,558,377	3,241,946
Deferred tax	7	1,294,729	1,284,875	870,620	1,298,216	1,286,136	871,877
Retirement benefit obligation	13	63,783	87,266	104,241	63,783	87,266	104,241
Total non-current liabilities		4,358,345	3,499,995	3,741,132	5,070,101	3,931,779	4,218,064
Current liabilities			\\	\ \			
Trade and other payables	16	4,055,825	4,287,660	3,439,813	3,805,275	5,691,438	4,348,472
Taxes payable		262,809	146,120	-	242,673	131,204	33,570
Current portion of Interest			\	\ \			
bearing borrowings	20	815,716	652,204	834,609	869,261	700,326	882,548
Bank overdraft (secured)	20	1,455,334	1,607,004	1,200,648	2,680,997	2,703,492	2,163,080
Total current liabilities		6,589,684	6,692,988	5,475,070	7,598,206	9,226,460	7,427,670
TOTAL LIABILITIES		10,948,029	10,192,983	9,216,202	12,668,307	13,158,239	11,645,734
TOTAL EQUITY AND LIABILITI	ES	23,772,828	22,073,190	20,000,484	28,726,954	27,843,241	24,854,475

The Board of Directors approved these financial statements for issue on March 08, 2014

Director

### consolidated statement of CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	COMPANY		GROUP		
	2013	2012 Restated	2013	2012 Restated	
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	
Operating activities Profit before taxation	1,461,803	1,281,700	2,205,236	1,912,068	
Adjustments for:					
Depreciation	543,927	543,674	620,828	656,633	
Decrease in deferred expenditure	-	5,105	46,358	30,500	
Fair value adjustment on investment	_	-	12,704	-	
Increase in defined benefit asset	(72,989)	(41,408)	(72,989)	(41,408)	
Increase in defined benefit liability	4,426	5,522	4,426	5,522	
Loss on disposal of investment	267,824	-	267,824	-	
Increase in investment in associate companies	-	-	(181,480)	(61,531)	
Exchange difference on consolidation	-	-	65,137	21,419	
Interest received	(35)	(9)	(35)	(60,200)	
Interest paid	594,396	620,668	589,104	729,137	
Operating profit before working capital changes	2,799,352	2,415,252	3,557,113	3,192,140	
Increase in inventories	(1,318,241)	(789,835)	(1,461,851)	(1,316,317)	
(Increase) / decrease in receivables and prepayments	(75,376)	(277,510)	1,136,501	(663,367)	
Increase / (decrease) in payables and accruals	(720,771)	871,114	(1,886,163)	1,400,715	
Decrease in due from subsidiaries	488,936	34,482		-	
Cash generated from operations	1,173,900	2,253,503	1,345,600	2,613,171	
Taxes paid/adjusted	(207,548)	(93,824)	(597,996)	(417,734)	
Net cash provided by operating activities	966,352	2,159,679	747,604	2,195,437	
Investing activities					
Interest received	35	9	35	60,200	
Purchase/transfer of property, plant and equipment	(757,477)	(691,063)	(912,425)	(781,073)	
Purchase of investment	-	(48,750)	-	(48,750)	
Sale of property, plant and equipment		1,342	60,902	17,410	
Net cash used in investing activities	(757,442)	(738,462)	(851,488)	(752,213)	



### consolidated statement of

FOR THE YEAR ENDED DECEMBER 31, 2013

	COMPANY		GROUP		
	2013	2012 Restated	2013	2012 Restated	
\	G\$ 000	G\$ 000	G\$ 000	G\$ 000	
Financing activities	\ \ \				
Loans drawn down	2,340,122	_	2,994,122	_	
Loan repayments and transfers	(1,304,631)	(820,822)	(1,675,462)	(865,791)	
Interest paid	(594,396)	(620,668)	(589,104)	(729,137)	
Dividends paid	(423,500)	(369,600)	(423,500)	(369,600)	
Net cash provided by/(used in) financing activities	17,595	(1,811,090)	306,056	(1,964,528)	
Net increase/(decrease) in cash and cash equivalents	226,505	(389,873)	202,172	(521,304)	
Cash and cash equivalents at beginning of period	(1,526,535)	(1,136,662)	(2,517,176)	(1,995,872)	
Cash and cash equivalents at end of period	(1,300,030)	(1,526,535)	(2,315,004)	(2,517,176)	
Comprising:					
Cash and bank	155,304	80,469	365,993	186,316	
Bank overdraft (secured)	(1,455,334)	(1,607,004)	(2,680,997)	(2,703,492)	
Cash and cash equivalents at end of period	(1,300,030)	(1,526,535)	(2,315,004)	(2,517,176)	



### 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, logistics and debt collection.

### 2 New and revised standards and interpretations

### Effective for the current year end

### **New and Amended Standards**

IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 19 Amendments to IAS 19 – Employee Benefits	1 January 2013
IAS 27(2011) Separate Financial Statements	1 January 2013
IAS 28(2011) Investments in Associates and Joint Ventures	1 January 2013
IAS 1(2011) Amendments to IAS 1 – Presentation of	
Other Comprehensive Income	1 July 2012
IFRS 7 Financial Instruments - Offsetting Financial Assets and	
Financial Liabilities	1 January 2013
IFRS 1 First-time Adoption of International Financial	-
Reporting Standards (Government loans)	1 January 2013
IFRS 1 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 1 Amendments as part of improvements to IFRSs 2011	1 January 2013

### Effective for annual periods beginning on or after



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

Effective for the current year end	1 1	Effective for annual periods
	\ \	beginning on or after

### New and Amended Standards - cont'd

IAS 16 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 32 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 34 Amendments as part of improvements to IFRSs 2011	1 January 2013
IFRS 10 Consolidated Financial Statements	
(Transitional arrangements)	1 January 2013
IFRS 11 Joint Arrangements (Transitional arrangements)	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	
(Transitional arrangements)	1 January 2013

### **New interpretation**

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

1 January 2013

IAS 1 and IAS 19 were the two amendments to have a significant effect in the current year.

### Available for early adoption for the current year end

### **New and Amended Standards**

IFRS 7 Financial Instruments: Disclosures	1 January 2017
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2017
IFRS 9 Additions for Financial Liability Accounting	1 January 2017
IFRS 10 Consolidated Financial Statements (Exemptions)	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities (Exemptions)	1 January 2014
IAS 19 Employee Benefits	1 July 2014
IAS 27 Separate Financial Statements (Exemptions)	1 January 2014
IAS 32 Financial Instruments - Offsetting Financial Assets and	
Financial Liabilities	1 January 2014
IAS 36 Impairment of Assets	1 January 2014
IAS 39 Financial Instruments: Recognition and Measurement	1 January 2014

### **New interpretation**

IFRIC 21 Levies 1 January 2014

The Group has not opted for early adoption.

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

### <u>IFRS 7</u>

This standard is closely linked to IFRS 9. In December 2011, the IASB issued an amendment which modifies the relief from restating comparative periods and the associated disclosures.





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

### IFRS 9

IFRS 9 was issued in November 2009 and was initially required to be applied from 1 January 2013. However, new requirements were added in November 2010 and the revised date for adoption was set for 1 January 2015. However, in November 2013, consequential amendments were issued which removed the mandatory effective date. At a meeting the IASB tentatively decided that the mandatory effective date will be no earlier than annual periods beginning on or after 1 January 2017. This standard specifies how an entity should classify and measure its financial assets.

The application of IFRS 9 may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

When adopted, the standard will be applied retrospectively in accordance with IAS 8.

### IFRS 10, 12, IAS 27

This provides 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that the entity measure the investment in each eligible subsidiary at fair value through profit and loss in accordance with IFRS 9 or IAS 39. It also requires disclosures on unconsolidated subsidiaries, and the nature of relationship and certain transactions with its subsidiaries. The directors do not anticipate that these will have a significant effect on the Group's consolidated financial statements.

### **IAS 19**

The amendments to IAS 19 sets out that contribution from employees or third parties that are linked to service should be attributed to periods of service. It also permits a practical expedient if the amount of contributions is independent of the number of years of service. The application of the amendments to IAS 19 may have impact on amounts reported in respect of the Company's defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

### **IAS 32**

Amends the disclosure requirements in IFRS 7 Financial Instruments, to require information about all recognised financial instruments that are set off. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements. The directors do not anticipate that the application of these amendments to IAS 32 and IFRS 7 will have a significant impact on the Group's financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

### **IAS 36**

This amendment reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed. It clarifies the disclosures required and introduces an explicit requirement to disclose the discount rate used in determining impairment or reversals where recoverable amount is determined using a present value technique.

The directors anticipate that the application of this amendment may have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.





### 3 Summary of significant accounting policies

### (a) Accounting convention

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

### (b) Fixed Assets and depreciation

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

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

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

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

### 2013/2012

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

### (c) Inventories

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

### (d) Foreign Currencies

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

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

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





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

### (e) Pension Funding

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

The last actuarial valuation was done as at December 31, 2011 and was used as the basis for information presented in Note 13 in accordance with International Accouting Standards No. 19 – Employee Benefits (Revised).

The next actuarial valuation will be carried out on or before December 31, 2014.

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

### (f) Consolidation

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

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

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

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



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

### (f) Consolidation - cont'd

The consolidated accounts incorporate the accounts as at December 31, 2013 of the following:

Name of Company	Country of Registration	% Shareholding	Main Business
Tropical Orchard Products			
Company Limited	Guyana	100.00	Manufacturing
Distillers Gas Company	Guyana	100.00	Dormant
Distribution Services Limited	Guyana	100.00	Distribution
Demerara Distillers (TT) Limited	Trinidad	100.00	Distribution
Demerara Distillers (US) Inc.	USA	100.00	Distribution
Demerara Distillers (St. Kitts-Nevis) Limited	St. Kitts	100.00	Manufacturing &
	\ \ '	\	Distribution
Demerara Contractors and Engineers Limited	Guyana	100.00	Contracting Services
Demerara Shipping Company Limited	Guyana	100.00	Shipping
Breitenstein Holdings BV. (i)	Netherlands	100.00	Distribution
Demerara Rum Company Inc.	Canada	100.00	Logistics & Debt
			Collection Agency
Demerara Distillers Limited-Hyderabad (ii)	India	50.00	Manufacturing &
			Distribution

### i. Breitenstein Holdings BV includes the accounts of:

Name of Company	Country of Registration	% Shareholding	Main Business
Demerara Distillers (Europe) BV	Netherlands	100	Distribution
Breitenstein Trading BV	Netherlands	100	Distribution
Mc Murdo Distillers Ltd.	United Kingdom	100	Distribution
Demerara Distillers (UK) Ltd	United Kingdom	100	Distribution
Caribbean Distillers Ltd	United Kingdom	100	Distribution
Mc Cloud Distillers Ltd	United Kingdom	100	Distribution

### ii. Demerara Distillers Limited - Hyderabad

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

### iii. Associate Companies

The company's associate companies are National Rums of Jamaica Limited and Diamond Fire and General Insurance Inc. The company owns 33.33% of the share capital of National Rums of Jamaica Limited and 19.5% of the shares of Diamond Fire and General Insurance Inc. Although the group owns 19.5% of the equity shares of Diamond Fire and General Insurance Inc. and it has less than 20% of the voting power in shareholder meetings the group exercises significant influence by virtue of its directorship. As stated in 3 (f) (ii) Demerara Distillers Limited – Hyderabad is from 2013 an associate company with a 50% ownership in the share capital of the company.





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

### (g) Taxation

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

### **Current tax**

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

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

### Deferred tax

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

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

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

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

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

### (h) Revenue and expense recognition

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

### (i) Deferred expenditure

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

### (j) Financial instruments

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

### Trade and other receivables

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



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

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

### Trade and other payables

Trade and other payables are measured at amortised cost.

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

### Trade and other receivables

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

### Trade and other payables

Trade and other payables are measured at amortised cost.

### **Investments**

The group's investments have been classified as follows:

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

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

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

Investments in subsidiaries and associate companies are carried at cost in the company's financial statements. Investment in associate companies in the group is stated using the equity method.

### Cash and cash equivalents

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

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

### (k) Capital reserves

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

### (I) Other reserve

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





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

### (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.

### (p) Segment reporting

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

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

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

### (q) Borrowing Costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds – IAS 23 – Borrowing Costs. Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalized during the period. The amounts capitalized during the year were \$ 4,390,675 (2012: \$6,253,802) for interest charges. Borrowing costs were computed using the effective interest method in accordance with IAS 39 – Financial Instruments: Recognition and measurement.





### 4 Critical accounting judgments and key sources of estimation uncertainty

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

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

### Key sources of estimation uncertainty

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

### i) Trade and other receivables

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

### ii) Other financial assets

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

### iii) Useful lives of property, plant and equipment

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

### iv) Impairment of financial assets

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

### v) Retirement benefit asset/obligation

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

### vi) Deferred expenditure

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



5	Other income	COMPANY		GROUP	
		2013	2012	2013	2012
		G\$ 000	G\$ 000	G\$ 000	G\$ 000
	Investment income (a) Rent and Miscellaneous income	225,778 134,833	279,041 232,081	225,778 163,301	279,041 66,325
		360,611	511,122	389,079	345,366

(a) This represents dividends received from available for sale investments of G\$25.778M (2012 - G\$1.750M) and G\$200M (2012 - G\$277.291M) from subsidiaries and associate company.

Investment income consists of 21.668M (2012 - G1.75M) from quoted investments and G204.110M (2012 - G277.291M) from unquoted investments.

6

Profit before taxation	COM	<b>IPANY</b>	GROUP		
	2013	2012 Restated	2013	2012 Restated	
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	
Profit before taxation	1,461,803	1,281,700	2,250,236	1,912,068	
After charging:					
Property Tax (a)	145,761	93,906	157,275	103,967	
Interest and other finance charges	594,397	620,668	589,104	729,137	
Depreciation	543,927	543,674	620,828	656,633	
Exchange loss	736,114	439,386	736,114	439,386	
Directors' emoluments (b)	5,016	5,016	5,016	5,016	
Staff costs:					
Salaries and wages	1,100,532	1,118,225	1,642,991	1,636,558	
Other staff costs	229,306	252,174	506,487	518,684	
Pension	19,800	55,553	75,253	110,125	
Auditors' remuneration	7,400	6,655	28,787	25,009	
Increase / (decrease) in provision for Impairment:					
Inventory	50,383	94,950	50,383	94,950	
Receivables (15b)	(21,568)	(413,284)	(37,475)	(448, 155)	
Provision for impaired investments -					
Joint venture/associate company (c)	267,824	-	113,871	-	
Provision for impaired investment available for sale	-	57,750	-	57,750	
And after crediting					
Exchange gain	415,872	208,172	415,872	212,671	
Interest	35	9	35	60,200	

- (a) With effect from January 01, 2013 (YA 2014) property tax is calculated on asset values at January 01, 2011 instead of January 01, 1991. Also, the bands on which property tax is calculated were changed.
- (b) At the end of the period there were four (2012 four) non-executive Directors who received equal emoluments.
- (c) During the year 2013 the Joint Venture agreement with Demerara Distillers Limited Hyderabad came to an end and a provision has been made for impairment on this investment after it was transferred as an associate company.



### 7 Taxation

Reconciliation of tax expense and	COM	PANY	GROUP		
accounting profit	2013	2012	2013	2012	
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	
Accounting profit	1,461,803	1,281,700	2,205,236	1,912,068	
Corporation tax at 30% / 40% Add: Tax effect of expenses not	438,541	384,510	771,833	678,613	
deductible in determining taxable profits: Depreciation for accounting purposes Property tax	244,561	218,558	260,018	240,128	
	43,728	28,171	54,845	38,232	
	726,830	631,239	1,086,696	956,973	
Deduct:  Tax effect of depreciation and other allowances for tax purposes Export allowance	250,655	495,854	289,683	533,392	
	119,553	50,244	119,553	50,244	
Corporation tax charge	356,622	93,189	677,460	373,337	
Deferred tax	(43,871)	224,508	(41,645)	224,512	
	312,751	317,697	635,815	597,849	
	СОМ	PANY	GF	ROUP	
	2013	2012	2013	2012	
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	
Taxation - current associate companies	356,622	93,189	650,436	374,445	
	-	-	27,024	(1,108)	
deferred	356,622	93,189	677,460	373,337	
	(43,871)	224,508	(41,645)	224,512	
	312,751	317,697	635,815	597,849	

### 7 Taxation - cont'd

2013   2012   Restated	2013 G\$ 000 1,298,216 902,397 412,001 (16,182) 1,298,216	2012 Restated G\$ 000 1,286,136 964,611 353,125 (31,600) 1,286,136
Deferred tax liability  1,294,729 1,284,875  Fixed Assets  898,910 963,350  Defined benefit asset 412,001 353,125  Defined benefit liability  (16,182) (31,600)  1,294,729 1,284,875  Movement in temporary differences  COMPA  Fixed Assets  Defined Benefit Asset	1,298,216 902,397 412,001 (16,182) 1,298,216	1,286,136 964,611 353,125 (31,600)
Fixed Assets  B98,910  963,350  Defined benefit asset  412,001  353,125  Defined benefit liability  (16,182)  (31,600)  1,294,729  1,284,875  Movement in temporary differences  COMPA  Fixed Assets  Defined Benefit Asset	902,397 412,001 (16,182) 1,298,216	964,611 353,125 (31,600)
Defined benefit asset  Defined benefit liability  (16,182)  1,294,729  1,284,875  Movement in temporary differences  COMPA  Fixed Assets  Defined Benefit Assets	412,001 (16,182) 1,298,216	353,125 (31,600)
Defined benefit liability  (16,182) (31,600)  1,294,729 1,284,875  Movement in temporary differences  COMPA  Fixed Assets  Defined Benefit Assets	(16,182) 1,298,216	(31,600)
1,294,729 1,284,875  Movement in temporary differences  COMPA  Fixed Benefit Assets Asset	1,298,216	
Movement in temporary differences  COMPA  Defined Fixed Benefit Assets Asset		1,286,136
Defined Fixed Benefit Assets Asset	ANY	
Fixed Benefit Assets Asset		
G\$ 000 G\$ 000	Defined Benefit Liability	Total
1, 300	G\$ 000	G\$ 000
At January 01, 2012 (previously reported) <b>751,239</b> 81,274	(5,478)	827,035
Change in accounting policy - 55,754	(12,169)	43,585
At January 01, 2012 (Restated) <b>751,239</b> 137,028	(17,647)	870,620
Movement during the year statement of P&L and OCI 212,111 33,099	(20,702)	224,508
Statement of Changes in Equity - 182,998	6,749	189,747
At December 31, 2012 (Restated) <b>963,350</b> 353,125	(31,600)	1,284,875
Movement during the year statement of P&L and OCI (64,440) 13,524	7,045	(43,871)
Statement of Changes in Equity - 45,352	8,373	53,725
At December 31, 2013 898,910 412,001	(16,182)	1,294,729



### 7 Taxation - cont'd

### **GROUP**

	Fixed Assets	Defined Benefit Asset	Defined Benefit Liability	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
At January 01, 2012 (previously reported)	752,496	81,274	(5,478)	828,292
Change in accounting policy		55,754	(12,169)	43,585
At January 01, 2012 (Restated)	752,496	137,028	(17,647)	871,877
Movement during the year statement of P&L and OCI	212,115	33,099	(20,702)	224,512
Statement of Changes in Equity	\ \ \	182,998	6,749	189,747
At December 31, 2012 (Restated)	964,611	353,125	(31,600)	1,286,136
Movement during the year statement of P&L and OCI	(62,214)	13,524	7,045	(41,645)
Statement of Changes in Equity	-	45,352	8,373	53,725
At December 31, 2013	902,397	412,001	(16,182)	1,298,216

### 7 Taxation - cont'd

Deferred tax effect of revised IAS 19 adoption:

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				'	COMPANY				
		2013			2012			2011	
	Before tax amount	Tax (expense) benefit		Before tax amount	` '	Net of tax amount		Tax (expense) benefit	Net of tax amount
	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000
Change in accounting policy	-	-	-	-	-	-	145,283	(43,585)	101,698
Remeasurement of defined benefit pension plan	179,084	53,725	125,359	632,490	189,747	442,743	-	-	-
Gain arising on revaluation of available for sale financial assets	93,681	-	93,681	58,779	-	58,779	-	-	<u>-</u>
	272,765	53,725	219,040	691,269	189,747	501,522	145,283	(43,585)	101,698
					GROUP				
		2013			2012			2011	
	Before tax amount	Tax (expense) benefit		Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000
Change in accounting policy	-	-	-	-	-	-	145,283	(43,585)	101,698
Remeasurement of defined benefit pension plan	179,084	53,725	125,359	632,490	189,747	442,743	-	-	-
Exchange differences on translating foreign operations	s <b>52,353</b>	-	52,353	21,419	-	21,419	-	-	-
Gain arising on revaluation of available for sale financial assets	66,561	-	66,561	67,480	-	67,480	-	-	-
	297,998	53,725	244,273	721,389	189,747	531,642	145,283	(43,585)	101,698



8	Dividends			COMPANY	AND GROUP
				2013	2012
		\ \		G\$ 000	G\$ 000
	Amount recognised as distributions to equity holders in the	period:			
	Interim dividend for the year ended December 31, 2013 of	15 cents (12 ce	nts 2012)	115,500	92,400
	Final dividend for the year ended December 31, 2012 of 4	0 cents (36 cent	s 2011)	308,000	277,200
				423,500	369,600
	The Directors recommended a final dividend of \$0.43 per s	share (2012 - \$0	0.40).		
9	Basic earnings per share	COM	COMPANY GROU		ROUP
		2013	2012	2013	2012
	Calculated as follows:-	G\$ 000	G\$ 000	G\$ 000	G\$ 000
	Profit attributable to equity holders of the parent	1,149,052	964,003	1,569,421	1,317,424
	Ordinary shares issued and fully paid	770,000,000	770,000,000	770,000,000	770,000,000
	Basic earnings per share in dollars	1.49	1.25	2.04	1.71

### 10 Property, plant and equipment

### COMPANY

	Land and buildings	Equipment	Construction work-in- progress	Total
Cost/valuation	G\$ 000	G\$ 000	G\$ 000	G\$ 000
At January 01, 2013	4,296,241	8,671,376	810,413	13,778,030
Additions Disposals	87,818 -	254,596 (5,116)	415,397 -	757,811 (5,116)
Intergroup disposals	<u>-</u>	(698)	-	(698)
At December 31, 2013	4,384,059	8,920,158	1,225,810	14,530,027
Comprising:				
Valuation	-	-	-	-
Cost	4,384,059	8,920,158	1,225,810	14,530,027
	4,384,059	8,920,158	1,225,810	14,530,027
Accumulated depreciation				
At January 01, 2013	697,950	4,339,701	-	5,037,651
Charge for the year Written back on disposals	75,786	468,141 (5,480)	-	543,927 (5,480)
written back on disposais		(3,460)		(5,460)
At December 31, 2013	773,736	4,802,362	-	5,576,098
Net book values:				
At December 31, 2013	3,610,323	4,117,796	1,225,810	8,953,929
At December 31, 2012	3,598,291	4,331,675	810,413	8,740,379



### 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	5.004.700	0.040.000	010 110	15 100 510
At January 01, 2013 Additions	5,061,720	9,610,383	810,413	15,482,516
Disposals	87,818 (47,280)	409,210 (28,476)	415,397	912,425 (75,756)
Disposais	(47,280)	(20,470)		(75,756)
At December 31, 2013	5,102,258	9,991,117	1,225,810	16,319,185
Comprising:	\\\			
Valuation	\ \-	\	-	
Cost	5,102,258	9,991,117	1,225,810	16,319,185
	5,102,258	9,991,117	1,225,810	16,319,185
Accumulated depreciation				
At January 01, 2013	963,284	4,937,556	-	5,900,840
Charge for the year	75,786	545,042	-	620,828
Written back on disposals	(9,374)	(5,480)	-	(14,854)
At December 31, 2013	1,029,696	5,477,118	-	6,506,814
Net book values:				
At December 31, 2013	4,072,562	4,513,999	1,225,810	9,812,371
At December 31, 2012	4,098,436	4,672,827	810,413	9,581,676

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

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

Some of these assets are held as securities for loans drawndown and overdraft Refer to note 20.



	CON	COMPANY		OUP
ments	Fair	Value	Fair \	/alue
	2013	2012	2013	2012
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Maturity	-	-	39,725	39,725
	849,870 (57,750)	756,189 (57,750)	668,021 (57,750)	797,447 (57,750)
	792,120	698,439	649,996	779,422
iary companies (a) enture (b) on for Impairment ate companies (c)	181,453 267,824 (267,824) 459,199	181,453 267,824 - 459,199 -	981,994 (113,871)	- - 800,514 - 800,514
	1,432,772	1,606,915	1,518,119	1,579,936
	СОМ	PANY	GRO	UP
iary companies at cost	2013 G\$ 000	2012 G\$ 000	2013 G\$ 000	2012 G\$ 000
uary 01 and December 31	181,453	181,453	-	-
	сом	PANY	GRO	UP
	2013	2012	2013	2012
enture	G\$ 000	G\$ 000	G\$ 000	G\$ 000
uary 01	267,824	267,824	-	<u>-</u> /
on for Impairment	(267,824)	-		<u>//</u>
ember 31		267,824		
	Maturity Dele for Sale On for Impairment  : iary companies (a) Penture (b) On for Impairment Date companies (c) On for Impairment Date companies at cost Duary 01 and December 31  Penture Duary 01 On for Impairment Denture Duary 01 On for Impairment December 31	Second   S	Pair Value	Pair Value   Pai

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



11	Investments - cont'd	CON	IPANY	GR	OUP
(c)	Associate companies	2013 G\$ 000	2012 G\$ 000	2013 G\$ 000	2012 G\$ 000
	At January 01 Increase in investment	459,199 -	410,449 48,750	459,199 -	410,449 48,750
		459,199	459,199	459,199	459,199
	Share of reserves of associate companies (i)			522,795	341,315
	At December 31	459,199	459,199	981,994	800,514
				GRO	UP
(i)	Share of reserves of associate companies			2013 G\$ 000	2012 G\$ 000
	At January 01 Group's share of associate companies profits/reserves Group's share of associate companies taxes			341,315 208,504 (27,024)	279,784 60,423 1,108
	At December 31			522,795	341,315

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:

Income statement	Diamond Fire & General Insurance Inc.		National Rums of Jamaica Ltd.		
meome statement	2013	2012	2013	2012	
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	
Income	260,118	234,998	7,327,173	6,270,723	
Profit after taxation	51,438	75,958	287,706	159,870	
Balance sheet					
Total assets	1,110,799	950,476	4,354,181	4,208,367	
Shareholders funds	878,878	838,063	1,847,385	1,777,308	
Long term liabilities	-	-	641,066	968,451	
Current liabilities	215,868	112,413	1,865,731	1,462,609	
Total equity and liabilities	1,094,746	950,476	4,354,182	4,208,368	

### 11 Investments - cont'd

(ii) Demerara Distillers Limited - Hyderabad		
<b>,</b> ,	2013	2012
	G\$ 000	G\$ 000
Share of reserves	113,871	-
Provision for impairment	(113,871)	
	-	-

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

12 Deferred expenditure	COMPANY		COMPANY GROUP	
	2013	2012	2013	2012
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
El Dorado trademark				
At January 01	80	5,185	46,438	76,938
Adjustment for impairment	-	(5,105)	(46,358)	(30,500)
At December 31	80	80	80	46,438

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



### 13 Defined benefit asset/liability - company and group

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at December 31, 2011 by Bacon Woodrow & De Souza. The present value of the defined benefit obligation and the related current service cost to comply with IAS 19 were measured by the actuaries as at December 31, 2013 using the Projected Unit Credit Method.

Pension Plan 1		Pension Plan 2		
2013	2012 Restated	2013	2012 Restated	
G\$ 000	G\$ 000	G\$ 000	G\$ 000	
2,105,684	1,899,092	382,001	445,333	
(3,488,866)	(3,058,110)	(332,458)	(374,204)	
(1,383,182)	(1,159,018)	49,543	71,129	
\-	\ \ -\	-		
(1,383,182)	(1,159,018)	49,543	71,129	
(1,159,018)	(321,771)	71,129	42,060	
-	(185,846)	-	44,592	
51,757	81,400	8,075	9,625	
(151,175)	(609,993)	(27,060)	(22,135)	
(124,746)	(122,808)	(2,601)	(3,013)	
(1,383,182)	(1,159,018)	49,543	71,129	
	2013 G\$ 000 2,105,684 (3,488,866) (1,383,182) - (1,383,182) (1,159,018) - 51,757 (151,175) (124,746)	2013 2012 Restated  G\$ 000 G\$ 000  2,105,684 1,899,092 (3,488,866) (3,058,110) (1,383,182) (1,159,018)  (1,383,182) (1,159,018)  (1,159,018) (321,771)  - (185,846)  51,757 81,400  (151,175) (609,993) (124,746) (122,808)	2013 2012 Restated  G\$ 000 G\$ 000  2,105,684 1,899,092 382,001  (3,488,866) (3,058,110) (332,458)  (1,383,182) (1,159,018) 49,543   (1,383,182) (1,159,018) 49,543  (1,159,018) (321,771) 71,129  - (185,846) -  51,757 81,400 8,075  (151,175) (609,993) (27,060)  (124,746) (122,808) (2,601)	

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

	Pension Plan 1		Pension Plan 2		
	2013	2012 Restated	2013	2012 Restated	
Amounts recognised in the statement of profit or loss and other comprehensive income	G\$ 000	G\$ 000	G\$ 000	G\$ 000	
Current service cost	113,921	110,928	4,607	5,395	
Net interest on defined benefit (asset)/obligation	(62,164)	(29,528)	3,468	4,230	
Net pension cost included in administrative expenses	51,757	81,400	8,075	9,625	
Actual return on plan assets/liability	319,980	667,421	(4,573)	40,045	
Unfunded ex-gratia arrangement					
Defined benefit obligation	14,240	16,137			
Unrecognised gain	-				
	14,240	16,137			

### Reconciliation of opening and closing statement of financial position

Opening defined benefit liability	16,137
Plus net pension cost	762
Less: company contributions paid	(1,810)
Experience Adjustments	(849)
Closing defined benefit liability	14,240
Interest on defined benefit obligation	762



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

Experience adjustment on plan assets

		Pe	ension Plan 1		
	2013	2012	2011	2010	2009
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Experience history Defined benefit obligation	2,105,684	1,899,092	1,761,427	1,568,763	1,411,695
Fair value of plan assets	(3,488,866)	(3,058,110)	(2,269,044)	(1,983,705)	(1,766,000)
Surplus	(1,383,182)	(1,159,018)	(507,617)	(414,942)	(354,305)
		Pe	ension Plan 2		
	2013	2012	2011	2010	2009
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Experience history Defined benefit obligation	382,001	445,333	439,244	437,290	507,561
Fair value of plan assets	(332,458)	(374,204)	(352,592)	(354,503)	(399,834)
Deficit	49,543	71,129	86,652	82,787	107,727
	U	nfunded Ex Gra	ntia		
	2013	2012	2011		
	G\$ 000	G\$ 000	G\$ 000		
Experience History Defined benefit obligation	14,240	16,137	17,589		
Fair value of plan assets	_	-			
Deficit	14,240	16,137	17,589		
Experience adjustment on plan liabilities	(849)	(362)	(979)		

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

	Pensi	Pension Plan 1		n Plan 2	Unfunded Ex Grati	
	2013	2012	2013	2012	2013	2012
	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000
Summary of main assumptions	%	%	%	%	%	%
Discount rate Salary increases Pension increases Expected return on assets	5.0 5.0 2.0	5.0 5.0 2.0	5.0 5.0 2.0	5.0 5.0 2.0	5.0 - 2.0 -	5.0 - 2.0 -
	2013	2012				
Retirement benefit obligations	G\$ 000	G\$ 000				
Pension plan 2 Unfunded exgratia	49,543 14,240	71,129 16,137				
	63,783	87,266				
Retirement benefit asset						
Pension plan 1	1,383,182	1,159,018				



### 14 Inventories

COI	COMPANY		ROUP
2013	2012	2013	2012
G\$ 000	G\$ 000	G\$ 000	G\$ 000
6,600,657 -	5,720,709 5.385	7,955,020 -	6,953,352 5,385
2,764,893	2,338,708	3,042,861	2,527,034
1,312,589	1,244,713	2,188,773	2,188,649
(495,333)	(444,950)	(495,333)	(444,950)
10,182,806	8,864,565	12,691,321	11,229,470
5,672,877	5,244,458	8,074,499	8,304,524
4,329,894	4,896,351	4,682,090	4,978,908
21,402	24,603	35,104	29,644
	2013 G\$ 000 6,600,657 2,764,893 1,312,589 (495,333) 10,182,806 5,672,877 4,329,894	2013       2012         G\$ 000       G\$ 000         6,600,657       5,720,709         5,385       2,338,708         1,312,589       1,244,713         (495,333)       (444,950)         10,182,806       8,864,565         5,672,877       5,244,458         4,329,894       4,896,351	2013       2012       2013         G\$ 000       G\$ 000       G\$ 000         6,600,657       5,720,709       7,955,020         5,385       2,764,893       2,338,708       3,042,861         1,312,589       1,244,713       2,188,773       (495,333)         (495,333)       (444,950)       (495,333)         10,182,806       8,864,565       12,691,321         5,672,877       5,244,458       8,074,499         4,329,894       4,896,351       4,682,090

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

	COMPANY		GROUP	
	<b>2013</b> 2012		2013	2012
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Balance as at January 01	(444,950)	(350,000)	(444,950)	(350,000)
Increase during the year	(50,383)	(94,950)	(50,383)	(94,950)
Balance as at December 31	(495,333)	(444,950)	(495,333)	(444,950)

Provisions were individually assessed.

G\$ 000

116,313

(37,475)

78,838

G\$ 000

564,468

(448, 155)

116,313

15 (a) Trade and other receivables	COMPANY		GROUP		
	2013	2012	2013	2012	
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	
Trade receivables Provision for impairment (b)	585,981 (307)	599,205 (21,875)	1,718,594 (78,838)	1,999,725 (116,313)	
Other receivables	585,674 477,218	577,330 422,481	1,639,756 511,976	1,883,412 1,314,166	
	1,062,892	999,811	2,151,732	3,197,578	
15 (b) Provision for impairment (individually assessed)	СОМ	PANY	GI	ROUP	
	2013	2012	2013	2012	
Provision for impairment (b)  Other receivables	(307) 585,674 477,218 1,062,892	(21,875) 577,330 422,481 999,811	(78,838) 1,639,756 511,976 2,151,732	(116,3 1,883,4 1,314,1 3,197,5	

Decrease in current year provision was as a result of the provisions being utilised to write off irrecoverable and doubtful debts.

G\$ 000

21,875

(21,568)

307

G\$ 000

435,159

(413,284)

21,875

16	Trade and other payables	CO	COMPANY		GROUP	
		2013	2012	2013	2012	
		G\$ 000	G\$ 000	G\$ 000	G\$ 000	
	Trade payables Accruals	1,215,996 493,545	1,278,319 567,362	1,694,412 675,225	2,411,603 1,162,418	
	Others payables (i) Due from subsidiary companies	1,405,880 940,404	1,990,511 451,468	1,435,638 -	2,117,417	
		4,055,825	4,287,660	3,805,275	5,691,438	

### (i) Other payables

Balance as at January 01

Decrease during the year

Balance as at December 31

Included in other payables are advances totalling G\$1,150M (2012: G\$1,751M)
Interest charged on these advances varies from 8% to 12% (2012: 8% to 12%). The advances are secured. See note 20. No advances were in default at the end of the reporting period 2013 or 2012.



COMPANY AND GR	

17	Share capital		2013	2012
	Authorised No. of ordinary shares	1,000,0	000,000	1,000,000,000
			G\$ 000	G\$ 000
	Issued and fully paid At January 01 and December 31 770,000,000 ordinary shares		770,000	770,000

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

18 (a) Capital reserves	co	MPANY	GR	OUP
	2013	2012	2013	2012
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Share premium account Revaluation surplus	488,863 702	488,863 702	450,152 702	450,152 702
	489,565	489,565	450,854	450,854
This was a second to make disability which is				

This reserve is not distributable.

18 (b) Other reserves	CO	MPANY	GROUP		
	2013	2012 Restated	<b>2013</b> 2012 Restated		
	G\$ 000	G\$ 000	<b>G\$ 000</b> G\$ 000		
Balance as at January 01	675,989	617,210	<b>785,329</b> 717,849		
Fair value adjustment on available for sale investments	93,681	58,779	<b>66,561</b> 67,480		
Balance as at December 31	769,670	675,989	<b>851,890</b> 785,329		

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

There was no tax effect on gains or losses.

### 18 (c) Exchange Difference Reserve

	Р
2013	2012
G\$ 000	G\$ 000
44,886	23,467
65,137	21,419
110,023	44,886

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

19	Non controlling interest	GROUP	
		2013	2012
		G\$ 000	G\$ 000
	At January 01	29,333	32,538
	For the year	(29,333)	(3,205)
	At December 31	-	29,333

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

20 Loans and bank overdraft	CO	COMPANY		GROUP		
	2013	2012	2013	2012		
	G\$ 000	G\$ 000	G\$ 000	G\$ 000		
Bank overdraft (secured) Loans	1,455,334 3,815,549	1,607,004 2,780,058	2,680,997 4,577,363	2,703,492 3,258,703		
	5,270,883	4,387,062	7,258,360	5,962,195		

Overdrafts are repayable on demand and attract interest rates between 4.81% and 11.5% (2012: 4.81% and 11.5%)



20	Loans and bank overdraft - cont'd		COMPANY		GROUP	
		\\-	2013	2012	2013	2012
	Loar	ns are repayable as follows:	G\$ 000	G\$ 000	G\$ 000	G\$ 000
	(i)	Repayable - 2004 to 2029 - rate of interest 3.25% per annum (Breitenstein Holdings BV)	_\	-	130,314	131,978
	(ii)	Repayable - 2005-2014 rate of interest is 1% above Government of Guyana treasury bills interest rate (Demerara Distillers Ltd)	50,000	100,000	50,000	100,000
	(iii)	Repayable - 2007 - 2014				
	()	rate of interest of 8.25% per annum (Demerara Distillers Ltd)	53,532	141,262	53,532	141,262
	(iv)	Repayable - 2007 - 2014 rate of interest of 8.25% per annum (Demerara Distillers Ltd)	99,114	182,820	99,114	182,820
	(v)	Repayable - 2009 - 2018 rate of interest of 3.88% per annum (Demerara Distillers Ltd)	1,319,364	1,615,973	1,319,364	1,615,973
	(vi)	Repayable - 2013 - 2014 rate of interest of 4.19% per annum (Demerara Distillers Ltd)	206,959		206,959	_
	(vii)	Repayable - 2009 - 2013 rate of interest of 10.5% per annum (Demerara Distillers Ltd)	-\	100,000	-	100,000
	(viii)	Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Distillers Ltd)	200,000	\\ <u>-</u> \	200,000	-
	(ix)	Repayable - 2011 - 2013 rate of interest of 10.5% per annum (Demerara Distillers Ltd)	-	323,333	\\-	323,333
	(x)	Repayable - 2013 - 2019 rate of interest of 8% per annum (Demerara Distillers Ltd)	852,580	-	852,580	-
	(xi)	Repayable - 2011 - 2013 rate of interest of 10.5% per annum (Demerara Distillers Ltd)	-	316,670		316,670
	(xii)	Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Distillers Ltd)	664,000	-	664,000	
	(xiii)	Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Distillers Ltd)	370,000	-	370,000	
	(xiv)	Repayable - 2011 - 2013 rate of interest of 10.5% per annum (Demerara Distillers Ltd)	-	-	-	346,667
	(xv)	Repayable - 2013 - 2019 rate of interest of 10.5% per annum (Distribution Services Ltd)	-	-	407,500	-
	(xvi)	Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Shipping Company	y Ltd) -	-	224,000	-
		-	3,815,549	2,780,058	4,577,363	3,258,703

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



### 20 Loans and bank overdraft - cont'd

Maturity profile of loan	COMPANY		GROUP		
	2013	2012	2013	2012	
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	
Repayments due in one year and included in current liabilities	815,716	652,204	869,261	700,326	
Repayments due in the second year Repayments due in the third year Repayments due the fourth and fifth year	477,768 645,924 1,076,090	700,814 414,468 577,802	562,587 740,041 1,274,656	748,936 462,590 585,924	
Repayments due after five years	800,051	434,770	1,130,818	760,927	
	2,999,833	2,127,854	3,708,102	2,558,377	
	3,815,549	2,780,058	4,577,363	3,258,703	

The foregoing loans, overdraft and the advances in note 16 for the company are secured by floating and fixed charges on the assets of the company valued at G\$11.353B (2012: G\$9.115B).

The loans for the group are secured by floating and fixed charges on the assets of the Group valued at G\$11.544B (2012 - G\$9.306B).

### 21 Segment reporting

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

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

Principal activities are as follows:

### Manufacturing:

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

### **Trading:**

Distributors of branded products.

### Services

Shipping, insurance, contracting services and logistics & debt collection.



### 21 Segment reporting - cont'd

2013

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

### 21 Segment reporting - cont'd

### 2012

INDUSTRY	Manufacturing	Trading	Services	Eliminations	Total
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000 Restated
Revenue External sales Inter-segment sales	5,669,895 8,532,857	9,279,143 -	834,043 -	- (8,532,857)	15,783,081 -
Total revenue	14,202,752	9,279,143	834,043	(8,532,857)	15,783,081
Results Segment result	1,432,463	522,271	174,202	(277,291)	1,851,645
Operating profit Share of profit from associates					1,851,645 60,423
Profit before tax Income tax					1,912,068 (597,849)
Profit for the year attributable to equity shareholders of the company					1,314,219
Other Information					
Capital additions Depreciation and amortisation	711,316 639,010	54,080 22,266	15,677 25,857	-	781,073 687,133
Statement of Financial Position					
Assets Segment assets Interest in associates	28,296,061 -	2,069,259 -	172,646 -	(3,495,239)	27,042,727 800,514
Consolidated assets					27,843,241
Liabilities Segment liabilities	12,485,434	1,224,183	1,394,935	(1,946,313)	13,158,239
Consolidated liabilities					13,158,239



### 21 Segment reporting - cont'd

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

GEOGRAPHICAL	EOGRAPHICAL		Profit before tax	
	2013	2012	2013	2012
	G\$ 000	G\$ 000 Restated	G\$ 000	G\$ 000 Restated
Guyana Europe United States of America Canada India St. Kitts Trinidad	14,131,348 2,599,208 614,792 48,953 - 134,898	12,258,745 2,951,706 422,510 48,977 16,242 84,901	1,863,817 122,162 36,187 29,819 98,871 54,407 (27)	1,725,725 143,756 32,623 19,033 (31,162) 22,126 (33)
	17,529,199	15,783,081	2,205,236	1,912,068

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 as equipment & intangible asset	
	2013	2012	2013	2012
	G\$ 000	G\$ 000 Restated	G\$ 000	G\$ 000 Restated
Guyana Europe United States of America Canada India St. Kitts Trinidad	25,687,857 2,233,637 402,377 81,709 113,871 193,781 13,722	23,906,873 2,524,066 361,382 172,646 674,101 189,863 14,310	910,008 - - - - - 2,417	774,589 - - - - - 6,484
Tillidad	28,726,954	27,843,241	912,425	781,073



### 21 Segment reporting - cont'd

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

Revenue Generating Segment (s)	Revenue Gener	Revenue Generating Region		Revenue Generated		
	2013	2012	2013	2012		
			G\$ 000	G\$ 000		
Guyana and United States Guyana, Europe and Caribbean Guyana, United States and Caribbean Guyana Others	North America Europe Caribbean Guyana	North America Europe Caribbean Guyana	2,416,358 4,284,659 1,411,788 9,216,259 200,135	2,069,321 2,796,511 889,511 9,988,407 39,331		
Total			17,529,199	15,783,081		

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

Revenue Generation	ng Segment	Revenue	Generated
2013	2012	2013	2012
		G\$ 000	G\$ 000
_	Europe	_	1,168,761



### 22 Contingent liabilities

### **COMPANY AND GROUP**

	Due Aff	ter 12 Months
	201	<b>3</b> 2012
Bonds in respect of duty on spirits warehoused and	G\$ 00	<b>o</b> G\$ 000
exportation of goods	132,74	<b>6</b> 132,746
Bonds in favour of the State of Guyana	53,10	<b>0</b> 53,100

### 23 Capital commitments

СОМ	PANY	GR	OUP
2013	2012	2013	2012
G\$ 000	G\$ 000	G\$ 000	G\$ 000
	212,742	86,254	395,079
9.191		9.191	_

Authorised by the directors but not contracted for Contracted for but not received

These comprise of acquisition of non current assets.

### 24 Related party transactions and other disclosures

### (a) Related party transactions

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

Listed below are transactions and balances with related parties.

(i) Subsidiary companies		COMPANY		GROUP
	2013	2012	2013	2012
	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Sales	7,509,229	7,937,469	-	-
Commission paid	31,909	107,368	-	-
Purchases	127,347	245,234	-	-
Management fees received	335,394	309,772	-	-
Rent received	90,994	162,055	-	-
Dividends received (subsidiary and associate)	200,000	277,291	-	-
Human resource charges	599,108	574,692	-	-
Royalties charged	1,463,518	1,488,657	-	-
Marketing fees paid	697,522	737,835	-	-
Interest paid	134,528	105,539	-	-
Balances at end of year	(940,404)	(451,468)	-	-
Guarantee provided by the parent company on behalf	of:			
Subsidiaries	655,000	655,000	-	-
Employees	743	1,651	-	<u>/·</u> /
Associate companies				
Balances at end of year	981,994	800,514	981,994	800,514
Rent received	3,911	3,911	3,911	3,911
Dividends received	4,110		4,110	-
Insurance premiums paid	39,423	29,545	-	-

No interest was charged on loans given to associated company and joint venture.



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

- (a) Related party transactions cont'd
- (ii) Key management personnel

### Compensation

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

	2013	2012
	G\$ 000	G\$ 000
Short-term employee benefits	165,487	156,943
Post-employment benefits	12,546	11,755
Directors emoluments	5,016	5,016

No provision was made for balances receivable from related parties.

### (b) Other disclosures

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

	COMPANY		GI	ROUP
	2013	2012	2013	2012
Demerara Bank Limited	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Overdraft interest (11%-13.50%)	67,543	71,851	108,635	96,509
Balance at end of the year:				
Cash	100,660	23,917	140,236	45,270
Overdraft	970,264	1,053,706	1,773,118	1,726,060
Trust Company (Guyana) Limited				
Interest charged (12%)	5,208	1,781	5,208	1,781
Trust Company (Guyana) Limited also provides registra and pension management services for the company	r			
Pension management and registrar's service fees	13,256	7,059	13,256	7,059

### 25 Pending Litigations

There are several pending litigations against the company and group, the outcome of which cannot be determined at this date. Also the company raised a legal challenge against the Guyana Revenue Authority (GRA) on the basis used for the assessment of certain taxes. In February 2005 the courts found in favour of DDL. The Guyana Revenue Authority had appealed the decision.

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

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

### **COMPANY**

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



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

### **COMPANY**

2012	Available for sale	Loans and receivables	Financial assets and liabilities at amortised cost	Total
ASSETS	G\$000	G\$000	G\$000	G\$000
Investments	698,439	_		698,439
Trade receivables	\ \ - \	577,330	-	577,330
Other receivables	\ \-	422,481	-	422,481
Prepayments	\ \-	64,655	-	64,655
Taxes recoverable	\ <del>-</del> \	\ -	557,298	557,298
Cash on hand and at bank		\ -	80,469	80,469
Total assets	698,439	1,064,466	637,767	2,400,672
LIABILITIES			\	
Trade payables	-	\ \ \-	1,278,319	1,278,319
Other payables and accruals	-	1 / /	2,557,873	2,557,873
Due from subsidiaries	-	-	451,468	451,468
Bank overdraft (secured)	-	\ \-	1,607,004	1,607,004
Taxation	-	\ \ \-	146,120	146,120
Loans	-	-	2,780,058	2,780,058
Total liabilities	-		8,820,842	8,820,842



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

### **GROUP**

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



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

### **GROUP**

2012	Available for sale	Held to maturity	Loans and receivables	Financial assets and liabilities at amortised cost	Total
ASSETS	G\$000	G\$000	G\$000	G\$000	G\$000
Investments	739,697	39,725	_	_	779,422
Trade receivables	· -	-	1,883,412		1,883,412
Other receivables	-	\ \-	1,314,166		1,314,166
Prepayments	-	\ \-	201,170		201,170
Taxes recoverable	-	\ -\	\ -	661,641	661,641
Cash on hand and at bank	-	\ -\	\ -	186,314	186,314
		1	<del> </del>		
Total assets	739,697	39,7 <mark>2</mark> 5	3,398,748	847,955	5,026,125
LIABILITIES				\	
Trade payables	-	-	\ \ \_	2,411,603	2,411,603
Other payables and accruals	_	_	1 / /	3,279,835	3,279,835
Bank overdraft (secured)	_	_	\ \ <u>-</u> \	2,703,492	2,703,492
Loans	-	-	\ \ -	3,258,703	3,258,703
Taxation	-	-	\ \ \	131,204	131,204
Total liabilities	-	-	-	11,784,837	11,784,837

### 27 Fair value of financial instruments

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

### **COMPANY**

		CONFANT				
	2	2013		2012		
	Carrying Value	Fair Value	Carrying Value	Fair Value		
	G\$ 000	G\$ 000	G\$ 000	G\$ 000		
Financial assets						
Investments						
Available for Sale	792,120	792,120	698,439	698,439		
Trade and other receivables	1,062,892	1,062,892	999,811	999,811		
Prepayments	76,950	76,950	64,655	64,655		
Taxes recoverable	524,913	524,913	557,298	557,298		
Cash on hand and at bank	155,304	155,304	80,469	80,469		
	2,612,179	2,612,179	2,400,672	2,400,672		
Financial liabilities						
Trade payables and other payables	4,055,825	4,055,825	4,287,660	4,287,660		
Current portion of interest bearing debts	815,716	815,716	652,204	652,204		
Loans due after one year	2,999,833	2,999,833	2,127,854	2,127,854		
Taxation	262,809	262,809	146,120	146,120		
Bank overdraft (secured)	1,455,334	1,455,334	1,607,004	1,607,004		
	9,589,517	9,589,517	8,820,842	8,820,842		



### 27 Fair value of financial instruments - cont'd

$\sim$	_	$\overline{}$		
G	к	u	u	Р

		2013		2012
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Investments				
Held to Maturity	39,725	39.725	39,725	39.725
Available for Sale	610,271	610,271	739,697	739,697
Trade and other receivables	2,151,732	2,151,732	3,197,578	3,197,578
Prepayments	110,513	110,513	201,170	201,170
Taxes recoverable	693,643	693,643	661,641	661,641
Cash on hand and at bank	365,993	365,993	186,314	186,314
	3,971,877	3,971,877	5,026,125	5,026,125
Financial liabilities				
Trade payables and other payables	3,805,275	3,805,275	5,691,438	5,691,438
Current portion of interest bearing debts	869,261	869,261	700,326	700,326
Loans due after one year	3,708,102	3,708,102	2,558,377	2,558,377
Taxation	242,673	242,673	131,204	131,204
Bank overdraft (secured)	2,680,997	2,680,997	2,703,492	2,703,492
	11,306,308	11,306,308	11,784,837	11,784,837

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

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

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

Fair value for held to maturity investment was obtained using level 2 fair value measurements.

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





### 27 Fair value of financial instruments - cont'd

### Fair value measurment recognised in the statement of financial position

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

- 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 liabilty that are not based on observable market data (unobservable inputs).

		COMPANY			COMPANY	
		2013			2012	
	Level 1 G\$ 000	Level 2 G\$ 000	Level 3 G\$ 000	Level 1 G\$ 000	Level 2 G\$ 000	Level 3 G\$ 000
Available for Sale	-	792,120	-	_	698,439	-
	-	792,120	-	-	698,439	-
		GROUP			GROUP	
		2013			2012	
	Level 1 G\$ 000	Level 2 G\$ 000	Level 3 G\$ 000	Level 1 G\$ 000	Level 2 G\$ 000	Level 3 G\$ 000
Held to Maturity	-	39,725	-	-	39,725	-
Available for Sale	-	-	610,271	-	-	739,697
	-	39,725	610,271	-	39,725	739,697



### 28 Financial risk management

### **Objectives**

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

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

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

### (a) Market risk

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

### (i) Foreign currency risk

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

	COMPANY		GROUP	
	2013	2012	2013	2012
Assets	G\$ 000	G\$ 000	G\$ 000	G\$ 000
US Dollar GBP Euro Rupee Others	459,774 49,644 28 - 198,513	326,786 96,574 135 - 204,803	857,337 49,985 1,996,241 - 472,544	761,240 96,906 2,274,310 601,552 564,402
Liabilities	707,959	628,298	3,376,107	4,298,410
US Dollar GBP Euro Rupee Others	3,191,467 7,343 49,647 - 6,064	5,199,224 32,136 5,109 - 14,541	3,461,773 7,343 707,002 15,000 247,603	5,466,998 32,136 1,108,409 535,559 422,640
Net liabilities	(2,546,562)	5,251,010 (4,622,712)	(1,062,614)	7,565,742 (3,267,332)



### 28 Financial risk management - cont'd

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

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

### Foreign currency sensitivity analysis

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

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end or a 2.5% change in foreign currency rates. A positive number indicates an increase in profit where foreign currencies strengthen 2.5% against the G\$. For a 2.5% weakening of the foreign currencies against G\$ there would be an equal and opposite impact on the profit, and the balances below would be negative.

COMP	NY GROUP		Р
2013	2012	2013	2012
G\$000	G\$000	G\$000	G\$000
(63,664)	(115,568)	(26,565)	(81,683)

### (ii) Interest sensitivity analysis

Profit/(loss)

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

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

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

	Increase / Decrease in Basis Point		Impact on prof	it for the year	
		CON	IPANY	GRO	OUP
	Dasis i Ollit	2013 G\$000	2012 G\$000	2013 G\$000	2012 G\$000
Cash and cash equivalent					
Local currency	+/-50	(7,263)	(7,794)		_
Foreign currency	+/-50	502	122	688	223
Overdrafts					
Local currency Foreign currency	+/-50 +/-50	(7,263) -	(7,794) -	(11,277) (2,103)	(11,867) (1,399)

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.



### 28 Financial risk management - cont'd

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

### (iii) Interest rate risk

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

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

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

		M	aturing 2013		
Interest rate	Within 1 year	2 to 5 years	Over 5 years	Non-interest bearing	Total
Range %	G\$000	G\$000	G\$000	G\$000	G\$000
Assets		\			
Investments -	-	-	\ \ \-	792,120	792,120
Trade and other receivables -	-	-	\ \ \ <del>\</del>	1,062,892	1,062,892
Prepayments -	-	-	_ / _ / - '	76,950	76,950
Taxes recoverable -	-	-	\ \-	524,913	524,913
Cash on hand -	-	-	- \	1,882	1,882
Cash at bank 0.03% - 1.5%	153,422	-	-	-	153,422
	153,422	-	_	2,458,757	2,612,179
Liabilities					
Accounts payable					
and accruals 7.25% - 10%	1,150,000	-	-	2,905,825	4,055,825
Bank overdraft 10% -13.5%	1,455,334	-	-	-	1,455,334
Loans 4.81% - 10.50%	815,716	2,199,782	800,051	-	3,815,549
Taxation -		-	-	262,809	262,809
	3,421,050	2,199,782	800,051	3,168,634	9,589,517
Interest sensitivity gap	(3,267,628)	(2,199,782)	(800,051)		

### 28 Financial risk management - cont'd

- (a) Market risk cont'd
  - (iii) Interest rate risk cont'd

### **COMPANY**

		Maturing 2012				
Interest rate	Within 1 year	Over 2 to 5 years	5 years	Non-interest bearing	Total	
Range %	G\$000	G\$000	G\$000	G\$000	G\$000	
Assets						
Investments -	-	-	-	698,439	698,439	
Trade and other receivables -	-	-	-	999,811	999,811	
Prepayments -	-	-	-	64,655	64,655	
Taxes recoverable -	-	-	-	557,298	557,298	
Cash on hand -	-	-	-	2,128	2,128	
Cash at bank 0.03% - 1.5%	78,341	-	-	-	78,341	
	78,341	-	-	2,322,331	2,400,672	
Liabilities Accounts payable						
and accruals 7.25% - 10%	1,750,759	-	-	2,536,901	4,287,660	
Bank overdraft 10% -13.5%	1,607,004	-	-	-	1,607,004	
Loans 4.81% - 10.50%	652,204	1,693,084	434,770	-	2,780,058	
Taxation -	-	-	-	146,120	146,120	
	4,009,967	1,693,084	434,770	2,683,021	8,820,842	
Interest sensitivity gap	(3,931,626)	(1,693,084)	(434,770)			



### 28 Financial risk management - cont'd

- (a) Market risk cont'd
  - (iii) Interest rate risk cont'd

### **GROUP**

		M	aturing 2013		
Interest rate Range	Within 1 year	2 to 5 years	Over 5 years	Non-interest bearing	Total
Trange	G\$000	G\$000	G\$000	G\$000	G\$000
Assets %	.,	1 1	\		. ,
Investments -	-	\ \ \ <del>\</del>	_	649,996	649,996
Trade and other receivables -	-	\ \ -\	\ -	2,151,732	2,151,732
Prepayments -	-	\ \ - \	-	110,513	110,513
Taxes recoverable -	-	\ \-	\ -	693,643	693,643
Cash on hand -	-	\ \-	\ -	1,882	1,882
Cash at bank 0.03% - 1.5%	364,111	\ <del>-</del> \	\ \-	-	364,111
	364,111	1-	1 / /	3,607,766	3,971,877
<b>Liabilities</b> Accounts payable					
and accruals 7.25% - 10%	1,150,000	-	-	2,655,275	3,805,275
Bank overdraft 10% -13.5%	2,680,997	-	_ / '	\ \	2,680,997
Loans 4.81% - 10.50%	869,261	2,577,284	1,130,818	-	4,577,363
Taxation -	-	-	-	242,673	242,673
	4,700,258	2,577,284	1,130,818	2,897,948	11,306,308
Interest sensitivity gap	(4,336,147)	(2,577,284)	(1,130,818)		

### 28 Financial risk management - cont'd

- (a) Market risk cont'd
  - (iii) Interest rate risk cont'd

### **GROUP**

	Maturing 2012						
Interest rate	Within 1 year	Over 2 to 5 years	5 years	Non-interest bearing	Total		
Range %	G\$000	G\$000	G\$000	G\$000	G\$000		
Assets	. ,	,		.,			
Investments -	-	-	-	779,422	779,422		
Trade and other receivables -	-	-	-	3,197,578	3,197,578		
Prepayments -	-	-	-	201,170	201,170		
Taxes recoverable -	-	-	-	661,641	661,641		
Cash on hand -	-	-	-	2,128	2,128		
Cash at bank 0.03% - 1.5%	184,186	-	-	-	184,186		
	184,186	-	-	4,841,939	5,026,125		
Liabilities							
Accounts payable and accruals 7.25% - 10%	1,750,759			3,940,679	5,691,438		
Bank overdraft 10% -13.5%	2,703,492	_	_	5,940,079	2,703,492		
Loans 4.81% - 10.50%	700,326	1,797,450	760,927	_	3,258,703		
Taxation -	-	-	-	131,204	131,204		
	5,154,577	1,797,450	760,927	4,071,883	11,784,837		
Interest sensitivity gap	(4,970,391)	(1,797,450)	(760,927)				



### 28 Financial risk management - cont'd

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

### (iv) Price risk

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

### (b) Credit risk

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

	СОМІ	COMPANY		UP
	Maximum	Maximum Exposure		
	2013	2012	2013	2012
	G\$000	G\$000	G\$000	G\$000
Cash on hand and at bank Investments	155,304	80,469	365,993	186,316
Held to Maturity	-	\ \ <u>-</u> \	39,725	39,725
Available for Sale	792,120	698,439	610,271	739,697
Trade and other receivables	1,062,892	999,811	2,151,732	3,197,578
Taxes recoverable	524,913	557,298	693,643	661,641
Total Credit risk exposure	2,535,229	2,336,017	3,861,364	4,824,957

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

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

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

The related risk is therefore considered very low.

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

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



### 28 Financial risk management - cont'd

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

orealt risk - cont u	COMPANY GROU			ROUP
Trade and other receivables	2013	2012	2013	2012
	G\$000	G\$000	G\$000	G\$000
Trade receivables Other receivables Taxes Recoverable	585,981 477,218 524,913	599,205 422,481 557,298	1,718,594 511,976 693,643	1,999,725 1,314,166 661,641
	1,588,112	1,578,984	2,924,213	3,975,532

The above balances are classified as follows:

	СО	COMPANY		ROUP
	2013	2012	2013	2012
	G\$000	G\$000	G\$000	G\$000
Current Past due but not impaired Impaired	835,861 752,251 -	896,682 660,427 21,875	1,758,575 1,117,211 48,427	2,408,794 1,398,947 167,791
	1,588,112	1,578,984	2,924,213	3,975,532



### 28 Financial risk management - cont'd

(b) Credit risk - cont'd

(b) Great Held Sollid	\ \	COMPANY	GROUP	
	2013	2012	2013	2012
	G\$000	G\$000	G\$000	G\$000
Ageing of past due but not impaired				
31-60 days	35,011	3,307	251,336	417,579
61-90 days	59,401	68,883	138,674	170,620
91-120 days	12,473	4,449	57,917	112,539
over 120 days	645,366	583,788	669,284	698,209
Total	752,251	660,427	1,117,211	1,398,947

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

Ageing of impaired trade receivables over 120 days	\-\	\ '	21,875	48,427	167,791
Total	-\		21,875	48,427	167,791
Provision for impairment	307		21,875	78,838	116,313

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

### COMPANY

			201	3	2	2012
Details	Loca	tion	Credit Limit	Carrying Amount	Credit Limit	Carrying Amount
	2013	2012	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Counterparty # 1	U.K.	U.K.	68,100	64,557	70,000	66,639
Counterparty # 2	Canada	Canada	87,500	18,241	60,000	40,338
Counterparty # 3	Canada	Canada	43,000	28,324	130,000	35,015
Counterparty # 4	Philippines	Canada	65,500	65,119	90,000	25,546
Counterparty # 5	Trinidad	Canada	31,000	156	45,000	18,239
			295,100	176,397	395,000	185,777

### 28 Financial risk management - cont'd

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

### **GROUP**

		201	3	2012		
Details	Lo	cation	Credit Limit	Carrying Amount	Credit Limit	Carrying Amount
	2013	2012	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Counterparty # 1	Netherlands	Netherlands	108,290	92,349	108,290	135,608
Counterparty # 2	Philippines	U.K.	65,500	65,119	70,000	66,639
Counterparty # 3	U.K.	Guyana	68,100	64,557	10,000	57,454
Counterparty # 4	Canada	Germany	87,500	18,241	81,217	51,650
Counterparty # 5	Canada	Guyana	43,000	28,324	55,700	41,878
			372,390	268,590	325,207	353,229

There was no customer who represented more than 5% of the total balance of trade receivables (2012:1 customer). The average age of total receivables was 37 days (2012:45 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).



### 28 Financial risk management - cont'd

### (c) Liquidity risk

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

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

$\sim$	n.	ın	Λ	N I	٦
CO	I۷	I۲	А	IN	ľ

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

### 28 Financial risk management - cont'd

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

### **COMPANY**

	Maturing 2012				
	Within 1 year	2 to 5 years	Over 5 years	Total	
	G\$000	G\$000	G\$000	G\$000	
Assets					
nvestments	698,439	-	-	698,439	
Frade and other receivables	999,811	-	-	999,811	
Prepayments	64,654	-	-	64,654	
Taxes recoverable	557,298	-	-	557,298	
Cash on hand and at bank	80,470	-	-	80,470	
	2,400,672	-	-	2,400,672	
Liabilities	(4.007.660)			(4.007.660)	
Trade payables and other payables	(4,287,660)	-	-	(4,287,660)	
Current portion of interest bearing debts	(652,204)	- (4 000 004)	- (40.4.770)	(652,204)	
oans	-	(1,693,084)	(434,770)	(2,127,854)	
Bank overdraft (secured)	(1,607,004)	-	-	(1,607,004)	
Taxation	(146,120)	<u> </u>	-	(146,120)	
	(6,692,988)	(1,693,084)	(434,770)	(8,820,842)	
Net liabilities	(4,292,316)	(1,693,084)	(434,770)	(6,420,170)	



### 28 Financial risk management - cont'd

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

### GROUP

	Maturing 2013				
	Within 1 year	2 to 5 years	Over 5 years	Total	
	G\$000	G\$000	G\$000	G\$000	
Assets					
Investments	\ \ \-	649,996	-	649,996	
Trade and other receivables	2,151,732	-		2,151,732	
Prepayments	110,513	-	-	110,513	
Taxes recoverable	693,643	-		693,643	
Cash on hand and at bank	365,993	-	-	365,993	
	3,321,881	649,996	-	3,971,877	
Liabilities	(0.005.075)			(0.005.075)	
Trade payables and other payables	(3,805,275)	\ \ \	-	(3,805,275)	
Current portion of interest bearing debts	(869,261)	(0.537.004)	- (4.400.040)	(869,261)	
Loans	(0.000.007)	(2,577,284)	(1,130,818)	(3,708,102)	
Bank overdraft (secured)	(2,680,997)	\ \ \ <del>-</del>	-	(2,680,997)	
Taxation	(242,673)	1 / /	-	(242,673)	
	(7,598,206)	(2,577,284)	(1,130,818)	(11,306,308)	
Net liabilities	(4,276,325)	(1,927,288)	(1,130,818)	(7,334,431)	

### GROUP

	Maturing 2012				
	Within 1 year	2 to 5 years	Over 5 years	Total	
	G\$000	G\$000	G\$000	G\$000	
Assets					
Investments	-	779,422	-	779,422	
Trade and other receivables	3,197,578	-	-	3,197,578	
Prepayment	201,170	-	-	201,170	
Taxes recoverable	661,641	-	-	661,641	
Cash on hand and at bank	186,314	-	-	186,314	
	4,246,703	779,422	-	5,026,125	
Liabilities	(= /)			(= ,)	
Trade payables and other payables	(5,691,438)	-	-	(5,691,438)	
Current portion of interest bearing debts	(700,326)	-	-	(700,326)	
Loans	- ()	(1,797,450)	(760,927)	(2,558,377)	
Bank overdraft (secured)	(2,703,492)	-	-	(2,703,492)	
Taxation	(131,204)	-	-	(131,204)	
	(9,226,460)	(1,797,450)	(760,927)	(11,784,837)	
Net liabilities	(4,979,757)	(1,018,028)	(760,927)	(6,758,712)	
		<u> </u>			



### 29 Capital risk management

The company and group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged from 2012.

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:

The gealing rane at the year one mad actioners.	C	OMPANY	GROUP		
	2013	2012	2013	2012	
	G\$000	G\$000	G\$000	G\$000	
Debt (i) Advances (note 16) Cash and cash equivalents	5,270,883 1,150,112 (155,304)	4,387,062 1,750,759 (80,470)	7,258,360 1,150,112 (365,993)	5,962,195 1,750,759 (186,314)	
Net debt	6,265,691	6,057,351	8,042,479	7,526,640	
Equity (ii)	12,824,799	11,880,207	16,058,647	14,655,669	
Net debt to equity ratio	0.49:1	0.51 : 1	0.50:1	0.51 : 1	

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

<sup>(</sup>ii) Equity includes all capital and reserves of the company and group.



### 30 Restatement due to accounting policy changes

In the current year the Group's accounting policy was changed in respect to the adoption of the revised IAS 19 - Employee Benefits.

The effects of this restatement is shown below:

Earnings per share decreased by dollar per share:

### **COMPANY AND GROUP**

	Deferred Tax	Defined Benefit Asset and Liability	Other Comprehensive Income	Reserves
2011	G\$000	G\$000	G\$000	G\$000
Reserves at January 01, increased by	-	\ \ \ -		101,698
Deferred tax liability increased by:	43,585	\ \ \ \-	-	
Defined benefit asset increased by:	-	145,283	-	
2012				
Deferred tax liability increased by:	189,747		-	-
Defined benefit asset increased by:	-	632,490		-
Other comprehensive income increased by:	-	- \ -	442,743	-
	СОМІ	PANY AND GROUP		
	2012	2011	/ / / ,	

### 31 Reclassification

In the current year an amount of G\$57.75M, which was included in accruals in 2012, was reclassified to investments in order to conform with the 2013 presentation.

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### ten year REVIEW

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Turnover	17,529,199	15,783,081	14,582,598	13,673,267	12,363,533	12,063,533	11,788,636	11,693,495	10,929,809	9,869,961
Operating Profit	2,794,305	2,581,005	2,653,109	2,360,738	2,306,837	2,032,012	2,101,662	1,984,027	1,712,424	1,627,877
Interest Paid Received	589,069	668,937	642,957	606,509	653,898	592,296	522,769	500,802	457,799	412,873
Profit Before Tax	2,205,236	1,912,068	2,010,152	1,754,229	1,652,939	1,439,716	1,578,893	1,483,225	1,254,625	1,215,004
Taxation	635,815	597,849	463,342	614,605	619,589	533,693	600,780	544,720	491,419	411,411
Profit after Tax	1,569,421	1,314,219	1,546,810	1,139,624	1,033,350	906,023	978,113	938,505	763,205	803,593
Gross Assets Employed	28,726,954	27,843,241	24,668,630	23,602,480	22,968,411	21,518,395	17,621,678	15,384,695	14,390,186	13,719,460
Capital Employed	21,084,368	18,562,940	17,201,510	15,819,174	15,905,774	12,889,270	12,710,181	11,180,125	10,476,194	9,985,006
Shareholder's Equity	16,058,647	14,655,669	13,176,203	12,019,383	11,256,519	10,496,948	9,923,505	8,857,377	8,213,965	7,691,159
Operating profit as % of sales	15.94%	16.35%	18.19%	17.27%	18.66%	16.84%	17.83%	16.97%	15.67%	16.49%
Operating profit as of Capital Employe		13.9%	15.42%	14.92%	14.50%	15.77%	16.54%	17.75%	16.35%	16.30%
Return on Gross a	assets 9.73%	9.27%	10.75%	10.0%	10.04%	9.44%	11.93%	12.90%	11.90%	11.87%
Return on Shareholders' Fur	13.73% nds	13.05%	15.26%	14.55%	14.68%	13.72%	15.91%	16.80%	15.27%	15.80%
Basic Earnings per share in Dollar	2.04	1.71	2.01	1.49	1.29	1.18	1.28	1.22	0.99	1.04
Equity per share	20.86	19.03	17.11	15.61	14.62	13.63	12.89	11.47	10.67	9.99
Dividend Cover	3.71	3.56	4.46	3.47	3.16	3.26	3.26	3.34	2.72	3.35



### procedures for TRANSFER OF SHARES

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

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

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

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

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

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

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

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





### DEMERARA DISTILLERS LIMITED • ANNUAL GENERAL MEETING

I,
of
A MEMBER OF Demerara Distillers Limited hereby appoint
OR IN HIS/HER ABSENCE
To act as my proxy at the Annual General Meeting on April 25, 2014 and at every adjournment thereof.
As witness my hand thisday of2014
Signed
Unless otherwise instructed the proxy will vote as he/she thinks fit.
The date of the AGM is as per Notice published in the Press and as it appears in the Annual Report & Accounts, relevant to the particular year under review.

'Responsible', how do we define it? How do we recognise if or when someone is being 'responsible'? Being responsible is an individual decision and a collective process. It commences in one and sees its completion in many. To be responsible is to be accountable and bold. Responsibility demands consistency and dependability. Are you prudent at heart? Are you bold – rooted in tradition yet eagerly embracing the future? Then perhaps, just perhaps, you may bear the Spirit of Being Responsible.