A PRESERVED

Legacy

DEMERARA DISTILLERS LIMITED

ANNUAL REPORT 2016


DEMERARA
DISTILLERS
LIMITED

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Ours is not just a company... it's a

LEGACY

Demerara Distillers Limited is, of course, a company. A company, like any other company, with shareholders, directors, management and staff; a company with a complex mix of suppliers, partners, distributors and customers; a company with supporters and detractors, a company with competitors.

Demerara Distillers is a company with the distinction of producing Guyana's only global brand, the award winning El Dorado Rum.

Like the ships that are on our corporate and El Dorado brand logos, Demerara Distillers is a company that has sailed in varying seas. Time and time again we have sailed from calm waters to rough seas and back to calm again. Our ship has tackled difficult headwinds with strength and courage and got those winds behind us pushing us forward at great speed after times of struggle. And onward we sail.

Our strength and courage do not come from the brand's successes, even though we are extremely proud of these achievements and are constantly working hard to maintain our place on the world stage, and to expand our portfolio of awards.

Our strength and courage do not come from our profits, even though we work hard to achieve these and profitability allows us to invest more in our corporate family, in our host communities, and in our society, and in our infrastructure for growth and expansion.

Our strength and courage do not come from our leadership, even though we have outstanding leaders whose experience and vision have guided us successfully through transformation of the industry, economy, markets, and changes in technology.

Our strength and courage come from deep within; deep within the veins of each person who works here, deep within each breath of the unique aroma in our atmosphere, deep within the soil beneath, deep within the fibers of each ancient wooden still, and deep within the grain of each wooden cask where runs our legacy.

Whether we are always conscious of it or not we know that deep within is a legacy that is tied to each of us; tied to the history of who we are, where we are from as a people, and what we do as a company.

Demerara Distillers, more than any other institution in Guyana whether political, social, or cultural, has carried the rich history and legacy of Guyana's founding and establishment, to the present. Every aspect of our history from discovery through colonisation, slavery, indentureship, freedom, and independence is connected to our plantations, our people, our casks.

A dream runs through our history and through our veins. And, in pursuit of that dream we have for centuries been committed to the task of passing on the knowledge and handing down the skills.

"A dream runs through our history and through our veins. "

Generation after generation at DDL has taken that knowledge and those skills and moved us forward. Every day we celebrate and we employ time honoured traditions. We have preserved the character within. The character marked by the strength and the courage that keeps us sailing regardless of the conditions of the seas below us and the winds above us.

And now, just like before, we will keep sailing. As markets change, as technology changes, as societies and cultures continue to change, and as these changes bring new challenges we press forward because we have deep in the grains 300 years of craft and passion and wisdom.

Because we are not just a company, we are a legacy.

IN THE PHOTO ABOVE
President of the Co-operative Republic of Guyana, H.E. David Granger & Chairman of Demerara Distillers Limited Komal R. Samaroo stands with the casks that were signed by the President and sealed for the next 25 Years.

The 50th STORY

On April 11, 2016 Demerara Distillers released a Grand Special Reserve Rum to mark Guyana's 2016 celebrations of the Golden Jubilee Independence Anniversary. The launch of the El Dorado Grand Special Reserve 50th Anniversary Special Edition Rum at the El Dorado Rum Heritage Centre located at Plantation Diamond in Demerara.

We at Demerara Distillers are more than just distillers of the world's finest rums. We are purveyors of Heritage, of History, of Legacy.

Rum, much like sugar, is central to our origin as a people. It is why we came – and stayed – on these hallowed shores. The toil of our ancestors on the sugar cane plantations dates back to the era of slavery and of indentureship in the post-abolitionist era.

What is less known is starting 1670, and reaching a peak by 1780, every sugar plantation had an associated small distillery which consumed the molasses by-product from the sugar manufacturing process, to convert into the potable, saleable alcohol we know as rum.

That this history is preserved today on the premises of Demerara Distillers and gives us a unique and solemn responsibility as the endowed gatekeepers of this national patrimony.

Undoubtedly, Demerara Distillers and its precursor entities have jealously guarded this legacy through the decades to ensure that El Dorado, our flagship brand, is today renowned the world over as the World's Best Rum.

Starting in the 1940's when there were only 9 of the once 300-plus distillers still in operation, a few key decisional milestones were laid down:

From that time onwards, if any sugar estate and/or rum distillery was closed, then as far as practicable the rum produced at the defunct distillery would be preserved, either by the transfer of the distilling equipment on which the rum was produced to a nearby plantation distillery that was still operational, or by the replication of that rum on the distilling equipment at a nearby distillery that was still in operation.

This was fundamental to the survival of the identity of rum production in Guyana, because by the time of our nation's Independence in 1966, the 9 distilleries had contracted to 5, and by 1970, only 3 distilleries endured. Of those 3, the Enmore Distillery was closed in 1990 and the Uitvlugt Distillery in 1999, leaving only the Diamond Distillery effectively from 2000.

Yet, the rums that harken back to distilleries at Port Mourant, Albion, Skeldon, La Bonne Intention and others are now all produced today at Diamond, very much true to the style of their original draws.

> **" The unforced beauty of these rums is crafted daily by our most treasured assets – our people."**

At the core of the El Dorado 50th Anniversary Rum, is the oldest rums preserved at Demerara Distillers up until this time. About two-thirds of this special blend comes from barrels distilled on the Port Mourant still. This still is comprised of two large wooden-pots, constructed of Guyanese Greenheart for longevity. It was first erected in 1732 at plantation Port Mourant, and when that distillery was closed in 1955, the Still was relocated to Skeldon, and when that in turn closed in 1960, it was moved to Albion, and later to Enmore and Uitvlugt before finally occupying its place at Diamond after the closure of the other respective distilleries.

One must be wondering, why go through so much effort to continuous relocate the Port Mourant Double Wooden Pot Still? The reason is simple: the greenheart pots distill a one-of-a-kind, robust, woody, heavy-bodied spirit that no other Still is able to replicate. Not only is the Spirit that it produces unique, but the still is today the only one of its kind, the oldest still of any kind for rum production anywhere in the world.

Two-thirds of the El Dorado 50th Anniversary Rum was distilled on this vintage double wooden pot still, and laid down in oak barrels in 1966 – a fitting tribute to our nation and our unique heritage of distilling.

IN THE PHOTO
President of the Co-operative Republic of Guyana, H.E. David Granger & Hon. Prime Minister Moses Nagamootoo along with Mr. Shaun Caleb inspect a rum still at the Demerara Distillers Limited Heritage Centre.

The Special Edition blend was augmented by almost equally old rums in the style of the historic Albion, Skeldon and La Bonne Intention Estates which were all distilled and aged in oak between 1966 and 1976.

Today, all three of those rums are distilled at Diamond Distillery on the French Savalle Still, which was originally installed at Uitvlugt in the early 1900's, but was moved to Diamond since 2000. As such, the 25% of the blend that comprises these three rums are a salute, not only to the three distilleries of origin (Albion, Skeldon and LBI), but also to the versatility of the vintage Savalle Stills which can produce 9 different styles of rum in total – no other rum distillery has this kind of flexibility either possessed by a single Still or by all of their Stills combined.

It is this combination of our inimitable distilling equipment, the rich quality molasses from our Demerara Gold sugar cane belt, the unique environmental influences of our Demerara terroir in which the rums are distilled, and finally, the true ageing of our rums under the Equatorial heat, humidity and the cooling breeze of the North East Trade Winds.

Today, Demerara Distillers Limited is the only Distiller of Demerara Rums. The unforced beauty of these rums is crafted daily by our most treasured assets – our people – the distillers who in many cases have started with us in attendant duties, and 25-30-35 years later, are preserving the three hundred years of craft distilling in every batch, in every barrel, in every bottle.

To applaud their efforts, a final 10% of the 50th Anniversary Blend is drawn from rums aged in 1983, the year Demerara Distillers Ltd. was incorporated, and when many of these very employees

The 50th Story

became owners among the thousands of shareholders to pledge a stake in the endowment of this institution of national import and international renown.

The blend is finished with a soupcon of aged pot still rums surviving from our heritage Double Wooden Pot and a since-discontinued John Dore copper kettle, barreled in 1983, resulting in a rum that is full bodied and complex beyond anything that eye of toad and tongue of newt can ever produce.

Although in 1991, the brainchild of the to-be-launched El Dorado brand must have had immaculate foresight, patience and restraint to resist the temptation of using up the 1966 barrels in the blend they were then formulating for the flagship El Dorado 15 Years Old, and instead to leave those 1966 barrels for a much grander occasion – such as today's launch.

The El Dorado 50th Anniversary Special Edition is presented in a distinctive crystal decanter nestled in a beautifully crafted presentation box. Each presentation is individually numbered, and is adorned by a specially commissioned 50th Anniversary Gold Medallion that was crafted by Guyanese jewellers in 18 Carat premium Guyanese Gold, a tribute to our country's rich mining history. 600 bottles were made available for sale.

Chairman of DDL Komal Samaroo indicated that "... a portion of the proceeds from each sale will be donated to the DDL Foundation Endowment Fund to help sustain the great work the Foundation is doing in providing scholarships to brilliant young Guyanese who cannot afford to attend high schools for which they qualify."

Guyana's President David Granger who was present for the launch said that "Demerara Distillers Limited has preserved, protected and promoted the El Dorado brand which carries with it connotations of discovery, exploration and wealth. DDL has profited from these powerful international images and has produced a brand that is now firmly associated, around the world, with premium Demerara rums."

At the launch event the President was invited to seal three barrels of rum aged 50 years which will be aged for another twenty-five years and then to be opened when Guyana celebrates its 75th anniversary of Independence in 2041.

Invited guests to the launch event were given an opportunity to taste this special sipping rum the El Dorado Grand Special Reserve 50th Anniversary Special Edition. Just before the tasting, DDL's Chairman Komal Samaroo declared "I believe that this is the best bottle of rum money can buy anywhere on planet earth!"

Company in
PERSPECTIVE

The core business of Demerara Distillers Limited for the three centuries has been **Demerara Rum**. In the 17th Century, every sugar plantation had its own small distillery and these, with the passage of time, were gradually consolidated into one distillery at Diamond on the East Bank of Demerara. The Company's alcoholic products especially its rums, including its flagship brand, the El Dorado 15 year Old Special Reserve, and its other brands – the El Dorado 25 Year Old, El Dorado 21 Year Old, El Dorado 12 Year Old, the El Dorado 5 Year Old, the 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**. The Group also has interests in the **Insurance** industry.

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

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

Notice of
MEETING

The **SIXTY-FIFTH ANNUAL GENERAL MEETIN**G of Demerara Distillers Limited (DDL) will be held at DDL's Diamond Complex, Plantation Great Diamond, East Bank Demerara on **Friday, April 7, 2017 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, 2016*
2. To declare a Final Dividend of $0.47 per share free of Company Taxes in respect of the year ended December 31, 2016
3. To elect Directors
4. To fix the Emoluments of the Directors
5. To appoint Auditors and authorize the Directors to fix their remuneration.

BY ORDER OF THE BOARD

Allison Thorne
Company Secretary/Legal Officer
February 20, 2017

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

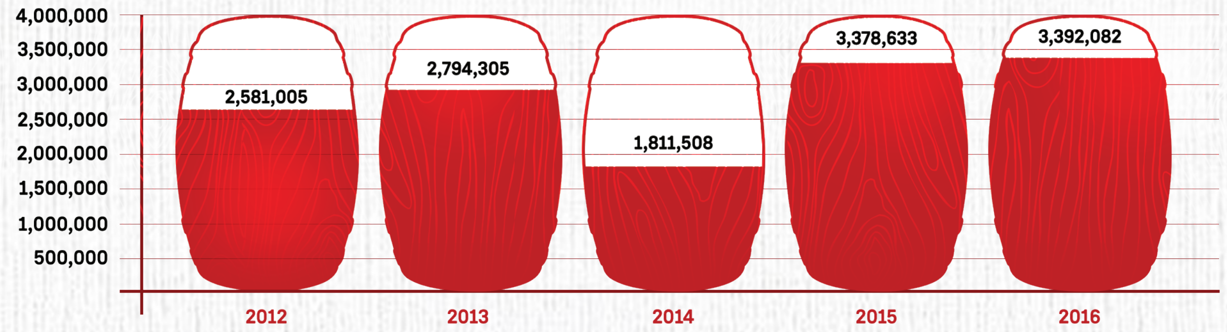
- Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not also be a member of the Company.
- A form for use at this meeting must be received at the registered office of the Company stated above, not less than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

REGISTER OF MEMBERS
The Register of Members and Share Transfer Books of Demerara Distillers Limited will be closed from March 15, 2017 - April 7, 2017 – both days inclusive - for the purpose of preparing warrants of the Final Dividends for the year ended December 31, 2016.

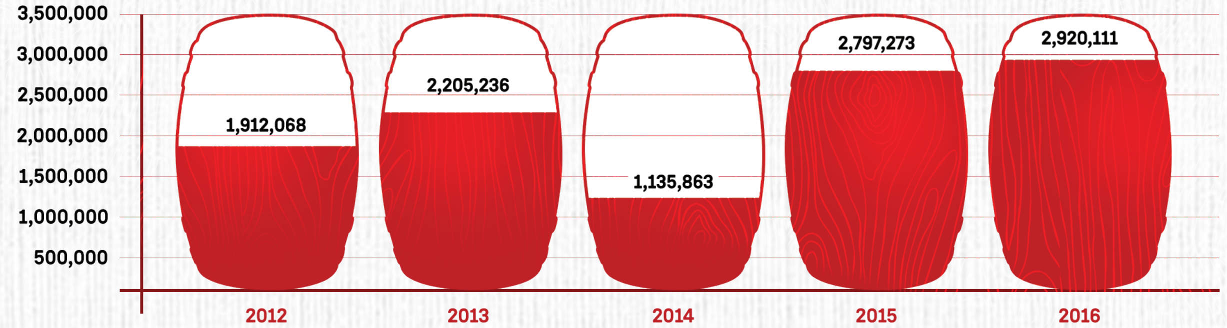
N.B. Tokens/Gifts will be distributed only to shareholders present at the General Meeting and not at any time or place thereafter.

Financial HIGHLIGHTS

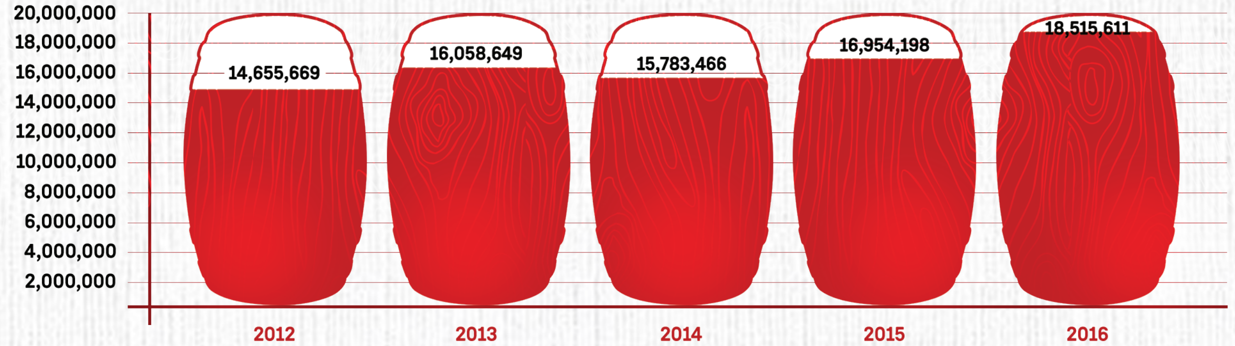
Operating Profit



Profit Before Tax



Shareholders' Equity



Corporate INFORMATION

Auditors

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

Legal Advisors

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

Registered Office

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

Registrar & Transfer Agent

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

Bankers

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

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

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

BOARD OF DIRECTORS

From left to right:

Egbert Carter
MSC. (Civil Engineering) · Director

Lancelot Tyrell
Director

Harryram Parmesar
FCCA · Director

Komal R. Samaroo
AA, FCCA, ACIS
President · Chairman of the Board

Sharda Veeren-Chand
BA · Marketing Director

Sharon Sue Hang-Baksh
BSc (Chemistry) · EMBA
Director of Technical Services

Rudolph Collins
CCH, BSc. (Hons) · DPA Director

Timothy Jonas
L.L.B. (Hons) · Director

Dr. Yesu Persaud
CCH, FCCA, FRSA, CCMI · Director

Komal R. Samaroo
President · Chairman of the Board

CHAIRMAN'S REPORT

I am extremely pleased to be able to report to our shareholders that 2016 was a very positive year for the Group. We continued during the year to successfully re-align our business to meet the challenges and realities of an increasingly harsh economic environment.

The IMF, in its January 2017 World Economic Outlook Update, described global growth in 2016 as a year of 'lackluster outturn' while projecting improvement in the next two years. Indeed, there was stronger than expected growth in advanced economies, especially in the USA, where the economy approached full employment, even though output remained below potential in areas such as Europe. The picture was mixed in emerging and developing economies, with China exceeding expectations, while some Latin American economies were weaker than expected. Commodity prices have bottomed out and some countries, such as China, experienced producer price inflation after four years of deflation.

Our commodity bulk rum segment was not spared from the slump in commodity prices. In my 2015 Report to Shareholders, I stated, "Low prices combined with the decline in international value of the Euro necessitated our withdrawal from segments of the commodity bulk rum market that were no longer contributing to our profitability. This resulted in a 43% decline in bulk rum export revenue in 2015". In 2016, we completely withdrew from this segment of the market but retained the capacity to re-enter if and when economic circumstances presented profitable opportunities in the future.

In Guyana, the presentation of the National Budget on the 28th November 2016 for the 2017 fiscal year is a welcome development. The early presentation of the Budget allows for more effective and improved business planning for the next year. I hope that this important move to make the national economic environment more predictable, which is so important to attract more investment in economic activities, will be followed by an equally timely publication of a national development strategy and/or a national development plan which could help to align our business strategy with national priorities.

RESULTS FOR 2016

Revenue and Brand Development

Notwithstanding our complete withdrawal in 2016 from the commodity bulk rum market and consequent absence of any sales in that segment in the year, our overall Group revenue for the year increased albeit marginally ($89m or 0.5%) above that of the previous year.

Increased sales from branded products and high value bulk rum fully compensated for the sales foregone from the unprofitable commodity bulk rum segment. If the previous year's revenue from the latter segment is omitted from the comparative results, the Group's revenue would have increased by almost 5%.

Revenue from international sales of brands and high value bulk rum increased by 9.5% in 2016 compared to the previous year. Domestic revenue increased by 2.6% compared with 2015.

Market introduction of the Diamond Reserve brand in regional and international markets started in the year and will continue in 2017. The brand was well received and we will continue to carefully promote and reinforce its market position in the value segment until it carves its niche in the rum market.

The positioning of the El Dorado Rum brand in the high end of the market was strengthened in April 2016 when we launched an ultra-premium limited edition to mark Guyana's 50th Independence Anniversary. We were honoured by the presence of His Excellency President David Granger, the Honourable Prime Minister Moses Nagamootoo and several members of the Cabinet at the launch event.

Towards the end of the year, another launch under the El Dorado brand was the limited El Dorado Rum Cream Liqueur in the Butter Pecan.

Additionally, I am pleased to announce that the El Dorado Brand was again listed in the 2016 Drinks International Annual Bar Report in the 'Top 10 Best Selling Rum Brands' and the 'Top 10 Trending Rum Brands' based on a survey in a sample of 108 bars that finished in the top 250 places of the World's 50 Best Bars.

In terms of beverage products, we successfully launched Diamond Splash Cranberry Water and Soca Ginger Ale.

Group Profit
The Group profit before taxation for the year was $2.920 billion compared with $2.797 billion in the previous year an increase of $123m or almost 4.4%.

The Group profit after tax was $2.191 billion compared with $1.895 billion in 2015 an increase of $ 296 m or 16 %.

Subsidiaries
Distribution Services Ltd recorded a Profit before Tax of $358m compared with $313m in 2015.

Demerara Shipping Co. Ltd recorded a profit of $102m compared with $146m in 2015. This decline was mainly on account of the reduced volume of cargo handled by the Lines represented by the Shipping Company.

Tropical Orchard Products Co. Ltd. (TOPCO) made a loss of $16m compared to a profit of $20m in 2015. This was due primarily to the loss of the School Feeding Program contract, a matter which TOPCO successfully contested at the Bids Protest Committee. The Bid Protest Committee did not have the power to reverse the contract, which had already been awarded to an overseas company. TOPCO had to write off inventory totalling $21.2m in packaging material and finished product.

Our overseas Subsidiaries also performed well contributing $185m in profit before taxation compared with $172m recorded in the previous year. Demerara Distillers St Kitts Ltd recorded a profit of $25m, Demerara Distillers USA Inc. recorded a profit of $41m, Demerara Rum Company Ltd recorded a profit of $31m and our subsidiary in Europe recorded a profit of $88m.

Dividends
An Interim Dividend of $0.16 per share was paid in December 2016. The Directors have recommended a Final Dividend of $0.47 per which, if approved by Members at the upcoming General Meeting, would result in a total of $0.63 per share paid for the year 2016.

Consumption Tax Settlement
Following an extended legal battle with Guyana Revenue Authority (GRA) that commenced in 2002 and after numerous attempts at amicable settlement, the parties finally agreed to resolve the ongoing Consumption Tax claim filed by GRA in November 2008 and challenged by DDL in the High Court in 2009.

The Company and GRA mutually agreed to fully and finally settle all claims by the GRA and liability by DDL for both Consumption and Excise Tax up to March 9, 2016 in the sum of $1.5 billion payable over twelve months from April 2016 to March 2017. During the year, payments towards this settlement totaled $1.2 billion. The balance will be paid before March 31st 2017.

Capital Expenditure
During the year, we expended $930m in Capital Expenditure in the areas of -

(a) Information and Communications Technology to enhance and modernise Security, Customer Service and Human Resources Management;

(b) Improvement of Production, Storage and Transportation infrastructure; and

(c) Replacement of Power generation equipment.

In addition, and in furtherance of our quest to reduce the cost of power generation, the Group facilitated a pilot project to explore the use of LNG, in place of heavy fuels, for Power generation at its Diamond facility. This pilot project is ongoing.

Quality and Operational Improvements
We continue to place great importance on Quality Assurance as a fundamental part of our competitive advantage strategy. Continuous certification to the International Organisation for Standardization (ISO) 9001:2008 International Management System for all of our manufacturing units as well as Bulk Terminal and Quality Assurance laboratory provided the foundation for the sustainability of this process.

The Distillery continues to be certified in Good Manufacturing Practice (GMP) Standards by SGS; while the Beverage Operations successfully completed AIB International Food Safety Audits and PepsiCo Annual Global Audit.

An integral aspect of maintaining these international certifications is the continuous training of all staff engaged in the operational, technical and monitoring processes. This is an ongoing process in which continued investment will be key.

Future Prospects
The January 2017 World Economic Outlook Update suggests that in relation to the next two years "there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming US administration and its global ramifications". The uncertainty of the global business environment presents a major challenge which is compounded by intensified regulatory pressures locally but the Group stands both well prepared and positioned to expand the global footprint of its rum brands and continue its growth in this vital segment of its business.

The economic outlook for Guyana has reportedly improved with the announcement of significant petro-carbon deposits offshore. The Group will be expanding its several businesses to take full advantage of the opportunities that may arise from the improvement in the domestic economy. Notwithstanding the predicted uncertainties ahead, the Group remains well poised for continued growth as well as revenue and profitability expansion in the foreseeable future.

Acknowledgement
The commendable results for 2016 would not have been possible without the ongoing support and confidence of our numerous business partners, both locally and overseas. Their loyalty, insights and constructive feedback have been invaluable in helping to realise our growth and expansion plans. I wish to express my sincerest gratitude to all of them.

Our employees at all levels have responded quite positively to many changes initiated to improve efficiency and competitiveness in our businesses. Their willingness to make the extra effort and their responsiveness to the call to action has been a major source of strength in the Group. I wish to thank all of them for their commitment and sacrifices in the last year.

Finally, but in no way least, I thank the Board of Directors for their invaluable advice, guidance and support. Their oversight has helped in no small measure to ensure the continuous improvement in governance and the strengthening of the capacity of the Group to meet the demands of the challenging times in which we operate.

Komal Samaroo
Chairman

LONG SERVICE AWARDS

35 Years

RONALD RAMOO
Labourer

30 Years

BIBI RAFFIA ABRAHIM
Administrative Assistant

JANET SULTAN
Supervisor

DENANAUTH PERSAUD
Logistics Coordinator

25 Years

AMARCHAND SEWEDA
Ageing & Blending Manager

GANGADEEN MAHADEO
Dispatch Supervisor

RAWLSTON CADOGAN
Forklift Operator

KRISHENDATT PERSAUD
Labourer

RAMDAT SINGH
Pre Seller (Liquor)

ANDREW SANDY
Sales Assistant

MAHINDRALALL NANDALALL
Senior Utility Operator

TERRY HARRY
Forklift Operator

CARL KANTO
Plant Manager

20 Years

MAHENDRA RAMJEAWAN
Systems Improvement Manager

JERMAINE HILLMAN
Boiler/Utility Operator

ORWIN HUNTE
Porter

BASMATTIE PERSAUD
Bottle Inspector

SUKHLALL RAMCHAN
Machine Operator

MANASSEH BOODHOO
Pre-Seller - Beverages

MARK CHINAPEN
Sales Manager

JOYCE WONG
Cashier/Sales Clerk

FEROZE KHAN
Porter

DEONARINE RAMBARRAN
Washloft Operator

HERVENSON MURPHY
Post Mix Technician

GANESHWAR SINGH
Electrician/Elevator Technician

SEERIRAM BHOWANDIN
Pre Seller - Liquor

MAHINDRA JOHN
Auto Mechanic

NIGEL WHITE
Porter

HIMMAN MANGROO
Senior Civil Technician

15 Years

VERONICA ARJOON
Clerk

RAHEEM MOHAMED
Blending Assistant

ZAMEED KAMALUDEEN
Washloft Operator

KABIE KRIPALALL
Labourer

SASENARINE PERSAUD
Assistant Logistics Coordinator

DEVICA BHAGWANDIN
Sales Clerk

MAHARANIE SIMON
Bond Clerk

JACQUELINE CASTOR
Canteen Attendant

RAI PERSAUD
Regular Guard

MOHAMED JAMA RASHEED
Supernumerary Constable

VISHWANAND CHANDRASHEKHAR
Commercial Executive - MSC

MANAGEMENT TEAM

From left to right:

Vasudeo Singh
Finance Controller

Moneeta Singh-Bird
Human Resource · Director

Allison Thorne
Company Secretary / Legal Officer

Fazal Bacchus
Chief Internal Auditor

Yeshwar Bhagwandat
Senior Business Development Manager

Shaun Caleb
Senior Process Improvement Manager

Report of the
DIRECTORS

REPORT OF THE DIRECTORS
The Board of Directors ("the Board") is pleased to present its Report together with the Audited Financial Statements of Demerara Distillers Limited & Subsidiaries ("the Group") for the year ended December 31, 2016.

Turnover and Profitability
Group turnover increased by $0.1 billion from $18 billion in 2015 to $18.1 billion in 2016. Group pre-tax profits increased by $123 million from $2.797 billion in 2015 to $2.920 billion in 2016.

Dividends
A final dividend of $0.47 per share has been recommended, in addition to $0.16 per share interim dividend already paid, bringing the total dividends for the year to $0.63 per share.

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

Board Changes
Effective April 21, 2016, Chandradat Chintamani ceased to be an Executive Director on the Board.

On February 16, 2017, Allison Thorne, Company Secretary/Legal Officer, was appointed to the Board as an Executive Director.

Directors
In accordance with Article 122 of the Company's Articles of Association, **Directors Messrs. Egbert Carter, Rudolph Collins, Timothy Jonas, Harryram Parmesar, Yesu Persaud and Lancelot Tyrell** will retire by rotation at the close of the Annual General Meeting held on the 7th day of April 2017 and being eligible, offer themselves up for re-election.

Directors' Emoluments as at December 31, 2016

Egbert Carter	$1,800,000
Rudolph Collins	$1,800,000
Timothy Jonas	$1,800,000
Harryram Parmesar	$1,800,000
Yesu Persaud	$1,800,000
Lancelot Tyrell	$1,800,000

Directors' Interest – Demerara Distillers Limited

The interests of Directors holding office in the ordinary shares of Demerara Distillers Limited at December 31, 2016 and up to the date of this Report were as follows:

DIRECTOR	ORDINARY SHARES AT NO. PAR VALUE			
	Beneficial Interest		Associates' Interest	
	2016	2015	**2016**	2015
Komal Samaroo	**931,646**	931,646	**1,137,141**	1,137,141
Egbert Carter	**Nil**	Nil	**Nil**	Nil
Rudolph Collins	**929**	929	**Nil**	Nil
Timothy Jonas	**50,000**	50,000	**Nil**	Nil
Harryram Parmesar	**128,838**	105,504	**Nil**	Nil
Yesu Persaud	**Nil**	Nil	**Nil**	Nil
Lancelot Tyrell	**29,750**	29,750	**Nil**	Nil
Sharda Veeren-Chand	**1,500,000**	1,500,000	**Nil**	Nil
Sharon Sue Hang	**223,334**	23,334	**Nil**	Nil
Allison Thorne	**Nil**	Nil	**Nil**	Nil

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

Contracts with Directors
During the financial year there were no:
- Service contracts with any of the Directors of the Company
- Significant contracts to which any of the Directors of the Company was party to or materially interested in either directly or indirectly.

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

Corporate Governance
Transparency, accountability, fairness, and corporate responsibility remained the chief pillars of the Group's governance policies and standards.

In its strategic leadership of the Group, the Board embraced sound governance policies and standards which supported the preservation of shareholder's rights as well as assured the Group's compliance with ethical business practices and legal obligations.

During the year, the Board convened at least twelve (12) Meetings where focus was primarily placed on:
- the Group's strategic future development;
- the policies and practices deemed appropriate for the Group's operational and corporate needs;
- the financial and operational performance of the Group's business operations;
- internal financial controls and financial planning;
- dividend proposals;
- market, revenue and profitability trends;

- risk mitigation and management;
- capital projects and plans;
- major corporate activities;
- corporate acquisitions, disposals and related matters.

The Board comprises six Non-Executive Directors and four Executive Directors including the Executive Chairman.

Non-Executive Directors of the Board were re-elected by Shareholders at the last Annual General Meeting of the Company held on March 31, 2016. The re-elected Non-Executive Directors possess extensive experience and specialist skills across a range of sectors including accounting and audit, law, engineering, governance and human resources which enables them to undertake incisive analysis of issues and provide balanced, practical and impartial advice in the best interest of the Group and its Shareholders.

During the year, Non-Executive Directors met amongst themselves as well as with Executive Directors and Management without the presence of the Executive Chairman.

To preserve their independence, Non-Executive Directors have refrained from participation in the Group's day to day management and have instead, delegated this responsibility to the Executive Committee.

The Executive Committee comprises Executive Directors and Senior Management. The responsibilities of the Executive Committee include:

- developing and implementing strategic plans approved by the Board;
- managing and monitoring operational and corporate performance against approved projections;
- managing and monitoring business and financial risks;
- ensuring adherence to legal obligations as well as the Group's policies, practices and codes;
- responsibly communicating with stakeholders of the Group.

The Executive Committee, led by the Executive Chairman, convened at least twelve (12) Meetings in 2016, where the Committee focused on: Production, Sales, Marketing, Information Technology, Quality Assurance, New Product Development, Financial Performance, Corporate Social Responsibility, Human Resources, Training & Development, Health, Safety and Environment, Capital Projects, Security, Risk Management and Internal Controls.

The reduction of the risk of conflict of interest and maintenance of adequate controls continued to guide the configuration of the Group's Management Structure with the result that segregation of roles and responsibilities between the Corporate Service Divisions such as Commercial, Legal & Compliance, Human Resources, Management Information Systems, Quality Assurance, Finance and Security are separate and distinct from Operational Divisions such as Production & Sales.

The Board renews its commitment to ensuring that:

- corporate, operational and financial integrity are maintained by the Group; and
- the Group continuously strives to improve its governance policies and standards in keeping with best practices.

Board Committees

The Board has delegated specific functions to Committees to assist in its oversight responsibilities Throughout the year, these Committees have provided periodic reports on the progress and work of the respective Committees which were presented and reviewed at Board Meetings.

Audit Committee

The Audit Committee met regularly in 2016 to independently discharge its responsibility to oversee:

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

The Audit Committee is supported in its activities by the Company's Internal Auditor, who reports directly to the Chairman of the Audit Committee, and who is responsible for carrying out independent checks to ensure compliance with, and adherence to, the Company's internal controls, established systems and documented procedures.

At the request of the Committee, the Internal Auditor ordinarily attends the monthly Audit Committee Meetings along with any other Executive Directors, Managers or Officers, whose presence the Committee deems necessary.

The Committee is satisfied that its recommendations for strengthening internal controls within the Group are being addressed by Management.

The Members of the Audit Committee are:

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

Technical Committee

The Technical Committee ("the Committee") is comprised of five (5) Members: two (2) of whom are Non-Executive Directors along with one (1) Executive Director and two (2) Senior Managers.

The Members of the Technical Committee are:

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

The primary objectives of the Technical Committee are:

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

The Technical Committee convened six Meetings and two Staff Development training sessions for the period.

During the period, the Committee also evaluated and continuously monitored the following:

- Major Equipment for Rehabilitation of the CO2 Plant;
- Rehabilitation of Number Two Bio-Digester Tank;
- Power Generation Strategy including the testing of 500KW diesel set capable of using LNG fuel;
- Project Design and Specification to merge the Blending and Bottling functions for increased installed capacity;
- Blending Building Design and upgrade plans involving 18 stainless steel tanks with automatic control system;

Substantial Shareholders

Company/Institution	**2016**		2015	
	# of Shares	**% Shareholding**	# of Shares	% Shareholding
Trust Company (Guyana) Limited	**233,486,291**	**30.32**	232,275,372	30.17
Secure International Finance Co Ltd	**142,338,498**	**18.49**	141,289,578	18.35
National Insurance Company	**61,600,000**	**8.00**	61,600,000	8.00

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

Report of the Directors

Changes in Affairs of the Company
There were no significant changes in the affairs of the Company during the year ended December 31, 2016.

Issued Share Capital of Subsidiaries

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

BY ORDER OF THE BOARD

Allison Thorne (Ms.)
Director/Company Secretary/Legal Officer
February 24, 2017

Corporate Social
RESPONSIBILITY

At Demerara Distillers Limited our philosophy continues to be that we have a responsibility to help develop the next generation of consumers and employees who will be the future of both our Company and our Country. In 2016 we continued our focus on the development of youth through several avenues in the areas of Education and Sports, including:

The DDL Foundation

The DDL Foundation continues to be the key area of focus under our drive for education. This year, we saw an additional five students graduate successfully after completing their secondary education, bringing the total number of graduates to eight, since the foundation was first launched in 2010. Rebekah Adolphus, Anjalee Ramnauth, Sharada Samaroo, Saskia Singh and Vani Ramnarain were among those that graduated this year.

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

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

The Foundation comprises mainly volunteers from the DDL staff body, includes a Mentorship Program where each child is paired with a Mentor who monitors the performance of the child and

This year also saw us adding an additional five students to the foundation:

From left to right: Tyrell Davis, Roshini Samaroo, Joel Ally, Aletha Joseph and Joshua Melville.

provides the necessary moral and other support during the period of their relationship with the Foundation.

Today the Foundation has a total of twenty-five (25) students from across the country who benefit from scholarships.

SPORTS – LOCAL SPONSORSHIPS

Pepsi Under 16 Boxing

DDL's relationship with the Guyana Amateur Boxing Association (GABA) was once again renewed in 2016. Pepsi continued its partnership with the GABA by sponsoring two (2) local Pepsi Under-16 Boxing tournaments and one regional tournament in 2016.

Building on the initial tournament which was first executed in 2012, in 2016 we were able to include boxers from Barbados, Jamaica and St. Lucia. The tournament which acts as a nursery for young boxers gives them an opportunity to participate in an organised tournament with foreign competition to further help in the development of their skills. It is from this program in 2016, Christopher Moore graduated to participate in the Caribbean Development Program where he won a Gold Medal and was adjudged the Best Boxer from among participants of 17 countries.

President of the GBA, Steve Ninvalle (second from left) receives timely sponsorship from Larry Wills, Manager of the Pepsi brand (second from right)

Diamond Mineral Water Cycling

DDL, under its Diamond Mineral Water brand, collaborated once again with National Cycling Coach, Hassan Mohamed in hosting of two major cycling events in the year 2016. The 10th Annual Youth Program and Invitation Event was held in March at the National Park and the 16th Annual Diamond Mineral Water 50 Miles Road Race which was held in November from Ocean View Hotel, Liliendaal on the East Coast to Mahaicony Half Way Three and back to Ocean View Hotel. National cyclist and Team Gillette Evolution's, Orville Hinds, capped a dominant year on the saddle by winning the race in a brisk one hour, 59 minutes and 24 seconds.

Hockey

Demerara Distillers Limited, under its Diamond Mineral Water Brand and the Guyana Hockey Board, set out and hosted the 13th Annual Diamond Mineral Water International In-Door Hockey Festival. The venue was once again the National Gymnasium and teams from Canada, Trinidad and USA were all on board for this edition of the hockey festival. This festival is now the longest running in-door hockey tournament in the Caribbean.

GHB President Philip Fernandes (centre) poses with sponsors' reps (from left) - Ansa McAl's Robert Hiscock, DDL's Larry Wills and GHB officials Tricia Fiedtkou and Devon Hooper

Horse Racing

DDL continues to support Kennard Memorial Turf Club's (KMTC) annual race meetings. We have had a long standing relationship with this club. Every year, over the last Forty-Four (44) years, four (4) race meetings are held, all of which we contribute towards. This activity is primarily targeted to the people of West Berbice and is deemed a key event in the horse racing calendar. DDL promises to continue its partnership with KMTC for years to come.

In the photo, Wines and Spirits Brand Manager, Maria Munroe (left), presents trophy and sponsorship cheque to Justice Cecil Kennard (right)

Pepsi Hikers Hockey Camp

DDL under its Pepsi brand, continues to contribute towards grass roots development programs in 2016. The brand facilitated the 'Pepsi Hikers Hockey Summer Camp' which was executed in July 2016 and focused on teaching children under 10 years old about the basics of indoor hockey. This coaching and educational program was then followed by a mini tournament for the children.

Scenes from Pepsi Hikers Hockey Camp

Mainstay Regatta

This is the biggest regatta in the Essequibo County, attracting thousands of patrons to the white sandy beach of the Mainstay Resort. Patrons enjoyed the races which included kayaking, swimming and boat racing. DDL under its Ivanoff Vodka Brand sponsored the exhilarating 150 horse power boat racing. This event saw in attendance of over 2,000 persons and the numbers continue to grow as more emphasis is placed on these local events.

Bartica Regatta

The El Dorado brand sponsored one of the biggest activities during the Easter season, Bartica Regatta. This event attracted thousands of Guyanese from all over the country. At this event we sampled our Diamond Reserve Rum Punch and Ivanoff Coconut Vodka. In addition, a beautifully designed cocktail bar was constructed to enhance the visibility of the El Dorado brand.

Rose Hall Town Youth and Sports Club

DDL extends its partnership with the Rose Hall Town Youth and Sports Club under 19 team.

As a part of our developmental program in sports, DDL under its Pepsi brand continues to support the RHTY Pepsi under-19 team.

INTERNATIONAL SPONSORSHIPS

Hero Caribbean Premier League T20 2016

Demerara Distillers' most popular brand is once again the 'Official Spirit' and 'Celebration Partner' of the Hero CPL T20 2016 League. The beverage giant has widened their support to include Gatorade being the official sports drink of the Guyana Amazon Warriors team for the second

Scene from a Hero CPL cricket match at the Guyana National Stadium

consecutive year. El Dorado has maintained its sponsorship of the Guyana Amazon Warriors, Trinidad Red Steel and Barbados Tridents for the third consecutive year. Mr. Komal Samaroo, Executive Chairman of Demerara Distillers Limited, noted that 'Through this sponsorship and the marketing activations planned to coincide with the matches, we are giving our loyal El Dorado consumers an opportunity to enjoy our brand as much as they enjoy the game'.

EDUCATION AND PERSONNEL DEVELOPMENT

Overseas Training:
Four (4) staff members travelled overseas to attend programmes: Three (3) attended two training workshops with the West Indies Rum & Spirit Production Association (WIRSPA) hosted by associates in Barbados and Trinidad. One (1) Staff member attended a training in Fundamentals of Distillation at the Institute of Brewing and Distillation (IBD) in Scotland.

Study and Developmental Assistance (SDA)
The study and developmental assistance (SDA) is designed to provide an avenue for: a) staff to attend career development programmes in keeping with personal development that are aligned with the company's technical/skill developmental needs b) children of staff to be supported at secondary school for a period of five years onto completion of the CXC exams. The SDA programme includes the Cadetship Scheme, Study Assistance, and Bursary.

Cadetship Scheme
This scheme provides professional development for DDL staff at the University of Guyana. Seven (7) persons are currently on the cadetship scheme in the areas of Chemistry and Engineering. In 2016, three staff were awarded cadetships (2 - Chemistry; 1 - Electrical Engineering).

Assistance to Study Scheme
As usual, the company continues to facilitate personal development of staff in keeping with their professional interest and alignment with the company's direction. The Assistance to study scheme allows the staff to identify their own service provider for the delivery of a professional programme towards certification. During 2016, a total of Eighteen (18) staff members have benefitted from the Study Assistance Scheme in Accounting, Engineering and Inventory Management.

Bursary
As customary the Company distributes bursary Awards to employees' children who were successful at the National Grade Six Assessment (N.G.S.A). The Bursary award is tenable for five (5) years, eleven (11) children of employees were awarded Bursary in 2016. There are currently Eighty-Four (84) students in the Bursary Scheme.

Work Attachment
As part of our Corporate Social Responsibility, the Company facilitates a limited Work Study Program for students from Secondary Schools, Technical and Vocational Centers and Tertiary Institutions.

These students were provided classroom training, and given on the job training in several disciplines in keeping with their course of studies. Thirty-Four (34) students benefitted with exposure to Eleven (11) departments within the company.

Students being trained during the work attachment programme

Management Trainee Scheme
The purpose of the DDL management trainee programme is to provide supervised, on-the-job training to new recruits having a Degree from a recognised University. Eight (8) persons were awarded Management Trainee status in 2016 (2 - Engineering; 2 - Chemist; 4 - Marketing).

Tours
During the year 2016, the Company facilitated One Thousand and One (1001) students from Forty (40) Institutions to gain onsite exposure to the operations of the Topco, Beverage Plant and Biomet Plant in order to assist in the Education for in and out of school youths.

Other Training and Support Initiative
A staff Self Improvement Programme (SIP) was conducted at the Diamond Institute of Management and Technology (DIMATECH) to assist staff in literacy and numeracy, with the intent of facilitating technical skills certification through the Government Technical Education Examination (GTEE). During 2016, the period January to June, Twenty-Four (24) persons enrolled to the SIP (11-Electrical; 13-Mechanical).

Of the 24 persons attending the SIP programme, ten (10) requested to write the GTEE. Of the ten (10) candidates that wrote the Government Technical Education Examination (GTEE), nine (9) passed the GTEE (2 - B grades; 7 - C Grades) and one failed.

Financial STATEMENTS

Independent Auditor's Report

TO THE MEMBERS OF DEMERARA DISTILLERS LIMITED AND SUBSIDIARIES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Opinion

We have audited the financial statements of Demerara Distillers Limited and Subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 45 to 104.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Demerara Distillers Limited and Subsidiaries as at December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 2016. These matters are selected from the matters communicated with those charged with governance, but are not intended to represent all the matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the consolidated financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation and impairment of property, plant and equipment. (Refer to note 10 in the Group financial statements) The financial statements detailed property, plant and equipment with a net book value of G$9.7B. No revaluation of property, plant and equipment was done during the year. Property, plant and equipment are considered Key Audit Matters as significant management judgment was used to select depreciation rates for each item of property, plant and equipment. In addition, an annual impairment review of property, plant and equipment was done which involved significant management judgment. We found that the assumptions used by management in relation to the carrying value of property, plant and equipment were in line with our expectations and the disclosure in note 10 to be appropriate.	Our procedures in relation to management's valuation and impairment of property, plant and equipment included: Test checking of depreciation rates for property, plant and equipment to ensure consistency with the accounting policies and industry rates; Obtaining and checking written representation by management on their assessment of impairment; Assessing the methodology used by management to carry out impairment review; Physical verification of selected assets which were acquired during the current and prior years; Verification of the policy for acquisitions and disposals of property, plant and equipment.
Valuation and impairment of investment properties. (Refer to note 11 in the Group financial statements) The financial statements detailed investment properties with a net book value of G$2.1B and G$206M in the Company and Group accounts respectively. No revaluation of investment properties was done during the year.	Our procedures in relation to management's valuation and impairment of investment properties included: Test checking of depreciation rates for investment properties to ensure consistency with the accounting policies and industry rates;

Key Audit Matter	How our audit addressed the Key Audit Matter
Investment properties are considered Key Audit Matters as significant management judgment was used to select depreciation rates for each item of land and building and equipment. In addition, an annual impairment review of land and building and equipment was done which involved significant management judgment. We found that the assumptions used by management in relation to the carrying value of investment properties were in line with our expectations and the disclosure in note 11 to be appropriate.	Assessing the methodology used by management to carry out impairment review and also ensuring written representation was obtained and checked; Physical verification of selected investment properties, also verification of the policy for acquisitions and disposals; Ensuring owner-occupied properties were correctly eliminated in the consolidated financial statements and presented and disclosed in accordance with IAS 40.
Valuation and impairment of investments. *(Refer to note 12 in the Group financial statements)* At 31 December 2016, investments in the Company amounted to G$1.4B, consisting of "Available for sale" "Subsidiary companies" and "Associate companies". The Group's investments were stated at G$1.54B and consist of "Available for sale" and "Associate companies". Investments are considered a Key Audit Matter, the valuation of 44.6% and 45.5% of total investments in the Company and Group respectively, were based on cost and/or entity-developed internal methods and not on quoted prices in an active market. Therefore there is significant measurement uncertainty involved in the valuation. As a result, the valuation of these instruments was significant to our audit.	Our procedures in relation to valuation and impairment of investments included; Obtaining an understanding of the valuation methods used by the Company and Group to assess whether they were consistent with prior years and our understanding of the client; Reviewing the source data used by the Company in the valuation method and performing tests to ascertain its completeness and accuracy; Reviewing of the Group's policy on accounting for the various categories of investments and ensuring compliance with relevant IFRS/IAS; Review audited financial statements of subsidiaries and associates to ensure going concern and no impairment of investment.
Valuation of Defined Benefit Asset/Liabilities. *(Refer to note 13 in the Group financial statements)* The Company has recognised a defined benefit asset and liability of G$1.1B and G$9.4M respectively. These are considered to be Key Audit Matters since the assumptions that underpin the valuation of the defined benefit pension assets and liabilities are important and also involve subjective judgments as the surplus/deficit balance is volatile and affects the Company's distributable reserves. Management has employed actuarial specialists in order to calculate this balance and uncertainty arises as a result of estimates made based on the Company's expectation about long-term trends and market conditions.	Our procedures in relation to actuarial valuation included; Reviewing of the actuarial report for the year ended December 31, 2016 and ensuring information was presented and disclosed in accordance with IAS 19. Obtaining an understanding of the methodology and assumptions used by the actuary and assessing whether these were consistent with prior years and our understanding of the client; Reviewing the source data used by the Company's actuary and performing tests to ascertain its completeness and accuracy; Assessing the professional competence, including the qualifications, experience and reputation of the actuary.

Going Concern

The Group's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company and its Subsidiaries or to cease operations, or has no realistic alternative but to do so. As part of our audit of the consolidated financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate. Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Company's ability to continue as a going concern.

Other information in the annual report

The directors are responsible for the other information. The other information comprises all the information in the consolidated 2016 annual report other than the consolidated financial statements and our auditor's report thereon ("the other information")

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

In connection with our audit of the Company and its Subsidiaries' financial statement, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the Company and its Subsidiaries' financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Those Charged with Governance for the audit of the Consolidated Financial Statements

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

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

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

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

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

Identify and assess the risks of material misstatement of the Group financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements
The financial statements comply with the requirements of the Companies Act 1991.
The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Rameshwar Lal FCCA.

TSD LAL & CO
CHARTERED ACCOUNTANTS

77 Brickdam, Stabroek, Georgetown, Guyana.
February 22, 2017

Consolidated Statement of Profit Or Loss And Other Comprehensive Income

For the year ended December 31, 2016

	NOTES	COMPANY		GROUP	
		2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Turnover		**13,043,233**	11,504,764	**18,109,126**	18,020,518
Cost of sales		**(7,645,376)**	(7,298,273)	**(10,762,350)**	(11,552,477)
Gross profit		**5,397,857**	4,206,491	**7,346,776**	6,468,041
Other income	5	**470,542**	463,350	**403,253**	387,517
Investment properties ncome		**90,994**	90,994	**9,759**	9,973
Selling and distribution expenses		**(1,711,831)**	(1,153,007)	**(2,497,216)**	(2,144,343)
Administration expenses		**(1,539,541)**	(852,378)	**(1,991,388)**	(1,432,304)
Profit before interest and taxation		**2,708,021**	2,755,450	**3,271,184**	3,288,884
Finance cost		**(419,036)**	(509,416)	**(471,971)**	(581,359)
Share of profit of associate companies	12c (i)	**-**	-	**120,898**	89,748
Profit before taxation	6	**2,288,985**	2,246,034	**2,920,111**	2,797,273
Taxation	7	**(431,680)**	(659,902)	**(728,683)**	(901,418)
Profit for the year		**1,857,305**	1,586,132	**2,191,428**	1,895,855
Other Comprehensive Income:					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit pension plans	7	**(114,034)**	(83,300)	**(114,034)**	(83,300)
		(114,034)	(83,300)	**(114,034)**	(83,300)
Items that may be subsequently reclassified to profit or loss:					
Exchange difference on consolidation	18(c)	**-**	-	**(29,392)**	(141,089)
Fair value gain on investments	18(b)	**(11,205)**	5,115	**(9,189)**	(38,734)
		(11,205)	5,115	**(38,581)**	(179,823)
Other comprehensive loss for the year		**(125,239)**	(78,185)	**(152,615)**	(263,123)
Total comprehensive income for the year		**1,732,066**	1,507,947	**2,038,813**	1,632,732
Profit attributable to:					
Equity holders of the parent		**1,857,305**	1,586,132	**2,191,428**	1,895,855
Total Comprehensive Income attributable to:					
Equity holders of the parent		**1,732,066**	1,507,947	**2,038,813**	1,632,732
Basic earnings per share in dollars	9	**2.41**	2.06	**2.85**	2.46

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

Statement of
Changes in Equity
For the year ended December 31, 2016

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, 2015 (previously reported)		770,000	489,565	779,675	11,837,980	13,877,220
Prior year adjustment	29	-	-	-	(1,500,000)	(1,500,000)
Balance at January 01, 2015 restated		770,000	489,565	779,675	10,337,980	12,377,220
Changes in equity 2015						
Total comprehensive income for the year		-	-	5,115	1,502,832	1,507,947
Dividends	8	-	-	-	(462,000)	(462,000)
Balance at December 31, 2015 restated	29	770,000	489,565	784,790	11,378,812	13,423,167
Changes in equity 2016						
Total comprehensive income for the year		-	-	(11,205)	1,743,271	1,732,066
Dividends	8	-	-	-	(477,400)	(477,400)
Balance at December 31, 2016		770,000	489,565	773,585	12,644,683	14,677,833

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

Consolidated Statement of
Changes in Equity
For the year ended December 31, 2016

GROUP

Attributable to equity holders of the parent

	Notes	Share capital	Capital reserves	Other reserve	Exchange difference reserve	Retained earnings	Total
		G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Balance at January 01, 2015 (previously reported)		770,000	450,854	876,305	(55,200)	15,241,507	17,283,466
Prior year adjustment	29	-	-	-	-	(1,500,000)	(1,500,000)
Balance at January 01, 2015 restated		770,000	450,884	876,305	(55,200)	13,741,587	15,783,466
Changes in equity 2015							
Total comprehensive income/(loss) for the year		-	-	(38,734)	(141,089)	1,812,555	1,632,732
Dividends	8	-	-	-	-	(462,000)	(462,000)
Balance at December 31, 2015 restated		770,000	450,854	837,571	(196,289)	15,092,062	16,954,198
Changes in equity 2016							
Total comprehensive income/(loss) for the year		-	-	(9,189)	(29,392)	2,077,394	2,038,813
Dividends	8	-	-	-	-	(477,400)	(477,400)
Balance at December 31, 2016		770,000	450,854	828,382	(225,681)	16,692,056	18,515,611

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

Consolidated Statement of **Financial Position**

As at December 31, 2016

	NOTES	COMPANY 2016 G$ 000	COMPANY 2015 Restated G$ 000	COMPANY 2014 Restated G$ 000	GROUP 2016 G$ 000	GROUP 2015 Restated G$ 000	GROUP 2014 Restated G$ 000
ASSETS							
Non current assets							
Property, plant and equipment	10	**6,994,562**	7,027,832	7,109,262	**9,688,250**	9,398,532	9,340,253
Investment properties	11	**2,132,174**	1,792,571	1,637,016	**206,600**	216,173	226,056
Investments	12	**1,436,207**	1,447,412	1,442,777	**1,540,207**	1,633,737	1,618,816
Retirement benefit asset	13	**1,111,303**	1,206,942	1,284,885	**1,111,303**	1,206,942	1,284,885
Total non-current assets		**11,674,246**	11,474,757	11,473,940	**12,546,360**	12,455,384	12,470,010
Current assets							
Inventories	14	**10,056,380**	10,807,723	10,355,610	**11,372,264**	12,588,568	13,095,155
Trade and other receivables	15	**908,969**	636,807	798,668	**1,599,713**	1,686,786	1,822,299
Prepayments		**85,879**	401,656	209,978	**105,314**	442,020	280,971
Taxes recoverable		**48,850**	48,850	48,850	**359,942**	419,388	330,121
Cash in hand and at bank		**449,560**	137,301	189,225	**1,049,503**	361,593	387,768
Total current assets		**11,549,638**	12,032,337	11,602,331	**14,486,736**	15,498,355	15,916,314
TOTAL ASSETS		**23,223,884**	23,507,094	23,076,271	**27,033,096**	27,953,739	28,386,324
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent							
Issued capital	17	**770,000**	770,000	770,000	**770,000**	770,000	770,000
Capital reserves	18 (a)	**489,565**	489,565	489,565	**450,854**	450,854	450,854
Other reserve	18 (b)	**773,585**	784,790	779,675	**828,382**	837,571	876,305
Exchange difference reserve	18 (c)	**-**	-	-	**(225,681)**	(196,289)	(55,200)
Retained Earnings		**12,644,683**	11,378,812	10,337,980	**16,692,056**	15,092,062	13,741,507
TOTAL EQUITY		**14,677,833**	13,423,167	12,377,220	**18,515,611**	16,954,198	15,783,466
Non-current liabilities							
Loans due after one year	19	**1,904,968**	2,814,418	3,558,912	**2,299,706**	3,338,878	4,226,569
Deferred tax	7	**1,086,389**	1,210,471	1,091,161	**1,045,027**	1,179,952	1,091,161
Retirement benefit obligation	13	**9,400**	11,462	13,129	**9,400**	11,462	13,129
Total non-current liabilities		**3,000,757**	4,036,351	4,663,202	**3,354,133**	4,530,292	5,330,859

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

Consolidated Statement of **Financial Position - cont'd**

As at December 31, 2016

	NOTES	COMPANY 2016 G$ 000	COMPANY 2015 Restated G$ 000	COMPANY 2014 Restated G$ 000	GROUP 2016 G$ 000	GROUP 2015 Restated G$ 000	GROUP 2014 Restated G$ 000
Current liabilities							
Trade and other payables	16	**3,160,531**	3,879,985	3,797,342	**1,988,952**	3,244,005	3,880,932
Taxes payable		**240,973**	97,251	89,921	**330,793**	155,118	135,666
Current portion of Interest bearing borrowings	19	**909,455**	903,903	708,679	**1,014,189**	1,023,922	812,340
Bank overdraft (secured)	19	**1,234,335**	1,166,437	1,439,907	**1,829,418**	2,046,204	2,443,061
Total current liabilities		**5,545,294**	6,047,576	6,035,849	**5,163,352**	6,469,249	7,271,999
TOTAL LIABILITIES		**8,546,051**	10,083,927	10,699,051	**8,517,485**	10,999,541	12,602,858
TOTAL EQUITY AND LIABILITIES		**23,223,884**	23,507,094	23,076,271	**27,033,096**	27,953,739	28,386,324

The Board of Directors approved these financial statements for issue on February 22, 2017.

.... Director .... Director

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

Consolidated Statement of Cash Flows

For the year ended December 31, 2016

	COMPANY		GROUP	
	2016	2015 Restated	2016	2015 Restated
	G$ 000	G$ 000	G$ 000	G$ 000
Operating activities				
Profit before taxation	**2,288,985**	2,246,034	**2,920,111**	2,797,273
Adjustments for:				
Depreciation on property, plant and equipment	**508,106**	522,979	**640,790**	649,048
Depreciation on investment properties	**66,858**	63,929	**9,573**	12,319
Increase in defined benefit asset	**(68,564)**	(41,057)	**(68,564)**	(41,057)
Decrease in defined benefit liability	**(765)**	(1,667)	**(765)**	(1,667)
Gain on disposal of investment	**-**	(72,720)	**(2,000)**	(124,807)
Increase in investment in associate companies	**-**	-	**(67,392)**	(64,910)
DD India write off	**-**	-	**111,731**	-
Exchange difference on consolidation	**-**	-	**(29,392)**	(141,089)
Interest received	**(612)**	(71)	**(612)**	(71)
Interest paid	**419,648**	509,487	**472,583**	581,430
Operating profit before working capital changes	**3,213,656**	3,226,914	**3,986,063**	3,666,469
(Increase) / decrease in inventories	**751,343**	(452,113)	**1,216,304**	506,587
(Increase) / decrease in receivables and prepayments	**43,615**	(29,817)	**423,779**	(25,536)
Decrease in payables and accruals	**(1,197,483)**	(418,603)	**(1,255,053)**	(636,927)
Increase / (decrease) in due from subsidiaries	**478,029**	501,246	**-**	-
Cash generated from operations	**3,289,160**	2,827,627	**4,371,093**	3,510,593
Taxes paid/adjusted	**(363,168)**	(497,562)	**(579,613)**	(846,744)
Net cash provided by operating activities	**2,925,992**	2,330,065	**3,791,480**	2,663,849
Investing activities				
Interest received	**612**	71	**612**	71
Purchase/transfer of property, plant and equipment	**(474,836)**	(441,549)	**(930,508)**	(709,763)
Purchase/transfer of investment properties	**(406,461)**	(219,484)	**-**	-
Sale of investment	**-**	73,200	**42,000**	136,064
Net cash used in investing activities	**(880,685)**	(587,762)	**(887,896)**	(573,628)

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

Consolidated Statement of Cash Flows - cont'd

For the year ended December 31, 2016

	COMPANY		GROUP	
	2016	2015 Restated	2016	2015 Restated
	G$ 000	G$ 000	G$ 000	G$ 000
Financing activities				
Loan repayments and transfers	**(903,898)**	(549,270)	**(1,048,905)**	(676,109)
Interest paid	**(419,648)**	(509,487)	**(472,583)**	(581,430)
Dividends paid	**(477,400)**	(462,000)	**(477,400)**	(462,000)
Net cash used in financing activities	**(1,800,946)**	(1,520,757)	**(1,998,888)**	(1,719,539)
Net increase in cash and cash equivalents	**244,361**	221,546	**904,696**	370,682
Cash and cash equivalents at beginning of period	**(1,029,136)**	(1,250,682)	**(1,684,611)**	(2,055,293)
Cash and cash equivalents at end of period	**(784,775)**	(1,029,136)	**(779,915)**	(1,684,611)
Comprising:				
Cash in hand and at bank	**449,560**	137,301	**1,049,503**	361,593
Bank overdraft (secured)	**(1,234,335)**	(1,166,437)	**(1,829,418)**	(2,046,204)
Cash and cash equivalents at end of period	**(784,775)**	(1,029,136)	**(779,915)**	(1,684,611)

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

1 **Incorporation and activities**

Incorporation

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

Activities

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

(a) Manufacturing - the distilling, blending and sale of bulk spirits and alcoholic products, manufacturing and sale of non-alcoholic beverages, Co_2 gas and fruit juices.

(b) Trading - distributors of branded products.

(c) Services - shipping, contracting services, insurance, sales and logistics.

2 **New and amended standards and interpretations**

Amendments effective for the current year end	**Effective for annual periods beginning on or after**
New and Amended Standards	
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 11 Joint Arrangements	1 January 2016
IAS 16 & IAS 38 Clarification of Acceptable Methods of Depreciation And Amortization	1 January 2016
IAS 16 & IAS 41 Agriculture: Bearer Plants	1 January 2016
IAS 27 Separate Financial Statements	1 January 2016
IFRS 10 & IAS 28 Sale or Contribution of Assets Between Investor and Associate or Joint Venture	1 January 2016
Disclosure Initiative Amendments to IAS 1	1 January 2016
IFRS 10, IFRS 12 & IAS 28 Applying Consolidation Exceptions	1 January 2016
Annual Improvements 2012-2014 Cycle	1 July 2016

Pronouncements effective in future period for early adoption

New and Amended Standards		
IAS 12	Income taxes	1 January 2017
IFRS 7	Financial Instruments: Disclosures	1 January 2017
IFRS 2	Share based Payment: Classification and measurement of share based transactions	1 January 2018
IFRS 4	Insurance contracts: Applying IFRS 9 ''Financial Instrument" with ''IFRS 4 ''Insurance Contracts"	1 January 2018
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2018
IFRS 9	Additions for Financial Liability Accounting	1 January 2018
IFRS 15	Revenue from Contracts With Customers	1 January 2018
IFRS 16	Leases	1 January 2019

Notes to the
Consolidated Financial Statements
For the year ended December 31, 2016

2 **New and amended standards and interpretations – cont'd**

The Company has not opted for early adoption.

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

IFRS 9-Financial instrument
IFRS 9 is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Early adoption must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

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

2. hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

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

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.

IFRS 15: Revenue From Contracts With Customers
This standard provides a single, principles based five-step model to be applied to all contracts with customers as follows:
- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognize revenue when (or as) the entity satisfies a performance obligation.

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

New and revised interpretation

Available for early adoption	**Effective for annual periods beginning on or after**
IFRIC 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

3 Summary of significant accounting policies

(a) Accounting convention

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

(b) Property, plant, equipment and depreciation

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

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

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

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:

		2016/2015
Buildings	-	2.00%
Plant and Machinery-Distillery	-	6.25%
Plant and Machinery-Others	-	7.25%
Office Equipment	-	12.50%
Furniture, Fixtures & Fittings	-	10.00%
Sundry equipment	-	20.00%
Computer equipment	-	20.00%
Vehicles	-	25.00%

(c) Inventories

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

Notes to the
Consolidated Financial Statements
For the year ended December 31, 2016

3 Summary of significant accounting policies – cont'd

(d) Foreign Currencies

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

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

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

(e) Pension Funding

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

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

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

(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, 2016 of the following:

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

(i) **Breitenstein Holdings BV includes the accounts of:**

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

(ii) **Associate Companies**

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

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

(g) **Taxation**

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

Current tax

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

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

Deferred tax

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

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

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

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

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

3 Summary of significant accounting policies – cont'd

(i) Investments properties

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

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

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

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

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

		2016/2015
Buildings	-	2.00%
Plant and Machinery	-	7.25%

(j) Financial instruments

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

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

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

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

Investments

The group's investments have been classified as follows:

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

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

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

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

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

3 Summary of significant accounting policies – cont'd

(j) Financial instruments – cont'd

Cash and cash equivalents

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

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

(k) Capital reserves

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

(l) Other reserve

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

(m) Impairment of tangible assets

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

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

(n) Provisions

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

De-recognition of Provisions

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

(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.

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

(p) **Segment reporting**

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

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

The company analyses its operations by both business and geographic segments. The primary format is 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 $1,670,923 (2015: $2,962,914) for interest charges. Borrowing costs were computed using the effective interest method in accordance with IAS 39 – Financial Instruments: Recognition and measurement.

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

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

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

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

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

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

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

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

5 **Other income**

	COMPANY		GROUP	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Investment income (a)	**176,798**	235,363	**26,798**	35,363
Rent and miscellaneous income	**293,744**	227,987	**376,455**	352,154
	470,542	463,350	**403,253**	387,517

(a) This represents dividends received from available for sale investments of G$22.410M (2015 - G$7.251M) and G$154.388M (2015 - G$228.112M) from subsidiaries and associate company.

Investment income consists of G$22.410M (2015 - G$7.251M) from quoted investments and G$154.388M (2015 - G$ 228.112M) from unquoted investments.

6 **Profit before taxation**

	COMPANY		GROUP	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Profit before taxation	**2,288,985**	2,246,034	**2,920,111**	2,797,273
After charging:				
Property Tax	**169,860**	163,375	**169,860**	163,375
Interest and other finance charges	**419,648**	509,487	**472,583**	581,430
Depreciation (net of intergroup transfers)	**574,964**	586,908	**650,363**	661,367
Exchange difference	**128,154**	41,385	**112,370**	41,385
Directors' emoluments (a)	**10,800**	10,800	**10,800**	10,800
Staff costs:				
Salaries and wages	**1,495,510**	1,309,414	**1,977,298**	1,831,811
Other staff costs	**379,483**	330,288	**540,169**	547,148
Pension	**72,924**	198,370	**120,035**	249,067
Auditors' remuneration	**8,800**	8,400	**29,884**	26,960
Increase / (decrease) in provision for Impairment:				
Inventory	**68,112**	36,899	**69,473**	42,461
Receivables	**619**	(5,414)	**(6,092)**	(73,541)
And after crediting				
Interest	**612**	71	**612**	71

(a) At the end of the period there were six (2015 - six) non-executive Directors who received equal emoluments.

7 Taxation

Reconciliation of tax expense and accounting profit	COMPANY		GROUP	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Accounting profit	**2,288,985**	2,246,034	**2,920,111**	2,797,273
Corporation tax at 30% / 40%	**686,696**	673,810	**1,022,039**	979,046
Add:				
Tax effect of expenses not deductible in determining taxable profits:				
Depreciation for accounting purposes	**172,489**	176,093	**168,010**	177,530
Property tax	**50,958**	49,013	**64,447**	61,017
Others	**53,801**	-	**53,801**	-
	963,944	898,916	**1,308,297**	1,217,593
Deduct:				
Tax effect of depreciation and other allowances for tax purposes	**298,871**	263,591	**335,378**	310,233
Export allowance	**158,183**	130,433	**158,183**	130,433
Corporation tax charge	**506,890**	504,892	**814,736**	776,927
Deferred tax	**(75,210)**	155,010	**(86,053)**	124,491
	431,680	659,902	**728,683**	901,418
Taxation - current	**506,890**	504,892	**761,230**	752,089
associate companies	**-**	-	**53,506**	24,838
	506,890	504,892	**814,736**	776,927
deferred	**(75,210)**	155,010	**(86,053)**	124,491
	431,680	659,902	**728,683**	901,418

7 Taxation - cont'd

Components of deferred tax

	COMPANY		GROUP	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Deferred tax liability	**1,086,389**	1,210,471	**1,045,027**	1,179,952
Fixed Assets	**756,318**	852,327	**714,956**	821,808
Defined benefit asset	**333,391**	362,083	**333,391**	362,083
Defined benefit liability	**(3,320)**	(3,939)	**(3,320)**	(3,939)
	1,086,389	1,210,471	**1,045,027**	1,179,952

Movement in temporary differences

	COMPANY			
	Fixed Assets	**Defined Benefit Asset**	**Defined Benefit Liability**	**Total**
	G$ 000	**G$ 000**	**G$ 000**	**G$ 000**
At January 01, 2015 (as previously reported)	709,634	385,466	(3,939)	1,091,161
Movement during the year:				
Statement of P&L	142,693	12,317	-	155,010
Statement of OCI	-	(35,700)	-	(35,700)
At December 31, 2015 restated	852,327	362,083	(3,939)	1,210,471
Movement during the year Statement of P&L	(96,009)	20,569	230	(75,210)
Statement of OCI	-	(49,261)	389	(48,872)
At December 31, 2016	756,318	333,391	(3,320)	1,086,389

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, 2015 (as previously reported)	709,634	385,466	(3,939)	1,091,161
Movement during the year Statement of P&L	112,174	12,317	-	124,491
Statement of OCI	-	(35,700)	-	(35,700)
At December 31, 2015 restated	821,808	362,083	(3,939)	1,179,952
Movement during the year Statement of P&L	(106,852)	20,569	230	(86,053)
Statement of OCI	-	(49,261)	389	(48,872)
At December 31, 2016	714,956	333,391	(3,320)	1,045,027

7 Taxation - cont'd

Tax effect of IAS 19 actuarial valuation and others:

	COMPANY					
	2016			2015		
	Before tax amount	**Tax benefit**	**Net of tax amount**	Before tax amount	Tax (expense)	Net of tax amount
	G$000	**G$000**	**G$000**	G$000	G$000	G$000
Remeasurement of defined benefit pension plan	**(162,906)**	**48,872**	**(114,034)**	(119,000)	35,700	(83,300)
Gain arising on revaluation of available for sale financial assets	**(11,205)**	**-**	**(11,205)**	5,115	-	5,115
	(174,111)	**48,872**	**(125,239)**	(113,885)	35,700	(78,185)

	GROUP					
	2016			**2015**		
	Before tax amount	**Tax benefit**	**Net of tax amount**	Before tax amount	Tax (expense)	Net of tax amount
	G$000	**G$000**	**G$000**	G$000	G$000	G$000
Remeasurement of defined benefit pension plan	**(162,906)**	**48,872**	**(114,034)**	(119,000)	35,700	(83,300)
Exchange differences on translating foreign operations	**(29,392)**	**-**	**(29,392)**	(141,089)	-	(141,089)
Gain/(Loss) arising on revaluation of available for sale financial assets	**(9,189)**	**-**	**(9,189)**	(38,734)	-	(38,734)
	(201,487)	**48,872**	**(152,615)**	(298,823)	35,700	(263,123)

8 Dividends

	COMPANY AND GROUP	
	2016 G$ 000	2015 G$ 000
Amount recognised as distributions to equity holders in the period:		
Interim dividend for the year ended December 31 2016 of G$0.16 (G$0.16 2015)	**123,200**	123,200
Final dividend for the year ended December 31 2015 of G$0.46 (G$0.44 2014)	**354,200**	338,800
	477,400	462,000

The Directors recommended a final dividend of G$0.47 per share (2015 - G$0.46).

9 Basic earnings per share

	COMPANY		GROUP	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Calculated as follows:-				
Profit attributable to equity holders of the parent	**1,857,305**	1,586,132	**2,191,428**	1,895,855
Ordinary shares issued and fully paid	**770,000,000**	770,000,000	**770,000,000**	770,000,000
Basic earnings per share in dollars	**2.41**	2.06	**2.85**	2.46

10 Property, plant and equipment

	COMPANY				
	Land and buildings	**Equipment**	**Construction work-in - progress**	**2016 Total**	2015 Total
	G$ 000	**G$ 000**	**G$ 000**	**G$ 000**	G$ 000
Cost/valuation					
At January 01	2,917,463	9,194,011	1,012,375	**13,123,849**	12,682,300
Additions	105,170	195,396	174,270	**474,836**	445,329
Disposals	-	-	-	**-**	(3,504)
Intergroup transfers	-	-	-	**-**	(276)
Transfers	-	772,677	(772,677)	**-**	-
At December 31	3,022,633	10,162,084	413,968	**13,598,685**	13,123,849
Comprising:					
Valuation	6,662	68	-	**6,730**	6,730
Cost	3,015,971	10,162,016	413,968	**13,591,955**	13,117,119
	3,022,633	10,162,084	413,968	**13,598,685**	13,123,849
Accumulated depreciation					
At January 01	648,527	5,447,490	-	**6,096,017**	5,573,038
Charge for the year	52,560	455,546	-	**508,106**	523,047
Written back on intergroup transfers	-		-	**-**	(68)
At December 31	701,087	5,903,036	-	**6,604,123**	6,096,017
Net book values:					
At December 31, 2016	2,321,546	4,259,048	413,968	**6,994,562**	-
At December 31, 2015	2,268,936	3,746,521	1,012,375	**-**	7,027,832

10 Property, Plant and Equipment cont'd

	GROUP				
	Land and buildings	**Equipment**	**Construction work-in - progress**	**2016 Total**	2015 Total
	G$ 000	**G$ 000**	**G$ 000**	**G$ 000**	G$ 000
Cost/valuation					
At January 01	5,268,253	10,909,768	1,012,375	**17,190,396**	16,480,633
Additions	517,772	239,139	174,270	**931,181**	713,267
Disposals	-	(673)	-	**(673)**	(3,504)
Transfers	-	772,677	(772,677)	-	-
At December 31	5,786,025	11,920,911	413,968	**18,120,904**	17,190,396
Comprising:					
Valuation	6,662	68	-	**6,730**	6,730
Cost	5,779,363	11,920,843	413,968	**18,114,174**	17,183,666
	5,786,025	11,920,911	413,968	**18,120,904**	17,190,396
Accumulated depreciation					
At January 01	1,188,343	6,603,521	-	**7,791,864**	7,140,380
Charge for the year	89,432	551,358	-	**640,790**	651,484
At December 31	1,277,775	7,154,879	-	**8,432,654**	7,791,864
Net book values:					
At December 31, 2016	4,508,250	4,766,032	413,968	**9,688,250**	-
At December 31, 2015	4,079,910	4,306,247	1,012,375	**-**	9,398,532

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

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

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

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Consolidated Financial Statements
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11 Investment properties

	COMPANY			
	Land and buildings	**Equipment**	**2016 Total**	2015 Total
	G$ 000	**G$ 000**	**G$ 000**	G$ 000
Cost/valuation				
At January 01	1,839,314	575,091	**2,414,405**	2,194,921
Additions	406,461	-	**406,461**	219,484
At December 31	2,245,775	575,091	**2,820,866**	2,414,405
Comprising:				
Cost	2,245,775	575,091	**2,820,866**	2,414,405
	2,245,775	575,091	**2,820,866**	2,414,405
Accumulated depreciation				
At January 01	281,608	340,226	**621,834**	557,905
Charge for the year	30,915	35,943	**66,858**	63,929
At December 31	312,523	376,169	**688,692**	621,834
Net book values:				
At December 31, 2016	1,933,252	198,922	**2,132,174**	**-**
At December 31, 2015	1,557,706	234,865	**-**	1,792,571

The investment properties are rented to subsidiary companies.

	GROUP		
	Land and buildings	**2016 Total**	2015 Total
	G$ 000	**G$ 000**	G$ 000
Cost/valuation			
At January 01 and December 31	357,844	**357,844**	357,844
Accumulated depreciation			
At January 01	141,671	**141,671**	129,352
Charge for the year	9,573	**9,573**	12,319
At December 31	151,244	**151,244**	141,671
Net book values:			
At December 31, 2016	206,600	**206,600**	**-**
At December 31, 2015	216,173	-	216,173

The investment properties are rented to third parties. Demerara Distillers Limited has granted a guarantee to Breitenstein Trading BV for the investment properties.

12 Investments

	COMPANY Fair Value 2016 G$ 000	COMPANY Fair Value 2015 G$ 000	GROUP Fair Value 2016 G$ 000	GROUP Fair Value 2015 G$ 000
Available for Sale	**853,305**	864,510	**897,257**	946,446
Provision for Impairment	**(57,750)**	(57,750)	**(57,750)**	(57,750)
	795,555	806,760	**839,507**	888,696
Others:				
Subsidiary companies (a)	**181,453**	181,453	-	-
Joint venture (b)	-	267,824	-	-
Provision for Impairment	-	(267,824)	-	-
India Adjustment	-	-	**(225,604)**	-
Associate companies (c)	**459,199**	459,199	**926,304**	858,912
Provision for Impairment	-	-	-	(113,871)
	640,652	640,652	**700,700**	745,041
	1,436,207	1,447,412	**1,540,207**	1,633,737

	COMPANY 2016 G$ 000	COMPANY 2015 G$ 000
(a) Subsidiary companies at cost		
At January 01 and December 31	**181,453**	181,453

	COMPANY 2016 G$ 000	COMPANY 2015 G$ 000
(b) Joint venture		
At January 01	-	267,824
Provision for Impairment	-	(267,824)
At December 31	-	-

12 Investments - cont'd

(c) Associate companies	COMPANY 2016 G$ 000	COMPANY 2015 G$ 000	GROUP 2016 G$ 000	GROUP 2015 G$ 000
At January 01	**459,199**	459,199	**858,912**	794,002
Share of reserves of associate companies (i)	-	-	**67,392**	64,910
At December 31	**459,199**	459,199	**926,304**	858,912

(i) Share of reserves of associate companies	GROUP 2016 G$ 000	GROUP 2015 G$ 000
At January 01	**858,912**	794,002
Group's share of associate companies profits/reserves	**120,898**	89,748
Group's share of associate companies taxes	**(53,506)**	(24,838)
At December 31	**926,304**	858,912

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. 2016 G$ 000	Diamond Fire & General Insurance Inc. 2015 G$ 000	National Rums of Jamaica Ltd. 2016 G$ 000	National Rums of Jamaica Ltd. 2015 G$ 000
Statement of profit and loss and other comprehensive income	**373,224**	388,252	**3,416,365**	4,480,111
Profit after taxation	**71,018**	91,074	**198,534**	182,014
Statement of Financial Position				
Total assets	**1,828,596**	1,311,026	**3,116,175**	3,878,554
Shareholders funds	**1,110,694**	1,093,631	**2,031,211**	2,013,472
Long term liabilities	**16,304**	-	**373,921**	425,080
Current liabilities	**701,598**	217,395	**711,043**	1,440,002
Total equity and liabilities	**1,828,596**	1,311,026	**3,116,175**	3,878,554

(ii) Demerara Distillers Limited - Hyderabad	2016 G$ 000	2015 G$ 000
Share of reserves	-	113,871
Provision for impairment	-	(113,871)
	-	-

The joint venture agreement came to an end during 2013, however, Demerara Distillers Limited share of net assets and losses was accounted for in accordance with the equity method. During the year 2016, the joint venture agreement was

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at December 31, 2014 by Bacon Woodrow & De Souza. The present value of the defined benefit obligation and the related current service cost to comply with IAS 19 were measured by the actuaries as at December 31, 2016 using the Projected Unit Credit Method.

	Pension Plan 1	
Amounts recognised in the statement of financial position	**2016 G$ 000**	2015 G$ 000
Present value of obligations	**3,330,466**	2,989,140
Fair value of plan assets	**(4,441,769)**	(4,196,082)
	(1,111,303)	(1,206,942)
Net defined benefit asset	**(1,111,303)**	(1,206,942)
Reconciliation of amounts recognised in the balance sheet		
Opening defined benefit asset	**(1,206,942)**	(1,284,885)
Net pension cost	**92,369**	108,223
Re-measurements recognised in Other Comprehensive Income	**164,203**	116,191
Contributions paid	**(160,933)**	(146,471)
Closing defined benefit asset	**(1,111,303)**	(1,206,942)

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

	Pension Plan 1	
Amounts recognised in the statement of profit or loss and other comprehensive income	**2016 G$ 000**	2015 G$ 000
Current service cost	**158,152**	143,878
Net interest on defined benefit (asset)/obligation	**(65,783)**	(74,118)
Net pension cost included in administrative expenses	**92,369**	69,760
Actual return on plan (assets)/liability	**151,275**	(46,498)
Unfunded ex-gratia arrangement		
Defined benefit obligation	**9,400**	11,462
	9,400	11,462
Reconciliation of opening and closing retirement benefit obligation in the statement of financial position		
Opening defined benefit liability	**11,462**	13,129
Plus net pension cost	**541**	617
Less: company contributions paid	**(1,306)**	(1,586)
Re-measurements recognised in Other Comprehensive Income	**(1,297)**	(698)
Closing defined benefit liability	**9,400**	11,462
Interest on defined benefit obligation	**541**	617

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

	Pension Plan 1				
	2016	2015	2014 Restated	2013	2012
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Experience history					
Defined benefit obligation	**3,330,466**	2,989,140	2,708,541	2,105,684	1,899,092
Fair value of plan assets	**(4,441,769)**	(4,196,082)	(3,993,426)	(3,488,866)	(3,058,110)
Surplus	**(1,111,303)**	(1,206,942)	(1,284,885)	(1,383,182)	(1,159,018)

	Pension Plan 2				
	2016 G$ 000	2015 G$ 000	2014 G$ 000	2013 G$ 000	2012 G$ 000
Experience history					
Defined benefit obligation	-	-	-	382,001	445,333
Fair value of plan assets	-	-	-	(332,458)	(374,204)
Deficit	-	-	-	49,543	71,129

	Unfunded Ex Gratia		
	2016 G$ 000	2015 G$ 000	2014 G$ 000
Experience History			
Defined benefit obligation	**9,400**	11,462	13,129
Deficit	**9,400**	11,462	13,129
Experience adjustment on plan liabilities	**(1,297)**	(698)	(44)

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

	Pension Plan 1		Pension Plan 2		Unfunded Ex Gratia	
	2016 G$000	2015 G$000	**2016 G$000**	2015 G$000	**2016 G$000**	2015 G$000
Summary of main assumptions	**%**	%	**%**	%	**%**	%
Discount rate	**5.0**	5.0	-	-	**5.0**	5.0
Salary increases	**5.0**	5.0	-	-	-	-
Pension increases	**2.0**	2.0	-	-	**2.0**	2.0
Expected return on assets	-	-	-	-	-	-

	2016 G$ 000	2015 G$ 000
Retirement benefit obligations		
Unfunded exgratia	**9,400**	11,462
	9,400	11,462
Retirement benefit asset		
Pension plan 1	**1,111,303**	1,206,942

14 Inventories

	COMPANY		GROUP	
	2016	2015	**2016**	2015
	G$ 000	G$ 000	**G$ 000**	G$ 000
Finished stocks (a)	**7,742,388**	7,543,738	**8,662,782**	8,882,841
Raw materials, containers & goods-in-transit	**1,948,342**	2,867,679	**2,063,961**	2,061,828
Spares	**601,392**	563,936	**888,186**	817,091
Provision for stock impairment (b)	**(235,742)**	(167,630)	**(242,665)**	(173,192)
	10,056,380	10,807,723	**11,372,264**	12,588,568
Cost of inventory recognised as expense during the period	**4,588,924**	4,400,923	**5,027,163**	4,950,159
Inventories expected to be recovered after more than twelve months	**5,688,394**	6,001,617	**5,688,394**	6,320,939
Raw material damaged written off	**59,994**	26,596	**88,210**	51,326

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

(b) Provision for impairment

	COMPANY		GROUP	
	2016	2015	**2016**	2015
	G$ 000	G$ 000	**G$ 000**	G$ 000
Balance as at January 01	**(167,630)**	(130,731)	**(173,192)**	(130,731)
Increase during the year	**(68,112)**	(36,899)	**(69,473)**	(42,461)
Balance as at December 31	**(235,742)**	(167,630)	**(242,665)**	(173,192)

Provisions were individually assessed.

15 Trade and other receivables

	COMPANY		GROUP	
	2016	2015	**2016**	2015
	G$ 000	G$ 000	**G$ 000**	G$ 000
Trade receivables	**795,968**	535,961	**1,400,030**	1,500,384
Provision for impairment (a)	**(619)**	-	**(19,467)**	(25,559)
	795,349	535,961	**1,380,563**	1,474,825
Other receivables	**113,620**	100,846	**219,150**	211,961
	908,969	636,807	**1,599,713**	1,686,786

(a) Provision for impairment (individually assessed)

	COMPANY		GROUP	
Balance as at January 01	**-**	5,414	**25,559**	99,100
Increase/(decrease) during the year	**619**	(5,414)	**(6,092)**	(73,541)
Balance as at December 31	**619**	-	**19,467**	25,559

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16 Trade and other payables

	COMPANY		GROUP	
	2016	2015 Restated	**2016**	2015 Restated
	G$ 000	G$ 000	**G$ 000**	G$ 000
Trade payables	**459,397**	529,918	**628,855**	739,187
Accruals	**950,756**	594,468	**986,944**	673,774
Other payables	**24,409**	307,659	**73,153**	331,044
Consumption and other taxes	**300,000**	1,500,000	**300,000**	1,500,000
Due to subsidiary companies	**1,425,969**	947,940	-	-
	3,160,531	3,879,985	**1,988,952**	3,244,005

17 Share capital

	COMPANY AND GROUP	
	2016	2015
Authorised No. of ordinary shares	**1,000,000,000**	1,000,000,000
	G$ 000	G$ 000
Issued and fully paid At January 01 and December 31 770,000,000 ordinary shares	**770,000**	770,000

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

18 (a) Capital reserves

	COMPANY		GROUP	
	2016	2015	**2016**	2015
	G$ 000	G$ 000	**G$ 000**	G$ 000
Share premium account	**489,565**	489,565	**450,854**	450,854
	489,565	489,565	**450,854**	450,854

This reserve is not distributable.

18 (b) Other reserves

	COMPANY		GROUP	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Balance as at January 01	**784,790**	779,675	**837,571**	876,305
Fair value adjustment on available for sale investments	**(11,205)**	5,115	**(9,189)**	(38,734)
Balance as at December 31	**773,585**	784,790	**828,382**	837,571

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

There was no tax effect on gains or losses.

18 (c) Exchange difference reserve

	GROUP	
	2016 G$ 000	2015 G$ 000
At January 01	**(196,289)**	(55,200)
For the year	**(29,392)**	(141,089)
At December 31	**(225,681)**	(196,289)

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

19 Loans and bank overdraft

	COMPANY		GROUP	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Bank overdraft (secured)	**1,234,335**	1,166,437	**1,829,418**	2,046,204
Loans	**2,814,423**	3,718,321	**3,313,895**	4,362,800
	4,048,758	4,884,758	**5,143,313**	6,409,004

Overdrafts are repayable on demand and attract interest at 8% (2015: 8%)

19 Loans and bank overdraft - cont'd

	COMPANY		GROUP	
Loans are repayable as follows:	**2016 G$ 000**	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
(i) Repayable - 2004 to 2029 rate of interest 3.25% per annum (Breitenstein Holdings BV)	**-**	-	**65,570**	89,688
(ii) Repayable - 2009 - 2018 rate of interest of 3.88% per annum (Demerara Distillers Ltd)	**388,523**	699,333	**388,523**	699,333
(iii) Repayable - 2015 - 2020 rate of interest of 4.19% per annum (Demerara Distillers Ltd)	**134,686**	176,128	**134,686**	176,128
(iv) Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Distillers Ltd)	**114,320**	163,280	**114,320**	163,280
(v) Repayable - 2014 - 2017 rate of interest of 8% per annum (Demerara Shipping Company Ltd)	**-**	-	**9,247**	44,565
(vi) Repayable - 2013 - 2019 rate of interest of 8% per annum (Demerara Distillers Ltd)	**565,566**	661,237	**565,566**	661,237
(vii) Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Distillers Ltd)	**1,360,000**	1,700,000	**1,360,000**	1,700,000
(viii) Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Distillers Ltd)	**251,328**	318,343	**251,328**	318,343
(ix) Repayable - 2013 - 2019 rate of interest of 8% per annum (Distribution Services Ltd)	**-**	-	**272,500**	317,500
(x) Repayable - 2013 - 2020 rate of interest of 8% per annum (Demerara Shipping Company Ltd)	**-**	-	**152,155**	192,726
	2,814,423	3,718,321	**3,313,895**	4,362,800

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

19 Loans and bank overdraft - cont'd

Maturity profile of loan	COMPANY		GROUP	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Repayments due in one year and included in current liabilities	**909,455**	903,903	**1,014,189**	1,023,922
Repayments due in the second year	**682,313**	909,452	**781,415**	1,005,152
Repayments due in the third year	**578,523**	682,313	**681,544**	781,627
Repayments due in the fourth and fifth year	**556,924**	1,039,775	**669,254**	1,220,877
Repayments due after five years	**87,208**	182,878	**167,493**	331,222
	1,904,968	2,814,418	**2,299,706**	3,338,878
	2,814,423	3,718,321	**3,313,895**	4,362,800

The foregoing loans and overdraft for the company are secured by floating and fixed charges on the assets of the company valued at G$11.544B (2015: G$11.544B).

The loans for the group are secured by floating and fixed charges on the assets of the Group valued at G$11.644 B (2015 - G$11.644B).

20 Segment reporting

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

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

Principal activities are as follows:

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

Trading:
Distributors of branded products.

Services:
Shipping, contracting services, sales and logistics.

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20 Segment reporting cont'd

	2016				
INDUSTRY	**Manufacturing**	**Trading**	**Services**	**Eliminations**	**Total**
	G$ 000	**G$ 000**	**G$ 000**	**G$ 000**	**G$ 000**
Revenue					
External sales	11,623,515	5,652,604	833,008	-	18,109,127
Inter-segment sales	2,950,046	-	-	(2,950,046)	-
Total revenue	14,573,561	5,652,604	833,008	(2,950,046)	18,109,127
Results					
Segment result	2,385,219	399,464	164,530	(150,000)	2,799,213
Operating profit					2,799,213
Share of profit from associates					120,898
Profit before tax					2,920,111
Income tax					(728,683)
Profit for the year attributable to equity shareholders of the company					2,191,428
Other Information					
Capital additions	890,435	22,692	17,381	-	930,508
Depreciation and amortisation	588,664	37,419	24,280	-	650,363
Statement of Financial Position					
Assets					
Segment assets	26,695,113	2,491,443	176,188	(3,255,952)	26,106,792
Interest in associates	-	-	-	-	926,304
Consolidated assets					27,033,096
Liabilities					
Segment liabilities	9,054,534	829,767	1,350,401	(2,717,217)	8,517,485
Consolidated liabilities					8,517,485

20 Segment reporting - cont'd

INDUSTRY	2015 Manufacturing	Trading	Services	Eliminations	Total
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Revenue					
External sales	9,301,188	7,886,157	833,173	-	18,020,518
Inter-segment sales	4,670,356	-	-	(4,670,356)	-
Total revenue	13,971,544	7,886,157	833,173	(4,670,356)	18,020,518
Results					
Segment result	2,378,567	351,745	177,213	(200,000)	2,707,525
Operating profit					2,707,525
Share of profit from associates					89,748
Profit before tax					2,797,273
Income tax					(901,418)
Profit for the year attributable to equity shareholders of the company					1,895,855
Other Information					
Capital additions	665,026	16,433	28,304	-	709,763
Depreciation and amortisation	600,964	36,548	23,855	-	661,367
Statement of Financial Position					
Assets					
Segment assets	27,307,885	2,588,122	96,317	(3,163,910)	26,828,414
Interest in associates	-	-	-	-	1,125,325
Consolidated assets					27,953,739
Liabilities					
Segment liabilities	10,939,452	1,040,609	1,356,519	(2,337,039)	10,999,541
Consolidated liabilities					10,999,541

20 Segment reporting - cont'd

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

GEOGRAPHICAL

	Revenue		Profit before tax	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Guyana	**16,139,194**	15,163,938	**2,735,460**	2,625,375
Europe	**972,709**	1,791,343	**87,594**	77,861
North America	**890,348**	940,561	**72,052**	58,922
St. Kitts	**106,875**	124,676	**25,005**	35,115
	18,109,126	18,020,518	**2,920,111**	2,797,273

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

	Carrying amount of segment assets		Additions to property, plant and equipment & intangible assets	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Guyana	**24,750,875**	25,619,336	**930,658**	713,267
Europe	**1,481,128**	1,625,863	**-**	-
North America	**634,145**	568,087	**-**	-
St. Kitts	**166,948**	140,453	**523**	-
	27,033,096	27,953,739	**931,181**	713,267

20 Segment reporting - cont'd

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

Revenue Generating Segment (s)	Revenue Generating Region		Revenue Generated	
	2016	2015	**2016 G$ 000**	2015 G$ 000
Guyana and United States	**North America**	North America	**3,321,441**	2,944,466
Guyana, Europe and Caribbean	**Europe**	Europe	**1,689,470**	2,643,367
Guyana, United States and Caribbean	**Caribbean**	Caribbean	**1,346,432**	1,315,964
Guyana	**Guyana**	Guyana	**11,591,949**	11,037,996
Others			**159,834**	78,725
Total			**18,109,126**	18,020,518

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

21 Contingent liabilities

	COMPANY AND GROUP	
	2016 G$ 000	2015 G$ 000
Bonds in respect of duty on spirits warehoused and exportation of goods	**71,394**	70,393
Bonds in favour of the State of Guyana	**53,100**	53,100

22 Capital commitments

	COMPANY		GROUP	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Contracted for but not received	**69,674**	307,400	**69,674**	307,400

These comprise acquisition of non current assets.

23 Related party transactions and other disclosures

(a) Related party transactions

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

Listed below are transactions and balances with related parties.

(i) Subsidiary companies

	COMPANY	
	2016 G$ 000	2015 G$ 000
Sales	**2,464,640**	4,398,432
Commission paid	**7,578**	19,942
Purchases	**354,777**	162,642
Management fees received	**220,743**	331,250
Rent received	**90,994**	90,994
Dividends received	**150,000**	200,000
Human resource charges	**346,357**	496,153
Royalties charged	**375,391**	1,192,810
Marketing fees paid	**248,353**	758,847
Interest paid	**87,643**	53,656
Balances at end of year	**(1,425,969)**	(947,940)
Guarantee provided by the parent company on behalf of:		
Subsidiaries	**755,000**	755,000

	COMPANY		GROUP	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Associate companies				
Balances at end of year	**926,304**	1,125,325	**926,304**	1,125,325
Rent received	**-**	2,100	**-**	2,100
Dividends received	**4,388**	4,388	**4,388**	4,388
Insurance premiums paid	**36,780**	41,461	**-**	-

23 Related party transactions and other disclosures - cont'd

(a) Related party transactions - cont'd

(ii) Key management personnel

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

	2016 G$ 000	2015 G$ 000
Short-term employee benefits	**229,859**	212,252
Post-employment benefits	**17,995**	17,730
Directors emoluments	**10,800**	10,800

No provision was made for balances receivable from related parties.

(b) Other disclosures

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

	COMPANY		GROUP	
	2016 G$ 000	2015 G$ 000	**2016 G$ 000**	2015 G$ 000
Demerara Bank Limited				
Overdraft interest (8%)	**50,654**	58,483	**86,227**	94,953
Balance at end of the year:				
Cash	**352,783**	80,932	**353,680**	81,595
Overdraft	**757,224**	687,101	**1,350,022**	1,410,444

Trust Company (Guyana) Limited also provides registrar and pension management services for the company:

	COMPANY 2016	COMPANY 2015	GROUP 2016	GROUP 2015
Pension management and registrar's service fees	**22,845**	23,117	**22,845**	23,117

24 Pending Litigations

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

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

	COMPANY			
2016	**Available for sale**	**Loans and receivables**	**Financial assets and liabilities at amortised cost**	**Total**
ASSETS	**G$000**	**G$000**	**G$000**	**G$000**
Investments	795,555	-	-	795,555
Trade receivables	-	795,349	-	795,349
Other receivables	-	113,620	-	113,620
Prepayments	-	85,879	-	85,879
Taxes recoverable	-	-	48,850	48,850
Cash on hand and at bank	-	-	449,560	449,560
Total assets	795,555	994,848	498,410	2,288,813
LIABILITIES				
Trade payables	-	-	459,397	459,397
Other payables and accruals	-	-	1,275,165	1,275,165
Due to subsidiaries	-	-	1,425,969	1,425,969
Bank overdraft (secured)	-	-	1,234,335	1,234,335
Taxation	-	-	240,973	240,973
Loans	-	-	2,814,423	2,814,423
Total liabilities	-	-	7,450,262	7,450,262

	COMPANY			
2015	**Available for sale**	**Loans and receivables**	**Financial assets and liabilities at amortised cost**	**Total**
ASSETS	**G$000**	**G$000**	**G$000**	**G$000**
Investments	806,760	-	-	806,760
Trade receivables	-	535,961	-	535,961
Other receivables	-	100,846	-	100,846
Prepayments	-	401,656	-	401,656
Taxes recoverable	-	-	48,850	48,850
Cash on hand and at bank	-	-	137,301	137,301
Total assets	806,760	1,038,463	186,151	2,031,374
LIABILITIES				
Trade payables	-	-	529,918	529,918
Other payables and accruals	-	-	2,402,127	2,402,127
Due to subsidiaries	-	-	947,940	947,940
Bank overdraft (secured)	-	-	1,166,437	1,166,437
Taxation	-	-	97,251	97,251
Loans	-	-	3,718,321	3,718,321
Total liabilities	-	-	8,861,994	8,861,994

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

GROUP

2016	Available for sale	Loans and receivables	Financial assets and liabilities at amortised cost	Total
ASSETS	**G$000**	**G$000**	**G$000**	**G$000**
Investments	839,507	-	-	839,507
Trade receivables	-	1,380,563	-	1,380,563
Other receivables	-	219,150	-	219,150
Prepayments	-	105,314	-	105,314
Taxes recoverable	-	359,942	359,942	359,942
Cash on hand and at bank	-	-	1,049,503	1,049,503
Total assets	839,507	1,705,027	1,409,445	3,953,979
LIABILITIES				
Trade payables	-	-	628,855	628,855
Other payables and accruals	-	-	1,360,097	1,360,097
Bank overdraft (secured)	-	-	1,829,418	1,829,418
Loans	-	-	3,313,895	3,313,895
Taxation	-	-	330,793	330,793
Total liabilities	-	-	7,463,058	7,463,058

GROUP

2015	Available for sale	Loans and receivables	Financial assets and liabilities at amortised cost	Total
ASSETS	**G$000**	**G$000**	**G$000**	**G$000**
Investments	888,696	-	-	888,696
Trade receivables	-	1,474,825	-	1,474,825
Other receivables	-	211,961	-	211,961
Prepayments	-	442,020	-	442,020
Taxes recoverable	-	-	419,388	419,388
Cash on hand and at bank	-	-	361,593	361,593
Total assets	888,696	2,128,806	780,981	3,798,483
LIABILITIES				
Trade payables	-	-	739,187	739,187
Other payables and accruals	-	-	2,504,818	2,504,818
Bank overdraft (secured)	-	-	2,046,204	2,046,204
Loans	-	-	4,362,800	4,362,800
Taxation	-	-	155,118	155,118
Total liabilities	-	-	9,808,127	9,808,127

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26 Fair value estimation

Fair value measurment recognised in the statement of financial position

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

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

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

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

COMPANY

		2016			2015 Restated	
	IFRS 13 Level	Carrying Value G$ 000	Fair Value G$ 000	IFRS 13 Level	Carrying Value G$ 000	Fair Value G$ 000
Assets						
Property, plant and equipment	2	6,994,562	6,994,562	2	7,027,832	7,027,832
Investment properties	2	2,132,174	2,132,174	2	1,792,571	1,792,571
Retirement benefit asset	3	1,111,303	1,111,303	3	1,206,942	1,206,942
Available for sale investments	1	795,555	795,555	1	806,760	806,760
Trade and other receivables	2	908,969	908,969	2	636,807	636,807
Prepayments	2	85,879	85,879	2	401,656	401,656
Taxes recoverable	2	48,850	48,850	2	48,850	48,850
Cash on hand and at bank	1	449,560	449,560	1	137,301	137,301
		12,526,852	12,526,852		12,058,719	12,058,719
Liabilities						
Trade payables and other payables	2	3,160,531	3,160,531	2	3,879,985	3,879,985
Current portion of interest bearing debts	2	909,455	909,455	2	903,903	903,903
Loans due after one year	2	1,904,968	1,904,968	2	2,814,418	2,814,418
Retirement benefit obligation	3	9,400	9,400	3	11,462	11,462
Taxation	2	240,973	240,973	2	97,251	97,251
Bank overdraft (secured)	1	1,234,335	1,234,335	1	1,166,437	1,166,437
		7,459,662	7,459,662		8,873,456	8,873,456

26 Fair value estimation - cont'd

		GROUP				
		2016			2015 Restated	
		Carrying Value	Fair Value		Carrying Value	Fair Value
	IFRS 13 Level	G$ 000	G$ 000	IFRS 13 Level	G$ 000	G$ 000
Assets						
Property, plant and equipment	2	9,688,250	9,688,250	2	9,398,532	9,398,532
Investment properties	2	206,600	206,600	2	216,173	216,173
Retirement benefit asset	3	1,111,303	1,111,303	3	1,206,942	1,206,942
Available for sale investments	1&3	839,507	839,507	1&3	888,696	888,696
Trade and other receivables	2	1,599,713	1,599,713	2	1,686,786	1,686,786
Prepayments	2	105,314	105,314	2	442,020	442,020
Taxes recoverable	2	359,942	359,942	2	419,388	419,388
Cash on hand and at bank	1	1,049,503	1,049,503	1	361,593	361,593
		14,960,132	14,960,132		14,620,130	14,620,130
Liabilities						
Trade payables and other payables	2	1,988,952	1,988,952	2	3,244,005	3,244,005
Current portion of interest bearing debts	2	1,014,189	1,014,189	2	1,023,922	1,023,922
Loans due after one year	2	2,299,706	2,299,706	2	3,338,878	3,338,878
Retirement benefit obligation	3	9,400	9,400	3	11,462	11,462
Taxation	2	330,793	330,793	2	155,118	155,118
Bank overdraft (secured)	1	1,829,418	1,829,418	1	2,046,204	2,046,204
		7,472,458	7,472,458		9,819,589	9,819,589

26 Fair value estimation - cont'd

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

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

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

(b) For available for sale financial assets, the fair values were determined with reference to quoted market prices and level 1 fair value measurements.

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

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

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

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

	COMPANY			COMPANY		
	2016			2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Available for Sale	795,555	-	-	806,760	-	-
	795,555	-	-	806,760	-	-

	GROUP			GROUP		
	2016			2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000	G$ 000
Available for Sale	795,555	-	43,952	806,760	-	81,936
	795,555	-	43,952	806,760	-	81,936

27 Financial risk management

Objectives

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

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

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

(a) Market risk

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

(i) Foreign currency risk
The financial statements at December 31, include the following assets and liabilities denominated in foreign currencies stated in the Guyana Dollar equivalent

	COMPANY		GROUP	
Assets	**2016**	2015 Restated	**2016**	2015 Restated
	G$ 000	G$ 000	**G$ 000**	G$ 000
US Dollar	**747,056**	429,032	**1,200,199**	895,988
GBP	**51,364**	35,271	**51,364**	35,271
Euro	**-**	2,005	**946,450**	1,067,177
Others	**200,301**	126,781	**544,228**	388,083
	998,721	593,089	**2,742,241**	2,386,519
Liabilities				
US Dollar	**1,461,217**	1,878,347	**719,120**	1,199,200
GBP	**(12,789)**	(7,399)	**9,891**	7,233
Euro	**311,763**	327,938	**127,006**	289,949
Rupee	**-**	-	**-**	14,718
Others	**(14,400)**	(11,940)	**60,952**	10,486
	1,745,791	2,186,946	**916,969**	1,521,586
Net assets/(liabilities)	**(747,070)**	(1,593,857)	**1,825,272**	864,933

27 Financial risk management - cont'd

(a) Market risk - cont'd

(i) Foreign currency risk - cont'd

Foreign currency sensitivity analysis

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

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

	COMPANY		GROUP	
	2016 G$000	2015 G$000	**2016 G$000**	2015 G$000
Profit/(loss)	**(18,677)**	(39,846)	**45,632**	21,623

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

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

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

		Impact on profit for the year			
	Increase/ Decrease in Basis Point	COMPANY		GROUP	
		2016 G$000	2015 G$000	**2016 G$000**	2015 G$000
Cash and cash equivalent					
Local currency	+/-50	**(6,170)**	(7,200)	**-**	-
Foreign currency	+/-50	**1,764**	515	**1,764**	515
Overdrafts					
Local currency	+/-50	**(6,170)**	(7,200)	**(9,134)**	(11,081)
Foreign currency	+/-50	**-**	-	**-**	(506)

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

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk

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

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

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

COMPANY

Maturing 2016

	Interest rate Range %	Within 1 year G$000	2 to 5 years G$000	Over 5 years G$000	Non-interest bearing G$000	Total G$000
Assets						
Investments	-	-	-	-	795,555	795,555
Trade and other receivables	-	-	-	-	908,969	908,969
Prepayments	-	-	-	-	85,879	85,879
Taxes recoverable	-	-	-	-	48,850	48,850
Cash at bank	0.03% - 1.5%	449,560	-	-	-	449,560
		449,560	-	-	1,839,253	2,288,813
Liabilities						
Trade payable and accruals	-	-	-	-	3,160,531	3,160,531
Bank overdraft (secured)	8%	1,234,335	-	-	-	1,234,335
Loans	3.88% - 8%	909,455	1,817,760	87,208	-	2,814,423
Taxation	-	-	-	-	240,973	240,973
		2,143,790	1,817,760	87,208	3,401,504	7,450,262
Interest sensitivity gap		(1,694,230)	(1,817,760)	(87,208)		

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27 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

COMPANY

Maturing 2015 Restated

	Interest rate Range %	Within 1 year G$000	2 to 5 years G$000	Over 5 years G$000	Non-interest bearing G$000	Total G$000
Assets						
Investments	-	-	-	-	806,760	806,760
Trade and other receivables	-	-	-	-	636,807	636,807
Prepayments	-	-	-	-	401,656	401,656
Taxes recoverable	-	-	-	-	48,850	48,850
Cash at bank	0.03% - 1.5%	137,301	-	-	-	137,301
		137,301	-	-	1,894,073	2,031,374
Liabilities						
Trade payable and accruals	-	-	-	-	3,879,985	3,879,985
Bank overdraft (secured)	8%	1,166,437	-	-	-	1,166,437
Loans	3.88% - 8%	903,903	2,631,540	182,878	-	3,718,321
Taxation	-	-	-	-	97,251	97,251
		2,070,340	2,631,540	182,878	3,977,236	8,861,994
Interest sensitivity gap		(1,933,039)	(2,631,540)	(182,878)		

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

GROUP

Maturing 2016

	Interest rate Range %	Within 1 year	2 to 5 years	Over 5 years	Non-interest bearing	Total
	%	G$000	G$000	G$000	G$000	G$000
Assets	%					
Investments	-	-	-	-	839,507	839,507
Trade and other receivables	-	-	-	-	1,599,713	1,599,713
Prepayments	-				105,314	105,314
Taxes recoverable	-	-	-	-	359,942	359,942
Cash on hand and at bank	0.03%-1.5%	1,049,503	-	-	-	1,049,503
		1,049,503	-	-	2,904,476	3,953,979
Liabilities						
Trade payable and accruals	-	-	-	-	1,988,952	1,988,952
Bank overdraft (secured)	8%	1,829,418	-	-	-	1,829,418
Loans	3.25% - 8%	1,014,189	2,132,213	167,493	-	3,313,895
Taxation	-	-	-	-	330,793	330,793
		2,843,607	2,132,213	167,493	2,319,745	7,463,058
Interest sensitivity gap		(1,794,104)	(2,132,213)	(167,493)		

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Interest rate risk - cont'd

GROUP

Maturing 2015 Restated

	Interest rate Range %	Within 1 year	2 to 5 years	Over 5 years	Non-interest bearing	Total
		G$000	G$000	G$000	G$000	G$000
Assets						
Investments	-	-	-	-	888,696	888,696
Trade and other receivables	-	-	-	-	1,686,786	1,686,786
Prepayments	-	-	-	-	442,020	442,020
Taxes recoverable	-	-	-	-	419,388	419,388
Cash on hand and at Bank	0.03%-1.5%	361,593	-	-	-	361,593
		361,593	-	-	3,436,890	3,798,483
Liabilities						
Trade payable and accruals	-	-	-	-	3,244,005	3,244,005
Bank overdraft (secured)	8%	2,046,204	-	-	-	2,046,204
Loans	3.25% - 8%	1,023,922	3,007,655	331,223	-	4,362,800
Taxation	-	-	-	-	155,118	155,118
		3,070,126	3,007,655	331,223	3,399,123	9,808,127
Interest sensitivity gap		(2,708,533)	(3,007,655)	(331,223)		

27 Financial risk management - cont'd

(a) Market risk - cont'd

(iv) Price risk

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

(b) Credit risk

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

	COMPANY		GROUP	
	Maximum Exposure		Maximum Exposure	
	2016 G$000	2015 G$000	**2016 G$000**	2015 G$000
Cash on hand and at bank	**449,560**	137,301	**1,049,503**	361,593
Investments				
Available for Sale	**795,555**	806,760	**839,507**	888,696
Trade and other receivables	**908,969**	636,807	**1,599,713**	1,686,786
Taxes recoverable	**48,850**	48,850	**359,942**	419,388
Total Credit risk exposure	**2,202,934**	1,629,718	**3,848,665**	3,356,463

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

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

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

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

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

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27 Financial risk management - cont'd

(b) Credit risk

Trade and other receivables	COMPANY		GROUP	
	2016 G$000	2015 G$000	**2016 G$000**	2015 G$000
Trade receivables	**795,349**	535,961	**1,400,030**	1,500,384
Other receivables	**113,620**	100,846	**219,150**	211,961
Taxes Recoverable	**48,850**	48,850	**359,942**	419,388
	957,819	685,657	**1,979,122**	2,131,733

The above balances are classified as follows:.

	COMPANY		GROUP	
	2016 G$000	2015 G$000	**2016 G$000**	2015 G$000
Current	**814,383**	530,446	**1,237,693**	1,448,456
Past due but not impaired	**142,817**	155,211	**721,962**	657,718
Impaired	**619**	-	**19,467**	25,559
	957,819	685,657	**1,979,122**	2,131,733

	COMPANY		GROUP	
	2016 G$000	2015 G$000	**2016 G$000**	2015 G$000
Ageing of past due but not impaired				
31-60 days	**59,183**	74,688	**150,868**	160,329
61-90 days	**45,991**	19,251	**147,877**	51,390
91-120 days	**(104)**	(353)	**70,135**	10,199
over 120 days	**37,747**	61,625	**353,082**	435,800
Total	**142,817**	155,211	**721,962**	657,718

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

Ageing of impaired trade receivables				
31-60 days	-	-	-	-
61-90 days	621	-	621	-
91-120 days	9	-	9	-
over 120 days	(11)	-	18,837	25,559
Total	619	-	19,467	25,559
Provision for impairment	619	-	19,467	25,559

27 Financial risk management - cont'd

(b) Credit risk - cont'd

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

COMPANY

Details	Location		2016		2015	
			Credit Limit	Carrying Amount	Credit Limit	Carrying Amount
	2016	2015	G$ 000	G$ 000	G$ 000	G$ 000
Counterparty # 1	Canada	U.K.	87,500	29,984	68,100	65,126
Counterparty # 2	U.K.	Canada	100,000	98,050	87,500	-
Counterparty # 3	Canada	Canada	62,500	60,911	55,000	51,138
Counterparty # 4	Canada	Trinidad	60,000	58,272	31,000	26,406
Counterparty # 5	Trinidad	Canada	31,000	12,917	40,000	34,633
			341,000	260,134	281,600	177,303

GROUP

Details	Location		2016		2015	
			Credit Limit	Carrying Amount	Credit Limit	Carrying Amount
	2016	2015	G$ 000	G$ 000	G$ 000	G$ 000
Counterparty # 1	Canada	Netherlands	87,500	29,984	130,000	191,745
Counterparty # 2	U.K.	Canada	100,000	98,050	87,500	-
Counterparty # 3	Canada	U.K.	62,500	60,911	68,100	65,126
Counterparty # 4	Canada	Canada	60,000	58,272	55,000	51,138
Counterparty # 5	Trinidad	Canada	31,000	12,917	40,000	34,633
			341,000	260,134	380,600	342,642

There was one customer who represented more than 5% of the total balance of trade receivables (2015: 1). The average age of total receivables was 28 days (2015:30 days).

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

27 Financial risk management - cont'd

(c) Liquidity risk

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

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

COMPANY

	Maturing 2016			
	Within 1 year	2 to 5 years	Over 5 years	Total
	G$000	G$000	G$000	G$000
Assets				
Investments	795,555	-	-	795,555
Trade and other receivables	908,969	-	-	908,969
Prepayments	85,879	-	-	85,879
Taxes recoverable	48,850	-	-	48,850
Cash on hand and at bank	449,560	-	-	449,560
	2,288,813	-	-	2,288,813
Liabilities				
Trade payables and other payables	(3,160,531)	-	-	(3,160,531)
Current portion of interest bearing debts	(909,455)	-	-	(909,455)
Loans	-	(1,817,760)	(87,208)	(1,904,968)
Bank overdraft (secured)	(1,234,335)	-	-	(1,234,335)
Taxation	(240,973)	-	-	(240,973)
	(5,545,294)	(1,817,760)	(87,208)	(7,450,262)
Net liabilities	(3,256,481)	(1,817,760)	(87,208)	(5,161,449)

27 Financial risk management - cont'd

(c) Liquidity risk - cont'd

COMPANY

	Maturing 2015 Restated			
	Within 1 year	2 to 5 years	Over 5 years	Total
	G$000	G$000	G$000	G$000
Assets				
Investments	806,760	-	-	806,760
Trade and other receivables	636,807	-	-	636,807
Prepayments	401,656	-	-	401,656
Taxes recoverable	48,850	-	-	48,850
Cash on hand and at bank	137,301	-	-	137,301
	2,031,374	-	-	2,031,374
Liabilities				
Trade payables and other payables	(3,879,985)	-	-	(3,879,985)
Current portion of interest bearing debts	(903,903)	-	-	(903,903)
Loans	-	(2,631,540)	(182,878)	(2,814,418)
Bank overdraft (secured)	(1,166,437)	-	-	(1,166,437)
Taxation	(97,251)	-	-	(97,251)
	(6,047,576)	(2,631,540)	(182,878)	(8,861,994)
Net liabilities	(4,016,202)	(2,631,540)	(182,878)	(6,830,620)

GROUP

	Maturing 2016			
	Within 1 year	2 to 5 years	Over 5 years	Total
	G$000	G$000	G$000	G$000
Assets				
Investments	-	839,507	-	839,507
Trade and other receivables	1,599,713	-	-	1,599,713
Prepayments	105,314	-	-	105,314
Taxes recoverable	359,942	-	-	359,942
Cash on hand and at bank	1,049,503	-	-	1,049,503
	3,114,472	839,507	-	3,953,979
Liabilities				
Trade payables and other payables	(1,988,952)	-	-	(1,988,952)
Current portion of interest bearing debts	(1,014,189)	-	-	(1,014,189)
Loans	-	(2,132,213)	(167,493)	(2,299,706)
Bank overdraft (secured)	(1,829,418)	-	-	(1,829,418)
Taxation	(330,793)	-	-	(330,793)
	(5,163,352)	(2,132,213)	(167,493)	(7,463,058)
Net liabilities	(2,048,880)	(1,292,706)	(167,493)	(3,509,079)

27 Financial risk management - cont'd

(c) Liquidity risk - cont'd

GROUP

	Maturing 2015 Restated			
	Within 1 year	2 to 5 years	Over 5 years	Total
	G$000	G$000	G$000	G$000
Assets				
Investments	-	888,696	-	888,696
Trade and other receivables	1,686,786	-	-	1,686,786
Prepayment	442,020	-	-	442,020
Taxes recoverable	419,388	-	-	419,388
Cash on hand and at bank	361,593	-	-	361,593
	2,909,787	888,696	-	3,798,483
Liabilities				
Trade payables and other payables	(3,244,005)	-	-	(3,244,005)
Current portion of interest bearing debts	(1,023,922)	-	-	(1,023,922)
Loans	-	(3,007,655)	(331,223)	(3,338,878)
Bank overdraft (secured)	(2,046,204)	-	-	(2,046,204)
Taxation	(155,118)	-	-	(155,118)
	(6,469,249)	(3,007,655)	(331,223)	(9,808,127)
Net liabilities	(3,559,462)	(2,118,959)	(331,223)	(6,009,644)

28 Capital risk management

The company and group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged from 2015

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

Gearing ratio

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

The gearing ratio at the year end was as follows:

	COMPANY		GROUP	
	2016 G$000	2015 G$000	**2016 G$000**	2015 G$000
Debt (i)	**4,048,758**	4,884,758	**5,143,313**	6,409,004
Cash and cash equivalents	**(449,560)**	(137,301)	**(1,049,503)**	(361,593)
Net debt	**3,599,198**	4,747,457	**4,093,810**	6,047,411
Equity (ii)	**14,677,833**	13,423,167	**18,515,611**	16,954,198
Net debt to equity ratio	**0.25:1**	0.35:1	**0.22:1**	0.36:1

(i) Debt is defined as advances long- and short-term borrowings as detailed in note 19.
(ii) Equity includes all capital and reserves of the company and group.

29 Prior year adjustments

The company and Guyana Revenue Authority reached a settlement of the case involving certain taxes relating to 2014 and prior years. The settlement reached resulted in a liability to the company of G$1.5B. Resulting from the foregoing, prior years' adjustments were made to retained earnings and other payables (see note 16). This also affected the financial statements for 2015.

30 Reclassifications

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

31 Approval of financial statements

The financial statements were approved for issue by the Directors on February 22, 2017.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Turnover	18,109,126	18,020,518	18,112,393	17,529,199	15,783,081	14,582,598	13,673,267	12,363,533	12,063,533	11,788,636
Operating Profit	3,392,082	3,378,633	1,811,508	2,794,305	2,581,005	2,653,109	2,360,738	2,306,837	2,032,012	2,101,662
Interest Paid/ Received	471,971	581,359	675,645	589,069	668,937	642,957	606,509	653,898	592,296	522,769
Profit Before Tax	2,920,111	2,797,273	1,135,873	2,205,236	1,912,068	2,010,152	1,754,229	1,652,939	1,439,716	1,578,893
Taxation	728,683	901,418	721,579	635,815	597,849	463,342	614,605	619,589	533,693	600,780
Profit after Tax	2,191,428	1,895,856	414,284	1,569,421	1,314,219	1,546,810	1,139,624	1,033,350	906,023	978,113
Gross Assets Employed	27,033,095	27,953,739	28,386,324	28,726,954	27,843,241	24,668,630	23,602,480	22,968,411	21,518,395	17,621,678
Capital Employed	21,869,744	21,484,490	21,114,315	21,084,368	18,562,940	17,201,510	15,819,174	15,905,774	12,889,270	12,710,181
Shareholder's Equity	18,515,611	16,954,198	15,783,466	16,058,647	14,655,669	13,176,203	12,019,383	11,256,519	10,496,948	9,923,505
Operating profit as % of sales	18.73%	18.75%	10.00%	15.94%	16.35%	18.19%	17.27%	18.66%	16.84%	17.83%
Operating profit as % of Capital Employed	15.51%	15.73%	8.58%	13.25%	13.90%	15.42%	14.92%	14.50%	15.77%	16.54%
Return on Gross assets	12.55%	12.09%	6.38%	9.73%	9.27%	10.75%	10.00%	10.04%	9.44%	11.93%
Return on Shareholders' Funds	15.77%	16.50%	7.20%	13.73%	13.05%	15.26%	14.55%	14.68%	13.72%	15.91%
Basic Earnings per share in Dollars	2.85	2.46	0.54	2.04	1.71	2.01	1.49	1.29	1.18	1.28
Equity per share	24.05	22.02	20.50	20.86	19.03	17.11	15.61	14.62	13.63	12.89
Dividend Cover	4.59	4.10	4.28	3.71	3.56	4.46	3.47	3.16	3.26	3.26

Procedures for
Transfer of Shares

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

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

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

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

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

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

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

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

Form of
Proxy

DEMERARA DISTILLERS LIMITED • ANNUAL GENERAL MEETING

I, ____

of ____

A MEMBER OF Demerara Distillers Limited hereby appoint

____

OR IN HIS/HER ABSENCE ______________________________

To act as my proxy at the Annual General Meeting on April 7, 2017 and at every adjournment thereof.

As witness my hand this ____________ day of ______________________ 2017

Signed ____

____

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

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

Notes

Notes

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