



DEMERARA DISTILLERS

LIMITED

INTERIM REPORT 2024

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CHAIRMAN'S STATEMENT

I am pleased to report to Shareholders on the Group's mid-year results for the period ended June 30, 2024.

This report is presented against the background of a particularly challenging international economic atmosphere which existed during the first half of 2024 and still persists. The contraction of markets globally directly affected consumer spending which continues to be under severe pressure on account of continuing inflation. Consumer spending, particularly on premium products including premium spirits, in the developed markets declined considerably during this period. As a result of this market reality, major brand owners had to rationalise their production and reduce sourcing of bulk spirit supplies to levels significantly below that of previous years. This reduction in purchase of bulk spirit supplies adversely impacted the Group's Turnover.

The Group's Turnover as at June 30, 2024, was \$14.4 billion compared to \$15.7 billion recorded for the comparative period in 2023, reflecting a decline of \$1.3 billion or 8 percent. Turnover in the domestic market grew by 8 percent, but this growth was not adequate to fully offset the decline of 45 percent experienced in international markets. Overstocking on account of decline in consumer demand coupled with high interest rates, forced retailers to curtail purchases resulting in over-supply in distribution and supply chains in markets around the world.

Group Profit Before Taxation for the period was \$2.8 billion, a marginal increase of \$0.1 billion over the \$2.7 billion achieved in the comparative period of the preceding year. Profit After Taxation was \$2.1 billion, again marginally above the \$2 billion in 2023. This result was possible on account of improved margins and rigid costs control measures implemented across the Group. In addition, the on-going diversification of the Group's business has been widening the revenue base of the Group and minimising the effects of negative conditions in any of its market segments.

During the period, considerable progress was made in the implementation of several capital projects some of which will contribute to the revenue growth in this year. The completion of some of these projects next year will widen the revenue base and profitability of the Group in the future.

I would like to thank all members of staff for their ongoing commitment and hard work during this period. I would also like to thank the Board for their continued support, guidance and advice.



Komal Samaroo
Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD JANUARY 1 - JUNE 30, 2024

	Group		
	Unaudited Jun-24 G\$ 000	Unaudited Jun-23 G\$ 000	Audited Dec-23 G\$ 000
	Turnover	14,456,956	15,719,758
Cost of sales	<u>(8,206,544)</u>	<u>(9,778,226)</u>	<u>(19,406,515)</u>
Gross profit	6,250,412	5,941,532	13,859,788
Other income	182,198	140,775	397,536
Investment properties income	5,787	5,342	11,772
Selling and distribution expenses	(1,731,748)	(1,811,413)	(3,316,205)
Administration expenses	<u>(1,593,056)</u>	<u>(1,639,767)</u>	<u>(3,290,993)</u>
Profit before interest and taxation	3,113,593	2,636,470	7,661,898
Finance Cost	(240,742)	(89,984)	(177,502)
Share of profit/(loss) of associate companies	<u>(28,301)</u>	<u>161,018</u>	<u>189,249</u>
Profit before taxation	2,844,550	2,707,504	7,673,645
Taxation	(743,855)	(693,478)	(1,705,093)
Profit for the year	2,100,695	2,014,026	5,968,552
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit pension plans	-	-	(1,823,930)
Fair value loss on investments	<u>(605,070)</u>	<u>(246,510)</u>	<u>(448,200)</u>
	<u>(605,070)</u>	<u>(246,510)</u>	<u>(2,272,130)</u>
Items that may be subsequently reclassified to profit or loss:			
Exchange difference on consolidation	<u>(55,556)</u>	<u>24,283</u>	<u>69,201</u>
	<u>(55,556)</u>	<u>24,283</u>	<u>69,201</u>
Other comprehensive income for the year	(660,626)	(222,227)	(2,202,929)
Total comprehensive income for the year	<u>1,440,069</u>	<u>1,791,799</u>	<u>3,765,623</u>
Basic earnings per share in dollars	<u>2.73</u>	<u>2.62</u>	<u>7.75</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	GROUP		
	Unaudited	Unaudited	Audited
	Jun-24	Jun-23	Dec-23
	G\$ 000	G\$ 000	G\$ 000
ASSETS			
Non current assets			
Property, plant and equipment	25,474,718	18,663,610	22,735,072
Investment properties	140,792	143,032	134,955
Investments	9,154,804	10,021,490	9,788,175
Retirement benefit asset	8,459,340	10,429,587	8,459,340
Total non-current assets	43,229,654	39,257,720	41,117,542
Current assets			
Inventories	23,147,161	19,063,705	20,714,064
Trade and other receivables	2,112,613	2,542,163	2,777,718
Prepayments	1,007,039	1,005,442	850,310
Taxes recoverable	631,043	631,041	659,111
Cash in hand and at bank	444,090	298,194	927,704
Total current assets	27,341,946	23,540,546	25,928,907
TOTAL ASSETS	70,571,600	62,798,265	67,046,449


CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

AS AT JUNE 30, 2024

	GROUP		
	Unaudited Jun-24 G\$ 000	Unaudited Jun-23 G\$ 000	Audited Dec-23 G\$ 000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued capital	770,000	770,000	770,000
Capital reserves	450,854	450,854	450,854
Other reserve	7,583,290	8,390,050	8,188,360
Exchange difference reserves	(210,189)	(199,551)	(154,633)
Retained earnings	44,966,701	42,275,411	44,098,006
TOTAL EQUITY	53,560,656	51,686,764	53,352,587
Non-current liabilities			
Loans due after one year	2,464,090	-	2,689,929
Deferred tax	2,606,436	3,162,632	2,604,450
Retirement benefit obligation	5,233	5,233	5,233
Total non-current liabilities	5,075,759	3,167,865	5,299,612
Current liabilities			
Trade and other payables	3,614,444	4,085,220	4,049,952
Taxes payable	326,761	258,006	383,730
Current portion of interest bearing borrowings	450,000	-	448,322
Bank overdraft (secured)	7,543,980	3,600,410	3,512,246
Total current liabilities	11,935,185	7,943,636	8,394,250
TOTAL LIABILITIES	17,010,944	11,111,501	13,693,862
TOTAL EQUITY AND LIABILITIES	70,571,600	62,798,265	67,046,449

The Board of Directors approved these financial statements for issue on August 15, 2024.

..... Chairman

..... Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD JANUARY 1 - JUNE 30, 2024

GROUP

	Share Capital G\$ 000	Capital Reserves G\$ 000	Other Reserves G\$ 000	Exchange Difference Reserve G\$ 000	Retained Earnings G\$ 000	Total Equity G\$ 000
Balance at January 01, 2022	770,000	450,854	4,737,220	(135,438)	34,352,397	40,175,033
Changes in equity 2022						
Total comprehensive income/ (loss) for the year	-	-	3,899,340	(88,396)	8,141,988	11,952,932
Dividends	-	-	-	-	(1,193,500)	(1,193,500)
Balance at December 31, 2022	770,000	450,854	8,636,560	(223,834)	41,300,885	50,934,465
Changes in equity 2023						
Total comprehensive income / (loss) for the year	-	-	(448,200)	69,201	4,144,622	3,765,623
Dividends	-	-	-	-	(1,347,501)	(1,347,501)
Balance at December 31, 2023	770,000	450,854	8,188,360	(154,633)	44,098,006	53,352,587
Changes in equity 2024						
Total comprehensive income / (loss) for the period	-	-	(605,070)	(55,556)	2,100,695	1,440,069
Dividends	-	-	-	-	(1,232,000)	(1,232,000)
Balance at June 30, 2024	770,000	450,854	7,583,290	(210,189)	44,966,701	53,560,656

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED JANUARY 1 - JUNE 30, 2024

	GROUP		
	Unaudited	Unaudited	Audited
	Jun-24	Jun-23	Dec-23
	G\$ 000	G\$ 000	G\$ 000
Operating activities			
Profit before taxation	2,844,550	2,707,504	7,673,645
Adjustments for:			
Depreciation on property, plant and equipment	701,914	635,793	1,122,087
Depreciation on investment properties	5,033	5,227	10,458
Remeasurement in defined benefit asset	-	-	(461,660)
Increase in investment in associate companies	28,301	(161,018)	(129,392)
Exchange difference on consolidation	(55,556)	24,283	69,201
Interest received	-	-	(1,008)
Interest paid	240,742	89,984	178,510
Operating profit before working capital changes	3,764,984	3,301,773	8,461,841
Increase in inventories	(2,433,096)	(1,574,658)	(3,225,017)
(Increase)/decrease in receivables and prepayments	508,376	21,854	(58,568)
Decrease in payables and accruals	(435,508)	(74,810)	(110,078)
Cash generated from operations	1,404,756	1,674,159	5,068,178
Taxes paid/adjusted	(770,771)	(1,011,324)	(1,875,490)
Net cash provided by operating activities	633,985	662,836	3,192,688

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

FOR THE PERIOD ENDED JANUARY 1 - JUNE 30, 2024

	GROUP		
	Unaudited	Unaudited	Audited
	Jun-24	Jun-23	Dec-23
	G\$ 000	G\$ 000	G\$ 000
Investing activities			
Interest received	-	-	1,008
Purchase/transfer of property, plant and equipment	(3,452,430)	(2,152,425)	(6,707,335)
Net cash used in investing activities	(3,452,430)	(2,152,425)	(6,706,327)
Financing activities			
Loans drawn down	-	-	3,138,251
Loan repayments and transfers	(224,161)	-	-
Interest paid	(240,742)	(89,984)	(178,510)
Dividends paid	(1,232,000)	(1,039,501)	(1,347,501)
Net cash used in financing activities	(1,696,903)	(1,129,485)	1,612,240
Net increase decrease in cash and cash equivalents	(4,515,348)	(2,619,074)	(1,901,399)
Cash and cash equivalents at beginning of period	(2,584,542)	(683,143)	(683,143)
Cash and cash equivalents at end of period	(7,099,890)	3,302,216	(2,584,542)

NOTES ON THE ACCOUNTS

The financial statements included in this interim report are the un-audited financial results of the company and its subsidiaries as at June 30, 2024, and were approved on August 15, 2024.

The consolidated results incorporate the accounts of Demerara Technical Services Limited, Distribution Services Limited, Demerara Shipping Company Limited, Tropical Orchard Products Company Limited, Demerara Distillers (St. Kitts-Nevis) Limited, Demerara Distillers (US) Inc and Breitenstein Holdings BV all of which are wholly owned subsidiaries. Also, consolidated, in accordance with IAS 28-Investment in Associates, were the accounts of National Rums of Jamaica Limited, Diamond Fire and General Insurance Inc.

Basis of Preparation

The interim statements were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and the provisions of the Securities Industry Act (1998).

The accounting policies are consistent with those in the financials for the year ended December 31, 2023.

Taxation

A provision for taxation has been made using applicable tax rates, allowances, and provisions and includes property and deferred taxation.

Directors' Interest

The interests of directors holding office at June 30, 2024 in the ordinary shares of Demerara Distillers Limited were as follows:

Demerara Distillers Limited ordinary shares at No par value

	Beneficial Interest	Associates' Interest
Komal Samaroo	931,646	1,137,141
Egbert Carter	Nil	Nil
Rudy Collins	929	Nil
Timothy Jonas	109,634	Nil
Harryram Parmesar	234,463	Nil
Lancelot Tyrell	29,750	Nil
Joseph Singh	Nil	Nil
Sharda Veeren-Chand	1,500,000	Nil
Sharon Sue Hang	684,295	Nil
Allison Thorne	20,278	Nil

NOTES ON THE ACCOUNTS (cont'd)

December 31, 2023

	Beneficial Interest	Associates' Interest
Komal Samaroo	931,646	1,137,141
Egbert Carter	Nil	Nil
Rudolph Collins	929	Nil
Timothy Jonas S.C.	109,634	Nil
Harryram Parmesar	234,463	Nil
Lancelot Tyrell	29,750	Nil
Joseph Singh	Nil	Nil
Sharda Veeren-Chand	1,500,000	Nil
Sharon Sue Hang	684,295	Nil
Allison Thorne	20,278	Nil

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

Substantial Shareholders

June 30, 2024

Demerara Distillers Limited	Number of Shares	% Shareholding
Trust Company (Guyana) Limited	235,826,498	30.63
Secure International Finance Co Ltd	142,582,506	18.52
National Insurance Company	61,655,000	8.00

December 31, 2023

Demerara Distillers Limited	Number of Shares	% Shareholding
Trust Company (Guyana) Limited	235,686,655	30.61
Secure International Finance Co Ltd	142,582,506	18.52
National Insurance Company	61,655,000	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.

NOTES ON THE ACCOUNTS (cont'd)

Segment Information

INDUSTRY

	External Sales			Profit Before Tax		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	Jun-24	Jun-23	Dec-23	Jun-24	Jun-23	Dec-23
	G\$000	G\$000	G\$000	G\$000	G\$000	G\$000
Manufacturing	11,181,410	13,490,463	28,479,879	2,441,451	2,072,483	6,682,102
Trading	3,522,619	3,272,301	6,943,346	177,226	182,490	414,888
Services	1,088,857	1,023,964	2,044,615	254,174	291,513	387,406
Eliminations	(1,335,930)	(2,066,970)	(4,201,537)	-	-	-
Share of profit/(loss) in Associates	-	-	-	(28,301)	161,018	189,249
Consolidated	14,456,956	15,719,758	33,266,303	2,844,550	2,707,504	7,673,645

	Unaudited	Unaudited	Audited
	Jun-24	Jun-23	Dec-23
	G\$000	G\$000	G\$000
Segment Assets			
Manufacturing	61,003,473	55,736,970	59,248,299
Trading	2,773,593	2,626,041	3,160,252
Services	5,267,060	2,847,853	3,082,123
	69,044,126	61,210,864	65,490,674
Investment in Associates	1,527,474	1,587,401	1,555,775
Total Consolidated Assets	70,571,600	62,798,265	67,046,449

Segment Liabilities

Manufacturing	12,931,937	8,798,800	11,119,873
Trading	398,713	433,353	823,459
Services	3,680,294	1,879,348	1,750,530
Total Consolidated Liabilities	17,010,944	11,111,501	13,693,862

NOTES ON THE ACCOUNTS (cont'd)

Segment information - cont'd

	Unaudited Jun-24 G\$000	Unaudited Jun-23 G\$000	Audited Dec-23 G\$000
Other Segment Information			
Capital Additions			
Manufacturing	2,601,847	1,926,846	5,827,195
Trading	13,671	2,255	16,032
Services	836,912	223,324	868,895
	3,452,430	2,152,425	6,712,122
Depreciation			
Manufacturing	617,412	575,287	833,640
Trading	10,867	11,798	81,704
Services	78,668	53,935	217,200
	706,947	641,020	1,132,545

The Group's operations are located in Guyana, Europe, United States of America, Jamaica and St. Kitts. Its manufacturing operations are located in Guyana, Europe, St. Kitts and Jamaica. Its trading and service operations are located in Guyana, Europe, U.S.A and Canada. 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		
	Unaudited Jun-24 G\$ 000	Unaudited Jun-23 G\$ 000	Audited Dec-23 G\$ 000	Unaudited Jun-24 G\$ 000	Unaudited Jun-23 G\$ 000	Audited Dec-23 G\$ 000
	Guyana	13,609,517	14,680,043	31,169,378	2,858,583	2,647,038
Europe	246,655	389,981	888,785	(32,847)	634	(45,369)
North America	551,731	596,738	1,086,153	19,921	42,443	52,126
Caribbean	49,053	52,996	121,987	(1,107)	17,389	30,570
	14,456,956	15,719,758	33,266,303	2,844,550	2,707,504	7,673,645

The following segment information is analysed based on the geographical location of the customer.

	Revenue		
	Unaudited Jun-24 G\$ 000	Unaudited Jun-23 G\$ 000	Audited Dec-23 G\$ 000
	Domestic (country of parent company)	11,500,712	10,012,424
Foreign	2,956,244	5,707,334	9,452,974
	14,456,956	15,719,758	33,266,303

NOTES ON THE ACCOUNTS (cont'd)

Segment information - cont'd

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/transfers to property, plant and equipment & intangible assets		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	Jun-24	Jun-23	Dec-23	Jun-24	Jun-23	Dec-23
	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000	G\$ 000
Guyana	68,046,638	59,928,813	64,149,415	3,452,168	2,144,376	6,695,842
Europe	1,645,765	1,987,896	1,878,831	-	-	8,024
North America	525,010	603,500	659,768	262	-	38
Caribbean	354,187	278,056	358,435	-	8,050	8,218
	70,571,600	62,798,265	67,046,449	3,452,430	2,152,426	6,712,122

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

Revenue Generating Segment (s)	Unaudited	
	Revenue Generating Region	Amount of Revenue Generated (G\$000)
	Jun-24	
Guyana and United States	North America	1,345,556
Guyana, Europe and St. Kitts	Europe	829,652
Guyana and St. Kitts	Caribbean	1,274,151
Guyana	Guyana	10,924,908
Others		82,689
Total		14,456,956
	Unaudited	
	Jun-23	

Revenue Generating Segment (s)	Unaudited	
	Revenue Generating Region	Amount of Revenue Generated (G\$000)
	Jun-23	
Guyana and United States	North America	1,630,517
Guyana, Europe and St. Kitts	Europe	3,226,494
Guyana and St. Kitts	Caribbean	828,197
Guyana	Guyana	10,003,811
Others		30,739
Total		15,719,758

NOTES ON THE ACCOUNTS (cont'd)

Segment information - cont'd

	Audited Dec-23	
Revenue Generating Segment (s)	Revenue Generating Region	Amount of Revenue Generated (G\$000)
Guyana and United States	North America	3,865,828
Guyana, Europe and Caribbean	Europe	5,400,546
Guyana and Caribbean	Caribbean	1,619,289
Guyana	Guyana	22,348,146
Others		32,494
Total		<u>33,266,303</u>

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

	Unaudited Jun-24	
Revenue Generating Segment (s)	Revenue Generating Segment (s)	Amount of Revenue Generated (G\$000)
Customer#1	Guyana	-
Others		14,456,956
Total		<u>14,456,956</u>

	Unaudited Jun-23	
Revenue Generating Segment (s)	Revenue Generating Segment (s)	Amount of Revenue Generated (G\$000)
Customer#1	Guyana	2,418,643
Others		13,301,115
Total		<u>15,719,758</u>

	Audited Dec-23	
Revenue Generating Segment (s)	Revenue Generating Segment (s)	Amount of Revenue Generated (G\$000)
Customer#1	Guyana	4,304,027
Others		28,962,276
Total		<u>33,266,303</u>



**DEMERARA
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