ANGOSTURA

TRINIDAD & TOBAGO

50th Anniversary

ANGOSTURA HOLDINGS LIMITED
Annual Report 2012

Legacy by Angostura is a luxury bespoke blend of rum with only twenty 500ml decanters available in the world.

Like all exceptional blends of spirits, the production of this rum involves just as much art as science and it has taken over seven years to perfect the recipe alone.

The decanter itself is also a collector's item. Angostura engaged Asprey of London, jeweller to the Prince of Wales, to develop the limited edition decanters which each took over 56 hours to complete using ten different master craftsmen.

MANAGEMENT PROXY CIRCULAR

Republic of Trinidad and Tobago
The Companies Act, 1995
(Section 144)

1 Name of Company:

ANGOSTURA HOLDINGS LIMITED.
Company No. A-719(C).

2 Particulars of Meeting:

Thirty-first Annual Meeting of the Company to be held on the 29th of April, 2013 at 10.00 a.m. at the House of Angostura, Angostura Complex, Eastern Main Road, Laventille, Trinidad.

3 Solicitation:

It is intended to vote the Proxy solicited hereby (unless the Shareholder directs otherwise) in favour of all resolutions specified therein.

4 Any Director's statement submitted pursuant to Section 76 (2)

No statement has been received from any Director pursuant to Section 76 (2) of the Companies Act, 1995.

5 Any Auditor's statement submitted pursuant to Section 171 (1):

No statement has been received from the Auditors of the Company pursuant to Section 171 (1) of the Companies Act, 1995.

6 Any Shareholder's proposal submitted pursuant to Sections 116 (a) and 117 (2):

No statement has been received from Shareholder pursuant to Sections 116 (a) and 117 (2) of the Companies Act, 1995.

March 25th 2013
Lyn Patricia Lopez
Secretary

Our other premium rums are available in the USA and Europe in select liquor stores.

Legacy by Angostura. The world's most expensive rum.

Legacy by Angostura is quite simply rum without equal. Created by Angostura of Trinidad to celebrate the 50th anniversary of the independence of Trinidad and Tobago, only 20 decanters of this precious liquid were released.

The culmination of almost 200 years of distilling heritage, it is an artful blend of seven of Angostura's most rare and precious rums (each with a minimum age of 17 years). And for the world's most expensive rum, the world's best packaging. Legacy by Angostura is presented in a bespoke 500ml crystal and silver decanter specially made by jewellers to the Prince of Wales, Asprey of London. One bottle of Legacy was sold in Trinidad on August 04, 2012 for USD 43,000 at a charity dutch auction held at the Hyatt Trinidad. If you are interested in Legacy visit us on-line at **www.legacybyangostura.com**

"The proceeds were donated to the National Centre for Persons with Disabilities in San Fernando, Trinidad."

http://www.thelocal.se/46252/20130218/

CELEBRATING OVER 50 YEARS OF EXCELLENCE

Angostura Limited is one of the Caribbean's leading rum producers with a superb collection of rum brands and is the world's market leader for Angostura® aromatic bitters.

Many of our rum brands have been around for generations in Trinidad and Tobago. Our core market brands include familiar names like: Angostura 1824®, Angostura 1919®, Angostura® Single Barrel, White Oak®, Forres Park® Puncheon, Fernandes® Black Label and Royal Oak®. Angostura's international rum range began distribution in Europe in 2008 and has won gold medals at many international competitions since then. The rums sold both regionally and internationally include: Angostura® Reserva, Angostura® Anejo - 5 year old, Angostura® Gran Anejo - 7 year old rum, Angostura 1919® and Angostura 1824®.

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2012 has been yet another prosperous year for Angostura as our year-end profit from continuing operations of TT$204.5MM marks a TT$57.2MM improvement over the prior year. In addition, our EPS of $1.00 is 25¢ (33.3%) higher than 2011.

Message from the Chairman

Gerald Yetming

The Company has experienced growth in key export markets in both the rum and bitters categories and has also retained our leading position in the domestic spirits market. This success has been supported by increased investment in our brands.

Significant interest savings, major gains on the disposal of non-core investments, foreign exchange gains and the strong full year performance of Burn Stewart Distillers Limited in which we hold an Associate interest, all contributed to a net increase in our profit from continuing operations.

In keeping with the expectations outlined in my 2011 message, interest savings of TT$27.7MM accrued to the Company as a direct result of the re-negotiation and repayment of debt during the year. Management will continue to work assiduously to reduce the Company's debt burden to improve the allocation of valuable cash resources across the business. The disposals of our controlling interest in Suriname Alcoholic Beverages N.V. and our 3% stake in Lascelles de Mercado & Co. Ltd. (LdM) yielded profits of TT$43.9MM for the year, and are in line with the Company's mandate of improved focus on core business.

Foreign exchange fluctuations particularly as they relate to the Euro currency, continue to present challenges for us and we are working towards mitigating our risks related to our outstanding Euro debt. We have successfully settled the smaller of our two Euro currency loans during the year and are actively seeking solutions to address the remaining facility in the near to medium term.

I am truly pleased with the year-end results of the Company, noting the overall improvement in core performance. The Company's results from continuing operations reflects a TT$25.5MM improvement over the prior year, signalling a healthy rate of growth for the business. Consequently, the Board has approved a final dividend of 15¢ per share in respect of 2012, a 25% improvement over last year's dividend.

Indeed the strategies implemented over the past twelve months have yielded positive returns and I wish to congratulate the Company's management team for their continued sound leadership in this regard, and all members of staff for their dedicated contribution to the success achieved. I also thank the Board of Directors for their role in the governance and stewardship of the Company over the past year.

I look forward to reporting another successful year for 2013.

Message from the CEO

Robert Wong

2012 Performance Highlights:

After tax profit for 2012 is TT$206.9MM versus TT$156.9MM for 2011, an improvement of TT$50.0MM. Profit from continuing operations net of non-core items increased to TT$157.6MM from TT$143.1MM.

EPS for 2012 is $1.00 versus $0.75 for 2011, an improvement of $0.25 per share (33.3%). EPS based on profit from continuing operations net of non-core items increased to $0.77 from $0.70.

Return on Total Assets from continuing operations net of non-core items increased to 14.7% from 12.5%.

Decrease in total principal debt by TT$202.4MM.

Angostura receives the 2012 Rum Grand Master award for Rum Producer of the Year at the Spirits Business Awards in London.

Angostura Legacy Rum is ranked as the world's most expensive rum and as one of the world's ten most expensive alcoholic drinks by "The Drinks Business".

Angostura Aromatic Bitters, an iconic brand, supported the diamond jubilee anniversary of Her Majesty Queen Elizabeth II with a limited edition package.

Angostura Lemon Lime & Bitters is produced and distributed in new markets.

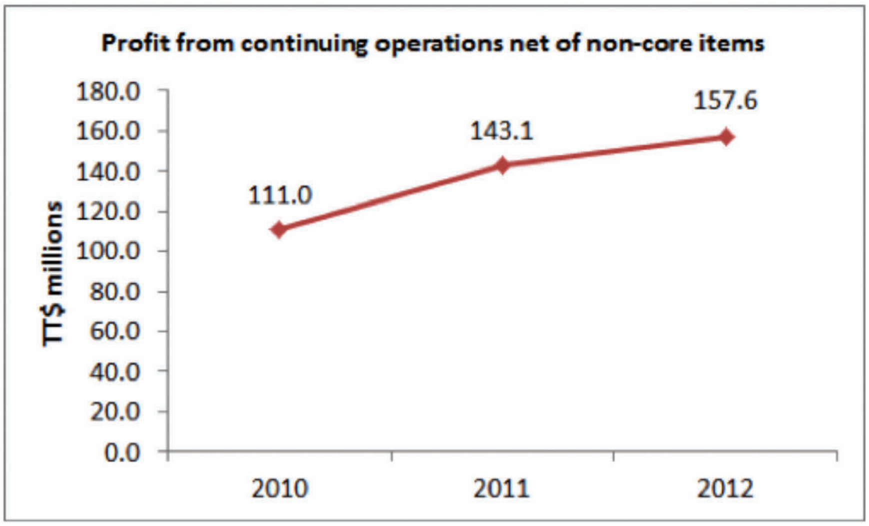
The Angostura Legacy... Resilience, Renewal, Results.

Our company has achieved impressive financial and operating results for the year ended December 31, 2012. We have set a record year for the profits from core business activities due to effective strategies from a strong and talented team.

Our Legacy of **Resilience** is evident in our ability to deliver positive results despite the challenges of ever-increasing competition in world markets. Sophisticated consumers driven by the pursuit of luxury and image, and knowing no boundaries as they pertain to market options, have rendered the spirits industry one of the most competitively complex businesses in today's corporate world.

Yet amid the onslaught of emerging brands and the allure of established market giants, Angostura has remained steadfast in growth and has earned continuous recognition among industry peers, connoisseurs and the general consumer market.

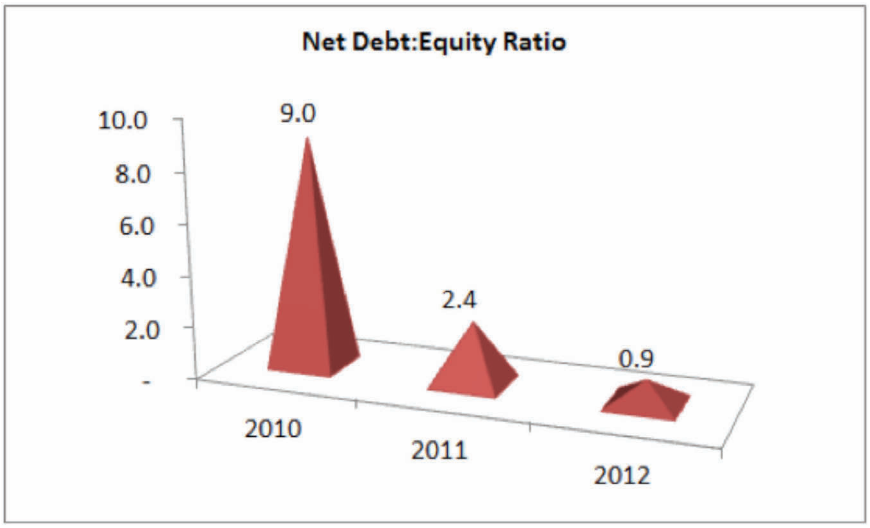
International honours have been bestowed upon our brands for their taste and presentation, while even



Where we are:

our advertising campaigns have been recognised as among the best in the region. At this year's Spirits Business awards in London, we earned 5 gold medals for our International Rum Range, Angostura® 1919 and Angostura® 1824 rums, and captured for the second consecutive year, the coveted Rum Grand Master award for Rum Producer of the Year. In addition, we secured 9 gold and 5 silver awards for our print, television and web-based media output at the 2012 Caribbean ADDY ® Awards. The featured brands included White Oak®, Forres Park® Puncheon and Angostura® Single Barrel Reserve.

Indeed we have set the bar high and consistently push it further in every aspect of our business and operations in general. Our contributions to the Trinidad and Tobago society go beyond just earnings and profitability; they extend to global representation in the areas of goodwill, international relations and of course, entertainment. We've demonstrated our resilience and commitment to placing this country positively on the world map through several of our major 2012 events.

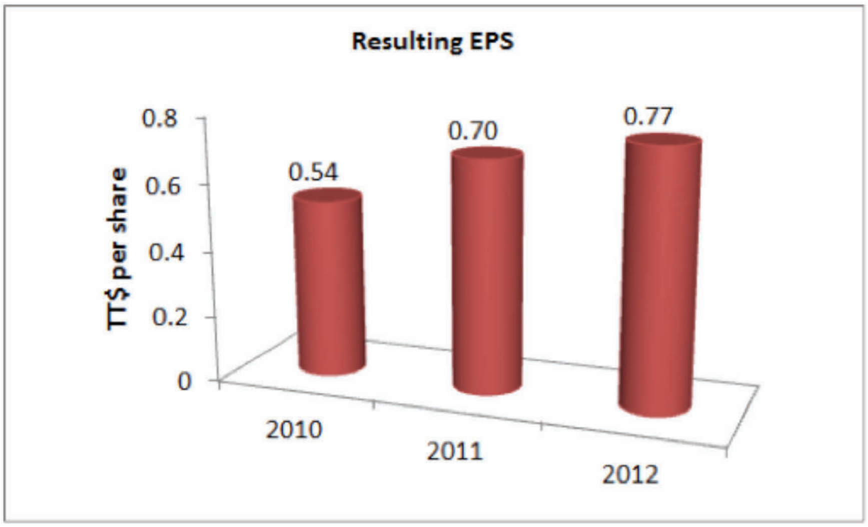


As one of the oldest listed companies in Trinidad and Tobago, we sought this year, to honour our country's 50th anniversary of independence in a manner that was both meaningful and memorable. With this in mind we produced and launched an exquisite new brand, Legacy by Angostura. Only 20 bottles of this exceptional blend were produced and at a price tag of US$25,000 per bottle, it has earned the title of the world's most expensive rum. We launched the brand in style with a gala event at which one bottle was auctioned for an astounding TT$260,000 and the proceeds donated to the National Centre for Persons with Disabilities. The brand was recently featured in 'The Drinks Business' magazine among the world's ten most expensive drinks. Incidentally, our aromatic bitters brand was also featured in this piece as it was an ingredient in an £8,200 cocktail noted as the world's most expensive cocktail.

Apart from the country's 50th anniversary of independence, we felt that as the only holder of a Royal Warrant in the Caribbean for our iconic Angostura® aromatic bitters, it would be remiss of us not to honour the Diamond Jubilee anniversary of Her Majesty Queen Elizabeth II of England in some notable way. We therefore released a limited edition package of our aromatic bitters and donated part proceeds of sales to the Queen Elizabeth Scholarship Trust.

Other signature events such as our annual Global Cocktail Challenge generate excitement in several export regions where mixology has become a widely recognised and well respected skill and art form. It gives us great pleasure to see the enthusiasm with which the world's top mixologists compete in this event, for the chance to be an Angostura brand ambassador for the ensuing year.

The Angostura Legacy has been one of success in the face of challenges. As the global marketplace continues to support new entrants there has been no end to the competitive pressure placed on us to keep ahead of the curve. In response to these pressures we have found immense value in the **Renewal** of our strategies and re-focusing of our operational expertise and marketing energy. A strong innovation pipeline and heightened brand building in our core categories continues to propel us forward.

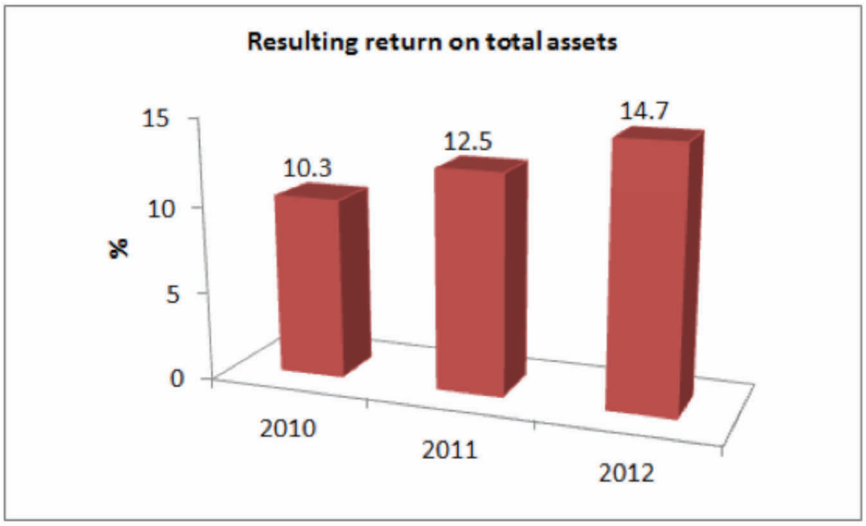


The Company has invested heavily in our people and our processes over the past twelve months, with a view to ensuring that jobs are consistently performed at the highest attainable standards. We incurred TT$24.1MM in capital expenditure during 2012 to modernize and improve our production facilities and ensure that we are adequately tooled for the future. We believe that in order to work better we must work smarter employing current technology and progressive work methods. We intend to continue to invest to ensure that Angostura remains not just relevant to the industry but indeed, leads it. To this end, our Board of Directors has approved capital expenditure of TT$83.6MM for operational upgrades in the near term.

A review and re-structuring of our distribution network in key export markets has led to a reformed product portfolio. With this portfolio we aim to maximise the potential return from our value chain. It is our goal to efficiently penetrate new target markets and optimise the return from our expansion investment.

We have also examined our financing structure to ensure that our debt service burden is manageable and does not place undue strain on resources that can be better utilised elsewhere in the business. It is through these activities that we were able to crystalize a gain of TT$10.7MM in April 2012 on the settlement of one of our Euro debts and have secured approximately TT$27.7MM in interest savings from debt re-structuring. In addition, we have reduced our total principal debt in 2012 by approximately TT$202.4MM using the Company's own cash resources. We believe that this is a fair and responsible allocation of resources and is of benefit to every stakeholder of the Company.

As part of the drive for renewal, Angostura has continued to pursue our mandate of increasing our focus on core business and in this respect, we undertook during the year to dispose of our interest in our last remaining active foreign-based subsidiary, Suriname Alcoholic Beverages N.V. (SAB). We sold our 70% interest in this subsidiary for a cash settlement in April 2012. In addition, our 3% shareholding in Jamaican conglomerate Lascelles de Mercado & Co. Ltd. was disposed during the last quarter of 2012, and settled in full, in cash. Both transactions



resulted in profits to the Company totalling TT$43.9MM.

Our year-end **Results** clearly demonstrate the success of the strategies implemented and our focus on high performance. It should be noted that our former Surinamese subsidiary, SAB, was accounted for as a discontinued operation in our 2012 results and as such, our consolidated Statement of Comprehensive Income for the year has been adjusted to segregate the earnings of this subsidiary from those of the continuing operations of the Group.

We experienced growth in the sale of our cased brands, i.e. value added business. The rationalisation of our portfolio and the exit from commodity business which yielded minimal returns, resulted in an increase in gross profits. This contributed significantly to improve our working capital management and we benefitted from healthy cash flow generation to support the areas that bring higher returns.

Our profit before tax from continuing operations of TT$247.9MM represents a TT$65.3MM improvement over 2011 levels. If adjusted for non-core items this improvement would be TT$22.6MM, illustrating the strength of the underlying business. We will embark upon several exciting ventures in the coming year in the Cased Alcohol, Bitters and Lemon Lime & Bitters categories. Our overall aim will be to drive results for key brands in strategic markets; protect and grow our market share and; position our brands to stimulate optimum performance within the general scope of our business.

We will continue to invest in research and development as well as marketing and distribution by forging partnerships with established distributors in foreign markets, to ensure that we remain at the forefront of innovation at both the input and output stages of our business, and to ensure that we can take full advantage of new business opportunities as early as practicable. Projects are in place for execution in 2013 and we look forward to unveiling these in due course and anticipate the positive impact that they will have on the Company as a whole. I am confident that you will be pleased with our plans as they unfold over the course of the coming year.

In closing I wish once more to pay tribute to the **Legacy of Angostura.** Our strength in the face of adversity, our commitment to quality, and our desire to bring luxury and class to every consumer; have made us a shining example of the true spirit of Trinidad and Tobago and have led to the success that we report today, of which you our valued stakeholders are the beneficiaries. With the continued guidance of our Board of Directors and efficient execution of plans by our management team and committed workforce, you can look forward to continued success and value enhancement for the foreseeable future.

Table – showing calculations for amounts in aforementioned charts.

	2012	2011	2010
	TT$MM	TT$MM	TT$MM
Profit from continuing operations	204.5	147.3	362.0
Other income	(42.4)	(0.5)	(201.8)
Impairment charges	-	12.8	-
Foreign exchange gains	(4.5)	(16.6)	(8.0)
Fair value adjustments	-	0.1	(41.2)
Profit from continuing operations net of non-core items	157.6	143.1	111.0
Resulting EPS	$0.77	$0.70	$0.54
Resulting return on total assets	14.7%	12.5%	10.3%

Notice of Annual General Meeting of Angostura Holdings Limited

NOTICE IS HEREBY GIVEN, that the Thirty-first Annual General Meeting of Angostura Holdings Limited, (the "Company") will be held at the House of Angostura, Angostura Complex, Eastern Main Road, Laventille, Trinidad and Tobago, on Monday 29th April, 2013 at 10:00 am for the following purposes:

1. To receive, consider and approve the Report of the Directors, the Audited Consolidated Financial Statements of the Company for the financial year ended December 31st, 2012, together with the report of the Auditors thereon, and
2. To appoint Messrs. KPMG as auditors of the Company for the financial year ending December 31st, 2013, and authorize the Directors to fix their remuneration therefor.
3. To appoint Mr. Robert Ramchand, nominated pursuant to paragraphs 4.4.1 and 4.5.1 of Bye Law No. 1 of the Company as a Director of the Company for a term until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.6.1 of Bye Law No. 1 of the Company

BY ORDER OF THE BOARD

Lyn Patricia Lopez
Secretary
March 25, 2013

Notes

1. Every member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote in that member's place. A proxy need not be a member of the company. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or be signed by its attorney
2. No service contracts not expiring or determinable within 10 years have been entered into between the company and any of its directors
3. To obtain a soft copy of the consolidated financial statements for the year ended 2012, please log onto on our website (www.angostura.com)
4. Queries may be directed to the Company Secretary at 623 1841 ext. 123 or lopezl@angostura.com

Board of Directors

Gerald Yetming
Chairman

Fraser Thornton
Deputy Chairman

Krishna Boodhai

Vidia Doodnath

Marlon Holder

Carolyn John

Joseph Teixeira

Directors' & Substantial Shareholdings

as at March 25, 2013

Directors' Shareholdings as at March 25, 2013

Krishna Boodhai	Nil
Vidia Doodnath	2,970
Marlon Holder	Nil
Carolyn John	Nil
Joseph Teixeira	Nil
Fraser Thornton (Deputy Chairman)	Nil
Gerald Yetming (Chairman)	Nil

Substantial Shareholders March 25, 2013

Rumpro Company Limited	92,551,212
Colonial Life Insurance Company (T&T) Limited	66,971,877

A substantial interest means 5% or more of the issued share capital of the Company.

Directors' Report

The Directors present their Report and Statement of Account for the year ended December 31st, 2012.

Financial Results for the Year	$'000
Profit attributable to shareholders	206,474
Other reserve movements	3,155
Dividends on ordinary stock	
Final Dividend paid 12¢	(24,754)
Retained profits from the previous year	(5,382)
Retained profits at the end of the year	**179,493**

DIVIDENDS
The Directors have paid dividends of $0.12 per ordinary share during the year ended December 31st, 2012. The Directors have declared a final dividend of $0.15 per ordinary share with a record date of March 29, 2013 and a pay date of April 12, 2013.

AUDITORS
To appoint Messrs. KPMG, as auditors of the Company for the financial year ending December 31, 2013, who offer themselves for re-election.

BY ORDER OF THE BOARD

March 25, 2013
Corner Eastern Main Road and
Trinity Avenue
Laventille
Trinidad and Tobago

Lyn Patricia Lopez
Secretary

The Executive Team

Robert Wong Chief Executive Officer
Vidia Doodnath Executive Director – Technical Services
Alana Beaubrun Executive Manager – Human Resources & Administration
Brenda de la Rosa Executive Manager – Domestic Sales & Marketing
Genevieve Jodhan Executive Manager – International Sales & Marketing
Lyn Lopez Executive Manager – Legal
Romesh Singh Chief Financial Officer

The blend of Expertise, Experience, Passion and Creativity within the Executive Team creates the balanced profile to positively influence the ongoing Legacy of Angostura.

Corporate Information

Company Secretary:
Lyn Patricia Lopez, L.L.B. (Hons.)
L.E.C., Counsel

Registered Office:
Corner Eastern Main Road &
Trinity Avenue,
Laventille,
Trinidad & Tobago
E-mail: lopezl@angostura.com
Website: www.angostura.com

Registrar & Transfer Office:
Trinidad and Tobago Central Depository Limited
10th floor, Nicholas Towers,
63-65 Independence Square,
Port-of-Spain,
Trinidad & Tobago

Auditors for period ending December 31, 2012:
KPMG
TRINRE Building
69-71 Edward Street,
Po Box 1328
Port-of-Spain,
Trinidad & Tobago

Bankers

Ansa Merchant Bank Limited
Ansa Centre,
11 Maraval Road,
Port-of-Spain,
Trinidad & Tobago

Citibank (Trinidad and Tobago) Limited
12 Queen's Park East,
Port-of-Spain,
Trinidad & Tobago

First Citizens Bank Limited
Corporate Banking Unit,
2nd floor,
Corporate Centre
9 Queen's Park East,
Port-of-Spain,
Trinidad & Tobago

RBC Royal Bank (Trinidad and Tobago) Limited
St. Clair Place,
7-9 St.Clair Avenue,
Port-of-Spain,
Trinidad & Tobago

Republic Bank Limited
Promenade Centre,
72 Independence Square,
Port-of-Spain,
Trinidad & Tobago

Attorneys-at-law
J.D. Sellier & Company
129-131 Abercromby Street,
Port-of-Spain,
Trinidad & Tobago

A Tradition of Excellence

White Oak® Rum

White Oak® is a 3-year-old lightbodied rum, specifically blended for the Caribbean market. The aged rum is carbon filtered to remove the dark oak colour and then blended to produce a unique, crisp taste. It is clean and light with hints of fruit in its aroma. This perfect mixer is the spirit of Trinidad and Tobago redefined for a more adventurous generation that seeks to go beyond the limits.

Fernandes® Black Label Rum

Fernandes® Black Label is renowned as a great rum, a brand that symbolises more than 100 years of tradition, meticulousness and well-earned respect. With its complex aroma encompassing the wooded notes of coconut, cloves, lemon and even a hint of vanilla, this is a rum made to be savoured, unhurriedly… it is reserved for those with discerning taste.

Forres Park® Puncheon Rum

Forres Park® Puncheon Rum provides comfort and warmth against the elements. Once a favourite with seafarers and estate workers, today Forres Park® Puncheon Rum is the country's favourite over-proof rum, enjoyed by all. At 75% alcohol by volume, this is rum that packs a strong punch. Drink responsibly.

Angostura® Single Barrel Rum

Angostura® Single Barrel Rum is made for those who crave perfection. It is smoother than scotch blends and has a rich medium body and deep mahogany hue. This rum exudes an enticing, luxurious and complex bouquet, with hints of caramel, spice, chocolate, banana and a lingering taste of apple. Angostura® Single Barrel Rum is the quintessential sipping rum, best enjoyed neat or on the rocks.

The Hallmark

International Brands

Angostura® 1919

Angostura® 1824

Angostura is one of the leading producers of aged rum in the Caribbean exporting to more than 50 international markets. Angostura Rum has won global acclaim. As well as being the 2011 and 2012 Rum Grand Master (awarded by Spirits Business), Angostura has won over 50 international rum awards for taste in the last 5 years.

During 2012, we continued our market development for rum in key cities internationally, highlights included:

Promoting our brands at trade events in Athens, Canne, Glasgow, Kiev, London, Milan, Moscow, Madrid, Paris, Sydney and Toronto

Securing placement for 1919 at Sainsbury's in the UK

Expanding our distribution in the USA and Canada

The Legacy rum tour by John Georges our Master Distiller, which focused on brand education and sampling of our rums

Sharing Best practices at our international distributor conference held in Trinidad in February 2012, attended by 26 distributor staff members from 16 countries

# of Quality

Angostura® Reserva

Clear with a platinum cast. Burnt banana and charcoal aromas have a sharp whiff of vapour. A quick soft attack leads to a round dryish, medium-bodied palate with plantain, burnt sugar, molasses, and peppery spice. Finishes with a hot pepper and burnt caramel fade.

Angostura® 5 Year Old

Gold luminescent colour with orange reflections on the edge of the glass. A strong nose with lightly wooded notes of coconut, cloves, butter caramel, lemon zest and a hint of vanilla. Light body. The palate is soft and delicate, with notes of tropical fruits,green mangoes, bananas. The finish is quick and mildly spicy with a sweet caramel fade.

Angostura® 7 Year Old

A rich hue of deep mahogany. Offers an enticing bouquet of creamy aromas of vanilla, chocolate, molasses, espresso, spice and oak. Rich medium body. Packed with toasty bakery like flavours of chocolate, honey, toffee, caramel, coffee and roasted nuts. The flavours persist on the palate for an extended period of time, eventually tapering to a fade of molasses, rich cinnamon and spice.

WE'D LIKE TO THANK OUR PARENTS, OUR FRIENDS...

...AND THE TASTING PANELS' TASTEBUDS


Aged 12 Years
Since 1824
ANGOSTURA®
TRINIDAD & TOBAGO
CARIBBEAN RUM
1824
HAND CASKED
PREMIUM RUM
AGED IN OAK BARRELS
70cl℮
40% vol
WINNER OF OVER 50
2005
2012
AWARDS FOR TASTE
Our award-winning rum has picked up
over 50 international medals since 2005.
Angostura — also famous for bitters.
Since 1824
ANGOSTURA®
TRINIDAD & TOBAGO
CARIBBEAN RUM

Angostura's Got the Winning Spirit!

Caribbean Advertising Federation Addy Awards 2012

GOLD & BEST OF SHOW-ONLINE: White Oak Website
GOLD: White Oak TVC
GOLD: Blackberry and iPhone Application
GOLD: Blu Vodka "69" Print
GOLD: Forres Park "Fire Woman Shot Glass" Print
GOLD: Single Barrel "Trump" Print
GOLD: Single Barrel "Transrumation" Outdoor
GOLD: Single Barrel "Transrumation" Video
GOLD: Hardwine Kamasutra
SILVER: 2011 Angostura Annual Report
SILVER: Single Barrel "Scottish Men Wear Skirts" Print
SILVER: 2011 Christmas Greetings Print
SILVER: White Oak Overall Campaign
SILVER: Forres Park "More Fire" Viral

The gold standard of Rum

Angostura's brands are gilded with international acclaim.

Angostura's premium rum range picked up a total of 7 gold medals at the Rum Masters Competition 2012, in the categories of Tasting and Design and Packaging.

But the story doesn't end there… over the past 7 years our rums have received top honours around the globe, earning boasting rights (for a second successive year) at the Spirits Business Awards as 2012 Rum Grand Master.

THE SECRET IS IN THE BOTTLE.

For almost 200 years, Angostura® aromatic bitters, created by Dr. J.G.B. Siegert, has been the key ingredient in many cocktails and culinary delights. This unique blend of herbs and spices has secured its brand positioning as the premium aromatic bitters in bars and restaurants around the world.

Angostura® aromatic bitters has been famous since 1824 and has held the Royal Warrant to Her Royal Majesty, Queen of England's household for many years. It is a stable fixture at any bar so much so that bartenders the world over attest to its uniqueness citing it as a must-have in their field of work. Distilled in the island of Trinidad, using the same secret recipe since its inception, it is versatile beyond belief and is known to flavour and enhance anything to which it is added.

Experts say that it "matures a Manhattan", "makes the Old Fashioned" and "mellows the diverse taste of rum drinks". It can round a beer, cause vodka to flower and smooth a whiskey sour. And it works wonders for non-alcoholic drinks as well. The mere presence of Angostura® aromatic bitters is an indication of sophistication. To truly experience the versatility of the product that 'flavours the world', one needs to explore the many ways in which it can be used. Some like it in tea and coffee, others in gravies and soups. It has also become popular in fresh fruit salads and on top ice cream. Chefs use it to marinate poultry, add flavour to fish and even top off delicious desserts. A bottle of Angostura® aromatic bitters in the kitchen is the hallmark of a good cook and at the bar, one of a true connoisseur.

Global Cocktail Challenge 2012

Through its historical entrepreneurial drive, Angostura® aromatic bitters became a necessary bar ingredient for cocktails globally. The yellow bottle cap is spotted behind nearly every top bar in the world. From the Manhattan in New York to its gaelic cousin the Rob Roy in London, Angostura aromatic bitters, is used in most classic cocktails, created from as far back as the 1880's.

Today, we continue to promote the use of bitters in cocktails via a series of mixology training sessions and cocktail competitions internationally. In 2011, Angostura hosted competitions in 30 countries. The winners went on to compete at one of our 12 regional competitions that were held in:

- Glasgow, Scotland
- Vilnius, Lithuania
- Chicago, USA
- Ocho Rios, Jamaica
- Moscow, Russia
- Mumbai, India
- Buenos Aires, Argentina
- Port of Spain, Trinidad
- Johannesburg, South Africa
- Melbourne, Australia
- Hong Kong, China
- Kuala Lumpur, Malaysia

The winners from across the globe came to Trinidad in February 2012 to vie for the coveted title of Angostura Brand Ambassador and the Grand Prize of USD 10,000. This Global Cocktail Challenge was successfully held on Carnival Sunday in Port of Spain, with David Delaney Jr. of the USA emerging as the champion.

From left to right: Genevieve Jodhan *Executive Manager - International Sales and Marketing,* **Robert Wong** *Chief Executive Officer,* **His Excellency Arthur Snell** *British High Comissioner to Trinidad and Tobago,* **Mrs. Snell, Alex Thomas** *Senior Manager - Marketing.*

His Excellency Arthur Snell

Diamond Jubilee

Diamond Jubilee launch held at Royal Oak Room at the House of Angostura on June 15, 2012

Angostura® aromatic bitters has held a Royal Warrant of Appointment from HM Queen Elizabeth II since 1955. During the 60th year of her Majesty's reign, Angostura broke with nearly 200 years of tradition by re-designing the product's label, creating a silver package to mark the occasion along with a matching canister.

In recognition of the Queen's Diamond Jubilee in June 2012, Angostura launched this special limited edition of its world famous Angostura® aromatic bitters in the UK and Trinidad. Over 20,000 bottles were sold worldwide, and for each bottle sold, Angostura donated 1 Great Britain Pound to the Queen Elizabeth Scholarship Trust (QEST), set up to help further the careers of craftsmen and women in the UK.

This was the first change ever made to the product's packaging in nearly 200 years. The recipe remains the same since 1824. Through this initiative, Angostura was able to support excellence in British Craftsmanship through the Queen's Scholarship Trust.


LIME
LIKE A
BOSS
ANGOSTURA
LLB
ANGOSTURA
THE ORIGINAL
LEMON
LIME &
BITTERS
NATURALLY FLAVORED
SPARKLING BEVERAGE
A skillfully blended non-alcoholic sparkling beverage of Angostura® aromatic bitters and natural lemon & lime flavors

LLB: LEVITATE LIKE A BOSS

ANGOSTURA® LEMON, LIME & BITTERS

continues to perform well in both the domestic, regional and Australian markets. Success specifically in the local and regional markets for 2012 was driven by the launch of the new marketing campaign “Lime Like a Boss”. This campaign has placed greater emphasis on social media activation which has become a critical element of consumer involvement with brands in today’s world. Further improvements made to our distribution network and processes, also aided the brand in setting a record-breaking performance for local cased sales in 2012.

The Company intends to move forward in 2013 with its thrust to expand the reach of the ANGOSTURA® LEMON, LIME & BITTERS brand globally.

CORPORATE SOCIAL RESPONSIBILITY
at The House of Angostura

The Company's integration of economic, social and environmental concerns.

Angostura is commited to the practice of Corporate Social Responsibility. We strive to play a meaningful role in improving the quality of life of our workforce, community and society as a whole while being mindful of our shared environment. Over the years, philanthropic donations was our main focus, however in 2012, the Company undertook to develop a holistic approach to this mandate which encompassed four elements of CSR within the Company, and sought input from internal and external CSR stakeholders.

Through our CSR committee we intend to continuously explore the avenues through which we can widen our scope for responsible business practises. These efforts will derive benefits not only for our business but also for our society and will help drive social, economic and environmentally sustainable development, by maximizing the positive impact business has on society.

Continued integration of the following key principles in our business, will ensure sustainable development….

The core CSR Principles are:

Employee Engagement	Community Investment	Environmental Ethics	Responsible Consumption

The Company engaged many individuals and groups in the community to promote youth development. **Seminars and workshops** on responsible drinking, domestic violence and social etiquette were conducted for both primary and secondary students.

A Life Skills Consultant was hired to conduct a **two-day parent/teacher seminar** entitled "In Alcohol: Every Drop, Action and Character counts…. be Examplars!". This theme was taken from the Chief Executive Officer's feature address at the launch of our 2012 Rum Fest. The workshop dealt with domestic violence and juvenile delinquency issues.

Financial assistance and support were provided for various conferences which included:

- **Kids In Need of Direction project**
- **Global Young Leaders Conference**
- **Trinidad and Tobago National council on Alcoholism's conference** in Tobago.

Angostura's annual **kids' camp** held in 2012 enjoyed another successful turnout. Sixty children attended the camp which included sporting activities, a social etiquette workshop, a health and safety workshop and an environmental awareness tour.

The Company was involved in the **Hero's Foundation energy awareness programme** in schools, where students learnt about energy use and conservation.

The Company also donated school supplies and accessories to the Chinapoo Youth Police Group's **back to school programme**.

Tobago Heritage Festival – sponsored Buccoo and Plymouth to promote Tobago's cultural heritage activities throughout the festival.

Unsponsored Steel Bands – 33 bands were supported.

Supported the **Laventille Steelband Foundation's annual Pan Festival** held in front of the Company's compound.

The Company assisted with the **Blind Cricket program**, providing financial assistance for their indoor/outdoor training and their tournament.

The Company held its annual Children's Christmas party for children in the community, gave donations to the elderly and in the community. Members of Staff also donated hundreds of gifts to the children.

The Company has taken significant strides in its environmental stewardship programme. In alignment with the structured approach through ISO 14001 certification, Angostura's environmental objectives and targets continue to focus on: energy management; water conservation; waste management; water discharge; air & noise emission, and effective emergency response.

The Company's waste management initiatives have produced positive results in 2012. Through its "Recycle, Re-use, and Reduce" programme, Angostura has made substantial reductions in landfill disposal output, concentrating on recycling/reuse synergies within the supply chain for its packaging and other waste materials.

In commemoration of the country's 50th anniversary of independence, the Company created **Legacy by Angostura**. Only 20 bottles were produced and one used in various markets around the world to raise funds for a charitable cause. In Trinidad the bottle was auctioned for TT$260,000 which was donated to the National Centre for Persons with Disabilities.

Angostura hosted its third annual **Rum Festival** raising public awareness about rum manufacturing processes, responsible drinking and the versatile uses of our rums and bitters in both food and beverages.

Tours to our butterfly collection and the museum drew hundreds of children and adults alike to learn about the history of this iconic Trinidadian Company. It educates the public on an iconic Trinidadian Company that carries a rich history spanning nearly 200 years.

In August we held our 3rd Annual **Rumland** event, "The Isle of Rum" which featured our core rums. Patrons were entertained by scintillating performances which included Kees the Band, played games to redeem prizes at our Rum Zones and even even enjoyed photo opportunities with "Captain Jack Sparrow".

Angostura takes great pride in ensuring its employees are well equipped to secure greater success for the Company. Employees are top of mind in a structured Training and Development programme. Our investment in staff development ensures that employees are exposed to cutting edge technology and training, online programmes, on-the-job training and cross functional project teams that are relevant to their development and to the Company's strategic vision.

Employee activities include recognition for long service and employee innovation via our Long Service and Employee of the Year awards. Fifty employees were recognised for their years of dedicated and productive service and one employee was recognised by his peers in 2012 for demonstrating "Angostura Innovation".

On a lighter note, Angostura is extremely proud to keep the older traditions alive through our annual Calypso and Ole Mas competition. This much anticipated and well received event is held annually during the Carnival season.

One of our more recent employee initiatives is the Barcant Mentorship Programme which is held in collaboration with the Growing Leaders Foundation. Twenty-five employee volunteers were trained and provided leadership training for primary school children throughout Trinidad. Twenty-five employees provided over one hundred and fifty hours of service and impacted the lives of six hundred eight year old children in 2012. This programme allowed employees to exercise volunteerism endorsed by Angostura which will benefit both their development and that of the children they mentor. We are indeed proud to expand this programme in 2013.

We are proud to boast that Angostura employees demonstrate extraordinary brand loyalty. Pride in our brands is celebrated in many forms: through a "Breakfast with Angostura® aromatic bitters" hosted by the Human Resources department in 2012 or through the excitement of seeing our brands sponsoring huge local events or on copping well respected international awards for excellence. Our brands and our heritage continue to foster proud productive, and motivated Angostura employees.

Audited Consolidated Financial Statements of

ANGOSTURA HOLDINGS LIMITED DECEMBER 31, 2012

(Expressed in Trinidad and Tobago Dollars)

KPMG
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P.O. Box 1328
Port of Spain
Trinidad and Tobago, WI

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Independent Auditors' Report to the Shareholders of Angostura Holdings Limited

We have audited the accompanying consolidated financial statements of Angostura Holdings Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at December 31, 2012, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Consolidated Financial Statements

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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2012, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG

Chartered Accountants

March 25, 2013
Port of Spain
Trinidad and Tobago

ANGOSTURA HOLDINGS LIMITED
Consolidated Statement of Financial Position
December 31, 2012
(Expressed in Trinidad and Tobago Dollars)

	Notes	2012 $'000	2011 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	259,331	289,064
Available-for-sale assets	9	574	54,136
Investment in associate	10	245,524	221,960
Deferred tax asset	20	5,037	22,886
Retirement benefit asset	12	26,983	27,565
		537,449	615,611
Current assets			
Inventories	13	191,210	181,929
Trade and other receivables	14	178,311	171,467
Cash and cash equivalents	15	164,792	170,387
Assets held-for-sale	16	3,598	3,558
		537,911	527,341
Total assets		1,075,360	1,142,952
EQUITY AND LIABILITIES			
Equity			
Share capital	17	118,558	118,558
Other reserves	18	87,532	108,834
Retained earnings (accumulated deficit)		179,493	(5,382)
		385,583	222,010
Non-controlling interest		-	12,316
Total equity		385,583	234,326
Liabilities			
Non-current liabilities			
Borrowings	19	469,499	437,318
Other liabilities	21	-	571
Deferred tax liability	20	34,437	39,725
		503,936	477,614
Current liabilities			
Borrowings	19	50,300	284,886
Taxation payable		889	5,799
Trade and other payables	22	134,652	140,327
		185,841	431,012
Total liabilities		689,777	908,626
Total equity and liabilities		1,075,360	1,142,952

The accompanying notes form an integral part of these consolidated financial statements.

______________________Director ______________________Director

ANGOSTURA HOLDINGS LIMITED
Consolidated Statement of Comprehensive Income
December 31, 2012
(Expressed in Trinidad and Tobago Dollars)

	Notes	2012 $'000	2011 $'000
Continuing Operations			
Revenue		648,294	644,338
Cost of goods sold		(269,472)	(279,682)
Gross profit		378,822	364,656
Selling and marketing expenses		(113,627)	(104,124)
Administrative expenses		(62,348)	(56,036)
Results from operating activities		202,847	204,496
Finance costs	24	(29,274)	(56,964)
Finance income		18	538
Results from continuing operations		173,591	148,070
Other income	25	42,363	533
Dividend income	26	3,818	13,297
Impairment charges	33	-	(12,818)
Foreign exchange gains		4,548	16,552
Fair value losses	27	-	(104)
Share of profits from equity-accounted investee, net of tax	10	23,564	17,090
Group profit before tax		247,884	182,620
Taxation expense	28	(43,429)	(35,335)
Profit from continuing operations	29	204,455	147,285
Discontinued operations			
Profit for the year from discontinued operations, net of tax	32	2,423	9,600
Profit for the year		206,878	156,885
Other comprehensive income			
Investment revaluation gain on available-for-sale assets	18	-	4,411
Net investment revaluation gain on available-for-sale assets transferred to profit or loss on disposal	18	(4,411)	-
Foreign currency differences on translation of foreign operations		2,009	(462)
Pension adjustments	12	(2,183)	(2,448)
Other reserve movements		-	1,470
Other comprehensive (loss) income for the year, net of tax		(4,585)	2,971
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		202,293	159,856

The accompanying notes form an integral part of these consolidated financial statements.

ANGOSTURA HOLDINGS LIMITED
Consolidated Statement of Comprehensive Income (continued)
December 31, 2012
(Expressed in Trinidad and Tobago Dollars)

	Notes	2012 $'000	2011 $'000
Profit attributable to:			
Owners of the Company	10	206,474	154,485
Non-controlling interest		404	2,400
		206,878	156,885
Total comprehensive income attributable to:			
Owners of the Company		201,889	157,456
Non-controlling interest		404	2,400
		202,293	159,856
Earnings per share			
- Basic and Diluted	29	$ 1.00	0.75
Earnings per share – continuing operations			
- Basic and Diluted	29	$ 0.99	0.72

The accompanying notes form an integral part of these consolidated financial statements.

ANGOSTURA HOLDINGS LIMITED
Consolidated Statement of Changes in Equity
December 31, 2012
(Expressed in Trinidad and Tobago Dollars)

	Attributable to equity holders of the Company				
	Share Capital $'000 (Note 17)	**Other Reserves $'000** (Note 18)	**Retained Earnings (Accumulated Deficit) $'000**	**Non-Controlling Interest $'000**	**Total Equity $'000**
Balance at January 1, 2012	118,558	108,834	(5,382)	12,316	234,326
Net investment revaluation gain on available-for-sale assets transferred to profit or loss on disposal	-	(4,411)	-	-	(4,411)
Pension adjustments	-	-	(2,183)	-	(2,183)
Foreign currency differences on translation	-	-	2,009	-	2,009
	-	(4,411)	(174)	-	(4,585)
Profit for the year	-	-	206,474	404	206,878
Total comprehensive income for the year	-	(4,411)	206,300	404	202,293
Transactions with equity holders recognised directly in equity					
Dividends to equity holders	-	-	(24,754)	-	(24,754)
Depreciation on revalued property	-	(405)	405	-	-
Net removal of reserves related to discontinued operations	-	(16,486)	2,924	(12,720)	(26,282)
	-	(16,891)	(21,425)	(12,720)	(51,036)
Balance at December 31, 2012	118,558	87,532	179,493	-	385,583
Balance at January 1, 2011	118,558	103,827	(157,809)	9,894	74,470
Investment revaluation gain on available-for-sale assets	-	4,411	-	-	4,411
Pension adjustments	-	-	(2,448)	-	(2,448)
Foreign currency differences on translation	-	(498)	14	22	(462)
Other reserve movements	-	1,094	376	-	1,470
	-	5,007	(2,058)	22	2,971
Profit for the year	-	-	154,485	2,400	156,885
Total comprehensive income for the year	-	5,007	152,427	2,422	159,856
Balance at December 31, 2011	118,558	108,834	(5,382)	12,316	234,326

The accompanying notes form an integral part of these consolidated financial statements.

ANGOSTURA HOLDINGS LIMITED
Consolidated Statement of Cashflows
December 31, 2012
(Expressed in Trinidad and Tobago Dollars)

	Notes	2012 $'000	2011 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		247,884	182,620
Adjustments for:			
Depreciation charge	8	16,993	16,268
(Gain) loss on disposal of property, plant and equipment	25	(43)	14
Impairment loss on parent company receivable	33	-	12,818
Net fair value losses	27	-	104
Gain recognised on disposal of available-for-sale assets	25	(42,775)	-
Share of profits from equity-accounted investee, net of tax	10	(23,564)	(17,090)
Pension charge	12	5,899	6,859
Finance costs	24	29,274	56,964
Finance income		(18)	(538)
Dividend income	26	(3,818)	(13,297)
Foreign exchange gains		(4,548)	(16,552)
Profit from discontinued operation, before tax	32	-	15,000
Operating profit before working capital changes		225,284	243,170
Change in trade and other receivables		(9,539)	(27,446)
Change in inventories		(21,659)	(11,442)
Change in trade and other payables		9,885	(34,244)
Change in other liabilities		-	791
Cash from operating activities		203,971	170,829
Interest paid		(33,238)	(59,819)
Corporation tax paid		(25,580)	(8,302)
Retirement benefits paid – severance payments		(530)	(537)
Net cash from operating activities		144,623	102,171

ANGOSTURA HOLDINGS LIMITED
Consolidated Statement of Cashflows (continued)
December 31, 2012
(Expressed in Trinidad and Tobago Dollars)

	Notes	2012 $'000	2011 $'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		161	3,407
Proceeds from disposal of investments		91,177	-
Acquisition of property, plant and equipment	8	(24,120)	(24,750)
Adjustment to property, plant and equipment	8	-	(363)
Disposal of discontinued operations, net of cash disposed of	32	932	-
Dividends received		3,763	462
Interest received		18	538
Proceeds from disposal of assets held-for-sale		-	19,924
Net cash from (used in) investing activities		71,931	(782)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(24,754)	(1,248)
Proceeds from borrowings		170,000	130,032
Repayment of borrowings		(367,395)	(174,327)
Net cash used in financing activities		(222,149)	(45,543)
(Decrease) increase in cash and cash equivalents		(5,595)	55,846
Cash and cash equivalents at January 1		170,387	114,541
Cash and cash equivalents at December 31	15	164,792	170,387

The accompanying notes form an integral part of these consolidated financial statements.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements
December 31, 2012

1. General Information

Angostura Holdings Limited (the Company) is a limited liability company incorporated and domiciled in the Republic of Trinidad and Tobago. The address of its registered office is corner Eastern Main Road and Trinity Avenue, Laventille, Trinidad and Tobago. The Company has its primary listing on the Trinidad and Tobago Stock Exchange. It is a holding company whose subsidiaries are engaged in the manufacture and sale of rum, ANGOSTURA® aromatic bitters and other spirits, the bottling of beverage alcohol and other beverages on a contract basis and the production and sale of food products. The consolidated financial statements of the Company as at and for the year ended December 31, 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as the "Group entities").

The principal subsidiaries are:

Company	Country of incorporation	Percentage Owned
Angostura Limited	Trinidad and Tobago	100%
Trinidad Distillers Limited	Trinidad and Tobago	100%

The Company's ultimate parent entity is C L Financial Limited, a company incorporated in the Republic of Trinidad and Tobago.

These consolidated financial statements were approved for issue by the Board of Directors on March 25, 2013.

2. Basis of Preparation

(a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:
- non-derivative financial instruments at fair value through profit or loss are measured at fair value;
- available-for-sale financial assets are measured at fair value;
- the defined benefit asset is recognised as plan assets, plus unrecognised past service cost, less the present value of the defined benefit obligation;
- investments in associates are measured using the equity method.

(c) Functional and presentation currency
These consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional currency. All financial information presented in Trinidad and Tobago dollars has been rounded to the nearest thousand except when otherwise stated.

(d) Use of estimates and judgements
The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

2. Basis of Preparation (continued)

(d) Use of estimates and judgements (continued)

Information about critical estimates and judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 12 - Measurement of defined benefit assets and obligations
- Note 13 - Inventories – provision for obsolescence
- Note 14 - Impairment of trade and other receivables
- Note 20 - Utilisation of tax losses
- Note 33 - Impairment of related party balances.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 5 - Determination of fair value
- Note 10 - Assessment of continuing significant influence
- Note 31 - Determination of the lease classification
- Note 32 - Classification of discontinued operation.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) Investments in associates and jointly controlled entities

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 percent and 50 percent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for under the equity method and are recognised initially at cost which is the fair value at acquisition. The cost of the investment includes transaction costs.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(a) Basis of consolidation (continued)

(iii) Investments in associates and jointly controlled entities *(continued)*

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iv) Jointly controlled operations

A jointly controlled operation is a joint venture carried on by each venturer using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognised in other comprehensive income:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(b) Foreign currency (continued)

(i) Foreign currency transactions *(continued)*

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the functional currency of the Group at the reporting date. The income and expenses of foreign operations are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in equity. If the foreign operation is a non-wholly owned subsidiary the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in equity related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative amount is reattributed to non-controlling interests.

When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation, while retaining significant influence or joint control, the relevant portion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and presented in equity.

(c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(c) Financial instruments (continued)

(i) Non-derivative financial assets *(continued)*

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Held-to-maturity financial assets comprise debt securities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Available-for-sale assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented within equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(c) Financial instruments (continued)

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, (including bank overdrafts, and trade and other payables).

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are offset within share capital. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;

- any other costs directly attributable to bringing the assets to a working condition for their intended use;

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement *(continued)*

- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and

- capitalised borrowing costs.

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation is based on the market value or cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method for buildings and reducing balance method for all other assets to allocate their cost or revalued amounts to their residual values over their estimated useful lives. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years are as follows:

- Buildings	25 - 40 years
- Plant, machinery and equipment	3 - 15 years
- Casks	6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(e) Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Amortisation

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

- Trademarks and licenses - 25 years
- Capitalised development costs - 5 – 7 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on average cost, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

(g) Impairment

(i) Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor; restructuring of an amount due to the Group on terms that the Group would not consider otherwise; indications that a debtor or issuer will enter bankruptcy; adverse changes in the payment status of borrowers or issuers; economic conditions that correlate with defaults or; the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20 percent to be significant and a period of 9 months to be prolonged.

Available-for-sale assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the investment revaluation reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss.

Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount and an impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(g) Impairment

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Non-current assets held-for-sale or distribution

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale or held-for-distribution if it is highly probable that they will be recovered primarily through sale or distribution rather than through continuing use. Immediately before classification as held-for-sale or held-for-distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held-for-sale or held-for-distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(i) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is based on the yield at the reporting date of long term Government bonds issued close to the reporting date but has been adjusted to reflect the longer term nature of pension plan liabilities. No adjustments were made to the rate based on actual over-subscription of the bonds upon issue.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group only recognises actuarial gains and losses arising from defined benefit plans if they fall outside of a prescribed corridor equal to 10% of the greater of the value of the Plan's assets and the defined benefit obligation. The excess is then amortised over employees' average future working lifetime. These are recognised in other comprehensive income. All expenses related to defined benefit plans in employee benefit are expensed in profit or loss.

The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses and past service cost that had not previously been recognised.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(i) Employee benefits (continued)

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(v) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(k) Revenue

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of excise taxes, returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(k) Revenue (continued)

(i) Goods sold *(continued)*

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

(ii) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(l) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

(m) Finance income, finance costs and dividend income

Finance income comprises interest income on funds invested (including available-for-sale assets). Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(m) Finance income, finance costs and dividend income (continued)

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis in profit and loss depending on whether foreign currency movements are in a net gain or net loss position.

(n) Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

3. Significant Accounting Policies (continued)

(n) Taxation (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

– represents a separate major line of business or geographical area of operations;
– is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
– is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.
When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

(p) Segment reporting

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets and liabilities, finance costs and income, foreign exchange gains and losses, fair value gains and losses, other income and expenses, dividend income, impairment charges, fair value losses, share of profits from equity-accounted investees net of tax and tax expenses and income.

4. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2012, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except for the following:

- IFRS 9 Financial Instruments, which becomes mandatory for the Group's 2015 consolidated financial statements and could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early and the extent of the impact has not yet been determined.

- IAS 19 Employee Benefits, which becomes mandatory for the Group's 2013 consolidated financial statements and will result in a change in accounting policy and related prior year restatement of the consolidated financial statements to recognise accumulated unrecognised actuarial gains/losses through the consolidated statement of comprehensive income. The impact on the consolidated financial statements on initial application of the Standard will be a reduction in the opening retained earnings of $14,659 thousand representing the recognition of previously unrecognised accumulated actuarial losses. There will be no impact on the statement of comprehensive income regarding the reduction in prior year.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

5. Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which property could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

(ii) Intangible assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that are expected to be avoided as a result of the patents or trademarks being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(iv) Equity and debt securities

The fair values of investments in equity and debt securities are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique. Valuation techniques employed include market multiples and discounted cash flow analysis using expected future cash flows and a market-related discount rate. Subsequent to initial recognition, the fair values of held-to-maturity investments are determined for disclosure purposes only.

(v) Trade and other receivables

The fair values of trade and other receivables, excluding construction work in progress, are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

5. Determination of Fair Values (continued)

(vi) Other non-derivative financial liabilities
Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

In respect of the liability component of convertible notes, the market rate of interest is determined with reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined with reference to similar lease agreements.

(vii) Contingent consideration
The fair value of contingent consideration arising in a business combination is calculated using the income approach based on the expected payment amounts and their associated probabilities. When appropriate, it is discounted to present value.

6. Financial Risk Management

Overview
The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- capital risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework
The Executive Management has set up a Risk Management Committee to institute a formal Risk Management program to ensure that key risks are actively and continuously identified, managed, monitored and reported. The aim is to establish a risk management culture and communicate the importance of risk management activities to all the staff and specify the responsibilities and accountability for risk management throughout operations. Input is obtained from all key stakeholders including management, those charged with Governance, legal counsel, internal and external auditors. The Risk Management Committee also considers the emergence of new risks, and operational management is required to report on such risks and assist in the development of mitigating strategies to address them.

The Group's Audit Committee oversees how management monitors compliance with the Group's policies and procedures. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of controls and procedures, the results of which are reported to the Audit Committee.

As part of the overall risk management process, the Risk Management Committee has reviewed the activities of the Company in consideration of its natural and commercial operating environments and has identified the major risks faced by the Company.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

6. Financial Risk Management (continued)

Risk management framework (continued)
In order to better focus the risk management efforts, risks have been classified into the following major categories and assessed on the basis of residual exposure after consideration of the level of management and control activities designed and implemented to specifically mitigate against them:

- Financial and reporting
- Operational
- Compliance
- Strategic.

The inherent risk levels (defined by their potential impact, and likelihood of occurrence in the absence of controls) were compared to management control levels to determine the appropriate risk response specifically, whether risks should be monitored or accepted or conversely, whether controls should be monitored or improved.

The result of this exercise has been the production of a Risk Register which details for each core functional area, the major risks identified, key drivers and metrics related to each risk, risk owner (with direct responsibility for managing the risk), the response adopted, type and frequency of monitoring, and action plan for implementation of the documented risk response.

Management notes that the risk management process is dynamic and requires ongoing review and revision to enable the Group to maintain a position of strength in relation to inherent and residual risks. The process will be continuously refined in response to environmental changes from both a natural and operating perspective.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Group has no significant concentrations of credit risk. It has policies in place to ensure that wholesale sales of products are made to customers with an appropriate credit history. The Group's Credit Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on an ongoing basis. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a cash basis.

For the purposes of credit risk assessment, customers are segregated into categories and reviews take account of the specific trading relationship of each category of debtor with the Company. Credit risk assessment presents significant implications for two major categories of debtors: trade receivables and related party receivables.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

6. Financial Risk Management (continued)

(a) Credit risk (continued)

Trade receivables – Management assesses the creditworthiness of major trade customers on an ongoing basis and revises credit limits based on the findings of analyses performed. Discretionary allowances are made for individual customers where temporary breaches in credit limits are deemed acceptable. Preferred customers who trade in high volumes typically benefit from adjustments to their credit terms at the year-end.

Related party receivables – Trade with related parties occurs on terms comparable with those offered to third parties. Significant transactions falling outside the scope of regular trade require approval by the Board of Directors. Transactions undertaken with related parties are monitored during the year to ensure agreement of balances by relevant parties.

Credit risk with banks and financial institutions is managed through the purchase and sale of foreign currency, transfer of balances between financial institutions to take advantage of interest rates and where beneficial to the Company, investment in short term, easily convertible, liquid assets. In addition, the Group maintains banking relationships with prominent local and foreign banks with a proven history of stability and corporate resilience. The financial results of banking institutions are monitored by Management and frequent liaison with representatives of banks ensures early warnings are received in the event that banks encounter the risk of financial or operational difficulties.

The table below shows the carrying values at the reporting date of major categories of debtors.

	2012	2011
	$'000	$'000
Trade receivables:		
Third party – net (Note 14)	152,191	162,462
Related party – net (Note 33(iv))	24,864	8,666
	177,055	171,128

Information on the exposures to credit risk is described in Note 14.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group uses activity-based standard costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected working capital requirements and operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Information on the maturity profile of significant contractual obligations is provided in Notes 19 and 22.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

6. Financial Risk Management (continued)

(c) Market risk (continued)

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Group operates internationally and is exposed to foreign exchange currency risk arising from various currency exposures, primarily with respect to the Euro, US dollar and Pound Sterling. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk. Actual gains and losses arising from fluctuations of exchange rates used for translation of the retained profits of foreign operations are recorded within consolidated retained earnings. The Group has assessed its major source of currency risk exposure to be long term loans denominated in Euros and non-monetary assets denominated in Pounds Sterling.

For every change of TT$0.06 in the exchange rate of Euros to Trinidad and Tobago dollars, the Group experiences a translation gain or loss of TT$1,681 thousand. During the year, management negotiated the settlement of one of the Group's Euro denominated loans and realised a gain of $10,736 thousand. Unrealised losses on the remaining Euro loan amounted to $4,737 thousand for the year (2011: unrealised gains amounted to $12,380 thousand). Management aims to continually reduce the exposure of the Group to fluctuations of the Euro exchange rate through the debt re-financing and restructuring exercise, wherein debts held in volatile currencies will be converted to the functional currency of the Group where possible, or to other more stable currencies as deemed suitable in light of other market conditions and their potential impact to the Group.

The Group carries its investment in equity-accounted investee at fair value which is the cost of the investment. The original value of the investment was denominated in Pounds Sterling and converted at the prevailing market rate of exchange at the date of acquisition of the investment. The converted value denominated in the functional currency of the Group is regarded as the cost at acquisition. No natural hedges are held in relation to this asset and the Group does not record translation gains or losses in respect of it. At least annual impairment testing is carried out on the asset and where an indication of impairment is identified, appropriate adjustments are made to its carrying value.

(ii) Price risk

The Group does not have a policy for managing price risk arising from the investments held in foreign currencies since such investments were not acquired with the intention of maintaining an investment portfolio for Group purposes but instead were acquired as part of Parent Company transactions and in settlement of related party debts.

(iii) Interest rate risk

The Group has significant interest-bearing liabilities in the form of long term borrowings. There are no significant interest-bearing assets. Long term borrowings at variable rates expose the Group to interest rate risk.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

6. Financial Risk Management (continued)

(c) Market risk (continued)

(iii) Interest rate risk *(continued)*

Differences in contractual re-pricing or maturity dates and changes in interest rates expose the Group to interest rate risk. The Group's exposure to interest rate risks on its financial assets and liabilities are disclosed in Notes 15 and 19 respectively.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the interest rate shift is determined based on expected market movements and anticipated changes arising from ongoing negotiations. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The Group assesses its interest burden and ranks its debt from high to low in relation to the demands placed on working capital for servicing. High interest facilities and facilities denominated in volatile currencies are considered first for refinancing followed by lower interest rate borrowings and borrowings denominated in stable currencies or the functional currency of the Group. Total savings for the year from refinancing efforts amounted to $27,700 thousand representing a reduction of the overall effective interest rate on borrowings of 227 basis points.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents.

The gearing ratios at December 31, 2012 and 2011 were as follows:

		2012 $'000	2011 $'000
Total borrowings (Note 19)		519,799	722,204
Less: Cash at bank and in hand (Note 15)		(164,792)	(170,387)
Net debt	A	355,007	551,817
Total equity	B	385,583	234,326
Gearing ratio	A : B	0.9 : 1.0	2.4 : 1.0

The Group also monitors the percentage of net debt to net debt plus equity. At December 31, 2012 and 2011 this was as follows:

2012	2011
47.9%	70.2%

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

6. Financial Risk Management (continued)

(d) Capital risk (continued)

The Group manages its gearing through the cash planning process where debt reduction is factored into the planned allocation of cash resources in the medium to long term.

As a condition of certain of the Group's borrowings, covenants with respect to gearing, liquidity and profitability have been established and are reported on at defined intervals. Departures from minimum/maximum required measures must be explained to lenders and where explanations are not accepted, remedial action must be taken. Failure to comply with covenants can result in a request for immediate repayment of the relevant facility or reclassification to current liabilities on the consolidated statement of financial position.

During the year the Group successfully refinanced a significant portion of its debt to short to medium term facilities denominated in the Group's functional currency. Subsequent to the year-end but before the approval of these consolidated financial statements by the Board of Directors, Management was engaged in negotiations aimed at addressing the Group's remaining long term Euro loan.

7. Segment Information

Primary reporting format

Management has determined the operating segments based on the reports reviewed by the Executive Management Team that are used to make strategic decisions.

The segment results for the year ended December 31, 2012 are as follows:

	Alcohol $'000	Non-Alcohol $'000	Total $'000
Revenue	554,114	94,180	648,294
Results from operating activities	162,699	40,148	202,847
Finance cost	-	-	(29,274)
Finance income	-	-	18
Results from continuing operations	-	-	173,591
Other income	-	-	42,363
Dividend income	-	-	3,818
Foreign exchange gains	-	-	4,548
Share of profits from equity-accounted investees, net of tax	-	-	23,564
Group profit before tax	-	-	247,884
Tax expense	-	-	(43,429)
Profit from continuing operations	-	-	204,455
Discontinued operations			
Profit for the year from discontinued operation, net of tax	-	-	2,423
Profit for the year			206,878

The assets and liabilities of the Group are not allocated by segment.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

7. Segment Information (continued)
Primary reporting format (continued)

The segment results for the year ended December 31, 2011 were as follows:

	Alcohol $'000	Non-Alcohol $'000	Total $'000
Revenue	564,814	79,524	644,338
Results from operating activities	173,602	30,894	204,496
Finance cost	-	-	(56,964)
Finance income	-	-	538
Results from continuing operations	-	-	148,070
Other income	-	-	533
Dividend income	-	-	13,297
Impairment charges	-	-	(12,818)
Foreign exchange gains	-	-	16,552
Fair value losses	-	-	(104)
Share of results of associates	-	-	17,090
Group profit before tax	-	-	182,620
Tax expense	-	-	(35,335)
Profit from continuing operations	-	-	147,285
Discontinued operations			
Profit for the year from discontinued operation, net of tax	-	-	9,600
Profit for the year			156,885

The assets and liabilities of the Group are not allocated by segment.

8.Property, Plant and Equipment

	2012 $'000	2011 $'000
Net book value of property, plant and equipment	259,331	289,064

The Group's land and buildings are subject to revaluation every five years and were last revalued on December 31, 2009 by qualified independent experts and will be due for revaluation again in 2014 in accordance with the accounting policy of the Group entities. Valuations were made on the basis of market value. Revaluation surpluses were credited to 'revaluation surpluses' in other reserves (Note 18).

Property, plant and equipment with a net book value of $236,960 thousand (2011: $231,370 thousand) are pledged as security for borrowings.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

8. Property, Plant and Equipment (continued)

	Land and Buildings $'000	Plant, Machinery, Equipment $'000	Casks $'000	Assets in Progress $'000	Total $'000
Year ended December 31, 2012					
Opening net book amount	185,934	77,711	11,158	14,261	289,064
Additions	1,002	7,166	557	15,395	24,120
Transfers	-	3,070	-	(3,070)	-
Adjustment for discontinued Operation (Note 32)	(28,594)	(4,858)	-	(1,873)	(35,325)
Other adjustments	-	(1,418)	-	-	(1,418)
Disposals	-	(117)	-	-	(117)
Depreciation charge	(2,448)	(12,297)	(2,248)	-	(16,993)
Closing net book amount	155,894	69,257	9,467	24,713	259,331
At December 31, 2012					
Cost or valuation	161,851	214,255	28,560	24,713	429,379
Accumulated depreciation	(5,957)	(144,998)	(19,093)	-	(170,048)
Net book amount	155,894	69,257	9,467	24,713	259,331
At January 1, 2011					
Cost or valuation	197,460	238,905	28,003	11,258	475,626
Accumulated depreciation	(10,072)	(167,551)	(14,363)	-	(191,986)
Net book amount	187,388	71,354	13,640	11,258	283,640
Year ended December 31, 2011					
Opening net book amount	187,388	71,354	13,640	11,258	283,640
Additions	2,062	15,779	-	6,909	24,750
Transfers	-	1,176	-	(1,176)	-
Disposals/write offs	-	(685)	-	(2,736)	(3,421)
Depreciation charge	(3,599)	(10,187)	(2,482)	-	(16,268)
Exchange differences	83	274	-	6	363
Closing net book amount	185,934	77,711	11,158	14,261	289,064
At December 31, 2011					
Cost or valuation	199,605	246,798	28,003	14,261	488,667
Accumulated depreciation	(13,671)	(169,087)	(16,845)	-	(199,603)
Net book amount	185,934	77,711	11,158	14,261	289,064

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

9. Available-for-Sale Assets

	2012 $'000	2011 $'000
Balance at January 1	54,136	49,725
Disposals	(93,042)	-
Gain recognised on revaluation	39,480	4,411
Balance at December 31	574	54,136

Available-for-sale assets include the following:

	2012	2011
Listed equity securities – English speaking Caribbean	1	52,812
Unlisted securities	573	1,324
	574	54,136

There were no liens or encumbrances on any of the Group's available-for-sale financial assets at the reporting date. At the end of 2011, available-for-sale financial assets with a carrying value of $52,812 thousand were pledged as security for borrowings.

10.Investment in Associate

Company	Country of incorporation	Percentage Owned 2012	2011
Burn Stewart Distillers Limited	Scotland	28.91%	28.91%

The movement in the investment in associate was as follows:

	2012 $'000	2011 $'000
Balance at January 1	221,960	204,870
Share of profits, net of tax	23,564	17,090
Balance at December 31	245,524	221,960

The Group did not receive dividends from its equity-accounted investee in 2012 (2011: NIL). The Group's equity-accounted investee is not publicly listed and consequently does not have published price quotations. Summary financial information for the equity-accounted investee at the year-end, not adjusted for the percentage ownership held by the Group, is as follows:

	2012 $'000	2011 $'000
Current assets	877,081	709,873
Non-current assets	123,817	121,820
Total assets	1,000,898	831,693

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

10. Investment in Associate (continued)

	2012 $'000	2011 $'000
Total current liabilities	(492,923)	(407,750)
Income	600,701	568,571
Expenses	(534,652)	(509,000)
Profit before tax	66,049	59,571
Tax credit (expense)	15,459	(457)
Profit for the year	81,508	59,114

Tax credit includes adjustments for the recognition of deferred tax assets.

11. Investment in Joint Venture

Company	Country of incorporation	Percentage Owned 2012	2011
Tobago Plantations Limited	Trinidad and Tobago	50%	50%

The carrying value of the joint venture operation was reduced to nil in 2007 when the Group's share of the operating losses incurred by the joint venture surpassed the carrying value of the investment. It is the Group's policy to recognise a share of losses only to the extent of its investment in the joint venture operation (Note 3(a)).

12. Retirement Benefit Asset

i. The amounts recognised in the consolidated statement of financial position are determined as follows:

	2012 $'000	2011 $'000
Fair value of plan assets	253,717	210,635
Present value of funded obligations	(238,746)	(207,371)
	14,971	3,264
Present value of unfunded obligations	(2,647)	(2,966)
Unrecognised actuarial losses	14,659	27,267
Asset in the consolidated statement of financial position	26,983	27,565

ii. The movement for the year in the fair value of plan assets is as follows:

	2012	2011
Balance at January 1	210,635	171,642
Expected return on plan assets	12,680	10,586
Adjustments	-	4,490
Actuarial gains	28,311	23,300
Employer contributions	6,972	6,319
Employee contributions	2,988	2,708
Benefits paid	(7,869)	(8,410)
Balance at December 31	253,717	210,635
Actual return on plan assets	40,991	33,886

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

12. Retirement Benefit Asset (continued)

	2012 $'000	2011 $'000
iii. The movement for the year in the defined benefit obligation is as follows:		
Present value of obligation at January 1	(210,337)	(172,371)
Interest cost	(11,356)	(10,349)
Adjustment	(153)	(3,904)
Current service cost – employer	(9,001)	(6,784)
Current service cost – employee	(2,988)	(2,708)
Benefits paid	8,399	9,011
Past service cost	-	(1,923)
Actuarial losses on obligation	(15,957)	(21,309)
Present value of obligation at December 31	(241,393)	(210,337)
Represented by:		
Funded obligations	238,746	207,371
Unfunded obligations	2,647	2,966
	241,393	210,337
iv. The amounts recognised in the consolidated statement of comprehensive income are as follows:		
Net actuarial loss recognised during the year	(405)	(837)
Current service cost	(9,001)	(6,784)
Interest cost on defined benefit obligation	(11,356)	(10,349)
Expected return on plan assets	12,680	10,586
Past service cost	-	(1,923)
Total charge in the consolidated statement of comprehensive income	(8,082)	(9,307)
The total charge to the consolidated statement of comprehensive income is analysed as follows:		
Charge to profit before tax (Note 30)	(5,899)	(6,859)
Charge to other comprehensive income	(2,183)	(2,448)
	(8,082)	(9,307)
v. The movement for the year in the asset recognised in the consolidated statement of financial position is as follows:		
Balance at January 1	27,565	30,011
Total charge in the consolidated statement of comprehensive income	(8,082)	(9,307)
Employer contributions	9,001	6,784
Severance payments	530	245
Adjustments	(2,031)	(168)
Balance at December 31	26,983	27,565

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

12. Retirement Benefit Asset (continued)

vi. The principal actuarial assumptions used were as follows:

	2012	2011
Discount rate	5.0%	5.5%
Expected return on plan assets	5.5%	6.0%
Future salary increases	4.5%	4.5%

Assumptions regarding future mortality experience are set based on standard tables GAM94.

The average life expectancy in years of a pensioner retiring at age 60 is as follows:

	2012	2011
Male	22	22
Female	26	26

The plan's assets are fully invested in a diversified general portfolio fund managed by the carrier, Colonial Life Insurance Company Limited.

vii. Plan assets are comprised as follows:

	2012	2011
	%	%
Equities	78.0	78.0
Debt securities	7.0	6.0
Other (short-term securities)	15.0	16.0

11.7% (2011: 12.1%) of the managed fund assets are invested in the Company's ordinary shares. The expected value of Group contributions in 2013 is $7,000 thousand.

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date. Expected returns on equity reflect long term real rates of return experienced in the respective markets.

	2012 $'000	2011 $'000	2010 $'000	2009 $'000	2008 $'000
Fair value of plan assets	253,717	210,635	171,642	144,978	138,284
Present value of defined benefit obligation	(241,393)	(210,337)	(172,370)	(152,903)	(125,159)
	12,324	298	(728)	(7,925)	13,125
Experience adjustments on plan liabilities	(1,368)	6,986	(5,964)	(1,782)	(6,654)
Experience adjustments on plan assets	28,311	23,300	(11,720)	(4,371)	2,618

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

13. Inventories

	2012 $'000	2011 $'000
Raw and packaging materials	71,247	59,406
Work in progress	90,124	94,397
Finished goods	33,095	36,001
	194,466	189,804
Provision for obsolescence	(3,256)	(7,875)
	191,210	181,929

Inventories pledged as security for borrowings totalled $191,210 thousand (2011: $170,066 thousand).

14. Trade and Other Receivables

	2012 $'000	2011 $'000
Trade receivables	165,688	171,973
Provision for impairment of trade receivables	(13,497)	(9,511)
	152,191	162,462
Receivables from related party – net (Note 33 (iv))	24,864	8,666
Trade receivables – net	177,055	171,128
Prepayments and other receivables	582	291
Taxation recoverable	674	48
	178,311	171,467

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers that are internationally dispersed.

The fair values of trade and other receivables approximate their carrying values.

The aging of trade and other receivables (net of prepayments and taxation recoverable) at the year-end was:

	Gross 2012 $'000	Impairment 2012 $'000	Gross 2011 $'000	Impairment 2011 $'000
Not past due	163,626	-	122,334	-
Past due 0 – 30 days	9,620	-	22,490	-
Past due 31 – 60 days	3,375	-	6,731	-
Past due 61 – 90 days	3,195	(1505)	-	-
Past due 90 – 120 days	345	(345)	2,652	-
Past due more than 120 days	18,678	(18,678)	33,710	(16,450)
	198,839	(20,528)	187,917	(16,450)

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

14.Trade and Other Receivables (continued)

As of December 31, 2012, trade receivables of $NIL (2011: $17,260 thousand) were more than 120 days past due but not impaired. The 2011 balance related to a number of third party customers for whom there was no history of default and management held the opinion that these amounts were collectible. Impaired receivables mainly relate to wholesalers and retailers which have defaulted on payments. The ageing of these receivables is as disclosed above.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2012 $'000	2011 $'000
United States dollar	73,374	81,281
Trinidad and Tobago dollar	102,086	74,647
Canadian dollar	777	13,465
Euro	2,074	2,074
	178,311	171,467
Movements in the provision for impaired trade receivables are as follows:		
At January 1	9,511	4,583
Reversal of provisions	(5,431)	-
Increase in provision	9,417	4,928
At December 31	13,497	9,511
Related party (Note 33 (iv))	7,031	6,939
Total provision for impaired trade and other receivables	20,528	16,450

The creation and release of provision for impaired receivables have been included in 'selling and marketing costs' in the consolidated statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. None of the classes within trade and other receivables contain impaired assets other than as disclosed above.

Amounts reversed during the year represented trade receivables settled through the Group's disposal of its interest in the discontinued operation. Receivables of this subsidiary were provided for prior to the conclusion of negotiations for the disposal of the subsidiary.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. All trade and other receivables of the Group are pledged as collateral for borrowings under a floating charge debenture.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

15. Cash and Cash Equivalents

	2012 $'000	2011 $'000
Short term deposits	-	1,732
Cash at bank and in hand	164,792	168,655
Cash and cash equivalents	164,792	170,387

The Group had no material exposure to interest rate risk arising from cash and cash equivalents held at the year-end.

16. Assets Held-for-Sale

	2012 $'000	2011 $'000
Balance at January 1	3,558	25,308
Additions	40	-
Disposal	-	(21,151)
Transfer to property, plant and equipment	-	(495)
Fair value loss (Note 27)	-	(104)
Balance at December 31	3,598	3,558

There were no impairment provisions on assets held-for-sale at the year-end (2011: NIL).

17. Share Capital

	2012	2011
Number of shares in issue (000)	206,277	206,277
Treasury shares (000)	(457)	(457)
	205,820	205,820
Ordinary shares ($'000)	119,369	119,369
Treasury shares ($'000)	(811)	(811)
	118,558	118,558

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

18. Other Reserves

	Revaluation Surplus $'000	Investment Revaluation Reserve $'000	Capital Reserves $'000	Total $'000
Balance at January 1, 2012	77,876	4,411	26,547	108,834
Investment revaluation gain on available-for-sale assets	-	38,364	-	38,364
Investment revaluation gain on available-for-sale assets transferred to profit and loss on disposal	-	(42,775)	-	(42,775)
Depreciation on revalued property	-	-	(405)	(405)
Adjustment to remove reserves related to discontinued operation	-	-	(16,486)	(16,486)
Balance at December 31, 2012	77,876	-	9,656	87,532
Balance at January 1, 2011	77,876	-	25,951	103,827
Investment revaluation gain on available-for-sale assets	-	4,411	-	4,411
Currency translation differences	-	-	(498)	(498)
Other reserve movements	-	-	1,094	1,094
Balance at December 31, 2011	77,876	4,411	26,547	108,834

Revaluation surplus represents gain on revaluation of land and buildings of certain of the Group entities. Land and buildings were last revalued on December 31, 2009 by qualified independent experts and will be due for revaluation again in 2014 in accordance with the accounting policy of the Group entities.

Investment revaluation reserve represents changes recognised in equity upon revaluation of available-for-sale assets or upon transfer to profit and loss.

Capital reserves represent general reserves as well as accumulated foreign exchange gains (losses) recognised in equity upon revaluation of the Group's interest in foreign operations.

19. Borrowings

	2012 $'000	2011 $'000
Non-current		
Secured borrowings	71,610	97,660
Unsecured borrowings	397,889	339,658
	469,499	437,318
Current		
Secured borrowings	26,006	172,476
Unsecured borrowings	24,294	112,410
	50,300	284,886
Total borrowings	519,799	722,204

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

19. Borrowings (continued)

The effective interest rates on debt servicing for the year were as follows:

2012

Type of borrowing	**TT$**	**US$**	**£**	**€**
Unsecured borrowings	3.4%	-	-	3.1%
Secured borrowings	-	6.1%	3.6%	-

2011

Type of borrowing	**TT$**	**US$**	**£**	**€**
Unsecured borrowings	8.3%	11.3%	-	5.1%
Secured borrowings	10.8%	9.8%	3.6%	-

The carrying amounts and fair values of the non-current borrowings are as follows:

	Carrying amounts		**Fair values**	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Debentures and other loans	469,499	437,318	378,928	320,993

Fair values are based on cash flows discounted using rates which approximate the yield rates of facilities with similar market terms to those carried by the Group.

The carrying amounts of short-term borrowings approximate their fair value.

The maturity of non-current borrowings is as follows:

	2012	**2011**
	$'000	**$'000**
Between 2 and 3 years	196,006	52,017
Over 4 years	273,493	385,301
	469,499	437,318

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2012	**2011**
	$'000	**$'000**
Euro	227,889	339,658
Trinidad and Tobago dollar	194,293	184,549
United States dollar	97,479	197,859
Pound sterling	138	138
	519,799	722,204

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

19.Borrowings (continued)

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates at the reporting date are as follows:

	2012 $'000	2011 $'000
6 months or less	267,524	231,664
Between 6 months and 1 year	-	-
Between 1 and 5 years	228,028	339,796
	495,552	571,460
Fixed rate borrowings	24,247	150,744
	519,799	722,204

Borrowings are secured by debentures over the Group's property, plant and equipment (Note 8) and inventories (Note 13).

The contractual cash flows are as follows:

	2012 $'000	2011 $'000
Due in 1 year	60,288	326,965
Between 2 and 3 years	214,859	74,564
Over 4 years	295,428	428,048
	570,575	829,577

The terms of the secured borrowings include certain standard covenants with which certain subsidiaries have to comply. Some of the Group's borrowings are subject to covenant clauses, whereby the Group is required to meet certain key performance indicators.

Loans from related parties were $24,293 thousand (2011: $582,813 thousand) at the end of the year (Note 33(viii)).

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

20. Deferred Tax Asset (Liability)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on the net basis. The Group does not offset deferred tax assets and deferred tax liabilities.

i. The movement in deferred tax assets and liabilities during the year is as follows:

	2011 $'000	(Charged) credited to Consolidated Statement of Comprehensive Income $'000	2012 $'000
Deferred tax assets			
Tax losses carried forward	22,886	(17,849)	5,037
Deferred tax liabilities			
Accelerated tax depreciation	(31,911)	4,220	(27,691)
Pension asset	(6,551)	(195)	(6,746)
Other	(1,263)	1,263	-
	(39,725)	5,288	(34,437)
Net deferred tax liability	(16,839)	(12,561)	29,400

	2010 $'000	(Charged) credited to Consolidated Statement of Comprehensive Income $'000	2011 $'000
Deferred tax assets			
Tax losses carried forward	54,635	(31,749)	22,886
Deferred tax liabilities			
Accelerated tax depreciation	(30,162)	(1,749)	(31,911)
Pension asset	(7,163)	612	(6,551)
Other	(1,259)	(4)	(1,263)
	(38,584)	(1,141)	(39,725)
Net deferred tax liability	16,051	(32,890)	(16,839)

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

20. Deferred Tax Asset (Liability) (continued)

ii. The gross movement on the deferred tax account is as follows:

	2012 $'000	2011 $'000
Balance at January 1	(16,839)	16,051
Deferred tax credited to the consolidated statement of comprehensive income (Note 28)	(12,561)	(32,890)
Balance at December 31	(29,400)	(16,839)

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of $NIL (2011: $589 thousand) in respect of losses amounting to $NIL (2011: $2,356 thousand) that can be carried forward against future taxable income.

21. Other Liabilities

	2012 $'000	2011 $'000
Retirement benefits	-	571

The liability represented the pension liability of one of the Group's subsidiaries which operated a defined contribution pension scheme. The Group disposed of its interest in the subsidiary during the year and has accounted for the results of the subsidiary as a discontinued operation for the purposes of these consolidated financial statements.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

22.Trade and Other Payables

	2012 $'000	2011 $'000
Trade payables	50,094	51,301
Amounts due to related parties (Note 33 (vi))	15,293	9,540
Provisions	31,241	28,072
Accruals	30,431	40,143
Other payables	7,593	11,271
	134,652	140,327

Provisions comprise mainly the estimated costs related to legal matters and other amounts for which expenses are expected to be incurred in the following period.

Accruals comprise amounts due in respect of known obligations of the Group at the year-end.

Trade and other payables are expected to be settled in the short term.

23.Operating Profit

	2012 $'000	2011 $'000
Included in operating profit are the following operating income (expense) items:		
Impairment and exchange differences on property, plant and equipment (Note 8)	-	363
Depreciation (Note 8)	(16,993)	(16,268)
Employee benefits (Note 30)	(96,921)	(104,899)
Fair value losses (Note 27)	-	(104)
Gain on disposal of available-for-sale assets (Note 25)	42,775	-
Operating lease payments (Note 31)	(5,251)	(5,746)
Research and development	(1,405)	(2,078)
Repairs and maintenance	(12,722)	(15,175)

24.Finance Costs

	2012 $'000	2011 $'000
Secured borrowings	6,780	17,785
Unsecured borrowings	22,494	39,179
	29,274	56,964

The effective rates on debt servicing for the year are included in Note 19.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

25. Other Income

	2012 $'000	2011 $'000
Gain (loss) on disposal of property, plant and equipment	43	(14)
Gain on disposal of available-for-sale assets	42,775	-
Other (expenses) income	(455)	547
	42,363	533

26. Dividend Income

Dividend income from Lascelles de Mercado	3,818	12,818
Other dividend income	-	479
	3,818	13,297

Dividend income is pledged against debt of the parent company and is treated as a receivable from the Group's parent.

27. Fair Value Losses

	2012 $'000	2011 $'000
Fair value loss on assets held-for-sale	-	(104)

28. Taxation Expense

Current charge	(30,868)	(2,445)
Deferred tax expense (Note 20 (ii))	(12,561)	(32,890)
Net expense	(43,429)	(35,335)

The tax on the Group's profit before tax differs from that calculated at the tax rate in Trinidad and Tobago applicable to profits of the consolidated companies as follows:

	2012 $'000	2011 $'000
Profit before taxation	247,884	182,620
Tax charge at statutory rate of 25%	61,971	45,655
Effect of different tax rates in other countries	-	(2,247)
Non-deductible expenses	(9,338)	(10,528)
Income not subject to tax	(11,653)	-
Revenue based taxes	2,449	2,455
	43,429	35,335

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

29. Earnings per Share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	2012	2011
Profit attributable to equity holders of the Company ($'000)	206,474	154,485
Profit attributable to equity holders of the Company ($'000) - continuing operations	204,455	147,285
Number of ordinary shares in issue (000) (Note 17)	205,820	205,820
Basic and diluted earnings per share ($)	1.00	0.75
Basic and diluted earnings per share ($) – continuing operations	0.99	0.72

30. Employee Benefits

	2012 $'000	2011 $'000
Wages, salaries and other benefits	91,022	95,607
Social security costs	-	1,213
Pension costs – defined contribution plans	-	1,220
Pension costs – defined benefit plans (Note 12 (iv))	5,899	6,859
	96,921	104,899

31. Leases

The Group has non-cancellable operating leases for vehicles and office space.

	2012 $'000	2011 $'000
Expense for the year	5,251	5,746
Future minimum lease payments under these leases at December 31 are as follows:		
Within 1 year	3,158	4,413
Between 2 and 5 years	2,890	4,419
	6,048	8,832

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

32. Discontinued Operation

In April 2012 the Group disposed of its interest in its Suriname based subsidiary, Suriname Alcoholic Beverages N.V.(SAB) which was engaged in the manufacture of rum and other alcoholic beverages.

The operation was not a discontinued operation or classified as held-for-sale at December 31, 2011 and the comparative consolidated statement of comprehensive income has been re-stated to show the discontinued operation separately from continuing operations. Management considered the discontinuation of this operation to be strategically suitable in light of the Group's recent efforts towards improving its focus on core operations.

Results of the discontinued operation:

	January to March 2012 $'000	2011 $'000
Revenue	11,055	51,984
Expenses	(9,013)	(36,984)
Results from operating activities	2,042	15,000
Taxation	(735)	(5,400)
Results from operating activities, net of tax	1,307	9,600
Gain on sale of discontinued operation	1,116	-
Profit for the period	2,423	9,600

Of the profit from discontinued operation $2,019 thousand (2011: $7,200 thousand) is attributable to owners of the Company.

Cash flows from discontinued operation:

	January to March 2012 $'000	2011 $'000
Net cash from operating activities	2,663	13,534
Net cash used in investing activities	(38,169)	(3,561)
Net cash from financing activities	37,986	-
Net cash flows for the period	2,480	9,973

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

32.Discontinued Operation (continued)

Effect of disposal on the financial position of the Group:

	2012
	$'000
Property, plant and equipment	(35,142)
Available-for-sale assets	(751)
Inventories	(15,457)
Trade and other receivables	(1,846)
Cash and cash equivalents	(39,359)
Deferred tax liability	4,061
Retirement benefit provision	550
Trade and other payables	31,179
Taxation payable	6,191
Net assets	(50,574)
Amount attributable to minority interests	12,721
Net effect on financial position of the Group	(37,853)
Consideration received, satisfied in cash	37,986
Cash and cash equivalents disposed of	(37,054)
Net cash inflow	932

33.Related Party Transactions

The following transactions were carried out with related parties:

	2012	2011
	$'000	$'000
i) Sales of goods and services		
Sales of goods:		
- Associates and joint ventures	17,183	8,847
- Entities controlled by Parent	13,372	20,931
	30,555	29,778
Interest, dividends and other income:		
- Entities controlled by Parent	16,547	13,284
- Key management	115	17
	16,662	13,301
	47,217	43,079

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

33. Related Party Transactions (continued)

	2012 $'000	2011 $'000
ii) Purchases of goods and services		
Purchases of goods:		
- Entities controlled by Parent	296	7
Purchases of services and interest charges:		
- Associates and joint ventures	17,508	4,672
- Entities controlled by Parent	25,733	81,931
	43,241	86,603
	43,537	86,610
iii) Key management compensation		
Salaries and other short-term employee benefits	11,867	10,629
Pension contributions	670	767
	12,537	11,396
iv) Year-end balances arising from sales/purchases of goods/services		
Current receivables from related parties:		
- Parent	1,001,140	984,611
- Provision for impairment of receivable	(984,611)	(984,611)
	16,529	-

Analysis of movements in impairment provision related to parent company receivable:

	2012 $'000	2011 $'000
Opening balance	984,611	971,793
Increase in provision	-	12,818
Closing provision	984,611	984,611

The movement in the parent company receivable of $16,529 thousand (2011: $12,818 thousand represents dividends due in respect of shares held in Lascelles de Mercado Inc. (LdM) but pledged against certain borrowings of the Groups ultimate parent, C L Financial Limited (CLF). The amount not provided for represents the amount for which the Group received reimbursement from CLF subsequent to the year-end. Dividends were recorded within 'Dividend income' and 'Other income' in the consolidated statement of comprehensive income since a portion of the amount received represented proceeds on the disposal of the Group's interest in LdM.

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

33. Related Party Transactions (continued)

	2012 $'000	2011 $'000
- Parent	16,529	-
- Associates and joint ventures	6,579	6,454
- Entities controlled by Parent	8,201	8,523
- Provision for impairment of receivables	(7,031)	(6,939)
	24,278	8,038
- Key management	586	628
Net (Note 14)	24,864	8,666
Analysis of movements in related party impairment provisions:		
Opening balance	6,939	5,454
Amounts written off against provision	(3,235)	-
Increase in provision	3,327	1,485
Closing provision	7,031	6,939
v) Loans to related parties		
Associates and joint ventures	4,989	4,989
Provision for impairment of receivable	(4,989)	(4,989)
	-	-
vi) Payables and provisions in respect of related parties (Note 22)		
- Parent	2,410	2,410
- Associates and joint ventures	13,513	7,130
	15,923	9,540
vii) Interest and other charges due to related parties (Note 24)		
- Entities controlled by Parent	4,405	2,870
- Key management	4,791	3,598
	9,196	6,468

ANGOSTURA HOLDINGS LIMITED
Notes to Consolidated Financial Statements (continued)
December 31, 2012

33.Related Party Transactions (continued)

	2012 $'000	2011 $'000
viii) Loan from related parties		
- Entities controlled by Parent	24,293	582,813

The reduction in the balance of loans due to related parties of $558,520 thousand is attributed to the following:

Reclassification of balance from related party to third party upon the appointment of a liquidator to the entity	(227,890)	-
Refinancing of debt with third parties	(170,000)	-
Amounts repaid	(165,367)	-
Foreign exchange movement on debt	4,737	
	(558,520)	-

34.Contingencies

The Group was party to certain legal issues at the reporting date for which provisions have been made in the consolidated financial statements. Management is satisfied that provisions held at the year-end in respect of legal matters were reasonable, and such amounts are reported within 'Provisions' in 'Trade and Other Payables' (Note 22) on the consolidated statement of financial position.

35.Capital commitments

At year-end capital commitments amounted to $83,631 thousand.

36.Events after the Reporting Date

As at March 25, 2013, the Directors have declared a final dividend in respect of 2012 of 15¢ per share. The total dividend declared in respect of 2012 was 15¢ (2011: 12¢) per share.

There are no events occurring after the reporting date and before the date of approval of the consolidated financial statements by the Board of Directors that require adjustment to or disclosure in the consolidated financial statements.

PROXY FORM

ANGOSTURA HOLDINGS LIMITED
Company No.: A-719(C)

I/We the undersigned, being a shareholder (s) of Angostura Holdings Limited, hereby appoint

____________________________ of ____________________________________

Or failing him/her,
the Chairman of the meeting, as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company, to be held on 29th day of April, 2013 at 10:00 am and any adjournment thereof.

ORDINARY BUSINESS

Item	Resolution	For	Against
Resolution 1	To receive, consider and approve the Report of the Directors, the Audited Consolidated Financial Statements of the Company for the financial year ended December 31st, 2012, together with the report of the Auditors thereon.		
Resolution 2	To appoint KPMG as Auditors of the Company for the financial year ending December 31st, 2013 and to authorize the Directors to fix their remuneration thereon.		
Resolution 3	To appoint Mr. Robert Ramchand, nominated pursuant to paragraphs 4.4.1 and 4.5.1 of Bye Law No. 1 of the Company as a Director of the Company for a term until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.6.1 of Bye Law No. 1 of the Company		

Signed this ____________________ day of ____________________ 2013

Signed: ____________________ Name: ____________________

Address: ____

Notes:

1. Proxies should be deposited at the registered office of the company not less than forty eight (48) hours before the meeting.
2. In the case of a Corporation, this proxy should be under its common seal or under the hand of an officer or attorney so authorized in that behalf.
3. In the case of joint holders, the signature of any one of them will suffice, but all names of all holders must be named.

Return to: The Secretary
Angostura Holdings Limited
P.O. Box 62
Port of Spain
TRINIDAD AND TOBAGO

ANGOSTURA®