



ANGOSTURA HOLDINGS LIMITED
UNAUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2020
(Expressed in Trinidad and Tobago dollars)

The Group closed the first half of fiscal 2020 with Revenue of \$358.5m, 3.5% (\$12.1m) over the comparative period in 2019. Revenue growth was due primarily to increase in local rum sales, up 11%, and Bitters sales to the North American market, up 8.4% over the same period last year. Despite the global pandemic, and its adverse impact on several distribution and on-trade channels at home and abroad, the Group has maximized opportunities. Shifts in trends in the off-trade channels, increase in at-home consumption and cocktail preparation to deliver revenue growth allowed for offset of these adverse trends at this unprecedented time.

Ongoing upgrade works on our Water Resource Recovery and Anaerobic Digester Facility ("the Facility") which was directly impacted by the global pandemic, temporarily reduced our production capacity resulting in an increase in the cost of production. Delays to the commissioning of the Facility also resulted in increased operating costs. Shifts in local demand led to an increase in customs duties. These, together with a decline in the global demand caused by the closure of on-trade businesses and travel restrictions, have resulted in a decline in the gross profit margin to 46%. This temporary decline will normalize in coming months as these works have now been completed and will result in production increases and the ability to manage product mix as international markets recover.

Directly due to the COVID-19 pandemic, accounting standards require that we record a specific COVID-19 factor to the Estimated Credit Loss to conservatively evaluate the potential impact of losses related to our trade receivable portfolio. This is reflected in our selling expenses and has resulted in a decline in operating margins, from 22% as at June 2019 to 17% for the same period this year.

Despite the decline in Profit before Tax by 21% (\$16.7m), we anticipate recovery over the second half of the year arising from new opportunities in our overseas markets and the launch of new products, in particular Cocoa Bitters. Notwithstanding this, and in the interest of cautious cash flow considerations, the Board of Directors has agreed to defer the recommendation of an interim dividend payment at this stage.

The Angostura team will continue to explore new opportunities for growth while ensuring that our staff and customers are kept safe with appropriate protocols in the face of the COVID-19 pandemic. We are working with the conditions imposed on us by the COVID-19 pandemic and have focused our plans and strategies to achieve more positive results to the bottom line.

Mr. Terrence Bharath
Chairman
August 6, 2020

Summary consolidated statement of financial position			
	Unaudited		Audited
	June 30, 2020	June 30, 2019	2019
	\$000	\$000	\$000
ASSETS			
Non-current assets			
Property, plant and equipment	342,652	323,315	333,496
Other assets and investments	6,485	108	6,485
Deferred tax asset	135	-	99
Retirement benefit asset, net	48,378	60,417	48,378
	397,650	383,840	388,458
Current assets			
Inventories	258,502	252,006	253,769
Trade and other receivables	102,676	113,402	185,870
Taxation recoverable	35,524	26,051	25,966
Other investments	459,731	298,262	385,495
Cash and cash equivalents	81,321	191,409	103,151
	937,754	881,130	954,251
Total assets	1,335,404	1,264,970	1,342,709
EQUITY AND LIABILITIES			
Shareholders' equity	1,182,328	1,107,766	1,141,501
Non-current liabilities			
Retirement benefit obligation	7,015	7,730	7,503
Deferred tax liability	61,617	67,428	61,131
Lease Liabilities	12,317	3,096	8,703
	80,949	78,254	77,337
Current liabilities			
Trade and other payables	69,385	77,399	107,299
Taxation Payable	-	-	5,761
Bank Overdraft	-	-	7,480
Lease Liabilities	2,742	1,551	3,331
	72,127	78,950	123,871
Total liabilities	153,076	157,204	201,208
Total equity and liabilities	1,335,404	1,264,970	1,342,709

Summary consolidated statement of profit or loss and other comprehensive income				
	Unaudited 3 months ended		Unaudited 6 months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	\$000	\$000	\$000	\$000
Revenue	205,332	209,017	358,477	346,378
Cost of goods sold	(117,850)	(99,941)	(191,882)	(172,091)
Gross profit	87,482	109,076	166,595	174,287
Selling and marketing expenses	(22,119)	(31,506)	(58,736)	(65,273)
Administrative expenses	(20,954)	(21,481)	(41,531)	(39,001)
Expected credit (loss) reversal on trade receivables	(8,046)	-	(8,374)	2,342
Results from operating activities	36,363	56,089	57,954	72,355
Finance costs	(192)	(86)	(396)	(186)
Finance income	3,071	1,953	5,521	3,876
Results from continuing operations	39,242	57,956	63,079	76,045
Other income	43	2,160	129	2,369
Dividend income	-	173	-	173
Foreign exchange Gains (losses)	2,669	10	(1,662)	(347)
Group profit before tax	41,954	60,299	61,546	78,240
Taxation expense	(14,223)	(18,616)	(20,719)	(25,640)
PROFIT FOR THE PERIOD	27,731	41,683	40,827	52,600
Other comprehensive income net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	27,731	41,683	40,827	52,600
Profit for the period attributable to:				
Owners of the Company	27,731	41,683	40,827	52,600
Total comprehensive income for the period attributable to:				
Owners of the Company	27,731	41,683	40,827	52,600
Dividends paid per share	\$ -	\$ -	\$ -	\$ -
Earnings per share – Basic	\$ 0.13	\$ 0.20	\$ 0.20	\$ 0.26

Summary consolidated segment analysis												
	Unaudited						Unaudited					
	June 30, 2020						June 30, 2019					
	Rum \$000	Bitters \$000	LLB \$000	Bulk \$000	Other \$000	Total \$000	Rum \$000	Bitters \$000	LLB \$000	Bulk \$000	Other \$000	Total \$000
Revenue	234,820	80,235	9,189	17,100	17,133	358,477	217,749	76,522	10,442	23,804	17,861	346,378
Results from operating activities	32,398	31,370	2,578	(5,246)	(3,146)	57,954	37,413	26,650	3,062	5,986	(756)	72,355
Finance costs						(396)						(186)
Finance income						5,521						3,876
Results from continuing operations						63,079						76,045
Other income						129						2,369
Dividend income						-						173
Foreign exchange losses						(1,662)						(347)
Group profit before tax						61,546						78,240
Taxation expense						(20,719)						(25,640)
Profit for the period						40,827						52,600

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Summary consolidated statement of changes in equity

	June 30, 2020				June 30, 2019			
	Share capital	Other reserves	Retained earnings	Total equity	Share capital	Other reserves	Retained earnings	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at January 1	118,558	103,030	919,913	1,141,501	118,558	100,797	835,811	1,055,166
Profit for the period	-	-	40,827	40,827	-	-	52,600	52,600
Balance at June 30	118,558	103,030	960,740	1,182,328	118,558	100,797	888,411	1,107,766

Notes to the unaudited summary consolidated financial statements

1. General information

Angostura Holdings Limited (referred to as the "Company or AHL") is a limited liability company incorporated and domiciled in the Republic of Trinidad and Tobago. Angostura Holdings Limited and its Subsidiaries are together referred to as the "Group" and individually as the "Group Companies". The address of the Company's registered office is Corner Eastern Main Road and Trinity Avenue, Laventille, Trinidad and Tobago. The Group 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, AGOSTURA® aromatic bitters and other spirits, and the bottling of alcohol and other beverages on a contract basis. The Group's ultimate parent entity is C L Financial Limited, a company incorporated in the Republic of Trinidad and Tobago. These summary consolidated financial statements relate to the Group. The full version of the Group's consolidated financial Statements can be located at the Company's registered office.

2. Basis of Preparation

The summary consolidated financial statements comprise the summary consolidated statement of financial position, summary consolidated statements of income and other comprehensive income and changes in equity that are the exact reproduction of the consolidated statement of financial position, and the consolidated statements of income and other comprehensive income and changes in equity that were themselves prepared in accordance with International Financial Reporting Standards. Selected note disclosures derived from the consolidated financial statements are identified below.

3. Statement of Compliance

The summary consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS as issued by the International Accounting Standard Board (IASB).

4. Basis of measurement

The summary consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:

- equity securities at fair value through other comprehensive income (FVOCI);
- net retirement benefit asset (obligation) is recognised as fair value of plan assets, adjusted by re-measurements through other comprehensive income, less the present value of the defined benefit obligation adjusted by experience gains (losses) on revaluation;
- Land and buildings are measured at fair value less depreciation; and
- Corporate debt securities at amortised cost.

5. Use of estimates and judgments

The preparation of the summary consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

6. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these summary consolidated financial statements are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended December 31, 2019 and have been consistently applied to all periods presented, unless otherwise stated.

7. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended December 31, 2019.

Summary consolidated statement of cashflows

	Unaudited	
	June 30, 2020	June 30, 2019
	\$000	\$000
Group profit after tax	40,827	52,600
Adjustments for items not affecting working capital	27,056	34,092
Operating profit before working capital changes	67,883	86,692
Net working capital changes	39,958	28,669
Cashflows from operating activities	107,841	115,361
Other operating cashflows	(36,473)	(32,415)
Net cash from operating activities	71,368	82,946
Net cash used in investing activities	(84,084)	(8,721)
Net cash used in financing activities	(1,601)	(1,472)
Net (decrease) increase in cash and cash equivalents	(14,317)	72,753
Net cash and cash equivalents at January 1	95,671	119,075
Effect of movement in exchange rate on cash held	(33)	(419)
Net cash and cash equivalents at June 30	81,321	191,409

[Signature]

Director

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Director

