Excellence Evolved

ANGOSTURA®

2021 ANNUAL REPORT


SINCE 1824
ANGOSTURA
Chill
BLOOD ORANGE & BITTERS
TANGY BLOOD ORANGE WITH A DASH OF ANGOSTURA® AROMATIC BITTERS
NET: 275 mL / 9.3 fl. oz.
SINCE 1824
ANGOSTURA
Chill
BLOOD ORANGE & BITTERS

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WHO WE ARE

Angostura®, a world market leader for bitters, is one of the Caribbean's leading rum producers and home to a superb collection of rum brands.

Our iconic drinks include Angostura 1824®, Angostura® 1787, Angostura 1919®, Angostura® 7-year-Old rum, Angostura® 5year Old rum, Angostura® Reserva, Angostura Single Barrel®, Angostura® Tamboo, White Oak and its innovative array of flavours – Sorrel, Coconut, Watermelon, Pink Grapefruit and Pineapple, Forres Park Puncheon, Black Label, and Royal Oak.

As a market leader for bitters, Angostura® produces products such as Angostura® aromatic bitters, Angostura® orange bitters, Angostura® cocoa bitters, Amaro di Angostura® and signature beverages which include Angostura Chill and its range of flavours - Lemon, Lime and Bitters, Sorrel and Bitters and Blood Orange and Bitters.

Along with being a Royal Warrant Holder to the Queen of England for our Angostura® aromatic bitters, we have successfully marketed our iconic bitters globally and have a geographic reach into 170 markets. The recipe for Angostura® aromatic bitters has not been changed since the first bottle was introduced to the world in 1824 and remains a top secret.

Many of our brands have been bringing joy for generations in Trinidad and Tobago, our core rum market. Meanwhile, our premium rums have been causing a stir at countless international competitions over the past decade and have been awarded many prestigious accolades internationally. In 2021, our rum and Bitters brands won over 40 international awards and also topped the World Spirits Award for World Class Distillery and SIP Awards tasting for Amaro di Angostura®.

VISION, MISSION, GUIDING PRINCIPLE AND VALUES

VISION

Proudly grow for the betterment of the environment and the people of Trinidad and Tobago.

MISSION

Be a world-renowned rum company with sought after brands rooted in authenticity and craftsmanship, while accelerating the ingenuity and mystique of delivering exceptional Aromatic Spirits and other beverages.

“Celebrate the spirit of Trinidad & Tobago”

GUIDING PRINCIPLE

“No Stickin” - Be relentless in making it happen!

VALUES

Integrity
Togetherness
Tenacity
Passion

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Terrence Bharath (Chairman)
Ms. Alana Beaubrun
Ms. Franka Costelloe
Mr. Fabio Di Giammarco
Dr. Sterling Frost
Ms. Ingrid Lashley
Dr. Maryam Richards

COMPANY SECRETARY

Mrs. Kathryna Baptiste Assee
Company Secretary

Ms. Tishana Abdool
Assistant Company Secretary

REGISTERED OFFICE

Corner Eastern Main Road & Trinity Avenue , Laventille, Republic of Trinidad and Tobago
Telephone No. (868) 623-1841
E-mail: corpsec@angostura.com Website: www.angostura.com

REGISTRAR & TRANSFER AGENT

Trinidad & Tobago Central Depository Limited, 10th Floor, Nicholas Towers, 63-65 Independence Square
Port of Spain, Republic of Trinidad and Tobago
Telephone No. (868) 625-5107/9 Fax: (868) 623-0089

AUDITORS

PricewaterhouseCoopers, 11-13 Victoria Avenue, Port of Spain, Republic of Trinidad and Tobago
Telephone: (868) 299-0700, Fax: (868) 623-6025

BANKERS

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

First Citizens Bank Limited, Corporate Banking Unit, 2nd Floor, Corporate Centre, 9 Queen's Park East, Port of Spain, Republic of Trinidad and Tobago

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

Scotiabank Limited, Scotia Centre Branch, 56-58 Richmond Street, Port of Spain, Republic of Trinidad and Tobago

ATTORNEYS-AT-LAW

Fitzwilliam Stone Furness-Smith and Morgan
48-50 Sackville Street , Port-of-Spain, Republic of Trinidad and Tobago
Tel: (868) 623-1618/2425, Fax: (868) 623-6524/9121

CHAIRMAN'S REPORT

TERRENCE BHARATH
CHAIRMAN

Valued shareholders of Angostura Holdings Limited, the second year of the COVID-19 pandemic—2021—was a true test of the Group's resilience and tenacity.

The challenges doubled, as the global economy continued to feel the impact of the pandemic which began in early 2020. Angostura, with 197 years of history, was affected. Having understood the challenges created by the pandemic, Angostura, to its advantage, capitalised on the opportunities which presented themselves in the face of the pandemic and was able to sustain its growth and maintain its viability.

In 2021, Angostura reported profit after tax of $158.3m for the fiscal year ended December 31, 2021, which represented an increase of 8.7% over the prior fiscal year. Given the circumstances we faced from the fallout of the pandemic and the absence of Carnival activities locally, I regard our results as an accomplishment.

SEGMENTS & MARKETS

The global recovery in 2021 varied from market to market with vaccination drives boosting reopening, but uncertainty prevailed as periodic lockdowns and labour shortages continued in various countries. This was reflected in our 2021 revenue performance which grew marginally by 1.8% to $922m as international markets rebounded due to reduced health restrictions.

Strong growth came from Europe, the United Kingdom, and Australia, with 51% growth collectively over prior year due to re-stocking of bars and restaurants as restrictions were lifted. Premium rum sales grew by 34% in Europe, Middle East, Africa and Asia (EMEAA) exceeding pre-pandemic levels by 57% above 2019.

Despite lifted restrictions, Bitters sales in North America experienced a 22% contraction versus prior year revenue due to severe logistical challenges, as labour constraints in the transportation industry affected the movement of goods from ports as well as in-land to end distributors. Notwithstanding, Bitters revenue was 2% over pre-pandemic levels (2019) and the outlook is positive as this key market continues to recover in 2022.

Rum performed well in 2021 and standard and premium rums increased by 56% and 52% respectively, in the USA market, taking the North American rum segment 33% over 2019 revenue.

Locally, the impact of the pandemic was more severely felt than in 2020 with the loss of the Carnival season, reduced consumer spending, various public health restrictions and general uncertainty affecting demand. Revenue in the local market declined by 1%, or $8m.

However, Angostura continued its innovation drive which boosted revenues, with new products in every segment. In the premium rum segment, the launch of Angostura Tribute and Symphony in December was well received. In standard rums, White Oak Grapefruit and Pineapple flavoured rums boosted local consumption. The innovative Tamboo Spiced Rum was launched locally and will be expanded internationally in 2022. The rebranding of Angostura LLB to Angostura Chill, with the introduction of the new Blood Orange and Bitters flavour, and the seasonal favourite Sorrel and Bitters flavour, was a key success both at home and abroad, with 17% growth of this product segment in 2021.

On average, Bitters grew by 30% in the EMEAA market. Robust demand in Australasia, the United Kingdom, EMEAA and Latin America resulted in these markets collectively contributing 48% of total Bitters revenue and all surpassed 2019 revenue performance,supporting a favourable outlook for continued international Bitters growth. The decline of Bitters sales in North America negatively impacted our overall product mix in 2021, driving Gross Profit (GP) margins down and exacerbating the impact of rising production costs.

PROFITABILITY

During fiscal 2021, our business and profitability performance continued to be impacted by the global pandemic as we faced increased raw material prices, increased cost of freight, supply chain challenges and varying levels of demand as global markets experienced different levels of reopening and recovery. The GP margin was consistent with prior year at 47% as increases in raw material prices resulted in a higher cost of production.

With the escalation of freight and transport costs by 250% in some cases, profitability was stringently managed by reduced local trade and brand spend while continuing to invest in key international markets and exploiting savings in administrative expenses. Due to improvements in the underlying assumptions for the forward-looking elements of the Expected Credit Loss, we recorded a significant write-back of $6.4m in 2021.

Net finance income generated from returns on our investment portfolio, which grew by 24.7% helped to bolster profit before tax.

EXPORT EXPANSIONS

On the export side, we expanded the reach of our ANGOSTURA® cocoa bitters in the LATAM region including Argentina, Brazil, Peru, Chile, Puerto Rico and Uruguay. In 2021, our presence in this region grew significantly, fuelled by the strong distribution of Bitters.

In the EMEAA region, we tapped into five unique markets – Nepal, Kyrgyzstan, Tanzania, Zanzibar and the Maldives.

In addition, we recorded significant growth in Nigeria and China. The Group's growth drivers were credited to aggressive off-trade growth, extension of shelf space and increased visibility, major event activations, trade promotions, sponsorships, key branding in the on-trade segment at critical outlets and e-commerce listings.

AWARDS

Despite the setbacks that we faced, our employees worked diligently together to achieve excellence. Such excellence, which evolved in the face of the challenges of the pandemic, was recognised and rewarded, as the Group copped major local and international awards for its brands and operations.

At the corporate level, we won the Internationally Known...T&T Owned Company of the Year award from the Trinidad and Tobago Chamber of Industry and Commerce; Innovator of the Year award from the Trinidad and Tobago Manufacturers' Association; Business Continuity and Surviving the Pandemic award from the American Chamber of Commerce; Corporate Social Responsibility and Innovator of the Year awards from the Supermarket Association of Trinidad and Tobago.

Angostura's products, which are world-renowned continued to win awards in 2021; our rum and Bitters brands won over 40 international awards and also topped the World Spirits Award for World Class Distillery and SIP Awards tasting for Amaro di Angostura®. ANGOSTURA® cocoa bitters, our latest innovation in the Bitters line, won Double Gold and Consumer Choice Innovation Awards at the SIP 2021. The 2021 SIP Awards surged with more than 1,000 competing brands from 49 countries – the highest since its inception in 2009. With a record-breaking 1,183 submissions, the 2021 evaluation was by far the most competitive for brands vying to secure coveted SIP Awards recognition and exposure. Winning this coveted award was yet another excellent achievement for the Angostura Group.

ANGOSTURA'S CORPORATE SOCIAL RESPONSIBILITY EFFORTS

In a bid to support the COVID-19 vaccination drive in the country, Angostura produced care packages which included Angostura-made hand sanitizer, surgical masks, antibacterial wipes and hand wash. Angostura partnered with several business groups to distribute the packages at vaccination sites. We also donated hundreds of thousands of dollars' worth of food vouchers to communities across the country to assist those impacted by the pandemic.

Angostura supported the neighbouring island, St. Vincent and the Grenadines when the La Soufrière volcano erupted and displaced residents, by purchasing and donating relief items to aid in their recovery.

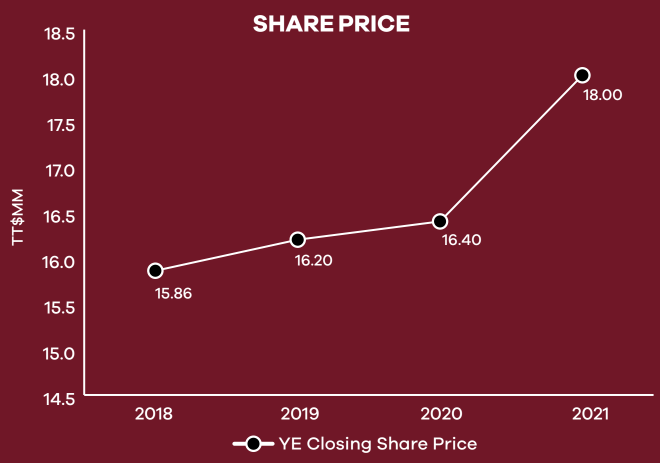
Angostura also continued its drive to provide assistance to its fenceline community of Morvant/Laventille through the sponsorship of education and training programmes.

DIVIDEND

The Board of Directors is pleased to recommend a final dividend in respect of the year ended December 31, 2021, of $0.26 per share which would result in a total dividend of $0.35 per share, a 16.7% increase over the corresponding period last year. This dividend will be paid on July 29, 2022, to shareholders on record as at July 8, 2022. To facilitate this payment, the shareholders' register will be closed on July 6, 2022.

SHARE PRICE

The share price has appreciated by 13.5% from 2018.



CLOSING REMARKS

As markets and economies open, the expectation is that we will soon return to normalcy, moulded by two years of change and continuously evolving to produce excellence for our shareholders. Our ability to successfully navigate two consecutive years of a pandemic will go down as one of our major achievements. During this year 2022, we look forward to opportunities to expand our global reach and profitability, always mindful of the uncertainties that lie ahead with the remnants of the pandemic. On behalf of the Board of Directors, I would like as always to commend and thank our staff who have worked to attain these results in the face of all of our challenges, for without their efforts and dedication we would not be in this place.

The Group is excited about the future as we get closer to our 200-year anniversary and will forge ahead with a focused strategic vision, with the aim of bringing increased value to you, our shareholders.

Terrence Bharath
Chairman

DIRECTORS' REPORT

Dear Shareholder,
The Directors present the Annual Report and Audited Financial Statements for the fiscal year ended December 31, 2021.

The Company recognises that a robust corporate governance structure is crucial to its optimal performance and facilitates the ultimate goal of building long-term value for its stakeholders. Accordingly, the Company strives to uphold the highest standards of corporate governance and is guided by the following five (5) principles as outlined in the Trinidad and Tobago Corporate Governance Code:

1. **Establish a Framework for Effective Governance**

   The Company is headed by an effective Board of Directors, which is collectively responsible for the long-term success of the Company. As permitted by the Company's By-Law No. 1, the Board delegates certain of its powers to its Sub-Committees, subject to section 84(2) of the Companies Act, Chap. 81:01. The Sub-Committees make recommendations to the Board for approval.

2. **Strengthen the Composition and Performance of Board and Committees**

   All of our Directors are independent and possess diverse skills, knowledge, experience and perspectives, which lends to an effective Board.

3. **Reinforce Loyalty and Independence**

   The Board upholds the highest levels of ethics and business conduct and acts honestly and in good faith, in the best interest of the Company, ahead of other interests.

4. **Foster Accountability**

   The Board presents an accurate, timely, balanced and understandable assessment of the Company's performance, position and prospects through (inter alia) timely disclosure of material matters affecting the Company, a robust Audit Committee and reporting to Shareholders on an annual basis.

5. **Strengthen Relationships with Shareholders**

   The Board strives to promote constructive relationships with all Shareholders with a view to facilitating the exercise of their ownership rights and encouraging engagement with the Company. The Company's annual and special meetings foster active participation by Shareholders.

THE BOARD OF DIRECTORS

The Board of Directors currently comprises seven (7) Directors. They are:

Mr. Terrence Bharath (Chairman)

Ms. Alana Beaubrun

Ms. Franka Costelloe

Mr. Fabio Di Giammarco

Dr. Sterling Frost

Ms. Ingrid Lashley

Dr. Maryam Richards

The biographies of the Directors are as follows:

TERRENCE BHARATH - CHAIRMAN

Mr. Bharath, Attorney-at-Law, graduated from the University of Nottingham, United Kingdom with a Bachelor of Laws Degree with Honours in the year 1986.

Thereafter, he attended the Council of Legal Education in London and became a member of Lincoln's Inn. In 1987, he successfully completed the examination for the call to the Bar of England and Wales and was thereafter admitted to practice as an Attorney-at-Law in Trinidad and Tobago. Mr. Bharath, since his return to Trinidad in the month of October 1987, has been in practice for a period of thirty-five (35) years as an Advocate and is currently the Head of Chambers at Carlisle Chambers, Barristers and Attorneys-at-Law.

His principal areas of practice include complex litigation and intricate non litigious matters. Having attained thirty-five (35) years' experience in advocacy and advisory work, his experience and knowledge span a wide cross section of commercial matters and Courts. These include, but are not limited to the following matters, Banking, Security instruments, Company Law, Judicial Review, Pension, Negligence, Land Law, Arbitration, FIDIC, Trust, regulation of the Financial Sector, the Securities Act, Telecommunications Law, Environmental Law, Fraud and Insolvency. Mr. Bharath has also represented parties at two (2) Commissions of Enquiry, the last being the Commission of Enquiry into the collapse of the CL Financial Group, where he represented the Policy Holders of Trinidad and Tobago.

For the past twenty-five (25) years Mr. Bharath has sat on fifteen (15) Boards and has gained a wide array of knowledge in various commercial ventures, ranging from the Financial Sector to the Manufacturing Sector.

Mr. Bharath served as a Director of the Trinidad and Tobago Unit Trust Corporation, one of the largest financial services companies in Trinidad and Tobago, for eighteen (18) years. Mr. Bharath has also delivered guest lectures at the Hugh Wooding Law School (HWLS) and was an Associate Tutor at HWLS for a period of eight (8) years. Having a passion for the societal development of Trinidad and Tobago, he holds the belief that the development of the nation's youth is a major contributor to our success as a country. In this regard, he has and continues to serve as a Board member of a charitable organisation for the past twelve (12) years. This organisation is the only one in the country, located in the heart of the city of Port of Spain, which seeks to rehabilitate children from unfortunate circumstances. It provides housing and protection to the children with a view to preparing them for return to society.

In the year 2016, Mr. Bharath was appointed as a Board member and on June 25, 2018 was made the Chairman of the Board of Angostura Holdings Limited and its subsidiaries.

ALANA BEAUBRUN - DIRECTOR

Ms. Alana Beaubrun is a senior Human Resource professional who retains a wealth of expertise and knowledge in the area of Human Resources. She is currently the Director Human Resources - Global Manufacturing at Methanex Limited. Ms. Beaubrun graduated from the University of the West Indies in 1994 where she completed a BSc. in Sociology and Management. In 2003, Ms. Beaubrun advanced her studies in HR and completed an MA in Human Resource Management from the University of West London located in Ealing, London. In 2012, she went on to complete studies in Strategic HR Planning at the University of Michigan, Ross Business School. Further strengthening her academic qualifications, Ms. Beaubrun is a Graduate Member of the Chartered Institute of Personnel & Development.

Ms. Beaubrun volunteers at The Shelter for Battered Women and Children based in Port of Spain and also serves as a member of the Executive Committee. In addition to her directorships on the Boards of Angostura Holdings Limited and its subsidiaries, she is also the Chair of the Group's HR Committee. Ms. Beaubrun is also a member of the adjunct faculty for the Master of Human Resource Management programme offered at the Arthur Lok Jack Graduate School of Business. Her expertise in the HR field has afforded her the privilege of presenting at various conferences hosted by the Human Resource Managers Association of Trinidad and Tobago (HRMATT), the Employers Consultative Association (ECA), and more recently at the AMCHAM Women's Leadership Conference.

For the period 1994 – 2001, Ms. Beaubrun worked at local companies such as RBTT Bank Limited, Process Plant Services Limited, Titan Methanol and Agostini's Limited where she served in various specialised roles in the area of Human Resource Management. In 2004, Ms. Beaubrun expanded her portfolio as a Senior Human Resource Officer at Harris Interactive located in London, UK. On her return to Trinidad in 2005, she retained various managerial roles at Nestlé Trinidad & Tobago Ltd., Angostura Limited and then onto Methanex Limited where she is currently based.

FRANKA COSTELLOE - DIRECTOR

Franka Costelloe was appointed as a Director on the Board of Angostura Holdings Limited and its subsidiaries (Angostura Limited and Trinidad Distillers Limited) in November 2021.

She is also a Director of Lifetime Roofing Ltd and has served in various capacities including Human Resources, Accounts, Project Management, Contracts, Budget Planning and Administration and Sales and Marketing.

The youngest member of the Trinidad and Tobago Manufacturers' Association to hold the office of President, she is also only the second female to head the Board of Directors in over six decades of the organisation's existence. As a thought leader and strategist, she actively promotes technology as the catalyst for driving critically needed efficiencies in the manufacturing sector, and for transforming the local economy.

In addition, she sits as the Chairperson of InvesTT and of First Citizens Trustee Services Limited. She is a Director on the Boards of First Citizens Bank Limited, First Citizens Bank (Barbados) Limited, First Citizens Bank (Costa Rica) Limited and the Heroes Foundation.

She holds a BSc in Administrative and Commercial Studies from the University of Western Ontario, an MSc in Building and Construction Management from the UWI, and a Masters' Certificate in Corporate Governance from the Caribbean Corporate Governance Institute.

STERLING FROST - DIRECTOR

Dr. Sterling Frost Professor of Practice – Management Studies was appointed as a Director on the Board of Angostura Holdings Limited and its subsidiaries (Angostura Limited and Trinidad Distillers Limited) in January 2022.

He has four decades of Global Corporate career experience in North America, Latin America and the Caribbean region. He is currently the Group Deputy Chief Executive Officer – Operations and Administration at First Citizens. His past directorships include financial institutions across Trinidad and Tobago, Panama, Nicaragua and Honduras. He currently serves on the Boards of several subsidiaries within the First Citizens Group.

He is First Examiner and Adjunct Senior Lecturer at The University of the West Indies (UWI) for several courses in both undergraduate and postgraduate programmes. He specializes in the areas of Organizational Behaviour and Development, Human Resource Management, Cross-Cultural Management, Strategic Planning, Strategic Leadership, Strategic Performance Management and Change Management. He is a University of California, Berkeley certified

Executive Coach, a Prosci certified Change Practioner and an Accredited Director of the Chartered Governance Institute of Canada.

He is committed to advancing optimal national development for all sectors through his contribution to various government, academic and civil society organizations as reflected in his Chairmanship of The Lydian Singers, as Chair of The UWI Faculty of Social Sciences Advisory Board, Chair of The UWI Institute for Gender and Development Studies External Advisory Board, Chair of The UWI Development and Endowment Fund, Chair of the Board of the Foundation for the Enhancement and Enrichment of Life (FEEL) and Chair of the First Citizens Foundation. He also serves as Deputy Chair of the Public Service Commission, Assessor/Advisor to the Industrial Court of Trinidad and Tobago and Director of the St Lucia Electricity Services Limited.

FABIO DI GIAMMARCO - DIRECTOR

Fabio Di Giammarco was appointed as a Director on the Board of Angostura Holdings Limited and its subsidiaries (Angostura Limited and Trinidad Distillers Limited) in November 2021.

Mr. Di Giammarco is currently the President of Latin America for Puratos, a B2B Belgian leading player in the bakery, patisserie, and chocolate industries. Mr. Di Giammarco has 30 years of experience in the food and beverages industry, having managed businesses, launched brands, and developed new ventures in six countries across Europe and the Americas.

Mr. Di Giammarco's previous responsibilities include global leadership of the rum category for Bacardi, where he was also responsible for the North American rum business. Prior to that, he was President of Bacardi's Brazil and Southern Cone operations. His beverage experience also includes commercial leadership positions in the beer segment, having worked for SABMiller and Empresas Polar in the past.

INGRID LASHLEY - DIRECTOR

Ms. Ingrid L-A Lashley has been a Director of Angostura Holdings Limited and its subsidiaries since 2016. Ms Lashley is also the Chairman of the Group's Audit Committee.

A former banker and executive in the financial services sector over several years, Ms Lashley continues to serve on the Board of Directors of companies in the public and private sector across various industries. She has acquired experience over her extensive career in all aspects of corporate management and business leadership that has equipped her to contribute at the highest level of corporate life in Trinidad and Tobago. Ms. Lashley holds a Bachelor of Commerce degree (B.Comm cum laude) in Accounting and Finance from Concordia University, Montreal, and Master in Business Administration (MBA) in Accounting and Finance from McGill University, Montreal, Canada. She also retains the professional designations of Certified Management Accountant (CMA), Certified Public Accountant (CPA) and Chartered Accountant (CA).

In addition to her business undertakings, Ms. Lashley contributes to charitable and professional cultural causes.

DR. MARYAM RICHARDS - DIRECTOR

Dr. Maryam Abdool-Richards who holds the office of Principal Medical Officer-Institutions (PMO-I) Ag. with the Ministry of Health (MOH), Government of the Republic of Trinidad and Tobago (GoRTT), was recently appointed to the Board of Angostura Holdings Limited (AHL) in November 2021.

As a Director on the Board of AHL, she serves on the Audit, Manufacturing and Production and Governance Committees, providing oversight and expertise to OSH/HSSE, operational capacity and supply chain management. Based on her previous experience, she plays a key role in ensuring that Environmental, Social and Governance (ESG) alignments are incorporated into AHL's business strategy.

Dr. Abdool-Richards is also Director on the Boards of the National Insurance Property and Development Company (NIPDEC), Eastern Regional Health Authority (ERHA), TATIL and TATIL Life in addition to a number of other directorships and committee positions within the public sector.

She is a graduate of the University of the West Indies (UWI) with a M.B., B.S degree (Bachelor of Medicine, Bachelor of Surgery) and a postgraduate Master of Science degree (MSc) in Family Medicine. She also holds a Master of Science in Public Health in Developing Countries from the London School of Hygiene and Tropical Medicine (UK) and an Executive MBA (with Distinction) from the UWI, St. Augustine. Additionally, she has training and expertise in Procurement, Project Management and International Relations and is fluent in Spanish.

A passionate philanthropist, Dr. Richards dedicates her time and expertise to the Heroes Foundation, a Non –Governmental Organization (NGO) focussed on youth development and mentorship. She also serves as an Executive Board Member of the Shelter (for Battered Women). In December 2020, Abdool-Richards led a collaborative effort between the public and private sector to establish the Ray of Hope, an isolation and quarantine treatment centre for COVID-19 positive wards of the state.

All Directors are independent Directors with a variety of skills and experience which assist the Company in improving its governance framework and which ensures that the Board works effectively.

SKILLS MATRIX

The Skills Matrix in relation to the Directors is as follows:

	Terrence Bharath	Ingrid Lashley	Alana Beaubrun	Maryam Richards	Franka Costelloe	Sterling Frost	Fabio Di Giammarco
Years on Board	5.5	5.5	2.5	.5	.5	.3	.5
Independent Business Owner / Consultant	x	x			x		
C-Level	x	x	x	x	x	x	x
Industry Experience	x		x		x		x
Finance / Accounting		x				x	
Technology/IT/ Cyber						x	
Risk Management	x	x		x		x	
Internal Audit		x				x	
Marketing or PR	x				x	x	x
Operations	x	x		x	x	x	x
Legal	x					x	
Corporate Governance	x	x	x	x	x	x	x
Compensation/ HR / IR	x		x		x	x	x
Ethics & Compliance	x	x		x		x	
Regional Business	x				x	x	x
International Business	x	x	x			x	x
Merger & Acquisitions	x	x				x	x
Regulatory	x	x		x		x	
Change Management		x	x	x	x	x	x

APPOINTMENT AND ROTATION OF DIRECTORS

In accordance with Paragraph 4.4 of By-law No. 1 of the Company, at the next Annual Meeting, Director Dr. Maryam Richards, who was appointed by the Directors with effect from November 16, 2021, will offer herself for election by the shareholders.

In accordance with Paragraph 4.4 of By-law No. 1 of the Company, at the next Annual Meeting, Director Ms. Franka Costelloe, who was appointed by the Directors with effect from November 16, 2021, will offer herself for election by the shareholders.

In accordance with Paragraph 4.4 of By-law No. 1 of the Company, at the next Annual Meeting, Director Mr. Fabio Di Giammarco, who was appointed by the Directors with effect from November 24, 2021, will offer himself for election by the shareholders.

In accordance with Paragraph 4.4 of By-law No. 1 of the Company, at the next Annual Meeting, Director Dr. Sterling Frost, who was appointed by the Directors with effect from January 25, 2022, will offer himself for election by the shareholders.

Mr. Terrence Bharath who retires in accordance with Paragraph 4.6.1 of By-Law No.1 of the Company, being eligible, offers himself for re-election as a Director of the Company at the next Annual Meeting in accordance with Paragraph 4.4.1 of By-Law No.1 of the Company.

FREQUENCY OF RE-ELECTION

All Directors retire after serving no more than three (3) years and offer themselves for re-election at the next meeting immediately after.

The Board discharges its responsibility for effective Corporate Governance by ensuring a robust framework for same exists. The Board comprises seven (7) Directors, all of whom are non-executive and independent in the discharge of their responsibilities to the Company. This robust framework is supported by the frequent Board and Sub-Committee meetings held with the Executive Management team of the Company.

The Board of Angostura Holdings Limited (AHL) has delegated certain of its functions to Sub-Committees, which include Audit, Human Resources, Sales, Marketing and Corporate Communications, Manufacturing and Production and Governance. Each of these Sub-Committees has adopted independent Terms of Reference and Committee Charters that ensure that all Directors acting on behalf of the Company are aware of their duties and responsibilities. All Sub-Committees refer their recommendations to the Board in order to obtain final approval.

The roles of the Audit, Human Resources, Sales, Marketing and Corporate Communications, Manufacturing and Production and Governance Sub-Committees are as follows:

AUDIT COMMITTEE

The Audit Committee is appointed by the Board of Directors to assist the Board in discharging its oversight responsibilities. The Audit Committee oversees the financial reporting process to ensure the balance, transparency and integrity of published financial information. The Audit Committee also reviews the effectiveness of the Company's internal financial control and risk management system; the effectiveness of the internal audit function; the independent audit process including recommending the appointment and assessing the performance of the external auditor; the Company's process for monitoring compliance with laws and regulations affecting financial reporting and, if applicable, its code of business conduct. The Internal Auditor reports to the Audit Committee.

Committee members are:

Ms. Ingrid Lashley (Chairman);
Dr. Maryam Richards
Dr. Sterling Frost

HUMAN RESOURCES COMMITTEE

The purpose of the Human Resources Committee of the Board of Directors is to assist the Board in discharging its responsibilities relating to Executive staffing and Executive and staff compensation.

In performing its duties, the Committee maintains effective working relationships with the Board of Directors and Management, as well as provide regular updates to the Board on its activities. The Committee will also ensure proper succession planning for Executives at this level.

Committee members are:

Ms. Alana Beaubrun (Chairman)
Ms. Franka Costelloe
Dr. Sterling Frost

SALES, MARKETING AND CORPORATE COMMUNICATIONS COMMITTEE

The purpose of the Sales, Marketing and Corporate Communications Committee of the Board of Directors is to assist the Board in discharging its responsibilities relating to AHL's overall current and strategic direction, risks, investments, and progress in the areas of Sales, Marketing and Corporate Communications initiatives. The Committee will also act in an advisory role to the Sales, Marketing and Public Relations & Hospitality Departments.

Committee members are:

Mr. Terrence Bharath (Chairman)
Ms. Franka Costelloe
Mr. Fabio Di Giammarco

MANUFACTURING AND PRODUCTION COMMITTEE

The purpose of the Manufacturing and Production Committee is to assist the Board in discharging its responsibilities relating to AHL's overall current and strategic direction, risks, investments, and progress in the area of manufacturing and production initiatives. The Committee will also act in an advisory role to the Operations Department. In performing its responsibilities, the Committee maintains effective working relationships with the Board of Directors and Management, as well as provide regular updates to the Board on its activities.

Committee members are:

Dr. Maryam Richards (Chairman);
Ms. Ingrid Lashley
Ms. Alana Beaubrun

ANGOSTURA HOLDINGS LIMITED 2021 BOARD MEETING AND Sub-Committee MEETINGS					
BOARD / Sub-CommitteeS					
NAME OF DIRECTOR	**ANGOSTURA HOLDINGS LIMITED**	**AUDIT COMMITTEE**	**HUMAN RESOURCES COMMITTEE**	**SALES, MARKETING & CORPORATE COMMUNICATIONS COMMITTEE**	**MANUFACTURING & PRODUCTION COMMITTEE**
NO. MEETINGS HELD IN 2021					
	16	**15**	**6**	**6**	**4**
TERRENCE BHARATH	16	n/a	n/a	6	n/a
MICHAL ANDREWS	14	11	n/a	6	3
ALANA BEAUBRUN	16	n/a	6	n/a	4
RENEE JOHNCILLA	*14	*13	6	n/a	4
INGRID LASHLEY	16	15	n/a	n/a	4
MARYAM RICHARDS	*2	*1	n/a	n/a	*0
FRANKA COSTELLOE	*2	n/a	*0	n/a	n/a
FABIO DI GIAMMARCO	*1	n/a	n/a	*0	n/a

*In November 2021, Ms. Renee Johncilla resigned as a Director of the Board.

*In November 2021, in accordance with the Company's by-law 4.4, Dr. Maryam Richards, Ms. Franka Costelloe and

Mr. Fabio Di Giammarco were appointed to the Board.

*In November 2021, Dr. Maryam Richards was appointed to the Audit Committee and Manufacturing and Production Committee.

*In November 2021, Ms. Franka Costelloe was appointed to the Human Resources Committee and Sales, Marketing and Corporate Communications Committee.

*In November 2021, Mr. Fabio Di Giammarco was appointed to the Sales, Marketing and Corporate Communications Committee.

N/A - Non member

GOVERNANCE COMMITTEE

The purpose of the Governance Committee is to assist the Board in monitoring and executing corporate governance best practices including Board composition, evaluation and compensation. In performing its responsibilities, the Committee maintains effective working relationships with the Board of Directors and Management, as well as provide regular updates to the Board on its activities. The Committee will recommend to the Board a set of governance policies including but not limited to, its corporate governance principles under its By-laws and other relevant legislation.

Committee members are:

Mr. Terrence Bharath (Chairman)
Ms. Ingrid Lashley
Ms. Alana Beaubrun
Ms. Franka Costelloe
Dr. Maryam Richards

FREQUENCY OF MEETINGS AND ATTEN-DANCE AT BOARD AND SUB-COMMITTEE MEETINGS

On average, the Board meets once per month but holds additional meetings as necessary. Generally in 2021, the Audit Committee met once per month and the Human Resources, Sales, Marketing and Corporate Communications and Human Resources Committees met every two (2) months.

The record of attendance of Directors at Board and Sub-Committee Meetings for 2021 is at left.

COMPANY'S ETHICAL FRAMEWORK

The Company has in effect a Code of Business Conduct and Ethics to which its employees, as well as the Board of Directors, subscribe.

The Code outlines the extent to which the private interests of Directors could be accommodated within the Company's operations to ensure the highest level of transparency. All employees and Directors of the Group attest to reading and adhering to the Code of Business Conduct and Ethics during the orientation process and agree to abide by its contents.

INTERESTS OF DIRECTORS, SENIOR OFFICERS AND CONNECTED PERSONS AS AT DECEMBER 31, 2021

SHAREHOLDINGS OF DIRECTORS AND EXECUTIVES OF ANGOSTURA HOLDINGS LIMITED (AS AT DECEMBER 31, 2021)

NAME	POSITION	NUMBER OF SHARES HELD	SHARES HELD BY CONNECTED PERSON	SHARE CERTIFICATE NUMBER
EXECUTIVES				
Mr. Ian Forbes	Chief Executive Officer (Ag.)	0	0	N/A
Mrs. Kathryna Baptiste Assee	Group General Counsel/Corporate Secretary	0	0	N/A
Ms. Ginelle Lambie	Chief Financial Officer	0	0	N/A
*Ms. Ann-Marie O'Brien	Chief Operating Officer (Ag.)	0	0	N/A
Mr. Rahim Mohammed	Executive Manager- Corporate Services	0	0	N/A
Ms. Hema Ramkissoon	Executive Manager - Marketing	0	0	N/A
Mr. Alejandro Santiago	Executive Manager - Regional Sales	0	0	N/A
DIRECTORS				
Mr. Terrence Bharath	Chairman	0	0	N/A
Mrs. Michal Andrews	Director	0	0	N/A
Ms. Alana Beaubrun	Director	0	0	N/A
Ms. Franka Costelloe	Director	0	0	N/A
Mr. Fabio Di Giammarco	Director	0	0	N/A
Ms. Ingrid Lashley	Director	0	0	N/A
Dr. Maryam Richards	Director	0	0	N/A

* Ms. Ann-Marie O'Brien was appoined to act as the Chief Operating Officer with effect from December 01, 2021.

TOP TEN SHAREHOLDERS AS AT DECEMBER 31, 2021

NAME	SHAREHOLDINGS	PERCENTAGE
Rumpro Company Limited	92,551,212	44.87%
National Investment Fund Holding Company Limited	61,677,011	29.90%
National Insurance Board	9,665,190	4.69%
Colonial Life Insurance Company [Trinidad] Ltd	5,294,866	2.57%
MASA Investments Limited	1,993,961	0.97%
TATIL Life Assurance Limited	1,866,716	0.90%
TATIL Life Assurance Limited A/C C	1,800,000	0.87%
Republic Bank Limited A/C 1162 01	1,542,922	0.75%
RBC Trust (Trinidad & Tobago) Limited - T534	1,476,360	0.72%
RBC TRUST (TRINIDAD & TOBAGO) LIMITED - T426	1,387,752	0.67%

DISCLOSURE OF INTERESTS OF DIRECTORS AND OFFICERS IN ANY MATERIAL CONTRACTS WITH THE COMPANY (PURSUANT TO SECTION 93(1)(A) OF THE COMPANIES ACT CHAPTER 81:01)

During the financial year ended December 31, 2021 no Director or officer had been a party to a material contract or proposed material contract with the Company.

DISCLOSURE OF DIRECTORS AND OFFICERS WHO ARE DIRECTORS OR OFFICERS OF COMPANIES THAT ARE A PARTY TO MATERIAL CONTRACTS WITH THE COMPANY (PURSUANT TO SECTION 93(1)(B) OF THE COMPANIES ACT CH. 81:01)

During the financial year ended December 31, 2021 Ms. Ingrid Lashley, Director, served as a Director on the Board of the Eco-Industrial Development Company of Tobago (E-IDCOT) Ltd. E-IDCOT Ltd. is a party to a material contract with the Company.

FINANCIAL RESULTS FOR THE YEAR

The Directors present this Summary Statement of Account for the year ended December 31, 2021.

	2021		2020	
	Per Share $	$ Millions	Per Share $	$ Millions
Profit attributable to Shareholders	0.77	158.3	0.71	145.6
Other Reserve Movements	0.00	0.83	(0.02)	(4.60)
Dividends on Ordinary Stock	0.35	72.2	0.30	61.9
Interim Dividend	0.09	18.6	0.00	0.00
Final Dividend	0.26	53.6	0.30	61.9
Retained profits from previous year	4.97	1022.6	4.41	907.5
Retained profits at end of the year	5.42	1115.9	4.97	1022.6

DIVIDENDS

The Directors have recommended a final dividend in respect of the year ended December 31, 2021 of $0.26 per share which would result in a total dividend of $0.35 per share.

AUDITORS

The auditors of the Company for the financial year ending December 31, 2022 will be appointed at the Annual Meeting.

By Order of the Board

Kathryna Baptiste Assee
Corporate Secretary
April 28, 2022

EXECUTIVE TEAM

(L to R): **Rahim Mohammed** – Executive Manager, Corporate Services, **Ian Forbes** – CEO (Ag.), **Kathryna Baptiste Assee** – Group General Counsel/ Corporate Secretary, **Ann Marie O'Brien** - COO (Ag.), **Ginelle Lambie** – CFO, **Hema Ramkissoon** – Executive Manager, Marketing, **Alejandro Santiago** – Executive Manager, Regional Sales

OPERATIONS TEAM

Back (L to R):
Marc Paul - Plant Manager- Distillery, **Wendell Kipps** - MTC Plant Engineer, **Wendell Collymore** - Senior Electrical Engineer, **Mark Mohammed** - Senior Mechanical Engineer
Front (L to R):
Narissa Joseph - Manager Blending, **Ayanna De Noon** - Maintenance Planning Engineer, **Ariana Maharaj** - Manager NPD, **Aruna Narinesingh** - Quality Control Manager, **Calvin John** - Chief Engineer
Not in photo: **William Jordan** - Quality Assurance Manager, **Sharon Ramsaran** - Plant Manager, Bottling Operations

INTERNATIONAL SALES

(L to R): **Melissa Shonika Clarke** - Commercial Operations Manager, **Nikecia Moore-Burrowes** - Project Manager, **Brian Tom Yew** - Manager Export & Business Development
Not in photo: **Leesha Alexander** – Commercial Manager

MARKETING

(L to R): **Vitra Deonarine** - Marketing Manager, **Shivanie Harripersad** – Marketing Analyst, **Kavita Debideen** - Marketing Manager
Not in photo: **Lawn Davis** – Marketing Manager

SUPPLY CHAIN LOGISTICS

(L to R): **Ilyas Mohammed** - Logistics Manager, **Indera Narine** - Inventory Control Manager, **Pamela Niamath** - Senior Manager - Supply Chain, **Rance Williams** - Inventory Manager, **Kym Chan Chow** – Sales & Operations Planning Manager
Not in photo: **Keegan Ramgolam** - Procurement Manager, **Anessia Warner** - Warehouse Manager

(L to R): **Lystra Rampersad-Mahabir** - Manager Risk and Compliance, **Rita Purdeen-Nandlal** - Manager - Internal Audit

OFFICE OF THE CEO

REGIONAL SALES

(L to R): **Ricardo Bideshi** - Trade Marketing Manager, **Sheldon Roach** - Manager – Local Sales, **Trishna Narene Beepath** - Business Development Manager – Imported Portfolio, **Marlon Boysielal** – CARICOM Manager

(L to R): **Luke Hamel-Smith** - Senior Legal Advisor, **Judy Kanhai** – Manager, PR & Hospitality, **Tishana Abdool** – Manager-Legal (Ag.)/ Assistant Secretary

CORPORATE SECRETARIAT/ CORPORATE COMMUNICATIONS/LEGAL

FINANCE

(L to R): **Melinda De Freitas Peters** - Credit Controller, **Nilaja Roach** - Manager Business Analysis, **Shazara Khan** - Management Accountant, **Amar Seechan** - Manager Finance

CORPORATE SERVICES

(L to R): **Nicolas Seepersad** – Manager HSSE, **Rachael Sudan** – Manager, Human Resources, **Michelle Gonzales** – HR Operations Manager, **Stephen Lai Yim** – Manager ICT
Not in photo: **Candice Diaz** – Manager Industrial Relations

ANGOSTURA® BITTERS AWARDED THE BEST-SELLING BITTERS AND TOP TRENDING BITTERS

For the fourth year running, the world's premier bartenders named ANGOSTURA® bitters the Best-Selling Bitters and Top Trending Bitters in the world in the Drinks International's Annual Brand Report 2021.

Now in its twelfth year, the Report provides a snapshot of the buying habits of the world's best bars which have been nominated for or won international awards.

ANGOSTURA® COCOA BITTERS WINS DOUBLE GOLD AND CONSUMERS CHOICE INNOVATION AWARDS AT SIP 2021

The 2021 evaluation was by far the most competitive for brands vying to secure coveted SIP Awards recognition and exposure

CEO'S OVERVIEW

Angostura Holdings Limited looks with great pride at its achievements in the year 2021.

The continuing global pandemic made an already challenging world economic environment even more challenging. The year 2021 experienced widespread lockdowns, a surge of devastating variants with widespread loss of life, the closure of on-trade activities, international supply chain and logistics challenges, leading to higher prices in all sectors and a global race for a vaccine. In Trinidad and Tobago, a general economic slowdown emerged because of the ongoing pandemic in 2021, along with the deployment of public health measures intended to keep the population safe. These measures included continued travel restrictions with the closure of the airport and duty-free sectors until July 2021, the closure of the licensed on-premise sector until November 2021 and a state of emergency for several months.

While 2021 was challenging, one of the fundamental reasons for our success was strong support in the local market for our products based on widespread belief in our products and our brand equity. International markets saw an increase in revenue of 9% driven by the increased demand for our products in

IAN FORBES
CHIEF EXECUTIVE OFFICER (AG.)

Europe, Middle East, Asia, Africa (EMEAA), North America, the United Kingdom, Australasia and Latin America. Strong international demand was typical of countries that emerged from the global pandemic in 2021 because of rapid and aggressive vaccination of their populations.

INNOVATION

The Group continued its aggressive innovation strategy in the face of the economic lethargy brought on by the global pandemic. The local demand for Angostura® White Oak was boosted with the introduction of Pink Grapefruit and Pineapple flavours, with encouraging responses from the local market. Our commitment to diversifying Angostura® White Oak equates with our passion for our country's incredible culture and offers a truly immersive experience. It is a clear testimony of our strong brand equity, and it constitutes the foundation of our rum business. A win for The House of Angostura is a win for Trinidad and Tobago. The innovation continued with the introduction of a new, modern look for our White Oak Rum complete with a new signature font which utilised sustainable packaging elements – an achievement we were extremely proud of and excited to introduce to the public in the latter part of the year. Other notable launches in the local market included the launch of Tamboo Spiced Rum and two limited edition rums; Distillers Cut and Symphony in December 2021. The Group also made a bold move with the rebranding of LLB as Angostura Chill Lemon Lime and Bitters flavour followed by the introduction of a new flavour, Angostura Chill Blood Orange and Bitters. Angostura Chill Sorrel and Bitters flavour was the third installment in the product range introduced in October 2021.

CORPORATE SOCIAL RESPONSIBILITY

Angostura continued its support for first responders with ongoing donations of hand sanitizers. Donations were also made to citizens in general in public spaces such as at the beaches in Easter 2021, in a bid to encourage the public to be safe and to act responsibly. Furthermore, Angostura designed a care package consisting of antibacterial liquid soap, wet wipes, surgical masks, and Angostura hand sanitizer and donated these packages at mass vaccination sites around the country and at health care facilities, in an attempt to encourage citizens to stay safe by following the recommended hand, nose and mouth hygiene guidelines. A total of 2,500 packages were prepared and donated to the public.

In addition, we donated food vouchers to families across the country through twenty (20) NGOs and schools, including the Loveuntil Foundation, Heroes Foundation, TTPS Victims and Witness Support Unit, Autism Society, Servants of Society, SMILE Foundation, Single Mothers Association of T&T, Fanny Village Government Primary and North Oropouche Government Primary schools.

With many families facing hardship last year due to the impact of COVID-19, Angostura stepped in to assist students from the fenceline communities of Morvant/Laventille. The Company launched a three (3) year Link to Learn programme through a partnership with the Loveuntil Foundation. The students are being sponsored from Forms 3 until the end of Form 5 with all their school supplies, after-school tuition and food. The programme is designed to address low academic achievement and literacy skills, as well as low motivation and coping skills. Angostura will continue its commitment to provide support to the country and the most vulnerable.

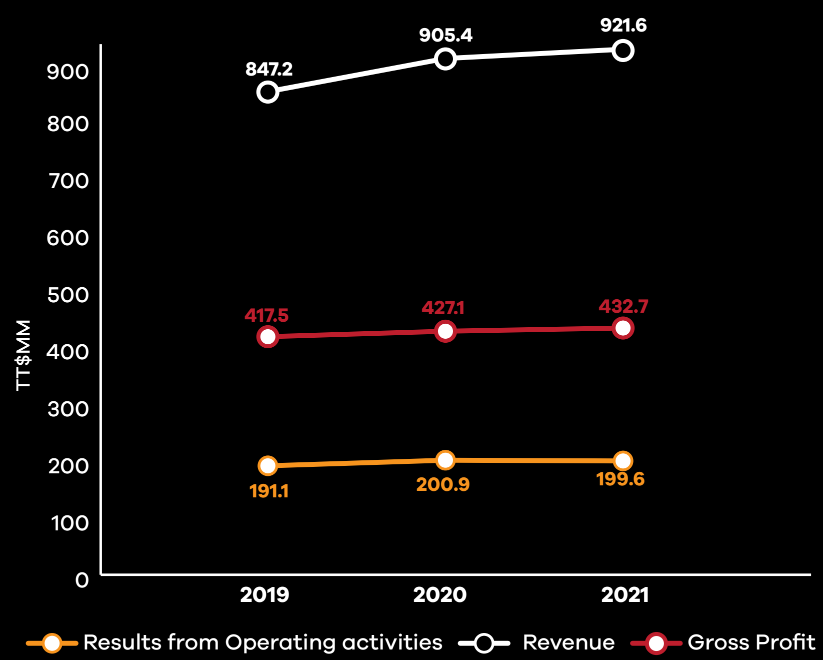
WATER RESOURCE RECOVERY AND ANAEROBIC DIGESTER FACILITY

The re-engineering of the Water Resource Recovery and Anaerobic Digester facility (also referred to as the Waste Water Treatment Plant) is a well-known undertaking of the Group which has been consistently reported to shareholders since 2016. The project of upgrading and recommissioning the facility commenced in 2018 officially, with project execution in 2019 and on-site work in 2020. However, the project was impacted by the sudden onset of the COVID-19 pandemic in 2020 thereby causing a major setback to the project. Notwithstanding, the Group was able to adapt and re-commission the facility in August 2020. Much of 2021 was spent getting the plant up to full operating capacity which was achieved by December 2021.

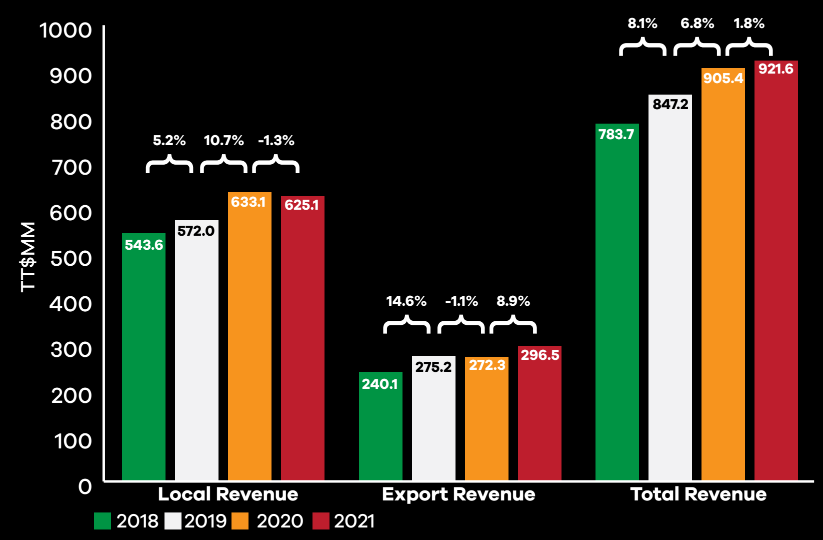
PERFORMANCE

Despite the continuing impact of the coronavirus, the Group recorded profit before tax of $214.5 million which represented an increase of 0.8% or $1.7 million over the prior comparative period. Revenue, Gross Profit (GP) and Results from Operating Activities have all generally continued to trend upward over the five-year period 2017 to 2021.

REVENUE AND GROSS PROFIT



LOCAL AND EXPORT REVENUE

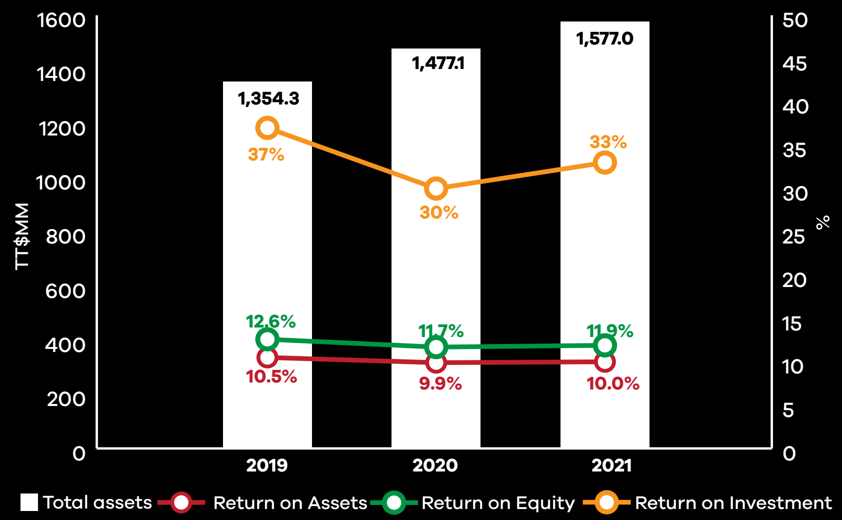


Revenue increased by 1.8% to $921.6 million compared to $905.4 million recorded in 2020, making this the fifth consecutive year of top line growth following a period of revenue contraction from 2015 to 2016. In addition, the revenue achieved in 2021 was also the highest revenue recorded by the Company over the past seven years, a monumental achievement despite the difficulty and uncertainty of the second year of the coronavirus pandemic, with severe challenges in the local and global economy. The revenue attained in 2021 was due primarily to strong growth in the EMEAA including the United Kingdom of $20.3m or 30% as the region recovered from the pandemic effects in 2020, bars and restaurants re-opened and activities resumed in many countries across that region. Bitters growth across the region was approximately 30% while Premium Rums sales grew by 34% in the EMEAA (recovering from poor sales in 2020 because of the pandemic).

Local branded business sales were lower by $3.5m or 1% mainly due to reduced local rum and other alcohol sales as the on premise remained closed for 75% of the year and re-opened with restrictions. The coronavirus pandemic had a more severe impact on Trinidad and Tobago in 2021 vs 2020 with reduced consumer spending due to unemployment and re-prioritisation of expenses to more essential items, as well as higher numbers of COVID-19 cases, hospitalisations and death. However, the Company still innovated with its two (2) new flavours of White Oak (Pink Grapefruit and Pineapple), these having been launched in Q1 and Q2 respectively. Additionally, it should be noted that the LLB business grew by $4.3m or 17% due to re-branding from LLB to Chill, the introduction of the Blood Orange and Bitters flavour and re-launch of the Sorrel and Bitters flavour for Christmas.

We have a strong Balance Sheet, with liquid assets and low leverage. The Group's assets increased by 6.7% to $1.6 billion and Return on Assets despite revenue constraints remained stable at 10%. The indicators Return on Equity and Return on investments on the following chart illustrates financial strength in the face of the challenges of the global pandemic.

TOTAL ASSETS,RETURN ON ASSETS, RETURN ON EQUITY AND RETURN ON INVESTMENTS



The Executive team remains committed to achieving the strategic objectives of the Group and we are grateful for the confidence placed in the team by you, our valued shareholders. We embrace the opportunity to serve and will continue to strive to meet the expectations of the stakeholders of the Group in 2022 and beyond.

Ian Forbes
CEO (Ag.)

ANGOSTURA
aromatic bitters
44.7% alc./vol.
4 fl. oz. (118 mL)
BY APPOINTMENT TO HER MAJESTY QUEEN ELIZABETH II MANUFACTURERS OF ANGOSTURA® aromatic bitters ANGOSTURA LIMITED
SINCE 1824
ANGOSTURA
Chill
LEMON LIME & BITTERS
ZESTY LEMON & LIME WITH A DASH OF ANGOSTURA® AROMATIC BITTERS
NET: 275 mL / 9.3 fl. oz.

OUR OPERATIONS

2021 was a year of continued evolution and innovation for the Group. Despite the continued impact of the pandemic, the Operations Department significantly progressed and completed projects started in 2020.

The Water Resource Recovery and Anaerobic Digester Facility was able to exceed one of its monthly target treatment volumes and contributed to the Distillery attaining its highest volume of 100% locally made alcohol in a single month within the past ten (10) years. The Group is proud of its efforts to increase production while doing its part to safeguard the environment.

In maintaining the world-class status of our brands, we continued to conform to ISO standards, including the updated version of the FSSC 22000 Scheme Version 5.1, ISO:17025:2018 Laboratory Accreditation, ISO:9001:2015 Management system as well as the ISO14001:2015 Environmental Standards. Implementation of processes which are efficient, safe and robust ensures that the Angostura brand maintains it superior quality and continues to be trusted by consumers around the globe.

Our team continued to enhance its technical and managerial skills through participation in globally recognised programmes which played a significant role in the Group's ability to evolve and innovate in the second year of a pandemic.

OUR INNOVATIONS

ANGOSTURA TAMBOO SPICED RUM

Angostura continued to diversify its brand portfolio by launching its Spiced Rum, Angostura® Tamboo which is rooted in the authenticity of the Angostura story. Angostura® Tamboo Spiced Rum was inspired by the timeless carnival spirit of Trinidad and Tobago, named after the handmade bamboo instruments that created the soundtrack of Carnival, long before Caribbean steel drums were invented. The tagline also instils the spirit of Carnival: 'Live the Carnival way'.

LIMITED EDITION RELEASE

Angostura introduced two limited editions – Angostura® Symphony and Angostura® Tribute Distiller's Cut at the peak of the Christmas season on December 23, 2021.

ANGOSTURA SYMPHONY

Angostura can boast that its Symphony Rum is the very best in Caribbean blended rum. World-renowned as master of the craft, Angostura has created a sumptuous new spirit that brings together the tantalizing highs and delicious depths of our premium blended rums aged up to ten (10) years. It is the enchanting spirits of our Symphony Rum that uplift all your senses.

ANGOSTURA TRIBUTE DISTILLER'S CUT

Angostura welcomed a new Limited-Edition rum from the Private Cask Collection, Angostura Tribute Distiller's Cut Rum. This rum is in commemoration of the creativity of revered Master Distiller, Mr. John Georges after years of honing his craft to deliver some of the most celebrated spirits in the world through Angostura. As one of the region's premier Distillers, Mr. Georges' unique skill and finesse is what sets our blends apart. You can experience the hallmark of this successful legacy with Angostura Tribute Distiller's Cut, a true triumph of rum-making.

ANGOSTURA® WHITE OAK PINK GRAPEFRUIT FLAVOURED RUM

Angostura® White Oak Pink Grapefruit Flavoured rum has a touch of sweetness infused with smooth White Oak rum. It is a blend of smooth rum and all-natural Pink Grapefruit launched in April 2021 and brought yet another irresistible flavour to the market. Angostura® White Oak Pink Grapefruit Flavoured rum is clear in colour as the fruit is extracted and its concentrate clarified.

ANGOSTURA® WHITE OAK PINEAPPLE FLAVOURED RUM

Angostura® White Oak Pineapple Flavoured rum was launched in June 2021, a fifth sensational flavour to the current array of signature blends. It is a bold refreshing blend of the signature smooth White Oak rum and the irresistibly crisp and fruity taste of pineapple. It emanates rich tropical notes, leaving behind lingering hints of sweet pineapple infused with White Oak rum.

NEW LOOK AND LABEL - ANGOSTURA® WHITE OAK EMBRACES SUSTAINABILITY

On November 22, 2021, a new look for White Oak rum was rolled out. In addition to refreshing the brand with a modern look complete with a new signature font, the rebrand also utilised sustainable packaging elements of which the Group is extremely proud.

The new environmentally friendly packaging is a tangible contribution to the sustainability movement and Trinidad and Tobago's future. As a Company that is proudly Trinbagonian, this is an impactful statement that puts action behind advertising. The Group recognised the urgent need for eco-friendly innovation in the industry. The new branding is certified according to world environmental standards, namely with the use of Forest Stewardship Council™ (FSC) stock which is sourced from a sustainably managed forest. FSC association is an international certification and labelling system dedicated to promoting environmentally appropriate, socially beneficial and economically prosperous management of the world's forests.

This certification allows our consumers to remain confident that our products are coming from a responsible source and gives the assurance that future generations will be able to enjoy the benefits of a greener planet. In addition, the White Oak glass bottles are infinitely recyclable including the self-adhesive label. At Angostura, we believe that by minimizing our impact on the environment and developing recycling programmes, we will sustain our economy for future generations.

ANGOSTURA CHILL

As expected from a brand named 'Angostura Chill,' the simple and stress-free refreshment is a call to kick back, relax and embrace your chill.

Angostura, producers of the world's most distinctive, loved and respected bitters since 1824, announced the launch of Angostura® Chill on July 16, 2021; the only soft drink in the world made with ANGOSTURA® aromatic bitters. Two crisp, bold flavours of Angostura Chill — Lemon, Lime & Bitters and Blood Orange & Bitters — hit the shelves in CARICOM Markets on July 15, 2021. A third flavour, Sorrel & Bitters, became available in the CARICOM markets in October 2021.

ANGOSTURA CHILL FLAVOURS INCLUDE:

Lemon, Lime & Bitters - The perfect marriage of the tart sweetness of citrus soda with the intricate flavour profiles of ANGOSTURA® aromatic bitters.

Blood Orange & Bitters – Sweet and citrus blood orange flavour with a hint of ANGOSTURA® aromatic bitters, bearing a sweet and tangy finish.

Sorrel & Bitters – Bright, bold sorrel flavour balanced with warm spices, having a long finish of ANGOSTURA® aromatic bitters botanicals.

OUR PEOPLE

As the pandemic continued into 2021, Angostura continued to manage the impact of this global crisis by ensuring that our employees were supported and "normalcy" maintained by executing a robust employee engagement strategy.

Emphasis on stress management and ensuring that our employees and their families were introduced to effective coping mechanisms remained high on the agenda. Efforts to minimise the effects of the pandemic on employees' mental health and wellness were jointly managed between our Human Resources and Health and Safety professionals through workshops and toolbox sessions.

The Group executed an employee satisfaction Pulse Survey which included an area for feedback on the Company's response to the COVID-19 pandemic. The survey indicated an overall employee satisfaction rate of 73% and saw increases in the satisfaction rate in the areas of Leadership, Internal Communication and People Practices.

Angostura also successfully concluded negotiations with the recognized majority union for the period 2020 – 2022 and closed the year on a positive note with members of the bargaining unit. Engagement with the Seamen and Waterfront Workers Trade Union (SWWTU) remains a priority and significant work continues to ensure collaboration and consultation in the interest of good industrial relations.

The Group continued to adapt its engagement activities for the 'new normal' during the second year of the pandemic, some of which are highlighted as follows:

LET'S GET DOWN TO BUSINESS - VIRTUAL TOWNHALL

On September 07, 2021 a virtual townhall was held via Microsoft Teams with over 80% of employees joining online due to public health restrictions regarding social distancing and gatherings. Employees who were unable to join virtually were allowed to view the meeting at select areas of the compound. Employee participation was encouraged as viewers forwarded questions virtually via a dialogue box, a moderator read the question/concern to the Executive Management team who provided a response.

Photo: Employees socially distanced while viewing the Virtual Townhall

CHILL AND PAINT

A twist on the traditional "Sip and Paint" and in recognition of our brand, Angostura Chill, an event was held for staff and their kids via Zoom on August 31, 2021; Independence Day. In honour of the holiday, the subject of the painting activity highlighted the memorable night-time fireworks associated with Independence Day celebrations in Trinidad's capital, Port of Spain. The virtual turnout included over one hundred (100) participants and priceless memories were created with employees and their families. It was morning of creativity, expression and bonding.

Photo: An employee and her two talented daughters displaying their creations

"SHOW US HOW YOU RUM"

Rum Day is celebrated and recognised on August 16th each year. In honour of this day, packages consisting of Angostura Chill Lemon Lime and Bitters and Blood Orange and Bitters, mini bottles of rum and our branded 2021 Rum Day t-shirts were distributed. 'Show us how you RUM' was launched to staff as an internal competition where employees submitted photos of themselves engaging with their favourite brands and wearing their Rum Day tees.

Photo: Show Us How You Rum Winner - Anand Moonoo

12 DAYS OF CHRISTMAS EXECUTION

In lieu of not having a Christmas party in 2021 for the second year in a row due to the pandemic, it was important that employees felt the Christmas spirit. Twelve (12) Christmas themed executions were carried out on twelve (12) days between November and December 2021.

Photos: Top left: Manager Narissa Joseph distributing Christmas Stockings to her team

Top right: HR Officer Shaun Bissessarsingh helps distribute Christmas Stockings to employees

Right: HR Officer Karen Mohan distributes Poinsettia plant to Shernelle Sargeant

HSSE HIGHLIGHTS

Our commitment to Health, Safety, Security and the Environment

With the identification of new strains of the COVID-19 virus, the Group's response continued to evolve in the face of ongoing uncertainty while maintaining and implementing critical measures in accordance with local and international best practices, some of which are outlined below:

1. Introduction of an on-site doctor to assist with case management and employees' return to work.
2. Integration of COVID-19 management into existing security post duties.
3. Implementation of a virtual COVID-19 declaration process for all persons entering the facility.
4. Increased communication surrounding COVID-19.
5. The Company recognised the benefits of vaccination and implemented an education and awareness campaign with a view to highlighting the importance of vaccines in minimising the spread and impact of COVID-19.

RECOGNITION OF HSSE EXCELLENCE

The National Excellence in HSE Awards has become the de facto opportunity for businesses to benchmark their health, safety, and environmental excellence. The American Chamber of Commerce introduced the Business Continuity & Surviving the Pandemic (BCP) award, which recognised entities that have sought to manage their business response to the interruptions caused by COVID-19 and reviewed/updated their business continuity plans to ensure

their operational resiliency. Companies vying for this award were judged based on their risk management plans, business impact analysis, incident response plans and recovery plans. The Group won the award in the Manufacturing Large Company Category.

HSSE PERFORMANCE OVERVIEW

Throughout the year, our commitment to providing and maintaining a safe and healthy workplace can be seen given the performance results of our leading HSSE programmes. The Company was able to achieve an 18% reduction in the Total Recordable Injury Frequency rate and a 44% decrease in the total number of incidents over prior year (2020).

These programmes, coupled with leadership commitment from our management team, led to reduced incident occurrence and incident severity and contributed to enhancing the safety culture across the organisation.

ENVIRONMENTAL SUSTAINABILITY STEWARDSHIP

In 2021, our facility was successfully recertified in accordance with ISO 14001 Standard for Environmental Management Systems.

As an ISO 14001 certified organization, the Group continuously strives for environmental excellence, aligning our growth strategy with sound environmental practices.

LEADING HSSE PROGRAMMES

58
HSSE Leadership Walkthroughs

1,057
HSSE Inspections

2,039
Toolbox Talks

SOLERA

Angostura's chain of retail stores, Solera Wines and Spirits, was closed from May 06 to August 16, 2021 due to the local public health measures in effect.

Despite the closure, the Group is extremely pleased to advise that Solera Retail Operations surpassed 2021's total budget and prior year by over 20% and acknowledges the contribution of our loyal customers and employees.

A few additional highlights of Solera's achievements in 2021 include:

- The Solera St. Clair branch has continued to perform exceptionally and surpass its targets with a growing customer base, as high levels of customer satisfaction is maintained.
- The newest Solera outlet in Marabella opened its doors on August 16, 2021, during the re-opening of the retail sector locally. Solera Marabella is certainly a gem to behold as it sets a new standard for wines and spirits retail in Trinidad and Tobago. The new outlet surpassed all expectations and has received remarkable reviews from all customers.
- To assist the group in strengthening its distribution reach in South Trinidad, the Solera Marabella facility was designed to include a warehouse depot and has proven to be a successful inclusion.
- The present imported portfolio continues to perform positively and was further expanded by acquiring new brands to meet the demands of our loyal customers. Notable brands acquired included Santa Rita and Cono Sur from Chile, Obikwa, Pearly Bay and Golden Kaan from South Africa, Rose All Day from France and the famous Teremana Tequila (founded by Dwayne The Rock Johnson). Solera's brands of gins and champagnes, particularly Opihr and Bollinger respectively, have become 'crowd favourites'.
- The Solera East outlet was opened on December 15, 2021. This outlet is housed within Angostura's Laventille facility and has been a welcomed addition, servicing and offering Solera's range of products to both staff and retail customers within the surrounding environs.

The future is bright for Solera with three (3) well established outlets – home to a well-rounded portfolio of international brands that meets the demands of our customers. Solera will continue to acquire and diversify its product line to ensure that our loyal customers are always afforded the best range of products.

OUR COMMUNITY

CORPORATE SOCIAL RESPONSIBILITY HIGHLIGHTS

As the COVID-19 pandemic continued to ravage the world and our country for a second year, the Group provided much-needed relief to families who were negatively impacted and frontline workers who remained committed to fighting this deadly virus.

We also reached out to some of our regional neighbours to aid in recovery efforts following natural disasters. The Group's 2021 CSR plans continued its alignment to the United Nations Sustainable Development Goals.

SUPPORTING OUR CARICOM NEIGHBOURS DURING TIME OF NEED

In April 2021, the once dormant La Soufrière volcano in St. Vincent and the Grenadines erupted, resulting in the evacuation of some 20,000 residents. As part of our commitment to assist neighbouring islands, the Group purchased and donated relief items to aid in the recovery and clean-up efforts in the aftermath of the eruption including (inter alia) mattresses, shovels, mops, scrubbing brooms, buckets, water hoses and hand sanitizer. In collaboration with the Trinidad and Tobago Society for the Prevention of Cruelty to Animals, the Group donated cases of water and pet food for the animals on the island.

Photo: The Group's CEO (Ag.) - Ian Forbes at the port to oversee the delivery of mattresses and cleaning supplies that the Group donated to SVG disaster relief efforts.

CHAMPIONING EDUCATION AND YOUTH DEVELOPMENT

As part of our commitment to investing in the future of our nation, the Group donated tablets fitted with protective cases to six primary schools within its fenceline communities of Laventille/Morvant. Students from Our Lady of Laventille R.C., St. Barbs Government, Bethlehem Girls' R.C., St. Philips Government, Hockett Baptist and Chinapoo Government Primary schools received these devices to allow them to participate in online classes while schools remain closed as a result of the COVID-19 pandemic.

Photo: Students from six primary schools within Laventille/Morvant communities received tablet devices from the Group's Public Relations & Hospitality Manager, Judy Kanhai (right) and Public Relations Officer, Ronda Betancourt (left).

In a bid to provide support to teachers during the pandemic, the Group hosted a workshop for primary school teachers across twenty-two (22) schools which focused on self-care and coping mechanisms during the COVID-19 pandemic.

The Group sponsored a Managing the Mind programme for youths through NGO - Families In Action. The programme highlighted the importance of mental health in youth and outlined methods for managing mental health in proactive and positive ways. Persons between the ages of 13 and 19 years from selected communities throughout Trinidad and Tobago participated in the five (5) week programme.

RESILIENT TOGETHER INITIATIVE

The Group donated over 2,000 COVID-19 care packages across the country through mass vaccination sites for persons who have been vaccinated.

Photo above: The Group's CEO (Ag.) Ian Forbes (middle) with President of the Couva Point Lisas Chamber of Industry and Commerce, Mukesh Ramsingh (left) and President of the Chaguanas Chamber of Industry and Commerce, Richie Sookhai (right) at the Chambers' vaccination drive held at Camden, Couva. The Group donated COVID-19 care packages and new carbonated soft drink, Angostura Chill at the vaccination site.

The Group in partnership with Xtra Foods and Persad's 'D' Food King supermarkets donated food vouchers to families across the country with the assistance of twenty (20) NGOs and schools.

Photo at right: The Group's CEO (Ag.) Ian Forbes (third from left) with Chairman of Chinapoo Police Youth Club, Eloy Burge (first from left), Central Division Support Officer of the TTPS Victim and Witness Support Unit, Dafina Tyson (second from left), Board Member of S.M.I.L.E Foundation, Afzal Khan (fourth from left) and CEO of Heroes Foundation, Lawrence Arjoon (right).

SUPPORT FOR OUR CHILDREN

In supporting the Ministry of Health in a public/private sector collaboration with The Heroes Foundation, the Group provided monitors and adapters for the Bridge for Hope Project, which seeks to aid children diagnosed with COVID-19 and to create a safe, secure, and positive space for children to access the necessary medical care.

Photo: Monitors donated for the Bridge for Hope Project to create a safe space for children diagnosed with COVID-19

The Group assisted St. Dominic's Children's Home in undertaking a significant initiative towards the refurbishment of its Centre to mark the Home's 150th Anniversary. This initiative focuses on the repair and upgrade of the Shalom Centre (est. 2008) a youth-friendly space that provides young people with a safe, secure, and nurturing environment.

The Group purchased and installed inclusive playground equipment for the children of the Princess Elizabeth Centre. The specialized equipment was sourced from reputable and certified equipment manufacturers and made from 93% recycled materials which are in turn 100% recyclable.

The playground included a wheelchair accessible swing and merry-go-round, accessible arm and peddle bike, swing frame including an adaptive seat, safety belt and super seat, seesaw with safety belts and a zip slide.

The equipment aims to provide the holistic experience to a child in the world of play by breaking down barriers of accessibility, promoting engagement and encouraging socialisation during play.

Photo above: (L-R) Minister in the Ministry of Education, The Honourable Lisa Morris-Julian; Acting CEO (Ag.) of Angostura, Mr. Ian Forbes; Minister of Social Development and Family Services, The Honourable Donna Cox; Chairman of Angostura Holdings Limited, Mr. Terrence Bharath; Chairman of the Princess Elizabeth Centre, Professor Clement Imbert and His Worship The Mayor of Port of Spain, Alderman Joel Martinez at the handover ceremony of the Angostura inclusive playground to the Princess Elizabeth Centre.

Some of the banners depicting icons of local art and culture.

SUPPORT FOR OUR LOCAL CULTURE AND HERITAGE

Although the country was unable to celebrate Carnival in 2021, the Group honoured many local cultural icons and ambassadors - alive and passed - who contributed to Trinidad and Tobago's cultural art form, by adorning the Queen's Park Savannah with several pennants bearing their faces.

In the interest of preserving culture, the San Fernando City Corporation in collaboration with the Group embarked on the publication of a memoir entitled: *The History of Mas, Pan and Calypso in San Fernando*. The book embodies an educational tool that will serve as a reference point and encapsulate the historical perspective of iconic individuals, who would have shaped the cultural landscape of our city.

The Woodbrook Residents Committee commemorated their 110th Anniversary by creating a publication depicting life in Woodbrook. The Group provided financial assistance towards the book *Growing Up Woodbrook – A tapestry of Then and Now: An Amazing Square Mile in History*, one that showcases the historical value of the Siegert family in Woodbrook.

Photo: (L-R) The late President of the Trinbago Unified Calypsonians' Organisation (TUCO) Lutalo Masimba known as Brother Resistance, His Worship Joel Martinez, Mayor of Port of Spain, Promoter Errol Peru and CEO (Ag.), Mr. Ian Forbes.

SUPPORT WITHIN THE COMMUNITY

The Group in partnership with Camilleon Consultants, conducted a 3-day Small Business Development Workshop for residents in the fenceline community of Laventille/Morvant which focused on developing business ideas. The workshop entitled "Empire Builder Entrepreneurship Programme" sought to equip participants with some of the necessary tools for starting a business. Topics included Developing the Business Concept, Developing the Business Plan, Legal Business Frameworks and Marketing and Financing Your Business.

CHRISTMAS CHEER INITIATIVE

As part of the Christmas cheer initiative to provide support for families in need across the country, the Group provided food and toy vouchers and cases of carbonated soft drink - Angostura® Chill to NGOs, schools, and other organisations throughout the country.

Photo top right: Dynise Ali from St. Helena Presbyterian School received food hampers, toy vouchers and cases of Angostura® Chill that were distributed to assist families in the community

Photo below right: Camille Frank from Eshe's Learning Centre received food hampers and cases of Angostura® Chill that were distributed during the school's hamper drive

Photo below: A member from the Loveuntil Foundation received food hampers, toy vouchers and cases of Angostura® Chill that were distributed to families in need in the fencline communities of Laventille/Morvant

ANGOSTURA® RULE THE ROAD COMPETITION

Angostura® Rule the Road competition was launched on November 19, 2021 and continued for ten (10) weeks, where contestants received the chance to win the coveted prize of a Jeep Gladiator Rubicon valued at TT$700,000.

The Angostura® Rule the Road competition was our way of bridging the gap between our valued Angostura® customers and our various product line offerings. We recognised that 2021 was also challenging and many of our usual entertainment spots were restricted. Our main objective sought to bring some fun back into our lives. Angostura is a strong advocate for responsible driving. We acknowledge that drinking and driving is a serious road hazard and caution our customers against this. Driving responsibly means looking out for both your safety and the safety of others.

Photo right: (L-R) Mr. Alejandro Santiago, Executive Manager – Regional Sales; Mr. Ian Forbes, CEO (Ag.); Mr. Ashanta Nanan, winner; and Ms. Hema Ramkissoon, Executive Manager - Marketing

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the following:

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Angostura Holdings Limited ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2021, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of the Group's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited consolidated financial statements, management utilised International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Ian Forbes, CEO (a.g)
Date: March 25, 2022

Ginelle Lambie, CFO
Date: March 25, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANGOSTURA HOLDINGS LIMITED

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Angostura Holdings Limited (the Company) and its subsidiaries (together 'the Group') as at December 31, 2021, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2021;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

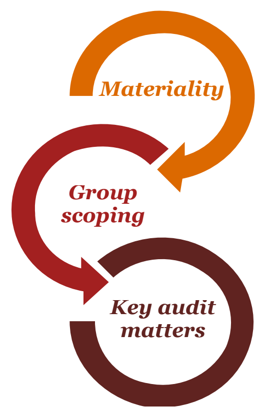
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview



- Overall group materiality: TT$9.6 million, which represents 5% of average profit before tax over the last five (5) years.
- The Group audit included the full scope audit of the Company and two subsidiaries which were deemed to be individually financially significant components.
- Valuation of the retirement benefit asset and the medical benefit liability

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among

INDEPENDENT AUDITOR'S REPORT (CONT'D)

other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In addition to the Company, the following components were deemed to be individually financially significant and were subject to full scope audits:

- Angostura Limited
- Trinidad Distillers Limited

The Group audit engagement team was the auditor for the Company as well as these two components.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	TT$9.6 million
How we determined it	5% of average profit before tax over the last 5 years
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds and used average profit before tax over the last 5 years due to the historic volatility of earnings.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above TT$479,100, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Key audit matter (cont'd)	How our audit addressed the key audit matter
Valuation of the retirement benefit asset and the medical benefit liability Refer to notes 5(j) and 13 to the consolidated financial statements for disclosures of related accounting policies and balances. The Group sponsors a defined benefit pension plan and a post-retirement medical benefit liability. For the current financial year, as at December 31, 2021, the Group reported: • a retirement benefit asset of TT$71m, which represents 4% of total assets, comprised of plan assets valued at TT$399m (of which TT$398m is based on a Managed Fund Contract with an insurer), and a defined benefit obligation of TT$328m. • a post-retirement medical benefit liability of TT$20m which represents 7.8% of total liabilities. The valuation of the retirement benefit asset and the post-retirement medical benefit liability requires significant levels of judgement and technical expertise in determining appropriate assumptions. Changes in a number of key assumptions could have a material impact on the calculation of the pension asset and medical liability including; • discount rates; • mortality rates; • salary increases; and • medical cost increases. Management utilises an independent external actuary to perform certain calculations with respect to the estimated obligations. Management also utilises the work of the plan's Administrator to perform the valuation of the plan's assets in the Managed Fund, some of which are not traded on active markets. The fair value of the plan's unquoted investments is determined based on a model developed by the Administrator. Significant judgement and assumptions are utilised due to the limited external evidence available to support the valuations. We focused our audit efforts in this area due to the degree of estimation uncertainty involved in determining the valuation of the retirement benefit asset and the post-retirement medical benefit liability.	Our approach to addressing the matter involved the following procedures, amongst others: Assessed the independence and competence of the actuary used by management to calculate the pension obligation and medical liabilities to determine whether they were qualified and whether there was any affiliation to the Group. Tested the key assumptions for the defined benefit pension obligation and the post-retirement medical benefit liability for the current year by comparing key assumptions to relevant supporting information as follows: • management discount rates to the yield of a Government of Trinidad and Tobago bond of a similar tenor; • mortality rates to relevant publicly available statistics for Trinidad and Tobago; • salary increases to historical increases, taking into account the current economic climate as well as terms specified in the existing trade union agreements; and • medical cost increases based on medical cost trends and other employers' medical plans with similar arrangements. With respect to the plan's unquoted investments in the Managed Fund, obtained a report from the auditors of the Administrator and assessed the adequacy of the procedures performed to assist in our evaluation of the pension plan assets valuation. Based on the results of the audit procedures performed, the valuations of the retirement benefit asset and the post-retirement medical benefit liability are adequately supported by the evidence obtained.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Other information

Management is responsible for the other information. The other information comprises the Angostura Holdings Limited's Annual Report 2021 (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Angostura Holdings Limited's Annual Report 2021, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Kerry-Ann Chevalier.

PricewaterhouseCoopers

Port of Spain

Trinidad, West Indies

March 25, 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS

	Notes	As at December 31 2021 $'000	2020 $'000
Assets			
Non-current assets			
Property, plant and equipment	10	355,088	348,630
Investments	11	3,162	3,168
Deferred tax asset	12	13,186	9,460
Retirement benefit asset	13	70,712	48,973
		442,148	410,231
Current assets			
Inventories	14	322,000	291,772
Trade and other receivables	15	168,029	182,337
Taxation recoverable		19,179	26,057
Investments	11	481,564	492,711
Cash and cash equivalents	17	144,063	74,025
		1,134,835	1,066,902
Total assets		1,576,983	1,477,133
Equity and liabilities			
Equity			
Share capital	18	118,558	118,558
Reserves	19	100,275	99,444
Retained earnings		1,115,881	1,022,649
Total equity		1,334,714	1,240,651

	Notes	As at December 31 2021 $'000	2020 $'000
Liabilities			
Non-current liabilities			
Post-employment benefit obligation	13	25,072	26,027
Deferred tax liability	12	66,921	60,812
Lease liabilities	20	10,334	10,080
		102,327	96,919
Current liabilities			
Trade and other payables	21	130,103	111,280
Taxation payable		5,670	6,341
Bank overdraft	22	--	17,226
Lease liabilities	20	4,169	4,716
		139,942	139,563
Total liabilities		242,269	236,482
Total equity and liabilities		1,576,983	1,477,133

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

On March 25, 2022, the Board of Directors of ANGOSTURA HOLDINGS LIMITED authorised these consolidated financial statements for issue.

Director

Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS

	Notes	Year ended December 31 2021 $'000	Year ended December 31 2020 $'000
Revenue	9	921,599	905,399
Cost of goods sold	23	(488,902)	(478,307)
Gross profit		432,697	427,092
Selling and marketing expenses	23	(153,299)	(135,275)
Administrative expenses	23	(87,128)	(90,289)
Expected credit loss writeback on trade receivables	7(a),23	6,426	2,138
Other income/(expenses)	24,23	948	(2,816)
Results from operating activities		199,644	200,850
Finance costs	25	(1,210)	(837)
Finance income	11	16,040	12,727
Profit before tax		214,474	212,740
Taxation expense	26	(56,155)	(67,109)
Profit for the year		158,319	145,631

	Notes	Year ended December 31 2021 $'000	Year ended December 31 2020 $'000
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
Re-measurement of post-employment benefit obligations	13(xi)	21,944	(20)
Related tax	12	(6,583)	5
Gain on revaluation of artwork	19	831	--
Other comprehensive income/(loss) for the year - net of tax		16,192	(15)
Total comprehensive income for the year		174,511	145,616
Profit for the year attributable to:			
Owners of the Group		158,319	145,631
Total comprehensive income attributable to:			
Owners of the Group		174,511	145,616
Dividends paid per share	27	39¢	17¢
Earnings per share - Basic	28	77¢	71¢

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS

	Notes	Share Capital $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance as at January 01, 2020		118,558	104,041	907,503	1,130,102
Reclassification of Angostura Canada Inc. translation reserve	19	--	(4,597)	4,597	--
Profit for the year		--	--	145,631	145,631
Other comprehensive loss for the year		--	--	(15)	(15)
Total comprehensive income for the year		--	(4,597)	150,213	145,616
Transactions with owners in their capacity as owners					
Dividends to equity holders	27	--	--	(35,067)	(35,067)
Balance as at December 31, 2020		118,558	99,444	1,022,649	1,240,651
Balance as at January 01, 2021		118,558	99,444	1,022,649	1,240,651
Profit for the year		--	--	158,319	158,319
Other comprehensive income for the year		--	831	15,361	16,192
Total comprehensive income for the year		--	831	173,680	174,511
Transactions with owners in their capacity as owners					
Dividends to equity holders	27	--	--	(80,448)	(80,448)
Balance as at December 31, 2021		118,558	100,275	1,115,881	1,334,714

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS

	Notes	Year ended December 31 2021 $'000	Year ended December 31 2020 $'000
Profit before tax		214,474	212,740
Adjustments for:			
Depreciation	10	18,300	20,148
Loss on disposal of property, plant and equipment	24	1,280	4,637
Revaluation loss on artwork		604	--
Gain on derecognition of lease liability		(259)	(1,049)
Impairment of investment	11	7	--
Unrealised foreign exchange loss/(gain)		615	(1,504)
Finance costs	25	1,210	837
Finance income	11	(16,040)	(12,727)
Dividend income	24	(671)	(118)
Gain on lease payments arising from COVID-19 rent concession		--	(383)
Post-employment benefit cost	13(xii)	11,691	11,432
Operating profit before working capital changes		231,211	234,013
Change in trade and other receivables		13,828	3,533
Change in inventories		(30,228)	(38,003)
Change in trade and other payables		18,770	3,982
Cash generated from operating activities		233,581	203,525
Interest paid		(1,099)	(774)
Corporation tax refunds received		5,758	270
Corporation tax paid		(59,905)	(63,107)
Post-employment benefit premiums paid		(12,441)	(11,999)
Net cash generated from operating activities		165,894	127,915

	Notes	Year ended December 31 2021 $'000	Year ended December 31 2020 $'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		165	204
Acquisition of property, plant and equipment excluding right of use assets	10, 20	(21,618)	(32,173)
Adjustment to property, plant and equipment		(487)	--
Additions to investments		(482,512)	(488,700)
Redemptions of investments		501,384	387,418
Dividends received	24	671	118
Interest received		8,672	4,052
Net cash generated from/(used in) investing activities		6,275	(129,081)
Cash flows from financing activities			
Dividends paid	27	(80,448)	(35,067)
Principal elements of lease payments	20	(3,906)	(3,762)
Net cash used in financing activities		(84,354)	(38,829)
Net increase/(decrease) in cash and cash equivalents		87,815	(39,995)
Cash and cash equivalents at January 01		56,799	95,671
Effect of movement in exchange rate on cash held		(551)	1,123
Cash and cash equivalents at December 31		144,063	56,799
Represented by:			
Cash and bank	17	144,063	74,025
Bank overdraft	22	--	(17,226)
		144,063	56,799

The notes on pages 60 to 110 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 • EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS

1. REPORTING ENTITY

Angostura Holdings Limited (the Group) is a limited liability Company incorporated and domiciled in the Republic of Trinidad and Tobago. The Group'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 Group whose subsidiaries are engaged in the manufacture and sale of rum, ANGOSTURA® aromatic bitters and other spirits, and the bottling of alcoholic and other beverages on a contract basis. The consolidated financial statements of the Group as at and for the year ended December 31, 2021 comprise the Group and its subsidiaries (together referred to as the "Group" and individually as the "Group companies").

The principal subsidiaries are:

Company	Country of Incorporation	Percentage Owned	Principal Activities
Angostura Limited	Trinidad and Tobago	100%	Sale of rum, ANGOSTURA® aromatic bitters and other spirits
Trinidad Distillers Limited	Trinidad and Tobago	100%	Manufacture and sale of rum, ANGOSTURA® aromatic bitters and other spirits
Warspite Limited	Trinidad and Tobago	100%	Dormant
Ginger Lilly Shores Limited	Trinidad and Tobago	100%	Dormant
Servis Limited	Trinidad and Tobago	100%	Dormant
Anstor Limited	Trinidad and Tobago	100%	Dormant
Silver Rock Enterprises Limited	St. Lucia	100%	Dormant
Angostura International Limited (Delaware)	United states of America	100%	Dormant
Angostura International Limited (Canada)	Canada	100%	Dormant

Trinidad Distillers Limited owns 100% of Fernandes Distillers Limited a company incorporated in the Republic of Trinidad and Tobago and is currently dormant.

Angostura International Limited (Canada) owns 100% of Fernandes Distillers International Limited a company incorporated in Canada and is currently dormant.

Angostura Limited owns 50% of Petit Trou Point Association Limited a company incorporated in the Republic of Trinidad and Tobago and is currently dormant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

2. BASIS OF ACCOUNTING

(a) *Statement of compliance*

The 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 Standards Board (IASB).

These consolidated financial statements have been prepared on a going concern basis which assumes that the Group will be able to meet the mandatory repayment terms of its current liabilities and realisation of assets. The Group has recognised profits of $158,319 thousand after tax for the year ended December 31, 2021 and as at that date, current assets exceed current liabilities by $994,893 thousand.

(b) *Basis of measurement*

The 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) - plan assets, measured at fair value;
- Leasehold lands and buildings measured at fair value less depreciation;
- Certain right of use leasehold lands measured at net present value less depreciation;
- Freehold land measured at fair value.

3. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

These consolidated financial statements are presented in Trinidad and Tobago dollars, which is ANGOSTURA HOLDINGS LIMITED's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. USE OF ESTIMATES AND JUDGEMENTS

In preparing these consolidated financial statements, management has made judgements, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively, unless those revisions are the result of a change in accounting policy or a correction of a significant error, in which case the revision is required retrospectively, in the earliest reporting period.

Information about assumptions and estimation uncertainties that may have a significant risk of resulting in a material adjustment in the year ended December 31, 2021 is included in the following notes:

- Note 6 - determination of fair values.
- Note 7 (a) - measurement of ECL allowance for trade receivables and key assumptions in determining the weighed-average loss rate.
- Note 13 - retirement benefit (asset) obligation - measurement of retirement benefit assets and obligations; key actuarial assumptions.
- Note 21 - other payables – provision for advertising and promotion.
- Note 20 - leases – discount and incremental borrowing rates.

5. SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, where applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non-controlling interest

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at each reporting date. Changes in the Group's interest in the subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Interest in equity-accounted investees

The Group's interest in equity-accounted investees comprise interest in joint ventures.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The interest in the joint venture is accounted for using the equity method. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in 5 (c)(iv).

As at the year end the Group had an interest in one joint venture (Note 16).

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(vi) Transactions eliminated on consolidation (continued)

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

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. However, foreign currency differences arising from the translation of investments are recognised in profit or loss.

(c) Financial instruments

Financial instruments include trade receivables, equity securities at FVOCI, cash and cash equivalents, borrowings, debt securities, leases, related party balances and trade and other payables.

Trade receivables

(i) Classification, recognition and initial measurement

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Investments

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

(i) Classification and subsequent measurement

The Group classifies its investments into one of the following three categories:

(a) Amortised cost

(b) Equity Instruments at FVOCI (Fair value through other comprehensive income)

(c) Financial Instruments at FVTPL (Fair value through profit and loss)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Investments (continued)

(i) Classification and subsequent measurement (continued)

(a) Amortised cost

A financial asset is classified at amortised cost only if it meets both of the following criteria:

- 'Hold-to-collect' business model test – The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- 'SPPI' contractual cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(b) Financial assets at FVOCI

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

The Group measures all equity investments at fair value.

The default approach is for all changes in fair value to be recognised in profit or loss. However, for equity investments that are not held for trading, entities can make an irrevocable election at initial recognition to classify the instruments as at FVOCI, with all subsequent changes in fair value being recognised in other comprehensive income (OCI). This election is available for each separate investment.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level. A business model refers to how an entity manages its financial assets in order to generate cash flows and is determined at a level that reflects how the groups of financial assets are managed (rather than on an instrument by instrument basis).

The Group assesses financial assets using three types of business models:

- hold to collect
- hold to collect and sell
- other

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Investments (continued)

(i) Classification and subsequent measurement (continued)

(b) Financial assets at FVOCI (continued)

SPPI assessment

The Group assesses the different types of cash flows that might arise from the contractual terms of a financial asset:

- Those that are solely payments of principal and interest i.e. cash flows that are consistent with a 'basic lending arrangement', and
- All other cash flows.

Unlike the business model test, an entity is required to make this assessment on an instrument by instrument basis. If a non-equity financial asset fails the SPPI test, it will not be possible to classify it as amortised cost or as FVOCI.

(c) Financial instruments at FVTPL

A financial asset is classified and measured at FVTPL if the financial asset is:

- equity investments that are held-for-trading
- debt investments that do not qualify to be measured at amortised cost or FVOCI
- An equity investment which the entity has not elected to classify fair value gains and losses through OCI

(i) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Investments (continued)

(i) Classification and subsequent measurement (continued)

(c) Financial instruments at FVTPL (continued)

(ii) Measurement

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other (expenses)/income and impairment expenses are presented as separate line item in the statement of profit or loss. The Group does not have any financial instruments in this category as at year end.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses)) in other expenses/income in the period in which it arises. The Group does not have any financial instruments in this category as at year end.

(i) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognised in other (expenses)/income in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see 5 (f) for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. The Group classifies trade payables as current liabilities if the payment is due within one year or less. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(e) Offsetting

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

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activities.

(f) Property, plant and equipment

(i) Recognition and measurement

Land, buildings and artworks are measured at revalued amount less accumulated depreciation on buildings.

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment in the consolidated statement of financial position.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs, and
- restoration costs.

Right of use assets are measured at cost on initial recognition and subsequently at the revalued amount in accordance with IAS 16, if it relates to a class of property, plant and equipment and the Group applies the revaluation model to all assets in that class.

The Group utilises the revaluation model for land, buildings and artworks.

Land and buildings are revalued by qualified independent experts every five years and the art collection is revalued by qualified independent experts every three years. Gains and losses are treated as follows:

- Gains are recorded in the revaluation reserve unless it represents the reversal of a revaluation decrease of the same asset previously recognised as an expense, in which case it will be recognised in consolidated statement of profit or loss to the extent that it offsets previous losses.
- Losses are recognised directly within profit or loss except to the extent that a loss offsets previous gains, in which case the loss is recognised against the revaluation reserve to the extent that it offsets previous gains. Any additional loss is recognised in profit or loss.

The Group's management annually reviews the latest valuations performed by the independent valuator at year end to ensure the fair value is a close approximation of carrying value.

At each financial year end, the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the most recent valuation report;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

- holds discussions with the independent valuator.

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

Assets in progress is valued on the basis of expenditure incurred. Assets in progress is not depreciated. The total cost of an asset is transferred to the relevant asset class on its completion and then it is depreciated.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

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.

Freehold land, artwork and assets in progress are not depreciated.

Right-of-use assets are depreciated over the shorter of the lease term and their useful lives on a straight line basis, 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 which informed depreciation rates are as follows:

	2021
Buildings	10 – 50 years
Plant, machinery and equipment	5 – 50 years
Casks and pallets	6 years

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

(g) 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. Maturing inventories which are retained for more than one year are classified as current assets, as they are expected to be realised in the normal operating cycle.

Conversion costs include losses sustained in the alcohol aging process for the conversion of current distillate to aged distillate, as inventory is prepared for further blending and processing.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment

(i) Non-derivative financial assets

(i) Financial instruments

The Group has two main types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of inventory
- debt investments carried at amortised cost

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the simplified approach permitted by IFRS 9 to trade receivables, which requires expected lifetime losses to be recognized from the initial recognition of receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 1 January 2021 respectively and the corresponding historical credit losses experienced within this period.

The ECLs are based on payment terms and corresponding historical credit loss experienced which are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the customer's ability to settle the receivables. Macroeconomic variables used include, but are not limited to, unemployment rates and inflation rates for each group of customers.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instruments) has not increased significantly since initial recognition.

Debt Investments

All of the entity's debt investments at amortised cost and FVOCI are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management considers 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk here they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The Group considers a debt security to have a low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's or BBB- or higher from Standard & Poor's.

(ii) Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment (continued)

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 120 days past due;
- The restructuring of a loan or advance to the Group on terms that the Group would not consider otherwise;
- Probable that the borrower will enter bankruptcy or other similar financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

(iii) Financial assets write off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery or the Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(iv) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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 (referred to cash generating units or CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

(i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(j) Employee benefits

Post-employment obligations

The Group currently has a post-retirement medical plan and also operates two retirement benefit schemes, one trustee-administered and the other self-administered. The assets of the trustee-administered scheme are held in a consolidated fund and the plan is funded by contributions from the Group and its employees. The self-administered scheme is funded entirely by the Group out of cash resources, with no underlying assets. All

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) *Employee benefits* (CONTINUED)

Post-employment obligations (continued)

post-retirement benefit schemes are subject to annual valuations by independent qualified actuaries.

(i) Retirement contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

(ii) Retirement benefit plans

The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Where there is no deep market in such bonds, the market rates on government bonds are used.

When the calculation results in a potential asset for the Group, the recognised asset is limited to 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. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net retirement benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the consolidated statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a retirement benefit plan when the settlement occurs.

(iii) Post-retirement medical plan

The Group operates a post-retirement medical plan covering employees who retire either directly from the Group between ages 50 and 60 or as a result of ill health. Cover ceases on the earlier of the retiree's death or when the retiree reaches age 75.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Employee benefits (continued)

(iii) Post-retirement medical plan (continued)

All retirees who retire from permanent full-time employment are eligible for post-retirement medical benefits irrespective of their age, service and reason for retirement provided they joined the Group before July 01, 2020. Persons employed after July 01, 2020 are no longer entitled for post-retirement medical cover at the Group's expense. Two levels of cover are available: "Retiree only" and "Retiree plus one".

The Group's obligation in respect of the medical plan is calculated using approximate actuarial valuations of the Group's liabilities and the projected unit actuarial method as required by IAS 19.

The defined benefit obligation is calculated as the capital value of the future premium payments the Group is expected to make on behalf of current and future retirees. Re-measurement of the net medical plan, which comprise actuarial gains and losses, (excluding interest) are recognised immediately in other comprehensive income. Net interest expense/(income) or the net defined liability is determined using the discount rate. Net interest expense and other expenses related to the medical and life insurance plan are recognised in profit or loss.

(iv) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

(v) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

Termination benefits are expensed at the earlier of the following dates:

(a) when the Group can no longer withdraw the offer of those benefits; and

(b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(k) 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. Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Provisions (continued)

risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Advertising and Promotion – A provision for Advertising and Promotional (A&P) expenditure is recognised when the Group has incurred such costs but for which claims have not yet been submitted by customers in their individual markets.

(ii) Legal matters – A provision for legal matters is recognised when the Group has a potential liability for a payment that is probable to be settled in the future.

(iii) Other – The Group recognises a provision for incentives, utility and other expenses when the Group has a potential liability for a payment that is probable to be settled in the future.

(l) Revenue

(i) Sale of goods

The Group recognises revenue by applying a five-step model to determine the nature, timing and amount of revenue, as it is recognised at a point in time when control of the goods is transferred to the customer and it is probable that the consideration to which the Group is entitled to in exchange for the goods will be collected.

Step 1 - Identify the contract(s) with the customer:

The Group has various contracts, both formal and implied, which generate various revenue streams, including the following:

- Revenue from local sales via trade customers and retail sales at Solera
- Revenue from international sales to customers and distributors in the Caribbean, North America, Canada, Latin America and the EMEAA (Europe, Middle East, Asia and Africa) Region.
- Revenue from the sale of bulk blends made to the customers' specification.
- Revenue related to the production and supply of Bulk Bitters and Angostura Lemon Lime Bitters® (LLB) flavour concentrate.

Each contract whether formal or implied, identifies each party's rights regarding the transfer of goods, payment terms and expected future cash flows required for the exchange of goods and services.

Step 2 - Identify the performance obligations in the contract:

The Group has identified the performance obligations of each contract to be the promised goods based on the specific sale. These performance obligations are usually satisfied at a point in time (as opposed to over time), when the Group transfers the promised goods to the customer, whereby control is transferred as the customer obtains the asset transferred.

Step 3 - Determine the transaction price:

For each revenue stream, the Group determines the transaction price, which is the amount of consideration exchanged by the customer in return for the promised goods. The transaction price is the amount which is invoiced to the customer.

Step 4 - Allocate the transaction price to the performance obligations in the contract:

As denoted above, the selling price may vary based on a customer type or customer contract, however this stand-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Revenue (continued)

(i) Sale of goods (continued)

Step 4 - Allocate the transaction price to the performance obligations in the contract: (continued)

alone selling price is determined at the inception of the contract, and is specific to the performance obligation. The transaction price is allocated to the performance obligations at a point in time when the Group transfers the promised goods to the customer.

Step 5 - Recognise revenue as/when the entity satisfies the performance obligation:

Once the contract's performance obligation and transaction price have been determined, the Group will recognise revenue when the performance obligation to the customer is fulfilled, there is an exchange of consideration, and control is passed from the Group to the customer.

Sale of goods wholesale

Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location and the wholesaler has acknowledged delivery by signing the delivery documents, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Sale of goods retail

Revenue from the sale of goods is recognised when the Group sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the products and takes delivery in the store.

(ii) Co-packing manufacturing agreements

The Group also generates revenue from co-packing manufacturing arrangements made to the customers' specification. These products have no alternative use for the Group due to contractual restrictions. A right to payment does not arise until the products have been shipped to the customer. Revenue is recognised when the performance obligations is satisfied in the contract at a point in time when the Group transfers the promised goods to the customer.

(iii) Loyalty program

The Group has a loyalty program for its retail business, Solera. Customers who purchase products may enter the Group's customer loyalty program and earn points that are redeemable as a discount against any future purchases of the Group's products. The points accumulate and do not expire. A loyalty point liability is created upon issuing of the points under the program and is thereafter reduced upon the redemption of the points for Group products.

The Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty program is deferred and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. As a consequence, revenue is recognised at the point in time when control of the goods is transferred to the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Revenue (continued)

(iv) Returns

Customers have a right to return products to the Group for quality and other issues. The customer is issued with a credit note or replacement product for the same value of goods returned. These returns are not material and as such the Group has not provided for a liability on returns.

(m) Leases

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives receive.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The Group revalues certain right-of-use land and buildings which are subsequently depreciated over the life of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and
- payments of penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease payments to be made under reasonably certain extension options are also included in the measurement of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Leases (continued)

(i) As a lessee (continued)

the liability.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group discloses right-of-use assets that do not meet the definition of investment property in the consolidated statement of financial position within the same class of assets as that which the corresponding underlying asset would be presented if they were owned.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(n) Finance income, finance costs and dividend income

The Group's finance income and finance costs include:

- interest income
- interest expense
- dividend income

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in consolidated statement of profit or loss on the date that the Group's right to receive payment is established. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(o) Taxation

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Taxation(continued)

tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for unused tax losses, unused 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 used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the reversal of temporary differences. 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; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive management team which comprises the Chief Executive Officer and Executive Management team (chief operating decision maker), who are responsible for making strategic decisions, allocating resources on a reasonable basis and assessing performance of the operating segments. Unallocated items comprise assets and liabilities, finance costs and income, other income and expenses, dividend income, impairment charges, foreign exchange gains and losses, legal claim expense and tax expenses and income. Operating segments have been identified as Rum, Bitters, LLB, Bulk and Other.

(q) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

(r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

5 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(t) New and amended standards adopted by the Group

(i) The following standards and interpretations apply for the first time to financial reporting periods commencing on or after January 01, 2021:

- Amendments to IFRS 16 Leases Covid-19-related Rent Concessions – effective June 01, 2020. As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. There were no other new standards or amendments effective for the first time that had a material impact on the Group.

(u) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2021 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

6. 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.

a. Fair value measurement

(i) Property, plant and equipment

The fair value of property, plant and equipment is the estimated amount for which property could be exchanged at the reporting 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 property is based on a combination of direct comparison and investment method.

(ii) Equity securities – at FVOCI

The fair values of investments in equity 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

6. DETERMINATION OF FAIR VALUES (CONTINUED)

b. *Valuation models*

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation techniques use significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

c. *Financial instruments measured at fair value – fair value hierarchy*

At year end, the following financial instruments were measured at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair Value $'000
2021				
Investments	--	--	101	101
2020				
Investments	--	--	108	108

d. *Financial instruments not measured at fair value*

The table below shows the fair values of the financial instruments held at year end that are not measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is explained in 6 (b) above.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair Value $'000	Carrying Amount $'000
As at December 31, 2021					
Investments	--	484,625	--	484,625	484,625
As at December 31, 2020					
Investments	--	495,771	--	495,771	495,771

Due to their liquidity and short-term maturity, the carrying values of these financial instruments approximate their fair values.

e. *Non-financial instruments measured at fair value*

The Group's freehold land and buildings were last revalued during November 2019 by Linden Scott & Associates Limited, Chartered valuation surveyors. Revaluations are done every five years in accordance with the Group's policy, or more frequently

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

6. DETERMINATION OF FAIR VALUES (CONTINUED)

e. *Non-financial instruments measured at fair value (continued)*

if there are any indicators of significant volatility in the market. The valuation surveyors used the direct comparison and income method to determine the values of land and buildings respectively. Management evaluated the valuations and did not identify significant changes to warrant a change in the valuations as at year end.

This basis of valuation was used due to the specialised nature of the properties, derived from the exigencies of the operations. The surplus thus arising was credited to revaluation surplus in equity.

The Group's art collection was revalued during October 2021 by Geoffrey MacLean, independent valuator of artworks. Revaluations are done every three years in accordance with the Group's policy. The valuation of artwork is based on the estimated selling price.

The following table presents the changes in level 3 items for the periods ended December 31, 2021 and December 31, 2020 for recurring fair value measurements:

Fair value measurements as at December 31, 2021 using:

	(Level 1) $'000	(Level 2) $'000	(Level 3) $'000
Recurring fair value measurements			
Land and buildings – freehold	--	--	126,426
Land and buildings – leasehold	--	--	59,308
Art collection	--	--	3,646
	--	--	189,380

Fair value Value Hierarchy Level 3	**Fair value as at January 1, 2021 $'000**	**Additions $'000**	**Depreciation $'000**	**Transfers/ Disposals $'000**	**Fair value value carried forward $'000**	
Land and buildings	187,282	4,346	(5,568)	--	(326)	185,734
Art collection	3,996	305	--	227	(882)	3,646
	191,278	4,651	(5,568)	227	(1,208)	189,380

Fair value measurements as at December 31, 2020 using:

	(Level 1) $'000	(Level 2) $'000	(Level 3) $'000
Recurring fair value measurements			
Land and buildings – freehold	--	--	128,707
Land and buildings – leasehold	--	--	58,575
Art collection	--	--	3,996
	--	--	191,278

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

6. DETERMINATION OF FAIR VALUES (CONTINUED)

e. Non-financial instruments measured at fair value (continued)

Fair value Value Hierarchy Level 3	Fair value as at January 1, 2020 $'000	Additions $'000	Depreciation $'000	Transfers/ Disposals $'000	Fair value value carried forward $'000
Land and buildings	181,385	12,219	(6,693)	371	187,282
Art collection	3,996	--	--	--	3,996
	185,381	12,219	(6,693)	371	191,278

There were no transfers between levels during the year.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The main level 3 inputs used by the Group are derived and evaluated as follows:

Land:

The direct comparable method was used. In using this method, evidence of arm's length open market transactions of similar lands in less active markets are analysed and the results applied to the subject lands after taking into consideration appropriate adjustments for location, size and other relevant factors.

Buildings:

Buildings are valued using a combination of direct comparison and income method. Under the direct comparison method, the gross replacement cost of the buildings and other site works are then estimated from which appropriate deductions are then made to allow for the age, condition and obsolescence (economic and functional) of the buildings and site works. The total net replacement cost is then added to the estimated value of the land.

Under the income method, capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence is used.

Art collection:

The Art collection is valued using the fair market value approach. The art valuation is the expression of an opinion as to the value of a work of art. The valuation is an estimate based on the professional valuer's expertise and knowledge, and research into current market trends, values and conditions.

All resulting fair value estimates for properties and the art collection are included in Level 3.

Inputs considered in the valuation:

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available management consider information from a variety of sources including:

(i) current prices in an active market for properties of a different nature or recent prices of similar properties and artwork in less active markets, adjusted to reflect those differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

6. DETERMINATION OF FAIR VALUES (CONTINUED)

e. *Non-financial instruments measured at fair value (continued)*

Inputs considered in the valuation: (continued)

(ii) capitalised value projections based on annual rental values less outgoings at the rate for the shortest period of the leasehold interest.

The best evidence of fair value is current prices in an active market for artwork. Where such information is not available management consider information from a variety of sources including:

(i) current prices in an active market for artwork of a different nature or recent prices of similar artwork in less active markets, adjusted to reflect those differences.

(ii) Artist and the demand for their work, date and medium used in the preparation, size, quality and condition relative to any deterioration and historic reference if applicable.

7. FINANCIAL RISK MANAGEMENT

Risk Management Framework

The Group recognises that an overall unified Enterprise Risk Management (ERM) framework is essential to create, protect, enhance shareholder/stakeholder value, and achieve its strategic aspirations. As such, the Group is committed to ensuring that ERM practices are embedded into all business processes to drive consistent, effective, and accountable decision making and management practices. In light of this a Risk Management Committee (RMC) is in place that is led by the Chief Executive Officer (CEO) and the Executive Management team. The RMC ensures that key risks are actively and continuously identified, evaluated, controlled, monitored and reported by process owners. The Group's Risk Manager provides guidance to the RMC to ensure the ERM framework is effectively implemented and managed, and the risk culture and ERM process of the Group continually improves.

The principal risks are reviewed regularly to ensure identification of emerging risks or previously identified risks that may have different impacts. Effectively managing risks is the responsibility of all employees. Managers are accountable for allocating required resources to successfully manage risks to acceptable levels.

To ensure that the risk management and reporting system remains effective, a range of independent internal and external assurance processes are in place: Internal Audit , external certifications (ISO 9001:2015 , ISO 14001:2015), assessment or reviews by regulatory bodies and the Group's external auditors.

The Group's Audit Committee oversees compliance with the Group's policies, procedures and the risk management and the internal audit control system. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of internal 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 Group in consideration of its natural and commercial operating environments and has identified the major risks faced by the Group. The Group's risks have been classified into the following major categories and are 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
- Emerging
- Opportunities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk Management Framework (continued)

The determined inherent risk levels (determined by their potential impact, and likelihood of occurrence in the absence of controls) are 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 Risk Management Committee manages and updates the 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.

The Risk Register is reviewed at least twice per year by functional areas to ensure that documented risks and related ratings, responses and actions plans are relevant in the context of the Group's operations. The Group's insurance structures are influenced by the findings of the risk management reviews. The Group's risk management methodology is in accordance with the principles of ISO 31000 Risk Management, and certain elements of the COSO Enterprise Risk Management-Integrated Framework.

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 is continuously refined in response to environmental changes from the internal and external context of the Group. There were no changes in the policies and procedures from prior year.

Operational risk management

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

- credit risk
- liquidity risk
- market 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.

(a) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and deposits with banks and financial institutions, as well as outstanding receivables from related parties, wholesale and retail customers.

The carrying amount of financial assets represents the maximum credit exposure.

The Group currently has a concentration of credit risk related to one foreign customer that contributes over 10% of the Group's revenue. To minimize this risk, sales are transacted with this customer in accordance with the Group's Credit & Delinquency policy.

The Group considers a debt security to have a low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's or BBB- or higher from Standard & Poor's. When estimating the ECLs, the Group considers among other factors the risk rating category and aging of the investment. Each of these are associated with different Probability of Default, Exposure at Default and Loss Given Default. When relevant, the Group also incorporates how defaulted financial assets are expected to be recovered, including the value of collateral or

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

Operational risk management (continued)

(a) *Credit risk (continued)*

the amount that might be received for selling the asset. Based on the Groups assessment all investments at December 31, 2021 were considered low risk, and the loss allowance is not material

Basis for measurement of expected credit losses for trade receivables

Expected credit losses (ECL) on financial assets recognised in profit or loss were as follows.

	2021 $'000	2020 $'000
ECL writeback on trade receivables	6,426	2,138

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

The Group applied the simplified approach to measuring expected credit losses which used a provision matrix based on historic default rates over the expected life of the trade receivables and was adjusted for forward-looking estimates. When estimating the forward-looking rates the Group considered the macroeconomic indicators of unemployment and inflation to be the most closely correlated with movements within the trade receivable portfolios. This is described in policy Note 5 f(i).

On this basis, the loss allowance as at December 31, 2021 was determined as follows:

	Gross carrying amount $'000	Loss Allowance $'000	Expected loss rate %
Current	96,480	359	0%
Past due 0-30 days	34,720	467	1%
Past due 31-60 days	5,595	91	2%
Past due 61-90 days	259	84	32%
Past due 91-120 days	360	5	1%
Past due more than 120 days	35,856	35,002	98%
	173,270	36,008	

On this basis, the loss allowance as at December 31, 2020 was determined as follows:

	Gross carrying amount $'000	Loss Allowance $'000	Expected loss rate %
Current	137,401	4,875	4%
Past due 0-30 days	27,452	1,170	4%
Past due 31-60 days	3,757	321	9%
Past due 61-90 days	455	35	8%
Past due 91-120 days	59	12	20%
Past due more than 120 days	36,570	36,083	99%
	205,694	42,496	

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and/or distributor. However, management also considers factors which may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. There were no changes in the policies and procedures from prior year.

The Group has identified certain concentrations of credit risk related to the geographic dispersion of export customers. It has

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

Operational risk management (continued)

(a) *Credit risk (continued)*

instituted policies and procedures to ensure that credit sales are made to customers with an appropriate credit history. The Group's Credit Committee continues to enforce its credit policy under which each new customer is analysed 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. Sales limits are established for each customer/distributor and are reviewed on an ongoing basis. Any sales exceeding those limits require approval in accordance with the credit approval hierarchy as set out in the Group's credit policy. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on an advance payment basis.

The table below sets out the effect on the Group's consolidated profit or loss of a 1% change to the forward rate assumptions for the expected credit loss.

	1% pa Increase $'000	**1% pa Decrease $'000**
Expected credit loss	1,374	(398)

For the purpose 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 Group. Credit risk assessment presents significant implications for two major categories of debtors: trade receivables and related party receivables.

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. Eligible local customers who trade in high volumes may benefit from adjustments to their credit terms at the year-end. The Group is closely monitoring the economic environment internationally in various markets and is taking actions to limit its exposure to customers in countries experiencing economic volatility. Measures adopted in relation to high risk customers include the establishment of standby letters of credit for certain sales, and requirement for advance payments from certain customers in regions where availability of currency is challenging.

Cash and cash equivalents – 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, investment in short term, easily convertible, liquid assets and maintenance of flexible lines of credit. 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 if banks encounter the risk of financial or operational difficulties. The Group has assessed cash and cash equivalents to be low risk and not material to the financial statements.

Investments – The Group's policy on investments is that the Group may invest in securities which may include, but not limited to, Stocks, Bonds, Mutual Funds, Bank products, Pooled Investment Funds, Repurchase Agreements, Options, Annuities, Hedge Funds, Fixed Deposits, Certificates of Deposits (CD's), Capital Investments, Business Acquisitions and Mergers, Expansion Assets, Plant and Machinery and any other instruments or Assets as approved by the BOD to achieve the Group's investment and growth strategies in line with the Group's risk appetite. The Group's Liquidity and Investment Management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

Operational risk management (continued)

(a) *Credit risk (continued)*

Policy provides requirements for investments and addresses inter alia, investment counterparties and concentration risk. As far as possible, not more than 40% of any Subsidiary surplus and/or 30% of the Group surplus must be placed with any one counterparty. Investments are categorised as Financial assets at amortised cost.

Related party receivables – 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.

(b) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty to meet payment obligations in a timely manner when they become due and the risk that assets may not be convertible into cash when needed. 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. Liquidity measures the ability of the Group to meet its short-term financial obligations. Liquidity risk is also addressed in part through monthly monitoring and reporting of the current ratio. The Group will maintain a minimum current ratio target of two (2) or higher, meaning the Group can easily settle each dollar on loan or accounts payable twice or more. The calculation of the current ratio is done by dividing the current assets by current liabilities. The Group currently has access to an overdraft facility to cover its working capital needs in the amount of $10m.

The Group uses actual costing through a combination of standard costing and recording of variances from actual cost of goods sold to cost its products, which assists it in managing cash flow requirements and optimizing its cash return on investments. Typically, the Group ensures that it has sufficient cash on hand 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.

The following table provides information on the maturity profile of significant contractual obligations.

	Contractual Cash Flows						
December 31, 2021	**Carrying Amount $'000**	**Total Cash Flow $'000**	**2 months or Less $'000**	**2-12 months $'000**	**1-2 years $'000**	**2-5 years $'000**	**More than 5 years $'000**
Lease liabilities	14,503	(21,923)	(1,580)	(3,437)	(2,483)	(3,092)	(11,331)
Trade payables	50,461	(50,461)	(50,461)	--	--	--	--
Other payables	79,642	(62,555)	(13,381)	(49,174)	--	--	--
	144,606	(134,939)	(65,422)	(52,611)	(2,483)	(3,092)	(11,331)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

Operational risk management (continued)

(b) Liquidity risk (continued)

	Contractual Cash Flows						
December 31, 2020	**Carrying Amount $'000**	**Total Cash Flow $'000**	**2 months or Less $'000**	**2-12 months $'000**	**1-2 years $'000**	**2-5 years $'000**	**More than 5 years $'000**
Lease liabilities	14,796	(19,649)	(1,272)	(4,228)	(4,530)	(3,634)	(5,985)
Trade payables	45,192	(45,192)	(45,192)	--	--	--	--
Other payables	66,088	(64,230)	(3,727)	(60,503)	--	--	--
Bank overdraft	17,226	(17,226)	(17,226)	--	--	--	--
	143,302	(146,297)	(67,417)	(64,731)	(4,530)	(3,634)	(5,985)

(c) Market risk

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 to the Group. There were no changes in the policies and procedures from prior year.

(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 US dollar, Euro and Pound Sterling. The risk from other currencies, other than US Dollar is considered not considered significant. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Exposure to currency risk

The Group analyses the exposure of its major export receivables to fluctuations in the United States (US) dollar exchange rate. The US dollar exchange rate has been assessed as presenting the greatest exposure to market risk in the form of currency risk, since the majority of export sales are invoiced and collected in US dollars.

The following is an analysis of financial instruments by US currency:

Year ended December 31, 2021

	USD in (TTD $'000)	**Total (TTD $'000)**	**% of Total**
Trade receivables	53,260	173,270	31%
Cash and cash equivalents	104,757	144,063	73%
Investments	481,562	484,726	99%
Trade payables	(15,260)	(50,461)	30%
Net exposure	624,319	751,598	83%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

Operational risk management (continued)

(c) *Market risk (continued)*

(i) *Currency risk (continued)*

Year ended December 31, 2020

	USD in (TTD $'000)	Total (TTD $'000)	% of Total
Trade receivables	62,008	205,694	30%
Cash and cash equivalents	61,283	74,025	83%
Investments	492,709	495,879	99%
Trade payables	(21,298)	(45,192)	47%
Bank overdraft	--	(17,226)	0%
Net exposure	594,702	713,180	83%

The management of foreign currency risk against exchange gap limits is further supplemented by monitoring the sensitivity of the possible impact on net profits before tax and on equity of fluctuations of the US dollar foreign exchange rate relative to the Trinidad and Tobago dollar.

The table below sets out the effect on the Group's profit or loss of a shift in the US dollar exchange rate against the Trinidad and Tobago dollar. The sensitivity was a 0.3% depreciation/appreciation in the rate of exchange (2020: 0.7%).

The analysis assumes that all other variables, in particular interest rates, remain constant.

	2021	2020
Appreciation/depreciation of TT dollar	0.3%	0.7%

	$'000	$'000
Increase/(decrease) in profit before taxation		
Effect of a depreciation of the TT dollar	(1,873)	(4,163)
Effect of an appreciation of the TT dollar	1,873	4,163

The Group prepared the sensitivity analysis above by applying the percentages rate to the net foreign currency position of financial instruments as at December 31 of the respective years. An analysis of financial instruments by US currency is shown in Note 7(c)(i)).

The Group considers revenue and receivables in US dollars to be the greatest source of currency risk, especially where customers are domiciled in non-US territories. Sales to EMEAA countries are invoiced in US dollars as is the case for the majority of export customers. The primary mitigating factor against currency exposure from sales and receivables is the Group's US dollar denominated purchases and payables. The Group is a net earner of US dollars.

(ii) *Cash flow and fair value interest rate risk*

The Group has interest-bearing assets that are secured by bonds and guarantees. The Group does not have any significant interest-bearing liabilities. The Group finances its operations through the use of working capital and cash reserves. Cash flows are substantially independent of changes in market interest rates, thus the Group is not exposed to fair value or cash flow interest rate risk.

(iii) *Price risk*

The Group does not have a policy for managing price risk as there are no equity securities held by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

Operational risk management (continued)

(d) Capital risk

The Group's policy is to maintain a strong capital base to ensure investor, creditor and market confidence, and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings, and the advantages and security afforded by a sound capital position. Capital is defined as stated capital, reserves, retained earnings and borrowings. Debt to Equity ratio at December 31, 2021 is 0.2 (2020: 0.2). Debt to equity ratio is calculated as total liabilities / total equity.

In managing capital, the Group aims to safeguard its going concern status; provide returns to shareholders and benefits for other stakeholders; and maintain an optimal 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. The Group does not have any regulatory restrictions on Capital. There were no changes in the policies and procedures from prior year.

8 SEGMENT INFORMATION

The Group's chief operating decision maker (CODM), consisting of the chief executive officer and executive management team, examines the group's performance both from a revenue and contribution by business segment perspective and has identified five reportable segments of its business:

i. Rum – includes the manufacture and sale of consumer alcohol products.

ii. Bitters – includes manufacture and sale of the world famous Angostura® aromatic bitters.

iii. LLB – this segment of the business sells and distributes Angostura® Lemon, Lime and Bitters.

iv. Bulk – includes the manufacture and sale of bulk concentrate products such as Current Distillate (CD), Blends and Bulk bitters.

v. Other – consist of both locally manufactured and imported products for sale such as Wines, liquors and other branded Spirits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

8 SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended December 31, 2021 are as follows:

	Rum $'000	Bitters $'000	LLB $'000	Bulk $'000	Other $'000	Total $'000
Revenue	588,509	222,474	28,922	34,408	47,286	921,599
Cost of goods sold	(340,883)	(73,325)	(11,810)	(26,562)	(36,322)	(488,902)
Operating expenses	(139,755)	(63,473)	(14,331)	(5,072)	(10,422)	(233,053)
Results from operating activities	107,871	85,676	2,781	2,774	542	199,644
Finance costs						(1,210)
Finance income						16,040
Group profit before tax						214,474
Tax expense						(56,155)
Profit for the year						158,319

The segment results for the year ended December 31, 2020 are as follows:

	Rum $'000	Bitters $'000	LLB $'000	Bulk $'000	Other $'000	Total $'000
Revenue	588,683	213,047	24,622	34,244	44,803	905,399
Cost of goods sold	(329,796)	(68,994)	(9,621)	(35,654)	(34,242)	(478,307)
Operating expenses	(137,618)	(57,735)	(10,713)	(4,697)	(15,479)	(226,242)
Results from operating activities	121,269	86,318	4,288	(6,107)	(4,918)	200,850
Finance costs						(837)
Finance income						12,727
Group profit before tax						212,740
Tax expense						(67,109)
Profit for the year						145,631

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

8 SEGMENT INFORMATION (CONTINUED)

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

Segments are aggregated based on product nature, as this quality has been assessed as having the greatest impact on trading criteria. Specifically, the following characteristics of trade are influenced by the nature of products:

- Geographical location of customer
- Type of customer
- Extent of marketing investment
- Treatment of selling and logistics expenses.

Rum, Bitters and LLB are branded trade products that carry specific differentiating characteristics, which make them unique to the Group and distinguishable from competitor products. These products are marketed in accordance with approved brand plans. Bulk items are commodity trade products that possess characteristics which can reasonably be attained by comparable producers in the spirits industry. Results from operating activities is used to measure performance for each segment as management believes that such information is the most relevant in evaluating the performance of these segments.

9 REVENUE

The Group derives revenue from the transfer of goods at a point in time in the following major product lines and geographical regions:

	Rum $'000	Bitters $'000	LLB $'000	Bulk $'000	Other $'000	Total $'000
2021						
Local	550,361	4,944	17,968	8,448	43,331	625,052
Export	38,149	217,529	10,953	25,960	3,956	296,547
Revenue from external customers	588,510	222,473	28,921	34,408	47,287	921,599
Timing of revenue recognition						
At a point in time	588,510	222,473	28,921	34,408	47,287	921,599
2020						
Local	556,357	6,360	15,185	13,003	42,198	633,103
Export	32,326	206,687	9,437	21,241	2,605	272,296
Revenue from external customers	588,683	213,047	24,622	34,244	44,803	905,399
Timing of revenue recognition						
At a point in time	588,683	213,047	24,622	34,244	44,803	905,399

Revenue of approximately $103,575 thousand (2020 – $133,913 thousand) is derived from a single external customer. These revenues are attributed to the Bitters segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

10 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings $'000	Plant, Machinery and Equipment $'000	Casks and Pallets $'000	Assets in Progress $'000	Total $'000
Year ended December 31, 2021					
Opening net book value	187,282	127,144	1,236	32,968	348,630
Additions	4,346	3,347	--	17,796	25,489
Transfers	(175)	24,721	--	(24,546)	--
Revaluations	--	227	--	--	227
Adjustments	(151)	638	--	--	487
Disposals	--	(1,163)	(134)	(148)	(1,445)
Depreciation charge	(5,568)	(11,953)	(779)	--	(18,300)
Net book value	185,734	142,961	323	26,070	355,088
At December 31, 2021					
Cost or valuation	217,044	329,922	41,930	26,070	614,966
Accumulated depreciation	(31,310)	(186,961)	(41,607)	--	(259,878)
Net book value	185,734	142,961	323	26,070	355,088

Plant, machinery and equipment includes the art collection. The net book value of property, plant and equipment, excluding fair value adjustment for land, buildings and artwork, is $258,562 thousand (2020: $252,333 thousand).

Assets in progress consists of cost to acquire new machinery and equipment for the upgrade of the manufacturing process. These projects are currently ongoing as at year end and are expected to be completed in 2022.

The Group's freehold land and buildings were last revalued during November 2019 by an Independent Professional Chartered Valuation Surveyor and the art collection was revalued during October 2021 by qualified independent experts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and Buildings $'000	Plant, Machinery and Equipment $'000	Casks and Pallets $'000	Assets in Progress $'000	Total $'000
Year ended December 31, 2020					
Opening net book value	181,385	133,394	3,103	15,609	333,491
Additions	12,219	9,566	--	18,343	40,128
Transfers	1,361	(511)	--	(850)	--
Disposals	(990)	(3,529)	(188)	(134)	(4,841)
Depreciation charge	(6,693)	(11,776)	(1,679)	--	(20,148)
Net book value	187,282	127,144	1,236	32,968	348,630
At December 31, 2020					
Cost or valuation	213,024	302,152	42,064	32,968	590,208
Accumulated depreciation	(25,742)	(175,008)	(40,828)	--	(241,578)
Net book value	187,282	127,144	1,236	32,968	348,630

If land and buildings and artwork were stated on the historical cost basis the amounts would be as follows:

	Land and Buildings $'000	Artwork $'000	Total $'000
As at December 31, 2021			
Cost	144,488	3,419	147,907
Accumulated depreciation	(55,053)	--	(55,053)
Net book value	89,435	3,419	92,854
As at December 31, 2020			
Cost	152,729	3,996	156,725
Accumulated depreciation	(61,744)	--	(61,744)
Net book value	90,985	3,996	94,981

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation expense is included in profit or loss as follows:

	2021 $'000	2020 $'000
Amount included in cost of goods sold	10,880	11,403
Amount included in other operating expenses	7,420	8,745
	18,300	20,148

11 INVESTMENTS

	2021 $'000	2020 $'000
Non-current investments		
Equity securities – at FVOCI	101	108
Debt securities – at amortised cost	3,061	3,060
	3,162	3,168

Debt securities at amortised cost have interest rates of 3.30% and mature in 2023. These consist of Value Added Tax (VAT) bonds issued by the Government of the Republic of Trinidad and Tobago.

	2021 $'000	2020 $'000
Balance at January 01	3,168	108
Additions	--	3,047
Impairment loss	(6)	--
Redemptions	(101)	(51)
Interest received	101	--
Interest amortised	--	64
Balance at December 31	3,162	3,168
Current investments		
Debt securities – at amortised cost	481,564	492,711

Corporate debt securities at amortised cost have interest rates ranging from 1.25% to 5.25% (2020: 2.50% to 4.50%) and mature in 12 months. These consist of repurchase agreements supported by bonds and guarantees issued by the Government of the Republic of Trinidad and Tobago.

	2021 $'000	2020 $'000
Balance as at January 01	492,711	385,495
Additions	473,846	481,542
Redemptions	(501,283)	(387,341)
Interest received	8,565	3,480
Interest amortised	7,368	9,152
Exchange rate difference	357	383
Balance as at December 31	481,564	492,711

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

	2021 $'000	2020 $'000
Trinidad and Tobago dollar	3,164	3,170
United States dollar	481,562	492,709
	484,726	495,879

Finance income generated from investments amounted to $16,040 thousand (2020: $12,727 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

12 DEFERRED TAXATION

	January 01, 2021 $'000	(Charge)/ Credit to profit or loss $'000	(Charge) /Credit to OCI $'000	December 31, 2021 $'000
Deferred tax assets				
IFRS 16 leases	421	(71)	--	350
Medical obligation	6,042	450	(621)	5,871
Advertising provisions	2,997	3,968	--	6,965
	9,460	4,347	(621)	13,186
Deferred tax liabilities				
Revalued buildings	(188)	--	--	(188)
Accelerated tax depreciation	(47,696)	365	--	(47,331)
Retirement benefit asset	(12,928)	(512)	(5,962)	(19,402)
	(60,812)	(147)	(5,962)	(66,921)
Net deferred tax liability	(51,352)	4,200	(6,583)	(53,735)

	January 01, 2020 $'000	(Charge)/ Credit to profit or loss $'000	(Charge) /Credit to OCI $'000	December 31, 2020 $'000
Deferred tax assets				
IFRS 16 leases	99	322	--	421
Medical obligation	5,543	511	(12)	6,042
Advertising provisions	7,915	(4,918)	--	2,997
	13,557	(4,085)	(12)	9,460
Deferred tax liabilities				
Revalued buildings	(188)	--	--	(188)
Accelerated tax depreciation	(46,569)	(1,127)	--	(47,696)
Retirement benefit asset	(12,262)	(683)	17	(12,928)
Unrealised gain	(2,112)	2,112	--	--
	(61,131)	302	17	(60,812)
Net deferred tax liability	(47,574)	(3,783)	5	(51,352)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

13 POST-EMPLOYMENT BENEFIT PLANS

The Group's pension fund is funded by the Group and employees. The unfunded pension and post-retirement medical benefit obligation plans are funded by the Group. The funding requirements are based on the pension fund and medical plan's actuarial measurement performed by an independent qualified actuary.

The plan exposes the Group to actuarial risks such as longevity risk, currency risk, interest rate risk and market risk.

Consolidated Statement of Financial Position

The amounts recognised in the consolidated statement of financial position are represented by:

	2021 $'000	2020 $'000
Fair value of plan assets (Note 13 (i))	398,658	381,741
Present value of retirement benefit obligation (Note 13 (i))	(327,946)	(332,768)
Retirement benefit asset	70,712	48,973

This approved pension plan will provide/provides pension payments to the current and former employees of the Group.

Post-employment benefit obligation

Unfunded pension benefit obligation (Note 13 (ii))	(5,499)	(5,882)

The unfunded pension benefit obligation plan provides lifetime monthly pension payments to three former employees payable by the Group. Pension payments will cease on death with no subsequent payment to any surviving spouse.

Post-retirement medical benefit obligation (Note 13 (iii))	(19,573)	(20,145)

This approved medical plan will provide/provides medical coverage to the current and former employees of the Group.

Total post-employment benefit obligation	(25,072)	26,027

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

13 POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

(i) Movement in retirement benefit asset

	Pension Retirement Benefit Obligation		Pension Plan Fair Value of Plan Assets		Pension Retirement Benefit Net Asset	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Balance at January 01	(332,768)	(319,025)	381,741	367,403	48,973	48,378
Included in profit or loss						
Current service cost	(11,710)	(11,468)	--	--	(11,710)	(11,468)
Interest (cost)/income	(17,937)	(17,222)	21,034	20,266	3,097	3,044
Administrative expenses	--	--	(358)	(331)	(358)	(331)
	(29,647)	(28,690)	20,676	19,935	(8,971)	(8,755)
Included in other comprehensive income						
Remeasurement gain/(loss):						
Actuarial gain/(loss) arising from:						
- experience adjustments	3,775	6,906	--	--	3,775	6,906
- financial assumptions	21,799	--	--	--	21,799	--
- return on plan assets excluding interest income	--	--	(5,531)	(8,095)	(5,531)	(8,095)
	25,574	6,906	(5,531)	(8,095)	20,043	(1,189)
Other						
Contributions paid by Employer and members	(4,572)	(3,914)	15,239	14,453	10,667	10,539
Benefits paid	13,467	11,955	(13,467)	(11,955)	--	--
	8,895	8,041	1,772	2,498	10,667	10,539
Balance as at December 31	(327,946)	(332,768)	398,658	381,741	70,712	48,973

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

13 POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

(ii) Movement in retirement benefit liability

	Retirement Benefit Obligation Plans Unfunded Pension Plan 2021 $'000	2020 $'000
Balance at January 01	(5,882)	(7,503)
Included in profit and loss		
Interest cost	(300)	(389)
Included in other comprehensive income		
Re-measurement gain/(loss):		
Actuarial gain/(loss) arising from		
- financial assumptions	142	--
- experience adjustments	(313)	1,131
	(171)	1,131
Other		
Benefits paid	854	879
Balance as at December 31	(5,499)	(5,882)

(iii) Movement in post-retirement medical benefit liability

	Retirement Medical Benefit Obligation Plan Post-retirement Medical Plan 2021 $'000	2020 $'000
Balance at January 01	(20,145)	(18,476)
Included in profit or loss		
Current service cost	(1,337)	(1,288)
Interest cost	(1,083)	(1,000)
	(2,420)	(2,288)
Included in other comprehensive income		
Re-measurement gain:		
Actuarial loss arising from		
- financial assumptions	1,318	--
- experience adjustments	754	38
	2,072	38
Other		
Benefits paid	920	581
Balance as at December 31	(19,573)	(20,145)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

13 POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

(iv) Summary of principal actuarial assumptions as at December 31

Retirement benefit asset and medical plan

	2021	2020
Discount rate	6.0%	5.5%
Average individual salary increases	4.5%	4.5%
Future pension increases	0.0%	0.0%
Medical cost increases	5.0%	5.0%

Assumptions regarding future mortality rates are based on the published mortality tables.

The life expectancies underlying the value of the retirement benefit obligation as at December 31 are as follows:

	2021	2020
Life expectancy at age 60 for current pensioner in years:		
- Male	21.8	21.8
- Female	26.1	26.0
Life expectancy at age 60 for current members age 40 in years:		
- Male	22.7	22.7
- Female	27.0	27.0

The change in life expectancy was due to a review of the assumed post-retirement mortality rates which was used for valuations of local pension plans. This review was based on the mortality experience for larger plans, together with mortality data published in recent valuation reports on the local National Insurance System.

(v) Summary of post-employment benefit obligation

	2021 $'000	2020 $'000
Post-retirement benefit liability	5,499	5,882
Post-retirement medical benefit liability	19,573	20,145
	25,072	26,027

(vi) Asset allocation

	Pension Plan 2021 $'000	Pension Plan 2020 $'000
Insured managed fund contract	397,518	380,454
Immediate annuity policies	1,140	1,287
Fair value of plan assets	398,658	381,741

The value of the Plan's investment in the managed fund contract at December 31, 2021 was provided by the insurer Colonial Life Insurance Group (CLICO).

The Plan's assets are mostly invested in an insured managed fund contract with CLICO. The value of this policy is reliant on the financial strength of CLICO. Other than the purchase of immediate annuity policies for some of the Plan's pensioners, there are no asset-liability matching strategies used by the Plan.

	2021 %	2020 %
Plan assets are comprised as follows:		
Debt Securities	84.5	87.9
Other (short-term securities)	15.5	12.1
	100	100

In 2021 and 2020, none of the managed fund asset was invested in the Group's ordinary shares.

(vii) Sensitivity analysis retirement benefit net asset

The calculation of the retirement benefit obligation is sensitive to the assumptions used. The following table summarises how the retirement benefit obligation as at December 31, 2021 would have changed as a result of a change in the assumptions used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

13 POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

(vii) Sensitivity analysis retirement benefit net asset (continued)

	Pension Plan	
	1% pa Increase $'000	1% pa Decrease $'000
Discount rate	(40,507)	51,114
Future salary increases	17,403	(15,146)

An increase of 1 year in the assumed life expectancies shown above would decrease the retirement benefit net asset at the year-end by $4,251 thousand (2020: $4,553 thousand).

(viii) Sensitivity analysis retirement benefit obligation

The sensitivity was calculated by re-calculating the retirement benefit obligation using the revised assumptions.

	Unfunded Pension Plan	
	1% pa Increase $'000	1% pa Decrease $'000
Discount rate	(263)	290

An increase of 1 year in the assumed life expectancies shown above would increase the retirement benefit obligation at the year-end by $229 thousand (2020: $245 thousand).

(ix) Sensitivity analysis post-retirement medical obligation

The sensitivity was calculated by re-calculating the post-retirement medical obligation using the revised assumptions.

	Unfunded Pension Plan	
	1% pa Increase	1% pa Decrease
Discount rate	(2,279)	2,793
Medical cost increases	2,726	(2,266)

An increase of 1 year in the assumed life expectancies shown above would increase the net retirement medical obligation at the year-end by $160 thousand. (2020: $177 thousand).

(x) Funding

The Group meets the balance of the cost of funding the retirement benefit plan and must pay contributions at least equal to those paid by the members, which are fixed. The funding requirements are based on the regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above.

The Group insures the medical benefits for retirees with Guardian Life of the Caribbean and pays the entire premium on behalf of retirees.

The Group expects to pay the following in 2022:

	$'000
Pension Plan contribution	10,522
Medical Plan contribution	966
Unfunded pension plan	802
	12,290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

13 POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

(xi) Re-measurement of post-employment benefit obligations recognised in other comprehensive income/(loss)

	2021 $'000	2020 $'000
Pension retirement benefit plan	20,043	(1,189)
Unfunded pension plan	(171)	1,131
Post-retirement medical plan	2,072	38
	21,944	(20)

(xii)Post-employment benefit cost recognised in the statement of cashflows

Pension retirement benefit plan	8,971	8,755
Unfunded pension plan	300	389
Post-retirement medical plan	2,420	2,288
	11,691	11,432

14 INVENTORIES

Raw and packaging materials	78,619	81,875
Maturing inventories	95,380	94,102
Work in progress	62,260	51,878
Consumable spares	3,656	1,365
Finished goods	87,275	67,290
	327,190	296,510
Provision for obsolescence	(5,190)	(4,738)
	322,000	291,772

The cost of inventory recognised as an expense in "cost of goods sold" amounted to $341,576 thousand (2020: $329,312 thousand). Maturing inventories consist of aged rums which are expected to be utilised after more than one year in the normal operating cycle.

15 TRADE AND OTHER RECEIVABLES

	2021 $'000	2020 $'000
Trade receivables - gross	173,270	205,694
Expected credit loss allowance (Note 7 (a))	(36,008)	(42,496)
	137,262	163,198
Receivables from related parties – net (Note 32 (v))	1,206	1,131
Trade receivables – net	138,468	164,329
Prepayments and other receivables	29,561	18,008
	168,029	182,337

Due to the short-term nature of the current receivables, their carrying amount is considered to approximate their fair value. The carrying amounts of the Group's trade receivables are denominated in the following currencies:

United States dollar	53,260	62,008
Trinidad and Tobago dollar	108,696	130,056
Canadian dollar	610	945
Euro	972	990
GBP	9,732	11,695
	173,270	205,694

Movements during the year in the expected credit loss allowance for trade and other receivables were as follows:

At January 01	42,496	44,806
Write off against provision	(2,666)	(1,534)
Decrease in expected credit loss allowance	(3,822)	(776)
At December 31	36,008	42,496
Related party provision (Note 31 (iv))	45	45
Total expected credit loss allowance	36,053	42,541

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

Amounts charged to the expected credit loss 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.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. None of the trade and other receivables of the Group are pledged as collateral for borrowings.

16 INVESTMENT IN JOINT VENTURE

Group	Country of incorporation	Percentage Owned 2021	Percentage Owned 2020
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. This position has not since reversed and the accumulated losses still exceed the 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. There are no commitments or guarantees currently in effect that would require additional amounts to be recognised.

17 CASH AND CASH EQUIVALENTS

	2021 $'000	2020 $'000
United States dollar	104,757	61,283
Trinidad and Tobago dollar	37,734	11,032
Euro	1,572	1,710
Cash at bank and in hand	144,063	74,025

The Group maintains banking relationships with prominent local and foreign banks with a proven history of stability and corporate resilience.

18 SHARE CAPITAL

	2021	2020
Authorised		
Unlimited number of ordinary shares of no-par value		
Number of ordinary shares in issue ('000)	206,277	206,277
Donated shares ('000)	(457)	(457)
	205,820	205,820

	2021 $'000	2020 $'000
Issued and fully paid		
Ordinary shares	119,369	119,369
Donated shares	(811)	(811)
	118,558	118,558

Shares in Angostura Holdings Limited (the ultimate parent), held by subsidiary, Trinidad Distillers Limited were donated to the ultimate parent at the end of 2018. The shares were withdrawn from the Trinidad and Tobago Stock Exchange (TTSE) effective January 07, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

19 RESERVES

	Revaluation Reserves $'000	Foreign currency translation reserve $'000	Total $'000
Balance at January 01, 2021	96,225	3,219	99,444
Revaluation gain (i)	831	--	831
Balance at December 31, 2021	97,056	3,219	100,275
Balance at January 01, 2020	96,225	7,816	104,041
Dissolution of Angostura Canada Inc. (ii)	--	(4,597)	(4,597)
Balance at December 31, 2020	96,225	3,219	99,444

(i) The Art collection was revalued in October 2021 by an independent professional art valuator in accordance with the Group's accounting policies. Land and buildings were revalued in November 2019 by an independent professional chartered valuation surveyor in accordance with the Group's accounting policies. Management evaluated the valuations and did not identify significant changes to warrant a change in the valuations as at year end.

(ii) Angostura Canada Inc. was dissolved in 2020. As such, amounts of $4,597 thousand representing foreign currency translation were transferred to retained earnings.

20 LEASES

The Group leases land and buildings, vehicles and office equipment. The leases typically run for a period ranging between two to nine hundred and ninety-nine (2-999) years, with an option to renew the lease after that date. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on the rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Information about leases for which the Group is a lessee is presented below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

20 LEASES (CONTINUED)

(i) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are disclosed in the consolidated financial statements (see Note 5 (k)). These are shown with the relevant classification within property, plant and equipment in Note 10.

	Land and Buildings $'000	Vehicles and Equipment $'000	Total $'000
Year ended December 31, 2021			
Opening net book value	58,575	3,553	62,128
Additions	3,871	--	3,871
Depreciation charge	(3,138)	(1,918)	(5,056)
Net book value	59,308	1,635	60,943
As at December 31, 2021			
Cost or valuation	67,663	6,682	74,345
Accumulated depreciation	(8,355)	(5,047)	(13,402)
Net book value	59,308	1,635	60,943
Year ended December 31, 2020			
Opening net book value	54,854	5,560	60,414
Additions	7,151	804	7,955
Disposals	(270)	(536)	(806)
Depreciation charge	(3,160)	(2,275)	(5,435)
Net book value	58,575	3,553	62,128
As at December 31, 2020			
Cost or valuation	63,792	6,682	70,474
Accumulated depreciation	(5,217)	(3,129)	(8,346)
Net book value	58,575	3,553	62,128

(ii) Amounts recognised in profit or loss

	2021 $'000	2020 $'000
Interest on lease liabilities	(704)	(835)
Expenses relating to short-term leases	(7)	(585)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	(1,154)	(1,629)
Depreciation expense		
Land and buildings	(3,138)	(3,160)
Vehicles and equipment	(1,918)	(2,275)
	(6,921)	(8,484)

The table below sets out the effect on the Group's consolidated profit or loss of a 1% change to the interest rate assumptions:

	1% pa Increase $'000	1% pa Decrease $'000
Interest on lease liabilities	(74)	77

(iii) Amounts recognised in statement of cash flows

	2021 $'000	2020 $'000
Interest on lease liabilities	(553)	(772)
Principal payments	(3,906)	(3,762)
Total cash outflow for leases	(4,459)	(4,534)

(iv) Lease liabilities

	2021	2020
At January 01	14,796	12,034
Additions	3,871	7,955
Payments	(4,459)	(4,534)
Interest	553	772
Derecognition	(258)	(1,431)
At December 31	14,503	14,796

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

20 LEASES (CONTINUED)

(iv) Lease liabilities (continued)

Lease liabilities as at December 31, 2021 are payable as follows:

	Future minimum lease payments $'000	Interest $'000	Present value of minimum lease payments $'000
Less than one year	5,017	(848)	4,169
Between one and five years	5,575	(1,901)	3,674
More than five years	11,331	(4,671)	6,660
	21,923	(7,420)	14,503
Current	5,017	(848)	4,169
Non-current	16,906	(6,572)	10,334
	21,923	(7,420)	14,503

Lease liabilities as at December 31, 2020 are payable as follows:

	Future minimum lease payments $'000	Interest $'000	Present value of minimum lease payments $'000
Less than one year	5,500	(784)	4,716
Between one and five years	8,164	(1,379)	6,785
More than five years	5,985	(2,690)	3,295
	19,649	(4,853)	14,796
Current	5,500	(784)	4,716
Non-current	14,149	(4,069)	10,080
	19,649	(4,853)	14,796

(v) Extension options

The Group has a lease of property that contains options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessor. The Group assesses this option at the commencement of the lease to determine whether it is reasonably certain to exercise the options. The Group currently has one lease that expired in 2021 and it is reasonably certain this lease will be extended for a further 30 years at a total cost of $7.4m.

21 TRADE AND OTHER PAYABLES

	2021 $'000	2020 $'000
Trade payables	50,461	45,192
Provisions	23,217	9,991
Accruals	34,177	35,847
Other payables	22,248	20,250
	130,103	111,280

Provisions comprise mainly the estimated marketing costs of the Group for which expenses have been incurred during the year for which the claims are expected to be settled in the future.

Analysis of movement in provisions

	2021 $'000	2020 $'000
At January 01	9,991	26,385
Provision utilised	(8,306)	(21,742)
Provision written back	(1,685)	(4,643)
Increase in provision	23,217	9,991
At December 31	23,217	9,991

The table below sets out the effect on the Group's consolidated profit or loss of a 1% change to the estimated marketing provisions.

	1% pa Increase $'000	1% pa Decrease $'000
Provisions	(232)	232

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

21 TRADE AND OTHER PAYABLES (CONTINUED)

Accruals comprise amounts due in respect of known obligations of the Group at the year-end. These include statutory obligations, administrative, selling and marketing costs.

Other payables comprise amounts due in respect of statutory obligations and operating costs which were incurred by the reporting date.

22 BANK OVERDRAFT

	2021 $'000	2020 $'000
Bank overdraft	--	17,226

The Group has access to an overdraft facility that is unsecured in the amount of $10m. This amount is repayable on demand and bears interest at the rate of 7.50% per annum (2020: 7.50%).

23 EXPENSES BY NATURE

Included in results from operating activities are the following operating expense items:

	2021 $'000	2020 $'000
Cost of inventories (Note 14)	(341,576)	(329,312)
Employee benefit expenses (Note 29)	(172,684)	(162,945)
Brand, selling and trade support expenses `	(72,724)	(65,938)
Manufacturing expenses	(22,263)	(30,894)
Technical and advisory services	(21,807)	(19,714)
Corporate service expenses	(18,393)	(15,202)
Depreciation (Note 10)	(18,300)	(20,148)
Repairs and maintenance expenses	(17,263)	(16,687)
Transport and handling expenses	(13,029)	(12,418)
Insurance	(8,473)	(7,673)
Utilities	(8,352)	(6,913)
Facilities expenses	(8,147)	(8,204)
Travel and related expenses	(162)	(2,907)
Other	1,218	(5,594)
Cost of goods sold and other operating expenses	(721,955)	(704,549)

24 OTHER INCOME/(EXPENSES)

	2021 $'000	2020 $'000
Loss on disposal of property, plant and equipment	(1,280)	(4,637)
Dividend income	671	118
Foreign exchange gains/(losses)	792	(804)
Other income	765	2,507
	948	(2,816)

25 FINANCE COSTS

	2021 $'000	2020 $'000
Lease interest (Note 20 (ii))	(704)	(835)
Unsecured borrowings	(506)	(2)
	(1,210)	(837)

26 TAXATION EXPENSE

	2021 $'000	2020 $'000
Current charge	57,891	62,112
Prior year under provision	2,464	1,214
Deferred tax (Note 12)	(4,200)	3,783
	56,155	67,109

The tax on the Group's profit before tax differs from that calculated at the statutory tax rate applicable to profits of the Group as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

26 TAXATION EXPENSE (CONTINUED)

	2021 $'000	2020 $'000
Profit before tax	214,474	212,740
Tax charge at statutory rate	64,342	63,822
Non-deductible expenses	(5,290)	7,873
Prior year under provision	2,464	1,214
Tax uplift on foreign advertising	(4,731)	(5,054)
Income not subject to tax	(630)	(746)
	56,155	67,109

27 DIVIDENDS PAID PER SHARE

Final dividend prior year	61,883	35,067
First interim dividend	18,565	--
	80,448	35,067
Final dividend prior year	30¢	17¢
First interim dividend	9¢	--
	39¢	17¢

A final dividend in respect of 2021 of $0.26 cents per share (2020: $0.30 cents per share) amounting to $53,632,000 (2020: $61,883,000) is to be approved at the next Annual Meeting. If approved, the total dividend for the year will be $0.35 cents per share (2020: $0.30 cents per share) or 16.7% higher than the previous year.

28 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Group by the number of ordinary shares in issue during the year.

	2021 $'000	2020 $'000
Profit for the year, attributable to the owners of the Group ($'000)	158,319	145,631
Number of ordinary shares in issue ('000) (Note 18)	205,820	205,820
Basic earnings per share ($)	77¢	71¢

29 EMPLOYEE BENEFITS

Wages, salaries and other benefits	160,993	151,513
Post-retirement benefit cost (Note 13)	9,271	9,144
Post-employment medical benefit cost (Note 13)	2,420	2,288
	172,684	162,945

30 NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Cash and cash equivalents	144,063	74,025
Liquid investments	481,564	492,711
Bank overdraft	--	(17,226)
Lease liabilities	(14,503)	(14,796)
Net debt	611,124	534,714
Cash and liquid investments	625,627	566,736
Gross debt – fixed interest rates	(14,503)	(32,022)
Net debt	611,124	534,714

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

30 NET DEBT RECONCILIATION (CONTINUED)

	Other assets		Liabilities from financing activities		
	Cash and bank	Liquid investments	Lease obligations	Bank overdraft	Total
Net debt as at January 01, 2021	74,025	492,711	(14,796)	(17,226)	534,714
Cash flows	70,589	(11,504)	3,906	17,226	80,217
New leases	--	--	(3,871)	--	(3,871)
Foreign exchange adjustments	(551)	357	--	--	(194)
Other changes	--	--	258	--	258
Net debt as at December 31, 2021	144,063	481,564	(14,503)	--	611,124
Net debt as at January 01, 2020	107,625	385,495	(12,034)	(11,954)	469,132
Cash flows	(34,819)	107,599	3,762	(5,272)	71,270
New leases	--	--	(7,955)	--	(7,955)
Foreign exchange adjustments	1,219	(383)	--	--	836
Other changes	--	--	1,431	--	1,431
Net debt as at December 31, 2020	74,025	492,711	(14,796)	(17,226)	534,714

31 FINANCIAL INSTRUMENTS BY CATEGORY

	2021 $'000	2020 $'000
Financial assets		
At amortised cost		
Trade and other receivables, excluding prepayments and statutory liabilities	142,289	165,341
Investments	484,625	495,771
Cash and cash equivalents	144,063	74,025
At fair value		
Investments	101	108
	771,078	735,245

	2021 $'000	2020 $'000
Financial liabilities		
At amortised cost		
Trade and other payables, excluding statutory liabilities	113,016	95,025
Lease liabilities	14,503	14,796
Bank overdraft	--	17,226
	127,519	127,047

32 RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties during the year:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

32 RELATED PARTY TRANSACTIONS (CONTINUED)

	2021 $'000	2020 $'000
(i) Sales of goods and services		
- Sales of goods to other related parties	2,875	4,052
(ii) Purchases of goods and services		
- Purchases of services from other related parties:	15,146	14,186

The Group purchases of services relate to slotting fees, property maintenance fees, group life, medical and pension plans.

	2021 $'000	2020 $'000
(iii) Key management compensation		
Short-term employee benefits	6,505	7,066
Post-employment benefits	620	626
	7,125	7,692

Key management compensation includes salaries, incentives, medical contributions, non-cash benefits and contributions to a savings plan and retirement benefit pension plan (Note 13).

	2021 $'000	2020 $'000
(iv) Receivable from CL Financial Limited		
Receivable	984,559	984,559
Provision for impairment of receivable	(984,559)	(984,559)
	--	--

There were no movements in the provision related to the Group's ultimate parent Group receivable during the year.

During 2021 negotiations continued between management of the Group and the liquidator with respect to the settlement of the intergroup receivable. In July 2017, provisional liquidators were appointed to the parent Group and management submitted the claim to the liquidators requesting settlement of the intergroup receivable. As at year end and date of approval of these consolidated financial statements there were no indications that the provision for impairment related to the receivable should be revised.

	2021 $'000	2020 $'000
(v) Receivable from related parties		
Associates	1,233	1,159
Provision for impairment of receivables	(45)	(45)
	1,188	1,114
Key management	18	17
	1,206	1,131
(vi) Analysis of movements in related party impairment provisions:		
Opening balance	45	6,608
Write off against provision	--	(6,563)
Closing provision	45	45

None of the balances are secured.

	2021 $'000	2020 $'000
(vii) Loans to related parties		
Equity-accounted investees	6,021	5,739
Provision for impairment of receivables	(6,021)	(5,739)
	--	--
(viii) Other charges due to related parties		
Other related parties	10	--
Key management	1	1
	11	1

33 CAPITAL COMMITMENTS

At the year-end, capital commitments amounted to $14,390 thousand (2020: $7,770 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2021

34 CONTINGENCIES

The Group was party to certain legal issues at the reporting date for which provisions have been made in these consolidated financial statements. Management is satisfied that provisions held at the year-end in respect of legal matters are reasonable, and such amounts are reported within 'Provisions' in 'Trade and Other Payables' (Note 21) on the consolidated statement of financial position. For other legal matters, Management have assessed these to be contingent liabilities.

The Property Tax Act was assented to on December 31, 2009. The Property Tax (Amendment) Act, 2018 has extended the waiver on the payment of the Property Tax to September 30, 2017. Based on this legal requirement the Group has a contingent liability, however based on the unavailability of key inputs, such as Notice of Assessments and the Annual Taxable Value calculations for each property, the Group is unable to quantify this liability and as such has not recorded a provision for property tax in these consolidated financial statements.

The Board of Inland Revenue audited the Group's 2014 tax returns and assessed a possible tax liability of $3,219 thousand. The Group did not agree to this assessment and the matter is before the Tax Appeal Board.

The following are the contingent liabilities being held with Republic Bank Limited at year end:

Type	In Favor of	2021 $'000	2020 $'000
Customs Bonds	Comptroller of Customs and Excise	8,424	5,140
Cheque Guarantees	Comptroller of Customs and Excise	5,000	5,000
Total		13,424	10,140

35 EVENTS AFTER THE REPORTING DATE

There were 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.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