History mixed with INNOVATION

Our Cocktail for Success

2022

ANGOSTURA®

Annual Report

Photo of Angostura's bar in downtown Port-of-Spain from the 1940's.

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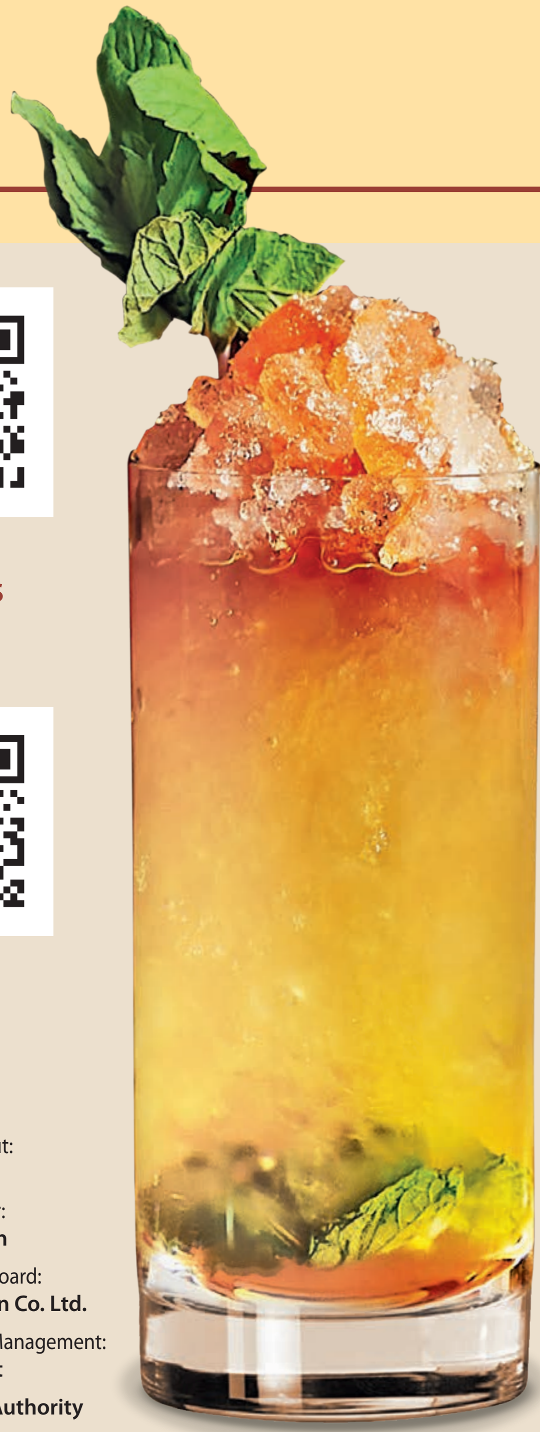

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Scan QR Code to view the **CEO'S OVERVIEW** **on YouTube**

Design and Layout: **The BUZZ Ltd.**

Painting on Cover: **Dermot Louison**

Photography of Board: **Silverpin Design Co. Ltd.**

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Printing: **Office Authority**

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 rums include Angostura® 1824, Angostura® 1787, Angostura® 1919, Angostura® 7 year-old rum, Angostura® 5 year-old rum, Angostura® Reserva, Angostura® Single Barrel, Angostura® Tamboo, Angostura® 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, Blood Orange and Bitters, and Ginger and Bitters.

Along with being a Royal Warrant Holder to Her Majesty Queen Elizabeth II for our ANGOSTURA® aromatic bitters, we have successfully marketed our iconic ANGOSTURA® 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 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. 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

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

VALUES
Integrity | Togetherness | Tenacity | Passion

"Celebrate the **spirit** of Trinidad & Tobago"

CORPORATE *Information*

BOARD OF DIRECTORS

Mr. Terrence Bharath (Chairman)
Ms. Alana Beaubrun
Ms. Franka Costelloe
Dr. Sterling Frost, O.R.T.T
Ms. Ingrid Lashley
Dr. Maryam Richards, C.M.

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: (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: (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*

MR. TERRENCE BHARATH
CHAIRMAN

Notwithstanding the impact of the COVID-19 pandemic, the Group recorded a historic achievement as we crossed the one-billion-dollar revenue mark, which represents the highest recorded sales in the history of the Company.

The Group continued to experience the aftermath of COVID-19, including supply chain disruptions, the escalating cost of production related to raw material price increases and general global inflationary pressure. In response to market conditions, the Group engaged in planned market recovery costs, by investing in innovation and reinvigoration of our markets.

As a result of the planned investments in the expansion of our portfolio and the deepening of our relationships within our markets, combined with increased cost of production and distribution driven by the global economy, the operating margin declined to 18% compared to 21.7% in 2021 and the Profit before Tax was $204m, which was 5% below the prior fiscal year.

The Group's ability to achieve revenue growth of 11.8% when compared to the previous year and to surpass the one-billion-dollar revenue mark during a challenging and uncertain period is a testament to its resilience and tenacity.

"...the Group recorded a historic **achievement**..."

SEGMENTS & MARKETS

The global markets continued to outperform expectations in various countries, with an overall revenue growth of $108.3m. This was driven by North America and Europe collectively growing by $56.7m or 34% over prior year. Consolidation of the Bitters distributor network coupled with the reopening of the on-trade channel with heavy focus on the drinks and cocktail strategy mainly accounted for the results in North America. The implementation and roll-out of brand strategy contributed to the growth in the European markets. In addition, the Group showed strong Bitters growth in the Latin American markets with an increase of $4m or 68% over prior year due to strengthening of the distribution networks.

With the full reopening of local trade channels in 2022, local branded revenue improved by 6.3% or $38.7m over prior year of which locally manufactured products represented 77% and the imported portfolio represented 23%. The Group adapted its imported portfolio to cater to niche markets and meet consumer demands by offering additional products within the wines and spirits category at our Solera retail outlets.

Our continued investment in the Caribbean Premier League facilitated growth in the Angostura® Chill segment with the local and export markets increasing by 12% and 31% respectively. The Group's commitment to innovation with the introduction of the Angostura® Chill - Ginger and Bitters flavour in Q4 of 2022 also contributed to growth in this segment.

PROFITABILITY

During fiscal 2022, the Group's profitability performance continued to be impacted by the aftermath of the COVID-19 pandemic. The rising cost of raw materials adversely impacted production overheads across all product categories, resulting in a decline in the gross profit margin to 46%, compared to 47% in 2021.

The Group's market recovery strategy included investing in innovation and boosting our market position. Hosting of the Global Distributors Forum in New York, USA was critical to re-establishing connections with our distributors and realigning our strategic plans for international growth. Additionally, marketing expenditure was in line with our long-term innovation strategy and included brand asset development for Tamboo Spiced Rum. These investments and strategies demonstrated the Group's continued commitment to providing products of the highest quality standards and building global brands.

The Expected Credit Loss (ECL) increased year on year by $13.8m, due mainly to the increase in the trade receivables portfolios across the Group.

"Overall
Revenue Growth
was **$108.3m**..."

Net finance income generated from returns on our investment portfolio, which grew by 33.6%, helped to bolster profit before tax. Profit after tax was $145.2m, which represented a decrease of 8% over the prior fiscal year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

The Angostura Board of Directors is committed to ensuring that ESG is incorporated into its corporate strategy. Through our projects and strategic partnerships, the Group will continue to build a positive and lasting legacy, by creating economic, social and environmental value, within a robust governance framework, as a responsible corporate citizen. As we move forward, increased focus will be placed on the triple bottom line as we set out to measure and set goals based on our impact on people, planet and profit.

Key initiatives in 2022 focused on education, strengthening family ties, the environment and continued investment in the fenceline community. The

Group's Corporate Social Responsibility (CSR) focused on assisting persons to broaden their skills which empowered them to rebuild their lives following the economic fallout from the pandemic.

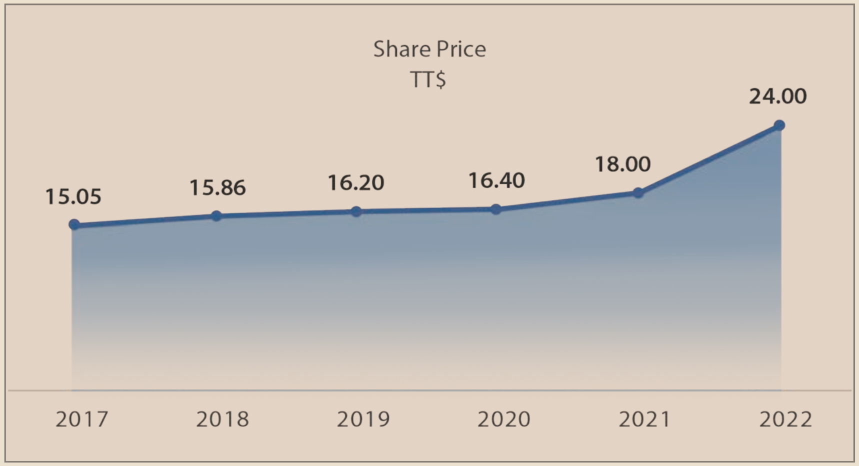
The Group maintains its tradition of excellence by aligning itself with initiatives focused on the United Nations Sustainability and Development Goals that make a lasting impact on the lives of others in society.

DIVIDEND

The Board of Directors is pleased to recommend a final dividend in respect of the year ended December 31, 2022 of $0.25 per share, which will result in a total dividend of $0.35 per share declared for 2022, which is consistent with the prior year. This dividend will be paid on July 31, 2023, to shareholders on record as at July 12, 2023. To facilitate this payment, the shareholders' register will be closed on July 10, 2023.

SHARE PRICE

The share price has appreciated by 59% over the period 2017 to 2022, showing steady increases year over year.



CLOSING REMARKS

On behalf of the Board of Directors, I would like as always to commend and thank our staff, who have worked assiduously to attain this historic milestone of crossing the one-billion-dollar revenue mark. As we continue to navigate the impact of the COVID-19 pandemic, focus will be placed on strategies for innovation, global expansion and sustainability. The Group is excited about the future as we get closer to our 200-year anniversary. We expect that our strong product portfolio and dedicated Angostura team will deliver growth and increased value to you, our shareholders.

TERRENCE BHARATH
CHAIRMAN

CEO'S *Overview*

MR. LAURENT SCHUN
CHIEF EXECUTIVE OFFICER

The Group achieved a great performance in 2022, reaching for the first time revenue over $1Billion, despite a tumultuous global economic and geopolitical, post-pandemic environment. This is a result of the commitment of the Angostura team and of an ambitious investment behind our brands, both locally and internationally to ensure present and future sustainable growth.

"...first time Revenue over $1Billion ..."

The world economy struggled to emerge from the impact of the COVID-19 pandemic, as supply chain disruptions, rising freight costs and higher commodity prices were the new reality and order of the day. Slowed economic growth, reduced Gross Domestic Product (GDP) and rising food prices in the local economy further complicated the local and regional trading environments. Strong exports drove revenue growth with the reopening of bars and restaurants, as a dynamic cocktail culture led to increased ANGOSTURA® bitters consumption.

MARKET ASSESSMENTS

The Group's regional business consists of sales in the local, CARICOM and duty-free markets. Collectively this segment of the business achieved an 8% revenue growth in 2022 compared to 2021.

The Group's international business was able to surpass the revenue recorded in 2021 by 21%, due to increased demand for our branded products in international markets, led by Bitters and premium rums. The Group's continued investment in its regional and international markets contributed to the record-breaking revenue attained in 2022.

HISTORY MIXED WITH INNOVATION

Continuous innovation remained an important part of the Group's strategy in 2022. This was evidenced by three product launches. The first was the global launch of the ultra-premium rum Angostura® Zenith in June 2022. This limited-edition rum showcased the versatility of Angostura's rum blending history and legacy. This unique blend is never to be repeated and is quite literally a slice of history in a bottle, to become part of the rum legacy of Trinidad and Tobago.

The second innovation was the launch of a retrospective limited-edition rum from the Fernandes family with the return of Ferdi's rum. The rum is no longer in production; however, a limited special production run was done in August 2022 to celebrate the 60th anniversary of Trinidad and Tobago's Independence.

The final innovation was the launch of Angostura® Chill - Ginger and Bitters flavour in December 2022. The ginger flavour is a welcome addition to the Angostura® Chill range which demonstrates the versatility of the Group's new product development team in the non-alcoholic drinks category.

OUR TEAM

The Group successfully maintained its strategy of ensuring our employees and their families were fully supported as Trinidad and Tobago emerged from the pandemic. The objective was to develop a culture of perseverance through focus on a healthy employee engagement strategy. All avenues of safety and well-being were promoted through programmes and people practices intended to keep employees safe in the workplace from a health and safety perspective.

Mental health management, physical fitness awareness and ensuring a healthy work-life balance remained of paramount importance to the Group as we sought to increase employee engagement and retention. Specific programmes were deployed in support of these objectives, including an employee satisfaction pulse survey. Responses obtained highlighted that the main drivers of employee satisfaction and engagement were strategic alignment, leadership, people management practices and work systems and processes. Results showed that participants were proud of the rich history of the Group, the global recognition that its brands enjoy, and the top quality of the products produced.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Driven by the commitment of our Board of Directors, the Group is focused on ensuring that ESG is incorporated into its corporate strategy. We have crafted our roadmap and are well on our way to this objective.

Our commitment to sustainability and making a positive impact in our communities was recognized in the Corporate Sustainability Review for 2022, in which Angostura was listed on the Honour Roll and identified as a company that delivered social programmes which were consistent with the principles and objectives of the United Nations Sustainable Development Goals.

The following is a discussion of our Corporate Social Responsibility (CSR) and sustainability efforts for 2022.

CORPORATE SOCIAL RESPONSIBILITY

The Group has an ongoing record of investing in local communities. In 2022, the Group's CSR initiatives were focused on assisting persons to broaden their skills and empower them to rebuild their lives in the new, post-pandemic economy.

The Group collaborated with Non-Governmental Organizations (NGOs), and other groups on several projects and initiatives targeted at communities throughout the country. These groups included Habitat for Humanity via a Construction Technology Training Workshop for men in the Laventille and Morvant communities, and Families in Action with the launch of a 6-month pilot programme called the She-Ra Project, aimed at empowering young women selected from across Trinidad and Tobago. The Group also renewed its commitment to supporting the 'Link to Learn' programme - a joint initiative with the Loveuntil Foundation – for a second year. The three-year programme was created to enhance the quality of life and empower youth from the fenceline community of Morvant/Laventille.

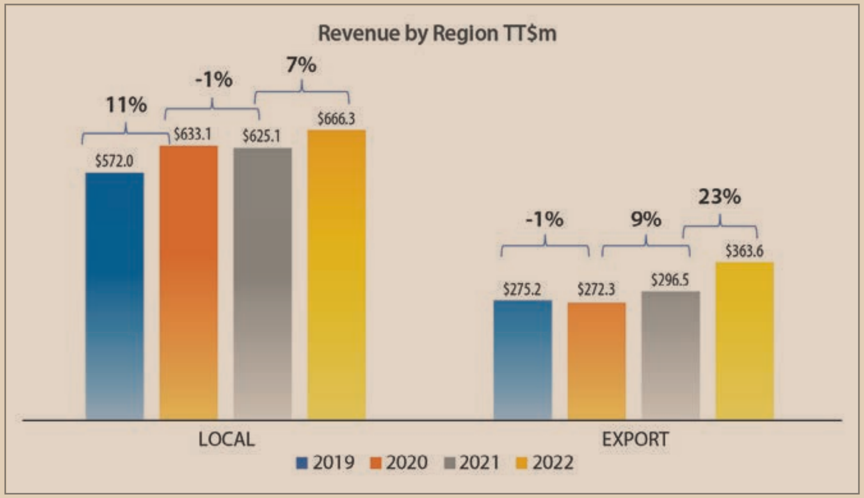
Further initiatives included coastal clean-ups and educating communities on proper waste disposal strategies. In the sister island of Tobago, the Group collaborated with the Tobago NGO, YahWeh Foundation, to assist in several of their programmes which included one-on-one counselling, small teen-group sessions with a mental health focus and providing tutors for students.

Finally, two premier projects undertaken by the Group were its participation in the PatriARTism art exhibition as part of Trinidad and Tobago's celebration of its 60th anniversary of Independence and the Angostura Youth Champions Awards 2022 which was realigned to focus on youth who have persevered through personal challenges and adversities to make a significant difference to their lives and the lives of others.

The Group is proud of its CSR efforts in 2022 which focused on meaningful and impactful projects and endeavours as the country sought to emerge post pandemic.

SUSTAINABILITY

Our Water Resource Recovery and Anaerobic Digester facility (WRRAD) 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. In 2022, the plant exceeded expectations and processed a total of 114,366 cubic meters of waste versus a budget of 100,800 cubic meters (exceeding target by 13%) thereby facilitating the production of 5.9 million Litres of Alcohol (LOA) of current distillate. This was a 36% increase over 2021 in terms of waste treated and a 51% increase in terms of current distillate manufactured. The Group will continue to further optimize the plant's performance as waste treatment capacity is directly correlated to distillery output.



FINANCIAL PERFORMANCE

Revenue increased by 11.8% to $1.03b compared to $921.6m recorded in 2021, making this a significant milestone in the Group's history and in the local manufacturing sector. This is the Group's sixth consecutive year of top line growth - a monumental achievement despite the continuing impact of the COVID-19 pandemic which caused supply chain disruptions, escalating costs, raw material price increases and global inflationary pressures. Investment in further growing regional and international markets heavily contributed to revenue. The Group also strengthened its distribution networks with heavy focus strategically directed to drinks and cocktails in the on-trade channel.

The Group continued to maintain a strong Balance Sheet, with liquid assets and low leverage. The Group's assets increased by 7.7% to $1.7b.

CLOSING REMARKS

The Executive team remains committed to achieving the strategic objectives of the Group. This historic 2022 revenue achievement is evidence that we have built a resilient and dynamic team that continues to excel.

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 2023 and beyond.

LAURENT SCHUN
CHIEF EXECUTIVE OFFICER


15
YEARS AGED
HOUSE OF ANGOSTURA
EST. 1824
ANGOSTURA
CARIBBEAN RUM
TRINIDAD & TOBAGO
1787
SUPER PREMIUM RUM
AGED FIFTEEN YEARS
PRODUCT OF TRINIDAD & TOBAGO
40% Alc./Vol
750ml
EST. 1824

BOARD OF *Directors*

(L to R) Dr. Sterling Frost O.R.T.T, Ms. Franka Costelloe, Mr. Terrence Bharath - Chairman, Ms. Ingrid Lashley, Dr. Maryam Richards C.M., Ms. Alana Beaubrun

BOARD OF DIRECTORS

The Board of Directors comprises six Directors. They are:

Mr. Terrence Bharath (Chairman)

Ms. Alana Beaubrun

Ms. Franka Costelloe

Dr. Sterling Frost O.R.T.T.

Ms. Ingrid Lashley

Dr. Maryam Richards C.M.

The biographies of the Directors are as follows:

MR. 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 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 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, Pensions, 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 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-six years Mr. Bharath has sat on fifteen 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 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 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 thirteen 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.

MS. 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 served as a member of the Board/ Executive Committee until 2022. 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.

Ms. Beaubrun was most recently awarded the Maxine Barnett Award for HR Excellence from the Human Resource Management Association of Trinidad and Tobago (HRMATT) in November 2022 at their inaugural Legacy Awards.

MS. FRANKA COSTELLOE DIRECTOR

Ms. Franka Costelloe is a Director of Lifetime Roofing Ltd., a full-service speciality manufacturer and contractor of roofing architectural and structural systems that is registered in Trinidad and Tobago and trading broadly across the Caribbean region and South America.

An entrepreneur with a strong commitment to excellence, she has been instrumental in transforming Lifetime's business over the last eighteen years. The recent technology thrust to include online trade and integrate systems is improving efficiencies for the company and setting a model for doing business differently, while simultaneously strengthening the company's export potential.

During her tenure, she has served in various capacities in the company, including Human Resources, Accounts, Project Management, Sales and Marketing, contributing to a resilient organization that can effectively weather the volatility of today's trading space.

Ms. Costelloe sat on the Board of Trinidad and Tobago Manufacturers Association (TTMA) for eight years and held the role of TTMA president during the period May, 2019 to April, 2021. As a thought leader and strategist, she actively promotes technology as the catalyst for driving critically needed efficiencies in the manufacturing sector. Ms. Costelloe was instrumental in the creation of the TTMA Export Strategy, appended to National Strategy, to double exports to $7b by 2025 as a means for transforming the local economy.

More recently, Ms. Costelloe has been positioned as an industry advocate and is vocal on trade issues - particularly on creating a more enabling business environment that attracts investors and facilitates manufacturing export growth. Recognized for a deep commitment to national development and a passion for all things local, she is a strong advocate for investment in MSMEs, and encourages public and private sector support for entrepreneurial initiatives as an important solution to the diversification challenge for T&T.

She sits as the Chairperson of InvesTT and First Citizens Trustee Services Limited and is a Director on the Boards of First Citizens Bank Limited, First Citizens Bank (Barbados) Limited, First Citizens Costa Rica S.A. and First Citizens Group Financial Holdings Limited where she brings expertise in operational negotiations with both governmental and private institutions. Ms. Costelloe also sits as a Director on the Boards of The Heroes Foundation, Angostura Holdings Limited, Angostura Limited and Trinidad Distillers Limited.

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

DR. STERLING FROST O.R.T.T. DIRECTOR

Dr. Sterling Frost O.R.T.T. 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.

Dr. Frost has a Master's degree and a Doctorate in Business Administration from The University of the West Indies (The UWI). He retains the designation of Accredited Director as well as Chartered Secretary from the Chartered Governance Institute of Canada. He is also a University of California, Berkeley certified Executive Coach and a Prosci certified Change Practitioner.

In February 2019, he was the first person in the history of the University of the West Indies to be appointed Professor of Practice - Management Studies, in recognition of his professional competence, distinguished practice, notable teaching and service contributions. He is the recipient of The UWI Inaugural Distinguished Alumni Award conferred in 2011 on high-performing individuals who consistently operate at world-class levels.

In 2021, the Institute of Banking and Finance of Trinidad and Tobago in its thirty-one-year history of granting Fellowship Awards, honoured Professor Frost as the first person to be conferred a Fellowship Award in the category of *Substantial Contribution towards the Advancement of Knowledge of the Theory of Banking and Finance*.

In 2022, Professor Frost was awarded the highest national honour – The Order of the Republic of Trinidad and Tobago (O.R.T.T.) for distinguished and outstanding service to Trinidad and Tobago in the spheres of Banking, Education and Community Service.

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, Deputy Chair of the Statutory Authorities Service Commission, Assessor/Advisor to the Industrial Court of Trinidad and Tobago and Director of the St. Lucia Electricity Services Limited.

MS. INGRID LASHLEY DIRECTOR

Ms. Ingrid L-A Lashley was appointed to the Board of Directors of Angostura Holdings Limited and its subsidiaries in July 2016 and is the Chairman of the Audit Committee. She also represents the interest of Angostura Limited as Chairman of Tobago Plantations Limited.

Ms. Lashley retired from full-time employment in July 2017 as the Managing Director and Chief Executive Officer of Trinidad and Tobago Mortgage Finance Company Limited (TTMF). During her tenure, the company became a significant contender in the mortgage market, focusing on its role as the Government's partner in providing housing for the low and middle-income sectors, while expanding its reach to every sector of residential financing. Ms. Lashley was instrumental in the proposal for the merger of TTMF and the Home Mortgage Bank to provide sustainable funding to the housing market into the future.

Prior to joining TTMF, Ms. Lashley spent eighteen years at Scotiabank Trinidad and Tobago Limited in various senior positions in financial control, private banking and wealth management, trusteeships and merchant banking, exiting at the Executive level. Her banking career also allowed for assignments at the bank's operations in Toronto, the Cayman Islands and the Bahamas.

In October 2022, The University of the West Indies awarded Ms. Lashley the Doctor of Laws Degree (Honoris Causa) for her work in corporate banking and finance. In addition to a Bachelor of Commerce in Accounting and Finance (Cum Laude) from Concordia University, she also holds a Master's Degree in Business Administration with a concentration in Accounting and Finance from McGill University, both universities located in Montreal, Canada. Ms. Lashley carries the professional designations of Certified Management Accountant (CMA), Certified Public Accountant (CPA) and Chartered Accountant (CA). She serves as Chairman of the Disciplinary Committee of the Institute of Chartered Accountants of Trinidad and Tobago and is a Fellow of the Institute of Banking and Finance of Trinidad and Tobago.

Ms. Lashley is the Chairman of National Enterprises Limited, in which capacity she also sits on the Boards of the Investee Companies, Telecommunications Services of Trinidad and Tobago Limited, Trinidad Nitrogen Company Limited, the Power Generation Company of Trinidad and Tobago Limited and Pan West Engineers and Constructors LLC. In addition to her role at Angostura, Ms. Lashley is the Chairman of two other publicly traded companies. She also holds directorships in small entrepreneurial companies where her focus is the mentoring and coaching of tomorrow's leaders to create new business opportunities and business growth at the regional level.

Ms. Lashley's vast experience in leadership and corporate governance supports her endeavours in mentorship and coaching. She has participated in seminars and conferences, speaking on topics related to financial services, governance and women in leadership, to name a few topics she would have explored with her audiences over the years. In her 2017 TEDx talk, "How I broke the glass ceiling before I knew it existed", Ms. Lashley explored the opportunities for women to prove themselves worthy of passing through the 'glass ceiling' and the responsibility to mentor those in their charge, male and female alike.

Despite her demanding professional life, Ms. Lashley finds time for involvement in Trinidad and Tobago's culture and social life, the Board of Management of her alma mater, Bishop Anstey High School, and Rainbow Rescue, a Home of Hope for displaced boys. She has also been active in the pan fraternity through her associations with Starlift Steel Orchestra, Phase II Pan Groove, Pan Trinbago Investment Company Limited, and the International Steelband Foundation.

DR. MARYAM RICHARDS C.M. DIRECTOR

Dr. Maryam Richards 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). She was appointed to the Board of Angostura Holdings Limited (AHL) in November 2021.

In September 2022, Dr. Richards was awarded the Chaconia Medal Gold, TT's second highest national award for leadership in Public Health. In May 2022, she represented Trinidad and Tobago as the Vice Chair of the 75th World Health Assembly at the Palais des Nations, Geneva, Switzerland.

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. Richards is also a 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) focused on youth development and mentorship. She also serves as an Executive Board Member of The Shelter (for Battered Women). In December 2020, Dr. 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.

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, 2022 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, 2022 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. Ms. Lashley resigned as a Director of E-IDCOT on February 24, 2022.

INTEREST OF DIRECTORS, SENIOR OFFICERS AND CONNECTED PERSONS AS AT DECEMBER 31, 2022

SHAREHOLDINGS OF DIRECTORS AND EXECUTIVES OF ANGOSTURA HOLDINGS LIMITED AS AT DECEMBER 31, 2022

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
*Dr. Sterling Frost	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

*Mr. Ian Forbes acted as the Chief Executive Officer for the period December 2021 to January 2023.
*Ms. Ann-Marie O'Brien acted as the Chief Operating Officer for the period December 2021 to January 2023.
*Ms. Hema Ramkissoon resigned from the position of Executive Manager- Marketing with effect from July 31,2022.
*Mrs. Michal Andrews resigned as a Director of the Board with effect from January 4, 2022.
*Dr. Sterling Frost was appointed as a Director of the Board with effect from January 25, 2022.
*Mr. Fabio Di Giammarco resigned as a Director of the Board with effect from January 31, 2023.
*Ms. Ginelle Lambie resigned from the position of Chief Financial Officer with effect from March 24, 2023.

TOP TEN SHAREHOLDERS AS AT DECEMBER 31, 2022

NAME	SHAREHOLDINGS	PERCENTAGE
RUMPRO COMPANY LIMITED	92,551,212	44.97%
NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED	61,677,011	29.97%
NATIONAL INSURANCE BOARD	9,665,190	4.70%
COLONIAL LIFE INSURANCE COMPANY (TRINIDAD) LTD	5,294,866	2.57%
TATIL LIFE ASSURANCE LIMITED A/C C	1,900,000	0.92%
TATIL LIFE ASSURANCE LIMITED	1,866,716	0.91%
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%
FIRST CITIZENS ASSET MANAGEMENT LTD - PT36	1,364,205	0.66%

FINANCIAL RESULTS FOR THE YEAR

The Directors present this Summary Statement of Account for the year ended December 31, 2022.

	2022		2021	
	Per Share $	$million	Per Share $	$million
Profit attributable to Shareholders	0.71	145.2	0.77	158.3
Other Reserve Movements	0.01	2.10	0.00	0.8
Dividends on Ordinary Stock	0.35	72.0	0.35	72.2
Interim Dividend	0.10	20.6	0.09	18.6
Final Dividend	0.25	51.5	0.26	53.6
Retained profits from previous year	5.42	1,115.9	4.97	1,022.6
Retained profits at end of the year	5.66	1,165.5	5.42	1,115.9

DIVIDENDS

The Directors have recommended a final dividend in respect of the year ended December 31, 2022 of $0.25 per share, which would result in a total dividend of $0.35 per share for the year.

AUDITORS

The auditors of the Company for the financial year ended December 31, 2023 will be appointed at the Annual Meeting.

By Order of the Board

Kathryna Baptiste Assee
Corporate Secretary
April 28, 2023


HOUSE OF ANGOSTURA
EST. 1824
ANGOSTURA
CARIBBEAN RUM
TRINIDAD & TOBAGO
1919
FROM THE HOUSE OF ANGOSTURA
PREMIUM GOLD RUM
DELUXE BLEND
PRODUCT OF TRINIDAD & TOBAGO
40% Alc./Vol.
750ml
EST. 1824

EXECUTIVE *Team*

(L to R) **Mr. Alejandro Santiago - Executive Manager, Regional Sales, Mr. Rahim Mohammed - Executive Manager, Corporate Services, Mrs. Melissa Sophia Charles-Barber - Executive Manager, Marketing** (effective March 1, 2023), **Mr. Laurent Schun - Chief Executive Officer** (effective January 23, 2023), **Mrs. Kathryna Baptiste Assee - Group General Counsel/ Corporate Secretary, *Ms. Ginelle Lambie - Chief Financial Officer** (CFO), **Mr. Ian Forbes - Chief Operating Officer**

**Ms. Ginelle Lambie resigned from the position of CFO on March 25, 2023 and Mr. Amar Seechan assumed the said role on April 3, 2023.*

FINANCIAL OVERVIEW

The following discussion and analysis set out Management's perspective on the Company's consolidated financial statements as well as insight on key operational aspects for the year ended December 31, 2022.

This Management discussion and analysis should be read in conjunction with the audited consolidated financial statements that have been included as part of the Annual Report. The Group's accounting and reporting policies conform to the relevant financial reporting standards and global industry best practice.

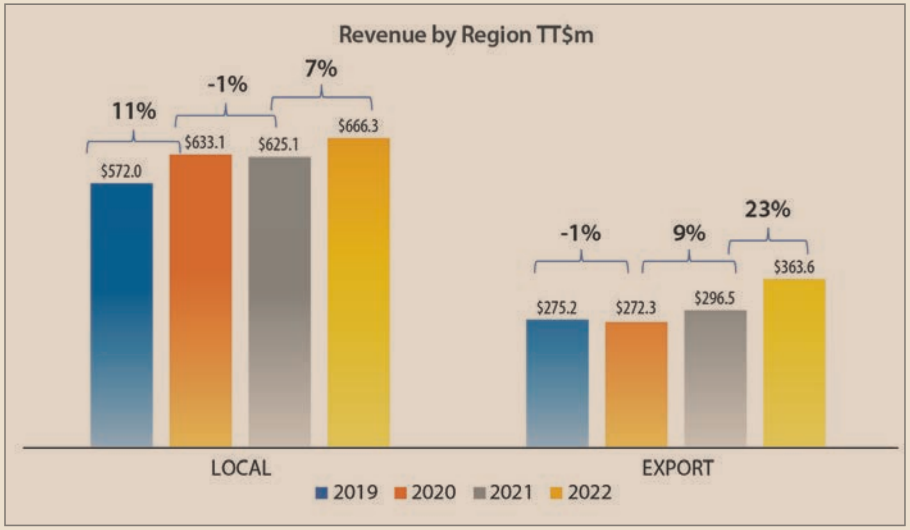
The details and information set out in this section are intended to assist readers in understanding the Group's financial performance in 2022 (compared to the prior year) as well as provide some insight into the strategies contributing to the said financial performance.

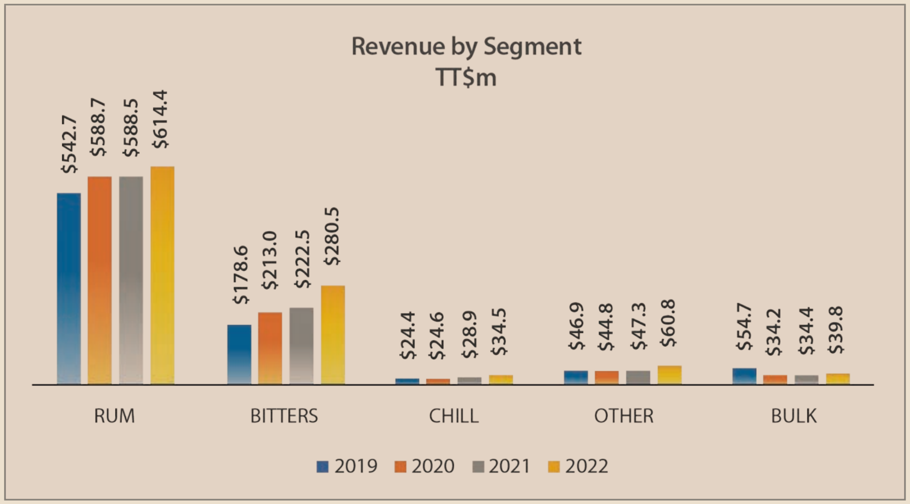
REVIEW OF KEY FINANCIAL INDICATORS

REVENUE

For the first time in its history, the Group crossed the one-billion-dollar revenue mark and earned revenue of $1.03 Billion, which represented growth of 11.8% over prior fiscal year. Local revenue contributed to $666.3m or 65%, while exports contributed to $363.6m or 35%.

The global markets continued to perform well in various countries and contributed to 62% of revenue growth when compared to 2021. Revenue increased by $108.3m of which Bitters accounted for 54%. Given the reduction of certain COVID-19 restrictions in 2022, there were increases in local and international sales of rum and Bitters that contributed heavily to the overall revenue figure. The charts outline revenue by region and by product segment.



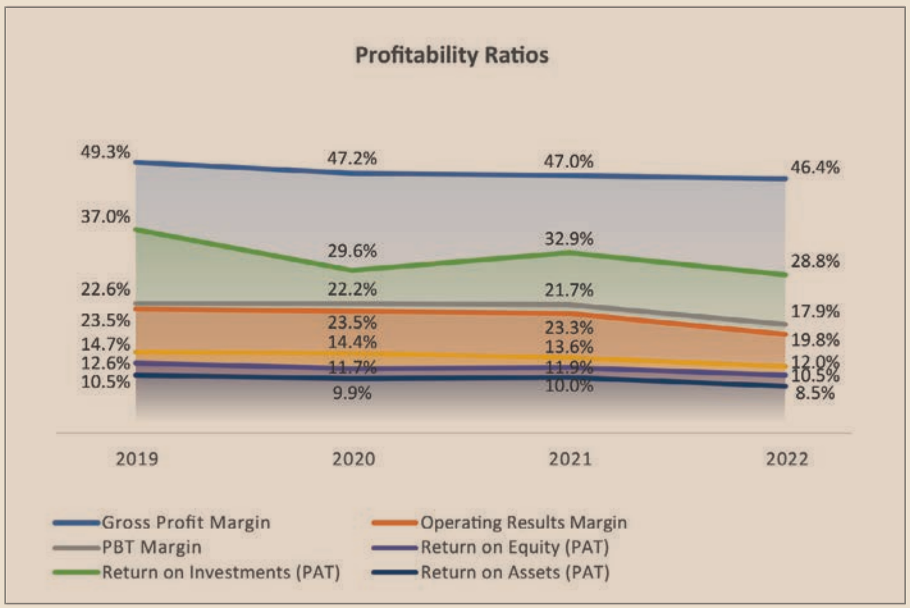


PROFITABILITY

Profit after tax stood at $145.2m for the year ended December 31, 2022, which represented a decrease of 8% over the prior fiscal year.

The decrease in profit after tax was primarily due to the continued impact of the COVID-19 pandemic, including supply chain disruptions, the escalating cost of production related to raw material price increases and general global inflationary pressure. These items adversely impacted the cost of raw materials and production overheads across all product categories, resulting in a decline in the gross profit margin to 46%, compared to 47% in 2021.

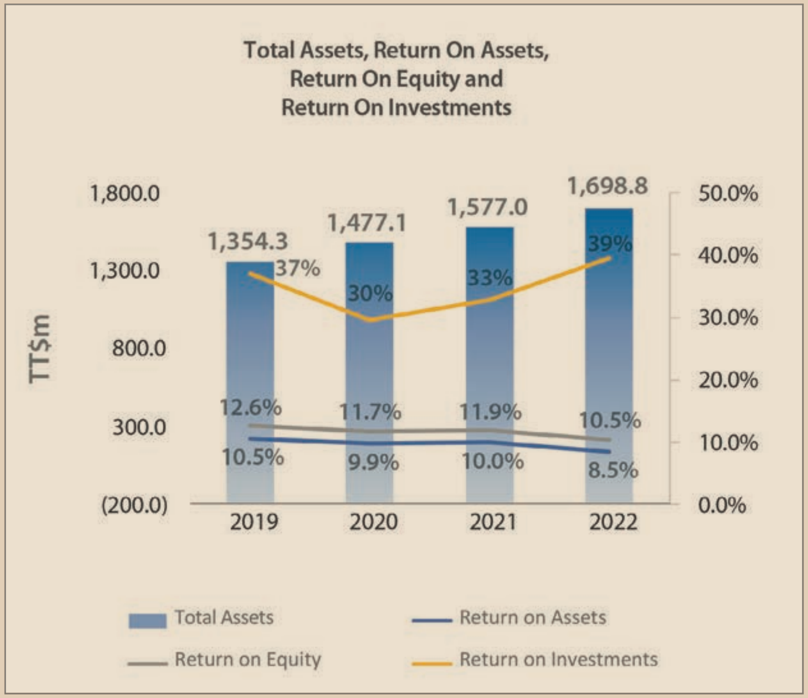
To counteract these challenges, the Group engaged in planned market recovery costs, by investing in innovation and reinvigoration of our markets (locally and internationally). The summary consolidated statement of profit and loss highlights the key contributors to Angostura's performance in 2022 when compared to 2021.



While the strategies implemented led to a growth in revenue, the increase in the cost of doing business was clearly evident as noted by the marked increases in the cost of goods sold and selling/marketing expenses.

BALANCE SHEET ANALYSIS

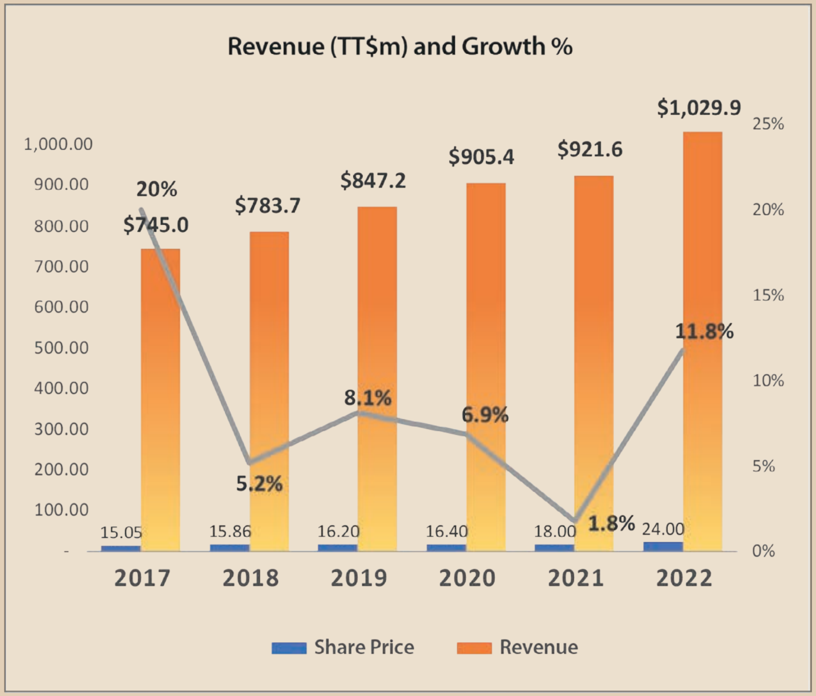
In 2022, the Group's assets increased by 7.7% to $1.7b, thereby strengthening our financial position from a balance sheet perspective. The increase in return on investments from 2020 to 2022 further illustrates the Group's financial strength amidst the adverse impact of COVID-19. The chart below shows key financial performance indicators, including Total Assets, Return on Assets and Return on Investments.

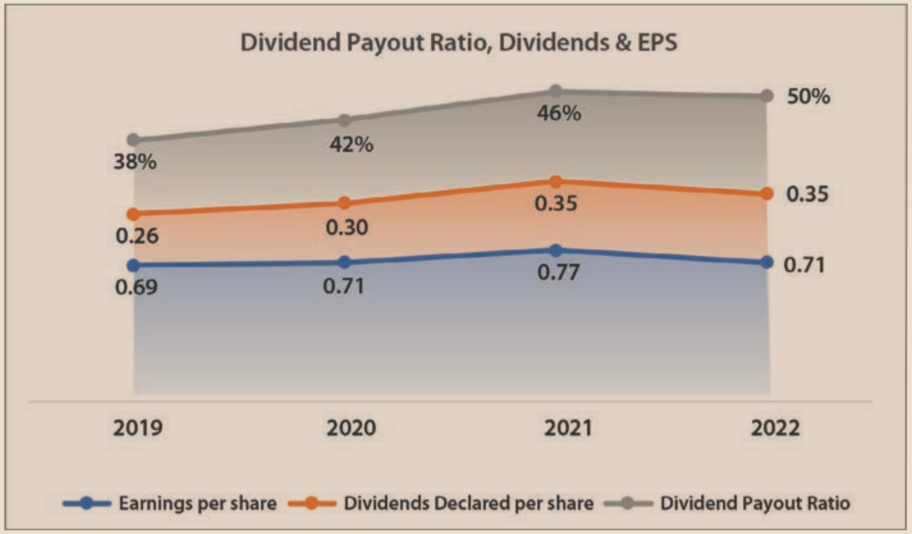


SHAREHOLDER DETAILS (DIVIDEND PAYMENT AND SHARE PRICE)

The Group's Board of Directors is pleased to recommend a final dividend in respect of the year ended December 31, 2022 of $0.25 per share, which will result in a total dividend declared for 2022 of $0.35, which remains consistent with the prior year.

The Group's stellar performance is also reflected in the share price which stood at $24.00 as at December 31, 2022. This is a great achievement, bearing in mind that the share price stood at $15.05 in 2017 and increased by 59% over the period. The charts below reflect changes in the share price as it relates to revenue as well as dividend payout ratios year on year.





CONCLUSION

The Group continued to perform strongly in 2022 with its historic billion-dollar revenue. Despite the continued challenges in economies (locally, regionally and internationally) and the increased cost of doing business, the Group's performance is a reflection of the strategies implemented which will also assist with the Group's positioning as we move forward.

OUR *Operations*

Despite the continued impact of the COVID-19 pandemic in 2022, the Operations Department continued to explore options to increase productivity while continuing to focus on innovation in an ever-changing environment.

Given the continued impact of the COVID-19 pandemic in 2022, the Operations department implemented sustainability measures that were in the interest of all stakeholders.

In 2022, the Water Resource Recovery and Anaerobic Digester Facility (WRRAD) experienced an increase in the quality of output and yield. This increase in yield, along with a 36% rise in the throughput of the WRRAD facility, has resulted in a 51% increase in alcohol production compared to the previous year.

Since the introduction of the onsite waste treatment plant in 2018, alcohol production has consistently increased. In 2022, the highest amount of alcohol was produced, reaching 5.9M Litres of Alcohol (LOA), with a year-end total of 6.75M LOA.

With the improved output of alcohol production from our plant operations, the Group has been able to increase its business continuity stores of alcohol. By the end of 2022, our distillery built up a total of 2.1 million LOA of emergency reserves in 100% locally-made alcohol, providing five months of continuity supply. This development allows the Group to fulfill both bulk export and rum aging requirements.

Another positive development of 2022 was the growth of Bitters production to facilitate the demand in international markets. This was achieved by increasing output capacity by introducing additional shifts to meet the forecasted sales demand.

QUALITY CONTROL AND ASSURANCE

As we focus on maintaining the world-class status of our brands, we continue to adhere to ISO standards, including FSSC 22000 Scheme Version 5.1, ISO:17025:2018 Laboratory Accreditation, ISO:9001:2015 Management system as well as the ISO 14001:2015 Environmental Standards. These certifications are critical for the organization to ensure the parameters such as efficiency, resource conservation, traceability and safety are achieved. With these guiding principles and constant improvements, our brand presence continues to be prominent in both local and international markets.

The Group also continues to build a highly skilled workforce to maintain its notable standards. Employee development focuses on technical and team-oriented skills gained through internal traditional practices and exceptional training programs with reputable and certified institutions. Recognized globally, the Institute of Brewing and Distilling, was selected to impart incomparable technical knowledge of the manufacturing process thus bolstering the expertise in the Group's laboratories.

OUR *Innovations*

INNOVATIONS/NEW PRODUCT DEVELOPMENT

Once again, the New Product Development team along with our Blending professionals were able to produce unique and innovative products throughout 2022.

The Group prides itself in its ability to produce limited-edition creations that cannot be easily replicated, and 2022 showed no signs of slowing down with the introduction of the ultra-premium limited-edition rum, Zenith as well as Ferdi's premium rum to commemorate the 60th Independence of Trinidad and Tobago.

Additional items launched in 2022 include the Correia's Pink Moscato, an extension to the already notable Correia's brand.

The Angostura® Chill brand is coveted worldwide. With 2022 showing an increase in demand for this distinctive carbonated beverage, the House of Angostura® was able to craft a new addition to the line. Introduced in December 2022, consumers were able to experience the exclusive taste of Angostura® Chill – Ginger and Bitters.

ZENITH

The House of Angostura® has launched a rare, ultra-premium rum - Angostura® Zenith. This latest Limited-Edition rum will join Angostura's esteemed Private Cask Collection. The Company has only produced one hundred and ninety-five (195) bottles globally. The one of a kind distinguished flavours of this rum are derived from two of Trinidad and Tobago's most iconic distilleries – Caroni 1975 Limited and Angostura® Limited.

Aged in charred American oak casks that were once used for bourbon, Angostura® Zenith combines flavours of sweet and smoky depths, delivering a fine character with a unique blend of Angostura and Caroni aged rums ranging from 20 to 23 years old. Zenith takes the House of Angostura® Private Cask Collection to new heights with the last of the best of the legendary House of Caroni. Established in 1923 on the site of the old Caroni sugar factory, the now defunct Caroni Distillery produced highly sought-after rums notable for a distinctive heavy profile, rich, earthy and smoky.

Produced with the last of Caroni's treasured molasses, tasting notes include rich aromas of cocoa, oaky notes with hints of raisins on the palate and subtle apple notes, complete with warm aged notes of sherry with a lasting dry, crisp finish – the perfect proportions to achieve absolute depth and balance.

Rich gold in color, as befits such a rare release, Angostura® Zenith has a deeply complex character, brimming over with sweet tropical fruits, warm vanilla toffee, indulgent cocoa and a dry, crisp oak smokiness.

FERDI'S

The House of Angostura has revived a beloved classic in honour of Trinidad and Tobago's 60th Independence, Ferdi's Limited Edition Premium Rum.

In the early 1900's, Manuel Fernandes and his family made the destined journey to Trinidad from Madeira, Portugal. In the century that followed, the Fernandes family cemented their roots in this beautiful Caribbean Island and made their name as a connoisseur of spirts worldwide. Ferdi's premium rum was launched in the 1930's. Made for mature rum lovers, this limited-edition run of Ferdi's premium rum was expertly crafted as a liquid love letter to the palette reminiscent of Trinidad and Tobago from the 1930's, impeccably maintained in the esteemed Fernandes style.

ANGOSTURA® CHILL GINGER AND BITTERS

Launched in November 2022, Angostura® Chill welcomed its newest flavour of Ginger and Bitters to its flavour range.

Ginger and Bitters boasts of a familiar but unique, spicy bite of ginger infused with the distinctive flavours of ANGOSTURA® aromatic bitters.

Angostura® Chill is eponymously sound – the beverages are a call to kick back, pause, and embrace the chill moments. Full of life and emboldened by the power of doing things your way, each bottle is the perfect accompaniment to any part of the day, from your morning run to an afternoon at the beach with friends.

OUR PRESENCE & OUR *Brands*

Amidst the challenges associated with the pandemic, we continued to be a world market leader for Bitters as well as one of the Caribbean's leading rum producers, as we continue to share our unique creations with the world.

In 2022, the Group made significant strides in expanding its global reach, with our products available in over 170 countries worldwide. This impressive achievement was made possible by a series of successful product launches throughout the year, including Angostura® Chill in Australia, premium rum and ANGOSTURA® bitters in Kyrgyzstan, and Angostura® Tamboo Spiced Rum in the UK in December.

Our key markets included Australia, Argentina, Belgium, Brazil, Barbados, Bahamas, Guyana, Cyprus, Denmark, France, Italy, Baltics & Poland, Germany, Israel, Hungary, Malaysia, Netherlands, Nigeria, South Africa, Spain, Sweden, Suriname, UK, USA, and Trinidad and Tobago.

Angostura's 2022 global engagement focused on brand education with tastings and the presentation of Angostura® Zenith and Angostura® Tamboo Spiced Rum by our Chief Brand Educator - Raymond Edwards with Global Brand Ambassador - Daniyel Jones at Bar Convent Berlin (BCB). BCB was also the ideal place to launch the trade engagement programme - the Swizzle Club by the House of Angostura®, where patrons were able to not only enjoy a Queen's Park Swizzle made by our talented Brand Ambassadors but also hear the story of its origin.

The Angostura® Swizzle Club also featured at the Athens Bar Show which took place at the historic site of the Technopolis of the municipality of Athens in November 2022 along with the ANGOSTURA® cocoa bitters sustainability programme. Both events provided opportunities for Angostura® to connect with bartenders, spirits brands, and other professionals in the industry from different markets.

OUR PRESENCE & OUR *Brands* CONTINUED

Meeting with key partners from around the world at the Global Distributors Forum in New York are members of the Angostura Team including - Mr. Terrence Bharath - Chairman, Ms. Franka Costelloe - Director, Mrs. Kathryna Baptiste Assee - Group General Counsel/ Corporate Secretary, Mr. Ian Forbes - Chief Executive Officer (Ag.), Mr. Rahim Mohammed - Executive Manager, Corporate Services, and Mr. Alejandro Santiago - Executive Manager, Regional Sales.

To further solidify and grow its international reach, Angostura also held its 6th biennial Global Distributors Forum at The Langham Hotel in New York, bringing together its key partners to discuss market trends, the impact of COVID-19, and emerging technologies in the industry. The forum was centered around the theme *"The future is now, towards the next normal – building for the future"*, with a focus on developing innovative strategies to stay ahead in the rapidly evolving market.

International sales contributed greatly to our 2022 revenue as we continued to explore options to expand globally. Local and regional sales also contributed well to overall revenue, with the lifting of COVID-19 restrictions thereby positively impacting on-premise channels (bars, cafés and restaurants). Our continued investment in the Caribbean Premier League facilitated growth in the Angostura® Chill segment with the local and export markets increasing in 2022.

Overall, 2022 was a successful year for the Group, as we demonstrated our commitment to expanding our global presence and engaged with partners and customers around the world.

OUR PRESENCE & OUR *Brands* CONTINUED


ANGOSTURA
TAMBOO
SPICED RUM
ANGOSTURA
7
ANGOSTURA
1919
ANGOSTURA
1824
ANGOSTURA
1787
ANGOSTURA Chill
ANGOSTURA Chill
ANGOSTURA Chill
ANGOSTURA Chill

Solera

Solera Wines & Spirits had a phenomenal 2022, generating $114.6m in total revenue or 107% growth over 2021. The retail store sales continued to show strong, positive growth of 131% over prior year despite supply chain challenges given the continued impact of the COVID-19 pandemic.

This success was attributed to Solera's ability to adjust and pivot its operations accordingly as the country evolved out of the COVID-19 pandemic, evidenced by an increase in customers' desire for in-store shopping as well as shifts in consumer tastes and buying patterns. Solera had to evolve its product-mix and in-store stocking to meet the shift in demands, as some customers preferred to stock up for "house limes" following the initial lifting of COVID-19 restrictions. Solera's Imported Wines portfolio showed continued growth and there was an increase in demand for gin, tequila and prosecco. In this regard, the imported portfolio (Agency) business increased revenue by 50% when compared to 2021.

While Solera seeks to offer a diverse range of products for its customers, it was no surprise that Angostura rum remained the biggest seller for 2022, accounting for 78% of Solera's annual revenue.

With three well established and strategically placed outlets as well as a well-rounded portfolio of international and local brands, Solera is well positioned to continue its stellar performance. Solera will continue to diversify its suite of products, keeping in mind the preferences of our loyal customers.

OUR *People*

The Angostura Team captured in the courtyard at the House of Angostura®

The Group successfully pressed forward and overcame the unpredictable COVID-19 pandemic by ensuring its employees and their families were fully supported and that a renewed culture of normalcy and perseverance was developed by executing a robust employee engagement strategy.

Our Angosturian people are known for their resilience in the dynamic manufacturing sector, and this clearly showed in 2022. All avenues of wellbeing and safety were highly promoted by leadership, internal communication channels and people practices. Mental health management, physical fitness awareness and ensuring a healthy work-life balance remained of paramount importance.

The Group is continuously focused on promoting a positive work environment, increasing employee engagement and retention and as such the Group participated in an employee satisfaction pulse survey. Responses obtained highlighted that the main drivers of employee satisfaction and engagement are strategic alignment, leadership, people management practices and work systems and processes.

From the 2022 Employee Satisfaction Survey, over 75% of employees recorded that they are passionate about their job, and 87% highlighted that Angostura has a good reputation for the quality of its products and services. Results showed that participants are proud of the rich history of the Group, the global recognition that brands enjoy, and the top quality of the products produced. Participants were also satisfied with their co-workers, team members, and the general camaraderie among workers which all contribute to the warm Angosturian culture developed within the Group.

In 2022, Angostura also successfully negotiated salary increases with the Seamen and Waterfront Workers Trade Union (SWWTU) for the period 2023 – 2025, with the parties set to continue discussions on non-cost items. Engagement with the recognized majority union remains a priority and significant work continues to ensure collaboration and consultation in the interest of good industrial relations.

The Group continued its commitment to employee engagement activities, some of which are highlighted as follows:

HARVARD MANAGE MENTOR & LEADERSHIP COMPETENCY DEVELOPMENT PROGRAMME

While there were some setbacks along the way due to business demands and the COVID-19 pandemic, this group of employees persevered and completed the curriculum which involved Harvard Business School curated online content that spanned topics such as Coaching, Customer Focus, Budgeting, Change Management, and Developing Employees. This programme was highly intuitive with the latest studies being shared via articles and videos. The Group congratulated the members of staff on their achievement in reaching this milestone. It is indeed a constantly evolving global business landscape and the Group needs talented, passionate, and informed leaders who will embrace change and have the courage to engage and work towards positively shaping the future for the better. The Group looks forward to seeing where the path of leadership takes them!

Graduates of the Harvard Manage Mentor Programme at Angostura.

A TASTE OF CARNIVAL / BRING THE CARNIVAL FLAVOUR

On what would have been Carnival Tuesday, March 01, 2022 staff members were treated to a taste of Carnival through the sweet sounds of soca by an on-site DJ, bake & shark, corn soup and other delights. Our signatory White Oak Girls were on hand to add to the cheerful atmosphere and distribute goodie bags to many lucky employees.

Enhancing HR On-boarding - Planting New Roots at the House of Angostura® initiative.

Some of the participants shared their thoughts of the day:

'It was the best orientation I have ever been to throughout my work life.... Keep up the professional work!!!'

'It was a wonderful experience and I felt proud to be part of Angostura after learning about the history and employee resources. Thank you.'

ENHANCED HR ON-BOARDING – PLANTING NEW ROOTS AT THE HOUSE OF ANGOSTURA®

The Human Resources department redesigned the traditional 'Onboarding Experience' for new employees. Whilst our team worked within the COVID-19 pandemic restrictions from an on-boarding experience for almost two years, we embraced the opportunity to again connect with new team members in 2022. Recognizing that in-person meetings provide a sense of intimacy, connection and empathy that is difficult to replicate via video/virtual connection. HR worked with the HSSE, Marketing, Public Relations and Hospitality teams to ensure all safety measures were in place.

WORLD ENVIRONMENTAL DAY

On Wednesday June 15, 2022, in celebration of World Environment Day, the Company collaborated with our in-house credit union, the Angostura® Group Employees' Credit Union (AGECU), to distribute 500 packages of seedlings to the staff as part of the drive to promote greater food security among households and move away from the dependency on imported foods. Seedlings were purchased from the Sure Foundation who has been in existence since 2012 and has been distributing seedlings in various communities throughout the country. Staff commended both the Company and the AGECU on this great initiative.

Employees lined up to receive their seedling packages at the Courtyard.

CHILL OUT - AFTER WORK LIME

On Friday September 23, 2022 staff had the opportunity to gather once again on the Courtyard and Halo Bar to "Chill Out" with their colleagues, take comical pictures at the photo booth provided and dance to the sweet sounds of soca from our very own Preddy, Erphaan Alves, Iwer George and KMC. Even our Acting CEO, Ian Forbes got into the groove, jumping with staff to Iwer's famous "Jump in the water, take a bathe". The Group looks forward to many more memories like these.

LABOUR LAW AND GOOD INDUSTRIAL RELATIONS – PROGRESSIVE DISCIPLINE AND MATERNITY PROTECTION IN THE WORKPLACE

In August, the Industrial Relations department hosted a two-day Labour Law and Good Industrial Relations training. The training was instrumental, and the lessons received by participants would further contribute to building fair and proper Industrial Relations principles and practices within the different areas of the business.

UNDER THE STARS – STAFF CHRISTMAS PARTY

The Angostura Annual Christmas Dinner and Dance Party was held on December 17, 2022, at the Hilton Conference Centre. This event has the largest turnout on the engagement calendar and is well received by staff each year as they anticipate this function during the festive Christmas season. This is a traditional staff engagement event that serves as a thank you from the Board of Directors and Management to the staff for all of their hard work, loyalty, commitment and dedication, as well as motivation for the upcoming fiscal year. Staff enjoyed a traditional Christmas dinner buffet and were thoroughly entertained by a flashmob show and performances by a variety of popular local artists.

This event was last held at the House of Angostura® in 2019 and was not continued due to the COVID-19 pandemic and the government restrictions placed on social activities. While restrictions were lifted to allow social gatherings, the COVID-19 pandemic was still a prominent threat, and management was guided by the HSSE Department to ensure that the venue accommodated appropriate ventilation. Accordingly, an outdoor space with fresh air flow was chosen, due to the large turnout expected.

Employees and their guests enjoying the live performances on stage.

LONG SERVICE AWARDS

After two long years, the Group was able to resume hosting the Annual Long Service Awards in person and at full capacity. This event is held in recognition of longstanding staff who have achieved significant service milestones and are recognized in the categories of service from 10 years and above. Through the years, their talents and efforts have aided the success of the Group. The Group wished them continued success in their career and continued growth and prosperity in the years ahead.

Chairman, Mr. Terrence Bharath, presenting employee with his 25 years of long service award.

CHEERS TO ANOTHER TRIP AROUND THE SUN!

At our Angosturian Birthday Club, every member of staff is honoured on the month of their birthday via company broadcast channels and commemorated with a special token of appreciation endorsed by our Solera gift shop.

ANGOSTURA SWEETNESS - VALENTINE'S DAY RECOGNITION

Valentine is a Latin word which symbolizes strength. Angostura values the endless strength, love and devotion expressed by members of our Angosturian family - our staff. In keeping with the spirit of Valentine's Day, employees were given a sweet treat – a pack of beautifully decorated cupcakes in the traditional red and pink flowers, as a token of love.

OUR *Community*

Chairman, Mr. Terrence Bharath (middle) with the six finalists of the 2022 Angostura Youth Champions Awards. (L-R) Mr. Hasan Simon, Mr. Jehoshua Williams, Mr. Rowan McEwen, Ms. Tiajuana Hernandez, Ms. Jubilee Paul and Mr. Ajamu Crosby. The Angostura Youth Champions Awards was one of the Group's major CSR projects in 2022.

CORPORATE SOCIAL RESPONSIBILITY HIGHLIGHTS

The Group is committed to investing in communities, and 2022 was yet another challenging period, as many were still feeling the adverse impacts of COVID-19. As a result, the Group's Corporate Social Responsibility (CSR) focused on assisting persons to broaden their skills which empowered them to rebuild their lives following the economic fallouts from the pandemic. We once again collaborated with Non-Governmental Organizations (NGOs), and other groups on several projects and initiatives, with the aim of reaching communities across the country thereby, strengthening our CSR footprint. Social sustainability is a critical part of our business model, as we recognize the significance of our relationships with people, communities, and society. In 2022, CSR initiatives also focussed on key United Nations Sustainable Development Goals (SDGs) as outlined in these highlights.

CHAMPIONING SKILLS AND DEVELOPMENT

The Group, together with Habitat for Humanity, collaborated and conducted an intensive four-week Construction Technology Training Workshop with young men from our fenceline community of Laventille/Morvant. The workshop was designed to impart theoretical and practical skills to unskilled and skilled tradesmen and other persons showing a strong interest in the construction industry. Participants were exposed to techniques within the construction environment, using approved methodologies. The workshop focused on topics such as structural and architectural blueprint reading; basic project management skills; safety and health on the construction site; risk reduction measures; techniques in laying a good foundation, constructing a wall and building a roof. Participants received a certificate upon completion of the course as well as tools to further enhance their entrepreneurial skills.

The Group partnered with Families in Action to launch a pilot programme called The She-Ra Project. The 6-month programme was aimed at uplifting women and girls between the ages of 16 to 25 to find their voices and experience feelings of self-love and self-actualization at a younger age. This project targeted key areas of a woman's life – self-development, relationships, and world of work. It helped participants to build the skills necessary to increase their potential of success and independence. The programme covered a variety of topics such as building one's confidence, becoming an entrepreneur, goal setting, creating a support network, enhancing interviewing skills, financial empowerment, and future planning.

The Group also partnered with Families in Action to conduct a programme for fathers called "Strong Minds, Strong Parents – Building Strong Fathers". The goal of this 8-week programme was to create a cadre of trained fathers to establish and sustain a support group of male parents, who model positive parenting through their collective capacity building and commitment to their role as fathers in their families and community. The men, who came from a cross section of Trinidad and Tobago, included fathers and grandfathers with a parenting role.

(Front row right) The Group General Counsel/Corporate Secretary, Mrs. Kathryna Baptiste Assee. (Front row left) The Group Public Relations Officer, Ms. Ronda Betancourt, (Back row right) The Group Public Relations & Hospitality Manager, Ms. Judy Kanhai, and participants from the Families in Action, She-Ra programme. (Back row left) Families in Action Chief Executive Officer, Ms. Dionne Guischard.

(Front row - second from right) Project Lead, Parenting Education and Special Projects at Families in Action, Mr. Ken Ramdhan with participants from Families in Action, Building Strong Fathers programme.

OUR *Community* CONTINUED

SUPPORTING EDUCATION

The Group renewed its commitment to supporting the Link to Learn programme - a joint initiative with the Loveuntil Foundation – for a second year. The three-year programme was created to enhance the quality of life and empower youth from the fenceline community of Laventille/Morvant. While the programme continued to provide schoolbooks, supplies, extra lessons, remedial classes and life skills training, the Group increased its support to cover expenses for food and transport. The students in the programme are all in secondary schools and the support is provided for them up to and including the CSEC examination in Form 5. As part of our continued support for the future of our nation, the Group presented book vouchers valued at $1,200 each and stationery packages to students from seventeen primary schools in the fenceline community of Laventille/Morvant who achieved the highest marks in their school for the SEA exam. The book vouchers and the stationery packages were given to the students to assist them in preparation for secondary school.

The Group also donated book vouchers in its back-to-school drive to several NGOs and organizations such as CAP Foundation, Loveuntil Foundation, Smile Foundation, EnToTo, United Hands Foundation, Soroptimist International Anaparima Club and Chinapoo Police Youth Club. The Group also donated food vouchers to NGOs and other groups for the same effort.

SEA students from primary schools within the Company's fenceline community of Laventille/Morvant received book vouchers and stationery supplies from the Group Public Relations & Hospitality Manager - Ms. Judy Kanhai (left) and Public Relations Officer - Ms. Ronda Betancourt (right).

The Group Public Relations & Hospitality Manager - Ms. Judy Kanhai (right) and Public Relations Officer - Ms. Ronda Betancourt (left) with one of the SEA students and his mother, who received book vouchers and stationery supplies.

REWARD AND RECOGNITION

The Group was awarded a £3,000 grant from the Royal Warrant Holders Association (RWHA) Charity Fund based in the United Kingdom, for the Laventille-based NGO – Loveuntil Foundation. The grant was a recognition for the partnership work between the Group and the Foundation for the Link to Learn programme which sponsors several children in the community to ensure they are given fair opportunities to excel in school.

The Group General Counsel/Corporate Secretary, Mrs. Kathryna Baptiste Assee (left), Director of Loveuntil Foundation, Mr. Brian Jones and members of Loveuntil Foundation.

The Group General Counsel/Corporate Secretary, Mrs. Kathryna Baptiste Assee (left), Director of Loveuntil Foundation, Mr. Brian Jones.

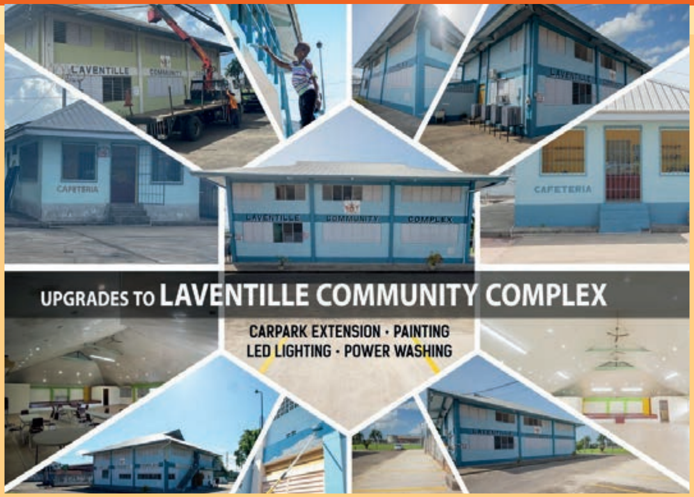
(Second from left) Mr. Earnest Constantine with The Honourable Fitzgerald Hinds, Minister of National Security (left), Group's then CEO (Ag.), Mr. Ian Forbes (third from left) and (right) Mr. Stephen Williams (the then Ag. Commissioner of Police) during a ceremony which rewarded and recognized Earnest for returning money that he found.

The Group rewarded a young farmer from Paramin, Earnest Constantine, for his honesty. Earnest found a bag of money and returned it to the owner, another farmer from the same community. Upon learning about his good deed, the Group acknowledged and rewarded his honesty by donating a generator, a chiller and two months' worth of groceries at a short ceremony hosted by the Ministry of National Security at the House of Angostura®.

The Group partnered with Ft Farfan Limited to present Mr. Earnest Constantine with items to assist in his farming.

RESTORING COMMUNITY COMPLEX

The Group adopted the Laventille Community Complex by embarking on a restoration exercise. The Complex, which is located behind the Group's Laventille compound, required a major facelift to its facilities and the project is being done in several phases. In 2022, works were done to the main building, cafeteria and other areas on the compound. LED lights were installed on the second floor of the Complex, and the car park was resurfaced and expanded for additional parking. The other phases of this project will continue in 2023.



UNITY WITH OUR SISTER ISLE

The Group collaborated with Tobago NGO, YahWeh Foundation to assist in their many programmes which included enabling small teen-group sessions with mental health teams, one-on-one counselling and providing tutors for students. The support from the Group to the NGO was geared towards the health and well-being of the most vulnerable and those who are severely impacted by the social challenges which have resulted in profound isolation and disconnection.

Another act of honesty was also rewarded by the Group for two teenage boys from Tobago who found a purse containing $5,000 in cash on the road along the Pigeon Point Heritage Park and returned it to its owner. That seemingly simple act catapulted these young men into the spotlight, where they were praised for their honesty and integrity. As a gesture of appreciation and in recognition of this good deed, 14-year-old Jayvorn Horsford of Bishop's High School and his 16-year-old cousin, Anthonio Hackett of Signal Hill Secondary School were rewarded with a fun day during the Christmas school break. The Group arranged round trip airline tickets for the boys and their relatives to Trinidad, where they spent the day at Five Islands Amusement and Water Park inclusive of food, snacks, drinks, and arcade games. They also received book vouchers valued at $1,500 each, carbonated soft drink - Angostura® Chill and caps.

(L-R): Ms. Chandelle Horsford, mom of Jayvorn Horsford, Mr. Jayvorn Horsford, Group's Public Relations Officer, Ms. Ronda Betancourt, Mr. Anthonio Hackett and Ms. Cindy-Ann Waldron, mom of Anthonio Hackett. Jayvorn and Anthonio were rewarded with a fun day of activities from the Group for their honesty after returning cash they found on the road along Pigeon Park Heritage Park.

ENVIRONMENTAL RESPONSIBILITY

The Group purchased cleaning supplies and provided assistance to several areas after heavy flooding in November 2022 affected several communities throughout Trinidad. The Group partnered with NGOs such as Loveuntil Foundation, Serving Women and Youths (S.W.A.Y), Heroes Foundation, Habitat for Humanity and ITNAC and distributed scrubbing brooms, brushes, mop buckets, water hoses, bleach, Lysol™ disinfectant, surface wipes and garbage bags to assist them with cleaning. Some of the affected areas included St. Helena, Madras Road, Las Lomas, Valsayn South, Beetham and El Socorro.

(L-R) The Group Public Relations & Hospitality Manager, Ms. Judy Kanhai, Group General Counsel/ Corporate Secretary, Mrs. Kathryna Baptiste Assee, Public Relations Officer, Ms. Ronda Betancourt (fourth from left) handed over cleaning supplies to members of Serving Women and Youths (S.W.A.Y.) to distribute to flood affected areas.

Cleaning supplies donated to flood victims.

ANGOSTURA YOUTH CHAMPIONS AWARDS 2022

This year, the Angostura Youth Champions Awards were realigned to focus on youth who have persevered through personal challenges and adversities to make a significant difference to their lives, the lives of others and to our national community. The 2022 initiative was divided into two categories 12–19 years and 20–25 years. The Group received over two hundred and seventy-seven (277) nominations from the public, from which six finalists were shortlisted, with one winner from each category being selected through a process of personal interviews, video recordings and public voting.

The winner in the 12–19 year category was Rowan McEwen. Rowan is a QRC Scout, where as a band member, he was the lead trombonist. At school, he advocated World Down Syndrome Day, as well as World Autism Awareness. Recognizing that autism was a challenge not only for himself, but for others, he continues to be an advocate for autism. He is now the Creative Writing teacher at Palmera Learning Centre in St. James, teaching neurodivergent children.

Chairman, Mr. Terrence Bharath, presents the winner of the Angostura Youth Champions Awards in the 12-19 year category, Mr. Rowan McEwen with a cheque.

The winner in the 20–25-year category was Tiajuana Hernandez. Tiajuana is a musician and music teacher who plays and teaches the steelpan. Although she was diagnosed and continues to battle with lupus, she remains a Youth Ambassador for the Voice of Lupus Foundation and mentors other lupus patients. She still finds the time to run her own small businesses and collects items for charity work in her community.

Rowan and Tiajuana each received a grant of $40,000 to enable their personal improvement and to assist in accelerating their efforts in diverse areas. The other four finalists received $10,000 each to assist in furthering their education and career goals.

Chairman, Mr. Terrence Bharath, with the winner of the Angostura Youth Champions Awards in the 20-25 year category, Ms. Tiajuana Hernandez (second from right) and finalists Ms. Jubilee Paul and Mr. Ajamu Crosby.

Chairman, Mr. Terrence Bharath, presents the winner of the Angostura Youth Champions Awards in the 20-25 year category, Ms. Tiajuana Hernandez with a cheque.

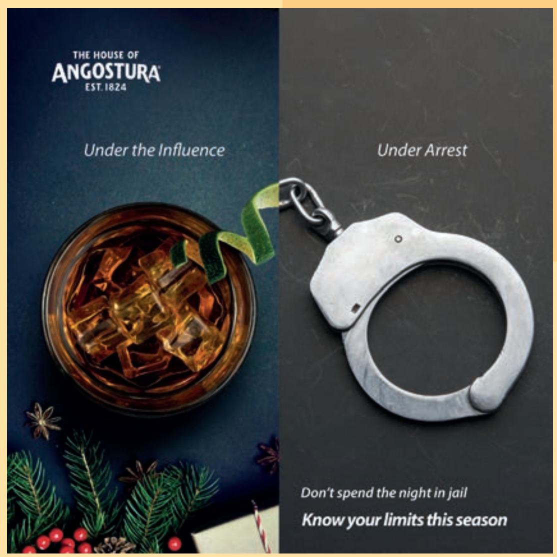
Chairman, Mr. Terrence Bharath, with the winner of the Angostura Youth Champions Awards in the 12-19 year category, Mr. Rowan McEwen and finalists Mr. Jehoshua Williams and Mr. Hasan Simon.

OUR Community CONTINUED

RESPONSIBLE CONSUMPTION CAMPAIGN - #HOMESAFE

The Group continues to be a leading voice in the alcohol industry championing responsible consumption in Trinidad and Tobago. In December, and in time for the Christmas holidays, the Group launched its responsible campaign called #HomeSafe on social media to spread awareness about the dangers of over-consumption, as well as drinking and driving.

Over the years, we have engaged in various activities linked to the promotion of responsible consumption and continue this very important initiative which is part of our CSR.



SUPPORTING CULTURE AND THE ARTS

The Group contributed to the PatriARTism art exhibition as part of Trinidad and Tobago's celebration of its 60th anniversary of Independence. The exhibition ran between August to September 2022. In this regard, Angostura was proud to be part of the exhibition in showing off artistic independence and a celebration of the nation's 60th anniversary of Independence.

OUR *Community* CONTINUED

CHRISTMAS CHEER INITIATIVE

As part of our annual Christmas Cheer Initiative, the Group donated food hampers, grocery and toy vouchers and cases of Angostura® Chill to various NGOs, schools, and other groups, both in the fenceline community of Laventille/Morvant and other parts of the country, to support families in need. They included the Loveuntil Foundation, Heroes Foundation, Build A Life Foundation, S.W.A.Y., Eshe's Learning Centre, Success Laventille Lions Club, Rose Hill R.C. Primary School, Mayaro Past Pupils Association, Poole River Presbyterian Primary, Success Laventille Secondary, Monte Video Government Primary School, Macoya Action Group, and Cushe Government Primary.

The Group General Counsel/Corporate Secretary, Mrs. Kathryna Baptiste Assee (third from left), Public Relations & Hospitality Manager, Ms. Judy Kanhai (left) and Public Relations Officer, Ms. Ronda Betancourt (right) handed over grocery hampers and cases of Angostura® Chill to CEO of Heroes Foundation, Mr. Lawrence Arjoon.

Public Relations & Hospitality Manager, Ms. Judy Kanhai (left) and Public Relations Officer, Ms. Ronda Betancourt (right) presented grocery hampers and cases of Angostura® Chill to the Chairman of Loveuntil Foundation, Mr. Brian Jones.

The Group General Counsel/Corporate Secretary, Mrs. Kathryna Baptiste Assee, (right) presented toy vouchers and cases of Angostura® Chill to Founder, Ms. Anita Mahadeo and Board members of Build a Life Foundation.

ENVIRONMENTAL, SOCIAL & GOVERNANCE *ESG*

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

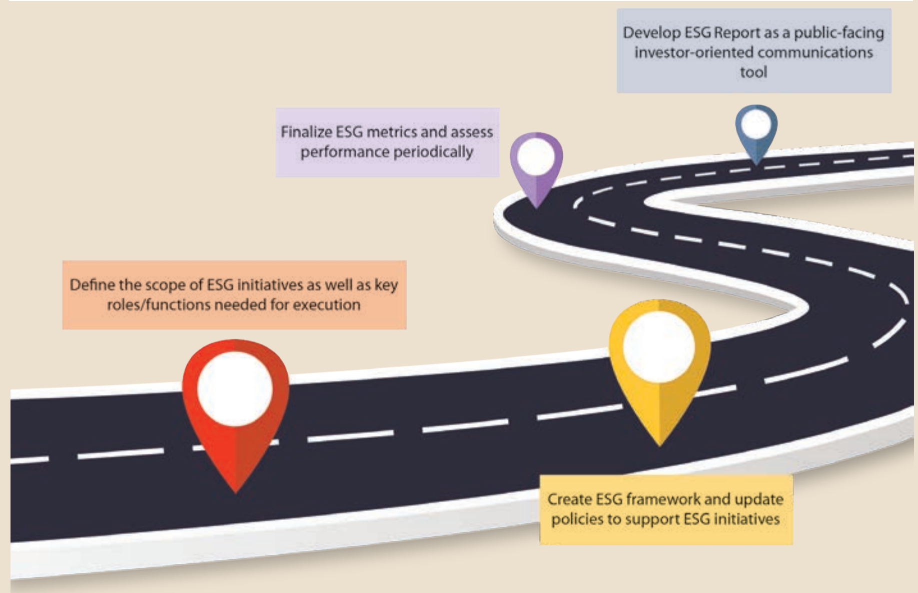
The Group is committed to ensuring that ESG is incorporated into its corporate strategy. Through our projects and strategic partnerships, the Group strives to build a positive and lasting legacy, by creating economic, social and environmental value through sound governance and decision making. We continue to maintain our tradition of excellence by aligning ourselves with initiatives focused on the United Nations Sustainable Development Goals that make a lasting impact on the environment and the lives of others in society.

Angostura has long embedded in its identity a clear love and commitment to preserve and further improve its environment and communities. Our Company's vision statement expressly includes our desire to proudly grow for the betterment of the environment and the people of Trinidad and Tobago. In this regard, at Angostura the commitment to social development and environmental consciousness has long been entrenched in "how we do what we do" keeping in mind the interest of all stakeholders, including those from the past, present and future.

The sustainability of our legacy and growth as a Group depends, not only on the profits we make, but also on the impacts we leave behind. In this regard, we have already begun the journey from an ESG perspective, having regard to the way we balance our operations and profitability with making a positive impact in the communities and carefully preserving and enhancing the environment. As we move forward, increased focus will be placed on the triple bottom line as we set out to measure and set goals based on our impact on people, planet and profit.

The Group was recognised in the Corporate Sustainability Review for 2022, having been listed on the Honour Roll and identified as a company that delivered social programmes which were consistent with the principles and objectives of the United Nations Sustainable Development Goals.

We have commenced the process of establishing The Angostura Foundation, through which a number of ESG initiatives will be launched and managed. We welcome our stakeholders to join us in this sustainability journey as set out in our road map.



ENVIRONMENTAL SUSTAINABILITY

The Group has continuously incorporated sound environmental management as an integral part of its business strategy as highlighted in our mission and vision. This is further exemplified by our continued conformance to the International Standards Organization (ISO) 14001: 2015 standard for Environmental Management Systems.

PARTNERSHIPS AND INVESTMENTS IN A SUSTAINABLE FUTURE

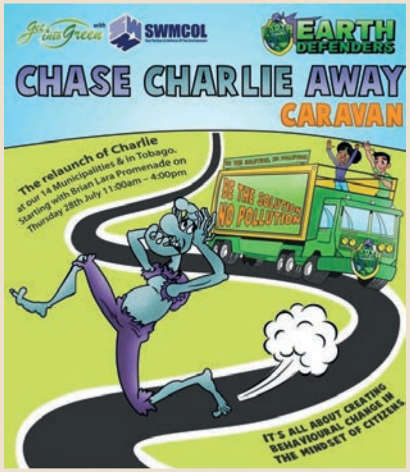
In 2022, we partnered with Übergreen to develop a Sustainable Future Programme. This initiative focuses on farmer education and empowerment to support the survival of the Trinitario cocoa variety as well as promote the continued quality of Trinidad's Trinitario cocoa on the world stage captured through digital storytelling and documentary filmmaking.

We are positioning our environmental practices to align with the framework of the United Nations Sustainable Development Goals (SDGs), more specifically, SDG 6- Clean Water and Sanitation, SDG 7- Affordable and Clean Energy, SDG 12- Responsible Consumption and Production, SDG 13- Climate Action, SDG 14- Life Below Water and SDG 17- Partnerships for the Goals.

Presently, our focus is to drive operational excellence through environmental stewardship by incorporating sustainability into our product design, reducing the impact of our wastewater on the environment, conserving energy and water whilst working with our supply chain partners to take action locally to make an impact globally.

To further drive the reduction of our environmental impacts and improve process efficiency, we are prioritizing investments into the integration of solar power in the Bitters production process and exploring the utilization of biogas (generated from our Wastewater Treatment Operations) as an alternative source of energy.

In 2022, the Group also partnered with SWMCOL for the ***Chase CharLiE Away Anti-Litter Campaign*** to raise awareness in communities and encourage better waste disposal practices.



Members from the International Coastal Cleanup (ICC) T&T Chapter cleanup campaign held in Chaguaramas.

The Group also provided financial assistance to the International Coastal Cleanup (ICC) T&T Chapter, in which the teams collected various types of garbage, which were then weighed, sorted and recorded for data collection purposes.

SOCIAL SUSTAINABILITY

At Angostura, we aim to drive transformative social impact by applying Angostura talent in partnership with the most innovative and effective organizations, addressing some of the world's most pressing issues.

ENVIRONMENTAL, SOCIAL & GOVERNANCE *ESG* CONTINUED

ENSURING A SAFE AND HEALTHY ENVIRONMENT FOR OUR STAKEHOLDERS

Our commitment to social sustainability and to positively impact the lives of our stakeholders begins at the workplace. As part of our strategy to foster a positive workplace culture, at Angostura, we have continued to prioritize the health, safety and welfare of our employees. Throughout 2022, our commitment to providing and maintaining a safe and healthy workplace prevailed with the performance of our leading HSSE programmes. The Group was able to achieve a twenty-seven percent reduction in our Total Recordable Injury Frequency rate (TRIFr).

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

LEADING HSE PROGRAMMES

93
HSSE Leadership Walkthroughs

1226
HSSE Inspections

2586
HSSE Toolbox Talks

On June 22, 2022, the Group hosted a Health and Wellness Fair for all employees and distributed seedlings in celebration of World Environment Day. The 2022 Health and Wellness Fair provided staff with a number of opportunities to get information on their general health and wellness and the importance of making the right lifestyle choices. Employees enjoyed healthy fruit smoothies, took field sobriety tests conducted by Arrive Alive and learned more about our new Employee Assistance Programme providers.

FOCUSING ON MAKING SUSTAINED DIFFERENCES IN OUR COMMUNITIES

The Group has undertaken and invested in many social initiatives in 2022 where we have committed to investing in communities and its people. We once again collaborated with Non-Governmental Organizations (NGOs), and other groups on several projects and initiatives, with the aim of reaching communities and in particular positively impacting the lives of future generations.

Several initiatives were referenced in our Corporate Social Responsibility segment. However, the commitment to improve the lives of key stakeholders within and outside of our neighbouring community of Laventille/Morvant remains a key priority as we move forward.

Added impact and further investment is planned in the areas of youth, education, sport, culture and the environment in the near future.

Employees engaging with the vendors present at the Health and Wellness Fair.

GOVERNANCE

As part of our Environmental, Social and Governance journey, the Group recognizes 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 Group strives to uphold the highest standards of corporate governance and is guided by the following five 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 Group. 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. The Company also boasts of a gender diverse Board, of which 66% of its members are women.

3. **Reinforce Loyalty and Independence**
   The members of our team (including Executive Management and the Board) uphold the highest levels of ethics and business conduct and act honestly and in good faith, in the best interest of the Group, 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 Company 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 who are encouraged to engage in discussions with the Board and Management. On August 5, 2022, the Company hosted its first Earnings Meeting which was well attended by key stakeholders. At this meeting, key performance highlights were presented, and questions were fielded from the audience, all with a view to promoting investment in the Company, for the benefit of our shareholders. To further engage with our Shareholders, we have provided Shareholders with pertinent information on the Company via the Investor Relations section of our website, which also facilitates the submission of questions and queries by Shareholders.

BOARD AND SUB-COMMITTEE COMPOSITION

The Board of Directors of Angostura Holdings Limited is comprised of subject matter experts in various fields, including Manufacturing, Operations, Marketing, Legal, Finance/Accounting, Human Resources, Regulatory, Risk Management, International Business and Change Management as further set out in the Skills Matrix below.

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
Years on Board	6.5	6.5	3.5	1.5	1.5	1.3
Independent Business Owner/ Consultant	x	x	x		x	
C-Level	x	x	x	x	x	x
Industry Experience	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
Operations	x	x		x	x	x
Legal	x					x
Corporate Governance	x	x	x	x	x	x
Compensation/ HR/ IR	x		x		x	x
Ethics & Compliance	x	x		x		x
Regional Business	x				x	x
International Business	x	x	x			x
Merger & Acquisitions	x	x				x
Regulatory	x	x		x		x
Change Management		x	x	x	x	x

APPOINTMENT AND ROTATION OF DIRECTORS

Ms. Alana Beaubrun who retires in accordance with Paragraph 4.6.1 of By-Law No. 1 of the Company, being eligible, offers herself 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.

TERM AND FREQUENCY OF RE-ELECTION

All Directors retire after serving no more than three 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 six 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 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 C.M.
Dr. Sterling Frost O.R.T.T.

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 provides 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 O.R.T.T.

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

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 as well as matters from a Health and Safety perspective. In performing its responsibilities, the Committee maintains effective working relationships with the Board of Directors and Management, as well as provides regular updates to the Board on its activities.

Committee members are:

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

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 provides 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 C.M.

FREQUENCY OF MEETINGS AND ATTENDANCE AT BOARD AND SUB-COMMITTEE MEETINGS

On average, the Board meets once per month but holds additional meetings as necessary. Generally, in 2022, Sub-committees met once per month save and except the Governance Committee.

The record of attendance of Directors at Board and Sub-committee Meetings for 2022 is as follows:

ANGOSTURA HOLDINGS LIMITED 2022 BOARD MEMBERS

NAME OF DIRECTOR	BOARD/ SUB COMMITTEES					
	ANGOSTURA HOLDINGS LIMITED	AUDIT COMMITTEE	HUMAN RESOURCES COMMITTEE	SALES, MARKETING & CORPORATE COMMUNICATIONS COMMITTEE	MANUFACTURING & PRODUCTION COMMITTEE	GOVERNANCE COMMITTEE
NO. MEETINGS HELD IN 2022	12	11	9	10	8	2
TERRENCE BHARATH	12	n/a	n/a	10	n/a	2
ALANA BEAUBRUN	1	n/a	9	n/a	7	1
INGRID LASHLEY	10	11	n/a	n/a	6	2
MARYAM RICHARDS	12	11	n/a	n/a	8	2
FRANKA COSTELLOE	9	*1	8	10	n/a	n/a
*FABIO DI GIAMMARCO	5	n/a	n/a	4	n/a	n/a
STERLING FROST	11	8	6	n/a	n/a	n/a

*In January 2022, Ms. Franka Costelloe was temporarily appointed to the Audit Committee.
*In January 2022, Dr. Sterling Frost was appointed to the Audit Committee.
*In January 2023, Mr. Fabio Di Giammarco resigned as a Director of the Board.
n/a - Non-member

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. In addition to the Code, the Board, Management and team-members are guided by the applicable policies that are reviewed periodically, keeping in mind changes to laws/regulations as well as best practices.

The Company's ethical framework is further supported through ongoing employee training and robust whistle-blowing mechanisms.

BOARD EVALUATION AND BOARD STRATEGIC PLANNING

In keeping with best practices for board effectiveness, the Angostura Board aims to have annual board evaluations. A board evaluation was conducted in November 2022 by way of a Board Assessment Questionnaire, administered by an external consultant. In November 2022, the Board also held a two-day Board Retreat, which focused on strategic planning for international business expansion as well as a focus on enhancing the Group's corporate governance practices.

Image of the old Angostura building on George Street, Port-of-Spain. The building was acquired in the 1880's.

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

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, 2022, 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.

Laurent Schun, CEO
24 March 2023

Ginelle Lambie, CFO
24 March 2023

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, 2022, 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, 2022;
- 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$10.1m, which represents 5% of average profit before tax over the last five 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 post-retirement 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 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$10.1m
How we determined	5% of average profit before tax over the last five 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$506,800, 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.

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of the retirement benefit asset and the post-retirement medical benefit liability *Refer to notes 5(k) 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 31 December 2022, the Group reported: • a retirement benefit asset of TT$43m, which represents 2.5% of total assets, comprising plan assets valued at TT$400.5m (of which TT$400m is based on a Managed Fund Contract with an insurer), and a defined benefit obligation of TT$357.3m. • a post-retirement medical benefit liability of TT$20m which represents 6.5% 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 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.

Other information

Management is responsible for the other information. The other information comprises the Angostura Holdings Limited's Annual Report 2022 (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 2022, 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.
- 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
24 March 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Notes	As at December 31 2022 $'000	 2021 $'000
Assets			
Non-current assets			
Property, plant and equipment	10	386,710	355,088
Investments	11	136,620	3,162
Deferred tax asset	12	14,746	13,186
Retirement benefit asset	13	43,209	70,712
		581,285	442,148
Current assets			
Inventories	14	430,832	322,000
Trade and other receivables	15	203,479	168,029
Taxation recoverable		6,738	19,179
Investments	11	367,910	481,564
Cash and cash equivalents	17	108,542	144,063
		1,117,501	1,134,835
Total assets		1,698,786	1,576,983
Equity and liabilities			
Equity			
Share capital	18	118,558	118,558
Reserves	19	102,370	100,275
Retained earnings		1,165,549	1,115,881
Total equity		1,386,477	1,334,714

	Notes	As at December 31 2022 $'000	 2021 $'000
Liabilities			
Non-current liabilities			
Post-employment benefit obligation	13	25,363	25,072
Deferred tax liability	12	56,236	66,921
Lease liabilities	20	20,268	10,334
		101,867	102,327
Current liabilities			
Trade and other payables	21	145,329	130,103
Taxation payable		7,434	5,670
Borrowings	22	50,000	–
Lease liabilities	20	7,679	4,169
		210,442	139,942
Total liabilities		312,309	242,269
Total equity and liabilities		1,698,786	1,576,983

The notes on pages 66 to 118 are an integral part of these consolidated financial statements.

On 24 March 2023, 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 2022 $'000	Year ended December 31 2021 $'000
Revenue	9	1,029,910	921,599
Cost of goods sold	23	(552,483)	(488,902)
Gross profit		477,427	432,697
Selling and marketing expenses	23	(180,310)	(153,299)
Administrative expenses	23	(102,733)	(87,128)
Expected (credit loss)/writeback	7(a),23	(7,374)	6,426
Other (expenses)/income	24,23	(2,784)	948
Results from operating activities		184,226	199,644
Finance costs	25	(1,651)	(1,210)
Finance income	11	21,421	16,040
Profit before tax		203,996	214,474
Taxation expense	26	(58,759)	(56,155)
Profit for the year		145,237	158,319

	Notes	Year ended December 31 2022 $'000	Year ended December 31 2021 $'000
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss:			
Re-measurement of post-employment benefit obligations	13(xi)	(30,678)	21,944
Related tax	12	9,204	(6,583)
Gain on revaluation of artwork	19	–	831
Gain on revaluation of land and buildings	10,19	2,095	–
Other comprehensive (loss)/income for the year - net of tax		(19,379)	16,192
Total comprehensive income for the year		125,858	174,511
Profit for the year attributable to:			
Owners of the Group		145,237	158,319
Total comprehensive income attributable to:			
Owners of the Group		125,858	174,511
Dividends paid per share	27	36¢	39¢
Earnings per share - Basic	28	71¢	77¢

The notes on pages 66 to 118 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

	Note	Share Capital $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance as at January 01, 2022		118,558	100,275	1,115,881	1,334,714
Profit for the year		–	–	145,237	145,237
Other comprehensive loss for the year		–	2,095	(21,474)	(19,379)
Total comprehensive income for the year		–	2,095	123,763	125,858
Transactions with owners in their capacity as owners					
Dividends to equity holders	27	–	–	(74,095)	(74,095)
Balance as at December 31, 2022		118,558	102,370	1,165,549	1,386,477
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 66 to 118 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 2022 $'000	Year ended December 31 2021 $'000
Profit before tax		203,996	214,474
Adjustments for:			
Depreciation	10	22,807	18,300
Loss on disposal of property, plant and equipment	24	3,232	1,280
Revaluation loss on property, plant and equipment		5,726	604
Gain on derecognition of lease liability		(3,647)	(259)
Impairment of investment	11	–	6
Unrealised foreign exchange loss		1,012	615
Finance costs	25	1,651	1,210
Finance income	11	(21,421)	(16,040)
Dividend income	24	(81)	(671)
Adjustment to property, plant and equipment	10	(1,497)	–
Post-employment benefit cost	13(xii)	9,699	11,691
Operating profit before working capital changes		221,477	231,210
Change in trade and other receivables		(35,664)	13,828
Change in inventories		(108,832)	(30,228)
Change in trade and other payables		14,809	18,771
Cash generated from operating activities		91,790	233,581
Interest paid		(1,497)	(1,099)
Corporation tax refunds received		12,873	5,758
Corporation tax paid		(60,469)	(59,905)
Post-employment benefit premiums paid		(12,583)	(12,441)
Net cash generated from operating activities		30,114	165,894

	Notes	Year ended December 31 2022 $'000	Year ended December 31 2021 $'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		122	165
Acquisition of property, plant and equipment excluding right of use assets	10, 20	(37,061)	(21,618)
Adjustment to property, plant and equipment	10	251	(487)
Additions to investments	11	(496,982)	(482,512)
Redemptions of investments	11	490,173	501,384
Dividends received	24	81	671
Interest received		7,601	8,672
Net cash (used in)/generated from investing activities		(35,815)	6,275
Cash flows from financing activities			
Dividends paid	27	(74,095)	(80,448)
Proceeds from borrowings	22	50,000	–
Principal elements of lease payments	20	(6,016)	(3,906)
Net cash used in financing activities		(30,111)	(84,354)
Net (decrease)/increase in cash and cash equivalents		(35,812)	87,815
Cash and cash equivalents at January 01		144,063	56,799
Effect of movement in exchange rate on cash held		291	(551)
Cash and cash equivalents at December 31		108,542	144,063
Represented by:			
Cash at bank and in hand	17	108,542	144,063

The notes on pages 66 to 118 are an integral part of these consolidated financial statements.

1. REPORTING ENTITY

Angostura Holdings Limited (the Company) is a limited liability Company incorporated and domiciled in the Republic of Trinidad and Tobago. The Company's registered office is Corner Eastern Main Road and Trinity Avenue, Laventille, Trinidad and Tobago. The Company has its primary listing on the Trinidad and Tobago Stock Exchange. Angostura Holdings Limited and its subsidiaries (the Group) 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, 2022, 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	Percentage Incorporation	Principal Activities Owned
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.

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).

(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, 2022 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.

(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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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) (ii).

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 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, recognition and initial 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 or loss)

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

(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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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

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.

- 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 a 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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(ii) 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 (i)(i) for further details.

(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) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and then subsequently measured at amortised cost. Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Borrowing costs are expensed in the period in which they are incurred.

(f) 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.

(g) 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; and
- 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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

	2022
Buildings	10 – 50 years
Plant, machinery and equipment	5 – 50 years
Casks and pallet	6 years

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

(h) 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.

(i) 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 sale 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 recognised 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 36 months before 1 January 2022 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:

- 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).

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(j) 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.

(k) 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 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 an 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.

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 comprises 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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(l) 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 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.

(m) 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-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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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.

(n) 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 received.

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 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,

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(o) 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.

(p) 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 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.

(q) 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.

(r) 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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) 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.

(t) 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.

(u) New and amended standards adopted by the Group

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after January 01, 2022:

- Amendments to IAS 16 Property, Plant and Equipment: proceeds before intended use – effective January 01, 2022. The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

- Amendments to IFRS 3 Business Combinations – effective January 01, 2022. Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies.

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – effective January 01, 2022. The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

- Annual Improvements to IFRS Standards 2018–2020 – effective January 01, 2022. The following improvements were finalised in May 2020:

  - IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
  - IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from

the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

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

(v) New standards and interpretations not yet adopted

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending December 31, 2022:

- *Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Making Materiality Judgements – effective 1 January 2023.* The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

- *Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates – effective 1 January 2023.* The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

- *Amendments to IAS 12: Income Taxes – effective 1 January 2023*. The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendments listed are not mandatory for December 31, 2022, 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

6. DETERMINATION OF FAIR VALUES (continued)

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.

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
2022				
Investments	--	--	101	101
2021				
Investments	--	--	101	101

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	Level 2	Level 3	Fair Value	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
As at December 31, 2022					
Investments	--	504,429	--	504,429	504,429
As at December 31, 2021					
Investments	--	484,625	--	484,625	484,625

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 revalued during November 2022 by Linden Scott & Associates Limited, Chartered valuation surveyors. Revaluations are done every five years in accordance with the Group's policy, or more frequently 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.

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. Management evaluated the valuations and did not identify significant changes to warrant a change in the valuations as at year end.

The following table presents the changes in level 3 items for the periods ended December 31, 2022, and December 31, 2021, for recurring fair value measurements:

Fair value measurements as at December 31, 2022 using:

	(Level 1)	(Level 2)	(Level 3)
	$'000	$'000	$'000
Recurring fair value measurements			
Land and buildings - freehold	--	--	136,918
Land and buildings - leasehold	--	--	66,249
Art collection	--	--	3,772
	--	--	206,939

Fair Value Hierarchy	Fair value as at January 01, 2022	Additions	Depreciation	Revaluations	Transfers/ disposals/ adjustments	Fair value carried forward
	$'000	$'000	$'000	$'000	$'000	$'000
Land and buildings Level 3	185,734	18,871	(9,602)	2,095	6,070	203,168
Art collection	3,646	79	--	--	47	3,772
	189,380	18,950	(9,602)	2,095	6,117	206,940

6. DETERMINATION OF FAIR VALUES (continued)

Fair value measurements as at December 31, 2021 using:

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

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

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

Fair Value Hierarchy	Fair value as at January 01, 2022	Additions	Depreciation	Revaluations	Transfers/ disposals/ adjustments	Fair value carried forward
	$'000	$'000	$'000	$'000	$'000	$'000
Land and buildings Level 3	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

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

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:

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.

(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.

7. FINANCIAL RISK MANAGEMENT (continued)

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

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 action 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 minimise this risk, sales are transacted with this customer in accordance with the Group's Credit & Delinquency policy.

Basis for measurement of expected credit losses for financial assets

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

	2022 $'000	2021 $'000
ECL (increase)/writeback on trade receivables	(6,906)	6,426

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 (i)(i)(i).

	2022 $'000	2021 $'000
ECL increase on investments	(468)	--

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 the amount that might be received for selling the asset.

On this basis, the loss allowance as at December 31, 2022, was determined as follows:

	Gross carrying amount $'000	Loss allowance $'000	Expected loss rate %
Current	109,176	295	0%
Past due 0-30 days	38,618	381	1%
Past due 31-60 days	16,457	243	1%
Past due 61-90 days	1,463	18	1%
Past due 91-120 days	176	3	2%
Past due more than 120 days	40,676	40,322	99%
	206,566	41,262	

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	

7. FINANCIAL RISK MANAGEMENT (continued)

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 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	11,673	8,660

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 liaisons 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 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 2022	**Carrying Amount**	**Total Cash Flow**	**2 months or Less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease liabilities	27,947	(41,225)	(2,050)	(7,013)	(5,768)	(10,995)	(15,399)
Trade payables	65,625	(65,625)	(65,625)	--	--	--	--
Other payables	79,704	(65,007)	(10,394)	(54,613)	--	--	--
Borrowings	50,000	(50,276)	(20,084)	(30,192)	--	--	--
	223,276	(222,133)	(98,153)	(91,818)	(5,768)	(10,995)	(15,399)

7. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

Contractual Cash Flows

December 31 2021	Carrying Amount	Total Cash Flow	2 mpnths or Less	2-12 months	1-2 years	2-5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'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)

(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 the 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, 2022

	USD in (TTD $'000)	Total (TTD $'000)	% of Total
Trade receivables	72,905	206,533	35%
Cash and cash equivalents	82,474	108,542	76%
Investments	501,366	504,530	99%
Trade payables	(22,078)	(65,625)	34%
Net exposure	634,667	753,980	84%

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%

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 (2021: 0.3%). The analysis assumes that all other variables, in particular interest rates, remain constant.

	2022	2021
Appreciation/depreciation of TT dollar	0.3%	0.3%
	$'000	$'000
Increase/(decrease) in profit before taxation		
Effect of a depreciation of the TT dollar	(1,872)	(1,873)
Effect of an appreciation of the TT dollar	1,872	1,873

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 has short-term interest-bearing liabilities in the form of unsecured borrowings. Differences in contractual re-pricing or maturity dates and changes in interest rates expose the Group to interest rate risk. The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing date are as follows:

	2022 $'000	2021 $'000
6 months or less	50,000	--

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

The Group assesses its interest burden and ranks its debt from high to low in relation to the demands placed on working capital

7. FINANCIAL RISK MANAGEMENT (continued)

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

for servicing. High interest facilities and facilities denominated in volatile currencies are considered first for refinancing, followed by lower interest rate borrowings and borrowings denominated in stable currencies or the functional currency of the Group.

(iii) Price risk

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

(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, 2022, is 0.23 (2021: 0.18). 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.

8. SEGMENT INFORMATION (continued)

The segment results for the year ended December 31, 2022 are as follows:

	Rum	Bitters	LLB	Bulk	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	614,357	280,460	34,511	39,807	60,775	1,029,910
Cost of goods sold	(355,426)	(95,842)	(16,308)	(35,258)	(49,649)	(552,483)
Operating expenses	(171,485)	(78,886)	(17,223)	(7,468)	(18,139)	(293,201)
Results from operating activities	87,446	105,732	980	(2,919)	(7,013)	184,226
Finance costs						(1,651)
Finance income						21,421
Group profit before tax						203,996
Tax expense						(58,759)
Profit for the year						145,237

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

	Rum	Bitters	Chill	Bulk	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'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

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:

2022	**Rum**	**Bitters**	**Chill**	**Bulk**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Local	574,628	5,431	20,142	10,872	55,264	666,337
Export	39,729	275,029	14,369	28,935	5,511	363,573
Revenue from external customers	614,357	280,460	34,511	39,807	60,775	1,029,910
Timing of revenue recognition						
At a point in time	614,357	280,460	34,511	39,807	60,775	1,029,910

2021	**Rum**	**Bitters**	**LLB**	**Bulk**	**Other**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
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

Revenue of approximately $148,879 thousand (2021 – $103,575 thousand) is derived from a single external customer. These revenues are attributed to the Bitters segment.

10. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant, Machinery and equipment	Casks and pallets	Assets in progress	Total
	$'000	$'000	$'000	$'000	$'000
Year ended December 31, 2022					
Opening net book value	185,734	142,961	323	26,070	355,088
Additions	18,871	7,439	--	33,858	60,168
Transfers	13,571	1,271	194	(15,036)	--
Adjustments	1,537	(71)	--	(220)	1,246
Revaluations (Note 19)	2,095	--	--	--	2,095
Impairment loss	(5,726)	--	--	--	(5,726)
Disposals	(3,312)	(38)	(4)	--	(3,354)
Depreciation charge	(9,602)	(12,731)	(474)	--	(22,807)
Net book value	203,168	138,831	39	44,672	386,710
At December 31, 2022					
Cost or valuation	244,080	338,523	42,120	44,672	669,395
Accumulated depreciation	(40,912)	(199,692)	(42,081)	--	(282,685)
Net book value	203,168	138,831	39	44,672	386,710

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 $288,319 thousand (2021: $258,562 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 2023.

The Group's freehold land and buildings were revalued in November 2022 by an Independent Professional Chartered Valuation Surveyor and the art collection was last revalued during October 2021 by qualified independent experts.

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

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, 2022			
Cost	163,577	3,772	167,349
Accumulated depreciation	(58,801)	--	(58,801)
Net book value	104,776	3,772	108,548
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

Depreciation expense is included in profit or loss as follows:

	2022 $'000	**2021** $'000
Amount included in cost of goods sold	13,266	10,880
Amount included in other operating expenses	9,541	7,420
	22,807	18,300

11. INVESTMENTS

	2022 $'000	2021 $'000
Non-current investments		
Equity securities – at FVOCI	101	101
Debt securities – at amortised cost	136,519	3,061
	136,620	3,162

Debt securities at amortised cost have interest rates of 3.30% and mature in 2023 were reclassified to current investments. These consist of Value Added Tax (VAT) bonds issued by the Government of the Republic of Trinidad and Tobago. Non-current debt securities consist of corporate debt securities with interest rate of 1.25% to 6.25% and mature in 2025.

	2022 $'000	2021 $'000
Balance at January 01	3,162	3,168
Reclassification	(3,061)	--
Additions	133,984	--
Impairment loss	--	(6)
Redemptions	(4,171)	(101)
Interest received	4,156	101
Interest amortised	2,530	--
Exchange rate difference	20	--
Balance at December 31	136,620	3,162

Current investments

	2022	2021
Debt securities – at amortised cost	367,910	481,564

Corporate debt securities at amortised cost have interest rates ranging from 1.25% to 6.25% (2021: 1.25% to 5.25%) 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.

	2022 $'000	2021 $'000
Balance as at January 01	481,564	492,711
Reclassification	3,061	--
Additions	355,224	473,846
Redemptions	(485,359)	(501,283)
Interest received	4,086	8,565
Interest amortised	10,647	7,368
Exchange rate difference	(845)	357
Expected credit loss	(468)	--
Balance as at December 31	367,910	481,564

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

	2022 $'000	2021 $'000
Trinidad and Tobago dollar	3,164	3,164
United States dollar	501,366	481,562
	504,530	484,726

Finance income generated from investments amounted to $21,421 thousand (2021: $16,040 thousand).

12. DEFERRED TAXATION

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

	January 01, 2022	(Charge) /credit to profit or loss	(Charge) /credit to OCI	December 31, 2022
	$'000	$'000	$'000	$'000
Deferred tax assets		(Note 26)		
IFRS 16 leases	350	(64)	--	286
Medical obligation	5,871	430	(274)	6,027
Advertising provisions	6,965	196	--	7,161
ECL non-specific provision	--	388	--	388
Accelerated tax depreciation	--	884	--	884
	13,186	1,834	(274)	14,746
Deferred tax liabilities				
Revalued buildings	(188)	188	--	--
Accelerated tax depreciation	(47,331)	2,476	--	(44,855)
Retirement benefit asset	(19,402)	(1,457)	9,478	(11,381)
	(66,921)	1,207	9,478	(56,236)
Net deferred tax liability	(53,735)	3,041	9,204	(41,490)

	January 01, 2021	(Charge) /credit to profit or loss	(Charge) /credit to OCI	December 31, 2022
	$'000	$'000	$'000	$'000
Deferred tax assets		(Note 26)		
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)

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:

	2022 $'000	2021 $'000
Fair value of plan assets (Note 13 (i))	400,515	398,658
Present value of retirement benefit obligation (Note 13 (i))	(357,306)	(327,946)
Retirement benefit asset	43,209	70,712

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))	(5,275)	(5,499)

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))	(20,088)	(19,573)

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

Total post-employment benefit obligation	(25,363)	(25,072)

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Balance at January 01	(327,946)	(332,768)	398,658	381,741	70,712	48,973
Included in profit or loss						
Current service cost	(11,352)	(11,710)	--	--	(11,352)	(11,710)
Interest (cost)/income	(19,173)	(17,937)	23,861	21,034	4,688	3,097
Administrative expenses	--	--	(386)	(358)	(386)	(358)
	(30,525)	(29,647)	23,475	20,676	(7,050)	(8,971)
Included in other comprehensive income						
Re-measurement gain/(loss):						
Actuarial gain/(loss) arising from:						
- experience adjustments	(4,298)	3,775	--	--	(4,298)	3,775
- financial assumptions	(6,949)	21,799	--	--	(6,949)	21,799
- return on plan assets excluding interest income	--	--	(20,021)	(5,531)	(20,021)	(5,531)
	(11,247)	25,574	(20,021)	(5,531)	(31,268)	20,043
Other						
Contributions paid by Employer and members	(4,635)	(4,572)	15,450	15,239	10,815	10,667
Benefits paid	17,047	13,467	(17,047)	(13,467)	--	--
	12,412	8,895	(1,597)	1,772	10,815	10,667
Balance as at December 31	(357,306)	(327,946)	400,515	398,658	43,209	70,712

13. POST-EMPLOYMENT BENEFIT PLANS (continued)

(ii) Movement in retirement benefit liability

	Retirement Benefit Obligation Plans Unfunded Pension Plan	
	2022 $'000	**2021 $'000**
Balance at January 01	(5,499)	(5,882)
Included in profit or loss		
Interest cost	(305)	(300)
Included in other comprehensive income		
Re-measurement gain/(loss):		
Actuarial gain/(loss) arising from		
- financial assumptions	--	142
- experience adjustments	(325)	(313)
	(325)	(171)
Other		
Benefits paid	854	854
Balance as at December 31	(5,275)	(5,499)

13. POST-EMPLOYMENT BENEFIT PLANS (continued)

(iii) Movement in post-retirement medical benefit liability

	Retirement Medical Benefit Obligation Plans Post-retirement Medical Plan	
	2022 $'000	**2021 $'000**
Balance at January 01	(19,573)	(20,145)
Included in profit or loss		
Current service cost	(1,197)	(1,337)
Interest cost	(1,147)	(1,083)
	(2,344)	(2,420)
Included in other comprehensive income		
Re-measurement gain:		
Actuarial loss arising from		
- financial assumptions	--	1,318
- experience adjustments	915	754
	915	2,072
Other		
Benefits paid	914	920
Balance as at December 31	(20,088)	(19,573)

13. POST-EMPLOYMENT BENEFIT PLANS (continued)

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

Retirement benefit asset and medical plan

	2022	2021
Discount rate	6.0%	6.0%
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:

	2022	2021
Life expectancy at age 60 for current pensioner in years:		
- Male	21.9	21.8
- Female	26.1	26.1
Life expectancy at age 60 for current members age 40 in years:		
- Male	22.7	22.7
- Female	27.1	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

Retirement benefit asset and medical plan

	2022 $'000	2021 $'000
Post-retirement benefit liability	5,275	5,499
Post-retirement medical benefit liability	20,088	19,573
	25,363	25,072

(vi) Asset allocation

	Pension Plan 2022 $'000	Pension Plan 2021 $'000
Insured managed fund contract	399,802	397,518
Immediate annuity policies	713	1,140
Fair value of plan assets	400,515	398,658

The value of the Plan's investment in the managed fund contract at December 31, 2022 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.

	2022 %	2021 %
Plan assets are comprised as follows:		
Debt Securities	87.0	84.5
Other (short-term securities)	13.0	15.5
	100	100

In 2022 and 2021, none of the managed fund asset was invested in the Group's ordinary shares.

13. POST-EMPLOYMENT BENEFIT PLANS (continued)

(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, 2022 would have changed as a result of a change in the assumptions used.

	Pension Plan	
	1% pa Increase	**1% pa Decrease**
	$'000	**$'000**
Discount rate	(45,441)	57,504
Future salary increases	20,471	(17,812)

An increase of 1 year in the assumed life expectancies shown above would decrease the retirement benefit net asset at the year-end by $4,648 thousand (2021: $4,251 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	**1% pa Decrease**
	$'000	**$'000**
Discount rate	(244)	268

An increase of 1 year in the assumed life expectancies shown above would increase the retirement benefit obligation at the year-end by $225 thousand (2021: $229 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**
	$'000	**$'000**
Discount rate	(2,344)	2,870
Medical cost increases	2,799	(2,330)

An increase of 1 year in the assumed life expectancies shown above would increase the net retirement medical obligation at the year-end by $157 thousand. (2021: $160 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 2023:

	$'000
Pension Plan contribution	11,300
Medical Plan contribution	960
Unfunded pension plan	797
	13,057

13. POST-EMPLOYMENT BENEFIT PLANS (continued)

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

	2022 $'000	2021 $'000
Pension retirement benefit plan	(31,268)	20,043
Unfunded pension plan	(325)	(171)
Post-retirement medical plan	915	2,072
	(30,678)	21,944

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

	2022 $'000	2021 $'000
Pension retirement benefit plan	7,050	8,971
Unfunded pension plan	305	300
Post-retirement medical plan	2,344	2,420
	9,699	11,691

14. INVENTORIES

	2022 $'000	2021 $'000
Raw and packaging materials	147,700	78,619
Maturing inventories	97,563	95,380
Work in progress	75,862	62,260
Consumable spares	6,178	3,656
Finished goods	111,653	87,275
	438,956	327,190
Provision for obsolescence	(8,124)	(5,190)
	430,832	322,000

The cost of inventory recognised as an expense in "cost of goods sold" amounted to $385,993 thousand (2021: $341,576 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

	2022 $'000	2021 $'000
Trade receivables - gross	206,566	173,270
Expected credit loss allowance (Note 7 (a))	(41,262)	(36,008)
	165,304	137,262
Receivables from related parties – net (Note 32 (v))	1,701	1,206
Trade receivables – net	167,005	138,468
Prepayments and other receivables	36,474	29,561
	203,479	168,029

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:

	2022	2021
United States dollar	73,169	53,260
Trinidad and Tobago dollar	131,555	108,696
Canadian dollar	1,066	610
Euro	604	972
GBP	172	9,732
	206,566	173,270

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

15. TRADE AND OTHER RECEIVABLES (continued)

At January 01	36,008	42,496
Write off against provision	(1,652)	(2,666)
Increase/(decrease) in expected credit loss allowance	6,906	(3,822)
At December 31	41,262	36,008
Related party provision (Note 32 (iv))	45	45
Total expected credit loss allowance	41,307	36,053

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 2022	Percentage Owned 2021
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

	2022 $'000	2021 $'000
United States dollar	82,474	104,757
Trinidad and Tobago dollar	24,641	37,734
Euro	1,427	1,572
Cash at bank and in hand	108,542	144,063

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

18. SHARE CAPITAL

	2022	2021
Authorised		
Unlimited number of ordinary shares of no-par value		
Number of ordinary shares in issue ('000)	205,820	206,277
Donated shares ('000)	--	(457)
	205,820	205,820

	2022 $'000	2021 $'000
Issued and fully paid		
Ordinary shares	118,558	119,369
Donated shares	--	(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.

19. RESERVES

	Revaluation reserves $'000	Foreign currency translation reserve $'000	Total $'000
Balance at January 01, 2022	97,056	3,219	100,275
Revaluation gain (i) (Note 10)	2,095	--	2,095
Balance at December 31, 2022	99,151	3,219	102,370
Balance at January 01, 2021	96,225	3,219	99,444
Revaluation gain (i) (Note 10)	831	--	831
Balance at December 31, 2021	97,056	3,219	100,275

Land and buildings were revalued in November 2022 by an independent professional chartered valuation surveyor in accordance with the Group's accounting policies. The Art collection was last revalued in October 2021 by an independent professional art valuator 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.

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 payments 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.

(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 (n)). These are shown with the relevant classification within property, plant and equipment in Note 10.

20. LEASES (continued)

(i) Right-of-use assets (continued)

	Land and Buildings $'000	Vehicles and Equipment $'000	Total $'000
Year ended December 31, 2022			
Opening net book value	59,308	1,635	60,943
Additions	16,959	6,148	23,107
Disposal	(3,312)	--	(3,312)
Revaluation	(1,399)	--	(1,399)
Depreciation charge	(5,305)	(1,373)	(6,678)
Net book value	66,251	6,410	72,661
As at December 31, 2022			
Cost or valuation	73,168	9,883	83,051
Accumulated depreciation	(6,917)	(3,473)	(10,390)
Net book value	66,251	6,410	72,661
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

(ii) Amounts recognised in profit or loss

	2022 $'000	2021 $'000
Interest on lease liabilities (Note 25)	(1,195)	(704)
Expenses relating to short-term leases	(23)	(7)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	--	(1,154)
Depreciation expense		
Land and buildings	(5,305)	(3,138)
Vehicles and equipment	(1,373)	(1,918)
	(7,896)	(6,921)

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

	2022 $'000	2021 $'000
Interest on lease liabilities	(1,011)	(553)
Principal payments	(6,016)	(3,906)
Total cash outflow for leases	(7,027)	(4,459)

20. LEASES (continued)

(iv) Lease liabilities

	2022 $'000	2021 $'000
At January 01	14,503	14,796
Additions	23,107	3,871
Payments	(7,027)	(4,459)
Interest	1,011	553
Derecognition	(3,647)	(258)
At December 31	27,947	14,503

Lease liabilities as at December 31, 2022 are payable as follows:

	Future minimum lease payments $'000	Interest $'000	Present value of minimum lease payments $'000
Less than one year	9,063	(1,384)	7,679
Between one and five years	16,763	(2,324)	14,439
More than five years	15,399	(9,570)	5,829
	41,225	(13,278)	27,947
Current	9,063	(1,384)	7,679
Non-current	32,162	(11,894)	20,268
	41,225	(13,278)	27,947

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

(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 was renewed in 2022 for a term of 30 years and it is reasonably certain this lease will be extended for a further 30 years at a total cost of $8.6m.

21. TRADE AND OTHER PAYABLES

	2022	2021
	$'000	$'000
Trade payables	65,625	50,461
Provisions	23,870	23,217
Accruals	39,259	34,177
Other payables	16,575	22,248
	145,329	130,103

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

At January 01	23,217	9,991
Provision utilised	(19,067)	(8,306)
Provision written back	(3,392)	(1,685)
Increase in provision	23,112	23,217
At December 31	23,870	23,217

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	1% pa Decrease
	$'000	$'000
Provisions	(239)	239

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. BORROWINGS

	2022	2021
	$'000	$'000
Unsecured borrowings	50,000	--
The carrying amounts of the Group's borrowings are denominated in the following:		
Trinidad and Tobago dollar	50,000	--
The effective interest rates on debt servicing for the year were as follows:		
Unsecured borrowings	2.56%	--

The maturity dates for borrowings are February 17, 2023, and March 07, 2023. The fair values of the Group's borrowings are not materially different from their carrying amounts.

23. EXPENSES BY NATURE

	2022	2021
	$'000	$'000
Cost of inventories (Note 14)	(388,049)	(341,576)
Employee benefit expenses (Note 29)	(179,145)	(172,684)
Brand, selling and trade support expenses	(101,260)	(72,724)
Manufacturing expenses	(27,529)	(22,263)
Technical and advisory services	(23,450)	(21,807)
Depreciation (Note 10)	(22,807)	(18,300)
Corporate service expenses	(20,880)	(18,393)
Transport and handling expenses	(20,192)	(13,029)
Repairs and maintenance expenses	(18,174)	(17,263)
Utilities	(11,701)	(8,352)
Insurance	(10,808)	(8,473)
Other	(10,126)	1,218
Facilities expenses	(9,776)	(8,147)
Travel and related expenses	(1,787)	(162)
Cost of goods sold and other operating expenses	(845,684)	(721,955)

24. OTHER (EXPENSES)/INCOME

	2022 $'000	2021 $'000
Loss on disposal of property, plant and equipment	(3,232)	(1,280)
Dividend income	81	671
Foreign exchange (losses)/gains	(287)	792
Other income	654	765
	(2,784)	948

25. FINANCE COSTS

Lease interest (Note 20 (ii))	(1,195)	(704)
Unsecured borrowings	(456)	(506)
	(1,651)	(1,210)

26. TAXATION EXPENSE

Current charge	62,205	57,891
Prior year (over)/under provision	(405)	2,464
Deferred tax (Note 12)	(3,041)	(4,200)
	58,759	56,155

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:

Profit before tax	203,996	214,474
Tax charge at statutory rate	61,199	64,342
Allowable/(non-deductible) expenses	4,348	(5,290)
Prior year (over)/under provision	(405)	2,464
Tax uplift on foreign advertising	(6,359)	(4,731)
Income not subject to tax	(24)	(630)
	58,759	56,155

27. DIVIDENDS PAID PER SHARE

	2022 $'000	2021 $'000
Final dividend prior year	53,513	61,883
First interim dividend	20,582	18,565
	74,095	80,448
Final dividend prior year	26¢	30¢
First interim dividend	10¢	9¢
	36¢	39¢

A final dividend in respect of 2022 of $0.25 cents per share (2021: $0.26 cents per share) amounting to $51,455,090 (2021: $53,513,294) is to be approved at the next Annual Meeting. If approved, the total dividend for the year will be $0.35 cents per share (2021: $0.35 cents per share) same as 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.

	2022 $'000	2021 $'000
Profit for the year, attributable to the owners of the Group ($'000)	145,237	158,319
Number of ordinary shares in issue ('000) (Note 18)	205,820	205,820
Basic earnings per share	71¢	77¢

29. EMPLOYEE BENEFITS

	2022 $'000	2021 $'000
Wages, salaries and other benefits	169,446	160,993
Post-retirement benefit cost (Note 13 (i)(ii))	7,355	9,271
Post-employment medical benefit cost (Note 13(iii))	2,344	2,420
	179,145	172,684

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.

	2022 $'000	2021 $'000
Cash and cash equivalents	108,542	144,063
Liquid investments	367,910	481,564
Borrowings	(50,000)	--
Lease liabilities	(27,947)	(14,503)
Net debt	398,505	611,124
Cash and liquid investments	476,452	625,627
Gross debt – fixed interest rates	(77,947)	(14,503)
Net debt	398,505	611,124

	Other assets		Liabilities from financing activities		
	Cash and bank	Liquid investments	Lease obligations	Borrowing	Total
Net debt as at January 01, 2022	144,063	481,564	(14,503)	--	611,124
Cash flows	(35,812)	(112,829)	6,016	(50,000)	(192,625)
New leases	--	--	(23,107)	--	(23,107)
Foreign exchange adjustments	291	(825)	--	--	(534)
Other changes	--	--	3,647 -	-	3,647
Net debt as at December 31, 2022	108,542	367,910	(27,947)	(50,000)	398,505
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

31. FINANCIAL INSTRUMENTS BY CATEGORY

	2022 $'000	2021 $'000
Financial assets		
At amortised cost		
Trade and other receivables, excluding prepayments and statutory liabilities	172,682	142,289
Investments	504,429	484,625
Cash and cash equivalents	108,542	144,063
At fair value		
Investments	101	101
	785,754	771,078
Financial liabilities		
At amortised cost		
Trade and other payables, excluding statutory liabilities	130,632	113,016
Lease liabilities	27,947	14,503
Borrowings	50,000	--
	208,579	127,519

32. RELATED PARTY TRANSACTIONS

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

	2022 $'000	2021 $'000
(i) Sales of goods and services		
- Sales of goods to other related parties	3,019	2,875
(ii) Purchases of goods and services		
- Purchases of services from other related parties:	13,577	15,146

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

	2022 $'000	2021 $'000
(iii) Key management compensation		
Short-term employee benefits	6,011	6,505
Post-employment benefits	691	620
	6,702	7,125

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

(iv) Receivable from CL Financial Limited

	2022 $'000	2021 $'000
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 receivable during the year.

During 2022 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.

32. RELATED PARTY TRANSACTIONS (continued)

	2022 $'000	2021 $'000
(v) Receivable from related parties		
Associates	1,735	1,233
Provision for impairment of receivables	(45)	(45)
	1,690	1,188
Key management	11	18
	1,701	1,206
(vi) Analysis of movements in related party impairment provisions:		
Opening balance	45	45
Write off against provision	--	--
Closing provision	45	45

None of the balances are secured.

	2022 $'000	2021 $'000
(vii) Loans to related parties		
Equity-accounted investees	6,021	6,021
Provision for impairment of receivables	(6,021)	(6,021)
	--	--
(viii) Other charges due to related parties		
Other related parties	--	10
Key management	1	1
	1	11

33. CAPITAL COMMITMENTS

At the year-end, capital commitments amounted to $14,262 thousand (2021: $14,390 thousand).

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:

34. CONTINGENCIES (continued)

		2022	2021
		$'000	$'000
Type In	**Favor of**		
Customs Bonds	Comptroller of Customs and Excise	80,399	8,424
Cheque Guarantees	Comptroller of Customs and Excise	8,000	5,000
Total		88,399	13,424

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.

Steaming of Oak Barrels in the Cooper's Shed at the Laventille compound.

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