

CARIB BREWERY (GRENADA) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER, 2023



CARIB BREWERY (GRENADA) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER, 2023

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CARIB BREWERY (GRENADA) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Carib Brewery (Grenada) Limited ('the Company') which comprise the statement of financial position as at 31st December, 2023, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31st December, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Grenada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Company's 2023 Annual Report

Other information consists of the information included in the Company's 2023 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
CARIB BREWERY (GRENADA) LIMITED**

Report on the Audit of the Financial Statements (continued)

Other information included in the Company's 2023 Annual Report (continued)

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and The Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
CARIB BREWERY (GRENADA) LIMITED**

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibility for the Audit of the Financial Statements (continued)

- 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee 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.

GRENADA

March 25th, 2024



Accountants & Business Advisers

CARIB BREWERY (GRENADA) LIMITED

STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)

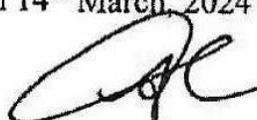
ASSETS	Notes	2023	2022
Non-Current Assets			
Property, plant and equipment	7	33,769	27,857
Intangible assets	8	255	310
Investment securities	9	25	25
Deferred tax asset	17	695	690
Due from related party	12	<u>1,218</u>	<u>1,640</u>
		<u>35,962</u>	<u>30,522</u>
Current Assets			
Inventories	10	10,910	9,802
Trade and other receivables	11	5,395	6,092
Amount due from Ansa McAl Group of Companies	19	1,699	645
Investment securities	9	3,322	5,412
Amount due from related party	12	427	379
Cash and cash equivalents	13	<u>8,139</u>	<u>15,096</u>
		<u>29,892</u>	<u>37,426</u>
TOTAL ASSETS		\$65,854	\$67,948
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	14	4,155	4,155
Capital reserve	15	571	571
Retained earnings		<u>43,183</u>	<u>39,681</u>
TOTAL EQUITY		<u>47,909</u>	<u>44,407</u>
Non-Current Liabilities			
Past service benefits liability	16	<u>3,168</u>	<u>3,121</u>
Current Liabilities			
Trade and other payables	18	9,074	8,987
Provision for repayment of deposits on cases		2,292	3,293
Amount due to Ansa McAl Group of Companies	19	1,790	5,709
Taxation payable		<u>1,621</u>	<u>2,431</u>
		<u>14,777</u>	<u>20,420</u>
TOTAL LIABILITIES		<u>17,945</u>	<u>23,541</u>
TOTAL EQUITY AND LIABILITIES		<u>\$65,854</u>	<u>\$67,948</u>

The accompanying notes form an integral part of these financial statements

Approved by the Board of Directors on 14th March, 2024 and signed on its behalf by:



: Director



: Director

CARIB BREWERY (GRENADA) LIMITED



**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)**

	Notes	2023	2022
Net Sales	4	71,153	70,462
Cost of sales		<u>(46,545)</u>	<u>(46,307)</u>
Gross profit		<u>24,608</u>	<u>24,155</u>
Administration expenses		(5,438)	(4,550)
Selling and distribution expenses		(9,660)	(9,246)
Other income	5	<u>1,675</u>	<u>1,505</u>
		<u>(13,423)</u>	<u>(12,291)</u>
Profit for the year before taxation	6	<u>11,185</u>	<u>11,864</u>
Provision for taxation			
- Current expense		(3,081)	(4,361)
- Deferred tax		<u>5</u>	<u>881</u>
	20	<u>(3,076)</u>	<u>(3,480)</u>
Net profit for the year after taxation		<u>\$8,109</u>	<u>\$8,384</u>

The accompanying notes form an integral part of these financial statements

CARIB BREWERY (GRENADA) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)**

	Stated Capital	Revaluation Reserve	Retained Earnings	Total Equity
Balance at 1 st January, 2022	4,155	571	39,606	44,332
Dividends paid	-	-	(8,309)	(8,309)
Net profit for the year after taxation	<u>-</u>	<u>-</u>	<u>8,384</u>	<u>8,384</u>
Balance at 31 st December, 2022	4,155	571	39,681	44,407
Taxation adjustment	-	-	(452)	(452)
Dividends paid	-	-	(4,155)	(4,155)
Net profit for the year after taxation	<u>-</u>	<u>-</u>	<u>8,109</u>	<u>8,109</u>
Balance at 31 st December, 2023	<u>\$4,155</u>	<u>\$571</u>	<u>\$43,183</u>	<u>\$47,909</u>

The accompanying notes form an integral part of these financial statements



CARIB BREWERY (GRENADA) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)**

	2023	2022
OPERATING ACTIVITIES		
Net profit for the year before taxation	11,185	11,864
Adjustment for:		
Depreciation	7,724	7,437
Amortization of intangible asset	55	55
Gain on disposal of property, plant and equipment	<u>-</u>	<u>(24)</u>
Operating profit before working capital changes	18,964	19,332
Increase in inventories	(1,108)	(2,500)
(Increase)/decrease in amount due from Ansa McAl Group of Companies	(1,054)	495
Decrease/(increase) in trade and other receivables	697	(2,658)
Decrease/(increase) in investment securities	2,090	(66)
Increase in past service benefits liability	47	254
Increase/(decrease) in trade and other payables	87	(88)
(Decrease)/(increase) in provision for repayment of deposits on cases	(1,001)	18
(Decrease)/increase in amount due to Ansa McAl Group of Companies	(3,919)	611
Decrease/(increase) in due from related party	<u>373</u>	<u>(2,018)</u>
	15,176	13,380
Income tax paid	<u>(4,342)</u>	<u>(3,971)</u>
Net cash provided by operating activities	<u>10,834</u>	<u>9,409</u>
INVESTING ACTIVITIES		
Disposal of property, plant and equipment	-	23
Purchase of property, plant and equipment	<u>(13,636)</u>	<u>(9,047)</u>
Net cash used in investing activities	<u>(13,636)</u>	<u>(9,024)</u>
FINANCING ACTIVITIES		
Dividends paid	<u>(4,155)</u>	<u>(8,309)</u>
Net cash used in financing activities	<u>(4,155)</u>	<u>(8,309)</u>
Decrease in cash and cash equivalents	(6,957)	(7,924)
Cash and cash equivalents - at beginning of year	<u>15,096</u>	<u>23,020</u>
- at end of year	<u>\$8,139</u>	<u>\$15,096</u>

The accompanying notes form an integral part of these financial statements

CARIB BREWERY (GRENADA) LIMITED



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023 (Expressed in thousands of Eastern Caribbean Dollars)

1. CORPORATE INFORMATION

Carib Brewery (Grenada) Limited (formerly Grenada Breweries Limited) was incorporated in Grenada on 27th July, 1960. The Company was issued a certificate of continuance under Section 365 of the Company's Act. The Company's registered office and principal place of business is Maurice Bishop Highway, St. George's, Grenada.

The Company's principal activities are the brewing, bottling and distribution of Beers, Stout, Maltas and Soft Drinks.

Carib Brewery (Grenada) Limited (formerly Grenada Breweries Limited) is a subsidiary of the Ansa McAl Group of Companies, which owns 55.54% of the ordinary share capital of the Company.

Ansa McAl Limited is incorporated in the Republic of Trinidad and Tobago and is a diversified public conglomerate which is listed on the Trinidad and Tobago Stock Exchange. The Company's registered office is 11 Maraval Road, Port of Spain, Trinidad.

During the year the Company employed on average two hundred and forty-three (243) persons (2022-234).

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention modified by the revaluation of land and buildings.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures

(i) New Accounting Standards, Amendments and Interpretations

Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules (effective 1 January 2023)

The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later.

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments clarify that IAS 12 applies to income tax arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization of Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes’, respectively.

The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective.

The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity’s exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the amendments.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(i) New Accounting Standards, Amendments and Interpretations adopted (continued)

**Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules
(effective 1 January 2023) (continued)**

The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023.

Amendments to IAS 8 – Definition of Accounting Estimates (effective 1 January 2023)

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of ‘accounting estimates’. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques an input to develop accounting estimates.

The amended standard clarifies hat he effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies.

Although the amendments are not expected to have a material impact on entities’ financial statements. They should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies or error.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(i) New accounting Standards, Amendments and Interpretations (continued)

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (Effective 1 January, 2023)

In February 2021, the Board issued amendment to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality to accounting policy disclosure.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies;
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy.

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

These amendments had no impact on the Company.

CARIB BREWERY (GRENADA) LIMITED



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue but not yet effective

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Company's financial statements. These standards and interpretations may be applicable to the Company at a future date and will be adopted when they become effective. The Company is currently assessing the impact of adopting these standards and interpretations.

Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback (effective 1 January 2024)

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue but not yet effective (continued)

Amendments to IAS 1 – Classification of Liabilities as Current and Non-current with Covenants (effective 1 January 2024)

In January 2020 and October 2022, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification.

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date.

The amendments must be applied retrospectively.

Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements (effective 1 January 2024)

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue but not yet effective (continued)

Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements (effective 1 January 2024) (continued)

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than on which the finance providers pay the entity’s suppliers.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

IFRS S1- General Requirements for Disclosure of Sustainability-Related Financial Information (effective 1 January 2024)

IFRS S1 sets out overall requirements or sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Amendments IAS 21 Lack of Exchangeability (effective 1 January 2025)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Amendments to the SAB standards to enhance their international applicability (effective 1 January 2025)

The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment

Some items of property, plant and equipment are stated at valuation less subsequent depreciation. The others are stated at cost less accumulated depreciation.

Subsequent costs are included in the assets carrying amounts or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against the surplus directly in equity; all other decreases are charged to the statement of comprehensive income.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The rates used are as follows:

	Per annum
Freehold properties	2% -2.50%
Plant and machinery	2.5% - 33.33%
Motor vehicles	20% - 33.33 %
Furniture,fixture and equipment	10% - 33.33%
Computers	16.67%-33.33%
Bottles	33.3%
Crates	10% - 12.5%

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

(d) Inventories

Inventories are valued as follows:

- | | |
|-------------------------------------|---|
| 1) Raw materials and general stocks | - The lower of landed cost determined on the average price basis and net realizable |
| 2) Consumable stores | - The lower of landed cost and net realizable value on a first-in, first-out basis. |
| 3) Work-in-progress | - Raw material costs, direct labour and overheads incurred in brewing, |
| 4) Finished products | - Raw material costs, direct labour and overheads incurred in brewing, bottling and packaging |
| 5) Goods in transit | - Suppliers' invoiced cost. |

Adequate provision has been made for slow-moving and obsolete items.

(e) Returnable bottles and crates in circulation

The provision is based on the number of bottles and crates in circulation at the end of the financial year.

CARIB BREWERY (GRENADA) LIMITED



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the date of the statement of financial position. The resulting profits and losses are dealt with in the statement of comprehensive income. There are no foreign currency borrowings.

(g) Past Service benefits other than pensions

The Company provides, to all employees who are members of the Technical and Allied Workers' Union (TAWU), a past service benefit payable at the end of employment. This is charged against profit on a systematic basis over the employees' period of employment with the Company. The benefit is calculated on a monthly basis by applying a percentage of current salary levels and is accrued in non-current liabilities.

(h) Profit Sharing Scheme

The Company operates an employee profit sharing scheme and the amount to be distributed to employees each year is based on the terms outlined in the union agreement. Employees receive their profit share in cash. The Company accounts for the profit share as an expense, through the statement of comprehensive income.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand and at bank and short-term demand deposits with original maturity of three (3) months or less.

(j) Trade and Other Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for expected credit loss. The Company uses a provision matrix to calculate expected credit loss (ECL) for trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
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(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) *Financial instruments*

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) *Recognition and measurement*

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date that is the date on which the company commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market-place concerned.

Initial measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVPL) whereby transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at transaction price.

Subsequent measurement categories of financial assets and liabilities

The Company classifies all its financial assets based on the business model for managing the assets and the asset's contractual terms.

The Company classifies its financial assets at amortised cost except equity which is at fair value through profit and loss.

Amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- 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.

CARIB BREWERY (GRENADA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(ii) Impairment

In relation to the impairment of financial assets, the company utilizes an expected credit loss (ECL) model. This model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Therefore, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company records an allowance for expected credit losses for its trade receivables using a simplified approach to calculating ECLs whereby it recognizes a loss allowance based on lifetime ECLs at each reporting date. The ECL on these financial assets are estimated used a provision matrix that is based on it historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The provision rates used in the provision matrix are based on days past due.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If on the other hand the credit risk on a financial instrument has not increased significantly since initial recognition the Company recognizes the loss allowance for the financial instrument at an amount equal to 12-month ECL where applicable. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or actual default occurring.

Lifetime ECL represents the expected credit losses that will result for all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible with 12 months after the reporting date.

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial assets have occurred. Evidence that a financial asset is credit-impaired includes observable date about the following events:

CARIB BREWERY (GRENADA) LIMITED



**NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(ii) Impairment (continued)

- (i) Significant financial difficulty of the issuer or borrower;
- (ii) A breach of contract, such as a default or past due event;
- (iii) It is becoming probable that the borrower will enter in bankruptcy or other financial re-organization; and
- (iv) The disappearance of an active market for that financial asset because of financial difficulties

(iii) Write offs

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally when the Company determines that the borrower does not have assets or resources of income that would generate sufficient cash flows to repay the amount subject to the write-off.

(iv) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(v) Financial liabilities

When financial liabilities are recognised they are measured at fair value of the consideration given plus transactions costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost using the effective interest rate.

Financial liabilities are derecognized when they are extinguished, that is when the obligation specified in the contract as discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration price is recognised in the statement of comprehensive income.

(l) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of estimated returns, rebates and discounts.

Revenue is recognized when the Company has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

(m) Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Transactions entered into with related parties in the normal course of business are carried out on commercial terms and conditions during the year.

(n) Income tax

The charge for the current year is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using the applicable tax rates for the period.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Income tax (continued)

Deferred income tax is provided using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on the enacted tax rate at the statement of financial position date. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

(o) Stated capital

Ordinary shares are classified as equity.

(p) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

(q) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

(r) Dividends

Dividends that are proposed and declared during the period are accounted for as an appropriation of retained earnings in the statement of changes in equity.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Finance charges

Finance charges are recognized in the statement of comprehensive income as an expense in the period in which they are incurred.

(t) Intangible assets

The Company's intangible assets represent computer software. Amortisation is charged to comprehensive income on a straight-line basis over the estimated useful lives of the intangible asset unless such lives are indefinite. The computer software is being amortised over ten years.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Company's reported assets, liabilities, revenues and expenses. The items which may have the most effect on these financial statements, are set out below.

i) Valuation of property

The Company utilizes professional valuers to determine the fair value of its properties. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumptions chosen.

ii) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (continued)

ii) Provision for expected credit losses of trade receivables (continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

iii) Property, plant and equipment

Management exercises judgment in determining whether future economic benefits can be derived from expenditures to be capitalized and in estimating the useful lives and residual values of these assets.

(iv) Provision for inventory obsolescence

Provision for obsolescence on inventory is based on the age of the inventory, assessment of the physical condition and the levels of obsolete or unsaleable inventory items on hand.

4. NET SALES

Net sales comprise the value of sale of Beer, Stout, Maltas, and Soft Drinks in Grenada, Trinidad and St. Vincent excluding Value Added Tax.

5. OTHER INCOME

Other income comprises sundry sales, profit on the disposal of property, plant and equipment, interest income and provision for case deposits' write back.

6. PROFIT FOR THE YEAR

	2023	2022
This profit is stated after charging:		
Auditors' remuneration	60	60
Directors' fees and expenses	4	4
Depreciation	7,724	7,437
Amortization	55	55

CARIB BREWERY (GRENADA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in thousands of Eastern Caribbean Dollars)
(continued)



7. PROPERTY, PLANT AND EQUIPMENT

	Bottles in Circulation	Work-in- Progress	Land	Building	Plant and Machinery	Fixtures and Fittings	Motor Vehicle	Total
Balance at 1st January, 2022								
Cost/valuation	17,077	3,242	776	5,985	57,630	1,864	4,528	91,102
Accumulated depreciation	(10,562)	—	—	(4,625)	(44,954)	(1,074)	(3,640)	(64,855)
NET BOOK VALUE	<u>\$6,515</u>	<u>\$3,242</u>	<u>\$776</u>	<u>\$1,360</u>	<u>\$12,676</u>	<u>\$790</u>	<u>\$888</u>	<u>\$26,247</u>
For the year ended 31st December, 2022								
Opening book value	6,515	3,242	776	1,360	12,676	790	888	26,247
Additions for the year	403	5,866	—	57	2,520	24	177	9,047
Disposals for the year – cost	—	—	—	—	—	(5)	(43)	(48)
Disposals for the year – accumulated depreciation	—	—	—	—	—	5	43	48
Transfer	2,722	(3,242)	—	182	—	59	279	—
Depreciation charge for the year	(4,447)	—	—	(127)	(2,381)	(80)	(402)	(7,437)
NET BOOK VALUE	<u>\$5,193</u>	<u>\$5,866</u>	<u>\$776</u>	<u>\$1,472</u>	<u>\$12,815</u>	<u>\$793</u>	<u>\$942</u>	<u>\$27,857</u>
Balance at 31st December, 2022								
Cost/valuation	20,202	5,866	776	6,224	60,150	1,942	4,942	100,102
Accumulated depreciation	(15,009)	—	—	(4,752)	(47,335)	(1,149)	(4,000)	(72,245)
NET BOOK VALUE	<u>\$5,193</u>	<u>\$5,866</u>	<u>\$776</u>	<u>\$1,472</u>	<u>\$12,815</u>	<u>\$793</u>	<u>\$942</u>	<u>\$27,857</u>
For the year ended 31st December, 2023								
Opening book value	5,193	5,866	776	1,472	12,815	793	942	27,857
Additions for the year	—	13,636	—	—	—	—	—	13,636
Disposals for the year – cost	—	—	—	—	(113)	—	—	(113)
Disposals for the year – accumulated depreciation	—	—	—	—	113	—	—	113
Transfer	9,208	(13,370)	(174)	174	4,006	75	81	—
Depreciation charge for the year	(4,541)	—	—	(143)	(2,670)	—	(370)	(7,724)
NET BOOK VALUE	<u>\$9,860</u>	<u>\$6,132</u>	<u>\$602</u>	<u>\$1,503</u>	<u>\$14,151</u>	<u>\$868</u>	<u>\$653</u>	<u>\$33,769</u>
Balance at 31st December, 2023								
Cost/valuation	29,410	6,132	602	6,398	64,043	2,017	5,023	113,625
Accumulated depreciation	(19,550)	—	—	(4,895)	(49,892)	(1,149)	(4,370)	(79,856)
NET BOOK VALUE	<u>\$9,860</u>	<u>\$6,132</u>	<u>\$602</u>	<u>\$1,503</u>	<u>\$14,151</u>	<u>\$868</u>	<u>\$653</u>	<u>\$33,769</u>

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

8. INTANGIBLE ASSETS

	2023	2022
<i>Computer software:</i>		
Gross carrying amount, 31 December, 2023	<u>548</u>	<u>548</u>
Accumulated amortization 1 January, 2023	(238)	(183)
Amortization for the year	<u>(55)</u>	<u>(55)</u>
Accumulated amortization 31 December, 2023	<u>(293)</u>	<u>(238)</u>
Net carrying amount, 31 December, 2023	<u>\$255</u>	<u>\$310</u>

9. INVESTMENT SECURITIES

Equity security at fair value through profit and loss

Eastern Caribbean Securities Exchange
- 2,500 shares of \$10 each

<u>\$25</u>	<u>\$25</u>
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Investment security at amortised cost

Fixed deposits

<u>\$3,322</u>	<u>\$5,412</u>
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The fair value of the Eastern Caribbean Securities Exchange Shares was estimated at cost since insufficient recent information was available to measure at fair value.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023
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(continued)**

10. INVENTORIES

	2023	2022
Finished goods	1,362	1,364
Raw materials and work in progress	3,319	3,941
Goods in transit	2,917	1,270
Consumables and spares	<u>3,312</u>	<u>3,227</u>
	<u>\$10,910</u>	<u>\$9,802</u>

The difference between the purchase price or production cost of inventories and their replacement value is not material.

11. TRADE AND OTHER RECEIVABLES

Trade receivables – net	4,158	4,895
Other receivables	213	239
Prepayments	<u>1,024</u>	<u>958</u>
	<u>\$5,395</u>	<u>\$6,092</u>

Movements in provision for expected credit loss of trade receivables were as follows:

As at 1 st January, 2023	419	435
Net increase/(decrease) in expected credit loss	<u>22</u>	<u>(16)</u>
As at 31 st December, 2023	<u>\$441</u>	<u>\$419</u>

The carrying value of trade and other receivables approximates their fair value.

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

12. AMOUNT DUE FROM RELATED PARTY

	2023	2022
Balance at 31 st December, 2023	1,645	2,019
- Current portion	<u>427</u>	<u>379</u>
- Non-current portion	<u>\$1,218</u>	<u>\$1,640</u>

This amount is due from Sissons Paint (Grenada) Limited. There was a moratorium on principal payment to December 31, 2022. This loan is repayable in monthly instalment of \$39,199.84 inclusive of principal and interest at a rate of 3.5% per annum, over five (5) years.

The loan is secured by a promissory note of the ultimate parent – Ansa McAl Limited.

13. CASH AND CASH EQUIVALENTS

Grenada Co-operative Bank Limited		
- Current Accounts	8,130	15,088
Cash on hand	<u>9</u>	<u>8</u>
	<u>\$8,139</u>	<u>\$15,096</u>

The Company has an unused EC\$5.0 million overdraft facility available with Grenada Co-operative Bank Limited.

14. STATED CAPITAL

Authorised		
- 6,000,000 ordinary shares of no par value		
- 300,000 10% preference shares of no par value		
Allocated, called up and fully paid		
- 4,154,652 ordinary shares of no par value	<u>\$4,155</u>	<u>\$4,155</u>

CARIB BREWERY (GRENADA) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

15. CAPITAL RESERVE ACCOUNT

	2023	2022
Balance at 31 st December, 2023	<u>\$571</u>	<u>\$571</u>

This reserve consists of surplus derived from revaluation of property, plant and equipment less amounts utilised in the issue of bonus shares.

16. PAST SERVICE BENEFITS LIABILITY

Balance at 1 st January, 2023	3,121	2,867
Net contributions for the year	<u>47</u>	<u>254</u>
Balance at 31 st December, 2023	<u>\$3,168</u>	<u>\$3,121</u>

This amount is a provision for retirement benefits for persons employed with the Company and represented by the Grenada Technical and Allied Workers' Union.

17. DEFERRED TAX ASSET/(LIABILITY)

Balance at 1 st January, 2023	690	(191)
Deferred tax movement	<u>5</u>	<u>881</u>
Balance at 31 st December, 2023	<u>\$695</u>	<u>\$690</u>

The deferred tax asset/(liability) is due to the acceleration/(delay) of tax depreciation.

CARIB BREWERY (GRENADA) LIMITED



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18. TRADE AND OTHER PAYABLES

	2023	2022
Trade payables	1,359	1,213
Due to statutory authorities	138	87
Accruals	1,291	1,650
Other payables	<u>6,286</u>	<u>6,037</u>
	<u>\$9,074</u>	<u>\$8,987</u>

19. AMOUNT DUE FROM/(TO) ANSA MCAL GROUP OF COMPANIES

Due from:

Carib Brewery (St. Kitts & Nevis) Limited	72	303
Carib Brewery TNT Limited/Caribbean Development Company Limited	845	342
Ansa McAL (TNT) Limited	<u>782</u>	<u>-</u>
	<u>\$1,699</u>	<u>\$645</u>

Due to:

Ansa Chemicals Limited	(62)	(83)
Ansa Polymer	-	(25)
Carib Glassworks Limited	(61)	(334)
Carib Brewery TNT Limited/ Caribbean Development Company Limited	(1,406)	(2,308)
Ansa McAl (USA) Inc.	-	(2,521)
Carib Brewery USA	(3)	(3)
Carib Brewery (St. Kitts & Nevis) Limited	(109)	(410)
Ansa McAl (TNT) Limited	(18)	(25)
Ansa Motors Limited	<u>(131)</u>	<u>-</u>
	<u>\$ (1,790)</u>	<u>\$(5,709)</u>

20. TAXATION

Income taxes in the statement of comprehensive income vary from amounts that would be computed by applying the statutory tax rate for the following reasons:

Net profit before taxation	<u>11,185</u>	<u>11,864</u>
Tax at applicable statutory rate 28%	3,132	3,322
Income not subject to tax	(4)	(22)
Expenses not deducted for tax purposes	2,197	2,117
Other	<u>(2,244)</u>	<u>(1,056)</u>
Taxation expense	<u>\$3,081</u>	<u>\$4,361</u>

CARIB BREWERY (GRENADA) LIMITED



**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

21. DIVIDENDS PAID

	2023	2022
Final dividends paid	<u>\$4,155</u>	<u>\$8,309</u>

22. CONTINGENT LIABILITIES

At the statement of financial position date the Company was contingently liable to the Government of Grenada for custom bonds in the amount of \$226,179.

23. RELATED PARTY TRANSACTIONS

i) The following transactions were carried out with other Ansa McAl Group companies during the year:

a) Sales of goods	<u>\$1,390</u>	<u>\$2,043</u>
b) Purchase of goods	<u>\$28,945</u>	<u>\$24,822</u>
c) Payment of dividends	<u>\$2,287</u>	<u>\$4,615</u>

ii) Compensation of key management personnel of the company:

Salaries and other benefits	<u>\$1,611</u>	<u>\$1,499</u>
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24. EARNINGS PER SHARE

	2023	2022
Net profit for the year after taxation	<u>\$8,109</u>	<u>\$8,384</u>
Number of ordinary shares outstanding during the year	<u>\$4,155</u>	<u>\$4,155</u>
Basic earnings per share	<u>\$1.95</u>	<u>\$2.02</u>

CARIB BREWERY (GRENADA) LIMITED



**NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

25. RISK MANAGEMENT

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The management of risk is important to the Company's continuing profitability and each person is accountable for the risk exposures relating to their functions and responsibilities. The Company is exposed to credit risk, liquidity risk and market risk.

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Company in compliance with the policies approved by the Board of Directors.

Credit risk management

The Company has exposure to credit risk, which is the potential for loss due to debtors or counterparties failure to pay amounts when due. Credit risk is the most important risk for the Group's business: therefore, management carefully manages its exposure to it. Credit risk exposures arise principally from the Company's receivables and financial transactions. The Company extends credit to recognized, creditworthy third parties who are subject to a credit verification process.

Significant changes in the economy, or in the state of a particular industry segment that represent a concentration of the Company's customer base, could result in losses that are different from those provided at the date of the statement of financial position.

Cash and short-term deposits

These funds are placed with highly rated banks and management therefore considers the risk of default of these institutions to be very low.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Executive Committee has established a credit policy under which each customer is analyzed individually for creditworthiness prior to the Company offering them a credit facility. Credit limits are assigned to each customer, which represents the maximum credit allowable without approval from the Board of Directors. The Company has procedures in place to restrict customers' orders if the order will exceed their credit limits. Customers that fail to meet the Company's benchmark creditworthiness can only trade with the Company on a cash basis.

Customer credit risk is monitored according to their credit characteristics such as whether it is an individual or company, types of industry, aging profile and previous financial difficulties. The Company's credit period is thirty (30) days. Trade receivables over one hundred and eighty (180) days are fully provided for.

CARIB BREWERY (GRENADA) LIMITED

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(continued)**

25. RISK MANAGEMENT (continued)

Trade receivables (continued)

The following table shows the maximum exposure to credit risk for the components of the statement of financial position.

	Gross Maximum Exposure	
	2023	2022
Investment securities - equity	25	25
Trade and other receivables	5,395	6,092
Amount due from Ansa McAL Group of Companies	1,699	645
Investment securities – amortised cost	3,322	5,412
Due from related party	1,645	2,019
Cash and cash equivalents	<u>8,139</u>	<u>15,096</u>
	<u>\$20,225</u>	<u>\$29,289</u>

CARIB BREWERY (GRENADA) LIMITED



**NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

25. RISK MANAGEMENT (continued)

Trade receivables (continued)

Set out below is the information about the credit risk exposure on the Company's trade receivables.

	Current	31-90 days	90-180 days	Over 180 days	Total
31st December, 2023					
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	3,431	690	-	478	4,599
Expected credit loss booked	—	—	—	(441)	(441)
Net carrying amount	<u>\$3,431</u>	<u>\$690</u>	<u>\$—</u>	<u>\$37</u>	<u>\$4,158</u>
31st December, 2022					
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	3,728	1,008	148	430	5,314
Expected credit loss booked	—	—	—	(419)	(419)
Net carrying amount	<u>\$3,728</u>	<u>\$1,008</u>	<u>\$148</u>	<u>\$11</u>	<u>\$4,895</u>

CARIB BREWERY (GRENADA) LIMITED

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(continued)**

25. RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Company monitors its liquidity risk by considering the maturity of its financial investments, financial assets and projected cash flow from operations. Where possible the Company utilizes surplus internal funds to finance its operations on on-going projects.

Liquidity risk management process:

The Company's liquidity management process includes:

1. Monitoring liquidity on a daily basis and further cash flows on a monthly basis.
2. Maintaining a portfolio of cash investments with staggered maturity dates that can be easily terminated if required.
3. Maintaining committed lines of credit.
4. Maximizing cash returns on investment.

The table below summaries the maturity profile of the Company's financial liabilities at 31st December, 2023 based on contractual undiscounted payments.

	On Demand	< 1 year	Total
Trade and other payables	9,074	-	9,074
Provision for repayments of deposits on cases	2,292	-	2,292
Due to Ansa McAl Group of Companies	<u> -</u>	<u>1,790</u>	<u>1,790</u>
Balance at 31st December, 2023	<u>\$11,366</u>	<u>\$1,790</u>	<u>\$13,156</u>
Trade and other payables	8,987	-	8,987
Provision for repayments of deposits on cases	3,293	-	3,293
Due to Ansa McAl Group of Companies	<u> -</u>	<u>5,709</u>	<u>5,709</u>
Balance at 31st December, 2022	<u>\$12,280</u>	<u>\$5,709</u>	<u>\$17,989</u>

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24. RISK MANAGEMENT (continued)

Fair values

Fair value of the financial assets and liabilities represents the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of cash and cash equivalents, trade and other receivable, trade and other payables and due to Ansa McAl Group of Companies approximate their carrying amounts due to the short-term maturities of these instruments.

Market risk

The Company takes on exposure to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. There have been no changes to the Company's exposure to market risks or the manner in which it manages and measures the risk from the previous years.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases in currencies other than the Company's functional currency. Management monitors its exposure to foreign currency fluctuation and employs appropriate strategies to mitigate any potential losses. The Company operates primarily in The Eastern Caribbean; although some of these transactions are in United States Dollars, the currency risk exposures are minimal due to the fact that the Eastern Caribbean dollar is pegged to the United States Dollar. The Company is also exposed to a minimal amount of currency risks from transactions conducted in Euro, Pounds Sterling, Trinidad and Tobago and Guyana Dollars.

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25. RISK MANAGEMENT (continued)

The aggregate value of financial assets and liabilities by reporting currency are as follows:

	TT\$	US\$	EC\$	TOTAL
Assets				
Investment securities	-	-	25	25
Trade and other receivables	-	-	5,395	5,395
Amount due from Ansa McAl Group Companies	-	1,627	72	1,699
Investment securities	-	-	3,322	3,322
Amount due from related parties	-	-	1,645	1,645
Cash and cash equivalents	<u>-</u>	<u>689</u>	<u>7,450</u>	<u>8,139</u>
Balance at 31st December, 2023	<u>\$ -</u>	<u>\$2,316</u>	<u>\$17,909</u>	<u>\$20,225</u>
Liabilities				
Due to Ansa McAl Group of Companies	130	1,552	108	1,790
Trade and other payables	-	820	8,254	9,074
Provision for repayment of deposits on cases	<u>-</u>	<u>-</u>	<u>2,292</u>	<u>2,292</u>
Balance at 31st December, 2023	<u>\$130</u>	<u>\$2,372</u>	<u>\$10,654</u>	<u>\$13,156</u>
Assets				
Investment securities	-	-	25	25
Trade and other receivables	-	-	6,092	6,092
Amount due from Ansa McAL Group of Companies	-	342	303	645
Investment securities	-	-	5,412	5,412
Amount due from subsidiary company	-	-	2,019	2,019
Cash and cash equivalents	<u>-</u>	<u>761</u>	<u>14,335</u>	<u>15,096</u>
Balance at 31st December, 2022	<u>\$ -</u>	<u>\$1,103</u>	<u>\$28,186</u>	<u>\$29,289</u>
Liabilities				
Due to Ansa McAl Group of Companies	-	5,709	-	5,709
Trade and other payables	-	467	8,520	8,987
Provision for repayment of deposits on cases	<u>-</u>	<u>-</u>	<u>3,293</u>	<u>3,293</u>
Balance at 31st December, 2022	<u>\$ -</u>	<u>\$6,176</u>	<u>\$11,813</u>	<u>\$17,989</u>

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25. RISK MANAGEMENT (continued)

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rate. Since the Company holds primarily fixed rate financial instruments and has no significant interest-bearing assets or liabilities, its income and operating cash flows are substantially independent of changes in market interest rates.

26. COMPARATIVE FIGURES

Certain of the 2022 comparative figures have been reclassified to conform to the current year's financial statement presentation. These changes have no impact on the surplus reported for the previous year.