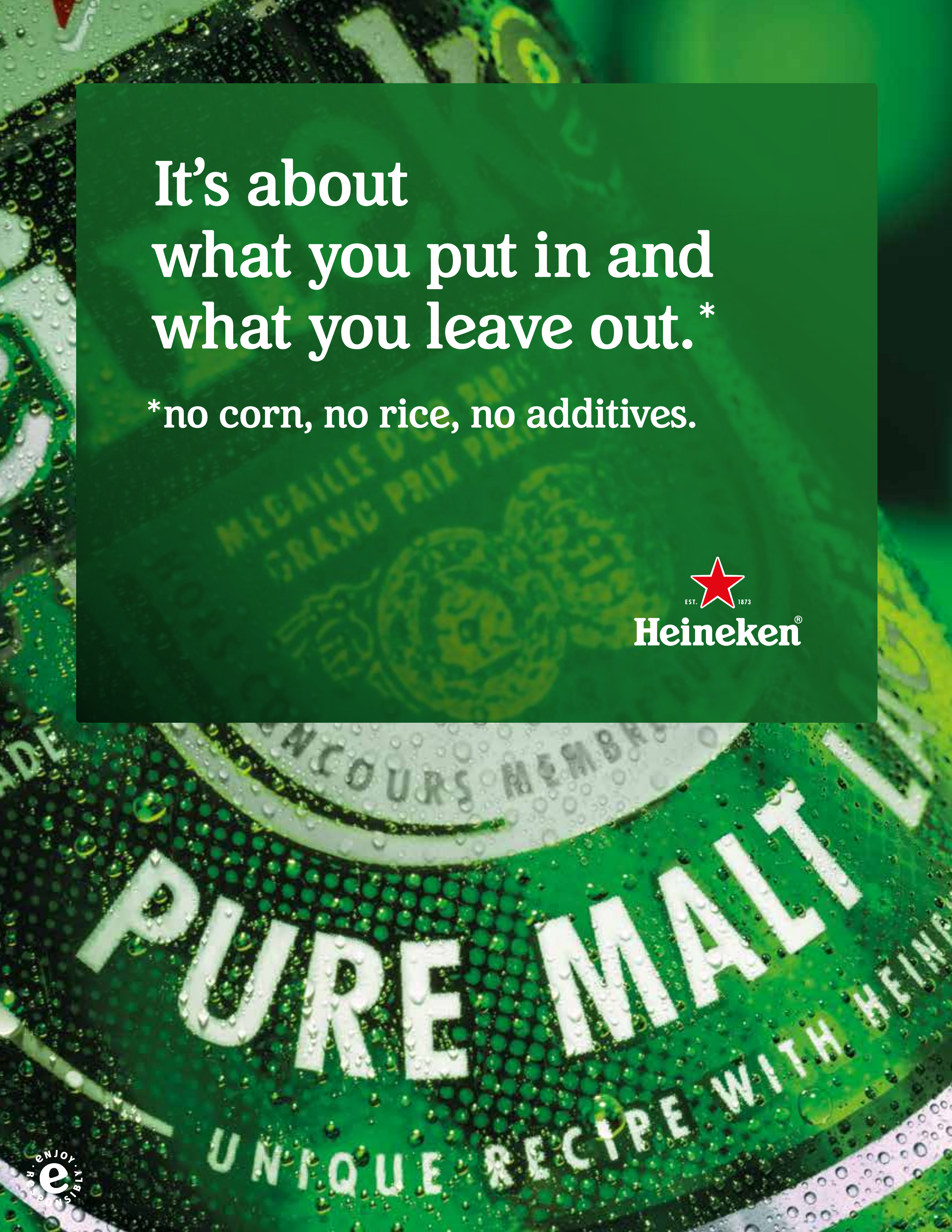
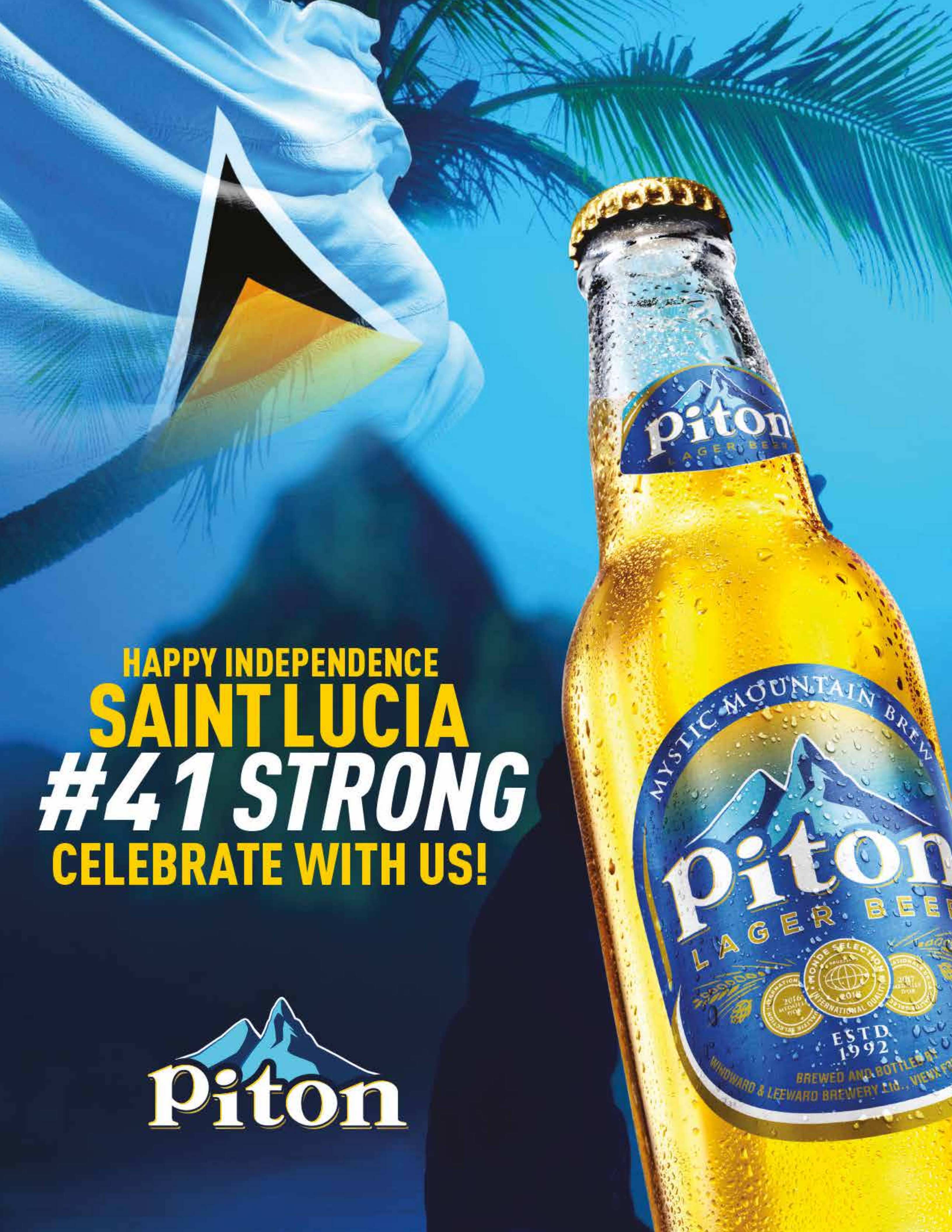
2019 ANNUAL REPORT

TAKING BOLD STEPS


It's about
what you put in and
what you leave out.*
*no corn, no rice, no additives.
EST. 1873
Heineken®
PURE MALT
UNIQUE RECIPE WITH
ENJOY RESPONSIBLY


HAPPY INDEPENDENCE
SAINT LUCIA
#41 STRONG
CELEBRATE WITH US!
Piton
piton
LAGER BEER
MYSTIC MOUNTAIN BREW
piton
ESTD
1992

CORPORATE PROFILE

Windward and Leeward Brewery Limited was incorporated under the Commercial Code of Saint Lucia on March 11, 1974 and continued under the Companies Act of Saint Lucia as Company No. 21 of 1974.

In 2016, WLBL merged with Du Boulay's Bottling Company Ltd. (DBC) to create the largest total beverage manufacturer in St. Lucia and the Eastern Caribbean. DBC commenced production in 1972 and has a rich history in the soft drink business. The combined company produces and distributes high-quality alcoholic and non-alcoholic beverages which includes Heineken Beer, Piton Beer, Shandy and Malt, Guinness, Desperados, Strongbow Cider, Coca Cola, Sprite, ICY, Crystal Clear Premium Water, Royal Club (soft drink), Climax (energy drink), SuperMalt, Amstel Bright, Turbo King, Vita Malt and Red Stripe.

The Brewery's capacity at startup was 50,000 hectoliters with a workforce of 60 employees. Today, with the merger the workforce has grown to over 200 employees and has the capacity to produce 500,000 hectoliters.

The major shareholders of the Company are: Heineken International B.V., DBC Investments Limited and Invest Saint Lucia. Other shareholders include CARICOM nationals residing in and outside of the Caribbean region.

The Company serves the domestic market as well as all the OECS countries, Barbados, Belize, Guyana, and the Republic of Trinidad and Tobago.

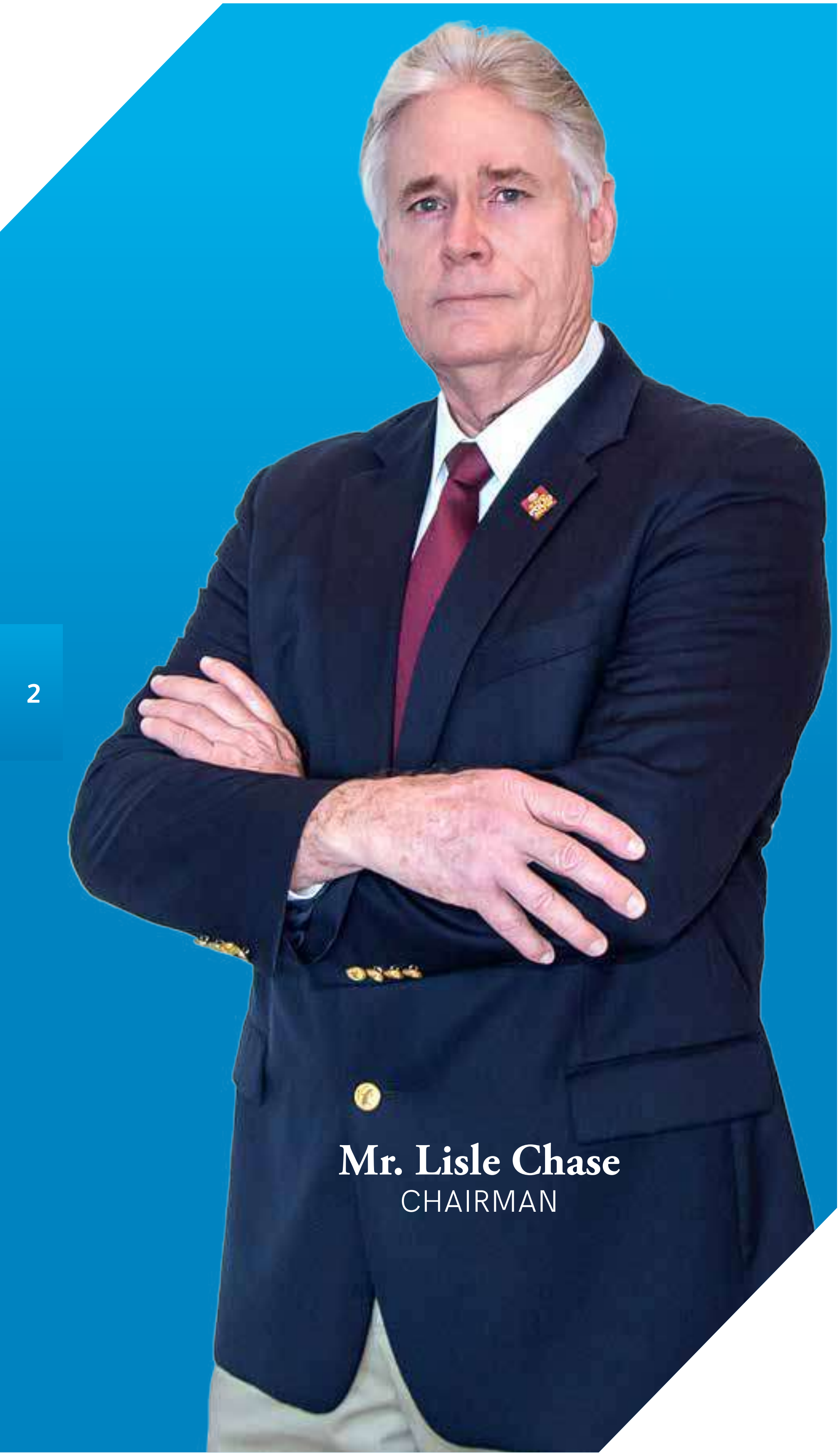
REGISTERED OFFICE
Windward and Leeward
Brewery Limited
St. Jude's Highway
Vieux-Fort Industrial Estate
Vieux-Fort, St. Lucia

AUDITORS
Grant Thornton
Pointe Seraphine
PO Box 195
Castries, St. Lucia

BANKERS
CIBCFirstCaribbean
International Bank
Bridge Street
Castries, St. Lucia

SOLICITORS
Mc Namara & Co.
Micoud Street
Castries, St. Lucia

CONTENTS



Mr. Lisle Chase
CHAIRMAN

INTRODUCTION

We had three key priorities in 2019: growing in the six categories in which we compete in our domestic space, reducing our cost base and growing our export market. We were able to deliver results in all three and translate top line growth and cost reduction into increased operating profit versus last year. Our domestic volume grew +16%, with double or high single digit growth in all of our six categories - beer, cider, malta, water, soft drinks and energy drinks. Export volume grew 10% above last year in both our beer and soft drink portfolios, the latter driven by recovery in Dominica following the passage of Hurricane Maria two years ago. Our overall volume growth in 2019 was 15% above 2018.

Our Refuel for Growth ("RFG") programme accelerated in 2019 delivering €1.2 million in cost savings versus prior year. The objective of the RFG programme is to identify "bad cost' and execute changes to drive these out. Most of the savings related to improvement in efficiencies, reduction in losses and better pricing. RFG is the combined effort of several cross-functional teams assessing and executing cost saving opportunities in a plethora of cost buckets.

In export, we worked closely with Americas Export to identify sources of growth for our portfolio in CARICOM beyond what we do today with the Heineken brand. Through this collaboration, we have started to export Royal Club soft drinks and we expect other categories to follow in 2020.

FINANCIAL RESULTS

Operating profit in 2019 increased by $1.8 million from $19.4 million in 2018, due to upsides in both domestic and export revenues, coupled with a 30% reduction in marketing expense and Refuel for Growth savings.

In millions of EC$	2015	2016	2017	2018	2019
Turnover	92.5	107.1	123.1	112.5	**119.0**
Profit before taxation	22.7	25.5	26.9	18.6	**19.9**
Profit after taxation	17.7	17.2	20.0	12.7	**14.1**
Total assets	75.4	156.5	151.2	152.4	**158.9**
Shareholders' equity	55.5	99.9	101.4	95.8	**98.2**
Capital expenditure	7.5	12.7	14.7	16.6	**18.2**
Earnings per share (EC$)	14.2	13.5	15.7	9.9	**11.1**
Return on assets (%)*	23.4%	18.2%	18.9%	11.7%	**12.3%**

* return on asets excludes goodwill and intangibles

These upsides were able to compensate for increases in our IT expenses, raw and packaging material costs due to volume and mix, and higher license fees.

The increase in IT spend was due to preparatory work for the migration to our new ERP platform, BASE Heilite in April 2020.

Profit before income tax increased by $1.4 million to $19.9 million in 2019 due to the reasons outlined in the preceding paragraph. Profit after tax also increased by $1.4 million to $14.1 million in 2019. Income tax expense was in line with last year.

Earnings per share ("EPS") increased from $9.94 in 2018 to $11.08 in 2019.

INVESTMENTS

In 2019, the company invested approximately $16 million in order to secure business continuity, improve systems and processes, and drive top line growth in the domestic market. Approximately $4 million was spent replenishing the returnable bottle and crate pool in order to safeguard business continuity and packaging quality. Over $1 million was invested in commercial assets in order to get our products to market and increase cooler coverage. We invested in a modern Human Resource System that has been standardized across the Heineken world and we started our investment in a plant maintenance system, Maximo, as well as BASE Heilite Enterprise Resource Planning software, both standard packages deployed within Heineken.

In 2020, the company will undertake the largest investment in its history, EC$47 million, in order to relocate the PET line to the Brewery, thereby creating the largest industrial site in the OECS, expand our brewing capacity, improve our systems and safeguard business continuity. The relocation of the PET line to the Brewery will effectively result in the closure of the Castries plant, and the expected completion date of the project is November 2020. There will be no loss of jobs because of the change. Team members from the Castries plant will however, be given a choice as to whether they continue with the company.

During the year, new fermentation tanks will be installed in order to resolve the current bottleneck in our brewing capacity. In parallel, the company will reduce the number of leased sites in Castries from three to one single site housing our distribution, commerce and support functions under one roof. The expected completion date is in the third quarter of 2020.

QUALITY

The company continues to excel in product quality. In 2019, Piton Beer was awarded a silver medal in quality at the prestigious Monde Selection International Institute for Quality Selections, following three consecutive years of Gold.

Crystal Clear won a Gold medal in the water category for the second consecutive year. In addition to these accolades, the company won the Coca Cola Excellence Cup for the emerging Markets.

DIVIDENDS

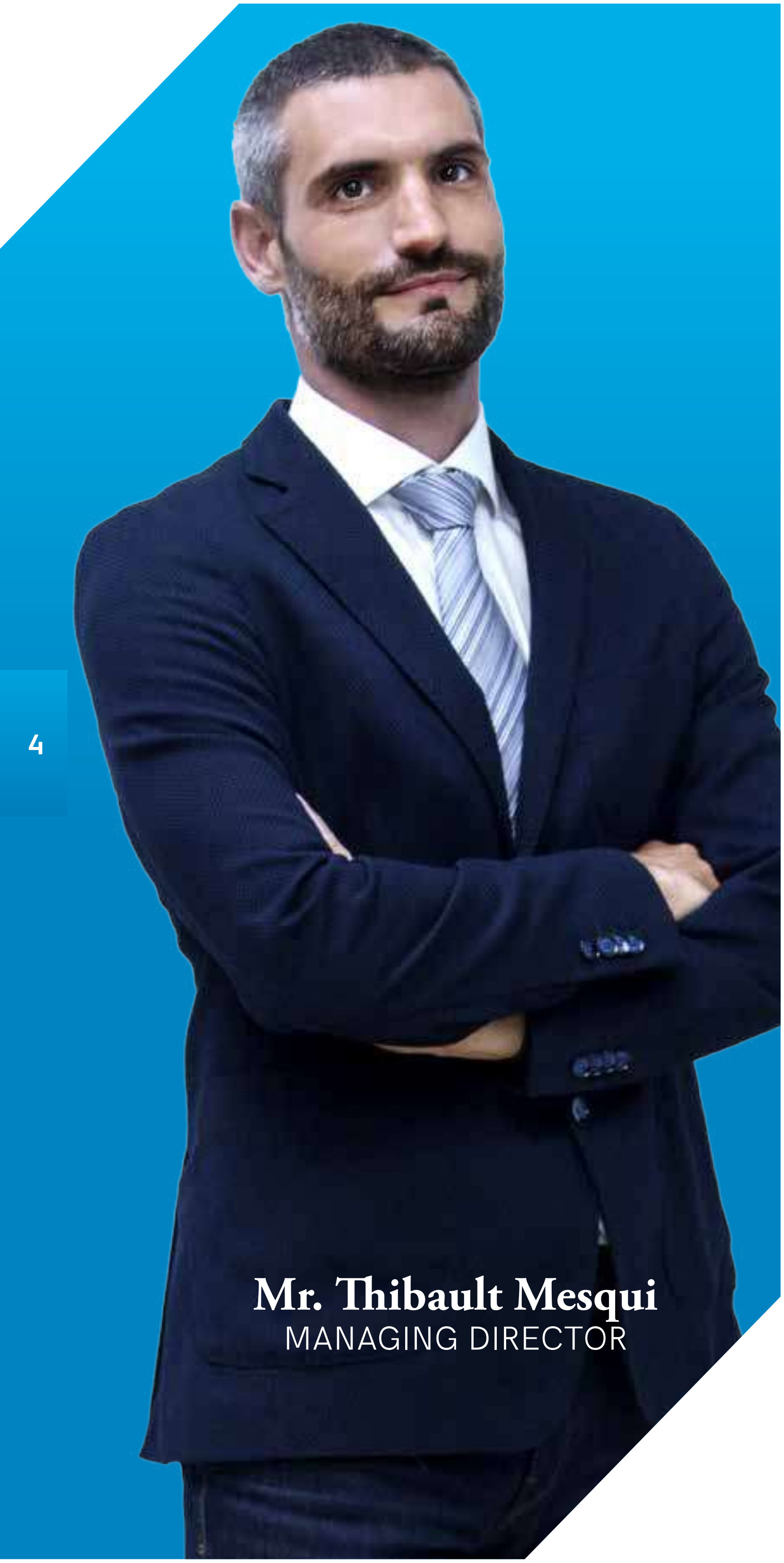
The company declared a final dividend of $6.0 million to ordinary shareholders in respect of the year ended December 31, 2018 and an interim dividend of $5.8 million to ordinary shareholders in respect of the year ended December 31, 2019. This is an aggregate of $9.24 per share paid in the financial year.

CONCLUSION

2019 was a positive year and a return to grow but it was also marked by changes in our business. We bade farewell to our Managing Director, Philippe Saintigny, after one year and welcomed his replacement Thibault Mesqui. Despite the changes, the team remained resilient and focused on the delivery of our operating profit.

Our strategic focus in 2020 will remain unchanged and we will focus our efforts on continuing to grow our top line whilst we reduce our cost base in order to remain relevant, sustainable and competitive. Our people remain our most valuable asset and we will continue to work on improving our climate and making our company the workplace of choice in Saint Lucia.

As we simplify our operations and reduce the complexity of our business we expected 2020 to be another year of growth for our company.



Mr. Thibault Mesqui
MANAGING DIRECTOR

EXECUTIVE SUMMARY

2019 has been a fantastic year for WLBL DBC, with the delivery of an extraordinary topline growth, improvement of all production KPIs, the roll out of many important programs that are future proofing our business and the growth of our export business. These achievements are the result of the efforts, unalterable dedication and commitment of our teams, for which I want to thank and congratulate them warmly. I feel very proud and honored to be part of this team, for a few months now, who shine every day with their end-to-end orientation, uncompromised bias for brewing and producing the best quality products and serving them in the right way, at the right price and in the right place to our Saint Lucian consumers.

SAFETY FIRST

After over 800 days without accidents in our brewery, at the very end of the year we got three reminders that safety should never be taken for granted and requires attention every single day. We ended the year reporting three accidents in the last two months, which is three too many. Our commitment to putting conditions and behaviors in place for our team members to go home safely to their families at the end of each day remains intact, and we confirm our objective of zero-accidents in 2020. I am very confident that we can reach it, if we remain focused on the critical areas to improve in 2020 which include practicing the 12 Life Saving Rules (fully rolled out in 2019), safety on the road, and safety in our warehouses.

PERFORMANCE

Our teams have delivered an impressive performance in 2019, led by a fantastic top line growth in both our domestic and export businesses. Our volume increased by 15% over 2018 resulting in a revenue growth of EC$2.1m (+1.8%). This is a result of a great end-to-end effort from the entire company - from supply chain to the sales teams on the road, going the extra mile on a daily basis to deliver double-digit growth on most of our six product categories in our domestic market, or very high single digit growth.

Our beer business has been flourishing with a +9% growth versus last year, led by an incredibly strong Heineken brand. Our premium flagship brand grew at a historical rate of 20% versus 2018, confirming its status of worldwide icon in Saint Lucia. Meanwhile, Piton confirmed its status as the most loved Saint Lucian beer brand with a growth of 4% versus 2018, which is a great achievement, considering the size it represents.

Cider, our second alcoholic segment, delivered a strong 8% growth year on year, through smart point of sales activations and a relevant choice of taste varieties offered to our consumers throughout the year.

Malta delivered a solid 13% growth whilst our energy drink, Climax, delivered an extra-ordinary +159% year and year, showing that the right pack at the right price, with the proper focus on execution can deliver wonders for WLBL-DBC.

2019 has also been an important year for our soft drinks, getting back to growth. Our flagship water, Crystal Clear, reached a new level with a 33% growth, whilst Coca Cola, Sprite and ICY grew respectively with +20%, +17% and +3%.

For the first year in the history of the company, WLBL-DBC was awarded with the Coca Cola Excellence Cup for the Emerging Markets – the most prestigious recognition for a bottler in the Americas region, rewarding a combination of excellent commercial results, growth of Coke No Sugar and consistent outstanding quality of the products that we put on the market.

This topline growth has enabled the delivery of a profit of $14.1 million, and an operating profit organic growth versus last year of $1.4 million, +7%.

2019 - ANOTHER YEAR OF CHANGE

Last year marked the arrival of the fourth Managing Director in only 3 years-time. Truth be told, one could feel a certain fatigue linked to these changes within the teams. I certainly did when discussing in one on ones or informal catch-ups with various members of the team upon my arrival. Nonetheless, 2019 recorded some other important and very positive changes:

- embedding and activating the new vision set end of 2018, giving the whole company a sense of direction and inspiration to give this company a sustainable future
- a rejuvenated winning spirit among all teams

All this, resulting in a renewed growth after a few years of erosion in our business performance.

We also kept investing in our systems with the aim of improving how we do our business and our ways of working: Empower HR system, preparing BASE – a new ERP system to go live in April 2020. We continued giving back to our communities, helping St Lucia becoming a more sustainable place all together. We commissioned a playground in Gros Islet, donated bikes to the RSLPF in Castries, installed a water tank in Canaries, and repainted two schools in Laborie and Vieux Fort, among other activities. We are deeply committed to giving back to our beautiful island and its inhabitants, and helping to make it a better place to live and enjoy great refreshments, always in a responsible way. The rollout of our "iPledge to Drink Right" campaign, advocating responsible consumption, is continuing for the second year and we are working on plans to accelerate it in 2020.

OUTLOOK 2020

In 2020, we are looking at a continued momentum, with growth led by topline. We see further opportunities on all our categories, and expect all six of them to grow, in domestic as well as in export. We will put new foundations for our sustainable future: making sure that we are the best place to work with a special attention given to our people. We commit to becoming a driving force of sustainable change in St Lucia, giving back to our communities, leading on the agenda of plastic waste reduction, and continued advocacy for responsible consumption in our island. We will also make significant investments in our processes (new ERP and future-proofed ways of working) and facilities. We will relocate the soft drink line from the Castries Plant to Vieux Fort, offering to all our employees from the Castries Plant to join us. We will thus upgrade our brewery to a world-class level brewery, able to deliver all our six categories under one roof, allowing us to grasp new commercial opportunities in St Lucia, as well as in Export. In tandem, we will improve the safety of our northern distribution center by relocating it, together with our head offices, into a newly built facility at Choc.

This means that in 2020 all our teams will be housed in two locations, instead of four, as was the case in 2019, fostering the collaboration and unification of our different sub-teams into a real, unique WLBL-DBC team. 2020 will be a stepping-stone for WLBL-DBC in our mission to build a sustainable future for ourselves and I will be honored to leading our winning team a step closer to realizing this mission.

THIBAULT MESQUI

Mr. Mesqui, Managing Director of WLBL, joined HEINEKEN in 2012 at Heineken Croatia as Marketing Manager – Premium Brands. Among relevant achievements, he successfully set the premium strategy to position our brands as market leaders in that segment. In 2016, he moved to Amsterdam as Global Innovation Manager Heineken®, where he has led the redefinition of both Heineken® Light and Heineken®3 strategies. Prior to joining WLBL, he served as Manager Home Draught in Global Commerce Innovation since 2017, leading the strategy, commercial roll out and execution of the home draught business worldwide.

Before joining Heineken, he had an extensive marketing career with world-class FMCG companies such as L'OREAL, where he was Regional Marketing Manager for Eastern and South Eastern Europe, based in Zagreb Croatia. He holds a MSc. in Management from HEC Paris and a Msc. in International Business Management from CEMS.

DAVID LISLE CHASE - FCCA, CA, STEP

Mr. Chase is a qualified Accountant and Chief Executive of Financial Centre Corporation since 1999. He is an active member of the Society of Trust and Estate Practitioners (STEP), an internationally recognised body of qualified professionals, and an active Rotarian. He has served as chairman of the Board from October 1, 2006.

ANDREA VOGLIAZZO

Mr. Vogliazzo is the General Manager, Americas Export. He joined Heineken in 1998 and has served in various Management positions within the company. Prior to his current role, he served as General Manager of Heineken, Canada. He holds a BSc. in Macroeconomics from the University of Turin, Italy.

YOLANDA TALAMO

Mrs. Talamo joined Heineken in 2016 as the Senior VP Human Resources Americas. She is responsible for setting the regional Human Resources and organisational direction for Heineken operating companies in the Americas.

Prior to joining Heineken, she served as Senior VP of Latin America for SAB Miller from 2012 until 2016. She holds a BSc in Psychology from Universidad Catolica Andres Bello, Caracas, Venezuela.

ADELLA ST. ROSE

Mrs. St. Rose is an experienced Human Resource professional with well over 17 years in the field. She has served in the capacity of Divisional Human Resource Manager for the Goddard Group Automotive Building Supplies and Service Division, and Human Resource Development Manager and Assistant Human Resource Manager for the M&C Group of Companies. Her passion lies in people, individual potential, growth and development. She holds a Bachelor's Degree in Management Sciences from the Warwick Business School, United Kingdom. She joins the WLBL team as the Human Resource Manager.

MARVIN JOSEPH

Mr. Joseph joined HEINEKEN in 1998 and was appointed Finance Manager in 2011. Prior to that he served as the Accounting Manager from 2010 and also in various local and regional IT roles. He has also served as the Regional IT Project Manager for the HEINEKEN Caribbean Region, where he was responsible for managing the implementation of the Exact ERP system across all HEINEKEN Breweries and Sales Offices in the Caribbean. He holds a BSc. In Biology and Computer Science (1st Class Honours) from the University of the West Indies and a Masters in Business Administration from Durham University (with Distinction).

DUNSTAN DU BOULAY

Mr. Dunstan Boulay, former Senator and Minister of Trade Industry and Commerce in St. Lucia is one of the co-founding members of Du Boulay's Bottling Company Limited (DBC), leading soft drinks manufacturer in St. Lucia. Mr. Du Boulay who held the position of Managing Director for the past 45 years is also a Director/Co-Founder of CPJ (St. Lucia) Ltd., an integrated food service distributor to the hospitality industry.

RICHARD DU BOULAY

Mr. Richard Du Boulay has a background in finance, where he worked as an Auditor, Finance Manager and then moved on to become the General Manager of Du Boulay's Bottling Company Limited in 2011. Mr. Du Boulay, who also has an extensive experience in business has served as the President of the St. Lucia Manufacturers Association, Chairman of TEPA (Trade Export Promotions Agency) and Chairman of CPJ Saint Lucia, an integrated food service distributor to the hospitality industry. He is currently the General Manager of CPJ St. Lucia.

PINKLEY FRANCIS

Mr. Pinkley Francis is the owner and CEO of SIXT Car Rental St. Lucia, Europe's fastest growing rental car agency, as well as Innovative Business Solutions St. Lucia Inc., a Technology integrator and business solutions enterprise. He is also a Director at Island Marine Supplies, the sole distributor for Mercury Marine in Saint Lucia. Prior to becoming self-employed, he spent over fifteen (15) years in the private sector, holding several senior managerial positions with Cable & Wireless. For a period of two years, Mr. Francis was the country manager for Antilles Crossing and TeleStlucia, a wholesale internet service provider.


QUALITY WATER • LOCALLY PRODUCED • SODIUM FREE
Crystal Clear®
Our choice is Clear
crystalclear758

Management Team

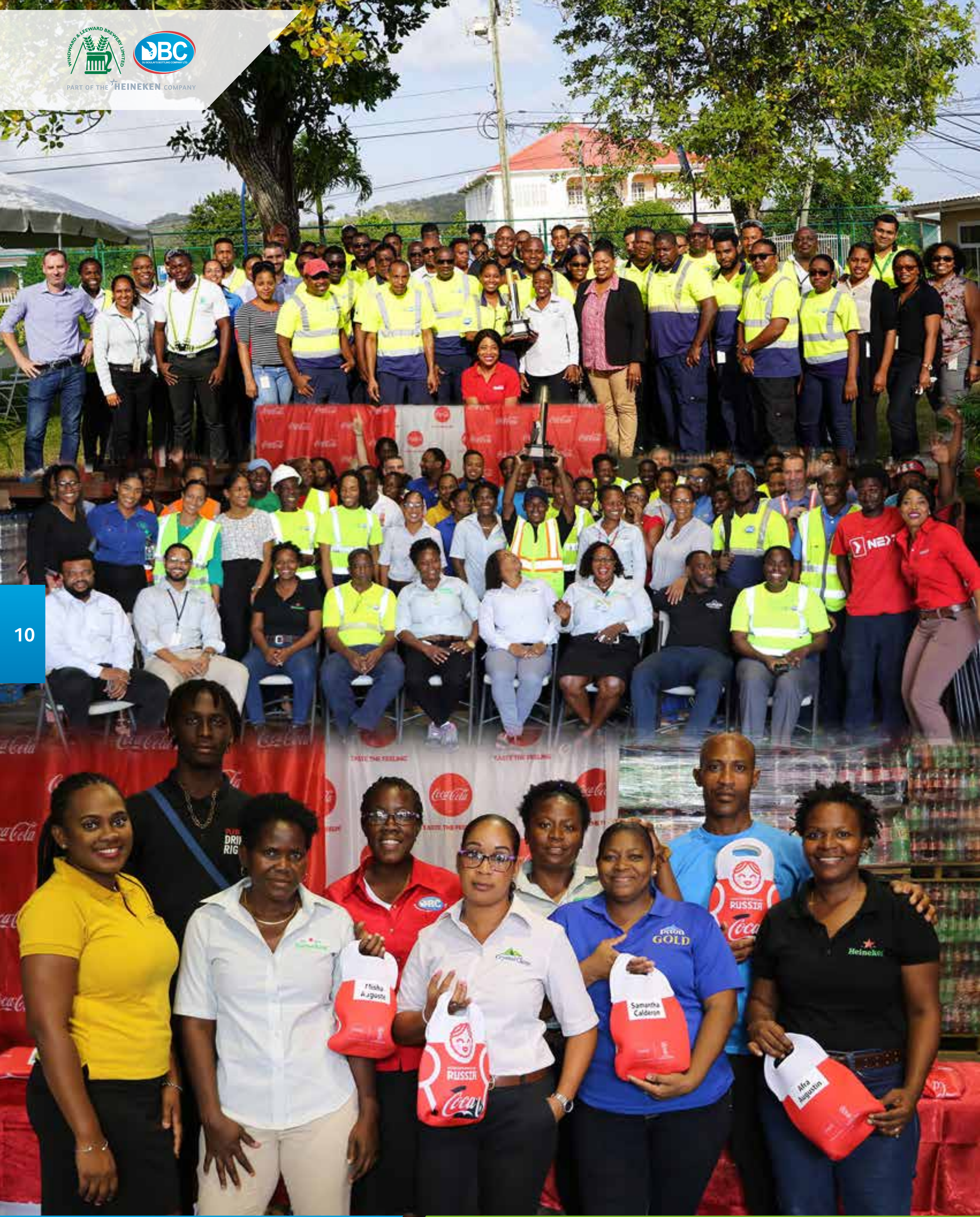
Gaël Gillet
Commercial Manager

Marvin Joseph
Finance Manager

Thibault Mesqui
Managing Director

Jeffrey Tito
Supply Chain Manager

Adella St. Rose
Human Resource Manager



Coke Excellence Cup

EXCELLENCE FLOWS WITHIN US!

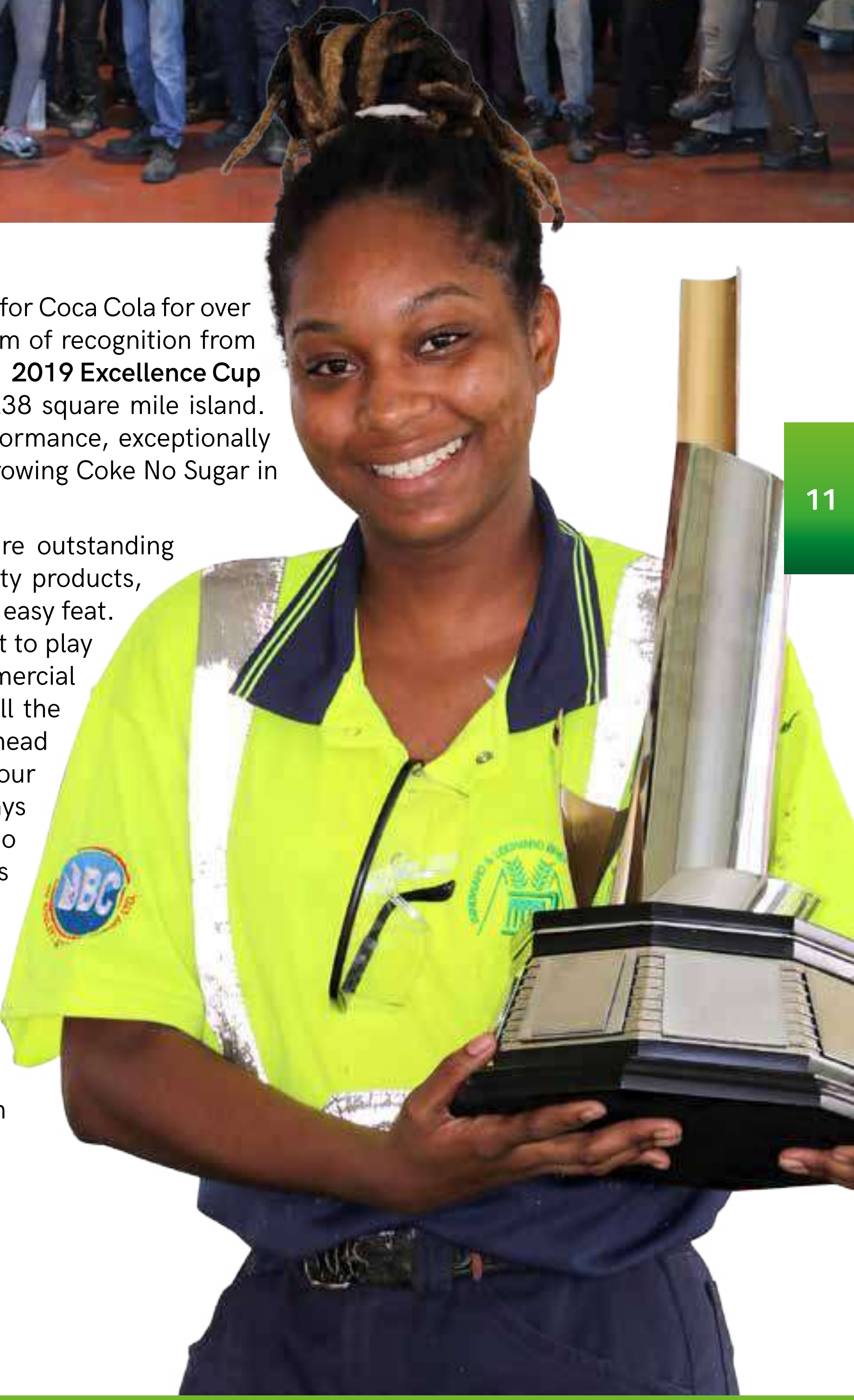
Du Boulay's Bottling has been the licensed bottler for Coca Cola for over 40 years and has finally achieved the highest form of recognition from The Coca Cola Company ("TCCC"), capturing the **2019 Excellence Cup for Emerging Markets**, creating history in our 238 square mile island. This award was earned for our stellar sales performance, exceptionally high quality and production standards, and for growing Coke No Sugar in all our channels.

The Excellence Cup, recognises bottlers who are outstanding in reaching their consumers everyday with quality products, marketing and execution. To achieve this was no easy feat. Every member of the WLBL DBC team had a part to play in this achievement from Supply Chain to Commercial and we were excited to share this victory with all the teams. Our teams could relay off the top of their head which outlets were big Coke No Sugar customers, our merchandisers took pride in the product displays and the Supply team had production on lock. No detail was left out, no stone left unturned. It was grueling challenge and our teams were more than ready and capable for the task at hand.

The 2019 tracking period started in January 2019 and ended in September 2019, with the major announcement made in November 2019. In early 2020, the Coke Team handed out personalized thank you tokens to everyone in recognition of the team effort.

Congratulations to the Team!

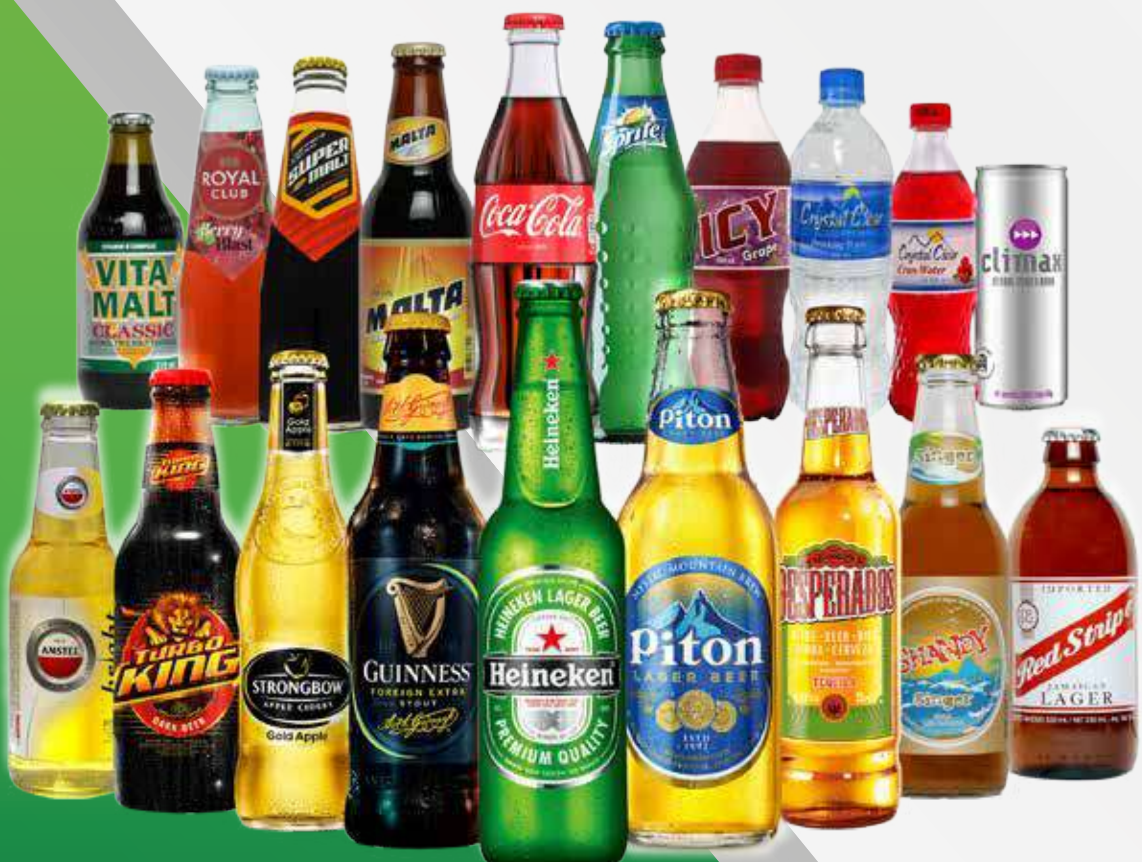
We Did it and we will Certainly Do it Again!



WINDWARD & LEEWARD BREWERY LIMITED

DBC
DU BOULAY'S BOTTLING COMPANY LTD.

PART OF THE HEINEKEN COMPANY



Windward & Leeward Brewery Limited

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(expressed in Eastern Caribbean dollars)

May 4, 2020

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West Indies

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Independent Auditor's Report

To the Shareholders of
Windward & Leeward Brewery Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Windward & Leeward Brewery Limited and its subsidiary** (together, the Group) which comprise the consolidated balance sheet as of December 31, 2019 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respect, the financial position of **Windward & Leeward Brewery Limited and its subsidiary** as of December 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Eastern Caribbean, 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.

Responsibilities of Management and those charged with Governance for the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Grant Thornton

Chartered Accountants

Windward & Leeward Brewery Limited
Consolidated Balance Sheet
As of December 31, 2019
(expressed in Eastern Caribbean dollars)

	2019 $	2018 $
Assets		
Non-current assets		
Property, plant and equipment (Note 5)	**70,411,630**	65,466,516
Intangible assets (Note 6)	**608,833**	246,876
Retirement benefit assets (Note 7)	**3,210,370**	2,798,984
Goodwill (Note 9)	**44,076,862**	44,076,862
Other non-current assets (Note 10)	**1,380,516**	1,491,483
	119,688,211	114,080,721
Current assets		
Inventories (Note 12)	**13,556,245**	14,988,067
Due from related parties (Note 13)	**4,547,857**	3,212,794
Income tax recoverable	**304,839**	-
Trade and other receivables (Note 14)	**11,876,530**	11,604,558
Cash (Note 15)	**8,963,200**	8,504,832
	39,248,671	38,310,251
Total assets	**158,936,882**	152,390,972
Liabilities		
Non-current liabilities		
Borrowings (Note 16)	**17,992,196**	-
Deferred tax liabilities - net (Note 17)	**4,239,649**	4,106,365
Other non-current liabilities (Note 18)	**735,083**	483,586
	22,966,928	4,589,951
Current liabilities		
Borrowings (Note 16)	**7,581,418**	27,500,118
Trade and other payables (Note 19)	**18,944,566**	14,288,462
Refundable packaging deposits (Note 20)	**4,892,338**	5,507,682
Derivative financial instruments (Note 21)	**-**	520,448
Due to related parties (Note 13)	**4,241,180**	2,610,633
Dividends payable	**2,124,481**	564,773
Income tax payable	**-**	997,132
	37,783,983	51,989,248
Total liabilities	**60,750,911**	56,579,199
Equity		
Share capital (Note 22)	**54,527,520**	54,527,520
Retained earnings	**43,658,451**	41,284,253
Total equity	**98,185,971**	95,811,773
Total liabilities and equity	**158,936,882**	152,390,972

Approved by the Board of Directors on May 4th, 2020

_______________ DIRECTOR   _______________ DIRECTOR

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

(expressed in Eastern Caribbean dollars)

	2019 $	2018 $
Revenue	**122,503,662**	115,877,599
Excise tax expense	**(3,507,882)**	(3,357,690)
Net revenue	**118,995,780**	112,519,909
Other income - net (Note 24)	**1,706,566**	1,739,592
Operating expenses (Note 25)		
Raw materials, consumables and services	**(64,509,263)**	(60,538,275)
Personnel expenses	**(21,502,565)**	(23,640,626)
Depreciation and amortisation	**(13,467,717)**	(10,690,701)
	(99,479,545)	(94,869,602)
Operating profit	**21,222,801**	19,389,899
Finance costs - net (Note 27)	**(1,310,871)**	(839,595)
Profit before income tax	**19,911,930**	18,550,304
Income tax expense (Note 28)	**(5,797,068)**	(5,884,044)
Profit for the year	**14,114,862**	12,666,260
Other comprehensive loss		
Actuarial loss on postemployment benefit obligation (Note 7)	**(19,177)**	(7,207)
Deferred tax benefit (Note 17)	**5,753**	2,162
Net actuarial loss on postemployment benefit obligation	**(13,424)**	(5,045)
Total comprehensive income	**14,101,438**	12,661,215
Earnings per share for profit attributable to the equity holders of the Group during the year (Note 29) **(expressed in EC$ per share)**		
- basic and diluted	**11.08**	9.94

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

(expressed in Eastern Caribbean dollars)

	Share capital $	Retained earnings $	Total $
Balance at January 1, 2018	54,527,520	46,896,155	101,423,675
Comprehensive income:			
Profit for the year	-	12,666,260	12,666,260
Other comprehensive loss for the year	-	(5,045)	(5,045)
Total comprehensive income	-	12,661,215	12,661,215
Transactions with owners:			
Dividends (Note 23)	-	(18,256,291)	(18,256,291)
Transfer from retained earnings	-	(16,826)	(16,826)
	-	(18,273,117)	(18,273,117)
Balance at December 31, 2018	**54,527,520**	**41,284,253**	**95,811,773**
Balance at January 1, 2019	54,527,520	41,284,253	95,811,773
Comprehensive income:			
Profit for the year	-	14,114,862	14,114,862
Other comprehensive loss for the year	-	(13,424)	(13,424)
Total comprehensive income	-	14,101,438	14,101,438
Transactions with owners:			
Dividends (Note 23)	-	(11,771,677)	(11,771,677)
Transfer to retained earnings	-	44,437	44,437
	-	(11,727,240)	(11,727,240)
Balance at December 31, 2019	**54,527,520**	**43,658,451**	**98,185,971**

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

(expressed in Eastern Caribbean dollars)

	2019 $	2018 $
Cash flows from operating activities		
Profit before income tax	**19,911,930**	18,550,304
Adjustments for:		
Depreciation (Notes 5 and 25)	**13,252,966**	10,555,175
Foreign exchange (gain)/loss on derivative financial instrument (Note 27)	**(520,448)**	1,024,693
Interest income on retirement benefit assets - net (Note 27)	**(202,930)**	(176,301)
Interest expenses (Note 27)	**1,727,730**	947,235
Provision for bad debts (Note 25)	**287,979**	336,623
Interest income (Note 27)	**(157,064)**	(161,884)
Unrealised currency translation losses	**(33,302)**	(10,509)
Amortisation of intangible assets (Notes 6 and 25)	**214,751**	135,526
Gain on disposal of property, plant and equipment (Note 24)	**(203,793)**	(40,415)
Operating profit before working capital changes	**34,277,819**	31,160,447
(Increase)/decrease in trade and other receivables	**(95,368)**	518,150
Decrease in loan receivables	**238,700**	220,407
Decrease/(increase) in inventories	**1,431,822**	(729,543)
Increase in trade and other payables	**2,909,675**	2,538,346
Decrease in refundable packaging deposits	**(875,654)**	-
Increase in due to related parties, net	**68,700**	968,950
Contributions paid to retirement obligation (Note 7)	**(227,633)**	(190,501)
Cash generated from operations	**37,728,061**	34,486,256
Income tax paid	**(6,960,002)**	(7,395,134)
Interest expenses paid	**(1,785,990)**	(915,940)
Interest income received	**157,064**	161,884
Net cash provided by operating activities	**29,139,133**	26,337,066
Cash flows from investing activities		
Purchase of property, plant and equipment (Note 5)	**(18,198,080)**	(16,607,195)
Purchase of intangible assets (Note 6)	**(576,708)**	-
Proceeds from sale of property, plant and equipment	**203,793**	58,497
Proceeds from sale of assets held for sale	**-**	1,290,599
Net cash used in investing activities	**(18,570,995)**	(15,258,099)
Cash flows from financing activities		
Dividends paid	**(10,211,969)**	(20,227,500)
Increase in lease payables - net	**1,888,641**	-
Increase in long-term incentive plan accruals	**(178,284)**	-
Net cash used in financing activities	**(8,501,612)**	(20,227,500)
Net increase/(decrease) in cash	**2,066,526**	(9,148,533)
Cash, beginning of year	**(684,744)**	8,463,789
Cash, end of year (Note 15)	**1,381,782**	(684,744)

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

1. General information

Windward & Leeward Brewery Limited (the Company) and its subsidiary, Du Boulay's Bottling Company Limited (together, the Group), manufacture and distribute Heineken, Piton, other beers, Malta, carbonated beverages and water. The Group also acts as distributor for a number of imported beers, ciders, maltas, carbonated drinks and juices.

The parent company was incorporated under the Commercial Code of Saint Lucia on March 11, 1974 and continued under the Companies Act of Saint Lucia 1996. Heineken International B.V., a company incorporated in the Netherlands owns 72.56% of the issued share capital of the Company.

The registered office and principal place of business of the Group is St. Jude's Highway, Vieux-Fort Industrial Estate, Vieux Fort, Saint Lucia.

2. Summary of significant accounting policies

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

Basis of preparation

The consolidated financial statements of Windward & Leeward Brewery Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments. The consolidated financial statements have been prepared under the assumption that the Group operates on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Changes in Accounting policies and disclosures

(a) *New and revised standards that are effective for annual periods beginning on or after January 1, 2019*

- ***IFRS 16, 'Leases'.*** IFRS 16 replaces IAS 17 'Leases' along with three interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases – Incentives', and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of the Lease').

  The adoption of this new standard has resulted in the Group recognizing a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

  The new standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognized in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

  For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

2. Summary of significant accounting policies… *continued*

Changes in Accounting policies and disclosures

a) *New and revised standards that are effective for annual periods beginning on or after January 1, 2019… continued*

- ***IFRS 16, 'Leases'…*** *continued*

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being January 1, 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment to whether leases were onerous immediately before the date of initial application of IFRS 16.

On transition, for leases previously accounted for as an operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Group has applied the optional exemptions to not recognize right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

On transition to IFRS 16, the weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 is 6.25%.

The Group has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

The following is a reconciliation of the financial statements line items from IAS 17 to IFRS 16 at January 1, 2019.

	Carrying amount at December 31, 2018 (IAS 17)	Remeasurement	Carrying amount at January 1, 2019 (IFRS 16)
Property, plant and equipment	65,466,516	3,104,988	68,571,504
Lease receivables			
Trade and other receivables	11,604,558	175,203	11,779,761
Other non-current assets	1,491,483	333,357	1,824,840
Lease payables			
Trade and other payables	(14,288,462)	(2,670,688)	(16,959,150)
Other non-current liabilities	(483,586)	(942,860)	(1,426,446)
Deferred tax liabilities - net			
Deferred tax asset	1,602,085	1,084,064	2,686,149
Deferred tax liabilities	(5,708,450)	(1,084,064)	(6,792,514)
Total	**59,684,144**	-	**59,684,144**

2. Summary of significant accounting policies… *continued*

Changes in Accounting policies and disclosures

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2019 and not early adopted

At the date of the authorisation of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments, and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the group 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 over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the group's accounting policies.

2. Summary of significant accounting policies… *continued*

Consolidation… *continued*

(b) Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.**2.**
Summary of significant accounting policies… *continued*

(c) Disposal of subsidiaries
When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Cash
Cash includes cash on hand and deposits held at call with banks.

Financial instruments

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

In the periods presented, the Group does not have any financial assets categorised as FVOCI.

2. Summary of significant accounting policies... *continued*

Financial instruments... *continued*

The classification is determined by both:

- The entity's business model for managing the financial asset.
- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

(expressed in Eastern Caribbean dollars)

2. Summary of significant accounting policies… *continued*

Financial instruments… *continued*

Impairment of financial assets
IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

2. Summary of significant accounting policies... *continued*

Financial instruments... *continued*

Classification and measurement of financial liabilities
The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument or not. The Group designates its derivatives as derivatives that do not quality for hedge accounting. Changes in the fair value of all such derivatives are recognized immediately in the statement of comprehensive income.

The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work-in-process comprises raw materials, direct labour, other direct costs and related production overheads on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

(expressed in Eastern Caribbean dollars)

2. Summary of significant accounting policies… *continued*

Property, plant and equipment
Land and buildings comprise mainly factories, office and residential properties. Land, buildings and plant and machinery are shown at historical cost less accumulated depreciation for buildings.

All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

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

Land is not depreciated. No depreciation is also provided on capital work-in-progress until the assets involved have been completed and are put into use. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings	5 - 40 years
Leasehold improvements	10 years
Plant and machinery	3 - 30 years
Motor vehicles	5 years
Furniture and equipment	5 - 10 years

The 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 amount. These are included in the statement of comprehensive income.

Leased assets
The Group has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under IAS 17 and IFRIC 4.

<u>Accounting policy applicable from January 1, 2019</u>
(a) The Group as a lessee
For any new contracts entered into on or after January 1, 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:
- the contract contains an identified asset which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefit from use of the identified asset throughout the period of use, considering the rights within the defined scope of the contract; and,
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is use for the period of use.

2. Summary of significant accounting policies… *continued*

Leased assets… *continued*

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciated the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss, if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the consolidated balance sheet, right-of-use assets have been included in property, plant and equipment and lease liability have been included in trade and other payables.

(b) The Group as a lessor

The Group also earns rental income from sub-lease of its leased properties. The Group recognises the lease receivable at the present value of the lease receivables from the sub-lease at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Group's incremental borrowing rate.

2. Summary of significant accounting policies… *continued*

Leased assets… *continued*

Accounting policy applicable before January 1, 2019

(a) The Group as a lessee

Operating leases

Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(b) The Group as a lessor

The Group also earns rental income from sub-lease of its leased properties. Rental income is recognised on a straight-line basis over the term of the lease.

Intangible asset

Acquired computer programs are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives for a period of 3 years.

Costs associated with developing or maintaining computer software licences are recognised as an expense as incurred.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Interest expense is recorded on an accruals basis over the period it becomes due.

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 balance sheet date.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables are recognised in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established. These are recognised initially at fair value and subsequently measured at amortised cost using effective interest. Trade and other payables are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

2. Summary of significant accounting policies... *continued*

Returnable packaging materials

Certain products of the Group are sold in returnable containers in specified markets. The cost of returnable containers in circulation is included in property, plant and equipment and the related refundable deposits are carried as refundable packaging deposits in the balance sheet.

Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market.

Income taxes

(a) Current tax

The current income tax expense is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary timing differences arise from depreciation on property, plant and equipment and retirement benefit asset or liability.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(expressed in Eastern Caribbean dollars)

2. Summary of significant accounting policies… *continued*

Share capital

Ordinary shares are classified as equity.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders.

Revenue and expense recognition

Revenue arises mainly from the sale of goods on wholesale and retail, interest and dividend income.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

(a) Sales of goods-wholesale
Sales of goods are recognised when the Group has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(b) Sales of goods-retail
Sales of goods are recognised when the Group sells a product to a customer. Retail sales are usually in cash. The recorded revenue is the gross amount of the sale.

(c) Interest income
Interest income is recognised on a time-proportion basis using the effective interest rate method.

(d) Dividend income
Dividend income is recognized when the right to receive payment is established.

Excise tax expense is recognised based on percentage of the sales of goods and is shown as a deduction against revenue in the consolidated statement of comprehensive income.

Cost and expenses are recognised as incurred.

2. Summary of significant accounting policies… *continued*

Employee benefits

The Group has a defined contribution plan and a closed defined benefit plan. The plans are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay covered employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

A defined benefit plan was established for all monthly paid employees; however, accrual of pension benefits in accordance with the existing pension formula stopped on February 28, 2015. From March 1, 2015 for both the monthly and hourly paid employees, the Group contributes to a Money Purchase Scheme. Such contributions are fixed and are charged to the statement of comprehensive income in the period to which the contributions relate.

The asset or liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date 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 long-term government securities that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.
Past-service costs are recognised immediately in the statement of comprehensive income.

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 income statement.

Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

The plans expose the Group to actuarial risks such as interest rate risk, investment risk, longevity risk, and inflation risk.

2. Summary of significant accounting policies… *continued*

Foreign currency translation

(a) Functional and presentation currency
Items in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Eastern Caribbean dollars, which is the Group's functional and presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Subsequent events
Post year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the Group's financial statements. Post year-end events that are not adjusting events are disclosed when material to the financial statements, if any.

3. Financial risk management

Financial risk factors
The Group's activities expose it to a variety of financial risk: market risks (including foreign exchange, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department under policies approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas such as market risk, credit risk and liquidity risk. Risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks. The board reviews its risk management policies to reflect changes in markets, products and emerging best practices.

3. **Financial risk management…** *continued*

(a) Market risk

(i) Foreign exchange risk

The Group trades internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars and Euros. The exchange rate of the Eastern Caribbean dollar (EC$) to the United States dollar (US$) has been formally pegged at EC$2.70 = US$1.00 since July 1976. Foreign exchange risks arise when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. Management does not believe significant foreign exchange risk exists as at December 31, 2019.

(ii) Cash flow and fair value interest rate risk

The Group is not exposed to cash flow interest rate risk, as the Group does not have financial instruments with variable rates. The Group is not exposed to fair value interest rate risk, as the Group's debt securities are not classified as available for sale or fair value through profit or loss.

(iii) Price risk

The Group is not exposed to equity securities price risk because the Group does not hold any equity securities as at year end.

The Group is not exposed to commodity price risk.

(b) Credit risk

Credit risk refers to risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation. The amount of the Group's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

Significant changes in the economy, or in the health of a particular industry segment that may represent a concentration in the Group's portfolio, could result in losses that are different from those provided for at the reporting date. Management therefore carefully manages its exposure to credit risk.

Credit risk arises principally in cash in banks, as well as credit exposure to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only those with good financial condition are accepted. The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Trade receivables

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 48 months before December 31, 2019 as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period (see Note 14).

3. Financial risk management… *continued*

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Group attempts to maintain flexibility in funding by maintaining availability from the realization of assets derived from trading activities and credit facilities from its related parties. Management monitors the Group's liquidity position on the basis of expected cash flow.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months are estimated to equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $
At December 31, 2019			
Trade and other payables	18,944,566	–	–
Refundable packaging deposits	4,892,338	–	–
Borrowings	8,416,962	835,544	20,220,313
Due to related parties	4,241,180	–	–
Dividends payable	2,124,481	–	–
	38,619,527	835,544	20,220,313
At December 31, 2018			
Trade and other payables	14,288,462	–	–
Refundable packaging deposits	5,507,682	–	–
Borrowings	27,500,118	–	–
Due to related parties	2,610,633	–	–
Dividends payable	564,773	–	–
	50,471,668	–	–

3. Financial risk management... *continued*

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain optimal capital 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 or issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During 2019, the Group's borrowings exceeded total cash. Accordingly, net debt is positive for purposes of the gearing ratio calculation. The gearing ratios as at December 31, 2019 and 2018 are shown below.

	2019 $	2018 $
Total borrowings (Note 16)	**25,573,614**	27,500,118
Less: cash (Note 15)	**(8,963,200)**	(8,504,832)
Net debt	**16,610,414**	18,995,286
Total equity	**98,185,971**	95,811,773
Total capital	**114,796,385**	114,807,059
Gearing ratio	**14.5%**	16.5%

Fair value estimation of financial assets and liabilities

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value if one exists.

The carrying value of cash, trade and other receivables, trade and other payables, and due to and from related parties approximate their fair values due to the short-term maturity of these items.

The fair value of borrowings for disclosure purposes is estimated by discounting the future contractual cash flows at the current market rate that is available to the Group in respect of similar financial instruments.

The carrying amounts and fair values of borrowings are as follows:

	Carrying amount		Fair value	
	2019 $	2018 $	2019 $	2018 $
Borrowings	**25,573,614**	27,500,118	**25,573,614**	27,500,118

3. Financial risk management… *continued*

Fair value estimation of financial assets and liabilities… *continued*

Fair value hierarchy
IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

Fair value of financial liabilities

	Level 1 $	Level 2 $	Level 3 $	Level 4 $
Liabilities measured at fair value				
December 31, 2019				
Derivative financial instrument:				
- Foreign currency forward contracts	–	–	–	–
December 31, 2018				
Derivative financial instrument:				
- Foreign currency forward contracts	–	(520,448)	–	(520,448)

Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The valuation techniques used for instruments categorised in Levels 2 are described below:

Foreign currency forward contracts
The Group's foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

4. Critical judgements in applying the entity's accounting policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The items which may have the most effect on the Group's financial statements are set out below:

(a) Refundable packaging deposits
The Group has recognised liabilities totalling $4,892,338 (2018 - $5,507,682) as a provision for deposit liability. This is based on management's best estimate based on past experiences. Where the final outcome is different from the amounts that were initially recorded, such differences will impact the statement of comprehensive income in the period in which such determination is made.

(b) Provision for impairment of receivables
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

(c) Income taxes
Significant judgment is required in determining the provision for income taxes including any liabilities for tax audit issues. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(d) Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (Note 7).

5. Property, plant and equipment

	Land & building $	Plant and machinery $	Motor vehicles $	Furniture and office equipment $	Right-of- use assets $	Construction in progress $	Total $
At January 1, 2018							
Cost	22,984,401	123,607,271	7,250,365	8,647,516	-	7,524,465	170,014,018
Accumulated depreciation	(16,345,919)	(83,018,572)	(5,453,507)	(5,763,442)	-	-	(110,581,440)
Net book amount	6,638,482	40,588,699	1,796,858	2,884,074	-	7,524,465	59,432,578
Year ended December 31, 2018							
Opening net book amount	6,638,482	40,588,699	1,796,858	2,884,074	-	7,524,465	59,432,578
Additions	-	-	-	-	-	16,607,195	16,607,195
Transfers	1,910,158	13,973,754	482,158	955,911	-	(17,321,981)	-
Disposals	-	(4,247,503)	(483,954)	(260,909)	-	-	(4,992,366)
Write back on disposals	-	4,229,421	483,954	260,909	-	-	4,974,284
Depreciation (Note 25)	(749,221)	(8,007,412)	(727,289)	(1,071,253)	-	-	(10,555,175)
Closing net book amount	7,799,419	46,536,959	1,551,727	2,768,732	-	6,809,679	65,466,516
At December 31, 2018							
Cost	24,894,559	133,082,285	7,499,806	9,342,290	-	6,809,679	181,628,619
Accumulated depreciation	(17,095,140)	(86,545,326)	(5,948,079)	(6,573,558)	-	-	(116,162,103)
Net book amount	7,799,419	46,536,959	1,551,727	2,768,732	-	6,809,679	65,466,516
Year ended December 31, 2019							
Opening net book amount	7,799,419	46,536,959	1,551,727	2,768,732	-	6,809,679	65,466,516
Additions	-	-	-	-	3,104,988	15,093,092	18,198,080
Transfers	7,406,045	7,806,587	325,570	1,855,567	-	(17,393,769)	-
Disposals	-	-	(380,183)	-	-	-	(380,183)
Write back on disposals	-	-	380,183	-	-	-	380,183
Depreciation (Note 25)	(957,996)	(9,011,780)	(666,004)	(1,108,810)	(1,508,376)	-	(13,252,966)
Closing net book amount	14,247,468	45,331,766	1,211,293	3,515,489	1,596,612	4,509,002	70,411,630
At December 31, 2019							
Cost	32,300,604	140,888,872	7,550,063	11,197,857	3,104,988	4,509,002	199,551,386
Accumulated depreciation	(18,053,136)	(95,557,106)	(6,338,770)	(7,682,368)	(1,508,376)	-	(129,139,756)
Net book amount	14,247,468	45,331,766	1,211,293	3,515,489	1,596,612	4,509,002	70,411,630

6. Intangible assets

	Computer software $
At January 1, 2018	
Cost	1,918,976
Accumulated amortisation	(1,536,574)
Net book amount	382,402
Year ended December 31, 2018	
Opening net book amount	382,402
Amortisation charge (Note 25)	(135,526)
Closing net book amount	246,876
At December 31, 2018	
Cost	1,918,976
Accumulated amortisation	(1,672,100)
Net book amount	246,876
Year ended December 31, 2019	
Opening net book amount	246,876
Additions	576,708
Amortisation charge (Note 25)	(214,751)
Closing net book amount	608,833
At December 31, 2019	
Cost	2,495,684
Accumulated amortisation	(1,886,851)
Net book amount	608,833

(expressed in Eastern Caribbean dollars)

7. Retirement benefit assets

The Group provided retirement benefits to monthly paid employees; however, the plan was closed and accrual of pension benefits in accordance with the existing pension formula stopped on February 28, 2015. Members' accrued pensions for pre-March 2015 service are calculated using their final pensionable pay as at February 28, 2015. The Group intends to use its discretion, with the Trustees' consent and subject to the Plan's financial status, to increase these accrued pensions in line with the annual general pay increases granted to members up to a maximum of 3% per annum, in order to prevent any erosion due to inflation.

From November 1, 2015 the assets of the plan are managed by Royal Bank of Canada. The pension plan is funded by payments from employees and the Group, taking account of the recommendations of independent qualified actuaries.

The pension obligation is determined using the "Projected Unit Credit Cost" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year.

The amount recognised in the balance sheet is determined as follows:

	2019 $	2018 $
Present value of funded obligations	**(5,557,062)**	(5,340,283)
Fair value of plan assets	**8,767,432**	8,139,267
Retirement benefit assets in the balance sheet	**3,210,370**	2,798,984

The movement in the retirement benefit obligation over the year is as follows:

	2019 $	2018 $
Present value of obligation, January 1	**5,340,283**	5,602,920
Interest cost	**351,836**	387,000
Actual benefits paid	**(171,619)**	(487,985)
Actuarial loss on obligation	**70,066**	(161,652)
Actuarial gain from changes in demographic assumptions	**(33,504)**	-
Present value of obligation, December 31	**5,557,062**	5,340,283

7. Retirement benefit assets... *continued*

The movement in the fair value of plan assets over the year is as follows:

	2019 $	2018 $
Fair value of plan assets, January 1	**8,139,267**	8,042,309
Interest income	**554,766**	563,301
Return on plan assets, excluding interest income	**17,385**	(168,859)
Employer contributions	**227,633**	190,501
Actual benefits paid	**(171,619)**	(487,985)
Fair value of plan assets, December 31	**8,767,432**	8,139,267

Plan assets do not comprise any of the Group's own financial instruments or any assets used by Group companies. Plan assets can be broken down into the following categories of investments:

	2019 $	2018 $
Cash	**613,804**	860,651
Equity instruments	**703,360**	494,011
Regional Government bonds and treasury bills	**7,257,565**	6,587,834
Corporate bonds	**192,703**	196,771
Total included in staff costs	**8,767,432**	8,139,267

All equity and debt instruments have quoted prices in active markets (Level 1, 2). The defined benefit obligation and plan assets are composed by geographical location as follows:

	Caricom $	US $	Others $	Total $
At December 31, 2019				
Defined benefit obligation	(5,557,062)	–	–	(5,557,062)
Fair value of plan assets	6,605,180	1,458,892	703,360	8,767,432
	1,048,118	1,458,892	703,360	3,210,370
At December 31, 2018				
Defined benefit obligation	(5,340,283)	–	–	(5,340,283)
Fair value of plan assets	6,335,803	1,309,453	494,011	8,139,267
	995,520	1,309,453	494,011	2,798,984

(expressed in Eastern Caribbean dollars)

7. Retirement benefit assets… *continued*

The amounts recognised in the statement of comprehensive income are as follows:

	2019 $	2018 $
Interest cost	**351,836**	387,000
Interest income	**(554,766)**	(563,301)
Total included in staff costs	**(202,930)**	(176,301)

The actual return on plan assets was $372,161 (2018 - $394,442).

Movement in the asset recognised in the balance sheet:

	2019 $	2018 $
At beginning of year	**2,798,984**	2,439,389
Net pension cost	**202,930**	176,301
Re-measurements recognised in other comprehensive income	**(19,177)**	(7,207)
Contributions paid	**227,633**	190,501
At end of year	**3,210,370**	2,798,984

The Group's expected contributions for the year 2020 is estimated at $200,000 (2019 - $200,000).

The defined benefit obligation is allocated between the members of the plan as follows:

	2019 %	2018 %
Active members	**63**	67
Deferred members	**13**	10
Pensioners	**24**	23

	2019	2018
Weighted average duration of the defined benefit obligation at year end	**14.2 years**	14.9 years

7. Retirement benefit assets... *continued*

The principal actuarial assumptions used were as follows:

	2019 %	2018 %
Discount rate	**7.0**	7.0
Future salary increases	**3.0**	3.0

Assumptions regarding future mortality experience are set based on 1994 group annuity mortality static tables for males and females. The life expectancies underlying the value of the defined benefit obligation as at December 31, 2019 are as follows:

	2019	2018
Life expectancy at age 65 for current pensioner in years:		
Male	**17.4**	17.8
Female	**21.4**	21.3
Life expectancy at age 65 for current members age 45 in years:		
Male	**18.3**	17.8
Female	**22.3**	21.3

The significant actuarial assumptions for the determination of the defined benefit IAS 19 obligation are the discount rate, future promotional salary increases and increase in average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at December 31, 2019:

Changes in the significant actuarial assumptions:

	December 31, 2019	
	Decrease to	Increase to
Discount rate	**6.75%**	7.25%
Increase/(decrease) in the defined benefit liability/assets	**188,760**	(179,337)
Future salary increases	**2.75%**	3.25%
Increase in the defined benefit liability/assets	**(71,658)**	73,672

	December 31, 2019	
	Decrease to	Increase to
Discount rate	**6.75%**	7.25%
Increase/(decrease) in the defined benefit liability/assets	**190,681**	(180,908)
Future salary increases	**2.75%**	3.25%
Increase in the defined benefit liability/assets	**(77,101)**	79,357

(expressed in Eastern Caribbean dollars)

7. Retirement benefit assets… *continued*

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at December 31, 2019 by $100,979 (2018 - $93,204).

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

The amount of pension plan, experience gains/(losses) adjustments on plan assets and liabilities for the current and previous four years are as follows:

	2019 $	2018 $	2017 $	2015 $	2014 $
Defined benefit obligation	(5,557,062)	(5,340,283)	(5,602,920)	(6,065,192)	(6,648,640)
Fair value of plan assets	8,767,432	8,139,267	8,042,309	8,125,612	8,586,006
Surplus	3,210,370	2,798,984	2,439,389	2,060,420	1,937,366
Experience adjustments					
Plan liabilities	(70,066)	161,652	181,846	2,767	337,043
Plan assets	17,385	(168,859)	(106,547)	(175,948)	(336,003)

8. Money purchase scheme

Hourly paid employees

The scheme was funded by employee contributions of 3% of wages, matched by a contribution by the Group of 3% of wages. The money purchase scheme's assets at December 31, 2019 totalled $2,068,991 (2018 - $1,745,052). The retirement benefit for a member of the money purchase scheme will be equal to the employer and employee contributions accumulated with credited interest.

Monthly paid employees

From March 1, 2015, members earn pension benefits on a defined contribution basis. Members contribute 3% of their pensionable pay up to the NIC Earnings Ceiling and 5% of their pensionable pay in excess of the Ceiling. The Group credits twice this amount to members' account balances. Employees earn benefits on a defined contribution basis for service with the Group from March 1, 2015. The Group's pension expense for this service is equal to the contributions it pays to the Plan.

9. Goodwill

	2019 $	2018 $
Goodwill	**44,076,862**	44,076,862

On September 1, 2016, WLBL signed a Share Purchase Agreement where, it had agreed to purchase 100% of the shares of DBC from DBC Investments Ltd. ("DBCIL").

Goodwill of $44,076,862 is primarily related to synergies expected to be achieved from integrating the company into the Heineken business. Goodwill has been allocated to the cash generating units that are expected to benefit from the business combination.

10. Other non-current assets

	2019 $	2018 $
Loan receivable from customer (Note 14)	**1,233,309**	1,491,483
Lease receivable (Note 11)	**147,207**	-
	1,380,516	1,491,483

11. Leases

Lease receivables and payables are presented in the balance sheet as follows:

	2019 $	2018 $
Lease receivables		
Current, shown under trade and other receivables (Note 14)	**186,719**	-
Non-current, shown under other non-current assets (Note 10)	**147,207**	-
	333,926	-
Lease payables		
Current, shown under trade and other payables (Note 19)	**1,748,349**	-
Non-current, shown under other non-current liabilities (Note 18)	**474,218**	-
	2,222,567	-

The Group has leases for office and production building, warehouses and residential properties. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right of use asset under property, plant and equipment and lease payables under trade and other payables and other non-current liabilities. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classified its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 5).

(expressed in Eastern Caribbean dollars)

11. Leases… *continued*

The Group sublet to its major distributor. The related right-of-use asset is not recognised. Instead, the Company recognised lease receivables under trade and other receivables and other non-current assets.

Each lease, except for the lease mentioned above, generally impose a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be canceled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office and production premises, the Group must keep those premises in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet.

Right-of-use assets	**No. of right-of-use assets leased**	**Range of remaining term**	**Average remaining lease term**	**No. of lease with extension options**	**No. of lease with options to re-purchase**	**No. of leases with variation payments linked to an index**	**No. of leases with termination options**
Office building	1	1-2 years	2	-	-	-	-
Warehouse and other related facilities	4	1-2 years	1	-	-	-	-
Residential properties	3	1-2 years	1	-	-	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

	Within 1 year $	**Within 1-2 years $**	**Total $**
At December 31, 2019			
Lease payments	1,812,177	479,778	**2,291,955**
Finance charges	(63,828)	(5,560)	**(69,388)**
	1,748,349	474,218	**2,222,567**

11. Leases… *continued*

Leased payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable leased payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

At December 31, 2019, the Group was committed to short-term leases and the total commitment at that date was $120,000.

Total cash outflow for the leases for the year ended December 31, 2019 was $1,957,784.

Additional information on the right-of-use assets is as follows:

	Carrying amount (Note 5) $	Depreciation expense $	Impairment $
At December 31, 2019			
Land and building	901,597	(537,855)	-
Plant and machinery	2,203,391	(970,521)	-
	3,104,988	(1,508,376)	-

The right-of-use assets are included as a separate line under property, plant and equipment.

12. Inventories

The amounts recognised in the statement of comprehensive income are as follows:

	2019 $	2018 $
Packaging and raw materials	**6,507,451**	5,413,237
Work in progress	**836,507**	728,794
Finished goods	**2,224,058**	5,202,751
Engineering spares and supplies	**3,988,229**	3,643,285
	13,556,245	14,988,067

During the year, the Group wrote-off inventories amounting to $840,033 (2018 - $529,760).

(expressed in Eastern Caribbean dollars)

13. Related party balances and transactions

In the normal course of business, the Group transacts with companies which are considered related parties. Related parties and relationships are as follows:

Related parties	Relationship
Heineken International B.V.	Parent company
Amstel Brouwerij B.V.	Under common control
Bralima	Under common control
Brouwerijen Alken-Maes	Under common control
Cervecerias Baru Panama S.A.	Under common control
Global Distributions S.A	Under common control
Grupa Zywiec S.A.	Under common control
Heineken Americas Inc.	Under common control
Heineken Brouwerijen B.V.	Under common control
Heineken Brouwerijen B.V. - Draught Materials	Under common control
Heineken Export Group	Under common control
Heineken Global Procurement B.V.	Under common control
Heineken Slovensko A.S.	Under common control
Heineken Supply Chain B.V.	Under common control
Mouterij Albert N.V.	Under common control
Mozambique Vendas E Distribuicao	Under common control
Red Stripe Heineken	Under common control
Stassen S.A.	Under common control

Significant transactions with related parties are as follows:

	2019 $	2018 $
Sales	**16,863,250**	14,257,389
Dividends	**8,542,602**	13,554,409
Purchases	**2,979,397**	3,096,238
IT services	**3,852,346**	1,077,413
Other fees -technical support	**1,298,473**	808,712
Contributions to pension plan	**227,633**	190,501
Management fees	**427,229**	418,520
Interest	**756,584**	789,507

13. Related party balances and transactions… *continued*

Royalties paid to the related parties in relation to the products sold by the Group are as follows:

	2019 $	2018 $
Heineken International B.V.	**1,388,640**	1,682,595

Short-term advances from related parties are reimbursed at the original amount advanced. Related parties did not grant or receive guarantees in relation to short-term advances. Transactions with related parties were carried out on commercial terms and conditions and at market prices.

Year-end balances of receivables and payables arising from transactions with related parties as of December 31, are as follows:

	2019 $	2018 $
Due from related parties		
Heineken Brouwerijen B.V.	**4,216,167**	2,938,644
Global Distributions S.A	**165,448**	176,239
Heineken International B.V.	**137,530**	-
Mozambique Vendas E Distribuicao	**28,712**	13,351
Bralima	**-**	78,622
Red Stripe Heineken	**-**	5,938
	4,547,857	3,212,794
Due to related parties		
Heineken International B.V.	**1,603,228**	377,151
Amstel Brouwerij B.V.	**896,829**	844,361
Brouwerijen Alken-Maes	**561,892**	-
Heineken Brouwerijen B.V.	**491,811**	507,445
Heineken Supply Chain B.V.	**388,007**	149,045
Heineken Global Procurement B.V.	**90,073**	98,826
Heineken Brouwerijen B.V. - Draught Materials	**89,045**	-
Cervecerias Baru Panama S.A.	**42,728**	10,702
Heineken Americas Inc.	**40,429**	63,348
Heineken Slovensko A.S.	**37,138**	136,874
Stassen S.A.	**-**	220,329
Mouterij Albert N.V.	**-**	148,641
Heineken Export Group	**-**	34,068
Grupa Zywiec S.A.	**-**	19,843
	4,241,180	2,610,633

13. Related party balances and transactions… *continued*

The balance of loan and interest payable to related party as at December 31 is as follows:

	2019 $	2018 $
Loan and interest payable from related party (Note 16) Heineken International B.V.	**18,218,980**	18,310,542

Key management compensation as at December 31, is as follows:

	2019 $	2018 $
Key management compensation		
Salaries and wages	**3,971,762**	2,895,123
Other benefits	**496,965**	449,925
	4,468,727	3,345,048

14. Trade and other receivables

	2019 $	2018 $
Trade receivables	**12,552,901**	12,414,168
Allowance for expected credit losses	**(1,924,341)**	(1,889,729)
Trade receivable - net	**10,628,560**	10,524,439
Loan receivable from customer - current	**258,174**	238,700
Lease receivable - current (Note 11)	**186,719**	-
Prepayments	**87,042**	123,048
Other receivables	**716,035**	718,371
	11,876,530	11,604,558

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

14. Trade and other receivables… *continued*

As of December 31, 2019, trade receivables of $8,214,463 (2018 - $7,617,345) were fully performing. The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

As of December 31, 2019, trade receivables of $2,414,097 (2018 - $2,907,094) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2019 $	2018 $
31 – 90 days	**1,736,715**	1,361,253
Over 90 days	**677,382**	1,545,841
	2,414,097	2,907,094

As of December 31, 2019, trade receivables of $1,924,341 (2018 - $1,889,729) were impaired and provided for. The Group applies expected loss model in computing provisions for impairment of receivables. The aging of these receivables is as follows:

	2019 $	2018 $
1-4 months	**13,622**	75,589
5-12 months	**10,539**	18,897
Over 12 months	**1,900,180**	1,795,243
	1,924,341	1,889,729

Movements on the Group's allowance for expected credit losses are as follows:

	2019 $	2018 $
At January 1	**1,889,729**	1,705,534
Bad debts expense	**287,979**	336,623
Amounts written off	**(253,367)**	(152,428)
At December 31	**1,924,341**	1,889,729

The creation and release of provision for impaired receivables have been included in 'Raw materials, consumables and services' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

(expressed in Eastern Caribbean dollars)

14. Trade and other receivables… *continued*

The carrying amounts of the Group's trade and other receivables are all denominated in Eastern Caribbean dollars.

The loan receivable from customer represents a loan undertaken to facilitate collection of outstanding receivables. The loan is collectible at monthly amortisation of $30,706 for 7 years ending on November 2024. The loan receivable bears 8% interest annually.

	2019 $	2018 $
Loan receivable from customer		
Current	**258,174**	238,700
Non-current (Note 10)	**1,233,309**	1,491,483
	1,491,483	1,730,183

15. Cash

	2019 $	2018 $
Cash on hand	**58,937**	66,640
Cash at bank	**8,904,263**	8,438,192
	8,963,200	8,504,832

Cash and bank overdrafts include the following for the purposes of statement of cash flow:

	2019 $	2018 $
Cash	**8,963,200**	8,504,832
Bank overdrafts (Note 16)	**(7,581,418)**	(9,189,576)
	1,381,782	(684,744)

16. Borrowings

	2019 $	2018 $
Current	**7,581,418**	9,189,576
Bank overdraft (Note 15)	**-**	18,310,542
Loan payable to related party (Note 13)		
	7,581,418	27,500,118
Non-current		
Loan payable to related party (Note 13)	**17,992,196**	-
	25,573,614	27,500,118

16. Borrowings... *continued*

The balance outstanding as at December 31, 2018 was due on September 2, 2019 and represents a long-term loan payable to Heineken International B.V. to pay for all the shares in Du Boulay's Bottling Company Limited as part of the share sale, purchase and merger agreement dated September 1, 2017. On September 2, 2019, the maturity date was moved to September 3, 2024. In 2019, finance costs relating to loan payable to related party amounts to $835,544 (2018 - $820,802).

Drawings bear the interest rate of the desired drawing period (6 months), which interest rate is based on the USD LIBOR (as presented on the Bloomberg two business days before the first day of such interest period) plus a margin of 175 basis points.

17. Deferred tax

Deferred tax liability is calculated in full on temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred tax liability account is as follows:

	2019 $	2018 $
Beginning of year	**4,106,365**	3,883,529
Deferred tax expense (Note 28)	**139,037**	224,998
Deferred tax benefit relating to components of other comprehensive income	**(5,753)**	(2,162)
End of year	**4,239,649**	4,106,365

The Company's deferred tax liabilities are detailed below:

	2019 $	2018 $
Accelerated tax depreciation	**11,013,969**	10,888,899
Retirement benefit assets - net	**3,210,370**	2,798,984
Lease liabilities - net	**(92,176)**	-
	14,132,163	13,687,883
Deferred tax liabilities at income tax rate of 30%	**4,239,649**	4,106,365

18. Other non-current liabilities

	2019 $	2018 $
Lease payables (Note 11)	**474,218**	-
Long-term incentive plan (LTIP) accruals	**260,865**	483,586
	735,083	483,586

LTIP accruals pertains to a HEINEKEN internal incentive programme that is designed to reward senior managers for long-term term performance by conditionally awarding performance shares.

(expressed in Eastern Caribbean dollars)

19. Trade and other payables

	2019 $	2018 $
Trade payables	**8,953,604**	6,028,090
Accrued expenses	**8,075,193**	7,350,481
Lease payables - current (Note 11)	**1,748,349**	-
Other payables	**167,420**	909,891
	18,944,566	14,288,462

All amounts are short term, and the carrying values of trade payables and accrued liabilities are considered to be a reasonable approximation of fair value.

20. Refundable packaging deposits

	2019 $	2018 $
Refundable packaging deposits	**4,892,338**	5,507,682

Refundable packaging deposits are recognised upon sale of products sold in returnable containers and reversed upon return of the containers. Estimated value of containers that may not be returned is recognised as Gain on reversal of returnable packaging deposits under "Other income - net" account in the consolidated statements of comprehensive income.

21. Derivative financial instruments

	Fair value liabilities	
	2019 $	2018 $
Foreign exchange derivatives		
Currency forwards	**-**	520,448

The Group's currency forwards represent commitments to purchase foreign currency. The foreign currency futures are contractual obligations to buy foreign currency on a future date at a specified price, established in an organized financial market.

The notional principal amounts of the outstanding currency forwards as at December 31, 2019 were $Nil (2018 - $9,796,257). As at December 31, 2019, the Group no longer holds any currency forward contracts.

22. Share capital

	2019 $	2018 $
Share capital		
Authorised:		
1,500,000 ordinary shares, $10 par		
Issued and fully paid:		
1,274,227 ordinary shares, $10 par	**12,742,270**	12,742,270
Additional paid in capital	**41,785,250**	41,785,250
	54,527,520	54,527,520

The Group issued 156,475 shares on September 1, 2016, corresponding to 12.28% of total shares issued. Each share has the same right to receive dividends and the repayment of capital and represents one vote at shareholders' meetings of WLBL.

Proceeds received in addition to the nominal value of the shares issued during the year have been included in Additional paid in capital, less registration and other regulatory fees and net of related tax benefits.

23. Dividends

In 2019, the Company declared a final dividend of $5,971,677 to ordinary shareholders in respect of the year ended December 31, 2018 and an interim dividend of $5,800,000 to ordinary shareholders in respect of the year ended December 31, 2019.

In 2018, the Company declared a final dividend of $11,542,358 to ordinary shareholders in respect of the year ended December 31, 2017 and an interim dividend of $6,713,933 to ordinary shareholders in respect of the year ended December 31, 2018.

Total dividend payments amount to $11,771,677 in 2019 (2018 - $18,256,291). Dividends are accounted for in equity as an appropriation of retained earnings in the year of its declaration.

24. Other income - net

	2019 $	2018 $
Gain on reversal of refundable packaging deposits	**1,409,851**	1,592,867
Gain on disposal of property, plant and equipment	**203,793**	40,415
Other income	**92,922**	106,310
	1,706,566	1,739,592

(expressed in Eastern Caribbean dollars)

25. Expenses by nature

	2019 $	2018 $
Raw materials and consumables used	**29,947,901**	24,985,624
Employee benefit expenses (Note 26)	**21,502,565**	23,640,626
Depreciation (Note 5)	**13,252,966**	10,555,175
Telecommunication and office automation	**8,626,433**	6,749,383
Energy and water	**6,714,637**	6,645,337
Repairs and maintenance	**4,778,556**	4,468,486
Advertising and marketing costs	**4,527,353**	6,893,019
Royalties	**4,025,381**	2,292,100
Insurance	**1,655,248**	1,641,305
Distribution costs	**1,636,614**	1,485,883
Travel and entertainment	**547,590**	697,469
Legal and professional fees	**385,966**	404,047
Bad debts expenses	**287,979**	336,623
Amortisation of intangible assets (Note 6)	**214,751**	135,526
Rent and accommodation	**–**	1,606,874
Other expenses	**1,375,605**	2,332,125
Total cost of goods sold, distribution and marketing costs, and general and administrative expenses	**99,479,545**	94,869,602

26. Employee benefit expenses

	2019 $	2018 $
Salaries and wages	**14,351,849**	14,355,431
Contributions to defined contribution plan	**593,526**	361,254
Social security contributions	**527,276**	503,651
Other benefits	**6,029,914**	8,420,290
	21,502,565	23,640,626

The Group employed an average of 255 (2018- 278) employees during the year.

27. Finance costs - net

	2019 $	2018 $
Interest income		
Interest income from loan receivable	**129,772**	148,065
Interest income from lease receivable	**25,629**	–
Interest income from banks	**1,663**	13,819
	157,064	161,884
Interest expenses		
Interest expense on loan payable to related party	**(835,544)**	(820,802)
Interest expense on lease payables	**(573,835)**	–
Interest expense on bank overdrafts	**(318,351)**	(126,433)
	(1,727,730)	(947,235)
Other finance income/(costs)		
Foreign exchange gain/(loss) on derivative financial instruments	**520,448**	(1,024,693)
Other foreign exchange (losses)/gains - net	**(463,583)**	794,148
Interest income on retirement benefit assets - net	**202,930**	176,301
	259,795	(54,244)
	(1,310,871)	(839,595)

28. Income tax expense

	2019 $	2018 $
Current tax	**5,658,031**	5,659,046
Deferred tax (Note 17)	**139,037**	224,998
	5,797,068	5,884,044

The tax on the Group's income before taxation differs from the theoretical amount that would arise using 30% statutory rate of the Group as follows:

	2019 $	2018 $
Profit before tax	**19,911,930**	18,550,304
Tax calculated at a rate of 30%	**5,973,579**	5,565,091
Income tax incentives	**(261,925)**	(229,929)
Expenses not deductible for tax	**85,414**	548,882
Tax charge	**5,797,068**	5,884,044

(expressed in Eastern Caribbean dollars)

29. Earnings per share

Basic and diluted

The calculation of basic and diluted earnings per share is based on the net profit attributable to shareholders of $14,114,862 (2018 - $12,666,260) divided by the weighted average number of shares in issue ranking for dividend during the year of 1,274,227 (2018 - 1,274,227).

30. Commitment and contingencies

Lease commitments

The Group leases office, warehouse and residential premises. The Group applies IFRS 16 starting January 1, 2019. The minimum lease payments as at December 31, 2019 is shown in Note 11.

In prior year, the Group applied IAS 17. The minimum annual lease payments required under non-cancellable operating leases through to their expiry are as follows:

	2018 $
Not later than one year	1,462,689
Later than one year and not later than five years	5,784,000
Over five years	8,272,770
	15,519,459

Customs bonds

The Group is contingently liable in the normal course of business, in respect of customs bonds and collections for goods not received at the balance sheet date totalling $355,000.

31. Interests in subsidiaries

Set out below are details of the subsidiary held directly by the Group:

Name of Subsidiary	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group 2019 %	2018 %
Du Boulay's Bottling Company Limited	St. Lucia	Production and distribution of soft drinks, and distribution of Windward and Leeward Brewery Limited products to the north of St. Lucia.	100	100

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

The Group has no interest in unconsolidated structured entities.

32. Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	2019 $	2018 $
Borrowings - current		
At January 1	**18,310,542**	257,639
Cash flows:		
Repayments	**(285,044)**	(257,639)
Non-cash:		
Reclassification	**(18,025,498)**	18,025,498
Fair value	**-**	285,044
At December 31	**-**	18,310,542
Borrowings - non-current		
At January 1	**-**	18,015,291
Cash flows:		
Repayments	**-**	-
Non-cash:		
Reclassification	**18,025,498**	(18,025,498)
Fair value	**(33,302)**	10,207
At December 31	**17,992,196**	-
	17,992,196	18,310,542

33. Reclassification of accounts

In 2019, the Group reclassifies some accounts in an effort to align the financial statements presentation to its parent company. The effect of the reclassification follows:

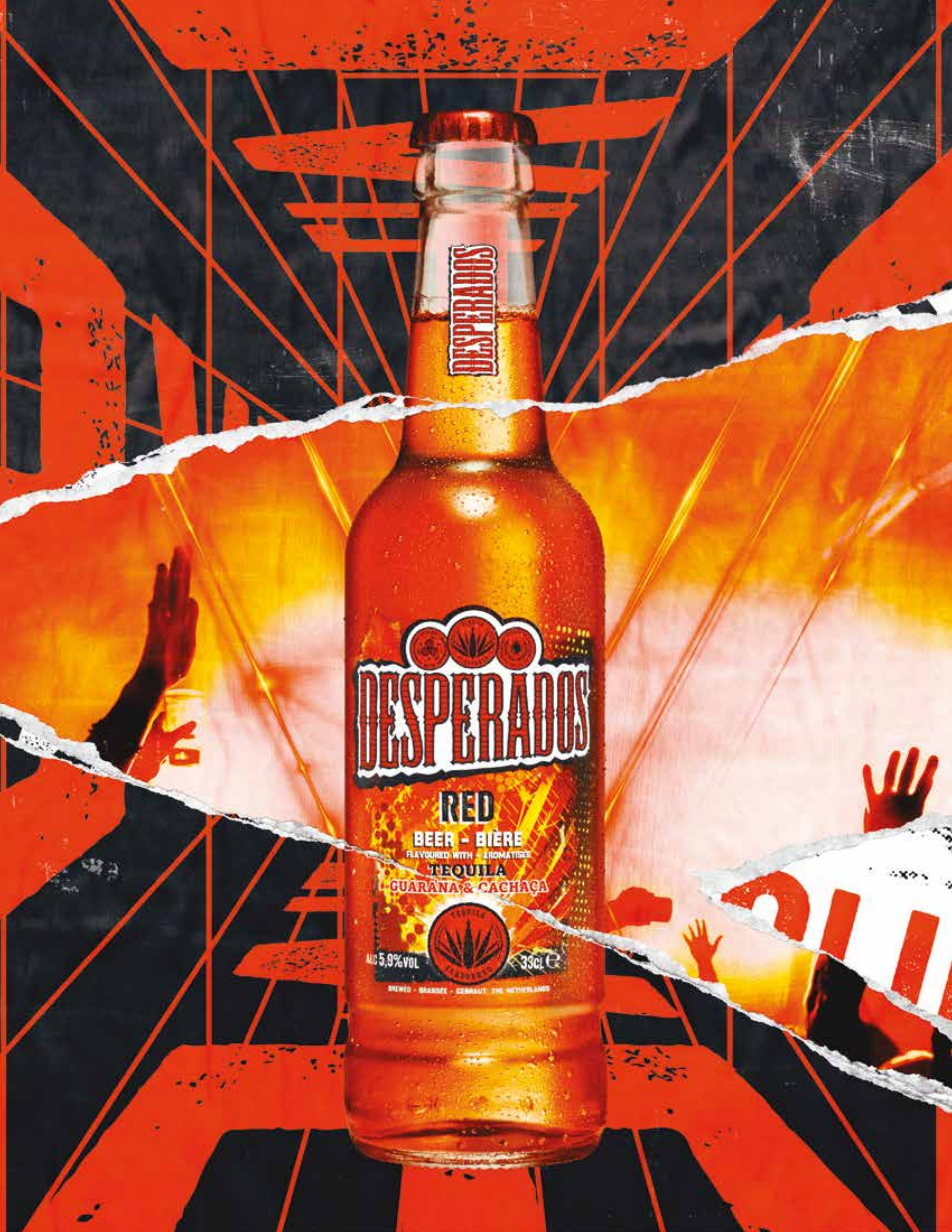
	As previously reported $	Reclassification $	As currently reported $
Statement of Comprehensive Income			
Year ended December 31, 2018			
Net revenue	117,902,829	(5,382,920)	112,519,909
Other income - net	1,847,232	(107,640)	1,739,592
Operating expenses	(100,378,955)	5,509,353	(94,869,602)
Finance costs - net	(820,802)	(18,793)	(839,595)
Profit before income tax	18,550,304	–	18,550,304
Balance Sheet			
As at December 31, 2018			
Assets			
Loan receivable - noncurrent	1,491,483	(1,491,483)	–
Other non-current assets	–	1,491,483	1,491,483
Trade and other receivables	11,365,858	238,700	11,604,558
Loan receivable - current	238,700	(238,700)	–
Liabilities			
Other non-current liabilities	–	(483,586)	(483,586)
Trade and other payables	(20,279,730)	5,991,268	(14,288,462)
Refundable packaging deposits	–	(5,507,682)	(5,507,682)

34. Subsequent events

Subsequent to year-end, the World Health Organisation declared a coronavirus disease of 2019 (COVID-19) to be a pandemic. There is currently no cure, and the most recommended means to manage contagion is social distancing. This has resulted in several countries embarking on varying degrees of lock-down, closure of borders and travel bans. Global travel restrictions have been implemented, all of which will have negative global economic consequences.

The Group is exposed to the potential effects of the COVID-19 on the economic downturn that could lead to disruption in manufacturing and distribution process, probable decrease in revenues and difficulty in collection of receivables. The COVID-19 crisis is still in its early stage and management is assessing the full operational and financial impact of COVID-19 to the Group.

NOTES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