Grant Thornton

Dominica Coconut Products Limited

Consolidated Financial Statements
December 31, 2014
(expressed in Eastern Caribbean dollars)

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November 12, 2015

Independent Auditors' Report

To the Shareholders of
Dominica Coconut Products Limited

Report on the financial statements

We have audited the accompanying consolidated financial statements of **Dominica Coconut Products Limited** and its subsidiary which comprise the consolidated balance sheet as of December 31, 2014 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 notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Independent Auditors' Report...*continued*
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Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Dominica Coconut Products Limited** and its subsidiary as of December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Grant Thornton
Chartered Accountants

Dominica Coconut Products Limited
Consolidated Balance Sheet
As of December 31, 2014

(expressed in Eastern Caribbean dollars)

	2014 $	2013 $
Assets		
Current assets		
Cash (Note 5)	**485,828**	268,420
Trade and other receivables (Note 6)	**18,391,060**	14,283,577
Inventories (Note 7)	**4,679,906**	7,522,613
	23,556,794	22,074,610
Available-for-sale financial assets (Note 8)	**2,110,655**	2,110,655
Investment property (Note 9)	**5,564,603**	1,281,700
Property, plant and equipment (Note 10)	**36,271,767**	40,421,103
Deferred tax asset (Note 13)	**2,211,568**	998,480
Total assets	**69,715,387**	66,886,548
Liabilities		
Trade and other payables (Note 11)	**7,406,840**	6,535,843
Due to related parties (Note 12)	**19,096**	2,926
Income tax liability	**347,625**	428,958
	7,773,561	6,967,727
Retirement benefit obligation (Note 14)	**7,935,986**	6,952,163
Total liabilities	**15,709,547**	13,919,890
Equity		
Share capital (Note 15)	**10,496,978**	10,496,978
Revaluation surplus (Note 21)	**18,680,705**	22,407,523
Retained earnings	**24,828,157**	20,062,157
Total equity	**54,005,840**	52,966,658
Total liabilities and equity	**69,715,387**	66,886,548

Approved by the Board of Directors on October 26 **2015**

Director

Director

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

Dominica Coconut Products Limited
Consolidated Statement of Comprehensive Income
For the year ended December 31, 2014

(expressed in Eastern Caribbean dollars)

	2014 $	2013 $
Sales (Note 12)	**33,860,270**	36,063,415
Cost of sales (Note 17)	**(30,135,907)**	(32,506,971)
Gross profit	**3,724,363**	3,556,444
General and administrative expenses (Note 17)	**(21,196)**	(495,976)
Other income - net (Note 19)	**187,971**	47,790
Profit before taxation	**3,891,138**	3,108,258
Income tax benefit/(expense) (Note 20)	**199,942**	(1,010,933)
Profit for the year	**4,091,080**	2,097,325
Other comprehensive income		
Gains on revaluation of land and buildings (Notes 10 and 21)	**–**	4,080,972
Actuarial loss on retirement benefit obligation (Note 14)	**(478,598)**	(465,370)
Deferred tax on actuarial loss on retirement benefit obligation (Note 13)	**143,579**	139,611
Total other comprehensive (loss)/income	**(335,019)**	3,755,213
Total comprehensive income for the year	**3,756,061**	5,852,538

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

Dominica Coconut Products Limited

Consolidated Statement of Changes in Equity

For the year ended December 31, 2014

(expressed in Eastern Caribbean dollars)

	Share capital $ (Note 15)	Revaluation surplus $ (Note 21)	Retained earnings $	Total Equity $
Balance at December 31, 2012, as restated	10,496,978	19,237,266	41,893,916	71,628,160
Comprehensive income:				
Profit for the year	–	–	2,097,325	2,097,325
Other comprehensive income	–	4,080,972	(325,759)	3,755,213
Amortization of revaluation surplus	–	(910,715)	910,715	–
Total comprehensive income	–	3,170,257	2,682,281	5,852,538
Transaction with owners:				
Dividends (Note 16)	–	–	(24,514,040)	(24,514,040)
Balance at December 31, 2013	10,496,978	22,407,523	20,062,157	52,966,658
Balance at December 31, 2013	10,496,978	22,407,523	20,062,157	52,966,658
Comprehensive income:				
Profit for the year	–	–	4,091,080	4,091,080
Other comprehensive income	–	–	(335,019)	(335,019)
Amortization of revaluation surplus	–	(449,215)	449,215	–
Transfer of revaluation surplus	–	(3,277,603)	3,277,603	–
Total comprehensive income	–	(3,726,818)	3,391,799	(335,019)
Transaction with owners:				
Dividends (Note 16)	–	–	(2,716,879)	(2,716,879)
Balance at December 31, 2014	**10,496,978**	**18,680,705**	**24,828,157**	**54,005,840**

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

Dominica Coconut Products Limited

Consolidated Statement of Cash Flows

For the year ended December 31, 2014

(expressed in Eastern Caribbean dollars)

	2014 $	2013 $
Cash flows from operating activities		
Profit before income tax	**3,891,138**	3,108,258
Adjustments for:		
Depreciation (Notes 10 and 17)	**1,066,287**	1,778,038
Pension cost (Notes 14 and 18)	**578,148**	523,125
Decline in fair value of investment property (Notes 9 and 19)	**-**	370,314
(Reversal of))/decrease in provision for obsolete inventory (Note 7)	**(850)**	3,575
Operating profit before working capital changes	**5,534,723**	5,783,310
(Increase)/decrease in trade and other receivables	**(4,107,483)**	21,663,039
Decrease/(increase) in inventories	**2,843,557**	(1,361,081)
(Decrease)/increase in related party balances, net	**16,170**	(31,744)
Increase in trade and other payables	**870,997**	(41,685)
Net cash generated from operations	**5,157,964**	26,011,839
Income taxes paid	**(950,900)**	(724,938)
Pension contributions paid (Note 14)	**(72,923)**	(69,885)
Net cash provided by operating activities	**4,134,141**	25,217,016
Cash flow from investing activity		
Purchase of property, plant and equipment (Note 10)	**(1,199,854)**	(760,096)
Cash flow from financing activity		
Dividends paid (Note 16)	**(2,716,879)**	(24,514,040)
Increase/(decrease) in cash	**217,408**	(57,120)
Cash at beginning of year	**268,420**	325,540
Cash at end of year (Note 5)	**485,828**	268,420

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

(expressed in Eastern Caribbean dollars)

1 Corporate status

Dominica Coconut Products Limited (the Company) and its subsidiary, Refresh Company Limited (together, the Group) is engaged in the production of soap and distribution of toiletries, household products and dental creams. The Group's parent company is Colgate Palmolive (Dominica) Inc., and its ultimate parent company is the Colgate Palmolive Company, which are both incorporated in the United States of America.

The registered office and principal place of business of the Group is located at Belfast, Commonwealth of Dominica.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated 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 Dominica Coconut Products Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention, as modified by the revaluation of land and buildings and investment property.

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 these consolidated financial statements are disclosed in Note 4.

Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations adopted by the Group for the financial year beginning January 1, 2014

- ***Amendments to IAS 32, 'Financial Instruments: Offsetting financial assets and financial liabilities'.*** These amendments clarify the application of certain offsetting criteria in IAS 32, including: (a) the meaning of 'currently has a legally enforceable right of set-off'; and, (b) that some gross settlement mechanisms may be considered equivalent to net settlement. The amendments had no material effect on the Group's financial statements.

- ***Amendments to IAS 36, 'Impairment of Assets: Recoverable amount disclosures for non-financial assets'.*** These amendments clarify that an entity is required to disclose the recoverable amount of an asset (or cash generating unit) whenever an impairment loss has been recognized or reversed in the period. In addition, they introduce several new disclosures required to be made when the recoverable amount of impaired assets is based on fair value less costs of disposal, including: additional information about fair value measurement including the applicable level of the fair value hierarchy, and a description of any valuation techniques used and key assumptions made; and, the discount rates used if fair value less costs of disposal is measured using a present value technique. The amendments had no material effect on the Group's financial statements.

Other standards, amendments and interpretations which are effective for the financial year beginning January 1, 2014 are not material to the Group.

(expressed in Eastern Caribbean dollars)

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

Changes in accounting policy and disclosures...*continued*

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group for the financial year beginning January 1, 2014

At the date of the authorization of these financial statements, certain new standards and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Group. Information on those expected to be relevant to the Group's financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the Group's financial statements.

- ***IFRS 9, 'Financial Instruments'***. The IASB recently released IFRS 9 'Financial Instruments' (2014), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The Group has yet to assess the impact of IFRS 9 on the Group's financial statements. The new standard is required to be applied for annual reporting periods beginning on or after January 1, 2018.

- ***IFRS 15, 'Revenue from Contracts with Customers'***. IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options and other common complexities. The Group has yet to assess the impact of IFRS 9 on the Group's financial statements. IFRS 15 is effective for reporting periods beginning on or after January 1, 2018.

Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the 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 de-consolidated from the date that control ceases.

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 with the Group's accounting policies.

(expressed in Eastern Caribbean dollars)

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

Financial assets
The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash' in the balance sheet.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Loans and receivables
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

(expressed in Eastern Caribbean dollars)

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

Impairment of financial assets

Available-for-sale financial assets
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

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

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

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Inventories
Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average method. The cost of finished goods comprises raw materials, direct labour, and other direct cost and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made for obsolete, slow-moving and damaged goods.

Investment property
Investment property comprises of land, is held for an undetermined future use and is not occupied by the Group. It is accounted for using the fair value model and included in the balance sheet at their fair values.

Fair value represents open market value determined by a qualified independent valuer.

Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in the statement of comprehensive income.

(expressed in Eastern Caribbean dollars)

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

Property, plant and equipment

Land and buildings comprise mainly factories and offices. Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as 'revaluation surplus' in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation surplus directly in equity; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income, and depreciation based on the asset's original cost is transferred from 'revaluation surplus' to 'retained earnings'.

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

Land improvements and buildings	2½% - 5%
Plant, equipment and vehicles	6⅔% - 33⅓%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (expenses)/income – net' in the statement of comprehensive income.

When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

(expressed in Eastern Caribbean dollars)

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

Impairment of non-financial assets
Property, plant and equipment and other non-current assets are reviewed for impairment losses 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 carrying amount of the asset 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 levels for which there are separately identifiable cash flows.

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

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

Employee benefits
The Group operates a defined benefit pension plan, the assets of which are held in a separate trustee-administered fund. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation. The pension plan is funded by payments from employees and by the Group taking account of the recommendations of independent qualified actuaries.

The liability recognised on 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 government securities which have terms to maturity approximating the terms of the related pension obligation.

Service cost on the net defined benefit liability is included in employee benefits expense.

Current and deferred income tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income.

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

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 consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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.

(expressed in Eastern Caribbean dollars)

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

Current and deferred income tax...*continued*
Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Share capital
Ordinary shares are classified as equity.

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

Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's business. Sales are recognised net of discounts, upon delivery of products and customer acceptance.

Other revenues earned by the Group are recognised on an accrual basis.

Foreign currency translation

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

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.

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been 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.

Comparatives
Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(expressed in Eastern Caribbean dollars)

3 Financial risk management

The Group's activities expose it to a variety of financial risk: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

Currency risk
The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group's exposure to currency risk is minimal since most of its assets and liabilities in foreign currencies are held in United States dollars (US$).

The exchange rate of the Eastern Caribbean dollar (EC$) to US$ has been formally pegged at EC$2.70 = US$1.00 since 1974.

Interest rate risk
As the Group has no significant interest-bearing assets and liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rates

Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Group. Financial assets, which potentially expose the Group to concentrations of credit risk consists primarily of cash at bank, trade and other receivables and due from related parties.

The Group has policies in place to ensure that credit facilities are granted to customers with an appropriate credit history and have had long standing business relations with the Group.

Maximum exposure to credit risk:

	2014 $	2013 $
Cash at bank	**484,428**	267,020
Trade and other receivables	**18,297,121**	13,888,192
	18,781,549	14,155,212

(expressed in Eastern Caribbean dollars)

3 Financial risk management...*continued*

Liquidity risk
Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

Liquidity is managed through regular reporting of cash resources and forecasting the cash flow requirements of the Group. Management does not believe significant liquidity risk exists at December 31, 2014.

All financial liabilities are with contractual maturity dates of less than 1 year:

	2014 $	2013 $
Trade and other payables	**7,406,840**	6,535,843
Due to related parties	**19,096**	2,926
	7,425,936	6,538,769

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 an optimal structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Fair value estimation
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These include the use of recent arm's length transactions and reference to other instruments that are substantially the same.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

(expressed in Eastern Caribbean dollars)

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liability within the next financial year is addressed below:

Income taxes
The Group is subject to income taxes. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

5 Cash

	2014 **$**	**2013** **$**
Cash on hand	**1,400**	1,400
Cash at bank	**484,428**	267,020
	485,828	268,420

6 Trade and other receivables

	2014 **$**	**2013** **$**
Trade receivables	**16,500,350**	12,584,811
Advances to suppliers	**41,341**	379,332
Prepayments	**52,598**	16,053
Other receivables	**1,796,771**	1,303,381
	18,391,060	14,283,577

Included in trade receivables is an amount of $16,491,546 (2013 - $12,561,270) due from related parties (Note 12). These balances are unsecured, non-interest bearing and have no fixed terms of repayment.

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

As of December 31, 2014, trade receivables of $3,936,436 (2013 - $4,250,475) were fully performing.

(expressed in Eastern Caribbean dollars)

6 Trade and other receivables...*continued*

Trade receivables that are less than 90 days past due are not considered impaired. As of December 31, 2014, trade receivables of $11,153,009 (2013 - $8,334,141) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2014 $	2013 $
1 to 30 days	**4,408,698**	3,875,298
31 to 60 days	**3,248,563**	3,015,538
61 to 90 days	**3,495,748**	1,443,305
	11,153,009	8,334,141

As of December 31, 2014, trade receivables that are over 90 days past due amounts to $1,410,905 (2013 - $195). These receivables are due from a related party hence no provision for impairment is necessary.

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 carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

7 Inventories

	2014 $	2013 $
Raw materials	**1,811,482**	4,907,607
Finished goods	**1,171,047**	1,156,737
Work in progress	**680,005**	836,740
Less: provision for impairment of inventories	**(323,991)**	(324,841)
	3,338,543	6,576,243
Packing materials	**954,559**	757,719
Others	**386,804**	188,651
	4,679,906	7,522,613

The movement of provision for impairment of inventories is as follows:

	2014 $	2013 $
At beginning of year	**324,841**	321,266
Provision during the year	**–**	3,575
Reversal of provision	**(850)**	–
At end of year	**323,991**	324,841

The cost of inventories recognised as expense and included in 'cost of sales' (Note 16) amounted to $21,108,584 (2013 - $22,826,968).

(expressed in Eastern Caribbean dollars)

8 Available-for-sale financial assets

	% of ownership	2014 $	2013 $
Unlisted equity investment:			
Colgate Palmolive Manufacturing (Barbados) Limited	50%	**2,110,655**	2,110,655

Colgate Palmolive Manufacturing (Barbados) Limited has sought support from KPMG on liquidation of the company. The liquidation process is expected to be completed by the fourth quarter of 2015.

9 Investment property

	Land $	Buildings $	Total $
December 31, 2013			
At beginning of year	1,652,014	–	1,652,014
Decrease in fair value (Note 19)	(370,314)	–	(370,314)
At end of year	1,281,700	–	1,281,700
December 31, 2014			
At beginning of year	1,281,700	–	1,281,700
Transfer from property, plant and equipment(Note 10)	1,432,903	2,850,000	4,282,903
At end of year	2,714,603	2,850,000	5,564,603

Investment property includes real estate properties which are owned to earn rentals and for capital appreciation. These properties were independently valued by a qualified surveyor in July 2014 using recent market prices.

In 2014, certain real estate properties with a fair market value amounting to $4,282,903 classified as Property, plant and equipment until 2013 were transferred to Investment property since they are no longer in use for the Group's operations. The revaluation surplus related to these assets amounting to $3,277,603 was transferred to retained earnings following the reclassification to Investment property.

(expressed in Eastern Caribbean dollars)

10 Property, plant and equipment

	Land and improvements $	Buildings $	Plant equipment and vehicles $	Work-in-progress $	Total $
As at December 31, 2012					
Cost or valuation	27,267,698	11,526,184	15,232,581	582,554	54,609,017
Accumulated depreciation	(1,453,343)	(4,236,851)	(11,560,750)	–	(17,250,944)
Net book value	25,814,355	7,289,333	3,671,831	582,554	37,358,073
Year ended December 31, 2013					
Opening net book amount	25,814,355	7,289,333	3,671,831	582,554	37,358,073
Revaluation surplus	(4,755,725)	8,836,697	–	–	4,080,972
Additions	–	–	–	760,096	760,096
Transfers	–	–	526,235	(526,235)	–
Depreciation (Note 17)	(277,679)	(997,630)	(502,729)	–	(1,778,038)
Closing net book amount	20,780,951	15,128,400	3,695,337	816,415	40,421,103
As at December 31, 2013					
Cost or valuation	20,780,951	15,128,400	15,758,816	816,415	52,484,582
Accumulated depreciation	–	–	(12,063,479)	–	(12,063,479)
Net book value	20,780,951	15,128,400	3,695,337	816,415	40,421,103
Year ended December 31, 2014					
Opening net book amount	20,780,951	15,128,400	3,695,337	816,415	40,421,103
Additions	46,391	108,867	239,440	805,156	1,199,854
Transfers (Note 9)	(1,432,903)	(2,850,000)	816,415	(816,415)	(4,282,903)
Depreciation (Note 17)	(136,761)	(364,628)	(564,898)	–	(1,066,287)
Closing net book amount	19,257,678	12,022,639	4,186,294	805,156	36,271,767
As at December 31, 2014					
Cost or valuation	19,394,439	12,387,267	16,814,671	805,156	49,401,533
Accumulated depreciation	(136,761)	(364,628)	(12,628,377)	–	(13,129,766)
Net book value	19,257,678	12,022,639	4,186,294	805,156	36,271,767

An independent valuation of the Group's land and buildings was performed by valuers in July 2014 to determine the fair value of the land and buildings. The valuation was determined by reference to recent market transactions on arm's length terms. The revaluation surplus was credited to other comprehensive income and is shown in 'revaluation surplus' in equity.

If land and buildings were stated on the historical cost basis, the amount would be $12,577,793 as at December 31, 2014 (2013 - $13,324,340).

As discussed in Note 9, certain real estate properties amounting to $4,282,903 classified as Property, plant and equipment until 2013, were transferred to Investment property in 2014 since they are no longer in use for the Group's operations.

(expressed in Eastern Caribbean dollars)

11 Trade and other payables

	2014 $	2013 $
Trade payables	6,642,773	5,486,846
Accrued liabilities	534,666	819,106
Other payables	229,401	229,891
	7,406,840	6,535,843

Included in trade payables is an amount of $4,970,627 (2013 - $5,045,147) due to related parties (Note 12).

12 Related party balances and transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party by making financial and operational decisions.

The following transactions were carried out with related parties:

(a) Sales of goods

	2014 $	2013 $
Colgate Palmolive Co. Distributors	33,860,720	36,063,415

(b) Purchases of goods and services

	2014 $	2013 $
Colgate Palmolive Guatemala	494,100	749,827
Colgate Palmolive Brazil	449,800	381,883
	943,900	1,131,710

Sales and purchases in the year were carried out on commercial terms and conditions. The pricing for related company transactions are on the basis of Colgate-Palmolive's worldwide policy. This pricing policy incorporates factory cost, administrative expenses, interest and other expenses and surcharge dependent on certain specified criteria.

(expressed in Eastern Caribbean dollars)

12 Related party balances and transactions...*continued*

(c) Year-end balances arising from sales/purchases of goods/services

	2014 $	2013 $
Receivables from related parties (Note 6)		
- Colgate Palmolive Co. Distributors	**16,491,546**	12,561,270
Due to related parties		
- Colgate Palmolive Company, New York	**19,096**	2,926
Payables to related parties (Note 11)		
- Colgate Palmolive Manufacturing (Barbados) Ltd.	**4,836,177**	4,836,177
- Colgate Palmolive Brazil	**79,635**	–
- Colgate Palmolive Co. Distributors	**54,815**	115,835
- Colgate Palmolive Guatemala	**–**	93,135
	4,970,627	5,045,147

The Group is related to the above companies by common ownership and management.

The receivables from related parties arise mainly from sale transactions. These receivables are unsecured and non-interest bearing.

The payables to related parties arise mainly from purchase transactions and bear no interest.

(d) Key management compensation

	2014 $	2013 $
Salaries and wages	**259,832**	248,048
Social security costs	**4,860**	4,860
Pension costs	**10,832**	10,242
Other staff costs	**33,264**	33,264
	308,788	296,414

(expressed in Eastern Caribbean dollars)

13 Deferred income tax

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 30%.

The deferred tax comprise of the following:

	2014 $	2013 $
Retirement benefit obligation	**2,380,796**	2,085,649
Accelerated tax depreciation	**(169,228)**	(1,087,169)
	2,211,568	998,480

The movement on deferred income tax account is as follows:

	2014 $	2013 $
At beginning of year	**998,480**	930,512
Statement of comprehensive income benefit/(charge) (Note 20)	**1,069,509**	(71,643)
Tax benefit relating to components of other comprehensive income	**143,579**	139,611
At end of year	**2,211,568**	998,480

(expressed in Eastern Caribbean dollars)

14 Retirement benefit obligation

The amounts recognised in the balance sheet are determined as follows:

	2014 $	2013 $
Present value of funded obligations	**7,743,000**	7,014,000
Fair value of plan liability/(assets)	**192,986**	(61,837)
Net liability in the balance sheet	**7,935,986**	6,952,163

The movement in fair value of defined benefit obligations is as follows:

	2014 $	2013 $
At beginning of year	**7,014,000**	6,238,000
Interest cost	**455,313**	438,241
Current service cost	**191,475**	164,069
Benefits paid	**(401,307)**	(282,959)
Remeasurement loss on obligation	**483,519**	456,649
At end of year	**7,743,000**	7,014,000

The movement in fair value of plan (liabilities)/assets for the year is as follows:

	2014 $	2013 $
At beginning of year	**61,837**	204,447
Interest (loss)/income	**(4,283)**	9,300
Contributions	**145,846**	139,770
Benefits paid	**(401,307)**	(282,959)
Remeasurement gain/(loss) on plan (liabilities)/assets	**4,921**	(8,721)
At end of year	**(192,986)**	61,837

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

	2014 $	2013 $
Current service cost	**118,552**	94,184
Interest cost	**455,313**	438,241
Interest loss/(income) on plan (liabilities)/assets	**4,283**	(9,300)
Total, included in staff costs (Note 18)	**578,148**	523,125

The actual gain on plan (liabilities)/assets was $638 (2013 - $579).

(expressed in Eastern Caribbean dollars)

14 Retirement benefit obligation...*continued*

The amounts recognised in the other comprehensive income are as follows:

	2014 $	2013 $
Remeasurement loss on obligation	**483,519**	456,649
Remeasurement (gain)/loss on plan (liabilities)/assets	**(4,921)**	8,721
Total remeasurements included in other comprehensive income	**478,598**	465,370

Movement in the liability recognised in the balance sheet:

	2014 $	2013 $
At beginning of year	**6,952,163**	6,033,553
Total expenses - as shown above	**1,056,746**	988,495
Contributions paid	**(72,923)**	(69,885)
At end of year	**7,935,986**	6,952,163

The principal actuarial assumptions used were as follows:

	2014 %	2013 %
Discount rate at end of year	**6.5**	6.5
Future salary increases	**4.0**	4.0
Future changes in NIS ceiling	**4.0**	4.0

The above rates are over the long-term and may not be appropriate in any specific year.

Plan assets consist of investments classified as loans and receivables.

The amount of pension plan for the year is as follows:

	2014 $	2013 $
Defined benefit obligation	**7,743,000**	7,014,000
Fair value of plan liabilities/(assets)	**192,986**	(61,837)
Deficit	**7,935,986**	6,952,163

(expressed in Eastern Caribbean dollars)

15 Share capital

	2014 $	2013 $
Authorised		
1,000,000 ordinary shares		
Issued and fully paid		
948,245 ordinary shares	**10,496,978**	10,496,978

16 Dividends

The board of directors of the Company, through a written resolution dated December 3, 2014, approved to issue dividend to its shareholder amounting to US$1,000,0000. This dividend was accounted for in equity as an appropriation of retained earnings during the year and was also paid during the year.

In 2013, the amount of dividends approved to issue and paid to shareholder was US$9,000,0000.

17 Expenses by nature

	2014 $	2013 $
Direct materials (Note 7)	**21,108,584**	22,826,968
Employee benefit expense (Note 18)	**5,020,240**	4,728,276
Boiler expenses and utilities	**2,672,993**	3,523,685
Depreciation (Note 10)	**1,066,287**	1,778,038
Repairs and maintenance	**560,722**	427,449
Motor vehicle expenses	**119,756**	137,478
Other general expenses	**1,758,402**	1,626,052
Allocation of costs to a related party	**(2,149,881)**	(2,044,999)
	30,157,103	33,002,947

18 Employee benefit expense

	2014 $	2013 $
Salaries and wages	**3,576,046**	3,533,732
Pension cost (Note 14)	**578,148**	523,125
Other staff cost	**647,433**	452,379
Social security cost	**218,613**	219,040
	5,020,240	4,728,276

(expressed in Eastern Caribbean dollars)

19 Other income - net

	2014 $	2013 $
Rent income	**173,608**	165,295
Decrease in fair value of investment property (Note 9)	**–**	(370,314)
Other gains	**14,363**	252,809
	187,971	47,790

20 Taxation

	2014 $	2013 $
Current tax	**869,567**	939,290
Deferred tax (Note 13)	**(1,069,509)**	71,643
	(199,942)	1,010,933

The tax on the Group's net profit before tax differs from the theoretical amount that would arise using the local statutory rate as follows:

	2014 $	2013 $
Profit before taxation	**3,891,138**	3,108,258
Tax calculated at a rate of 30%	**1,167,341**	932,477
Expenses not deductible for tax purposes	**195,290**	470,861
Deferred tax not recognized	**(1,021,365)**	196,922
Fiscal incentives	**(541,208)**	(589,327)
Tax charge	**(199,942)**	1,010,933

Under Section 109 of the Income Tax Act, the parent company was granted a forty percent (40%) tax relief on total profit for five (5) years starting January 12, 2013 and expiring on January 12, 2017.

(expressed in Eastern Caribbean dollars)

21 Revaluation surplus

	Land $	Buildings $	Total $
At December 31, 2012	14,128,621	5,108,645	19,237,266
Change in fair value (Note 10)	(4,755,725)	8,836,697	4,080,972
Amortisation	–	(910,715)	(910,715)
At December 31, 2013	**9,372,896**	**13,034,627**	**22,407,523**
At December 31, 2013	9,372,896	13,034,627	22,407,523
Amortisation	–	(449,215)	(449,215)
Transfer to retained earnings due to reclassification of Property, plant and equipment to Investment property (Note 9)	(427,603)	(2,850,000)	(3,277,603)
At December 31, 2014	**8,945,293**	**9,735,412**	**18,680,705**

22 Contingencies

The Group is currently being assessed by the Inland Revenue Division (IRD) for the years 2009 to 2012 with respect to its transfer pricing policy. The IRD proposed an additional income tax liability for the four years under review, however, the Group has filed an objection and now in continuous discussion with the IRD.

Until the matter is determined, the assessment is not considered final and no provision is made for additional liabilities.

23 Subsequent events

Subsequent to balance sheet date, but prior to signing of these financial statements, the island of Dominica was struck by Tropical Storm Erika. There is significant damage to the area where the Group is located and operates.

While there has been damage to the building and other assets, it is unknown as to the extent of that damage and when staff can return to the building. This event caused disruption to the business and is not known how much damage has been done to the property or how long the business will have to operate outside of the premises.

The Group has put in place plans to deal with clients and staff and to continue business. At the current time, the Directors consider that they are adequately insured to cover any losses arising from damage to building and other assets.

Grant Thornton