

# BHL



## 2021

### ANNUAL REPORT







TRIATHLON  
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BHL  
Banks Holdings Limited

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## 10 Principles

### DREAM

- 1 Our shared Dream energizes everyone to work in the same direction: Bringing people together for a better world.

### PEOPLE

- 2 Our greatest strength is our people. Great people grow at the pace of their talent and are rewarded accordingly.
- 3 We recruit, develop and retain people who can be better than ourselves. We will be judged by the quality of our teams.

### CULTURE

- 4 We are never completely satisfied with our results, which are the fuel of our company. Focus and zero-complacency guarantee lasting competitive advantage.
- 5 The consumer is the boss. We serve our consumers by offering brand experiences that play a meaningful role in their lives, and always in a responsible way.
- 6 We are a company of owners. Owners take results personally.
- 7 We believe common sense and simplicity are usually better guidelines than unnecessary sophistication and complexity.
- 8 We manage our costs tightly, to free up resources that will support sustainable and profitable top line growth.
- 9 Leadership by personal example is at the core of our culture. We do what we say.
- 10 We never take shortcuts. Integrity, hard work, quality, and responsibility are key to building our company.

**Our Dream:**  
**Bringing people together for a better world**





## Corporate Profile

as of 31 December 2021

Banks Holdings Limited (BHL) is the largest beverage conglomerate in Barbados comprising four subsidiaries including a brewery - Banks (Barbados) Breweries Limited, a dairy - Barbados Dairy Industries Limited (PINEHILL Dairy), a shell corporation - Banks Distribution Limited, and a property rental company - Plastic Containers Limited.

BHL's shares are listed on the Barbados Stock Exchange.

## Associated Companies

as of 31 December 2021

GCG Services Limited	(33.33%)
Newtech Inc.	(26.2%)
Tower Hill Merchants Limited	(36.7%)
Delivery & Handling Services (Barbados) Limited	(50%)

REGISTERED OFFICE:  
Banks (Barbados) Breweries Ltd. Complex,  
Newton, Christ Church

AUDITORS:  
Grant Thornton Limited

ATTORNEYS-AT-LAW:  
Clarke Gittens Farmer

BANKERS:  
First Caribbean International Bank

# SUBSIDIARIES

as of 31 December 2021



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## **Banks (Barbados) Breweries Limited**

Newton, Christ Church

Tel: (246) 227-6750

Fax: (246) 227-6790



## **Barbados Dairy Industries Limited**

(PINEHILL Dairy)

The Pine, St. Michael

Tel: (246) 227-6600

Fax: (246) 227-6660



## **Banks Distribution Limited**

Newton, Christ Church

Tel: (246) 418-2900

Fax: (246) 418-2970



## **Plastic Containers Ltd.**

Thornbury Hill Complex,  
Christ Church

Tel : (246) 428-7780



# NOTICE OF MEETING



## **BANKS HOLDINGS LIMITED**

Registered Office:

Banks (Barbados) Breweries Limited Complex  
Newton, Christ Church, Barbados

Notice is hereby given that the Sixty-First Annual General Meeting of Banks Holdings Limited (the “Company”) will be held via Zoom Meeting on **Wednesday, the 3rd day of December 2025 at 10:00 A.M.** for the following purposes:

1. To receive and consider the Consolidated Financial Statements of the Company for the period ending 31 December 2021 and the Auditor’s Report thereon.
2. To receive and consider the Consolidated Financial Statements of the Company for the period ending 31 December 2022 and the Auditor’s Report thereon.
3. To receive and consider the Consolidated Financial Statements of the Company for the period ending 31 December 2023 and the Auditor’s Report thereon.
4. To receive and consider the Consolidated Financial Statements of the Company for the period ending 31 December 2024 and the Auditor’s Report thereon.
5. To elect Directors and if thought fit to pass the following resolutions:
  - i. *THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Carl Richard Cozier be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*
  - ii. *THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Elvin Royston Sealy be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*
  - iii. *THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Ms. Shafia Tonisha Tracey London be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following her election.*
  - iv. *THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Andre Emile Thomas be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*
  - v. *THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Carlos Enrique Diaz Santiago be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*
  - vi. *THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Omar Antonio Ginorio Martinez be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*
  - vii. *THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Alberto Javier Riviera Ramirez be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*

# NOTICE OF MEETING



6. To appoint Auditors for the ensuing financial year and to authorise the Directors to fix their remuneration and (if thought fit) to pass the following resolution:
  - i. *THAT PricewaterhouseCoopers SRL be and are hereby appointed as Auditors of the Company for the period ending at the close of the next Annual General Meeting after their appointment.*
7. To transact any other business which may properly come before the meeting.

By Order of the Board

S. Matthew Goodin  
Corporate Secretary  
30 September 2025



# NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING



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1. Shareholders may participate in the Meeting electronically and are required to pre-register during the period commencing **17th day of November 2025** and ending **1st day of December, 2025** to remotely attend the Meeting. Once you have pre-registered and are confirmed as a Shareholder, you will receive an email with a Zoom link, Meeting ID and password for the Meeting. A Proxy holder may be authorized by the Shareholder to use the login credentials to attend the meeting on the behalf of the Shareholder. Further details to pre-register and attend the live meeting are included in Appendix 1 – Guidelines for Shareholders' Pre-Registration and Online Attendance at Banks Holdings Limited's Sixty-First Annual Meeting.
2. Members are asked to note that the Directors may require that any Member, Proxy, or duly Authorised Representative, provide satisfactory proof of his/her identity before being admitted to the Annual Meeting.
3. A Member of the Company entitled to attend and vote at the above Meeting is entitled to appoint a Proxy to attend and vote in his or her stead. Such Proxy need not also be a Member of the Company. Where a Proxy is appointed by a corporate member, the Form of Proxy should be executed under seal or signed by its attorney.
4. Corporate members are entitled to attend and vote by a duly Authorised Representative who need not himself be a member. Such appointments must be by resolution of the Board of Directors of the corporate member.

Included is a Form of Proxy which must be completed, signed and then deposited with the Corporate Secretary at the Company's Registered Office, c/o Banks (Barbados) Breweries Limited Complex, Newton, Christ Church, not less than 48 hours before the time fixed for holding the Meeting. Forms may also be emailed to the [BHLCorporateSecretary@koscab.com](mailto:BHLCorporateSecretary@koscab.com). Shareholders wishing to appoint a Proxy may also visit the website [www.thebhlgroup.com](http://www.thebhlgroup.com) to download a Form of Proxy. Shareholders who return completed Forms of Proxy are not barred from attending the meeting via the live link instead of their Proxies and voting via that medium if subsequently they so wish.



## Appendix 1

### Guidelines for Shareholders' pre-registration and online attendance at Banks Holdings Limited's Sixty-First Annual General Meeting

**Shareholders cannot attend the meeting in person.**

#### CONVENING OF ANNUAL MEETING

The Sixty-First Annual Meeting of Shareholders of Banks Holdings Limited will be held via Zoom at 10:00 a.m. Shareholders can attend and participate in the meeting via live streaming.

#### PRE-REGISTRATION FOR THE ANNUAL MEETING

To attend the Meeting, Shareholders are required to pre-register during the period commencing **17th day of November 2025** and ending **1st day of December 2025**, via the following steps:

- Send an email to [BHLCorporateSecretary@koscab.com](mailto:BHLCorporateSecretary@koscab.com) with your full name, address, telephone number, valid identification number (ID Card or Passport) and a valid email address.
- Once you are confirmed as a Shareholder or proxy on record, you will receive an email with a Zoom link, Meeting ID and password to attend the live stream.

#### ATTENDANCE AT ANNUAL MEETING

- Shareholders who have pre-registered and have been confirmed, will be able to login to attend the live streaming of the Annual Meeting of the Shareholders of Banks Holdings Limited.
- You will need to download the Zoom app, as voting can only be completed via the Zoom app. There is no need to create a Zoom account.
- Click on the Zoom link provided in your confirmation email.
- If a pop-up appears on your computer asking to open the link in the Zoom app, select "Allow".
- Please enter the Meeting I.D.
- You must enter your full name (First Name and Last Name) as pre-registered.
- Enter password.

#### Notes:

- As an attendee to this meeting, you will NOT be able to unmute your microphone or turn on your camera. You will have the ability to see and hear the Chairman of the meeting as well as any presentations made at the meeting. You will be able to vote on the resolutions put before the meeting, and you will be able to post questions during the question-and-answer segment.
- For security reasons, you will NOT be able to login and view the meeting on more than one device at a time. If switching devices, you will need to log out of the current device first. The invitation link received will only work on one device, so please do not share this link.
- You will have the opportunity to ask questions by chat box when prompted by the Chairman.
- To return to the meeting after asking a question, click "Close".
- Do not use the "Raise Hand" feature for this meeting as it will not be acknowledged other than for voting.
- When it is time to vote on the Resolutions, the text of the resolution will appear on screen. Kindly utilise the "Raise Hands" feature to indicate the appropriate response when called on.

# NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING



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- Please select carefully, as you cannot change your vote or vote multiple times.
- Please be advised that the use of the Zoom app requires either a working smart phone/tablet with enough space for installation or a working computer and internet connection. Remember! Internet browsers do not support voting, so you must download the Zoom app on your computer or smartphone/tablet before the event.
- We recommend the use of high-speed internet connection and a fully charged mobile device. If on a Wi-Fi network, limit the amount of video streaming from other devices.
- Banks Holdings Limited is NOT responsible for the reliability of, or lack thereof, Shareholders' devices or internet connection speeds.





## TO OUR VALUED SHAREHOLDERS,

I am pleased to present the Annual Report for Banks Holdings Limited for the fiscal year ended December 31, 2021. This past year was one of significant transition and strategic realignment for our Group, as we continued to navigate a complex global and regional environment. While our financial results reflect a period of challenge, they also underscore the fundamental strengths of our brands and our ongoing commitment to long-term value creation.

## NAVIGATING A YEAR OF TRANSITION AND CHALLENGE

The year 2021 was characterized by the ongoing effects of the COVID-19 pandemic, which continued to impact global supply chains, commodity prices, and consumer behavior. In Barbados and across our key Caribbean markets, we saw a gradual but uneven economic recovery. While the reopening of tourism provided a welcome boost to the economy, domestic consumer spending remained under pressure from rising inflation and economic uncertainty. These external factors, combined with intense competition in the beverage sector, created a demanding operating landscape.

This was also a year of significant strategic activity for our Group. We made the decision to divest our shareholdings in our associated companies, Citrus Products of Belize Limited and Chemical Industries Limited. These disposals, while resulting in a one-time loss, were crucial steps in our strategy to streamline our portfolio and focus on our core beverage and dairy operations. We believe this sharpened focus will allow us to better allocate resources and drive growth in the areas where we have the greatest competitive advantages.

## FINANCIAL AND OPERATING PERFORMANCE

Our financial performance in 2021 reflects both the challenging market conditions and the impact of our strategic divestitures. Total sales for the year were \$126.6 million, a slight decrease from the \$129.5 million recorded in 2020. This was a resilient performance in the face of the headwinds I have described.

However, our profitability was significantly impacted by the loss on the disposal of our associated companies, which amounted to \$22.9 million. This, combined with a gross profit of \$31.3 million, ultimately led to a net loss for the year of \$2.2 million, compared to a net income of \$8.5 million in 2020.

Despite the net loss, our underlying business remains solid. We generated strong cash flow from operations of \$11.7 million, and our balance sheet remains robust with a total equity position of \$252.7 million. We also made a significant dividend payment of \$133.4 million during the year, demonstrating our continued commitment to returning value to our shareholders.

## INVESTING IN OUR FUTURE

Even in a challenging year, we continued to invest in the future of our business. We allocated \$3.6 million to capital expenditures, ensuring that our production facilities remain modern and efficient. We also saw a significant unrealized gain of \$29.2 million on our investment in Banks DIH Limited, highlighting the strength and value of this key asset.

# CHAIRMAN'S REPORT



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## OUR PEOPLE AND OUR PATH FORWARD

I want to extend my sincere gratitude to our employees for their hard work and dedication throughout this year of transition. Their commitment is the bedrock of our company.

Looking ahead, we are confident that the strategic decisions made in 2021 have positioned Banks Holdings Limited for a stronger, more focused future. We will continue to invest in our core brands, innovate to meet evolving consumer tastes, and drive operational efficiencies across the Group. We are optimistic about the opportunities that lie ahead as the regional economy continues to recover and as we benefit from a more streamlined and agile business structure.

On behalf of the Board of Directors, I thank you for your continued support and confidence in Banks Holdings Limited.

Sincerely,

Caio Miranda  
Chairman of the Board  
Banks Holdings Limited

# DIRECTORS

As of 31 December 2021



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## MR. CAIO AUGOSTO MIRANDA RAMOS

### Executive Director & Chairman - Citizen of Brazil

Mr. Caio Ramos is a graduate of Law from the State of Parana University and has also completed the Ambev Executive MBA Program at Sao Paulo Business School in Sao Paulo, Brazil.

Mr. Ramos also completed the Program on Corporate Reputation from Stanford University in Palo Alto, California in 2018. Mr. Ramos joined AMBEV in 2002 and has accumulated 16 years' experience in legal, corporate affairs and strategy development.



## MR. JOSE INFANTE

### Executive Director – Citizen of the Dominican Republic

Mr. Jose Infante was appointed Country Manager of Banks Holdings Limited in 2018.

He joined Cervecería Nacional Dominicana (CND) in 2010, as a Finance Coordinator. Following AB InBev's acquisition of CND in 2012, Mr. Infante quickly moved through the company's ranks. During his eight years at AMBEV, Mr. Infante has worked in various departments, including human resources, labour relations and sales. Most recently, he worked as CND's Commercial Manager for two years before his appointment in Barbados.

He holds a Bachelor of Science degree in Business Administration from the Pontifical Catholic University in the Dominican Republic. He also has a Master's in Business Administration from the Barna Business School in the Dominican Republic.



## MR. FERNANDO GUIMARÃES

### Executive Director - Citizen of Brazil

Mr. Guimarães is the Finance and Solutions Director with responsibility for the CAC region within the Cervecería Nacional Dominicana (CND) in the Dominican Republic. Mr. Guimarães joined AMBEV in 2004 through the company's Management Trainee Programme and has held the positions of Planning and Performance Coordinator and Operations Manager during his 14 years with the company. Mr. Fernando Guimarães holds an undergraduate degree in Mechanical Engineering from the Pontifical Catholic University of Rio de Janeiro and an Executive MBA from Brazil's COPPEAD Graduate School of Business.



## MR. ALBERTO GAUDRY

### Executive Director - Citizen of Mexico

Mr. Alberto Gaudry graduated cum laude with a Bachelor of Engineering and a Master of Engineering from the Pan-American University in Mexico City. He began his career as a Process and Continuous Improvement Analyst for Grupo Modelo, before joining AB InBev's Mexico operation as a National Productivity Coordinator in 2013. A natural leader, he was quickly promoted to the role of National Sales Distribution Manager and later, Regional Operations Director. In January 2017, he took up the role of AB InBev's Logistics Projects Director with responsibility for the Middle Americas region.



# DIRECTORS

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## **LRE Corp. represented by MR. LEONARDO CABRAL**

### **Executive Director - Citizen of Brazil**

Mr. Leonardo Cabral is the Mergers and Acquisitions Director of AMBEV's Brazil operations. He is a senior finance professional with more than 15 years of experience in corporate development and management consulting. A graduate of the Military Institute of Engineering in Rio de Janeiro, Brazil and the Stanford University Graduate School of Business, Mr. Cabral has worked with some of the most recognizable names in business during his career. Before joining AMBEV in 2017, he worked with PETROBRAS as a Corporate Development Advisor and for Credit Suisse as a Director of Mergers and Acquisitions.



## **MS. FATIMA VINAS**

### **Executive Director - Citizen of the Dominican Republic**

Ms. Fatima Vinas is a prolific executive with over 30 years of successful financial management experience under her belt. Ms. Vinas is the Control and Taxes Director for the Central America and Caribbean region at AB InBev's Cervecería Nacional Dominicana (CND), where she leads the accounting, taxes and internal control processes for several countries in the area. Ms. Vinas joined CND in 2000 and has worked in several capacities within the company, including as a Corporate Cost Manager, Marketing Administrative Coordinator and Finance Director. She is a graduate of the Pontifical Catholic University in Santo Domingo with qualifications in Business Administration and has a Master's in Business from the Barma Business School.



## **MR. RICHARD COZIER**

**Non-Executive Director – Citizen of Barbados** - A member of the BHL Board since November 13th 1997, Mr Cozier is a Fellow of the Institute of Chartered Accountants of Barbados (ICAB). He joined the staff at Banks (Barbados) Breweries Limited in 1979 as an Accountant. He was appointed Chief Accountant in 1985 and six years later, General Manager of the the Barbados Bottling Company (BBC), which was, at the time, a subsidiary of Banks Holdings Ltd. His dedication and commitment was further rewarded in 1999, when he was appointed Managing Director and CEO of the BHL Group. He held office until March 31, 2017 and remains a consultant to the BHL Group.

Mr. Cozier is also an independent director on the Board of The Barbados Private Sector Association.



## **MR. FRERE DELMAS**

**Non-Executive Director – Citizen of Barbados** - Mr. Frere F.C. Delmas retired as the Non-Executive Chairman of the Board of Directors of Massy (Barbados) Ltd., on September 2020. Prior to his retirement at the end of September 2019, Mr. Delmas served as Massy's Senior Vice President for Other Investments and as a Director on the Board of Massy Holdings Ltd. He also held the positions of Executive Vice President of Massy's Integrated Retail Business Unit and Director & Country Manager of Massy Barbados Ltd. These portfolios spanned a period of 6 years, commencing in 2013. He has an accumulated wealth of management experience and knowledge in the supermarket and wholesale distribution industries, which he acquired during his 39-year career in the field. In 1982, he became the Managing Director and a shareholder in Interage Ltd. – a small distribution company – which became a formidable distribution company in the Island. It was subsequently sold to Barbados Shipping & Trading Co. Ltd. (BS&T) in 2000. Mr. Delmas is a former Executive Chairman for Neal & Massy's Retail Business Unit and, before that, was the Executive Chairman of the BS&T Food Retail and Distribution Division as well as a BS&T Director. Prior to starting his career, Mr. Delmas pursued studies in Business Administration at Loughborough College in the UK. He currently serves as a director of CG United.

# DIRECTORS

As of 31 December 2020



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## MR. ELVIN R. SEALY

**Non-Executive Director – Citizen of Barbados** - Mr. Elvin Sealy is a retired Airline Executive having worked with British Airways in the Caribbean for over 39 years. On his retirement in August 2006 he held the post of Regional Manager South Caribbean and had served in numerous regional management positions in the airline. Mr. Sealy has held a number of Board Directorships including the Chairman of the Barbados Water Authority 2006-2008 and Deputy Chairman Grantley Adams Airport Inc 2006-2008. He has been a Director of Banks Holdings Limited (BHL) since 2004. He owns a party goods retail business which has been in operation for over a decade. In 1997 Mr. Sealy was appointed a Justice of the Peace and in 2006, a Member of the Order of the British Empire (MBE) for his services to Civil Aviation in The Queen's New Year Honours. He has been an active Rotarian for 30 years and was President between 2008 and 2009.

## Corporate Secretary



## MR. NIGEL A. BENNETT

Nigel Bennett is an attorney-at-law and partner at the Court Caribbean Law Practice. During his career, he has served as legal counsel to the Central Bank of Barbados and an international banking subsidiary of the Royal Bank of Canada (RBC). He was also seconded to a London based "magic circle" law firm. His primary practice areas are corporate and commercial law, international financial services, conveyancing, mortgages and finance related matters. Mr. Bennett also serves as a panel member of the Financial Services Commission's Appeals Tribunal.

# DIRECTORS' REPORT



**BHL**  
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- The Directors hereby submit their annual report and the audited consolidated financial statements for the year ended 31 December, 2021.
- |   |                   |
|---|-------------------|
| The consolidated net income for the year attributable to the parent was | (1,487,321)       |
| Which is added to the retained earnings brought forward of              | 221,277,874       |
| Which is also added to the transfers made during the year               | -                 |
| Minus dividends of  | (132,516,548.00)  |
| Giving retained earnings of   | <u>87,274,005</u> |
- In accordance with Clause 4.4 of the Company's By-Laws the following Directors ceases to hold office at the end of this Annual Meeting but are eligible for re-election for a period of three (3) years:

**Mr. Carl Richard Cozier**  
**Mr. Elvin Royston Sealy**  
**Ms. Shafia Tonisha Tracey London**  
**Mr. Andre Emile Thomas**  
**Mr. Carlos Enrique Diaz Santiago**  
**Mr. Omar Antonio Ginorio Martinez**  
**Mr. Alberto Javier Riviera Ramirez**

- The Directors declared a dividend of \$2.04 per share in respect of the months ended 31 December 2021.
- Particulars of contracts subsisting or at the end of the financial year in which a Director of the Company is or was materially interested and which are or was significant in relation to the Company's business:
  - Agreement for consulting services – Banks Holdings Limited and Carl Richard Cozier for the provision of consultancy services.
- As at 31 December 2021 and 30 September 2025 the following party held more than 5% of the share capital of the Company. No other party held more than 5% of the stated capital of the Company at those dates:

Name	No. of Shares	
	31.12.21	30.09.25
<b>SLU Beverages Ltd.</b>	<b>61,611,741 (94.85%)</b>	<b>61,611,741 (94.85%)</b>

- No Directors held any beneficial or non-beneficial interest in the Company's shares during the year and there has been no change since the end of the financial year and the date of this Report.

By Order of the Board

S. Matthew Goodin  
Corporate Secretary

30 September 2025





## **BANKS HOLDINGS LIMITED**

The Board of Directors of Banks Holdings Limited (the “Company”) is accountable to its shareholders and seeks to execute its social and statutory responsibilities in the best interest of its shareholders, employees, creditors, stakeholders, and the general public as a whole. The Board is committed to the observance of good corporate governance standards to ensure that the Company’s business is conducted in a prudent, ethical, and socially responsible manner.

The Barbados Stock Exchange Inc. (“BSE”) issued a number of Corporate Governance Recommendations (the “Recommendations”) as a guide to publicly listed companies. The full text of the Recommendations is available on the BSE’s website at [www.bse.com.bb](http://www.bse.com.bb). The Recommendations are non-obligatory.

The mandate of the Board of Directors includes the following objectives:

- (i) To monitor the performance of the Management Team and to provide general guidance and direction as warranted.
- (ii) To engender a corporate culture of integrity and social responsibility throughout the Company.
- (iii) To oversee the Company’s strategic planning process and approve a strategic plan, budget and financial objectives which take into account, among other things, the opportunities and related business risks.
- (iv) To identify the principal risks of the Company’s business and ensure the implementation of appropriate systems to identify, manage and mitigate these risks, and
- (v) To oversee the design and effectiveness of the Company’s internal controls and management information systems.

## **Nomination of Directors**

In accordance with By-Law No. 2, and the provisions of the *Companies Act*, Directors are elected by shareholders. Directors elected to fill casual vacancies are elected by the Board. In both cases, the entire Board reviews the training, experience and business acumen of every candidate to ensure suitability for the role.

## **Board Meetings & Directors’ Attendance**

As at 31 December 2021, there were nine (9) Directors of the Company. The Company’s By-Laws provide that it shall have a minimum of three (3) Directors and a maximum of twelve (12) Directors. Of the nine (9) Directors, three (3) were independent of the management of the Company.

The remaining six (6) Directors were Caio Augusto Miranda Ramos, Fernando Guimarães, Alberto Gaudry, Fatima Vinas, LRE Corp and Jose Infante. During the period under review, Mr. Jose Infante was an officer of Banks Holdings Limited. Caio Augusto Miranda, Alberto Gaudry, Fatima Vinas and Fernando Guimarães were officers of AB InBev, the parent company of Banks Holdings Limited. LRE Corp (the corporate vehicle through which BHL was purchased) was also represented by a member of the AB InBev team.

There were three (3) Board meetings during the Financial Year under review. Outlined below is the table setting out details of the



Directors' meeting attendance:

Director	Attendance (No. of Meetings)	Rate
Caio MIRANDA	3	100%
C. Richard COZIER	3	100%
Elvin SEALY	3	100%
Fatima VINAS	3	100%
Frere DELMAS	3	100%
LRE Corp.	2	66%
Jose INFANTE	0	0%
Fernando GUIMARÃES	0	0%
Alberto GAUDRY	0	0%

Non-Executive Directors are remunerated on an annual basis in arrears for those meetings which they attend and are remunerated in cash only. Directors do not receive any performance-based incentives, nor do they participate in stock-option plans or receive other forms of compensation. A total of \$54,820.00 in Directors' Fees were paid for the Financial Year under review.

## Audit Fees

The following table presents a summary of all fees paid to the Company's Auditors, Grant Thornton Ltd., during the financial period under review and the previous financial year:

	2021	2020
Audit Fees	\$417,605.25	\$375,000.00
Other Fees	-	\$14,500.00
Tax Reviews	-	-

## Executive Management

The day-to-day operation of the Company is managed by a team of Executive Managers whose profiles may be viewed on the Company's website at [www.thebhlgroup.com](http://www.thebhlgroup.com).

## Code of Ethics

As mandated by the Recommendations, the Company adopted a Code of Ethics in 2016. The Code of Ethics is reviewed on an annual basis and revised as necessary. It is to be read and applied in conjunction with the BHL Fraud Policy Statement and the BHL Whistleblowing Statement. Each of these policies can be accessed on the Company's website at [www.thebhlgroup.com](http://www.thebhlgroup.com).

## Insider Trading

The Company approved and adopted an Insider Trading Policy during the financial year 2016 which can be accessed on the Company's website at [www.thebhlgroup.com](http://www.thebhlgroup.com). This ensures that the Company remains in compliance with the Insider Trading Guidelines of the Barbados Stock Exchange Inc. as well as that of its parent company AmBev. Further details about the Insider Trading Guidelines of the BSE may be accessed at the BSE website at [www.bse.com.bb](http://www.bse.com.bb).

30 September 2025

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**Grant Thornton Ltd**

3<sup>rd</sup> Floor  
CGI Tower  
Warrens  
P.O. Box 5033  
St. Michael BB12001  
Barbados W.I.

T +1 246 537 3445  
F +1 246 537 8934

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders of Banks Holdings Limited**

#### **Opinion**

We have audited the consolidated financial statements of **Banks Holdings Limited** (the “Company”) and its subsidiaries (together, the “Group”), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were

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**Chartered Accountants****Audit | Tax | Advisory**

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**Key Audit Matters ...continued*****Revenue recognition******Description of the Matter***

Revenue is one of the key performance measures used to assess business performance. There is a risk that the amount of revenues presented in the consolidated financial statements is higher than the amount that was actually earned by the Group. Revenue from sale of goods is recognised when control over the goods has been transferred to the customers (i.e. generally when the customer has acknowledged receipt of the goods). In our view, revenue recognition is significant to our audit because the amount is material to the consolidated financial statements. It also involves voluminous transactions, requires proper observation of cut-off procedures and testing the validity of transactions, and directly impacts the Group's profitability.

The Group's disclosures about its revenues and related receivables, and revenue recognition policies including IFRS 15, *Revenue from Contracts with Customers*, are included in Notes 5, 6 and 11, respectively.

***How the Matter was Addressed in the Audit***

Our audit procedures performed to address the risk of material misstatement relating to revenue recognition included the following:

- Obtained an understanding of the Group's processes and controls over revenue recognition, approval and documentation;
- Evaluated the appropriateness of the Group's revenue recognition policy in accordance with IFRS 15;
- Performed substantive analytical review procedures over revenues such as but not limited to, yearly and monthly analyses of sales and sales mix composition based on our expectations, investigation of variances from our expectations, and verifying that the underlying data used in the analyses were reliable;
- Tested on a sample basis, the sales invoices, delivery receipts and cash receipts of sales transactions throughout the current year to determine the validity and occurrence of sales;
- Confirmed accounts receivables using positive confirmations, on a sample basis, and performed alternative procedures for non-responding customers, such as, examined evidence of subsequent collections, and corresponding sales invoices and proof of deliveries;
- Tested sales invoices and delivery receipts immediately prior and subsequent to the current period to determine whether the related sales transactions were recognised in the proper reporting period; and
- Evaluated the sufficiency and adequacy of disclosures in the Group's consolidated financial statements in accordance with IFRS.

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements** *...continued*

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Other Matters**

This report is made solely to the Group's shareholders, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Group's shareholders those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group's shareholders for our audit work, for this report, or for the opinion we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Jefferson E. Hunte.

**Chartered Accountants****March 25, 2024****Barbados**



**Banks Holdings Limited**  
Consolidated Statement of Financial Position  
**For the year ended December 31, 2021**

(expressed in Barbados dollars)





**BHL**  
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	2021 \$	2020 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and short-term deposit (note 10)	201,000,330	189,559,340
Receivables and prepayments (note 11)	21,959,472	24,330,441
Investments (note 13)	68,168,339	38,953,338
Inventories (note 12)	28,656,229	30,740,103
	<b>319,784,370</b>	<b>283,583,222</b>
Assets classified as held for sale (note 28)	—	7,806,568
	<b>319,784,370</b>	<b>291,389,790</b>
<b>Current liabilities</b>		
Accounts payable and accruals (note 14)	41,203,862	34,660,418
Income tax payable (note 9)	160,287	113,815
Provision for deposits owed to customers	—	85,326
	<b>41,364,149</b>	<b>34,859,559</b>
<b>Working capital</b>	<b>278,420,221</b>	<b>256,530,231</b>
<b>Investments in associated companies</b> (note 15)	<b>1,761,570</b>	<b>32,574,394</b>
<b>Property, plant and equipment</b> (note 16)	<b>86,747,848</b>	<b>94,884,659</b>
<b>Investment properties</b> (note 17)	<b>6,300,000</b>	<b>6,300,000</b>
<b>Deferred tax asset</b> (note 9)	<b>1,999,367</b>	<b>1,506,215</b>
<b>Pension plan (liability)/asset</b> (note 18)	<b>(2,154,575)</b>	<b>2,276,000</b>
<b>Post-employment medical liability</b> (note 19)	<b>(1,555,000)</b>	<b>(1,737,000)</b>
<b>Accounts payable and accruals</b> (note 14)	<b>(118,857,545)</b>	<b>(509,740)</b>
	<b>252,661,886</b>	<b>391,824,759</b>
<b>Equity</b>		
Share capital (note 20)	145,565,985	145,565,985
Capital reserves (note 21)	12,340,348	15,748,246
Retained earnings	86,988,302	221,277,874
<b>Attributable to equity holders of the parent</b>	<b>244,894,635</b>	<b>382,592,105</b>
Non-controlling interests	7,767,251	9,232,654
<b>Total equity</b>	<b>252,661,886</b>	<b>391,824,759</b>

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Directors on March 25, 2024.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**Banks Holdings Limited**  
Consolidated Statement of Income  
**For the year ended December 31, 2021**  
*(expressed in Barbados dollars)*



**BHL**  
Banks Holdings Limited  
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	2021 \$	2020 \$
<b>Sales</b> (note 6)	126,565,094	129,496,339
<b>Cost of sales</b> (note 7)	<u>(95,262,277)</u>	<u>(90,183,253)</u>
<b>Gross profit</b>	31,302,817	39,313,086
<b>Other income</b>	2,628,654	1,510,312
<b>Selling, general and administrative expenses</b> (note 7)	<u>(34,349,319)</u>	<u>(26,649,197)</u>
<b>(Loss)/profit from operations before undernoted items</b>	(417,848)	14,174,201
Unrealised fair value gains on investments (note 13)	29,215,001	5,445,933
Interest income	1,202	1,094
Change in fair value of investment properties (note 17)	—	(3,298,432)
Loss on disposal of assets held for sale (note 28)	(767,054)	—
Interest expense	(3,596,508)	(3,308,442)
Loss on disposal of investments in associated companies	<u>(22,942,118)</u>	<u>—</u>
<b>Income from operations – parent and subsidiaries</b>	1,492,675	13,014,354
Share of loss of associated companies (note 15)	<u>(3,809,432)</u>	<u>(3,713,796)</u>
<b>(Loss)/income before taxation</b>	(2,316,757)	9,300,558
Taxation (note 9)	<u>114,655</u>	<u>(838,357)</u>
<b>Net (loss)/income for the year</b>	<u>(2,202,102)</u>	<u>8,462,201</u>
<b>Attributable to:</b>		
Equity holders of the parent	(1,773,024)	8,338,000
Non-controlling interests	<u>(429,078)</u>	<u>124,201</u>
	<u>(2,202,102)</u>	<u>8,462,201</u>
<b>(Loss)/earnings per share</b>		
Basic and diluted (loss)/earnings per share attributable to equity holders of the parent (note 23)	<u>(0.027)</u>	<u>0.128</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Banks Holdings Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the year ended December 31, 2021**  
*(expressed in Barbados dollars)*



**BHL**  
Banks Holdings Limited  
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	2021 \$	2020 \$
<b>Net (loss)/income for the year</b>	<b>(2,202,102)</b>	<b>8,462,201</b>
<b>Other comprehensive loss, net of tax</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Re-measurement losses on defined benefit plans and post-employment medical liability (notes 18 and 19)	<b>(3,801,575)</b>	(16,535,000)
Income tax effect (note 9)	<b>209,087</b>	909,425
Other comprehensive loss for the year, net of tax	<b>(3,592,488)</b>	(15,625,575)
<b>Total comprehensive loss for the year, net of tax</b>	<b>(5,794,590)</b>	(7,163,374)
<b>Attributable to:</b>		
Equity holders of the parent	<b>(5,180,922)</b>	(6,630,758)
Non-controlling interests	<b>(613,668)</b>	(532,616)
	<b>(5,794,590)</b>	(7,163,374)

The accompanying notes are an integral part of these consolidated financial statements.

**Banks Holdings Limited**  
**Consolidated Statement of Changes in Equity**  
**For the year ended December 31, 2021**

(expressed in Barbados dollars)



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	Attributable to equity holders of the parent				Non-controlling interests	Total equity
	Share capital	Capital reserves	Retained earnings	Total		
	\$	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2019</b>	<b>145,565,985</b>	<b>30,717,004</b>	<b>212,939,874</b>	<b>389,222,863</b>	<b>9,765,270</b>	<b>398,988,133</b>
Net income for the year	—	—	8,338,000	8,338,000	124,201	8,462,201
Other comprehensive loss (note 21)	—	(14,968,758)	—	(14,968,758)	(656,817)	(15,625,575)
<b>Total comprehensive loss</b>	<b>—</b>	<b>(14,968,758)</b>	<b>8,338,000</b>	<b>(6,630,758)</b>	<b>(532,616)</b>	<b>(7,163,374)</b>
<b>Balance as at December 31, 2020</b>	<b>145,565,985</b>	<b>15,748,246</b>	<b>221,277,874</b>	<b>382,592,105</b>	<b>9,232,654</b>	<b>391,824,759</b>
Net loss for the year	—	—	(1,773,024)	(1,773,024)	(429,078)	(2,202,102)
Other comprehensive loss (note 21)	—	(3,407,898)	—	(3,407,898)	(184,590)	(3,592,488)
<b>Total comprehensive loss</b>	<b>—</b>	<b>(3,407,898)</b>	<b>(1,773,024)</b>	<b>(5,180,922)</b>	<b>(613,668)</b>	<b>(5,794,590)</b>
<b>Transactions with owners</b>						
<b>Dividends (note 20)</b>	<b>—</b>	<b>—</b>	<b>(132,516,548)</b>	<b>(132,516,548)</b>	<b>(851,735)</b>	<b>(133,368,283)</b>
<b>Balance as at December 31, 2021</b>	<b>145,565,985</b>	<b>12,340,348</b>	<b>86,988,302</b>	<b>244,894,635</b>	<b>7,767,251</b>	<b>252,661,886</b>

The accompanying notes are an integral part of these consolidated financial statements.



**Banks Holdings Limited**  
**Consolidated Statement of Cash Flows**  
**For the year ended December 31, 2021**  
*(expressed in Barbados dollars)*



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Banks Holdings Limited  
**ANNUAL  
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	2021 \$	2020 \$
<b>Cash flows from operating activities</b>		
(Loss)/income before taxation	(2,316,757)	9,300,558
<b>Adjustments for:</b>		
Loss on disposal of investments in associated companies	22,942,118	—
Depreciation (note 16)	11,717,917	12,091,224
Share of loss of associated companies (note 15)	3,809,432	3,713,796
Interest expense	3,596,508	3,308,442
Loss on disposal of assets held for sale (note 28)	767,054	—
Pension plan expense/(income) (note 18)	312,000	(1,414,000)
Post-employment medical liability expense (note 19)	183,000	143,000
Provision for inventory obsolescence (note 7)	145,003	225,960
Change in fair value of investment properties (note 17)	—	3,298,432
Loss on disposal of property, plant and equipment	—	58,161
Interest income	(1,202)	(1,094)
Post medical payments (note 19)	(48,000)	(49,000)
Impairment (reversal)/loss of trade receivables (note 27)	(76,109)	295,773
Dividend income (note 13)	(821,958)	(404,433)
Unrealised fair value gains on investments (note 13)	(29,215,001)	(5,445,933)
<b>Operating profit before working capital changes</b>	<b>10,994,005</b>	<b>25,120,886</b>
Decrease in receivables and prepayments	2,042,178	2,874,903
Decrease in inventories	1,938,871	3,580,159
Increase/(decrease) in accounts payable and accruals	428,244	(4,412,617)
Decrease in provision for deposits owed to customers	(85,326)	(967,129)
<b>Cash generated from operations</b>	<b>15,317,972</b>	<b>26,196,202</b>
Interest received	1,202	1,094
Income tax paid (note 9)	(122,938)	(336,424)
Interest paid	(3,505,190)	(3,203,864)
<b>Net cash from operating activities</b>	<b>11,691,046</b>	<b>22,657,008</b>
<b>Cash flows from investing activities</b>		
Proceeds received from disposal of asset held for sale	7,039,514	—
Proceeds from reduction of investments in associated companies	1,833,488	—
Proceeds received from disposals of investments in associated companies	1,756,918	—
Dividends received	1,697,726	622,445
Purchase of property, plant and equipment (note 16)	(3,581,106)	(4,244,701)
<b>Net cash from/(used in) investing activities</b>	<b>8,746,540</b>	<b>(3,622,256)</b>
<b>Balance carried forward</b>	<b>20,437,586</b>	<b>19,034,752</b>

**Banks Holdings Limited**

## Notes to Consolidated Financial Statements

**December 31, 2021***(expressed in Barbados dollars)*

**BHL**  
Banks Holdings Limited  
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2021**

	2021 \$	2020 \$
<b>Balance brought forward</b>	<u>20,437,586</u>	<u>19,034,752</u>
<b>Cash flows from financing activities</b>		
Interest paid on lease liabilities (note 14)	(91,318)	(104,578)
Repayments of lease liabilities (note 14)	(355,785)	(543,382)
Payment of dividends	<u>(8,549,493)</u>	<u>—</u>
<b>Net cash used in financing activities</b>	<u>(8,996,596)</u>	<u>(647,960)</u>
<b>Increase in cash and short-term deposit</b>	11,440,990	18,386,792
Cash and short-term deposits at beginning of year	<u>189,559,340</u>	<u>171,172,548</u>
<b>Cash and short-term deposit at end of year (note 10)</b>	<u>201,000,330</u>	<u>189,559,340</u>

The accompanying notes are an integral part of these consolidated financial statements.



## 1 Nature of operations

The principal activity of Banks Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) consists of the brewing and bottling of alcoholic and non-alcoholic beverages, the manufacturing of carbonated and non-carbonated beverages, the manufacturing and processing of dairy products and fruit juices, and the sale of finished products.

## 2 General information, compliance with International Financial Reporting Standards (IFRS) and going concern assumption

In 2015, approximately 95% of the Company’s share capital was acquired by SLU Beverages Ltd. (“SLU”), a company incorporated and domiciled in St. Lucia. SLU is a subsidiary of Cerveceria Nacional Dominicana (“CND”) headquartered in the Dominican Republic. The ultimate parent is AB-Inbev, a company incorporated and domiciled in Brazil. The registered office of the Company is at the Pine, St. Michael, Barbados.

The consolidated financial statements of the Group have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations 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 land and buildings, investment properties and investments, which are carried at fair value. The measurement bases are fully described in the summary of accounting policies. The consolidated financial statements have been prepared under the assumption that the Group operates on a going concern basis.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5(x).

## 3 Subsidiary and associated companies

### a) Subsidiary companies

	<b>% of Ownership</b>	
	<b>2021</b>	<b>2020</b>
Banks (Barbados) Breweries Limited	100%	100%
Banks Distribution Limited	100%	100%
Barbados Dairy Industries Limited	84.43%	84.43%
Plastic Containers Limited	65%	65%



### 3 Subsidiary and associated companies ...continued

#### b) Associated companies

	% of Ownership		Principal place
	2021	2020	of business
Delivery and Handling Services Limited	<b>50.00%</b>	50.00%	Barbados
Tower Hill Merchants Limited	<b>36.70%</b>	36.70%	England
GCG Services Limited	<b>33.33%</b>	33.33%	Barbados
Newtech Incorporated	<b>26.20%</b>	26.20%	Barbados
Citrus Products of Belize Limited	—	46.58%	Belize
Chemical Industries Limited	—	40.00%	Barbados

### 4 New or revised standards or interpretations

#### *New standards and amended standards effective for the financial year beginning January 1, 2021*

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of such new standards and amendments and has concluded that these will not be relevant. Accordingly, the Group has made no changes to its accounting policies in 2021.

#### *Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group*

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

### 5 Summary of significant accounting policies

#### a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);





## **5 Summary of significant accounting policies ...continued**

### **a) Basis of consolidation ...continued**

- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other equity holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss of each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### **b) Non-current assets held for sale**

The Group classifies non-current assets as held for sale when their carrying amounts will be recovered principally through sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. Costs to sell are the incremental cost directly attributable to the sale, excluding finance costs and income tax expense.



## **5 Summary of significant accounting policies ...continued**

### **b) Non-current assets held for sale ...continued**

The criteria for asset held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the expected sale within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

### **c) Revenue recognition**

Revenue arises from the sale of goods. It is measured at the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts. 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; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

For Step 1 to be achieved, the following five criteria must be present:

- the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
- each party's rights regarding the goods or services to be transferred or performed can be identified;
- the payment terms for the goods or services to be transferred or performed can be identified;
- the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and
- collection of the consideration in exchange of the goods and services is probable.

The Group derives revenue from sale of goods at a point in time, when (or as) the Group satisfies performance obligations by transferring the promised goods to its customers.

The Group recognises contract liabilities, if any, for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the consolidated statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its consolidated statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.



## **5 Summary of significant accounting policies ...continued**

### **d) Expenses**

Expenses are recognised in the consolidated statement of income upon utilisation of the service or as incurred.

### **e) Foreign currency translation**

#### ***Functional and presentation currency***

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Group’s functional currency is Barbados dollars. The consolidated financial statements are also presented in Barbados dollars, which is the Group’s presentation currency.

#### ***Foreign currency transactions and balances***

Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the consolidated statement of income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

### **f) Taxation**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those claims from and/or obligations to fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in Barbados.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.



## 5 Summary of significant accounting policies ...continued

### f) Taxation ...continued

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expenses in the consolidated statement of income, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land and buildings) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

### g) Inventories

Inventory is stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Work-in-progress and finished goods comprise the direct cost of production and an attributable proportion of direct overheads appropriate to location and condition. Net realisable value is the price at which the stock can be realised in the normal course of business after deducting cost to complete and sell.

Supplies are valued at cost. Provisions are made for obsolete, slow moving and defective items as considered appropriate in the circumstances.

### h) Property, plant and equipment

Depreciation of property, plant and equipment is charged using the straight-line method over the useful lives of the assets which are estimated as follows:

Freehold buildings	40 years
Leasehold buildings	20, 33 1/3 and 50 years
Plant and machinery and spares	3 to 20 years
Furniture, fittings and other equipment	3 to 10 years
Motor vehicles	5 years
Containers	3 to 10 years
Right-of-use assets	1.33 years to 5 years

Freehold land and freehold buildings are revalued every five years on the basis of their market value which is determined by independent real estate appraisers.

Increases in the carrying amount arising on revaluation of freehold land and buildings are recognised in the consolidated statement of comprehensive income and accumulated in revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in the consolidated statement of other comprehensive income and reduce the revaluation surplus in equity; all other decreases are charge in the consolidated statement of income.





## **5 Summary of significant accounting policies ...continued**

### **h) Property, plant and equipment ...continued**

Capital work in progress represents assets under construction and is stated at cost. These include the design and direct costs to the extent that they are directly attributable to the acquisition or construction of the property, and any other directly attributable costs of bringing the property to working condition. Capital work in progress is not depreciated until such time that the relevant assets are ready for use.

### **i) Segmental reporting**

The Group derives its revenue in two major segments – (1) the brewing and bottling of alcoholic and non-alcoholic beverage and manufacture of carbonated and non-carbonated drinks and (2) the manufacturing and processing of dairy products and fruit juices. The Group's operations are located in Barbados.

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Board of Directors which is responsible for allocating resources and assessing performance of the operating segments has been identified as the chief operating decision-maker.

### **j) Investments in associated companies**

Investments, where the Group has significant influence, are classified as associated companies and are accounted for under the equity method of accounting. The investments in associated companies are carried in the consolidated statement of financial position at costs plus post acquisition changes in the Group's share of net assets of the associates, less any impairment value. The consolidated statement of income reflects the share of the results of operations of the associates.

Where there has been a change recognised directly in other comprehensive income, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of comprehensive income. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

### **k) Provision for deposits owed to customers**

The quantity of containers in customers' possession, on which the provision for deposits is based, is estimated by management, having regard to the level of sales and the turnaround of containers.

### **l) Employee benefits**

#### *Short-term employee benefits*

Short-term employee benefits, including holiday entitlement, are current liabilities included in other payables and accruals, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.



## 5 Summary of significant accounting policies ...continued

### l) Employee benefits ...continued

#### *Post-employment benefits*

The Group operates a defined benefit plan, the assets of which are held in a separate fund administered by Trustees. The Group meets the balance of the cost of funding the plan and the Group pays contributions of 0.1% of the employee's salary. The funding requirements are based on regular actuarial valuations of the pension plan every three years, and the assumptions used to determine the funding may differ to those set out in Note 18.

The pension accounting costs are accrued using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated statement of comprehensive income so as to spread the regular cost over the service lives of the employees in accordance with the advice of independent qualified actuaries who carry out a full valuation of the plans every three years. The pension obligation is measured as the present value of the estimated future cash flows using interest rates of government securities which have terms to maturity approximating the terms of the related liability.

The Group also operates a contributory defined contribution pension scheme. Contributions are charged to the consolidated statement of comprehensive income in the year to which they relate.

The Group also provides post-employment healthcare benefits to its employees, pensioners and their registered dependants. These benefits are funded by contributions from the Group to Guardian Life. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans. These obligations are valued by independent qualified actuaries.

### m) Leases

Leases are accounted for as follows:

#### *(i) Group as a lessee*

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 benefits from use of the identified asset throughout the period of use, considering its 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 assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.



## **5 Summary of significant accounting policies ...continued**

### **m) Leases ...continued**

#### *(i) Group as a lessee ...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 consolidated statement of financial position. 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 depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the 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 indicators exist.

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 and 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 expedient. 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 statement of financial position, right-of-use asset has been included in property, plant and equipment and lease liabilities have been included in accounts payable and accruals.

#### *(ii) Group as a lessor*

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognised in the consolidated statement of income on a straight-line basis over the lease term.



## **5 Summary of significant accounting policies ...continued**

### **n) Cash and short-term deposit**

Cash and short-term deposit comprises of cash at banks and in hand and short-term deposit net of bank overdrafts, if any.

### **o) Investment properties**

Properties that are held by the Group to earn third party rental income and/or for capital appreciation are classified as investment properties.

Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Transfers are made to investment property when there is a change in use, evidenced by ending of owner occupation.

Gains and losses arising from the changes in fair values of investment properties are included in the consolidated statement of income in the year in which they arise. Fair values are based on market value which is determined by independent valuers and/or directors' valuation taking into consideration asset replacement and land tax valuations and valuations of similar properties.

Investment properties are derecognised either when they have been disposed of or whether they are permanently withdrawn from use and no further economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in income in the period of derecognition.

### **p) Impairment of other non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated cash flows are discounted to their present value taking into account the time value of money and the risks specific to the asset. In determining fair value less costs to sell an appropriate valuation model is used.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount.



## **5 Summary of significant accounting policies ...continued**

### **p) Impairment of other non-financial assets ...continued**

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

### **q) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **r) Financial instruments**

#### *i) 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 all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### *ii) Measurement methods*

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in the consolidated statement of income.





## **5 Summary of significant accounting policies ...continued**

### **r) Financial instruments ...continued**

#### *iii) Classification and initial measurement of financial assets*

At initial recognition, the Group initially measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expenses in the consolidated statement of income. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

Financial assets are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

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

The classification is determined by both the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

All income and expenses relating to financial assets that are recognised in the consolidated statement of income are presented within finance costs, finance income or other financial items, except for loss allowance of trade and other receivables, which is presented within selling, general and administrative expenses.



## 5 Summary of significant accounting policies ...continued

### r) Financial instruments ...continued

#### iv) 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; and
- 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 and short-term deposits and trade and other receivables are included within this category of financial instruments.

##### *Financial assets at FVTPL*

Equity instruments are instruments that do not contain contractual obligations to pay the instrument holder and that evidence residual interests in the issuer's net assets. The Group subsequently measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. A gain or loss on equity investment that is subsequently measured at FVTPL is recognised in profit or loss.

#### v) Impairment of financial assets

The Group uses IFRS 9's impairment requirement which assesses on a forward-looking basis, the expected credit losses – the 'expected credit loss model' on its financial assets carried at amortised cost and with the exposure arising from financial guarantees. Instruments within the scope of the new requirements include, trade receivables and other debt-type financial assets measured at amortised cost, other receivables, contract assets, if any, recognised and measured under IFRS 15 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



## 5 Summary of significant accounting policies ...continued

### r) Financial instruments ...continued

#### v) Impairment of financial assets ...continued

- 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.

The Group makes use of a simplified approach in accounting for financial assets at amortised cost 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 assesses loss allowance of financial assets at amortised cost on a collective basis as they possess shared credit risk characteristics based on the days past due. Refer to Note 27(a)(ii) for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

The Group categorises financial assets at amortised cost for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. When recoveries are made, these are recognised in the consolidated statement of income.

#### vi) Classification and subsequent measurement and derecognition of financial liabilities

##### (i) Classification and subsequent measurement

In both the current and prior periods, financial liabilities are classified as subsequently measured at amortised cost.

##### (ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the



## **5 Summary of significant accounting policies ...continued**

### **r) Financial instruments ...continued**

#### *vi) Classification and subsequent measurement and derecognition of financial liabilities ...continued*

##### *(ii) Derecognition ...continued*

original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

### **s) Offsetting of financial instruments**

Financial assets and liabilities are offset, and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **t) Provisions**

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the likelihood of an outflow of resources is remote.



## **5 Summary of significant accounting policies ...continued**

### **u) Events after the reporting date**

Post year-end events that provide additional information about the Group's consolidated financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

### **v) Earnings per share**

Basic earnings per share are determined by dividing profit by the weighted average number of ordinary shares outstanding during the period after giving retroactive effect to stock dividends declared, stock splits and reverse stock splits during the period, if any.

Diluted earnings per share are computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. Currently, the Group does not have dilutive potential shares outstanding, hence, the diluted earnings per share is equal to the basic (loss)/earnings per share.

### **w) Equity, capital reserves and retained earnings**

Share capital represents the proceeds of shares that have been issued.

Capital reserves comprises the revaluation surplus from revaluating land and buildings, re-measurement of defined benefit plan, other reserves of an associated company and adjustments relating to currency translation on associates.

Retained earnings include cumulative balance of net income or loss, dividend distributions, effect of changes in accounting policy and other capital adjustments.

All transactions with shareholders of the parent company are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

### **x) Significant accounting judgements, estimates and assumptions**

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below:





## 5 Summary of significant accounting policies ...continued

### x) Significant accounting judgements, estimates and assumptions ...continued

#### *Provision for expected credit losses on trade and other receivables*

The Group uses a provision matrix to calculate expected credit losses for trade and other receivables. The provision rates are based on days past due for groupings of customers that have similar loss patterns.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the expected credit losses on the Group's trade and other receivables is disclosed in Note 27(a)(ii).

#### *Estimated impairment of inventories*

Management recognises a provision for inventory losses when the realisable values of inventory items become lower than cost due to obsolescence or other causes. Obsolescence is based on the physical condition of inventory items. Obsolescence is also established when inventory items can no longer be utilised. Obsolete goods when identified are charged to the consolidated statement of income. The Group believes such estimates represent a fair charge for the level of inventory losses in a given year. The Group's policy is to review on an annual basis the condition of its inventory.

#### *Deferred tax assets*

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

#### *Employee retirement benefits*

The present value of the defined benefit funded obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. Additional information is disclosed in note 18.



## 5 Summary of significant accounting policies ...continued

### x) Significant accounting judgements, estimates and assumptions ...continued

#### *Valuation of properties*

The Group carries its investment properties at fair value, with changes in fair value being recognised in the consolidated statement of income. In addition, it measures land and buildings at revalued amount with changes to fair value being recognised in other comprehensive income. For investment properties, a valuation methodology based on reference to market-based evidence was used. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific factors such as nature, location and condition of the property.

The key assumptions used to determine the fair value of the properties and sensitivity analysis are provided in Notes 16 and 17.

#### *Distinction between investment properties and owner-managed properties*

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process.

## 6 Sales

All of the Group's sales are recognised at a point in time, being the time of delivery to and acceptance by the customer, for both 2021 and 2020.

The Group's sales disaggregated by primary geographical market is as follows:

	2021 \$	2020 \$
<b>Country</b>		
Barbados	113,973,206	119,421,485
St. Lucia	3,066,109	2,218,926
Antigua and Barbuda	2,476,455	1,923,064
Guyana	1,818,981	1,316,387
St. Kitts and Nevis	1,607,136	1,165,408
Other countries	1,219,013	1,544,902
Grenada	1,203,782	876,492
St. Vincent and the Grenadines	638,224	467,477
United States of America	562,188	562,198
	<b>126,565,094</b>	<b>129,496,339</b>



## 7 Operating expenses by nature

The details of operating expenses by nature are shown below.

	2021 \$	2020 \$
Materials	47,006,897	44,024,667
Staff costs (note 8)	27,851,037	21,316,373
Production overhead	14,614,354	14,717,895
Advertising and promotions	12,741,786	14,517,689
Depreciation (note 16)	11,717,917	12,091,224
Administrative and office expenses	7,804,111	3,504,818
Taxes and licenses	7,485,526	6,820,145
Professional fees	1,150,110	1,133,764
Royalties	1,023,822	809,654
Vehicle expenses	261,230	466,145
Provision of inventory obsolescence (note 12)	145,003	225,960
Impairment (recovery)/loss of trade receivables (note 27)	(76,109)	295,773
Changes in inventories	(2,114,088)	(3,091,657)
	<b>129,611,596</b>	<b>116,832,450</b>

These expenses are classified in the consolidated statement of income as follows:

	2021 \$	2020 \$
Cost of sales	95,262,277	90,183,253
Selling, general and administrative expenses	34,349,319	26,649,197
	<b>129,611,596</b>	<b>116,832,450</b>



## 8 Staff costs

The breakdown of this account follows:

	2021 \$	2020 \$
Salaries, wages and allowances	19,381,705	20,215,409
Bonus and gratuity	4,398,667	336,958
Other staff costs	1,806,093	247,795
NIS contributions	1,769,572	1,787,211
Pension – defined benefit plans (note 18)	312,000	(1,414,000)
Post-employment medical (note 19)	183,000	143,000
	<b>27,851,037</b>	<b>21,316,373</b>

## 9 Taxation

	2021 \$	2020 \$
<b>Consolidated statement of income</b>		
The taxation charge on net income consists of:		
Current tax expense charge for the year	169,410	253,647
Deferred tax (credit)/charge for the year	(284,065)	584,710
<b>Total taxation (credit)/charge on net income</b>	<b>(114,655)</b>	<b>838,357</b>



## 9 Taxation ...continued

The tax on the income before taxation differs from the theoretical amount that would arise using the basic corporation tax rate as follows:

	2021 \$	2020 \$
(Loss)/income before taxation	<u>(2,316,757)</u>	9,300,558
Taxed at statutory rate of 5.5% (2020: 5.5%)	(127,422)	511,531
Others	1,855,737	817,720
Losses utilized	—	(20,393)
Tax effect of capital allowances	(154,696)	(77,793)
Tax effect of non-taxable income expenses	<u>(1,688,274)</u>	<u>(392,708)</u>
	<u>(114,655)</u>	838,357
	2021 \$	2020 \$
<b>Deferred tax asset:</b>		
Balance at beginning of year	<u>1,506,215</u>	1,181,500
Deferred tax credit/(charge) recognised in the consolidated statement of income on continuing operations:		
Accelerated depreciation for accounting purposes	116,156	(21,679)
Unutilized tax losses	94,398	(490,431)
Leases	48,926	—
Pension plan asset	17,160	(77,770)
Post-employment medical liability	<u>7,425</u>	<u>5,170</u>
	<u>284,065</u>	<u>(584,710)</u>
Deferred tax credit recognised in other comprehensive income:		
Pension plan asset	226,522	870,045
Post-employment medical liability	<u>(17,435)</u>	<u>39,380</u>
	<u>209,087</u>	909,425
<b>Balance at end of year</b>	<u><b>1,999,367</b></u>	<u><b>1,506,215</b></u>





## 9 Taxation ...continued

	2021 \$	2020 \$
<b>The deferred tax asset is analysed as follows:</b>		
Unutilized tax losses	1,140,129	1,045,731
Accelerated depreciation for income tax purposes	703,058	586,902
Pension plan asset	118,502	(125,180)
Post-employment medical liability	85,525	95,535
Leases	48,926	—
Revaluation reserve	(96,773)	(96,773)
	<u>1,999,367</u>	<u>1,506,215</u>

The Group has unutilised tax losses of \$20,729,601 (2020: \$19,013,277) available to be carried forward by certain subsidiaries and applied against future taxable income of those companies. The losses have not been agreed by the Revenue Commissioner of the Barbados Revenue Authority, but they are not in dispute. The losses and their expiry dates are as follows:

Income year	Amount \$	Expiry date
2015	2,234,157	2022
2018	4,408,368	2025
2019	6,221,008	2026
2020	4,282,094	2027
2021	3,583,974	2028
	<u>20,729,601</u>	

### Income tax payable

The movement of income tax payable as at December 31, is shown below.

	2021 \$	2020 \$
Balance at beginning of year	113,815	196,592
Current tax expense	169,410	253,647
Income tax paid	(122,938)	(336,424)
Balance at end of year	<u>160,287</u>	<u>113,815</u>



## 10 Cash and short-term deposit

	2021 \$	2020 \$
Cash at banks	200,886,570	189,445,645
Short-term deposit	108,456	108,391
Cash on hand	5,304	5,304
	<b>201,000,330</b>	<b>189,559,340</b>

Cash at banks is held with several local commercial banks in non-interest bearing accounts. The amounts held in these accounts facilitate the short-term commitments and day-to-day operations of the Group.

## 11 Receivables and prepayments

	2021 \$	2020 \$
Trade receivables, gross	17,741,511	17,952,368
Allowance for impairment	(46,609)	(276,018)
Trade receivables, net	17,694,902	17,676,350
Other receivables	3,018,201	4,989,389
Prepayments	1,246,369	1,664,702
	<b>21,959,472</b>	<b>24,330,441</b>

### Trade receivables

The Group's trade receivables represent amounts due from customers for the goods sold in the ordinary course of business. They are generally due for settlement within 30 to 60 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless, they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are disclosed in Note 27(a)(ii).



## 11 Receivables and prepayments ...continued

### Receivables from related parties

Included within the trade and other receivables balances are receivables from associated companies and other related parties under common ownership amounting to \$7,207,299 (2020: \$7,003,423) (note 22).

Due to the short-term nature of the Group's trade receivables, their carrying amount is considered to be the same as their fair value.

## 12 Inventories

	2021 \$	2020 \$
Raw materials	14,470,945	15,734,096
Fuel and factory supplies	9,980,753	8,323,911
Finished goods	5,062,378	6,951,214
Marketing materials	1,171,201	1,227,313
Work-in progress	492,166	1,054,997
	<b>31,177,443</b>	<b>33,291,531</b>
Provision for inventory obsolescence	<b>(2,521,214)</b>	<b>(2,551,428)</b>
	<b>28,656,229</b>	<b>30,740,103</b>

The movement in the provision for inventory obsolescence is shown below.

	2021 \$	2020 \$
Balance at beginning of year	2,551,428	2,325,468
Provision for the year (note 7)	145,003	225,960
Write-offs during the year	(175,217)	—
Balance at end of year	<b>2,521,214</b>	<b>2,551,428</b>

The provision for inventory obsolescence for the year is included in cost of sales.

## 13 Investments

	2021 \$	2020 \$
Financial assets at FVTPL	<b>68,168,339</b>	<b>38,953,338</b>



### 13 Investments ...continued

Financial assets at FVTPL include the equity investment in Banks DIH Limited together with listed equity securities. The Group accounts for these investments at FVTPL and did not make the irrevocable election to account for it at FVOCI.

The Group recognised unrealised fair value gains on financial assets at FVTPL amounted to \$29,215,001 during the year (2020: \$5,445,933).

During the year, dividends received from Banks DIH Limited amounted to \$821,958 (2020: \$404,433).

### 14 Accounts payable and accruals

	2021 \$	2020 \$
Dividends payable	129,464,929	4,492,749
Accruals and other payables	21,860,763	17,993,338
Trade payables	8,153,633	11,831,806
Lease liabilities	582,082	852,265
	<hr/>	<hr/>
Total accounts payable and accruals	160,061,407	35,170,158
	<hr/>	<hr/>
Current	41,203,862	34,660,418
Non-current	118,857,545	509,740
	<hr/>	<hr/>
	160,061,407	35,170,158

Included within the trade payables and dividends payable are intercompany payables of \$1,279,043 and \$118,547,220, respectively (2020: \$6,033,451 and \$nil) (note 22).

Terms and conditions of the above financial liabilities are as follows:

- Trade payables are non-interest bearing and are normally settled on 30 – 120-day terms; and
- Other payables are non-interest bearing and are settled within three to six months.

#### Leases

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2021 \$	2020 \$
Current	271,757	342,525
Non-current	310,325	509,740
	<hr/>	<hr/>
	582,082	852,265



## 14 Accounts payable and accruals ...continued

### Leases ...continued

The Group has leases for the equipment and motor vehicles and are reflected on the consolidated statement of financial position as right-of-use assets and lease liabilities. The Group classifies its right-of-use assets in a separate class in the property, plant and equipment (see note 16).

The lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. The lease is either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased asset as security. Further, the Group must keep the office building in a good state of repair and return the property in its original condition at the end of the lease. Also, the Group must insure items of property and equipment and incur maintenance fees on such items in accordance with the lease contract.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on consolidated statement of financial position:

### December 31, 2021

Right-of-use asset	No. of right-of-use asset leased	Range of remaining term	Average remaining lease term	No. of leases with extension option	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Motor vehicles	15	0.5 years to 2.58 years	0.5 years to 2.58 years	15	—	—	—
Equipment	8	1 year	1 year	8	—	—	—

### December 31, 2020

Right-of-use asset	No. of right-of-use asset leased	Range of remaining term	Average remaining lease term	No. of leases with extension option	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Motor vehicles	15	0.5 years to 3.58 years	0.5 years to 3.58 years	15	—	—	—
Equipment	8	2 years	2 years	8	—	—	—





## 14 Accounts payable and accruals ...continued

### Leases ...continued

The lease liabilities are unsecured and future minimum lease payments at December 31, are as follows:

#### December 31, 2021

	Within 1 year \$	2 – 5 years \$	Total \$
Lease payments	334,433	374,856	709,289
Finance charges	(62,676)	(64,531)	(127,207)
Net present values	<b>271,757</b>	<b>310,325</b>	<b>582,082</b>

#### December 31, 2020

	Within 1 year \$	2 – 5 years \$	Total \$
Lease payments	447,103	848,326	1,295,429
Finance charges	(104,578)	(338,586)	(443,164)
Net present values	<b>342,525</b>	<b>509,740</b>	<b>852,265</b>

The Group did not enter into any short-term lease arrangements during the year with no commitments as at December 31, 2021.

As at December 31, 2021, the Group has no commitment to a lease which has not yet commenced.

Total cash outflows for repayments of lease liabilities and interest portion of the lease liabilities for the year ended December 31, 2021 were \$355,785 (2020: \$543,382) and \$91,318 (2020: \$104,578), respectively.

The right-of-use assets and accumulated depreciation as at December 31, 2021 and 2020 and the related depreciation expense for the year then ended are shown separately under property, plant and equipment (see note 16).



## 15 Investments in associated companies

	2021 \$	2020 \$
Cost of investments	4,433,967	38,652,928
Decrease in equity value over cost from acquisition to end of year	<u>(2,672,397)</u>	<u>(6,078,534)</u>
	<b><u>1,761,570</u></b>	<b><u>32,574,394</u></b>

Movement in investments in associated companies during the year is as follows:

	2021 \$	2020 \$
Balance at beginning of year	32,574,394	36,506,202
Dividends received	(875,768)	(218,012)
Reduction of investments	(1,833,488)	—
Share of net loss	(3,809,432)	(3,713,796)
Disposals	<u>(24,294,136)</u>	<u>—</u>
Balance at end of year	<b><u>1,761,570</u></b>	<b><u>32,574,394</u></b>

The following illustrates the Group's carrying amount of investment in associated companies.

	2021 \$	2020 \$
Citrus Products of Belize Limited	—	26,685,024
Other associated companies in aggregate	<u>1,761,570</u>	<u>5,889,370</u>
	<b><u>1,761,570</u></b>	<b><u>32,574,394</u></b>

Other associated companies consist of the remaining associated companies as disclosed in Note 3(b).



## 15 Investments in associated companies ...continued

The following illustrates the summarized financial information of the Group's material associates:

Summarized statements of financial position as at December 31, 2021 are as follows:

	<b>Citrus Products of Belize Limited</b>	<b>Other associated companies</b>
	\$	\$
Current assets	—	5,739,598
Non-current assets	—	108,138
Current liabilities	—	(4,030,978)
Non-current liabilities	—	(64,977)
Net assets	—	1,751,781

Summarized statements of financial position as at December 31, 2020 are as follows:

	<b>Citrus Products of Belize Limited</b>	<b>Other associated companies</b>
	\$	\$
Current assets	33,484,870	21,410,321
Non-current assets	68,815,000	641,420
Current liabilities	(32,590,386)	(9,378,240)
Non-current liabilities	(10,707,360)	(75,414)
Net assets	59,002,124	12,598,087

The following illustrates the Group's share of the loss of associated companies.

	<b>2021</b>	<b>2020</b>
	\$	\$
Citrus Products of Belize Limited	(4,224,709)	(4,045,013)
Other associated companies	415,277	331,217
	(3,809,432)	(3,713,796)



## 15 Investments in associated companies ...continued

Summarized statements of comprehensive income for the year ended December 31, 2021:

	<b>Citrus Products of Belize Limited \$</b>	<b>Other associated companies \$</b>
Revenue	<u>51,705,845</u>	<u>45,205,722</u>
Total net and comprehensive (loss)/income for the year	<u>(9,069,792)</u>	<u>1,691,070</u>

Summarized statements of comprehensive income for the year ended December 31, 2020:

	<b>Citrus Products of Belize Limited \$</b>	<b>Other associated companies \$</b>
Revenue	<u>54,109,620</u>	<u>50,212,630</u>
Total net and comprehensive (loss)/income for the year	<u>(8,684,012)</u>	<u>968,755</u>

The principal activities of the material associate company, Citrus Products of Belize Limited, is the manufacturing and distribution of a range of citrus products.

# Banks Holdings Limited

## Notes to Consolidated Financial Statements December 31, 2021

(expressed in Barbados dollars)

### 16 Property, plant and equipment

	Freehold land	Freehold buildings	Buildings on leasehold land	Plant and machinery	Furniture, fittings and other equipment	Motor vehicles	Containers	Capital works in progress	Right-of-use assets	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>At December 31, 2019</b>										
Cost or valuation	13,113,000	27,304,458	24,625,192	118,212,516	11,998,407	3,958,236	25,410,799	3,842,480	1,046,038	229,511,126
Accumulated depreciation	–	–	(15,712,618)	(79,296,341)	(11,681,915)	(2,451,150)	(17,898,210)	–	(274,106)	(127,314,340)
<b>Net book value</b>	<b>13,113,000</b>	<b>27,304,458</b>	<b>8,912,574</b>	<b>38,916,175</b>	<b>316,492</b>	<b>1,507,086</b>	<b>7,512,589</b>	<b>3,842,480</b>	<b>771,932</b>	<b>102,196,786</b>
<b>Year ended December 31, 2020</b>										
Opening net book value	13,113,000	27,304,458	8,912,574	38,916,175	316,492	1,507,086	7,512,589	3,842,480	771,932	102,196,786
Additions	–	29,088	–	313,870	103,257	–	3,187,577	610,909	592,557	4,837,258
Transfers	–	–	–	599,437	1,053,804	–	29,836	(1,683,077)	–	–
Disposals	–	–	–	(52,599)	–	–	–	(5,562)	(237,368)	(295,529)
Writeback of depreciation	–	–	–	–	–	–	–	–	237,368	237,368
Depreciation charges (note 7)	–	(682,611)	(1,214,447)	(7,214,141)	(232,936)	(246,758)	(2,085,493)	–	(414,838)	(12,091,224)
<b>Closing net book value</b>	<b>13,113,000</b>	<b>26,650,935</b>	<b>7,698,127</b>	<b>32,562,742</b>	<b>1,240,617</b>	<b>1,260,328</b>	<b>8,644,509</b>	<b>2,764,750</b>	<b>949,651</b>	<b>94,884,659</b>
<b>At December 31, 2020</b>										
Cost or valuation	13,113,000	27,333,546	24,625,192	119,073,224	13,155,468	3,958,236	28,628,212	2,764,750	1,401,227	234,052,855
Accumulated depreciation	–	(682,611)	(16,927,065)	(86,510,482)	(11,914,851)	(2,697,908)	(19,983,703)	–	(451,576)	(139,168,196)
<b>Net book value</b>	<b>13,113,000</b>	<b>26,650,935</b>	<b>7,698,127</b>	<b>32,562,742</b>	<b>1,240,617</b>	<b>1,260,328</b>	<b>8,644,509</b>	<b>2,764,750</b>	<b>949,651</b>	<b>94,884,659</b>



# Banks Holdings Limited

## Notes to Consolidated Financial Statements December 31, 2021

(expressed in Barbados dollars)

### 16 Property, plant and equipment ... continued

	Freehold land \$	Freehold buildings \$	Buildings on leasehold land \$	Plant and machinery \$	Furniture, fittings and other equipment \$	Motor vehicles \$	Containers \$	Capital works in progress \$	Right-of- use assets \$	Total \$
<b>Year ended December 31, 2021</b>										
Opening net book value	13,113,000	26,650,935	7,698,127	32,562,742	1,240,617	1,260,328	8,644,509	2,764,750	949,651	94,884,659
Additions	–	–	–	181,684	183,084	–	129,862	3,064,150	22,947	3,581,727
Disposals	–	–	(18,231)	(118,378)	(1,263,918)	–	–	(621)	(83,203)	(1,484,351)
Writeback of depreciation	–	–	18,231	118,378	1,263,918	–	–	–	83,203	1,483,730
Depreciation charges (note 7)	–	(902,583)	(1,203,194)	(5,785,219)	(336,226)	(238,176)	(2,805,001)	–	(447,518)	(11,717,917)
<b>Closing net book value</b>	<b>13,113,000</b>	<b>25,748,352</b>	<b>6,494,933</b>	<b>26,959,207</b>	<b>1,087,475</b>	<b>1,022,152</b>	<b>5,969,370</b>	<b>5,828,279</b>	<b>525,080</b>	<b>86,747,848</b>
<b>At December 31, 2021</b>										
Cost or valuation Accumulated depreciation	13,113,000	27,333,546	24,606,961	119,136,530	12,074,634	3,958,236	28,758,074	5,828,279	1,340,971	236,150,231
	–	(1,585,194)	(18,112,028)	(92,177,323)	(10,987,159)	(2,936,084)	(22,788,704)	–	(815,891)	(149,402,383)
<b>Net book value</b>	<b>13,113,000</b>	<b>25,748,352</b>	<b>6,494,933</b>	<b>26,959,207</b>	<b>1,087,475</b>	<b>1,022,152</b>	<b>5,969,370</b>	<b>5,828,279</b>	<b>525,080</b>	<b>86,747,848</b>



## 16 Property, plant and equipment ...continued

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

	<b>Freehold land</b> \$	<b>Freehold buildings</b> \$	<b>Total</b> \$
<b>At December 31, 2020</b>			
Opening net book value	6,005,286	14,062,342	20,067,628
Depreciation	—	29,088	29,088
	—	(405,645)	(405,645)
<b>Closing net book value</b>	<b>6,005,286</b>	<b>13,685,785</b>	<b>19,691,071</b>
<b>At December 31, 2021</b>			
Opening net book value	6,005,286	13,685,785	19,691,071
Depreciation	—	(405,645)	(405,645)
<b>Closing net book value</b>	<b>6,005,286</b>	<b>13,280,140</b>	<b>19,285,426</b>

The Group's freehold land and buildings at Wildey and Newton were revalued at a fair value of \$40,417,458 based on valuations performed by an accredited independent valuer in December 2019. Management determined that these constitute one class of asset under IFRS 13, *Fair Value Measurement*, based on the nature, characteristics and risks of the properties. The fair value of the land and building was determined using the market comparable approach and replacement cost approach.

Fair hierarchy disclosures are in Note 27(d).

<b>Significant valuation inputs:</b>	<b>\$</b>
Price per square foot (land)	11 – 17
Price per square foot (building)	58 – 174



## 17 Investment properties

	2021 \$	2020 \$
Balance at beginning of the year	6,300,000	17,405,000
Change in fair value of investment properties	–	(3,298,432)
Reclassified to assets classified as held for sale	–	(7,806,568)
	<hr/>	<hr/>
Balance at end of the year	6,300,000	6,300,000

In 2020, the certain investment properties were reclassified to assets held for sale (see note 28).

As of December 31, 2021, the Group's investment properties located at Wildey and Thornbury Hill were revalued based on valuations performed by an accredited independent valuer.

The fair value of the land and buildings was determined using the market comparable approach, which is based on the price a property would sell in an open and unrestricted market between informed and prudent parties, acting at arm's length and under no compulsion to act, expressed in terms of cash and achievable in a reasonable time.

Included in profit from operations are the following amounts arising on investment properties:

	2021 \$	2020 \$
Rental income	962,060	956,060
Operating expenses	(112,722)	(120,441)
	<hr/>	<hr/>
Profit arising from investment properties carried at fair value	849,338	835,619

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 27(d).

<b>Significant valuation inputs:</b>	<b>\$</b>
Price per square foot (land)	15 – 30
Price per square foot (building)	60 – 140



## 18 Pension plan (liability)/asset

The amounts recognised in the consolidated statement of financial position are as follows:

	2021 \$	2020 \$
Fair value of plan assets	38,323,425	38,167,000
Present value of funded obligations	<u>(40,478,000)</u>	<u>(35,891,000)</u>
Net (liability)/asset recognised in the consolidated statement of financial position	<u>(2,154,575)</u>	<u>2,276,000</u>

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

	2021 \$	2020 \$
Interest cost	2,489,000	2,324,000
Current service cost	376,000	172,000
Administrative fees	67,000	93,000
Expected return on plan assets	<u>(2,620,000)</u>	<u>(4,003,000)</u>
Total, included in staff costs (note 8)	<u>312,000</u>	<u>(1,414,000)</u>

The amount recognised in other comprehensive income is shown below.

	2021 \$	2020 \$
Loss from change in assumptions	2,865,000	11,698,000
Expected return on plan assets	2,620,000	4,003,000
Actual return on plan assets	<u>(1,366,425)</u>	<u>118,000</u>
Other comprehensive loss	<u>4,118,575</u>	<u>15,819,000</u>



## 18 Pension plan (liability)/asset ...continued

Movements in the net (liability)/asset are as follows:

	2021 \$	2020 \$
Balance at beginning of year	2,276,000	16,681,000
Net (expense)/income recognised in the consolidated statement of income	(312,000)	1,414,000
Other comprehensive loss	(4,118,575)	(15,819,000)
Balance at end of year	<u>(2,154,575)</u>	<u>2,276,000</u>

Changes in the present value of the funded obligations are as follows:

	2021 \$	2020 \$
Balance at beginning of year	35,891,000	23,150,649
Actuarial loss on obligation	2,865,000	11,698,000
Interest cost	2,489,000	2,324,000
Current service cost	376,000	172,000
Administrative fees	67,000	93,000
Employee contributions	83,000	87,000
Other adjustments	—	351
Benefits paid	(1,293,000)	(1,634,000)
Balance at end of year	<u>40,478,000</u>	<u>35,891,000</u>

Changes in the fair value of plan assets are as follows:

	2021 \$	2020 \$
Fair value of plan assets at beginning of year	38,167,000	39,831,649
Actual return on plan assets	1,366,425	(118,000)
Contributions by employer and employees	83,000	87,000
Benefits paid	(1,293,000)	(1,634,000)
Other adjustments	—	351
Fair value of plan assets at end of year	<u>38,323,425</u>	<u>38,167,000</u>





## 18 Pension plan (liability)/asset ...continued

A quantitative sensitivity analysis for significant assumptions on the present value of the funded obligations as at December 31, 2021 is shown below.

	Increase \$	Decrease \$
Change in discount rate by 1%	(5,967,129)	7,641,242
Change in salary increase by 0.5%	1,121,893	(978,030)

Life expectancy at age 65 for current pensioners:

Male – 19.2

Female – 21.7

The weighted duration of the defined obligation was 15 years.

The Group expects to contribute \$nil (2021: \$nil) to its defined benefit pension plans in 2022.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2021 %	2020 %
Bonds	35	36
Mortgages	21	21
Real estate	15	15
Mutual funds	15	15
Equities	11	11
Others	3	2

The overall expected rate of return on assets is determined based on the market expectations prevailing on that date, applicable to the period over which the obligation is to be settled.

### Experience history

	2021 %	2020 %
Principal actuarial assumptions as at December 31:		
Discount rate at end of year	6.25	7
Future promotional salary increases	5	5
Future inflationary salary increases	3	3
Future increases in NIS ceiling for earnings	4.25	4.25
Future pension increases	3.75	3.75
Mortality	UP94-AA	UP94-AA



## 18 Pension plan (liability)/asset ...continued

Through its defined benefit plan, the Group is exposed to various risks:

- Longevity risk;
- Inflation risk;
- Interest rate risk due to the liabilities being of longer duration than the debt securities; and
- Investment risk in order to counter the inflation risk and improve the investment return.

## 19 Post-employment medical liability

	2021 \$	2020 \$
Present value of unfunded obligations	<u>1,555,000</u>	1,737,000
Liability recognised in the consolidated statement of financial position	<u>1,555,000</u>	1,737,000

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

	2021 \$	2020 \$
Interest cost	124,000	97,000
Current service cost	<u>59,000</u>	46,000
Total, included in staff costs (note 8)	<u>183,000</u>	143,000

The amount recognised in the consolidated statement of comprehensive income is shown below.

	2021 \$	2020 \$
(Gain)/loss from experience	<u>(317,000)</u>	716,000
Other comprehensive (gain)/loss	<u>(317,000)</u>	716,000



## 19 Post-employment medical liability ...continued

Movements in the net liability recognized in the consolidated statement of financial position are as follows:

	2021 \$	2020 \$
Net liability at beginning of year	1,737,000	927,000
Net expense recognised in the consolidated statement of income	183,000	143,000
Benefits paid	(48,000)	(49,000)
Other comprehensive (gain)/loss	(317,000)	716,000
Net liability at end of year	<u>1,555,000</u>	<u>1,737,000</u>

Changes in the present value of the unfunded obligations are as follows:

	2021 \$	2020 \$
Balance at beginning of year	1,737,000	927,000
Interest cost	124,000	97,000
Current service cost	59,000	46,000
Benefits paid	(48,000)	(49,000)
Actuarial (gain)/loss	(317,000)	716,000
Balance at end of year	<u>1,555,000</u>	<u>1,737,000</u>

Principal actuarial assumptions used for accounting purposes at December 31, were as follows:

	2021 %	2020 %
Discount rate at end of year	6.25	7
Future medical claims/premium inflation	4.25	4.25

A one percentage point change in the assumed rate of the following assumptions would have the following effect on the present value of the obligation:

	Increase \$	Decrease \$
Change of medical inflation by 1%	423,424	(330,735)
Change of discount rate by 1%	(307,114)	396,490

The weighted duration of the defined benefit obligation was 11 years.



## 19 Post-employment medical liability ...continued

Assuming no changes in the premium rates, the Group expects to pay premiums of \$48,000 during the 2022 financial year (2021: \$70,000).

## 20 Equity

### Share capital

#### *Authorized*

The Company is authorized to issue an unlimited number of shares of one class designated as common shares.

#### *Stated and issued*

	Number of shares		Stated value	
	2021	2020	2021	2020
			\$	\$
At the beginning and end of year	<b>64,960,760</b>	64,960,760	<b>145,565,985</b>	145,565,985

### Dividends

For the 2021 financial period, the Company's Board of Directors approved the declaration of cash dividends amounting to \$132,516,548 on August 25, 2021.

## 21 Capital reserves

	Revaluation surplus \$	Defined benefit plans \$	Other reserves \$	Total \$
<b>Balance as at December 31, 2019</b>	<b>22,471,612</b>	<b>10,147,101</b>	<b>(1,901,709)</b>	<b>30,717,004</b>
Re-measurement loss on defined benefit plans and post-employment medical liability, net of tax	—	(14,968,758)	—	(14,968,758)
<b>Balance as at December 31, 2020</b>	<b>22,471,612</b>	<b>(4,821,657)</b>	<b>(1,901,709)</b>	<b>15,748,246</b>
Re-measurement loss on defined benefit plans and post-employment medical liability, net of tax	—	(3,407,898)	—	(3,407,898)
<b>Balance as at December 31, 2021</b>	<b>22,471,612</b>	<b>(8,229,555)</b>	<b>(1,901,709)</b>	<b>12,340,348</b>



## 21 Capital reserves ...continued

### Other reserves

These reserves are comprised primarily of the Group's share on other reserves of an associated company and adjustments relating to currency translation on associates.

## 22 Related party balances 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 relationships also exist between or among entities under common control, parent company and its key management personnel, directors and shareholders.

Included in accounts receivable and accounts payables are the following related party balances:

	2021 \$	2020 \$
<b>Receivables</b> (note 11)		
Other related parties	7,042,203	6,860,515
Associated companies	165,096	142,908
	<u>7,207,299</u>	<u>7,003,423</u>
<b>Payables</b> (note 14)		
Parent company	118,547,220	—
Other related parties	1,279,043	2,382,411
Associated companies	—	3,651,040
	<u>119,826,263</u>	<u>6,033,451</u>

During the year, the Group entered into the following transactions with its associates and related companies:

	2021 \$	2020 \$
Sales to other related parties	565,818	—
Purchases from associated companies	—	8,829,222
Purchases from other related parties	1,991,340	3,600,544
Purchases from parent	207,622	—

The sales to and purchases from related parties are made under normal market prices. Outstanding balances at the year-end are unsecured, interest free and have no fixed terms of repayments. There have been no guarantees provided or received for any related party receivables or payables and the Group has not made any provision for doubtful debts relating to amounts owed by related parties for the year ended December 31, 2021 (2020: \$nil).





## 22 Related party balances and transactions ...continued

Compensation paid to key management of the Group:

	2021 \$	2020 \$
Short-term employment benefits	<u>3,121,900</u>	<u>3,126,125</u>

## 23 (Loss)/earnings per share

	2021 \$	2020 \$
Net (loss)/income for the year attributable to equity holders of the parent	<b>(1,773,024)</b>	8,338,000
Divided by weighted average number of outstanding shares	<u>64,960,760</u>	<u>64,960,760</u>
Basic and diluted (loss)/earnings per share	<u><b>(0.027)</b></u>	<u>0.128</u>

Basic (loss)/earnings per share from continuing operations are calculated based on (loss)/earnings of \$(1,773,024) (2020: \$8,338,000) and a weighted average of 64,960,760 (2020: 64,960,760) shares in issue during the year.

The Group has no dilutive potential ordinary shares as of December 31, 2021 and 2020.

## 24 Operating lease commitments

Future minimum lease receivables under the non-cancellable leases are as follows:

	2021 \$	2020 \$
Within one year	<u>432,000</u>	<u>432,000</u>



## 25 Material partly-owned subsidiary

Financial information of Barbados Dairy Industries Limited, a subsidiary that has a material non-controlling interest, is provided below:

Summarized statement of income:

	2021 \$	2020 \$
Sales	50,332,837	52,476,670
Cost of sales	(46,920,137)	(45,788,546)
Other income	286,642	20,426
Selling, general and administrative expenses	(6,833,406)	(4,314,465)
Interest expense	(399,499)	(375,923)
(Loss)/income before taxation	(3,533,563)	2,018,162
Taxation	16,809	(319,278)
Net (loss)/income for the year	(3,516,754)	1,698,884
(Net loss)/profit allocated to material non-controlling interests	(547,559)	264,516

Summarized statement of financial position:

	2021 \$	2020 \$
Current assets	39,098,930	42,031,692
Non-current assets	15,794,248	17,540,408
Current liabilities	(14,594,738)	(13,006,004)
Non-current liabilities	(555,748)	(1,135,974)
Total equity	39,742,692	45,430,122
Attributable to non-controlling interests	6,998,139	7,730,287



## 25 Material partly-owned subsidiary ...continued

Summarized cash flow information:

	2021 \$	2020 \$
Operating	(1,732,970)	4,558,361
Investing	(1,131,770)	(517,478)
Financing	(1,909,543)	(1,337,944)
	<hr/>	<hr/>
(Decrease)/increase in cash for the year	(4,774,283)	2,702,939

## 26 Commitments and contingencies

### Capital commitments

There was no capital expenditure approved by the Directors for the ensuing financial year and no amount was contracted for at the period end date.

### Legal claims

There are pending claims and legal actions filed by the Group or against the Group arising from the normal course of business. These include claims filed against the Group for unfair or wrongful dismissal of employees, breaches of contracts and damages for personal injuries, and other related matters. No provision has been made in the consolidated financial statements as of December 31, 2021, in respect of these claims as the amount and outcome is not presently determinable.

As of the date of approval of the consolidated financial statements, the Group does not believe that any of the litigation matters will have a material effect on its consolidated profit or loss or consolidated statement of financial position.

### Other contingencies

Effective December 2019, the Group had its shares suspended on the Barbados Stock Exchange Inc. (BSE) pursuant to Rule 3.01.5 1(a) and (b) of the Rules of the BSE as a consequence of the requirement to submit the quarterly and annual audited financial statements to the Financial Services Commission (FSC) and annual audited consolidated financial statements to the BSE within the time period stipulated by those regulatory bodies.

On July 22, 2022, the suspension regarding the trading of the Group's shares on the BSE was lifted.



## 27 Financial risk management

### a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group has not entered into forward contracts to reduce risk exposures. The Group's risk management focuses on actively seeking to minimise potential adverse effects on its financial performance.

The Group's risk management is coordinated with the Board of Directors and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

### i) Market risk

#### i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group operates primarily in the Barbados market and is therefore not subject to significant foreign currency risk. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses.

The Group has transactional currency exposures. Approximately 10% of the Group's sales are denominated in a currency other than the functional currency of the operating unit making the sale, whilst 70% of purchases are denominated in a currency other than the functional currency. However, the majority of the Group's transactions are in United States dollars which has a fixed exchange rate to the functional currency. Fluctuations in currencies other than United States dollars are not considered significant.

Foreign currency exposure also arises from investments by the Group in currencies other than the unit's functional currency.

# Banks Holdings Limited

## Notes to Consolidated Financial Statements December 31, 2021

(expressed in Barbados dollars)

### 27 Financial risk management ... continued

#### a) Financial risk factors ... continued

##### i) Market risk ... continued

##### i) Foreign currency risk ... continued

The aggregate value of financial assets and liabilities are denoted in Barbados dollars, except for the following:

	USD \$	BDS \$	EURO \$	CAD \$	XCD \$	GPB \$	GYD \$	Total \$
As at December 31, 2021								
<b>Assets</b>								
Cash and short-term deposits	400,471	200,599,859	–	–	–	–	–	201,000,330
Trade and other receivables	9,457,239	11,063,912	–	16,164	175,788	–	–	20,713,103
Investments	–	–	–	–	–	–	68,168,339	68,168,339
<b>Total financial assets</b>	<b>9,857,710</b>	<b>211,663,771</b>	<b>–</b>	<b>16,164</b>	<b>175,788</b>	<b>–</b>	<b>68,168,339</b>	<b>289,881,772</b>
<b>Liabilities</b>								
Accounts payable and accruals	14,108,328	142,560,492	1,505,511	–	1,686,435	200,641	–	160,061,407



# Banks Holdings Limited

## Notes to Consolidated Financial Statements December 31, 2021

(expressed in Barbados dollars)

### 27 Financial risk management ...continued

#### a) Financial risk factors ...continued

##### i) Market risk ...continued

##### i) Foreign currency risk ...continued

	USD \$	BDS \$	EURO \$	CAD \$	XCD \$	GPB \$	GYD \$	Total \$
As at December 31, 2020								
<b>Assets</b>								
Cash and short-term deposits	377,676	189,181,664	–	–	–	–	–	189,559,340
Trade and other receivables	10,348,778	12,106,913	–	17,688	192,360	–	–	22,665,739
Investments	–	–	–	–	–	–	38,953,338	38,953,338
<b>Total financial assets</b>	<b>10,726,454</b>	<b>201,288,577</b>	<b>–</b>	<b>17,688</b>	<b>192,360</b>	<b>–</b>	<b>38,953,338</b>	<b>251,178,417</b>
<b>Liabilities</b>								
Accounts payable and accruals	16,531,804	14,663,001	1,764,122	–	1,976,125	235,106	–	35,170,158
Provision for deposits owed to customers	–	85,326	–	–	–	–	–	85,326
<b>Total financial liabilities</b>	<b>16,531,804</b>	<b>14,748,327</b>	<b>1,764,122</b>	<b>–</b>	<b>1,976,125</b>	<b>235,106</b>	<b>–</b>	<b>35,255,484</b>



## **27 Financial risk management ...continued**

### **a) Financial risk factors ...continued**

#### **i) Market risk ...continued**

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest is earned on short-term deposit. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing level of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event unexpected movements arise. The Group's financial assets and liabilities are non-interest bearing with the exception of short-term deposit which earns interest based on market rate as disclosed in Note 10.

##### *iii) Price risk*

The Group is exposed to equity securities price risk because of equity investments held by the Group and classified in the consolidated statement of financial position as financial assets at FVTPL. The Group's portfolio includes equity securities that are quoted on the Guyana Stock Exchange, and its exposure to equity securities price risk is not material because the total of these securities is insignificant in relation to its consolidated statement of financial position and because of the limited volatility in this market. The Group does not hold equity securities that are quoted on the world's major securities markets. If market prices as at December 31, 2021 had been 10% higher/lower with all other variables held constant, the change in equity securities would have been insignificant.

#### **ii) Credit risk**

Credit risk arises from the possibility that counterparties may default on their obligations to the Group. The Group's credit risk arises from cash at banks, as well as credit exposures to customers and receivables. Cash at banks are only held with well-known reputable banks and financial institutions. If no independent rating exists for customers, management assesses the credit quality of customers on an individual basis, taking into account their financial position, credit history and other factors. The utilization of credit limits is regularly monitored. Services rendered to customers are settled primarily in cash and cheques.

The Group has made adequate allowance for impairment for any potential credit losses and the amount of the Group's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.



## 27 Financial risk management ...continued

### a) Financial risk factors ...continued

#### ii) Credit risk ...continued

##### *Credit risk management*

Credit risk arises from cash, contractual cash flows of financial assets carried at amortised cost as well as credit exposure to customers, including outstanding receivables.

The credit risk in respect of cash balances with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions.

The Group continuously monitors the credit quality of the customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The Group's policy is to deal only with credit worthy counterparties. The credit term ranges between 30 to 60 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through regular review of aging analysis, together with credit limits per customer.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by groups of similar customers, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statement of financial position, as summarized below.

	2021 \$	2020 \$
Cash at banks and short-term deposit	200,995,026	189,554,036
Trade and other receivables	<u>20,713,103</u>	<u>22,665,739</u>
	<u>221,708,129</u>	<u>212,219,775</u>

##### *Impairment of trade receivables*

The Group's trade receivables for sale of goods is subject to the expected credit loss model. While cash at banks and short-term deposit and other receivables at amortised cost are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.



## 27 Financial risk management ...continued

### a) Financial risk factors ...continued

#### ii) Credit risk ...continued

##### *Impairment of trade receivables ...continued*

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected credit loss rates are based on the payment profiles of sale of goods over a period of thirty-six (36) months before December 31, 2021 or January 1, 2021, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates, if any, are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables. The Group also considered the Gross Domestic Product and the unemployment rate of the territories in which it sells goods to be the most relevant factors, and accordingly, if needed, adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at December 31, was determined as follows for trade receivables:

	Current \$	1 to 60 days past due \$	61 to 90 days past due \$	More than 90 days past due \$	Total \$
<b>December 31, 2021</b>					
Expected loss rate	0.11%	1.48%	5.54%	100%	
Gross carrying amount	17,714,889	—	—	26,622	17,741,511
Loss allowance	<b>19,987</b>	—	—	<b>26,622</b>	<b>46,609</b>
<b>December 31, 2020</b>					
Expected loss rate	0.26%	1.48%	5.54%	100%	
Gross carrying amount	17,671,669	42,701	9,060	228,938	17,952,368
Loss allowance	<b>45,946</b>	<b>632</b>	<b>502</b>	<b>228,938</b>	<b>276,018</b>



## 27 Financial risk management ...continued

### a) Financial risk factors ...continued

#### ii) Credit risk ...continued

##### *Impairment of trade receivables ...continued*

The closing balance of the trade receivable loss allowance as at December 31, reconciles with the trade receivables loss allowance opening balance as follows:

	2021 \$	2020 \$
<b>Loss allowance as at January 1</b>	<b>276,018</b>	112,529
Loss allowance (reversed)/provision recognised during the year (note 7)	<b>(76,109)</b>	295,773
Trade receivables written-off during the year	<b>(153,300)</b>	(132,284)
<b>Loss allowance as at December 31 (note 11)</b>	<b>46,609</b>	276,018

##### *Impairment of other receivables*

Other receivables are financial assets measured at amortised cost and considered to have low credit risk. During the year, no loss allowance is recognised as management believes that there is no risk of collecting those financial assets due to their short-term duration and the counterparties have access to sufficiently highly liquid assets in order to repay the receivable if demanded at the reporting date.

##### *Geographic*

The Group's counterparties are located in Barbados, Belize and other Caribbean territories.

#### iii) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Group monitors its liquidity risk by considering the maturity of both its financial assets and projected cash flows from operations. Where possible, the Group utilizes available credit facilities such as loans, overdrafts and other financing options.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The table below summarizes the maturity profile of the Group's financial liabilities at December 31, based on contractual undiscounted payments.





## 27 Financial risk management ...continued

### a) Financial risk factors ...continued

#### iii) Liquidity risk ...continued

##### As at December 31, 2021

	Within 1 year \$	2 to 5 years \$	Total \$
Accounts payable and accruals	41,266,538	118,922,076	160,188,614

##### As at December 31, 2020

	Within 1 year \$	2 to 5 years \$	Total \$
Accounts payable and accruals	34,764,996	848,326	35,613,322
Provision for deposits owed to customers	85,326	—	85,326
Total	34,850,322	848,326	35,698,648

### b) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' values.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended December 31, 2021.

### c) Fair value of financial assets and liabilities

#### *Short-term financial assets and liabilities*

The carrying amounts of financial assets and liabilities comprise the Group's cash and short-term deposit, trade and other receivables, accounts payable and accruals and provision for deposits owed to customers approximate their fair values because of their short-term maturities.

#### *Long-term liabilities*

The estimated fair value of lease liabilities and dividends payable within accounts payable and accruals not quoted in an active market are based on discounted cash flows using interest rates for new debts with similar remaining maturities.



## 27 Financial risk management ...continued

### c) Fair value of financial assets and liabilities ...continued

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the consolidated financial statements:

	Carrying amount		Fair value	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and short-term deposit	201,000,330	189,559,340	201,000,330	189,559,340
Trade and other receivables	20,713,103	22,665,739	20,713,103	22,665,739
	<b>221,713,433</b>	<b>212,225,079</b>	<b>221,713,433</b>	<b>212,225,079</b>
<b>Financial liabilities</b>				
Accounts payable and accruals	160,061,407	35,170,158	160,061,407	35,170,158
Provision for deposits owed to customers	—	85,326	—	85,326
	<b>160,061,407</b>	<b>35,255,484</b>	<b>160,061,407</b>	<b>35,255,484</b>

### d) Fair value hierarchy

The Group measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured, using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:



## 27 Financial risk management ...continued

### d) Fair value hierarchy ...continued

Level 1: quoted (unadjusted) prices in active markets for identifiable assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

#### *Fair value measurement of financial assets*

As at December 31, the Group held the following financial instruments carried at fair value on the consolidated statement of financial position:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>As at December 31, 2021</b>				
Investments	<b>68,168,339</b>	—	—	<b>68,168,339</b>
<b>As at December 31, 2020</b>				
Investments	38,953,338	—	—	38,953,338

#### *Fair value measurement of non-financial assets*

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>As at December 31, 2021</b>				
Freehold land and buildings	—	—	<b>38,861,352</b>	<b>38,861,352</b>
Investment properties	—	—	<b>6,300,000</b>	<b>6,300,000</b>
	—	—	<b>45,161,352</b>	<b>45,161,352</b>
<b>As at December 31, 2020</b>				
Freehold land and buildings	—	—	39,763,935	39,763,935
Investment properties	—	—	6,300,000	6,300,000
	—	—	46,063,935	46,063,935

During the reporting year ended December 31, 2021, there were no transfers between Level 1 and 2 fair value adjustments (2020: nil).



## 28 Assets classified as held for sale

In 2020, certain investment property located at Widley with market value of \$7,806,568 was reclassified to assets classified as held for sale due to change in intention (see note 17). During the year, the assets classified as held for sale was sold and accordingly, the Group recognised loss on disposal of assets amounted to \$767,054 (2021: \$nil).

## 29 Segmental reporting

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. Segment performance is evaluated based on revenue and profit or loss before tax and is measured consistently with profit or loss in the consolidated financial statements.

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of the detailed reconciliations presented further below.

<b>2021 Operating segments</b>	<b>Manufacture and processing of dairy products and fruit juices \$</b>	<b>Other segments \$</b>	<b>Adjustments and eliminations \$</b>	<b>Total \$</b>
<b>Sales</b>	50,332,837	143,660,734	(67,428,477)	126,565,094
<b>Cost of sales</b>	(46,920,137)	(115,370,617)	67,028,477	(95,262,277)
<b>Gross profit</b>	3,412,700	28,290,117	(400,000)	31,302,817
<b>Other income</b>	286,642	11,450,814	(9,108,802)	2,628,654
<b>Selling, general and administrative expenses</b>	(6,833,406)	(33,518,780)	6,002,867	(34,349,319)
<b>Segment loss before undernoted items</b>	(3,134,064)	6,222,151	(3,505,935)	(417,848)
Fair value gains on investments	—	29,215,001	—	29,215,001
Interest income	—	933,234	(932,032)	1,202
Interest expense	(399,499)	(6,885,528)	3,688,519	(3,596,508)
Loss on disposals of investments in associated companies	—	(23,347,018)	404,900	(22,942,118)
Impairment loss on investments in associated companies	—	(3,202,981)	3,202,981	—
Loss on disposal of assets held for sale	—	(767,054)	—	(767,054)
<b>Segment profit before taxation</b>	(3,533,563)	2,167,805	2,858,433	1,492,675



## 29 Segmental reporting ...continued

<b>2021 Operating segments</b> ...continued	<b>Manufacture and processing of dairy products and fruit juices</b> \$	<b>Other Segments</b> \$	<b>Adjustments and eliminations</b> \$	<b>Total</b> \$
Share of loss of associated companies				(3,809,432)
<b>Loss before taxation</b>				(2,316,757)
<b>2021 Segment assets</b>	54,893,178	568,419,243	(208,480,836)	414,831,585
Investments in associated companies				1,761,570
<b>Total assets</b>				416,593,155
<b>2021 Segment liabilities</b>	15,150,486	328,819,669	(180,038,886)	163,931,269
<b>2020 Operating segments</b>				
<b>Sales</b>	52,476,670	145,459,984	(68,440,315)	129,496,339
<b>Cost of sales</b>	(45,788,546)	(112,970,182)	68,575,475	(90,183,253)
<b>Gross profit</b>	6,688,124	32,489,802	135,160	39,313,086
<b>Other income</b>	20,426	10,168,290	(8,678,404)	1,510,312
<b>Selling, general and administrative expenses</b>	(4,314,465)	(28,825,970)	6,491,238	(26,649,197)
<b>Segment profit before undernoted items</b>	2,394,085	13,832,122	(2,052,006)	14,174,201
Fair value gains on investments	—	5,445,933	—	5,445,933
Interest income	—	1,094	—	1,094
Interest expense	(375,923)	(6,088,551)	3,156,032	(3,308,442)
Change in fair value of investment properties	—	(3,298,432)	—	(3,298,432)
<b>Segment profit before taxation</b>	2,018,162	9,892,166	1,104,026	13,014,354





## 29 Segmental reporting ...continued

<b>2020 Operating segments</b> ...continued	<b>Manufacture and processing of dairy products and fruit juices</b> \$	<b>Other Segments</b> \$	<b>Adjustments and eliminations</b> \$	<b>Total</b> \$
Share of loss of associated companies				<u>(3,713,796)</u>
<b>Income before taxation</b>				<u>9,300,558</u>
<b>2020 Segment assets</b>	<u>59,572,100</u>	<u>541,984,430</u>	<u>(205,199,866)</u>	<u>396,356,664</u>
Investments in associated companies				<u>32,574,394</u>
<b>Total assets</b>				<u>428,931,058</u>
<b>2020 Segment liabilities</b>	<u>14,141,978</u>	<u>198,540,429</u>	<u>(175,576,108)</u>	<u>37,106,299</u>

## 30 Impact of COVID-19 pandemic

In December 2019, a novel strain of coronavirus (COVID-19) began to spread around the world, resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organisation (WHO) on January 30, 2020. WHO subsequently declared COVID-19 a pandemic on March 11, 2020. The effect of this pandemic did not have a significant impact on the consolidated financial statements as at December 31, 2021.

## 31 Post reporting date events

### *Investment in subsidiaries*

In April 2024, the Group sold all the shares held in Plastic Containers Limited to a third party for a consideration of \$1,462,500.



Management is required by the *Companies Act* Chapter 308 of the laws of Barbados (hereinafter called the “Companies Act”) to send forms of proxy with the Notice convening the Meeting. By complying with the *Companies Act*, Management is deemed to be soliciting proxies within the meaning of the *Companies Act*.

This Management Proxy Circular accompanies the Notice of the Sixty-First (61st) Annual General Meeting of the Shareholders of Banks Holdings Limited (the “Company”) to be held via Zoom Meeting on **Wednesday, the 3rd day December, 2025 at 10:00 A.M.** (hereinafter called the “Meeting”) and is furnished in connection with the solicitation of proxies by the Management of the Company for use at the Meeting, or any adjournment(s) thereof. The cost of the solicitation will be borne by the Company.

#### Proxies

A shareholder who is entitled to vote at a meeting of shareholders has the right by means of the enclosed proxy form to appoint a person to represent him by inserting the name of such person in the space indicated in the proxy form. Completed proxies must be deposited at the registered office of the Company, at the Banks (Barbados) Breweries Ltd. Complex, Newton, Christ Church, Barbados no later than **Monday, the 1st day December, 2025 at 4:15 P.M.** being no more than forty-eight (48) hours preceding the day of the Meeting, or any adjournment thereof.

Proxies given by shareholders for use at the Meeting may be revoked by the shareholder giving such proxy at any time prior to their use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder (or by his attorney). If the shareholder is a company, the revocation may be executed under its corporate seal or by any duly authorised officer or attorney thereof, and deposited at the registered office of the Company at the Banks (Barbados) Breweries Ltd. Complex, Newton, Christ Church at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) thereof, at which the proxy was to be used. Alternatively, it may be delivered to the Chairman of such meeting, on the day of the meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

#### Record Date, Notice of Meeting and Voting Shares

The Directors of the Company have fixed a record date of **Wednesday, the 12th day of November, 2025** for determining the shareholders who are entitled to receive notice of the Meeting. In accordance with the *Companies Act*, only shareholders of record at the close of business on **Wednesday, the 12th day of November, 2025** shall be entitled to receive notice of the Meeting.

Only such registered holder of common shares of the Company shall be entitled to vote at the Meeting. Each holder is entitled to one vote for each share held. As at the date of this Notice, there are **64,960,760** common shares without par value of the Company issued and outstanding.

#### Election of Directors

The Board of Directors consists of members who retire in rotation. On 31st December 2021, there were nine (9) Board members. Seven (7) Directors of the Company are to be elected at the Meeting. The following are the names of the persons proposed as nominees for election as Directors of the Company and for whom it is intended that votes will be cast for their election as Directors pursuant to the forms of proxy enclosed herewith:-



<b>Nominee Director</b>	<b>Present Principal Occupation</b>
Ms. Shafia Tonisha Tracey London	Corporate Executive
Mr. Andre Emile Thomas	Corporate Executive
Mr. Alberto Javier Riviera Ramirez	Corporate Executive
Mr. Omar Antonio Ginorio Martinez	Corporate Executive
Mr. Carlos Enrique Diaz Santiago	Corporate Executive
Mr. Carl Richard Cozier	Retired Corporate Executive
Mr. Elvin Royston Sealy	Retired Corporate Executive

With respect to the persons nominated, the term of office for each person so elected will expire at the close of the third Annual General Meeting of the shareholders of the Company following his/her election or until his/her successor is elected or appointed. All nominated candidates are willing to serve and have signed declarations of consent attesting to their willingness to serve. The Management of the Company does not contemplate that any of the persons named above will, for any reason, become unable or unwilling to serve as a director.

#### **Appointment of Auditors**

It is proposed to nominate the firm PricewaterhouseCoopers SRL, the incumbent auditors of the accounts of the Company, as auditors of the Company to hold office until the next annual meeting of shareholders. In accordance with Section 11(2) of the Financial Services Commission Act, 2010-21, the approval of the Financial Services Commission has been sought for this appointment.

#### **Discretionary Authority**

Shares represented by proxy, given on the enclosed form of proxy to the persons named in the proxy, shall be voted on any ballot in accordance with the instructions contained therein.

#### **In the absence of shareholder instructions, shares represented by proxies will be VOTED FOR:**

- (i) **The adoption of the Annual Report and Financial Statements for the financial period ended 31 December, 2021;**
- (ii) **The adoption of the Annual Report and Financial Statements for the financial period ended 31 December, 2022;**
- (iii) **The adoption of the Annual Report and Financial Statements for the financial period ended 31 December, 2023;**
- (iv) **The adoption of the Annual Report and Financial Statements for the financial period ended 31 December, 2024;**
- (v) **The election of Mr. Carl Richard Cozier to hold office until the close of the third Annual General Meeting of the Shareholders of the Company following his election;**
- (vi) **The election of Mr. Elvin Royston Sealy to hold office until the close of the third Annual General Meeting of the Shareholders of the Company following his election;**
- (vii) **The election of Ms. Shafia Tonisha Tracey London to hold office until the close of the third Annual General Meeting of the Shareholders of the Company following her election;**



- (viii) The election of Mr. Andre Emile Thomas to hold office until the close of the third Annual General Meeting of the Shareholders of the Company following his election;**
- (ix) The election of Mr. Carlos Enrique Diaz Santiago to hold office until the close of the third Annual General Meeting of the Shareholders of the Company following his election;**
- (x) The election of Mr. Omar Antonio Ginorio Martinez to hold office until the close of the third Annual General Meeting of the Shareholders of the Company following his election;**
- (xi) The election of Mr. Alberto Javier Riviera Ramirez to hold office until the close of the third Annual General Meeting of the Shareholders of the Company following his election;**
- (xii) The re-appointment of incumbent auditors PricewaterhouseCoopers SRL as Auditors of the Company for a period ending at the close of the next Annual General Meeting after their re-appointment.**

Management knows of no matter to come before the Meeting other than the matters referred to in the Notice of Meeting enclosed herewith. However, if any other matters which are not now known to Management should properly come before the Meeting (or any adjournment thereof) the shares represented by proxies in favour of Management nominees shall be voted on any such matter in accordance with the best judgment of the proxy nominee. Similar discretionary authority is conferred with respect to amendments to the matters identified in the Notice of Meeting. The contents of this Management Proxy Circular and the sending thereof to the holders of the common shares on the Company have been approved by the Directors of the Company.

No director's statement has been received by the Company pursuant to section 71(2) of the *Companies Act*.

No auditor's statement has been received by the Company pursuant to section 163(1) of the *Companies Act*.



**BANKS HOLDINGS LIMITED**

**COMPANY NO: 15726**

**PROXY FORM**

I/We..... of

.....

.....

..... shareholder(s) of BANKS HOLDINGS LIMITED (the "Company") hereby appoint

..... of

.....

.....or, failing him,

..... of

.....

as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the Sixty-First (61st) Annual General Meeting of the Shareholders of Banks Holdings Limited (the "Company") to be held via Zoom Meeting on **Wednesday, the 3rd day December, 2025 at 10:00 A.M.** (and any adjournment thereof in the same manner), to the same extent and with the same powers as if the undersigned were present at the meeting or such adjournment(s) thereof.

Dated this ..... day of ....., 2025.

.....  
(Please print name of Shareholder)

.....  
(Signature of Shareholder)





Please indicate with an 'X' for each resolution below how you wish your votes to be cast. The 'vote withheld' option below is provided to enable you to abstain on any particular resolution. However, it should be noted that an abstention will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution. In the absence of Shareholder instructions, shares represented by proxies will be VOTED FOR each of the Resolutions itemized in the table below. With respect to amendments to or variations in matters identified in the Notice of Meeting, or other matters that may properly come before the Meeting, proxy-holders shall be entitled to exercise their discretion.

AGENDA ITEM	RESOLUTION	FOR	AGAINST	ABSTAIN
5(i)	<i>THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Carl Richard Cozier be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.</i>			
5(ii)	<i>THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Elvin Royston Sealy be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.</i>			
5(iii)	<i>THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Ms. Shafia Tonisha Tracey London be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following her election.</i>			
5(iv)	<i>THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Andre Emile Thomas be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.</i>			
5(v)	<i>THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Carlos Enrique Diaz Santiago be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.</i>			





5(vi)	<i>THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Omar Antonio Ginorio Martinez be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.</i>			
5(vii)	<i>THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Alberto Javier Riviera Ramirez be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.</i>			
6	<i>THAT PricewaterhouseCoopers SRL be and are hereby appointed as Auditors of the Company for the period ending at the close of the next Annual General Meeting after their appointment.</i>			

**NOTES:**

- (a) A shareholder who is entitled to vote at any meeting of the shareholders may by means of a proxy appoint a proxy holder, or one or more alternate proxy holders, none of whom need be shareholders, to attend and act at the meeting in the manner and to the extent authorised by the proxy and with the authority conferred by the proxy.

(b) In the case of a shareholder who is a body corporate or association, votes at a meeting of shareholders may be given by any individual authorised by a resolution of the directors or governing body of that body corporate or association to represent it at the meetings of shareholders of the Company.
- A proxy must be executed in writing by the shareholder, or his attorney authorised in writing.
- Proxy appointments are required to be deposited at the registered office of the Company, Banks (Barbados) Breweries Limited Complex, Newton, Christ Church, Barbados no later than Monday, the 1st day of December, 2025 at 4:15 P.M.**







**BHL**

Banks Holdings Limited

**2021**

**ANNUAL REPORT**