

# PINEHILL

Champs

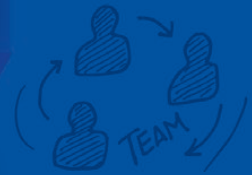
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ANNUAL REPORT



**PINEHILL**  
DAIRY





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## Corporate Information

### **DIRECTORS**

L.M.A. Carvajal  
R.B. Estrada  
A.R.M. Recinos  
C. R. Cozier  
N. McD. Brewster  
P. D. Davis  
S. T. T. London

### **CORPORATE SECRETARY**

S. Matthew Goodin

### **REGISTERED OFFICE**

Banks (Barbados) Breweries Limited  
Complex  
Newton, Christ Church

### **AUDITORS**

PricewaterhouseCoopers SRL  
Upper Collymore Rock Road  
Bridgetown  
Barbados

### **BANKERS**

FirstCaribbean International Bank  
Wilkey  
St. Michael  
Barbados, W.I.

### **ATTORNEYS-AT-LAW**

Clarke Gittens Farmer  
Parker House  
Wilkey Business Park  
Wilkey Road  
St. Michael BB14006  
Barbados, W.I.

Notice is hereby given that the Fifty-Fifth Annual General Meeting of Barbados Dairy Industries Limited (the "Company") will be held at the Courtyard at Marriott, The Garrison Historic Area, Hastings, Christ Church, Barbados on **Thursday, the 4th day of December 2025 at 10:00 A.M.** for the following purposes:

1. To receive and consider the Financial Statements of the Company for the period ending 31 December 2021 and the Auditor's Report thereon.
2. To receive and consider the Financial Statements of the Company for the period ending 31 December 2022 and the Auditor's Report thereon.
3. To receive and consider the Financial Statements of the Company for the period ending 31 December 2023 and the Auditor's Report thereon.
4. To receive and consider the 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. Paul Devere Davis 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.*



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

## To Our Valued Shareholders,

I am delighted to report that Barbados Dairy Industries Limited achieved a significant and welcome return to profitability in 2023. This turnaround is a direct result of our team's relentless focus on commercial execution and disciplined cost management in a market that, while improving, still presents its own set of challenges. Our performance this year is a clear indicator of the enduring strength of our brands and our ability to navigate a complex economic environment.

## Navigating the Economic Environment

The year 2023 saw a continued positive trajectory for the Barbadian and wider Caribbean economies. The robust recovery of the tourism sector across the region was a primary catalyst, boosting economic activity and consumer confidence. This created a favorable environment for our products, driving demand both locally and in our key export markets. We saw this reflected in increased sales through hotels, restaurants, and other establishments that are vital to our business.

While global inflationary pressures on shipping and some raw materials began to moderate, we continued to manage elevated input costs. Our team worked diligently to absorb these costs through operational efficiencies and strategic sourcing, which was crucial to improving our margins. We also remained attentive to the evolving fiscal landscape, particularly the announced changes to Barbados' corporate tax regime, ensuring our readiness for the new framework.

## Financial and Operating Performance

The Company delivered a strong top-line performance, with revenues growing by an impressive 15.6% to \$61.3 million, up from \$53.0 million in 2022. This growth was driven by both our juice and dairy segments, demonstrating the broad-based appeal of our product portfolio. The resurgence in local and regional economic activity was a key driver of this excellent result.

Crucially, this revenue growth was translated into a significantly improved bottom line. Gross profit more than doubled to \$6.8 million from \$2.5 million in the prior year. This substantial margin improvement reflects our success in managing production costs and optimizing our pricing strategy. I am proud to announce that this led to a net income of \$356,511 for the year, a commendable turnaround from the net loss of \$3.6 million reported in 2022.

Our financial position remains solid. Total equity stood at \$37.4 million at year-end, and our cash position improved significantly, providing us with the stability to reinvest in our operations and pursue growth opportunities.

## Our People and Our Future

This remarkable turnaround would not have been possible without the unwavering dedication of our employees. Their hard work and commitment to quality are the cornerstones of our success, and I extend my sincere gratitude to each member of our team.

As we look to the future, we are optimistic. We will continue to build on the momentum of 2023, focusing on innovation, operational excellence, and strengthening our brand presence across the Caribbean. We are confident in our strategy and our ability to continue delivering value to our customers, our communities, and you, our shareholders.

On behalf of the Board of Directors, thank you for your continued support and belief in Barbados Dairy Industries Limited.

Sincerely,

A handwritten signature in black ink, appearing to read "Luis Alvarez".

Luis Alvarez  
Chairman of the Board  
Barbados Dairy Industries Limited





**MR. LUIS MANUEL  
ALVAREZ CARVAJAL**

Executive Director & Chairman –  
Citizen of Colombia

With over 25 years' experience at Cerveceria Nacional Dominicana (CND), Luis Alvarez currently serves as the Regional Director of Legal & Corporate Affairs and has held key leadership roles in Procurement, Logistics, and Supply Chain. He brings a proven track record in driving strategic initiatives and leading high-impact organizational transformations.

A board member for AmBev operations in Cuba, Guatemala, Barbados and the Dominican Republic, he has led Procurement and Foreign Trade across Central America, the Caribbean and South America for 7 years and spent over 13 years advancing the company's Supply Chain Management initiatives. His leadership has been instrumental in implementing sustainability programs across 11 countries, reinforcing his commitment to long-term value creation and operational excellence.

Mr. Alvarez holds a Bachelor of Science degree in Mechanical Engineering from Universidad de Los Andres, Colombia, and a Master's of Business Administration (MBA) from Louisiana State University, USA.



**MR. ROBERTO BATRES**

Executive Director –  
Citizen of Guatemala

An employee of Ambev centroamerica and based in Guatemala, Roberto Batres currently serves as the Legal & Compliance Director for AB-InBev Central America and the Caribbean, which includes Barbados and St. Vincent. Throughout his 20-year career with AB-InBev, he has held key leadership roles Legal, Corporate Affairs & People. He has over 15 years' experience managing legal risks, regulatory compliance, corporate governance, and stakeholder engagement across multiple jurisdictions and cultures.

A founding President of the Anti-Corruption & Corporate Responsibility Commission of the International Chamber of Commerce (ICC) Guatemala chapter, he is passionate about the promotion of best practice and initiatives to foster a culture of transparency, and accountability in the private sector. He is equally passionate about creating positive social impact through our business activities and leveraging legal and compliance expertise to drive innovation and growth.

Mr. Batres earned his law degree at the Universidad Francisco Marroquin and his Masters' of Law at the INIDEM Business Law School in Panama.



**MR. ALVARO MEDINA RECIOS**

Senior Finance Executive  
Citizen of Guatemala

Mr. Medina is a Senior Finance Executive with over 12 years of experience at AB InBev, leading high-performing teams across Central America and the Caribbean. He holds an MBA and a degree in Mechanical Engineering.

Passionate about creating sustainable value through consumer-centric brand portfolios, data-driven insights, and business transformation powered by technology.

He has a proven track record in financial planning and analysis, strategic leadership, treasury, budgeting, negotiation, innovation, fintech, and people engagement.



**CARL 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.



**NEVILLE MCDONALD BREWSTER**

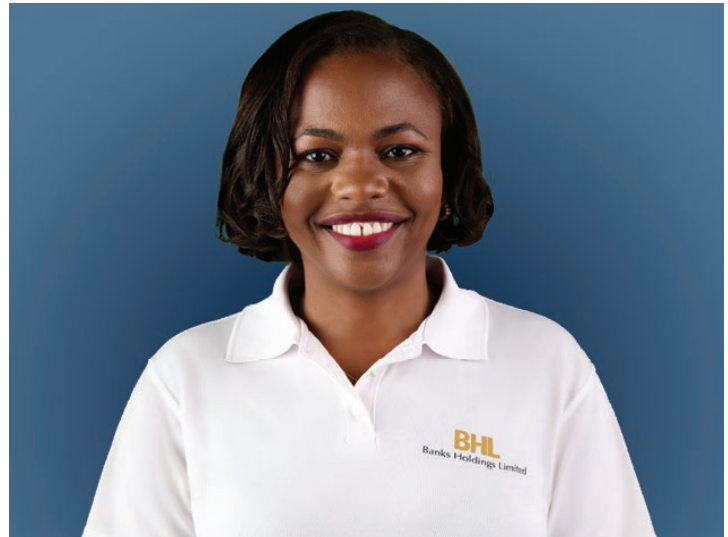
Non-Executive Director –  
Citizen of Barbados

Mr. Brewster utilises his leadership and business experience to provide strategic direction to BDIL. He held the post of Managing Director of Super Centre Ltd. (now Massy Stores) from October 2012 - September 2015. Prior to this, he served Super Centre Ltd. as the Director of Operations from January 2001 to September 2012. Mr. Brewster not only has vast experience in large retail operations; but also possesses marketing skills having worked with Digital Information Systems Ltd. as the Marketing Manager and has petroleum industry experience gained during his tenure with Texaco Eastern Caribbean Ltd. He holds a Bachelor of Science degree in Accounting and an MBA in Business Administration and Marketing.



**PAUL DEVERE DAVIS**  
Non-Executive Director –  
Citizen of Barbados

Mr. Davis has been a member of the BDIL Board since 1997. A former sugar farmer, he became a career dairy farmer in 1983, when he assumed the post of Manager of Walkers Dairy Farm in St. George, a state-of-the-art facility. His public spiritedness has seen Walkers Dairy Farm hosting various school tours as a way of ensuring that future generations are educated about dairy farming. Mr. Davis pursued Agricultural studies at Macdonald College in Canada. A Past-President of the Barbados Dairy and Beef Producers Association of the Barbados Agricultural Society (BAS), Mr. Davis continues to serve as a member of the Association, which he has been associated with since the mid-1980s.



**SHAFIA TONISHA TRACEY LONDON**  
Executive Director –  
Citizen of St. Vincent & the Grenadines

A resilient and highly organized leader, Shafia London currently serves as the Country Manager for BHL Group of Companies and St. Vincent Brewery Ltd, bringing over 11 years of progressive leadership in the AB-InBev regional companies. She began her ABL journey as Marketing Manager at the St. Vincent Brewery, rising through the ranks in marketing and commercial roles to oversee operations across multiple markets. Her strategic insight and operational excellence earned her the title of Top Business Leader - ABL in the Caribbean and Latin America, 2022.

Ms. London holds an MBA from the University of the West Indies, Cave Hill, a Master's degree in Biomedical Engineering from the University College London and a Bachelor's in Biochemistry – with minors in Human Resources Management and Communications – from University of the West Indies, St. Augustine.

Beyond her corporate achievements, she is deeply committed to community service. A past President of the Rotary Club in St. Vincent, she remains an active philanthropist, championing local development and youth empowerment initiatives in her home country.

Her leadership is marked by vision and a consistent drive to deliver results.





**SYDNEY MATTHEW GOODIN**

Corporate Secretary  
Citizen of Barbados

Matthew Goodin is an experienced Corporate Secretary with a strong background in corporate governance, regulatory compliance, and board advisory services. A qualified attorney and a member of the Barbados Bar since 2013, Mr. Goodin has over a decade of experience providing legal guidance to executive leadership teams, and corporate entities across diverse sectors. He simultaneously holds the position of Legal Counsel to the Banks Holdings Group.

Mr. Goodin holds a Bachelor of Laws from De Montfort University, Leicester, UK and a Master of Laws in Corporate Law from University College London and brings a solid academic foundation to legal and governance matters.

In addition to his professional responsibilities, Mr. Goodin has served as Justice of the Peace since 2021, demonstrating a strong commitment to public service and the legal community. He is known for his meticulous approach, discretion and ability to navigate legal and ethical challenges with integrity.

# Directors' Report



1. The Directors hereby submit their annual report and the audited financial statements for the year ended 31 December, 2023.

2. The net income for the year attributable to the Company was	356,511
Which is added to the retained earnings brought forward of	39,250,553
Which is also added to the transfers made during the year	-
Minus dividends of	-
Giving retained earnings of	<u>39,607,064</u>

3. In accordance with Clause 4.4 of the Company's By-Laws the following Directors cease 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. Paul Devere Davis**

**Ms. Shafia Tonisha Tracey London**

**Mr. Andre Emile Thomas**

**Mr. Carlos Enrique Diaz Santiago**

**Mr. Omar Antonio Ginorio Martinez**

**Mr. Alberto Javier Riviera Ramirez**

4. There were no dividends declared in respect of the 12 months ended 31 December 2023.

5. There were no contracts subsisting during or at the end of the financial year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business.

6. As at 31 December 2023 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	
	31.12.23	31.09.25
<b>Banks Holdings Limited (BHL)</b>	<b>3,960,667 (84.43%)</b>	<b>3,960,667 (84.43%)</b>

7. 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

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 section 66 of the Companies Act, Directors are elected by shareholders. Directors elected to fill casual vacancies are elected by the Board.

## Board Meetings & Directors’ Attendance

As at 31 December 2023, there were seven (7) Directors of the Company. The Company’s By-Laws provide that it shall have a minimum of five (5) Directors and a maximum of seven (7) Directors. Of the seven Directors, three (3) are independent of the management of the Company.

The remaining four Directors are Shafia Tonisha Tracey London, Luis Manuel Alvarez Carvajal, Roberto Batres Estrada and Alvaro Rene Medina Recinos. During the period under review, Ms. Shafia Tonisha Tracey London was an officer of Banks Holdings Limited, which provides management services to the Company. Luis Manuel Alvarez Carvajal, Roberto Batres Estrada and Alvaro Rene Medina Recinos were officers of AB InBev, the ultimate parent company of Barbados Dairy Industries Limited during the relevant period.

There were five (5) Board meetings during the Financial Year under review. Outlined below is a table detailing the attendance of the Directors:

Director	Attendance (No. of Meetings)	Rate
Luis Manuel ALVAREZ CARVAJAL	5	100%
C. Richard COZIER	5	100%
Shafia LONDON	5	100%
Roberto BATRES ESTRADA	5	100%
Paul DAVIS	4	80%
Neville BREWSTER	2	40%
Alvaro Rene MEDINA RECINOS	1	20%

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 \$12,454.00 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, PricewaterhouseCoopers SRL, during the financial period under review and the previous financial year:

	2023	2022
Audit Fees	\$267,000	\$391,000

## Executive Management

Management services provided to the Company by Banks Holdings Limited include centralized finance and accounting services, marketing and public relations services, human resources, ICT and legal support services and internal audit services. This pre-empts the need for recruitment of certain categories of executive managers to provide these services to the Company, as they are provided by BHL staff. As at 31 December 2023 the day-to-day operation of the Company was managed by Kenroy Smith, Plant Manager.

## Code Of Ethics

As mandated by the Recommendations, the Company adopted a Code of Ethics during the financial year 2016. The Code of Ethics adopted is that of its parent company, Banks Holdings Limited, and will be 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 has adopted the Insider Trading Policy of its parent company, Banks Holdings Limited. This ensures that the Company remains in compliance with the Insider Trading Guidelines of the Barbados Stock Exchange Inc. Further details about the Policy can be found at [www.thebhlgroup.com](http://www.thebhlgroup.com). 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





## Independent auditor's report

To the Shareholders of Barbados Dairy Industries Limited

### Report on the audit of the financial statements

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#### Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the financial statements present fairly, in all material respects, the financial position of Barbados Dairy Industries Limited (the Company) as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

#### **What we have audited**

The Company's financial statements comprise:

- the statement of financial position as at December 31, 2023;
- the income statement for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policies and other explanatory information.

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#### Basis for qualified opinion

We observed the counting of the physical inventories at December 31, 2023, however we did not observe the counting of the physical inventories at the beginning of the year. Accordingly, we were unable to satisfy ourselves by alternative means concerning inventory quantities held at December 31, 2022. Since opening inventories enter into the determination of the financial performance and cash flows for the year ended December 31, 2023, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the income statement and the net cash flows from operating activities reported in the statement of cash flows. Our audit opinion for the prior year and our audit opinion for the current year were modified because of the possible effects of this matter.

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 financial statements* section of our report.

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

#### **Independence**

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers SRL, The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies  
T: (246) 626 6700, F: (246) 436 1275, [www.pwc.com/bb](http://www.pwc.com/bb)

## Our audit approach

### Overview



- Overall materiality: \$613,000, which represents 1% of revenues.
- In addition to determining materiality, we also assessed, amongst other factors, the following in designing our audit:
  - the risk of material misstatement in the financial statements
  - significant accounting estimates
  - the risk of management override of internal controls
- Revenues from the sale of goods

### Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	\$613,000
<b>How we determined it</b>	1% of revenues
<b>Rationale for the materiality benchmark applied</b>	We chose revenues as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We chose 1% which is within a range of acceptable benchmark thresholds.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above \$30,630, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p><i>Revenues from the sale of goods</i></p> <p><i>Refer to notes 4(c) and 6 to the financial statements for disclosures of related accounting policies and balances.</i></p> <p>The Company recognised revenue from the sale of goods of \$61,2 million for the year ended December 31, 2023.</p> <p>Revenue is a crucial performance metric for evaluating business performance, and there is a potential risk that the revenue from the sale of goods figure reported in the statement of income may be overstated compared to the actual revenues of the Company. In line with IFRS 15, revenue from the sale of goods is recognised when control over the goods has been transferred to the customers, typically when the customer acknowledges receipt of the goods.</p> <p>We consider revenues from the sale of goods significant to our audit because the amount is material to the consolidated financial statements, and is a key performance indicator, and therefore an internal and external stakeholders' focus. Consequently,</p>	<p>Our approach to addressing the matter involved the following procedures, amongst others:</p> <p>We obtained an understanding of the Company's controls relating to fraud in revenue recognition.</p> <p>We assessed the appropriateness of the Company's revenue recognition in accordance with IFRS 15.</p> <p>On a sample basis, we reconciled to the supporting documentation such as sales orders, sales invoices, shipping documents and subsequent collections.</p> <p>A specific emphasis was placed on verifying that revenue transactions at the end of the financial year and at the beginning of the new financial year, on a sample basis, were recognized in the proper accounting period, by comparing revenues close to the balance sheet date, with the respective contractual terms and supporting documents.</p>



there might be pressure to achieve forecasted results. In addition, it involves the review of numerous transactions, ensuring that the amount and timing are appropriate. The correct recording and recognition of these transactions, directly impacts the profitability of the Company.

We evaluated the presentation and classification of the reported balance and assessed the note disclosures in the Company's financial statements.

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### Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

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.

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### Responsibilities of management and those charged with governance for the financial statements

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

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

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

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### Auditor's responsibilities for the audit of the financial statements

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





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

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

We communicate with 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 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.



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#### Other matter

This report is made solely to the Company'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 Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

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The engagement partner on the audit resulting in this independent auditor's report is Gerald Mahon.

A handwritten signature in blue ink that reads "Price Waterhouse Coopers SRL".

Bridgetown, Barbados  
May 14, 2025

December 31, 2023

(expressed in Barbados dollars)



	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>	6	61,259,183	53,000,365
Cost of sales	7	(54,497,818)	(50,537,423)
<b>Gross profit</b>		<b>6,761,365</b>	<b>2,462,942</b>
Other expense		(85,046)	(48,777)
Selling, general and administrative expenses	7	(6,520,896)	(6,148,005)
<b>Income/(loss) from operations</b>		<b>155,423</b>	<b>(3,733,840)</b>
Net finance income/(expense)		217,648	(14,116)
<b>Income/(loss) before taxation</b>		<b>373,071</b>	<b>(3,747,956)</b>
Income tax (expense)/benefit	8	(16,560)	129,597
<b>Net income/(loss) for the year</b>		<b>356,511</b>	<b>(3,618,359)</b>
<b>Income/(loss) per share</b>			
Basic and diluted	19	0.08	(0.77)

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



	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<b>Net income/(loss) for the year</b>		<b>356,511</b>	<b>(3,618,359)</b>
<b>Other comprehensive income, net of tax</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of post-employment benefits	15, 16	354,000	3,830,000
Income tax effect	8	<u>(149,100)</u>	<u>(210,650)</u>
Other comprehensive income for the year, net of tax		<u>204,900</u>	<u>3,619,350</u>
<b>Total comprehensive income for the year, net of tax</b>		<b><u>561,411</u></b>	<b><u>991</u></b>

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



	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	13,221,702	11,637,460
Pension plan assets	15	4,264,000	3,700,000
Deferred tax asset	8	1,544,346	1,710,006
<b>Total non-current assets</b>		<b>19,030,048</b>	<b>17,047,466</b>
<b>Current assets</b>			
Cash and cash equivalents	9	6,179,539	3,273,754
Receivables and prepayments	10	6,785,092	7,460,418
Due from related parties	18	4,220,618	11,005,901
Inventories	11	22,788,594	20,830,650
<b>Total current assets</b>		<b>39,973,843</b>	<b>42,570,723</b>
<b>Total assets</b>		<b>59,003,891</b>	<b>59,618,189</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	998,028	998,028
Other reserves		(3,174,172)	(3,379,072)
Retained earnings		39,607,064	39,250,553
<b>Equity attributable to equity holders</b>		<b>37,430,920</b>	<b>36,869,509</b>
<b>Non-current liabilities</b>			
Post-employment medical liability	16	403,000	394,000
Lease liabilities	13	1,299,284	78,370
<b>Total non-current liabilities</b>		<b>1,702,284</b>	<b>472,370</b>
<b>Current liabilities</b>			
Trade and other payables	12	8,907,728	14,133,940
Lease liabilities	13	105,022	107,460
Due to related parties	18	10,837,543	8,014,516
Income tax payable	8	20,394	20,394
<b>Total current liabilities</b>		<b>19,870,687</b>	<b>22,276,310</b>
<b>Total equity and liabilities</b>		<b>59,003,891</b>	<b>59,618,189</b>

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

Approved by the Board of Directors on May 9, 2025

Director

Director

Barbados Dairy Industries Limited  
**Statement of Changes in Equity**  
**December 31, 2023**  
*(expressed in Barbados dollars)*



	Share capital	Other reserves	Retained earnings	Total
<b>Balance at December 31, 2021</b>	<b>998,028</b>	<b>(6,998,422)</b>	<b>42,868,912</b>	<b>36,868,518</b>
Net loss for the year	—	—	(3,618,359)	(3,618,359)
Other comprehensive income for the year	—	3,619,350	—	3,619,350
<b>Total comprehensive income/(loss) for the year</b>	<b>—</b>	<b>3,619,350</b>	<b>(3,618,359)</b>	<b>991</b>
<b>Balance at December 31, 2022</b>	<b>998,028</b>	<b>(3,379,072)</b>	<b>39,250,553</b>	<b>36,869,509</b>
Net income for the year	—	—	356,511	356,511
Other comprehensive income for the year	—	204,900	—	204,900
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>204,900</b>	<b>356,511</b>	<b>561,411</b>
<b>Balance at December 31, 2023</b>	<b>998,028</b>	<b>(3,174,172)</b>	<b>39,607,064</b>	<b>37,430,920</b>

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

	Notes	2023	2022
<b>Cash flows from operating activities</b>			
Income/(loss) before taxation		373,071	(3,747,956)
Adjustments for:			
Depreciation	14	1,758,868	1,249,337
Net finance (income)/expense		(217,648)	14,116
Post-employment medical liability expense	16	11,000	73,000
Impairment loss/(reversal) of trade receivables		210,704	(90,404)
Post-employment medical liability benefits paid	16	(17,000)	(15,000)
Pension plan expense	15	87,000	145,000
Reversal of provision for inventory	11	(178,623)	(44,597)
<b>Operating income/(loss) before working capital changes</b>		<b>2,027,372</b>	<b>(2,416,504)</b>
Decrease/(increase) in receivables and prepayments		464,622	(2,669,259)
Decrease in due from related companies		6,785,283	1,420,201
Increase in inventories		(1,779,321)	(4,593,659)
(Decrease)/increase in accounts payable and accruals		(5,226,212)	4,157,727
Increase in due to related companies		2,823,027	3,497,223
<b>Cash generated from/(used) in operations</b>		<b>5,094,771</b>	<b>(604,271)</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(2,005,148)	(1,759,493)
<b>Net cash used in investing activities</b>		<b>(2,005,148)</b>	<b>(1,759,493)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(119,486)	(124,045)
Interest paid lease liabilities		(64,352)	(18,116)
<b>Net cash used in financing activities</b>		<b>(183,838)</b>	<b>(142,161)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>2,905,785</b>	<b>(2,505,925)</b>
Cash and cash equivalents at beginning of year		3,273,754	5,779,679
<b>Cash and cash equivalents at end of year</b>		<b>6,179,539</b>	<b>3,273,754</b>

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

## 1 Nature of operations

Barbados Dairy Industries Limited (the “Company”), a publicly listed entity in Barbados, was incorporated under the Laws of Barbados on March 12, 1964. Its parent company is Banks Holdings Limited (“BHL”). The principal activity of the Company is the manufacturing, processing and distribution of dairy products and fruit juices.

In 2015, the parent company was acquired by SLU Beverages (“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 Belgium. The Company’s registered office is located at the Pine, St. Michael, Barbados.

## 2 General information and compliance with IFRS Accounting Standards

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). They were authorised for issue by the Company’s board of directors on May 9, 2025.

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

At the date of authorisation of these 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 been adopted early by the Company. 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 Company’s financial statements.

## 4 Summary of material accounting policies

### a) Basis of presentation and measurement

The financial statements have been prepared on a historical cost basis, except for defined benefit plans assets that have been measured at fair value. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

### b) Functional and presentation currency

Unless otherwise specified, all financial information included in these financial statements has been stated in Barbados dollars, which is the Company’s functional and presentation currency.

### 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 Company 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.

Revenue from the sale of goods is measured at the amount that reflects the best estimate of the consideration expected to be received in exchange for those goods. Revenue from sale of goods is recognised at the point in time when control is transferred to the customer. At such point the performance obligation to the customer is fulfilled. Generally, control is transferred upon delivery of the goods to the customer's location or upon pickup by the customer from our facilities.

Contracts can include significant variable elements, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses and penalties. Such trade incentives are treated as variable consideration. If the consideration includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer. Variable consideration is only included in the transaction price if it is highly probable that the amount of revenue recognised would not be subject to significant future reversals when the uncertainty is resolved.

**d) Foreign currency transactions**

Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing on the reporting date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction or, for those stated at fair value, at the dates the fair value was determined.

**e) Taxation**

Income 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 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.



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. 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. 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 statement of income, except where they relate to items that are recognised in other comprehensive income (such as the remeasurement of post-employment benefits) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

**f) 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.

**g) Trade receivables**

The Company'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 the amount adjusted for the time value of money. The Company 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.

Trade and other receivables are carried at amortised cost less impairment losses. The company applies a simplified approach in calculating Expected Credit Losses (ECLs) for trade receivables. Therefore the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

**h) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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:

Leasehold buildings	10 to 50 years
Plant and equipment, fixtures, fittings and others	3 to 25 years
Motor vehicles	5 years
Containers	3 to 5 years
Right of use assets	2 to 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income.

#### **i) Segment reporting**

The Company derives its revenue in two major segments - (1) manufacturing and processing of dairy products and (2) the manufacturing and processing of fruit juices. The Company'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) 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 Company expects to pay as a result of the unused entitlement.

##### *Post-employment benefits*

The Company operates a defined benefit plan, the assets of which are held in a separate fund administered by Trustees. The plan was closed to new entrants in 2003. When necessary, the Company meets the balance of the cost of funding the plan and pays contributions to the plan. 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 15.

The pension accounting costs are accrued using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement 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 amounts charged to the income statement include current service cost in staff cost and, net interest cost (income) in net finance income/(expense). The liability or asset recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The 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. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest) are recognized in full in the period in which they occur in the statement of comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

The Company also provides post-employment healthcare benefits to its employees, pensioners and their registered dependants. These benefits are funded by contributions from the Company to Coralisle Medical Insurance Company Ltd. 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.

#### **k) Leases**

The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, and payments for these leases are presented in cash flow from operating activities.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated on a straight-line basis starting at the commencement date over the shorter period of useful life of the underlying asset and lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate specific to the country, term and currency of the contract. In addition, the Company considers its recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating the incremental borrowing rates. Lease payments include fixed payments, less any lease incentives, variable lease payments that depend on an index or a rate known at the commencement date, and purchase options or extension option payments if the Company is reasonably certain to exercise these options.

On the statement of financial position, right-of-use asset has been included in property, plant and equipment and lease liabilities are recognised on the face of the statement of financial position.

**l) Cash and cash equivalents**

Cash and cash equivalents comprise of cash at a reputable bank and in hand and short-term deposits net of bank overdrafts, if any. The short-term deposits consist of highly liquid investments with a maturity of three months or less from the date of acquisition that are readily convertible into cash.

**m) Impairment of other non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the asset's recoverable amount is estimated. 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.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss been recognised.

**n) Provisions**

Provisions are recognised when (i) the Company has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for disputes and litigation is recognised when it is more likely than not that the Company will be required to make future payments as a result of past events, such items may include but are not limited to, several claims, suits and actions relating to antitrust laws, violations of distribution and license agreements, environmental matters, employment related disputes, claims from tax authorities related to indirect taxes, and alcohol industry litigation matters.

**o) Financial instruments**

*i) Recognition*

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

ii) *Classification and measurement*

Except for trade receivables, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial asset. Debt financial instruments are subsequently measured at amortised cost, FVOCI or FVPL. The classification is based on two criteria: the objective of the company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The classification and measurement of the company's financial assets is as follows:

- Debt instruments at amortised cost: comprise investments in debt securities where the contractual cash flows are solely payments of principal and interest and the company's business model is to collect contractual cash flows. Interest income, foreign exchange gains and losses and any impairment charges for such instruments are recognised in profit or loss.
- Financial assets and liabilities at FVPL: comprise derivative instruments and equity instruments which were not designated as FVOCI. This category also includes debt instruments which do not meet the cash flow or the business model tests.

iii) *Offsetting*

Financial assets and liabilities are offset, and the net amount reported in the 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.

iv) *Derecognition*

A financial asset is primarily derecognised (i.e., removed from the Company's statement of financial position) when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

v) *Impairment of other financial assets*

For other financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.



## 5 Critical accounting judgements, estimates and assumptions

The preparation of the Company's 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:

### *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 income statement. The Company believes such estimates represent a fair charge for the level of inventory losses in a given year. The Company's policy is to review on an annual basis the condition of its inventory.

### *Deferred tax assets*

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, 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 Company 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 Company considers the interest rates of government securities which have terms to maturity approximating the terms of the related pension obligation. See also note 15.

## 6 Revenue

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

Country	2023	2022
Barbados	47,902,885	42,715,170
Other Caribbean countries ( <i>excluding Barbados</i> )	13,104,384	10,041,694
Other countries outside Caribbean	251,914	243,501
	<b>61,259,183</b>	<b>53,000,365</b>

## 7 Operating expenses

The details of operating expenses by nature are shown below.

	2023	2022
Materials	38,440,687	34,681,860
Staff costs (i)	7,475,003	7,483,351
Production overhead	8,043,051	8,752,293
Advertising and promotions	1,177,067	1,648,626
Depreciation (note 14)	1,758,868	1,249,337
Other operating expenses (ii)	4,124,038	2,869,961
	<b>61,018,714</b>	<b>56,685,428</b>

- The Company comprises staff costs of expenses related to salaries, wages and allowances, bonus and gratuity, NIS contributions, pension - current service cost, post-employment medical, and other staff costs.
- The Company consolidates expenses such as professional and management fees, administrative and offices expenses, and others miscellaneous expenses within the Other operating expenses line item. Audit fees for the Company for the year ended December 31, 2023 totalled \$267,000 (2022 - \$391,000). There were no other fees paid to the auditor for non-assurance services during the period.

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

	2023	2022
Cost of sales	54,497,818	50,537,423
Selling, general and administrative expenses	6,520,896	6,148,005
	<b>61,018,714</b>	<b>56,685,428</b>

## 8 Income tax

	2023	2022
<b>Statement of income</b>		
The taxation charge on net income consists of:		
Current tax expense for the year	—	—
Deferred tax expense/(credit) for the year	16,560	(129,597)
<b>Total taxation charge/(credit) on net income</b>	<b>16,560</b>	<b>(129,597)</b>

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

	<u>2023</u>	<u>2022</u>
Income/(loss) before taxation	<u>373,071</u>	<u>(3,747,956)</u>
Taxed at statutory rates of 5.5 % (2022 - 5.5%)	20,519	(206,138)
Unutilized tax losses	–	138,274
Depreciation on assets	(110,365)	38,832
Depreciation on assets not qualifying for capital allowances	96,738	23,271
Non-deductible expenses	50	5,185
Pension and post-employment medical benefits	23,760	(129,021)
Others	(20,582)	–
Remeasurement of deferred tax at the new enacted rate	<u>6,440</u>	<u>–</u>
	<u>16,560</u>	<u>(129,597)</u>
	<u>2023</u>	<u>2022</u>
<b>Deferred tax asset</b>		
Balance at beginning of year	<u>1,710,006</u>	<u>1,791,059</u>
Deferred tax credit/(charge) recognised in the statement of income:		
Accelerated depreciation for accounting purposes	–	(19,622)
Unutilised tax losses	–	138,274
Pension plan assets and post-employment medical liability	(10,120)	10,945
Remeasurement of deferred tax at the new enacted rate	<u>(6,440)</u>	<u>–</u>
	<u>(16,560)</u>	<u>129,597</u>
Deferred tax charge recognised in other comprehensive income		
Pension plan asset and post-retirement medical liability	(20,405)	(210,650)
Remeasurement of deferred tax at the new enacted rate	<u>(128,695)</u>	<u>–</u>
Balance at end of year	<u>1,544,346</u>	<u>1,710,006</u>

The deferred tax asset is analysed as follows:

	<u>2023</u>	<u>2022</u>
Accelerated depreciation for accounting purposes	<b>1,321,919</b>	1,321,919
Unutilized tax losses	<b>569,917</b>	569,917
Pension plan assets and post-retirement medical liability	<b>(347,490)</b>	(181,830)
	<u><b>1,544,346</b></u>	<u>1,710,006</u>

The Company has unutilised tax losses of \$10,372,833 (2022 - \$10,362,116) available to be carried forward 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
2018	1,813,177	2025
2019	4,025,524	2026
2021	2,009,348	2028
2022	2,514,067	2029
2023	<u>10,717</u>	2030
	<u><b>10,372,833</b></u>	

The Company has not recognised the full value of the deferred tax asset arising from accelerated depreciation for accounting purposes and unutilised tax losses as the recovery of the amounts arising from future taxable income is uncertain. The deferred tax asset not recognised amounts to \$1,467,511 (2022 - \$Nil).

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

	<u>2023</u>	<u>2022</u>
Balance at beginning and end of year	<u><b>20,394</b></u>	<u>20,394</u>

## 9 Cash and cash equivalents

	<u>2023</u>	<u>2022</u>
Cash on hand	<b>7,872</b>	372
Cash at banks	<u><b>6,171,667</b></u>	<u>3,273,382</u>
	<u><b>6,179,539</b></u>	<u>3,273,754</u>

Cash at banks is held with a local commercial bank in non-interest-bearing accounts.

## 10 Receivables and prepayments

	2023	2022
Trade receivables, net (note 21)	5,357,966	6,219,730
Other receivables, net (note 21)	200,509	267,941
Prepayments	1,226,617	972,747
	<b>6,785,092</b>	<b>7,460,418</b>

## 11 Inventories

	2023	2022
Raw materials	11,225,385	9,771,611
Fuel and factory supplies	8,787,468	7,996,704
Finished goods	3,739,813	4,200,847
Marketing materials	57	4,240
Provision for inventory obsolescence	(964,129)	(1,142,752)
	<b>22,788,594</b>	<b>20,830,650</b>

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

	2023	2022
Balance at beginning of year	1,142,752	1,187,349
Reversal of provision for the year	(178,623)	(44,597)
Balance at end of year	<b>964,129</b>	<b>1,142,752</b>

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

## 12 Trade and other payables

	2023	2022
Dividends payable	214,604	215,669
Accruals and other payables	4,106,286	7,849,523
Trade payables	4,586,838	6,068,748
	<b>8,907,728</b>	<b>14,133,940</b>

Trade and other payables are non-interest bearing and are normally settled on 30 - 180 day terms.



### 13 Leases

The Company classifies its right-of-use assets in a separate class in the property, plant and equipment (see note 14). The breakdown of lease liabilities is as follows:

	<u>2023</u>	<u>2022</u>
Current	<b>105,022</b>	107,460
Non-current	<b>1,299,284</b>	78,370
	<b><u>1,404,306</u></b>	<b><u>185,830</u></b>

The Company's leasing activities by type of right-of-use asset recognised on the statement of financial position under property, plant and equipment. These assets include motor vehicles, equipment, and property. During the year, the Company had one leased motor vehicle, five leased equipment assets and entered into a new lease agreement for a land and a building (note 14). The incremental borrowing rates applied to these leases range from 10.92% to 11.90%.

The remaining lease term for the equipment is 0.5 years. The remaining lease term for the vehicle is 1.75 years. The remaining lease term for the land and building is 14.67 years. The lease agreements do not hold an option to purchase or to terminate the agreement and are not subject to a variable payment method.

#### 14 Property, plant and equipment

	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, 2021</b>								
Cost	15,739,153	40,715,151	2,039,036	116,661	632,729	2,428,904	424,367	62,096,001
Accumulated depreciation	(11,612,282)	(36,706,874)	(1,930,188)	(116,661)	(475,618)	–	(316,363)	(51,157,986)
<b>Net book value</b>	<b>4,126,871</b>	<b>4,008,277</b>	<b>108,848</b>	<b>–</b>	<b>157,111</b>	<b>2,428,904</b>	<b>108,004</b>	<b>10,938,015</b>
<b>Year ended December 31, 2022</b>								
Opening net book value	4,126,871	4,008,277	108,848	–	157,111	2,428,904	108,004	10,938,015
Additions	–	–	–	–	–	1,759,493	189,289	1,948,782
Transfers	145,635	674,066	16,596	–	–	(836,297)	–	–
Depreciation charges	(429,186)	(622,515)	(25,085)	–	(52,371)	–	(120,180)	(1,249,337)
<b>Net book value</b>	<b>3,843,320</b>	<b>4,059,828</b>	<b>100,359</b>	<b>–</b>	<b>104,740</b>	<b>3,352,100</b>	<b>177,113</b>	<b>11,637,460</b>
<b>At December 31, 2022</b>								
Cost	15,884,788	41,389,217	2,055,632	116,661	632,729	3,352,100	613,656	64,044,783
Accumulated depreciation	(12,041,468)	(37,329,389)	(1,955,273)	(116,661)	(527,989)	–	(436,543)	(52,407,323)
<b>Net book value</b>	<b>3,843,320</b>	<b>4,059,828</b>	<b>100,359</b>	<b>–</b>	<b>104,740</b>	<b>3,352,100</b>	<b>177,113</b>	<b>11,637,460</b>



Year ended December 31, 2023	Buildings on leasehold land	Plant and machinery	Furniture, fittings and other equipment	Motor vehicles	Containers	Capital works in progress	Right-of-use assets	Total
Opening net book value	3,843,320	4,059,828	100,359	–	104,740	3,352,100	177,113	11,637,460
Additions	–	–	488,232	–	–	1,516,916	1,337,962	3,343,110
Transfers	136,008	3,312,663	–	–	389,871	(3,838,542)	–	–
Depreciation charges	(428,760)	(872,329)	(189,074)	–	(131,546)	–	(137,159)	(1,758,868)
<b>Net book value</b>	<b>3,550,568</b>	<b>6,500,162</b>	<b>399,517</b>	<b>–</b>	<b>363,065</b>	<b>1,030,474</b>	<b>1,377,916</b>	<b>13,221,702</b>
<b>At December 31, 2023</b>								
Cost	16,020,796	44,701,880	2,543,864	116,661	1,022,600	1,030,474	1,951,618	67,387,893
Accumulated depreciation	(12,470,228)	(38,201,718)	(2,144,347)	(116,661)	(659,535)	–	(573,702)	(54,166,191)
<b>Net book value</b>	<b>3,550,568</b>	<b>6,500,162</b>	<b>399,517</b>	<b>–</b>	<b>363,065</b>	<b>1,030,474</b>	<b>1,377,916</b>	<b>13,221,702</b>

By way of support for the dairy industry, the National Housing Corporation (or 'NHC', then The Housing Authority) and Barbados Dairy Industries Limited ('BDIL') entered into a lease agreement in 1964 for 50 years. Under the terms of this lease, at the cost of \$1 per year, BDIL was permitted to develop its manufacturing infrastructure on Crown land, on the condition that it also cover all land taxes, building insurance and on-going maintenance costs related to the buildings erected. Under the lease terms, the ownership of the land and the buildings were due to revert to the NHC in 2014 (i.e., at expiration). After the lease expired, negotiations with the NHC concluded in 2023, resulting in a new lease agreement. Effective September 2023, NHC and BDIL entered into a new 15-year lease at a rate of \$15,000 per month.

## 15 Pension plan assets

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

	<u>2023</u>	<u>2022</u>
Fair value of plan assets	<b>12,543,000</b>	11,925,000
Present value of funded obligations	<b>(8,279,000)</b>	(8,225,000)
Net asset recognised in the statement of financial position	<b><u>4,264,000</u></b>	<u>3,700,000</u>

The amounts recognised in the income statement are as follows:

	<u>2023</u>	<u>2022</u>
Interest cost	<b>(700,000)</b>	(791,000)
Current service cost	<b>(54,000)</b>	(114,000)
Administrative fees	<b>(33,000)</b>	(31,000)
Interest income on plan assets	<b><u>1,017,000</u></b>	<u>795,000</u>
Total, in income statement	<b><u>230,000</u></b>	<u>(141,000)</u>
Of which:		
Operating expenses	<b><u>(87,000)</u></b>	<u>(145,000)</u>
Net finance income	<b><u>317,000</u></b>	<u>4,000</u>

The amount recognised in other comprehensive income is shown below.

	<u>2023</u>	<u>2022</u>
Return on plan assets (exceeding)/below interest income	<b>(92,000)</b>	1,379,000
Gain from change in assumptions	<b><u>(242,000)</u></b>	<u>(5,029,000)</u>
Other comprehensive income	<b><u>(334,000)</u></b>	<u>(3,650,000)</u>

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

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	<b>3,700,000</b>	191,000
Net income/(expense) recognised in the income statement	<b>230,000</b>	(141,000)
Other comprehensive income	<b><u>334,000</u></b>	<u>3,650,000</u>
Balance at end of year	<b><u>4,264,000</u></b>	<u>3,700,000</u>

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

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	<b>8,225,000</b>	12,833,000
Actuarial gain on obligation	<b>(242,000)</b>	(5,029,000)
Interest cost	<b>700,000</b>	791,000
Current service cost	<b>54,000</b>	114,000
Administrative fees	<b>33,000</b>	31,000
Employee contributions	<b>17,000</b>	19,000
Benefits paid	<b>(508,000)</b>	(534,000)
Balance at end of year	<b><u>8,279,000</u></b>	<u>8,225,000</u>

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

	<u>2023</u>	<u>2022</u>
Fair value of plan assets at beginning of year	<b>11,925,000</b>	13,024,000
Interest income on plan assets	<b>1,017,000</b>	795,000
Return on plan assets exceeding/(below) interest income	<b>92,000</b>	(1,379,000)
Contributions by employer and employee	<b>17,000</b>	19,000
Benefits paid	<b>(508,000)</b>	(534,000)
Fair value of plan assets at end of year	<b><u>12,543,000</u></b>	<u>11,925,000</u>

A quantitative sensitivity analysis for significant assumptions on the present value of the funded obligations as at December 31, 2023 is shown below.

	<u>Increase</u>	<u>Decrease</u>
Change in discount rate by 1%	(752,219)	1,067,396
Change in salary increase by 0.5%	188,062	(29,039)

The remaining life expectancy at age 65 for current male pensioners is 19.2 years, while for female pensioners it is 21.7 years. The weighted duration of the defined benefit obligation is 13.8 years.

The Company expects to contribute \$Nil to its defined benefit pension plans in 2024.



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

	<b>2023</b> %	<b>2022</b> %
Bonds	37	36
Mortgages	23	21
Real estate	16	17
Mutual funds	19	18
Equities	3	5
Others	2	3

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.

<b>Experience history</b>	<b>2023</b> %	<b>2022</b> %
Principal actuarial assumptions as at December 31:		
Discount rate at end of year	9	8.75
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

Through its defined benefit plan, the Company 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.

## 16 Post-employment medical liability

Liability recognised in the statement of financial position represents the present value of unfunded obligations.

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

	<b>2023</b>	<b>2022</b>
Interest cost	35,000	49,000
Current service cost	11,000	24,000
Total, included in income statement	<b>46,000</b>	<b>73,000</b>

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

	2023	2022
Balance at beginning of year	394,000	516,000
Interest cost	35,000	49,000
Current service cost	11,000	24,000
Benefits paid	(17,000)	(15,000)
Actuarial gain (i)	(20,000)	(180,000)
Balance at end of year	403,000	394,000

(i) The actuarial gain is recognised in other comprehensive income.

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

	2023	2022
Discount rate at end of year	9.00%	8.75%
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%	51,104	(50,962)
Change of discount rate by 1%	(45,484)	44,835

The weighted duration of the defined benefit obligation was 14 years.

Assuming no changes in the premium rates, the Company expects to pay premiums of \$18,000 during the 2024 financial year.

## 17 Equity

### Share capital

*Authorised:*

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

*Stated and issued:*

	Number of shares		Stated value	
	2023	2022	2023	2022
Balance at beginning and end of year	4,691,094	4,691,094	998,028	998,028

For the 2023 and 2022 financial period, the Company's Board of Directors has not declared any dividends.

## 18 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. Related party balances:

	<u>2023</u>	<u>2022</u>
<b>Receivables</b>		
Entities under common control	<u>4,220,618</u>	<u>11,005,901</u>
<b>Payables</b>		
Entities under common control	<u>10,837,543</u>	<u>8,014,516</u>

The amounts due to/from related parties are unsecured, interest-free and have no fixed terms of repayments. Payables to related parties related mainly to dividends payable.

During the year, the Company entered into the following transactions with its parent and fellow subsidiaries:

	<u>2023</u>	<u>2022</u>
Sales to related companies	15,956,844	12,516,498
Purchases from related companies	15,161,718	9,830,294
Management fees paid to related company	750,000	750,000
Management fee paid to parent company	624,000	624,000
Rent charged to related parties	75,852	75,852

Compensation paid to key management of the Company:

	<u>2023</u>	<u>2022</u>
Short-term employment benefits	<u>634,540</u>	<u>870,091</u>

## 19 Earnings/(loss) per share

	<u>2023</u>	<u>2022</u>
Net income/(loss) for the year	356,511	(3,618,359)
Divided by weighted average number of outstanding shares	<u>4,691,094</u>	<u>4,691,094</u>
Basic and diluted income/(loss) per share	<u>0.08</u>	<u>(0.77)</u>

The Company has no dilutive potential ordinary shares as at December 31, 2023 and 2022.

## 20 Contingencies

### Legal claims

There are pending claims and legal actions filed by the Company or against the Company arising from the normal course of business. These include claims filed against the Company for unfair or wrongful dismissal of employees, breaches of contract and damages for personal injuries, and other related matters. No provision has been made in the financial statements as at December 31, 2023, in respect of these claims as the amount and outcome is not presently determinable.

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

### Other contingencies

Effective December 2019, the Company 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 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 Company's shares on the BSE was lifted.

## 21 Financial risk management

### a) Financial risk factors

The Company'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 Company has not entered into derivative contracts to reduce risk exposures. The Company's risk management focuses on actively seeking to minimise potential adverse effects on its financial performance.

The Company's risk management is coordinated with the Board of Directors and focuses on actively securing the Company'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 Company 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 Company is exposed are described below.

### i) Market risk

#### *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 Company operates primarily in the Barbados market and is therefore not subject to significant foreign currency risk.

The Company has transactional currency exposures, however, the majority of those transaction are in the United States dollar which has a fixed exchange rate to the functional currency, the Barbados dollar. Exposures to foreign currencies other than the United States dollar are not considered significant.

## ii) Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Company. The Company's credit risk arises from cash at banks, as well as credit exposures to customers and receivables.

Cash at banks are only held with a well-known reputable bank and financial institution. 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 utilisation of credit limits is regularly monitored. Products rendered to customers are settled primarily in cash and cheques.

### *Credit risk management*

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statement of financial position. The carrying amount is presented net of impairment losses recognised, as summarised below.

	<u>2023</u>	<u>2022</u>
Cash at bank	<b>6,171,667</b>	3,273,382
Trade and other receivables	<b>5,558,475</b>	6,487,671
Due from related parties	<b>4,220,618</b>	11,005,901
	<b><u>15,950,760</u></b>	<u>20,766,954</u>

The allowance for impairment recognised during the period on trade and other receivables was as follows:

	<u>2023</u>	<u>2022</u>
<b>Loss allowance as at January 1</b>	–	90,404
Loss allowance recognised/(reversed) during the year	<b>108,369</b>	–
Reversal of loss allowance recognised during the year	–	(90,404)
<b>Loss allowance as at December 31 (note 10)</b>	<b><u>108,369</u></b>	<u>–</u>

Other receivables loss allowance amounts to \$93,119 of the \$108,369 (2022 - \$Nil). During 2023, other receivables were written-off by \$102,335 (2022 - \$Nil).

There was no significant concentration of credit risks with any single counterparty as at December 31, 2023 and 2022.

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 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. When measuring fair value, the Company uses observable market data as far as possible.

The carrying amount of cash and cash equivalents, trade and other receivables, due from related parties, trade and other payables, due to related parties, and lease liabilities are considered to be a reasonable approximation of their fair value.

## 22 Segment 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 financial statements.

<b>Operating segments - 2023</b>	<b>Juice beverages</b>	<b>Dairy products</b>	<b>Total</b>
Revenues	32,216,113	29,043,070	<b>61,259,183</b>
Cost of sales	(28,398,083)	(26,099,735)	<b>(54,497,818)</b>
<b>Gross profit</b>	<b>3,818,030</b>	<b>2,943,335</b>	<b>6,761,365</b>
Selling, general and administrative expenses	(4,211,410)	(2,309,486)	<b>(6,520,896)</b>
<b>(Loss)/profit from operations</b>	<b>(393,380)</b>	<b>633,849</b>	<b>240,469</b>
Other expenses			<b>(85,046)</b>
Net finance income			<b>217,648</b>
<b>Segment profit before taxation</b>			<b>373,071</b>
<b>Operating segments - 2022</b>	<b>Juice beverages</b>	<b>Dairy products</b>	<b>Total</b>
Revenues	25,205,126	27,795,239	<b>53,000,365</b>
Cost of sales	(23,850,148)	(26,687,275)	<b>(50,537,423)</b>
<b>Gross profit</b>	<b>1,354,978</b>	<b>1,107,964</b>	<b>2,462,942</b>
Selling, general and administrative expenses	(3,690,229)	(2,457,776)	<b>(6,148,005)</b>
<b>Loss from operations</b>	<b>(2,335,251)</b>	<b>(1,349,812)</b>	<b>(3,685,063)</b>
Other expenses			<b>(48,777)</b>
Net finance expense			<b>(14,116)</b>
<b>Segment loss before taxation</b>			<b>(3,747,956)</b>



## 23 Post reporting date events

### *Barbados Corporation Tax Reform*

On November 7, 2023, the Government of Barbados announced tax measures in response to the OECD's Pillar Two global minimum tax initiative, including an increase of the Barbados corporate tax rate to 9% reflected in the Barbados - Corporation Tax Reform 2024 Framework. All companies, except those that meet a specific criteria, will be subject to the application of this 9% rate. Based on the nature of the Company, it will be subject to the 9% rate from January 1, 2024.

### *Global Minimum Tax*

The Government of Barbados has also introduced a Qualified Domestic Minimum Top-Up Tax that applies to large multinational enterprise (MNE) groups with global consolidated revenues over €750 million for tax years beginning on or after January 1, 2024 which will top-up the Barbados effective tax rate payable by an entity subject to Pillar Two, to 15%.

The Company has concluded that it is part of a group which is within the scope of the Pillar Two model rules, and as such, the effective tax rate payable from January 1, 2024 will be 15%.

### *Share and purchase agreement*

In December 2024, CND has entered into a share and purchase agreement with a potential buyer for the acquisition of the Company, BHL and certain other subsidiaries of BHL. The transaction is currently undergoing regulatory approval process and is anticipated to be completed in 2025.

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 Fifty-Fifth (55th) Annual General Meeting of the Shareholders of Banks Holdings Limited (the “Company”) to be held at the Courtyard at Marriott, The Garrison Historic Area, Hastings, Christ Church, Barbados on **Thursday, the 4th 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 solicitation will be primarily by mail. 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 **Tuesday, the 2nd day of 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 **Thursday, the 13th 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 **Thursday, the 13th 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 **4,691,094** 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 2023, there were seven (7) 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. Paul Devere Davis	Farmer

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 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 Paul Devere Davis 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 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*.



I/We..... of .....

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.....

.....shareholder(s) of BARBADOS DAIRY INDUSTRIES LIMITED (the "Company") hereby appoint .....

..... of .....

.....

..... or, failing him, .....

..... of .....

.....

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as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the Fifty-Fifth (55th) Annual General Meeting of the Shareholders of Barbados Dairy Industries Limited (the "Company") to be held at the Courtyard at Marriott, The Garrison Historic Area, Hastings, Christ Church, Barbados on **Thursday, the 4th 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)

CUT HERE

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)	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.			
5(ii)	THAT in accordance with the requirements of paragraph 4.4 of the By-Law No.2 of the Company, Mr. Paul Devere Davis 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.			
5(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.			
5(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.			
5(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.			
5(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.			
5(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.			





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>			
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#### 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 Tuesday, the 2nd day of December, 2025 at 4:15 P.M.**





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