



**ANGOSTURA HOLDINGS LIMITED**  
**AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2018  
(Expressed in Trinidad and Tobago dollars)

The Board of Directors of Angostura Holdings Limited is pleased to report an increase in profit after tax of \$18.8 million or 16.9% for the fiscal year ended December 31, 2018 over the comparative period last year. Profit after tax for the fiscal year was \$129.9M (2017: TT\$111.1M) with Comprehensive Income for the period of \$131.6M compared to \$105.2M in the prior year.

A change in accounting treatment to reflect gross revenues including excise taxes resulted in an increase in revenues by 5.2% from \$745m for the year ended December 31, 2017 (after restatement) to \$783.7m for the year ended December 31, 2018. This resulted in an increase in gross profit of \$24.5M or 6.7% over the previous year.

The Group's performance demonstrates the rewards of the strategic decision to continue to provide the local market with the highest quality products while expanding the sale of profitable branded products through brand building internationally. This focus on the advancement of our brands in key international markets has contributed to improved profitability.

Despite increased operating expenses which were related primarily to increased marketing costs, results from operating activities grew by \$15.2m or 9.6% in fiscal 2018. Additionally, the increase in Results from continuing operations of \$18.6m or 11.6% in 2018 was due to finance income generated from more efficient cash management.

The Board of Directors is pleased to recommend a final dividend in respect of the year ended December 31, 2018 of \$0.15 per share with a record date of July 12, 2019 and payment date of July 26, 2019. Together with the interim dividend of \$0.09 per share paid on September 15, 2018, the total dividend in respect of 2018 will be \$0.24 per share (2017: \$0.21 per share), based on earnings per share of \$0.63 (2017: \$0.54 per share).

Mr. Terrence Bharath  
Chairman

Summary consolidated statement of comprehensive income					Audited summary consolidated statement of financial position				
	3 months ended (Unaudited)		12 months ended (Audited)			Dec-31-2018		Dec-31-2017	
	Dec-31-2018	Restated Dec-31-2017	Dec-31-2018	Restated Dec-31-2017		\$000	\$000	\$000	\$000
Revenue	266,764	249,646	783,692	745,046	<b>Non-current assets</b>				
Cost of goods sold	(135,171)	(129,390)	(392,209)	(378,068)	Property, plant and equipment	320,215		337,801	
<b>Gross profit</b>	<b>131,593</b>	<b>120,256</b>	<b>391,483</b>	<b>366,978</b>	Available-for-sale assets	-		108	
Selling and marketing expenses	(35,626)	(34,222)	(147,497)	(127,173)	Other investments	108		-	
Administrative expenses	(21,297)	(32,849)	(69,935)	(80,944)	Retirement benefit asset, net	60,417		55,194	
<b>Results from operating activities</b>	<b>74,669</b>	<b>53,184</b>	<b>174,051</b>	<b>158,861</b>	<b>Current assets</b>				
Finance costs	(2)	(157)	(312)	(844)	Inventories	245,491		215,151	
Finance income	1,733	673	5,201	2,342	Trade and other receivables	152,119		167,961	
<b>Results from continuing operations</b>	<b>76,401</b>	<b>53,700</b>	<b>178,940</b>	<b>160,359</b>	Assets held-for-sale	-		1,136	
Other expenses	(2,454)	(6,144)	(1,961)	(6,625)	Taxation recoverable	24,107		10,898	
Dividend Income	-	-	45	90	Short-term investments	-		216,682	
Foreign exchange gains	760	275	548	398	Other investments	294,368		-	
Gains on disposal of investment	-	-	31	-	Cash and cash equivalents	119,075		152,820	
<b>Group profit before tax</b>	<b>74,707</b>	<b>47,831</b>	<b>177,603</b>	<b>154,222</b>	<b>Total assets</b>	<b>835,160</b>		<b>764,648</b>	
Taxation expense	(17,140)	(10,791)	(47,685)	(43,115)		1,215,900		1,157,751	
<b>PROFIT FOR THE YEAR</b>	<b>57,566</b>	<b>37,040</b>	<b>129,918</b>	<b>111,107</b>	<b>EQUITY AND LIABILITIES</b>				
<b>Other comprehensive income net of tax</b>					<b>Shareholders' equity</b>	<b>1,055,168</b>		<b>981,969</b>	
<b>Items that will not be reclassified to profit or loss:</b>					<b>Non-current liabilities</b>				
Re-measurements of defined benefit (obligation) asset	1,735	(6,747)	1,735	(6,747)	Deferred tax liability	67,225		69,300	
<b>Items that are or may be reclassified to profit or loss</b>					Retirement benefit obligation	8,480		8,798	
Revaluation of artwork	-	881	-	881		75,705		78,098	
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>59,301</b>	<b>31,174</b>	<b>131,653</b>	<b>105,241</b>	<b>Current liabilities</b>				
<b>Profit for the period attributable to:</b>					Borrowings	-		20,000	
Owners of the Company	57,566	37,040	129,918	111,107	Trade and other payables	80,929		73,404	
<b>Total comprehensive income for the period attributable to:</b>					Taxation Payable	4,098		4,280	
Owners of the Company	59,301	31,174	131,653	105,241		85,027		97,684	
<b>Dividends paid per share</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$0.21</b>	<b>\$ 0.27</b>	<b>Total liabilities</b>	<b>160,732</b>		<b>175,782</b>	
<b>Earnings per share – Basic</b>	<b>\$ 0.28</b>	<b>0.18</b>	<b>\$0.63</b>	<b>\$ 0.54</b>	<b>Total equity and liabilities</b>	<b>1,215,900</b>		<b>1,157,751</b>	

Audited Summary consolidated statement of cashflows			Audited Summary consolidated segment analysis					
	Dec-31-2018		Dec-31-2018			Dec-31-2017		
	\$000	Dec-31-2017 \$000	Branded trade \$000	Commodity trade \$000	Total \$000	Branded trade \$000	Commodity trade \$000	Total \$000
<b>Group profit after tax</b>	129,918	111,107	749,054	34,638	783,692	706,980	38,066	745,046
Adjustments for items not affecting working capital	74,142	79,300	170,888	3,163	174,051	165,877	(7,016)	158,861
Operating profit before working capital changes	204,060	190,407			(312)			(844)
Net working capital changes	(23,298)	20,020			5,201			2,342
Cashflows from operating activities	180,762	210,427			178,940			160,359
Other operating cashflows	(73,982)	(49,585)			(1,961)			(6,625)
Net cash from operating activities	106,780	160,842			45			90
Net cash used in investing activities	(77,628)	(125,474)			548			398
Net cash used in financing activities	(63,318)	(65,695)			31			-
Net (decrease) increase in cash and cash equivalents	(34,166)	(30,327)			177,603			154,222
<b>Net cash and cash equivalents at January 1</b>	<b>152,820</b>	<b>182,749</b>			(47,685)			(43,115)
<b>Effect of movement in exchange rate on cash held</b>	<b>421</b>	<b>398</b>			129,918			111,107
<b>Net cash and cash equivalents at September 30</b>	<b>119,075</b>	<b>152,820</b>						





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	Audited summary consolidated statement of changes in equity							
	Dec-31-2018				Dec-31-2017			
	Share capital	Other reserves	Retained earnings	Total equity	Share capital	Other reserves	Retained earnings	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Balance at January 1</b>	<b>118,558</b>	<b>100,796</b>	<b>762,615</b>	<b>981,969</b>	<b>118,558</b>	<b>99,915</b>	<b>713,950</b>	<b>932,423</b>
Adjustment on initial application of IFRS 9	-	-	(14,446)	(14,446)	-	-	-	-
Adjustment on initial application of IFRS 15	-	-	(690)	(690)	-	-	-	-
<b>Restated balance at January 1</b>	<b>118,558</b>	<b>100,796</b>	<b>747,479</b>	<b>966,833</b>	<b>118,558</b>	<b>99,915</b>	<b>713,950</b>	<b>932,423</b>
Profit for the period	-	-	129,918	129,918	-	-	111,107	111,107
Other comprehensive income	-	-	1,735	1,735	-	881	(6,747)	(5,866)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>131,653</b>	<b>131,653</b>	<b>-</b>	<b>881</b>	<b>104,360</b>	<b>105,241</b>
<b>Transactions with equity holders recognized directly in equity</b>								
Dividends	-	-	(43,318)	(43,318)	-	-	(55,695)	(55,695)
<b>Balance at December 31</b>	<b>118,558</b>	<b>100,796</b>	<b>835,814</b>	<b>1,055,168</b>	<b>118,558</b>	<b>100,796</b>	<b>762,615</b>	<b>981,969</b>

**Notes to the audited summary consolidated financial statements**

**1. General information**

Angostura Holdings Limited (referred to as the "company or AHL") is a limited liability company incorporated and domiciled in the Republic of Trinidad and Tobago. Angostura Holdings Ltd and its Subsidiaries are together referred to as the "Group" and individually as the "Group Companies". The address of the company's registered office is Corner Eastern Main Road and Trinity Avenue, Laventille, Trinidad and Tobago. The Group has its primary listing on the Trinidad and Tobago Stock Exchange. It is a holding company whose subsidiaries are engaged in the manufacture and sale of rum, ANGOSTURA® aromatic bitters and other spirits, and the bottling of alcohol and other beverages on a contract basis. The Group's ultimate parent entity is C.L. Financial Limited, a company incorporated in the Republic of Trinidad and Tobago. These summary consolidated financial statements relate to the Group. The full version of the Group's consolidated financial statements can be located at the company's registered office.

**2. Basis of Preparation**

The summary consolidated financial statements comprise the summary consolidated statement of financial position, summary consolidated statements of income and other comprehensive income and changes in equity that are the exact reproduction of the consolidated statement of financial position, and the consolidated statements of income and other comprehensive income and changes in equity that were themselves prepared in accordance with International Financial Reporting Standards. Selected note disclosures derived from the consolidated financial statements are identified below.

**3. Statement of Compliance**

The summary consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

**4. Basis of measurement**

The summary consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:

- Equity securities at fair value through other comprehensive income (FVOCI) (2017: available-for-sale financial assets are measured at fair value);
- Corporate debt securities at amortised cost (2017: short-term investments were measured at fair value);
- net defined benefit asset (obligation) is recognised as fair value of plan assets, adjusted by re-measurements through other comprehensive income, less the present value of the defined benefit obligation adjusted by experience gains (losses) on revaluation;
- freehold lands and buildings are measured at fair value less depreciation;
- Corporate debt securities at amortised cost (2017: short term investments were measured at fair value).

**5. Use of estimates and judgments**

The preparation of the summary consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

**6. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these summary consolidated financial statements are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended December 31, 2018 and have been consistently applied to all periods presented, unless otherwise stated.

**7. Financial risk management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended December 31, 2018.


**8. Restatements**

Revenue and cost of goods sold were restated by \$175.5m in 2017 due to the inclusion of excise duty in both revenue and cost of sales. Previously, excise duty was accounted for net of revenue and not as an element of cost of goods sold. However, as the inventory and credit risk related to the excise taxes is borne by the Group which is acting as the principal, it is considered part of cost of goods sold.

Also restatements were also done to ensure that promotional product giveaways are recorded in expenses at cost, not at the selling price. Promotional product giveaways were previously recorded in revenue and cost of goods sold, as well as in operating expenses at the selling price. This resulted in an overstatement of revenue by \$5.6m, overstatement of cost of goods sold by \$1.7m and overstatement of expenses by \$3.9m in 2017.

**9. Adjustments to opening retained earnings**

The opening retained earnings for 2018 was adjusted as a result of the implementation of two (2) new accounting standards, IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. The prior year comparatives were not restated and continues to be reported under IAS 39 – Financial Instruments and IAS 18 – Revenue respectively.

 Director

**Independent Auditors' Report**

**Independent Auditors' Report on the Summary Consolidated Financial Statements**

**Angostura Holdings Limited**

**Opinion**

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2018, the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Angostura Holdings Limited and its subsidiaries ("the Group") for the year ended December 31, 2018.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the basis described in the notes to the summary consolidated financial statements.

**Emphasis of Matter**

We draw attention to note 8 to the summary consolidated financial statements which describes the effects of the restatement of the revenue, cost of sales cost of sales and operating expenses. Our opinion is not modified in respect to these matters.

**Summary Consolidated Financial Statements**

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon.

**The Audited Consolidated Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated March 29, 2019. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period.

**Management's Responsibility for the Summary Consolidated Financial Statements**


Management is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in the notes to the summary consolidated financial statements.

**Auditors' Responsibility**

Our responsibility is to express an opinion on whether the consolidated summary financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".

  
Chartered Accountants

Port of Spain  
Trinidad and Tobago  
March 29, 2019

 Director