



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 recommended 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				
	3 months ended (Unaudited)		12 months ended (Audited)	
		Restated		Restated
	Dec-31-2018	Dec-31-2017	Dec-31-2018	Dec-31-2017
	\$000	\$000	\$000	\$000
Revenue	266,764	249,646	783,692	745,046
Cost of goods sold	(135,171)	(129,390)	(392,209)	(378,068)
Gross profit	131,593	120,256	391,483	366,978
Selling and marketing expenses	(35,626)	(34,222)	(147,497)	(127,173)
Administrative expenses	(21,297)	(32,849)	(69,935)	(80,944)
Results from operating activities	74,669	53,184	174,051	158,861
Finance costs	(2)	(157)	(312)	(844)
Finance income	1,733	673	5,201	2,342
Results from continuing operations	76,401	53,700	178,940	160,359
Other expenses	(2,454)	(6,144)	(1,961)	(6,625)
Dividend Income	-	-	45	90
Foreign exchange gains	760	275	548	398
Gains on disposal of investment	-	-	31	-
Group profit before tax	74,707	47,831	177,603	154,222
Taxation expense	(17,140)	(10,791)	(47,685)	(43,115)
PROFIT FOR THE YEAR	57,566	37,040	129,918	111,107
Other comprehensive income net of tax				
Items that will not be reclassified to profit or loss:				
Re-measurements of defined benefit (obligation) asset	1,735	(6,747)	1,735	(6,747)
Items that are or may be reclassified to profit or loss				
Revaluation of artwork	-	881	-	881
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	59,301	31,174	131,653	105,241
Profit for the period attributable to:				
Owners of the Company	57,566	37,040	129,918	111,107
Total comprehensive income for the period attributable to:				
Owners of the Company	59,301	31,174	131,653	105,241
Dividends paid per share	\$ -	\$ -	\$0.21	\$ 0.27
Earnings per share – Basic	\$ 0.28	0.18	\$0.63	\$ 0.54

Audited summary consolidated statement of financial position		
	Dec-31-2018	Dec-31-2017
	\$000	\$000
ASSETS		
Non-current assets		
Property, plant and equipment	320,215	337,801
Available-for-sale assets	-	108
Other investments	108	-
Retirement benefit asset, net	60,417	55,194
	380,740	393,103
Current assets		
Inventories	245,491	215,151
Trade and other receivables	152,119	167,961
Assets held-for-sale	-	1,136
Taxation recoverable	24,107	10,898
Short-term investments	-	216,682
Other investments	294,368	-
Cash and cash equivalents	119,075	152,820
	835,160	764,648
Total assets	1,215,900	1,157,751
EQUITY AND LIABILITIES		
Shareholders' equity	1,055,168	981,969
Non-current liabilities		
Deferred tax liability	67,225	69,300
Retirement benefit obligation	8,480	8,798
	75,705	78,098
Current liabilities		
Borrowings	-	20,000
Trade and other payables	80,929	73,404
Taxation Payable	4,098	4,280
	85,027	97,684
Total liabilities	160,732	175,782
Total equity and liabilities	1,215,900	1,157,751

Audited Summary consolidated statement of cashflows		
	Dec-31-2018	Dec-31-2017
	\$000	\$000
Group profit after tax	129,918	111,107
Adjustments for items not affecting working capital	74,142	79,300
Operating profit before working capital changes	204,060	190,407
Net working capital changes	(23,298)	20,020
Cashflows from operating activities	180,762	210,427
Other operating cashflows	(73,982)	(49,585)
Net cash from operating activities	106,780	160,842
Net cash used in investing activities	(77,628)	(125,474)
Net cash used in financing activities	(63,318)	(65,695)
Net (decrease) increase in cash and cash equivalents	(34,166)	(30,327)
Net cash and cash equivalents at January 1	152,820	182,749
Effect of movement in exchange rate on cash held	421	398
Net cash and cash equivalents at September 30	119,075	152,820

Audited Summary consolidated segment analysis						
	Dec-31-2018			Dec-31-2017		
	Branded trade	Commodity trade	Total	Branded trade	Commodity trade	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Revenue	749,054	34,638	783,692	706,980	38,066	745,046
Results from operating activities	170,888	3,163	174,051	165,877	(7,016)	158,861
Finance costs			(312)			(844)
Finance income			5,201			2,342
Results from continuing operations			178,940			160,359
Other expenses			(1,961)			(6,625)
Dividend Income			45			90
Foreign exchange gains			548			398
Gains on disposal of investment			31			-
Group profit before tax			177,603			154,222
Taxation expense			(47,685)			(43,115)
Profit for the year			129,918			111,107



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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
Balance at January 1	118,558	100,796	762,615	981,969	118,558	99,915	713,950	932,423
Adjustment on initial application of IFRS 9	-	-	(14,446)	(14,446)	-	-	-	-
Adjustment on initial application of IFRS 15	-	-	(690)	(690)	-	-	-	-
Restated balance at January 1	118,558	100,796	747,479	966,833	118,558	99,915	713,950	932,423
Profit for the period	-	-	129,918	129,918	-	-	111,107	111,107
Other comprehensive income	-	-	1,735	1,735	-	881	(6,747)	(5,866)
Total comprehensive income for the year	-	-	131,653	131,653	-	881	104,360	105,241
Transactions with equity holders recognized directly in equity								
Dividends	-	-	(43,318)	(43,318)	-	-	(55,695)	(55,695)
Balance at December 31	118,558	100,796	835,814	1055,168	118,558	100,796	762,615	981,969

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