Caribbean Container Incorporated's Packaging Division manufactures innovative customized corrugated packaging and related paperboard products using Semi-Chemical fluting-medium and Kraft linerboard.

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NOTICE OF MEETING

The Thirty-fifth Annual General Meeting of Caribbean Container Incorporated (CCI) to consider the Company's Accounts and Reports of the Directors and Auditors for the year ended December 31, 2019, will be held on Friday June 26th, 2020 at 4:00 pm at the CCI Complex, Plantation Farm, East Bank Demerara.

Agenda

1. To receive and consider the Company's Accounts and the Reports of the Directors and the Auditors for the year ended December 31, 2019;
2. To consider the declaration of a Final Dividend of $0.24 per share in respect of the year ended December 31, 2019 as recommended by the Board of Directors;
3. To re-elect the following Non-Executive Directors: Mr. Isidro Espinosa, Mr. Khemraj Goberdhan and Ms. Pavita Ramkissoon;
4. To fix the fees/emoluments of Non-Executive Directors for the year 2020;
5. To appoint the incumbent Auditors TSD LAL & CO. and authorise the Directors to fix their remuneration for the year 2020;
6. To present long service awards to Employees.

Every member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him/her and such proxy holder need not be a member of the Company.

A form of proxy for use at this Meeting must be received at the registered office of the Company stated hereunder not less than twenty-four (24) hours before the time for holding the Meeting.

Register of Members

The Register of Members and Share Transfer Books of Caribbean Container Incorporated will be closed from June 12th to June 26th, 2020 both days inclusive.

By Order of the Board

Lauren Dundas
Company Secretary

Registered Office
Plantation Farm
East Bank Demerara

March 18th, 2020

NB: One gift per shareholding will be presented to shareholders in attendance, or their duly appointed proxies.

OBJECTIVES

To deliver to our customers quality products and services.
To maximize the creation of shareholder value.
To maximize our position within the Caribbean and South American paper & packaging industry through growth and prudent internal investment.
To outperform our peers.
To continuously reduce operating cost and ensure maximum profit potential from the existing asset base.
To continue to improve our people, products & processes through an ongoing commitment to our philosophy of managing for continuous improvement.
To respect and reward all of our employees for achievement.

STRATEGY

To achieve our objectives we aim to actively extend our participation in the Caribbean and South American marketplace. We will focus on our core competencies and take such actions as are necessary to achieve those objectives that add value to the company. We will continue to invest in the development of our people recognizing that their contribution is vital to the success of the company.

We will continue to maximize the benefit of the corporate assets and commit resources in a measured way to produce optimum returns for our shareholders.

STATUTORY INFORMATION

DIRECTORS
MS. PATRICIA BACCHUS
Managing Director & Chairperson

MR. RABINDRANAUTH RAMAUTAR
Finance Director

MR. ZULFIKAR SAMDALLY
Sales and Marketing Director

MR. ISIDRO ESPINOSA
Non-Executive Director

MR. KHEMRAJ GOBERDHAN
Non-Executive Director

MS. PAVITA RAMKISSOON
Non-Executive Director

REGISTERED OFFICE
Plantation Farm
East Bank Demerara
Guyana

BANKERS
BANK OF NOVA SCOTIA
104 Carmichael Street
North Cummingsburg
Georgetown
Guyana

REPUBLIC BANK (GUYANA) LIMITED
Promenade Court
155-156 New Market Street
Georgetown
Guyana

NEW BUILDING SOCIETY LTD.
Avenue of the Republic
Georgetown
Guyana

ATTORNEYS-AT-LAW
Sievewright Stoby & Co.
15 Ketley & Drysdale Streets
Charlestown
Guyana

AUDITORS
TSD LAL & Co.
Chartered Accountants
77 Brickdam
Stabroek, Georgetown
Guyana

MANAGEMENT TEAM

From Left:
Wintson Patokie - Box Plant Production Manager
Lauren Dundas - Company Secretary
Sangeeta Sadeo - Quality Manager
Rabindranuath Ramautar - Finance Director
Zulfikar Samdally - Sales and Marketing Director
Satyanand Deokinanan - Box Plant Superintendent
Kallicharran Dudnauth - Maintenance Manager
Patricia Bacchus - Managing Director & Chairperson

WHY I JOINED CCI AND WHY I STAYED FOR...

28 YEARS

JACQUELINE PATON
Production Lead Hand

I have grown personally and professionally with the Company over the years; it made me recognize my values and abilities. I am encouraged to try new things and to be innovative daily. One of the things that contributes to my enjoyment of the work is its variation, and I am grateful for the experience and knowledge gained in the manufacturing field. I also acknowledge the friendly atmosphere and the great benefits the company provides.

28 YEARS

RANDOLPH STREET
Senior Security Officer

It has been a great learning experience over the 28 years I've been with the Company; 23 years pre and now 5 years to date post my retirement. If I had a chance to go back and start all over again, I would still choose CCI.

27 YEARS

RABINDRANAUTH RAMAUTAR
Executive Director-Finance

I have built my entire professional career here at CCI, and am grateful for the opportunities for growth and upward mobility afforded to me.
I am proud of the achievements the Company has made over the years, and am pleased to be a part of a team of Directors, management and staff that are committed and dedicated to CCI's continued growth and best interests.

WHY I JOINED CCI AND WHY I STAYED FOR...

26 YEARS

BOODNARAYAN GOKARAN
Maintenance Technician

I am very happy to work with CCI. It has been a great 26 years and I will continue to serve the company faithfully. God bless CCI.

27 YEARS

NARESH DOODNATH
Material Procurement Supervisor

I love my job because I love what I do on a daily basis. I always remain positive and optimistic even when it seems things at work don't go as planned, and I've grown and learned from all my experiences. CCI genuinely cares about the staff who work hard and earnestly to achieve one common goal. I would recommend any young prospect to join our team since it offers a well-rounded environment for knowledge building and growth.

26 YEARS

SATYANAND DEOKINANAN
Box Plant Superintendent

Honest and fair relationships between management and workers, and excellent environment and working conditions generally, are the things that keep me in high spirit to continue working with, and for, CCI.

WHY I JOINED CCI AND WHY I STAYED FOR...

25 YEARS

ANNIE BOURNE
Machine Operator

I started working with CCI, formerly SAPIL, in 1994 as a Labourer. I was later promoted to Assistant Machine Operator, and am today a Machine Operator. Despite the challenges the Company faced over the years, I stayed on because I love the nature of my work and I put my heart and mind towards my job. I am happy to still be with CCI; August 15th, 2020 marking 26 years of service. I take pride in the work I do for the Company.

24 YEARS

ZULFIKAR SAMDALLY
Executive Director-Sales & Marketing

I am honoured to be one of the longest serving employees at CCI. Despite all the challenges over the years, I stayed with the company to help move it forward since I came on board at a time when the bottom line was always in the "red." I am very proud to say that the hard work has paid off as the progress we have made thus far is commendable. It is my hope that in the years to come, we would be able to realize the dream when the company was renamed to Caribbean Container Inc. in 1999, "To become the largest Corrugated Packaging Plant in the Caribbean."

25 YEARS

PAMELLA BOODHOO
Confidential Secretary

I worked for CCI for 24 years up to retirement, and I am thankful to still be engaged in service with the Company even after my retirement, 1 year to date. Management cares about employees; especially if we encounter any personal difficulty such as sickness in the family. I love the company culture; we are like a family, a team.

FIVE YEAR STATISTICAL SUMMARY

	2019 G$	2018 G$	2017 G$	2016 G$	2015 G$
Turnover	1,248,190,327	1,193,428,649	1,136,642,280	1,165,506,075	1,075,489,079
Gross Profit	302,316,926	271,340,902	314,179,728	311,800,878	261,541,633
Profit Before Corp., Property, Deferred Tax and Impairment of Fixed Assets	123,931,045	139,088,993	140,699,150	135,031,801	103,952,694
Corp. & Property Tax	40,901,673	43,680,921	44,787,779	43,165,044	38,119,146
Profit After Corp. & Property Tax	83,029,372	95,408,072	95,911,371	91,866,757	65,833,548
Deferred Tax	(18,559,965)	(10,694,559)	(75,747,574)	(15,860,177)	(78,314,423)
Profit After Deferred tax	101,589,337	106,102,631	171,658,945	107,726,934	144,147,971
Impairment of Fixed Assets			188,364,973		
Profit/(Loss for the Year)	101,589,337	106,102,631	(16,706,028)	107,726,934	144,147,971
Basic Earnings Per Share	0.67	0.70	(0.11)	0.71	0.96
Dividends Paid & Recommended per Share	0.24	0.24	0.22	0.22	0.20
Gross Assets	2,683,427,428	2,728,560,134	2,622,805,082	2,733,756,197	2,637,715,044
Gross Liabilities	373,646,244	484,138,304	480,123,426	570,006,055	551,508,518
Share Capital	150,916,595	150,916,595	150,916,595	150,916,595	150,916,595
Shareholders' Funds	2,309,791,184	2,244,421,830	2,142,681,656	2,163,750,141	2,086,206,526

CHAIRPERSON'S REPORT

Dear Shareholders,

I am pleased to report to you the Company's performance and related matters for the financial year ended December 31st 2019.

Global and Regional Economic Performance in 2019

At the beginning of 2019 the International Monetary Fund (IMF) had forecasted global growth at a rate of 3.5% for 2019. In its World Economic Outlook Update published in January of 2020, the IMF estimated that actual growth in 2019 was notably lower than forecasted, coming in around 2.9%; a significant deceleration from the 2018 global growth rate of 3.7%.

Weakness in Global Trade and Investments and a significant slowdown in Manufacturing Activities during 2019, contributed largely to the deceleration in growth. Although there was de-escalation in US-China trade tensions in the latter part of the year, this could not sufficiently correct the uncertainty and resulting lack of confidence which negatively affected global trade and investment activities throughout the year. The World Bank, in its January 2020 Global Economic Prospects, highlighted the fact that the reduced growth rate experienced in 2019 was broad based – with close to 90% of Advanced Economies and 60% of Emerging Market and Developing Economies (EDMEs) going through varying degrees of deceleration. Geopolitical tensions, significant social unrest in some countries and weather-related disasters in various regions (ranging from hurricanes to droughts and bushfires) also weighed heavily on economic performance in 2019.

The IMF has estimated flatline economic performance for the Latin America and Caribbean Region in 2019 at a stalled growth rate of 0.1%, compared to 1.1% in 2018. For the Caribbean sub-region, particularly the Borrowing Member Countries (BMCs) of the Caribbean Development Bank (CDB), 2019 growth is estimated at 1.0%, down from 1.6% recorded in 2018 as highlighted by the CDB at their 2020 Annual News Conference held in February 2020. Apart from the global factors, certain region-specific factors were cited as having influenced the subdued economic performance in the Caribbean. These include prolonged drought in Belize, Haiti and Jamaica, social unrest and political instability in Haiti, flat performance in Trinidad and Tobago and economic contraction in Barbados due to delays in the commencement of major private sector projects. The CDB noted a few growth areas – such as regional tourism performance, post hurricane reconstruction in Anguilla and Dominica, and strong growth in Guyana, which cumulatively assisted in limiting the sub-regional growth deceleration in 2019.

Guyana's Economic Performance in 2019

The IMF, in its September 2019 Report detailing Article IV Consultations with Guyana, noted that Real GDP in Guyana grew by 4.1% in 2018, significantly up from the 2.1% growth rate recorded in 2017. At the time of its Report, the IMF had projected a 4.4% economic growth rate for Guyana in 2019 "extending the broad-based expansion across all major sectors". Initial estimation of 2019 GDP growth provided by the Minister of Finance, as reported by Print Media on February 20th 2020, is pegged at 4.7%. In sharing the preliminary estimate, the Minister noted that the commendable growth rate experienced in 2019 was in spite of poor performances recorded for Sugar and Bauxite, and broadly highlighted the successes in the Rice, Construction and Tourism industries.

CCI's Performance in 2019

Turnover for the year was recorded at $1.248 billion, 4.6% ahead of Turnover recorded in 2018, and in line with the revenue growth trend recorded over the last few years. With Cost of Sales totaling $869.7 million in 2019, a 2.2% increase over 2018, Gross Profit for the year was recorded at $302.3 million, 11.4% above 2018.

In 2018, the Company accounted for Other Income totaling $51 million which included disposal of fixed assets, sale of plant waste and the writeback of a liability no longer payable. In 2019, Other Income was recorded significantly lower at $9 million, earned primarily from the sale of plant waste. In light of this, 2019 Profit Before Tax of $103.4 million signaled a 13.2% reduction from 2018.

On the Statement of Profit or Loss or Other Comprehensive Income, taxation for 2019 is booked at $1.8 million, resulting in a Profit After Tax of $101.6 million – 4.2% below 2018, and a Basic Earnings per Share of $0.67. Shareholders may recall that a few years ago the Company commenced recognizing and taking up credits for deferred tax asset and deferred tax liability timing difference, as outlined in Note 22 to the Accounts. Also detailed in Note 22 is the actual 2019 Corporation Tax assessed of $20.3 million.

At the end of 2019, Net Current Assets of $770 million grew by 16.6 % when compared to the previous year, a significant increase over the $660 million and $582 million recorded in 2018 and 2017 respectively.

In light of the foregoing, I am pleased to inform you that the Board of Directors recommends the declaration of a Final Dividend of $0.24 per ordinary share.

Navigating a Turbulent 2020

The initial forecast for Global Economic Performance in 2020 highlights GDP growth at 3.3%, compared to the estimated 2.9% recorded for 2019 (IMF World Economic Outlook Update January 2020). At the time of forecasting, there were some indicators of improvements in certain conditions such as deescalating trade tensions between the US and China, less anxiety over the possibility of a 'No-Deal Brexit' and more accommodative Fiscal Policies.

Several high-risk factors were nonetheless cited at the beginning of 2020, as having the potential to disrupt economic stabilization. These include increased Geopolitical tensions, further deterioration between Global Trading Partners (such as the US and China) and intensifying social unrest in a number of Countries. The World Economic Forum (WEF) Global Risk Report, which was published in January 2020, highlights the perils of rising economic and political polarization in an environment where global collaboration is needed to deal with risks relating to Climate, the Environment and Public Health.

Deeper into the first quarter of 2020, more dynamic threats began to emerge – the most prominent being the Novel Coronavirus (COVID – 19). Although COVID – 19 first surfaced towards the end of 2019, it was largely confined to China and could not have been properly assessed during the initial stages due to limited data and a rapidly evolving landscape. In February, the Managing Director of the IMF, Kristalina Georgieva, noted that 'the coronavirus is our most pressing uncertainty: a global health emergency we did not anticipate in January. It is a stark reminder of how a fragile recovery could be threatened by unforeseen events.' The COVID – 19 outbreak has since been declared a Pandemic, with over 400,000 cases affecting over 190 countries/territories and resulting in almost 19,000 deaths towards the end of March, a situation that is certainly a global crisis.

CHAIRPERSON'S REPORT CONT'D

The fallout from this Pandemic has been widespread; occasioning both demand and supply shocks on a global scale and causing a domino effect stretching from the real economy to the financial markets. The emergency containment, lockdown measures adopted by many countries have, and will continue to, adversely affect manufacturing, travel and tourism, consumer spending, investor sentiment and other activities that are likely to usher in depressed economic conditions. Already, many analysts are forecasting significant GDP contractions in those countries with a high incidence of COVID – 19, a prelude to a very probable global recession. As fears over a widening Pandemic loom, and as the economic impact begin to be measured, Financial Markets continue to be hit hard by plummeting Investor confidence – affecting all International Indices. Stocks plunged sharply during many trading sessions in March, hitting their exchange-enforced limits on losses and triggering an unprecedented level of trading curbs to briefly suspend trading within sessions.

In light of the contracting economic activity and weak market sentiment, Commodity prices have also shown troubling volatility, with Brent Crude Oil prices tumbling to a seventeen year low during March, as OPEC members and other major oil Producers failed to agree on supply cuts to buoy prices. Gold prices have also displayed similar volatility during March, mirroring prevailing market sentiment, falling from highs of USD 1700 per ounce to below USD 1500 within a few days. With Guyana's reliance on Gold export as a key method of earning foreign currency, and with the commencement of Oil production in December 2019, the underperformance of these two commodities is of particular concern.

The IMF had forecasted 2020 GDP growth for Guyana at an astounding 85%, based primarily on the significant growth anticipated in Oil GDP. The Group nonetheless cautioned in its Article IV Consultations Report that even small changes to the expected oil output [taken to also include revenue generated therefrom], will have a significant impact on the country's GDP performance. With the current situation regarding global oil prices and the significant economic pressures connected with the COVID-19 pandemic, it is highly unlikely that Guyana's economy will perform as forecasted. Compounding this is the internal political turbulence – where we have an incomplete electoral process, a dissolved National Assembly and no Budget presented or approved for 2020. These national realities are likely to impede the efficient formulation of necessary policies and measures to navigate the Country during this very difficult time.

Our Plan of Action

With such a rapidly evolving and turbulent reality, it becomes exceedingly difficult to embark on medium to long term strategic planning. The Company continues to operate in keeping with the principles of optimum efficiency, product quality excellence and unrivaled customer service and reliability. In light of the current environment, especially the public health risk, the company has elevated its already stringent sanitation procedures and is ensuring the practice of social distancing and other protective measures within the workplace; the health and well-being of our staff is our foremost consideration. The Board of Directors and Management continue to contemplate contingencies and model business continuity plans to cater to significant changes in the economic and social landscape as a result of the issues prevailing at this time.

It is with the wellbeing of our Shareholders in mind that a decision was taken by the Board of Directors to host the Company's Annual General Meeting at the end of June, instead of April as usually obtains.

Even in these challenging times we must remain thankful to all of the company's stakeholders; our Customers, Shareholders, Suppliers of Goods and Services and our Staff, the Company's performance is a product of the relationships sustained with all of you. I wish you all the very best as we navigate our way through trying times.

Patricia Bacchus
Chairperson
March 26th 2020

BOARD OF DIRECTORS

Mr. Rabindranauth Ramautar - Finance Director || **Mr. Isidro Espinosa** - Non-Executive Director
Ms. Pavita Ramkissoon - Non-Executive Director || **Ms. Patricia Bacchus** - Managing Director & Chairperson
Mr. Zulfikar Samdally - Sales and Marketing Director || **Mr. Khemraj Goberdhan** - Non-Executive Director

REPORT OF THE DIRECTORS

TRIPLE BOTTOM LINE REPORTING – PEOPLE, PLANET & PROFITS

The Directors herewith submit their report to the shareholders with the audited Financial Statements for the year ended December 31, 2019.

PRINCIPAL ACTIVITIES:

- The Board of Directors suspended operations of CCI's Paper Recycling Plant effective June 30th, 2017; and the Company's business of the production of corrugated packaging is sustained with the use of imported paper. The duration of the suspension of the Paper Recycling Plant will be for a maximum period of 36 months; during which time the Board of Directors will continue to assess the conditions and circumstances to enable it to make a long-term decision on the future of the Paper Recycling Plant.

- CCI's Packaging Division manufactures innovative customized corrugated packaging and related paperboard products using Semi-Chemical fluting-medium and Kraft linerboard. Quality corrugated packaging and related paperboard products are marketed and distributed at competitive prices, on both the domestic and export markets; providing suitably designed packaging to all industries, including manufacturing, marine (sea food), agricultural (meat and fresh produce), and fast food industries.

TRADING RESULTS:

Turnover for the year was $ 1,248,190,327; $54,761,678 (4.6%) above 2018 ($1,193,428,649)

Turnover by Geographical Market	**2019**	2018
Guyana	**$ 842,643,121**	$797,093,248
Other Caricom territories	**$ 405,547,206**	$396,335,401

FINANCIAL RESULTS SUMMARY

	2019	**2018**	**2017**
Gross Profit	$302,316,926	$271,340,902	$314,179,728
Taxation			
Taxation: Current	$20,364,949	$21,018,655	$25,778,130
Prior Year Adjustment	-	$2,748,850	-
Taxation: Deferred	($18,559,965)	($10,694,559)	($75,747,574)
Total Taxation	$1,804,984	$13,072,946	($49,969,444)
Profit/(loss) after Tax	$101,589,337	$106,102,631	($16,706,028)
Earnings before taxation, depreciation & Impairment	$179,502,700	$190,359,907	$219,336,135
Earnings /(loss)per share	$0.67	$0.70	($0.11)
Retained earnings as at December 31st	$760,212,709	$694,843,355	$621,942,375
Assets and Liabilities			
Assets: Current	$855,635,245	$856,307,470	$745,250,301
Assets: Non-Current	$1,827,802,183	$1,872,252,664	$1,877,554,781
Total Assets	$2,683,437,428	$2,728,560,134	$2,622,805,082
Liabilities: current	$85,254,551	$195,746,611	$162,892,539
Liabilities: non-current			
Deferred Tax	$288,391,693	$288,391,693	$317,230,887
Total Liabilities	$373,646,244	$484,138,304	$480,123,426

CAPITAL EXPENDITURE

In 2019 a total of $13,097,934 from self-generated funds was directed towards Capital Expenditure, compared to $55,187,654 in 2018.

FIXED ASSETS:

Disposal: There was no disposal of Fixed Assets in 2019
Additions: In 2019, there were additions to fixed assets totaling $13,097,934. In 2018, additions to fixed assets totaled $55,187,654.
Impairment of Assets: There is no indication of Impairment of Assets or likely Impairment of the Company's Property (land and building) and Equipment at the date of Reporting.

DIVIDENDS:

Based on the trading results highlighted above, the Board of Directors has recommended the declaration and payment of a dividend of $0.24 per share for the financial year ended December 31, 2019.

OVERDRAFT AND LOAN DISCLOSURES:

Bankers:

- Bank of Nova Scotia
- Republic Bank (Guyana) Ltd
- New Building Society Ltd.

As at the end of the financial year ending December 31, 2019, there were no loans and overdraft and/or any other borrowings owed by the Company.

DIRECTORS:

The Directors as at December 31, 2019 were:

- Ms. Patricia Bacchus
- Mr. Rabindranauth Ramautar
- Mr. Zulfikar Samdally
- Mr. Isidro Espinosa
- Mr. Khemraj Goberdhan
- Ms. Pavita Ramkissoon

Pursuant to the Company's Articles of Continuance, Mr. Isidro Espinosa, Mr. Khemraj Goberdhan and Ms. Pavita Ramkissoon retire from office and being eligible, have offered themselves for re-election.
The Company Secretary as at December 31, 2019 was:

- Ms. Lauren Dundas

DIRECTORS' EMOLUMENTS:

During the financial year Non-Executive Directors received equal payment for their services amounting to $1,080,000. Executive Directors received no additional compensation for their services as Directors.

DIRECTORS' INTEREST IN ORDINARY SHARES:

	Beneficial Interest	Non-Beneficial Interest	Associates' Interest
Patricia Bacchus	Nil	Nil	Nil
Rabindranauth Ramautar	Nil	Nil	Nil
Zulfikar Samdally	Nil	Nil	Nil
Isidro Espinosa	Nil	Nil	Nil
Khemraj Goberdhan	12000	Nil	Nil
Pavita Ramkissoon	Nil	Nil	Nil

REPORT OF THE DIRECTORS CONT'D

CONTRACTS WITH DIRECTORS:
During the financial year there were no:

• Service contracts with any of the Non-Executive Directors of the Company who are proposed for re-election at the forthcoming Annual General Meeting of the Company

• Significant contracts to which any of the Non-Executive Directors of the Company who are proposed for re-election at the forthcoming Annual General Meeting of the Company, were party to or materially interested in either directly or indirectly.

RELATED PARTY TRANSACTIONS:
Technology Investments and Management Inc (TIMI) is a Private Limited Liability Company, incorporated under The Laws of Guyana, and presently owns Demerara Holdings Inc., the holding company which holds 85.92% of the issued shares of CCI. In 2012, Ms. Patricia Bacchus (CCI's Managing Director and Chairperson) became a shareholder, and in 2013 Messrs. Rabindranauth Ramautar (CCI's Finance Director) and Zulfikar Samdally (CCI's Sales & Marketing Director), became shareholders in TIMI. The Articles of TIMI permit shareholding by Managers of its subsidiaries and affiliates, including CCI. In 2019, Dividends for the financial year ended December 31, 2018 amounting to $31,120,209 was remitted to Demerara Holdings Inc. and by Extension Technology Investments and Management Inc. During the year, there were no other transactions between Caribbean Container Inc. and its related parties.

AUDITORS:
The retiring Auditors TSD LAL & CO. have indicated their willingness to be reappointed as Auditors until the next Annual General Meeting.

SUBSTANTIAL SHAREHOLDERS:

Company Name	NO. OF SHARES		%SHAREHOLDING	
	2019	2018	2019	2018
Demerara Holdings Inc.	129,670,230	129,670,230	85.92	85.92
Secure International Finance Co. Inc.	7,791,882	7,791,882	5.16	5.16

A substantial Shareholder is defined as a person who is entitled to exercise, or control the exercise of, five percent or more of the voting power at any General Meeting of the Company.

CORPORATE GOVERNANCE:
The Board of Directors is responsible for the governance of CCI, governance being the systems and procedures by which the company is directed and controlled. The Corporate Governance Model adopted by the Company has underlying principles of integrity, objectivity, transparency, a clear definition of functions, management independence and accountability.

Corporate Governance at CCI is underlined by a triple bottom line approach, with emphasis placed on people, planet and profits. The wellbeing of employees, fair dealings with customers, suppliers and other stakeholders and the equitable treatment of shareholders are mandated under the triple bottom line approach, along with the generation of profits from sustainable operations carried out in the most environmentally conscious manner.

Under CCI's Corporate Governance Model, the Board of Directors also has the responsibility to establish the general orientation of the Company's business and formulate the respective economic-financial policy. The Board also has the responsibility of supervising the management and operation of the Company deciding on questions relating to strategy, investment, organization and finances. In this vein, it functions to ensure that the Company maintains a system of internal financial control that provides reasonable assurance that the financial information used within the business is reliable and that the assets of the business are safeguarded. In this regard, the following policy documents have been issued by the Board:
- Caribbean Container Inc. Corporate Governance and Code of Conduct Manual
- Caribbean Container Inc. Financial Policy Manual
- CCI Handbook of Employment

These Manuals were developed to promote transparency and accountability, and to ensure that proper governance principles and best practices are adopted and followed by all employees of the Company. The Company continued to distribute these documents to all new recruits in 2019.

PEOPLE:
People, from the Corporate Governance and Social Responsibility perspective, include all stakeholders in the Company's operations, i.e. employees, suppliers, customers as well as the larger community in which the Company operates. The following areas provide some insight in this regard for the year 2019:

Employee relations:
Pension – The Company, cognizant of the importance of forward planning, has a defined contribution pension scheme for the benefit of its employees. CCI's pension scheme is administered by The Guyana and Trinidad Mutual Life Insurance Company Limited (GTM), and as at December 31st, 2019 the number of employees in the pension scheme was 70. For the year, the Company contributed $5,726,927 towards its pension scheme.

Medical Insurance Coverage – Employees contribute to a group medical insurance policy, with options for individual coverage as well as family coverage. Employees pay 40% of the premium, with the remaining 60% funded by the Company. In 2019, the Company contributed a total of $1,225,302 towards medical insurance premium.

Other voluntary Insurances – the Company provides group personal accident insurance coverage, which covers employees in the unfortunate event of accidents that occur outside of CCI while employees are not on duty. The Company also provides life insurance for its employees. In 2019, the Company expended a total of $834,244 towards premiums for both of these policies, which are provided at no cost to employees.

Production Incentive Programmes: During the 2019 period, employees benefited from number of gain sharing programs, which have culminated in increased efficiencies and better Plant throughput throughout the year.

Education:
Staff Training – during 2019, CCI facilitated the following training for its employees:
1) Legal Employment Obligations of Enterprises
2) Good Manufacturing Practices (GMP)
3) Production personnel continue to receive on the job Operator training and accreditation.

Formalized Induction: During the year, the Company continued its formalized Induction Programme for all new recruits. This is done in an effort to provide and fully equip new employees with the necessary information, guidance, technical and corporate training at the time of the commencement of their employment relationship with the Company, but before they assume active duty.

Work Study – during 2019, the Company participated in the work-study programme, facilitating students training as electrical engineers and welders.

REPORT OF THE DIRECTORS CONT'D

Charitable Donations:
Cognizant of our corporate social responsibility, the Company made charitable donations to/supported a number of organizations, including:

- Churches including the Evangelical Lutheran Church, Jesus Home of Prayer and Praise, Guyana Conference of Seventh Day Adventists, St. James the Less Anglican Church
- DDL Foundation
- Eiripan
- Guyana Industrial Training Centre
- Guyana Fire Service
- Guyana Relief Council
- Guyana National Library
- Hindus for Selfless Service
- Mayor and Councilors of the City of Georgetown Football Club
- Rose Hall Town Youth & Sports Club
- Schools including Providence Nursery School, Peters Hall, Providence and Covent Garden Primary Schools, Houston, Diamond and Covent Garden Secondary Schools.
- St. John's Ambulance Brigade

Support for Animal Welfare Organization-Rosewood Foundation Guyana: CCI was pleased to support the Rosewood Foundation Guyana via in kind donation, inclusive of dog and cat food and other supplies, in aid of the Foundation's cause of rescuing homeless dogs and cats, fostering and finding them permanent safe homes.

PLANET:

Whilst CCI suspended operations of its Paper Recycling Plant in June 2017 and now uses imported Kraft paper in its manufacturing process; the Company remains a 'green' business operating in line with the concept of sustainable development. CCI's product, corrugated cardboard packaging, is one of the most environmentally-friendly methods of packing, shipping, and storing products. In contrast to other types of packaging, such as plastic or Styrofoam, corrugated cardboard packaging offers the potential to be made, used, reused and ultimately disposed of sustainably. Some of the environmental advantages of using corrugated cardboard packaging are:

1. Corrugated packaging is made from renewable materials: Kraft paper is a bio-based material: it comes from a renewable resource that is renewed through sustainable management of forests.
2. Corrugated packaging is recyclable: Kraft paper is naturally biodegradable; like tree leaves, the paper breaks down into cellulose fibres naturally in just a few weeks and can be entirely absorbed by the environment without any impacts on the environment or human health.
3. Corrugated packaging offers more efficient protection for products: Innovative corrugated packaging designs can eliminate extraneous materials in packaging, while delivering equal or greater structural strength and product protection.

CCI also continues to ensure that its operations are carried out in a 'green' and environmentally conscious manner. In this regard, and in addition to the associated cost savings to be derived from same, the Company ensures Judicious management of resources. Continuous efforts are made to improve equipment efficiencies and reduce energy consumption throughout the Company to lessen its carbon footprint. Further, throughout the Company, measures are in place to ensure that waste is controlled and reduced; from policies that require utilization of both sides of the paper for printing and photocopying of company documents, to those geared towards process waste reduction in the Company's Corrugated Packaging Division.

Old Corrugated Cartons (OCC): Following the suspension of operations of the Paper Recycling Plant in 2017, CCI began exploring opportunities for, and was successful in finding, a market for recycling of the Company's cardboard waste/OCC. During 2019, CCI continued to process and export its cardboard waste/OCC and will continue to explore new opportunities in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARIBBEAN CONTAINER INC.
(SUBSIDIARY OF TECHNOLOGY INVESTMENTS AND MANAGEMENT INC.)
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the accompanying financial statements of Caribbean Container Inc., which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out on pages 22 to 53.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Caribbean Container Inc. as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

Key Audit Matter	***How our audit addressed the Key Audit Matter***
Valuation and impairment property, plant and equipment *(Refer to note 8 in the financial statements)* Property, plant and equipment had a net book value of G$1,695,559,983 as at 31 December, 2019. Property, plant and equipment was considered a key audit matter because of its materiality and as significant management judgment was used to determine the useful life of property, plant and equipment. The most recent revaluation of property, plant and equipment booked by the Directors on the basis of professional advice was done in 2015. This resulted in a surplus of G$807,496,854 being recognized and credited to capital reserves, (see note 8 (ii)). Judgement was used in determining the surplus.	*Our procedures in relation to management's valuation and impairment of property, plant and equipment included but were not limited to the following:* • Assessing the appropriateness of the useful economic lives, methods and expected residual values used in depreciating assets; • We checked depreciation rates for property, plant and equipment to ensure consistency with the accounting policies and industry rates; • We obtained and checked the written representation by management on their assessment of impairment; • We assessed the methodology used by management to carry out impairment review; • We physically verified selected assets which were acquired during the current and prior years; • We verified the company's policy for acquisitions and disposals of property, plant and equipment. • We tested internal controls governing the procurement and monitoring and disposal of property, plant and equipment.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	***How our audit addressed the Key Audit Matter***
Valuation of deferred tax assets *(Refer to note 22 in the financial statements)* The Company had a deferred tax asset resulting from cumulative tax losses and timing differences of property, plant and equipment. The amount of $132,242,200 was included in the statement of financial position as at 31 December, 2019 and an amount of $642,644,658 was not booked due to uncertainty with respect to recovery. The valuation of deferred tax assets was significant to our audit because the assessment process was based on estimates of future taxable income.	*Our procedures in relation to management's recognition of deferred tax assets included, among others:* • We assessed the appropriateness of the level of deferred tax asset balance recognized; • We examined and considered forecasts of future performance and critical assessments made of the assumptions and judgments included in these projections, primarily by considering the historical accuracy of forecasts and the sensitivities of the profit forecast.

Other Information in the annual report

Management is responsible for the other information. The other information comprises all the information included in the Company's 2019 annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Those Charged with Governance for the Financial Statements

The Directors/Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. The Directors/Management is responsible for overseeing the financial reporting process.

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

Auditor's responsibilities for the audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of 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 omission, misrepresentations, or the override of internal controls,

- 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 entity's internal controls,

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Directors' 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 identified during our audit. We 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, related safeguards.

From the matters communicated with management, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore 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 audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Saeed Rahaman, FCCA.

TSD Lal & Co.

TSD LAL & CO.
CHARTERED ACCOUNTANTS

March 18, 2020

77 Brickdam
Stabroek, Georgetown
Guyana

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 2019

	Notes	2019 G$	2018 G$
Turnover	23	1,248,190,327	1,193,428,649
Less: Cost of sales	9 (ii)	869,765,022	850,903,417
		378,425,305	342,525,232
Depreciation	8 (i)	76,108,379	71,184,330
Gross profit		302,316,926	271,340,902
Other income	5	9,098,493	51,723,484
		311,415,419	323,064,386
Expenses			
Administrative		111,387,413	110,454,408
Selling and distribution		76,096,961	73,520,985
Property tax		20,536,724	19,913,416
		208,021,098	203,888,809
Profit before tax	6	103,394,321	119,175,577
Taxation	22	1,804,984	13,072,946
Profit for the year		101,589,337	106,102,631
Basic earnings per share in dollars	7	0.67	0.70
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss:			
Deferred tax rate adjustment for revaluation reserves	22	-	28,839,194
Other comprehensive income for the year, net of income tax		-	28,839,194
Total comprehensive income for the year		101,589,337	134,941,825

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 2019

	Notes	Share capital G$	Retained earnings G$	Capital reserves G$	Total G$
Balance at 31 December 2017		150,916,595	621,942,375	1,369,822,686	2,142,681,656
Change in equity 2018					
Profit for the year		-	106,102,631	-	106,102,631
Other comprehensive income for the year, net of tax		-	-	28,839,194	28,839,194
Total comprehensive income for the year		-	106,102,631	28,839,194	134,941,825
Dividends paid	17	-	(33,201,651)	-	(33,201,651)
Balance at 31 December 2018		150,916,595	694,843,355	1,398,661,880	2,244,421,830
Change in equity 2019					
Profit for the year		-	101,589,337	-	101,589,337
Total comprehensive income for the year		-	101,589,337	-	101,589,337
Dividends paid	17	-	(36,219,983)	-	(36,219,983)
Balance at 31 December 2019		150,916,595	760,212,709	1,398,661,880	2,309,791,184

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 G$	2018 G$
ASSETS			
Non current assets			
Property, plant and equipment	8 (i)	1,695,559,983	1,758,570,429
Deferred tax	22	132,242,200	113,682,235
		1,827,802,183	1,872,252,664
Current assets			
Inventories	9 (i)	340,295,770	440,557,774
Trade and other receivables	10	191,451,803	173,327,903
Taxes recoverable		5,166,174	5,166,174
Cash on hand and at bank		318,721,498	237,255,619
		855,635,245	856,307,470
TOTAL ASSETS		2,683,437,428	2,728,560,134
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	150,916,595	150,916,595
Retained earnings		760,212,709	694,843,355
Capital reserves	12	1,398,661,880	1,398,661,880
SHAREHOLDERS' FUNDS		2,309,791,184	2,244,421,830
Non current liabilities			
Deferred tax	22	288,391,693	288,391,693
Current liabilities			
Trade and other payables	13	83,492,339	194,553,404
Taxes payable		301,687	-
Dividends payable		1,460,525	1,193,207
		85,254,551	195,746,611
TOTAL EQUITY AND LIABILITIES		2,683,437,428	2,728,560,134

These financial statements were approved by the Board of Directors on March 18, 2020.
On behalf of the Board:

Ms. P. Bacchus - Director

Mr. R. Ramautar - Director

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 2019

	2019 G$	2018 G$
Operating activities		
Profit/(loss) for the year before taxation	103,394,321	119,175,577
Adjustments for:-		
Depreciation	76,108,379	71,184,330
Gain on disposal of property, plant and equipment	-	(2,700,000)
Operating profit before working capital changes	179,502,700	187,659,907
Increase in dividends payable	267,318	237,447
(Increase)/decrease in inventories	100,262,004	(72,092,134)
(Increase)/decrease in trade and other receivables	(18,123,900)	808,698
Increase/(decrease) in trade and other payables	(111,061,065)	35,144,566
Cash generated from operations	150,847,057	151,758,484
Taxes paid/adjusted	(20,063,261)	(27,007,284)
Net cash provided by operating activities	130,783,796	124,751,200
Investing activities		
Proceeds from disposal of property, plant and equipment	-	2,700,000
Payments to acquire property, plant and equipment	(13,097,934)	(55,187,654)
Net cash used in investing activities	(13,097,934)	(52,487,654)
Financing activities		
Dividends paid	(36,219,983)	(33,201,651)
Net cash used in financing activities	(36,219,983)	(33,201,651)
Net increase in cash and cash equivalents	81,465,879	39,061,895
Cash and cash equivalents at beginning of period	237,255,619	198,193,724
Cash and cash equivalents at end of period	318,721,498	237,255,619
Consisting:		
Cash on hand and at bank	318,721,498	237,255,619

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

NOTES ON THE ACCOUNTS

1. INCORPORATION AND ACTIVITIES

The Company was incorporated in Guyana on 12 July, 1978 under the Companies Act Chapter 89:01 as Seals and Packaging Industries Limited and continued under the Companies Act 1991 on 24 September, 1995. On 30 April 1999, the Company changed its name to Caribbean Container Inc. Its principal activities are:

(a) The production of recycling paper - fluting-medium and linerboard - from recycled carton boxes (Old Corrugated Cartons – OCC). The Board of Directors suspended operations of CCI's Paper Recycling Plant (PRP) effective 30 June 2017. The duration of the suspension of the PRP will be for a maximum period of 36 months; during which time the Board of Directors will continue to assess the conditions and circumstances to enable it to make a long-term decision on the future of the PRP. During the period of suspension, the Company's business of the production of corrugated packaging is sustained with the use of imported paper.

(b) The production of customized and innovative corrugated packaging and related corrugated and solid board products, and the marketing and sale of these products on local and export markets.

Employees:

At 31 December 2019 the number of employees of the company was 96 (2018- 100).

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Amendments effective for the current year end

	Effective for annual periods beginning on or after
New and Amended Standards	
IFRS 16 Leases	1 January 2019
Amendments to IFRS 9, 'Financial instruments' – Prepayment features with negative compensation	1 January 2019
Amendments to IAS 28, 'Investments in associates' Long term interests in associates and joint ventures	1 January 2019
Amendments to IAS 19, 'Employee benefits' – Plan amendment, curtailment or settlement	1 January 2019
Annual improvements 2015-2017	1 January 2019
New and revised interpretations	
IFRIC 23, 'Uncertainty over income tax	1 January 2019

Amendments to IFRS 9, 'Financial instruments' – Prepayment features with negative compensation

The IASB issued a narrow-scope amendment to IFRS 9 to enable companies to measure at amortised cost some prepayable financial assets with negative compensation. The assets affected, that include some loans and debt securities, would otherwise have been measured at fair value through profit or loss (FVTPL).

Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than upaid amounts of principal and interest. However, to qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract.

In addition, to qualify for amortised cost measurement, the asset must be held within a 'held to collect' business model.

NOTES ON THE ACCOUNTS

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS – CONT'D

Amendments to IAS 28, 'Investments in associates' – Long term interests in associates and joint ventures

The IASB issued a narrow scope amendment to IAS 28 that clarified that these long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using IFRS 9. This includes the impairment requirements in IFRS 9. An illustrative example is also provided.

Amendments to IAS 19, 'Employee benefits' – Plan amendment, curtailment or settlement

This amendment requires an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Annual improvements 2015-2017

Standard/Interpretation	Amendment
IFRS 3, 'Business combinations'	The amendments clarify that obtaining control of a business that is a joint operation, is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.
IFRS 11, 'Joint arrangements'	The amendments clarify that the party obtaining joint control of a business that is a joint operation should not re-measure its previously held interest in the joint operation.
IAS 12, 'Income taxes'	The amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends. Previously, it was unclear whether the income tax consequences of dividends should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.
IAS 23, 'Borrowing costs'	The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

IFRIC 23 Uncertainty over Income Tax

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatment should be considered collectively;
- Assumptions for taxation authorities examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- The effect of changes in facts and circumstances.

NOTES ON THE ACCOUNTS

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS – CONT'D

Pronouncements effective in future periods available for early adoption

	Effective for annual periods beginning on or after
New and Amended Standards	
Amendments to IFRS 3, 'Business combinations'	
Definition of a business	1 January 2020
Amendments to IAS 1 and IAS 8 – Definition of material	1 January 2020
Amendments to the Conceptual framework	1 January 2020
IFRS 17, 'Insurance contracts'	1 January 2021

The Company has not opted for early adoption.

The standards and amendments that are expected to have a material impact on the Company's accounting policies when adopted are explained below.

Amendments to IFRS 3, 'Business combinations' – Definition of a business

To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organized workforce.

Amendments to IAS 1 and IAS 8 – Definition of material

The amendment to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies', changes in accounting estimates and errors', and other consequential amendments to other IFRSs:
i) Use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
ii) Clarify the explanation of the definition of material; and
iii) Incorporate some of the guidance in IAS 1 about immaterial information.

The amendments clarify the definition of material and make IFRSs more consistent, but are not expected to have a significant impact on the preparation of financial statements.

Amendments to the Conceptual framework

The IASB has revised its Conceptual Framework. This will not result in any immediate changes to IFRS however the revised framework will be used in future standard setting decisions. It is therefore helpful for stakeholders to understand the concepts in the framework and the potential ways in which they may impact future guidance. Preparers might also use the framework to develop accounting policy where an issue is not addressed by an IFRS.

IFRS 17, 'Insurance contracts'

On 18 May 2017, the IASB finished its long-standing project to develop an accounting standard on insurance contracts and published IFRS 17, 'Insurance Contracts'. IFRS 17 replaces IFRS 4, which currently permits a wide variety of practices. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

On transition to IFRS 17, an entity applies IFRS 17 retrospectively to groups of insurance contracts, unless it is impracticable. In this case, the entity is permitted to choose between a modified retrospective approach and the fair value approach.

NOTES ON THE ACCOUNTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified for the revaluation of property, plant and equipment and conform with International Financial Reporting Standards.

(b) Revenue and expense recognition

Revenue is recognized in the statement of profit or loss and other comprehensive income on a basis of the five step model as prescribed by IFRS 15 – Revenue from Contracts with Customers as described above.

i) Nature of goods and services
Revenue is earned from the sale of produced of customized and innovative corrugated packaging and related corrugated and solid board products, and the marketing and sale of these products on local and export markets.

ii) Timing of satisfaction of performance obligations
The performance obligations of contracts with local customers are satisfied when goods are delivered. Performance obligations with export customers are satisfied depending on whether the goods are sold on a cost insurance freight (CIF) or free on board (FOB) basis. Performance obligations for CIF sales are satisfied when the goods have been delivered to the customer's country while for FOB sales are satisfied when the goods are delivered to the vessel for export to the customer. Revenue is recognized when the entity fulfills its performance obligations.

iii) Significant payment terms and contract balances
Payments are due within stipulated credit periods agreed with the customer ranging from 30-60 days. As a result of this there exist contract balances in the form of receivables at the year end.

iv) Disaggregation of revenue
Revenue is disaggregated based on segments as disclosed in note 23.

v) Assets recognized to obtain or fulfill a contract
There are no assets recognized to fulfill contracts.

vi) Significant judgments in the application of the standard
There are no significant judgments in the application of the standard.

vii) Obligations to returns
The occurrence of returns from customers rarely occurs.

Expense is recognized in the statement of profit or loss and other comprehensive income on an accrual basis.

NOTES ON THE ACCOUNTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(c) Property plant and equipment and depreciation

Freehold land, buildings and equipment held for use in the production of goods or for administrative purposes are stated in the statement of financial position at their revalued amounts.

Revalued amounts are taken as the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase is recognized in the statement of profit or loss and other comprehensive income to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit or loss and other comprehensive income.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in the statement of profit or loss and other comprehensive income. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

Motor vehicles are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on revalued, buildings and equipment is charged to statement of profit or loss and other comprehensive income. On the subsequent sale or retirement of a revalued land, buildings or equipment, the attributable revaluation surplus remaining in the capital reserve is transferred directly to the statement of profit or loss and other comprehensive income.

Depreciation of other fixed assets is calculated on the straight line method at rates sufficient to write off the cost or valuation of these assets to their residual values over their estimated useful lives as follows:-

Buildings	-	2-3%
Plant and machinery – production	-	1.4-20%
Plant and machinery – other	-	6.25%
Office equipment	-	12.50%
Furniture, fixtures and fittings	-	10.50%
Sundry equipment	-	20.00%
Motor vehicles	-	25.00%
Computer equipment	-	33.33%

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount, and is written down immediately to its recoverable amount.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

(d) Foreign currencies

Transactions in foreign currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions.

NOTES ON THE ACCOUNTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(d) Foreign currencies - cont'd

At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity.

(e) Pension scheme

The company has a Defined Contribution Group Pension Plan which is administered by The Guyana and Trinidad Mutual Life Insurance Company Limited (GTM). The company's contribution for the year was G$5,726,927 (2018- G$5,173,026). The number of employees in the pension scheme as at 31 December, 2019 was 70 (2018- 73).

(f) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

<u>Current tax</u>
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted in Guyana at the end of each reporting period.

<u>Deferred tax</u>
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets realized based on tax rates (tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to the statement of profit or loss and other comprehensive income except where it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

NOTES ON THE ACCOUNTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(f) Taxation - cont'd
Deferred tax - cont's

At 31 December 2019 deferred tax assets not taken up due to uncertainties with respect to recoverability, was approximately G$642,644,658 (2018 $747,583,870). During the year deferred tax assets of G$9,250,800 was accounted for in the financial statements. Refer to note 22.

(g) Inventory

Stocks and stores are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Work in progress comprises cost of production and attributable overheads.

(h) Financial instruments

Financial assets and liabilities are recognized on the Company's statement of financial position when the company becomes a party to the contractual provisions of the instruments.

Financial instruments carried on the statement of financial position include trade and other receivables, trade and other payables and cash and cash equivalents.

Trade and other receivables

Trade and other receivables are measured at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in the statement of profit or loss and other comprehensive income when there is objective evidence that the asset is impaired. The allowance recognized is based on management's evaluation of the collectability of the receivables. These amounts are referred to as expected credit losses.

Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investment or other purposes. These are readily convertible to a known amount of cash, with maturity dates of (3) months or less.

Trade and other payables

Trade and other payables are measured at amortised cost.

(i) Capital reserves

This includes surplus on revaluation of property, plant and equipment, share premium and shareholders' contribution in the form of assets. These reserves are not distributable.

(j) Impairment of property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES ON THE ACCOUNTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(j) Impairment of property, plant and equipment - cont'd

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are derecognised when it is no longer probable that an outflow of economic resources will be required to settle the obligation.

(l) Segment reporting

A business segment is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a group of assets and operations engaged in providing similar products and services that are subject to risks and returns that are different from those of other business segments.

The Company analyses its operations by both business and geographic segments. The primary format is business reflecting paper mill and box manufacturing, its secondary format is that of geographic segments reflecting the primary economic environment in which the company has exposure.

(m) Dividends

Dividends that are proposed and declared are recorded as an appropriation of retained earnings in the statement of changes in equity in the period in which they have been approved. Dividends that are proposed and declared after the reporting date are disclosed as a note to the financial statements.

(n) Earnings per share

Basic earnings per share attributable to ordinary equity holders of the Company is calculated by dividing profit or loss attributable to ordinary equity holders of the company by the weighted number of ordinary shares during the period.

NOTES ON THE ACCOUNTS

4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

(i) Useful lives of property, plant and equipment

Management reviews the estimated useful lives of property, plant and equipment at the end of each year to determine whether the useful lives of property, plant and equipment should remain the same.

(ii) Impairment of financial assets/expected credit losses.

Management makes judgment on recognition of every financial asset of the expected credit losses. Expected credit losses are estimates of any potential default in payments of contractual cash flows taking into account the entirety of the contract life. These losses are reassessed if the credit risk on the instrument changes. Credit risk is determined based on past and forward-looking information. If the retrieval of forward-looking information causes undue cost or effort past information is used to determine credit risk. There exists significant measurement uncertainty in determining this amount as it is based on management's judgment.

(iii) Recognition of deferred tax assets

The recovery of deferred tax assets is based on management's assessment of future taxable income.

NOTES ON THE ACCOUNTS

		2019 G$	2018 G$
5.	**OTHER INCOME**		
	Sale of Box Plant waste (OCC)	5,136,900	13,410,970
	Writeback of liability (i)	-	32,914,163
	Interest received	3,843,887	2,633,650
	Others	117,706	2,764,701
		9,098,493	51,723,484

(i) - This amount relates to a liability for which the Company is not obligated to settle.

		2019 G$	2018 G$
6	**PROFIT BEFORE TAX**	103,394,321	119,175,577
	After accounting for:		
	Staff costs (a)	248,694,721	248,630,457
	Auditor's remuneration	2,400,000	2,206,260
	Directors' fees (b)	1,080,000	1,050,000
	Depreciation (operation)	64,610,327	62,511,266
	Depreciation (administration)	11,498,052	8,673,064
	Fuel	47,446,436	57,679,785
	Repairs and maintenance	75,563,303	60,778,458
	Property tax	20,536,724	19,913,416
	(a) Staff costs		
	Wages and salaries	198,448,457	197,805,465
	Other employment cost	44,519,337	45,651,966
	Pension	5,726,927	5,173,026
		248,694,721	248,630,457
	(b) Directors' fees:		
	Khemraj Goberdhan	360,000	360,000
	Isidro Espinosa	360,000	360,000
	Narvon Persaud	-	150,000
	Pavita Ramkissoon	360,000	180,000
		1,080,000	1,050,000
7	**BASIC EARNINGS PER SHARE**		
	Profit for the year	101,589,337	106,102,631
	Number of ordinary shares in issue during the year	150,916,595	150,916,595
	Basic earnings per share in dollars	0.67	0.70

NOTES ON THE ACCOUNTS

8 (I) PROPERTY, PLANT AND EQUIPMENT

	Land G$	Building G$	Equipment G$	Motor Vehicles G$	Total G$
Valuation/Cost					
At 1 January 2018	474,611,975	1,197,872,098	2,008,059,184	53,494,921	3,734,038,178
Additions	-	12,918,885	35,368,769	6,900,000	55,187,654
Disposal	-	-	-	(4,316,850)	(4,316,850)
At 31 December 2018	474,611,975	1,210,790,983	2,043,427,953	56,078,071	3,784,908,982
Additions	-	-	13,097,934	-	13,097,934
At 31 December 2019	474,611,975	1,210,790,983	2,056,525,887	56,078,071	3,798,006,916
Comprising:					
Cost	8,043,968	26,614,773	297,017,941	55,339,947	387,016,629
Valuation	466,568,007	1,184,176,210	1,759,507,933	738,124	3,410,990,274
At 31 December 2019	474,611,975	1,210,790,983	2,056,525,887	56,078,071	3,798,006,916
Accumulated Depreciation					
At 1 January 2018	-	90,172,870	1,826,352,364	42,945,839	1,959,471,073
Charge for the year	-	30,215,959	36,717,478	4,250,893	71,184,330
Write back on disposal	-	-	-	(4,316,850)	(4,316,850)
At 31 December 2018	-	120,388,829	1,863,069,842	42,879,882	2,026,338,553
Charge for the year	-	30,476,340	42,069,195	3,562,844	76,108,379
At 31 December 2019	-	150,865,169	1,905,139,037	46,442,726	2,102,446,932
Net Book Values:					
At 31 December 2018	474,611,975	1,090,402,154	180,358,111	13,198,189	1,758,570,429
At 31 December 2019	474,611,975	1,059,925,814	151,386,850	9,635,345	1,695,559,983

NOTES ON THE ACCOUNTS

8 REVALUATION OF LAND AND BUILDINGS

Land and buildings were revalued by the Directors on 31 December 1990 on the basis of professional advice. On 31 December 2001 land and buildings and equipment were revalued by Rodrigues Architects Limited and D.R. Spence and Associates, Consulting Engineers, respectively and approved by the Directors. On 16 March,2015 a revaluation was done by Hugo Curtis & Associates Property Consultants and Valuators and approved by the directors. The surplus arising on each revaluation was credited to capital reserves. Further information on fair value is stated below.

If no revaluation of land, buildings and equipment was done, the net book value of property, plant and equipment would have been approximately G$584,752,419 (2018: G$635,092,500).

Land and buildings are recorded at independent professional valuations. On 16 March, 2015 a valuation was done by Hugo Curtis & Associates Property Consultants and Valuators and approved by the directors. All valuations were based on open market value.The revaluation surplus is restricted from distribution of cash dividend.

The valuation of property has been derived by reference to the current market value in the case of land, and the replacement cost in the case of buildings. The most significant input for these valuation approaches is the value or replacement cost per square foot which is considered to be observable. The valuation of property is classified as a level 2.

	2019 G$	2018 G$
9 (I) INVENTORIES		
Raw materials	195,910,909	298,636,490
Finished products	12,885,390	10,324,255
Consumable stores and office stationery	92,404,016	94,588,449
Goods in transit	68,579,145	64,564,935
Work in progress	6,488,896	8,416,231
	376,268,356	476,530,360
Provision for impairment	(35,972,586)	(35,972,586)
	340,295,770	440,557,774

The above provision for impairment was individually assessed.

The costs of inventory recognised as expense during the period with respect to the operations was G$694,450,523 (2018: G$689,448,925). There was a write-off of inventory G$440,357 (2018:G$0) in the year.

Finished products, work in progress and raw materials are expected to be recovered within twelve months. Normal consumable spares are also expected to be recovered within twelve months.

Specialty spares valued G$55,393,986 (2018: G$59,033,779) which comprise of numerous items are held for usage in cases of equipment failure and are used as required.

	2019 G$	2018 G$
(ii) Cost of sales	869,765,022	850,903,417

Cost of sales includes all production costs of goods sold, such as direct labour, direct materials and overhead costs

NOTES ON THE ACCOUNTS

10 TRADE AND OTHER RECEIVABLES	**2019 G$**	**2018 G$**
Trade receivables (a)	157,269,027	134,977,183
Other receivables	34,182,776	38,350,720
	191,451,803	173,327,903
(a) Trade receivables	161,351,177	137,047,119
Less expected credit losses (b)	(4,082,150)	(2,069,936)
	157,269,027	134,977,183

(b) The above expected credit losses was individually assessed, taking into consideration past defaults and expected future defaults.

11 SHARE CAPITAL	**2019**	**2018**
Authorised		
Number of ordinary shares	183,514,000	183,514,000
	G$	**G$**
Issued and fully paid		
150,916,595 ordinary shares	150,916,595	150,916,595

Fully paid ordinary shares, with no par value carrying one vote per share and rights to dividend.

12 CAPITAL RESERVES	**2019 G$**	**2018 G$**
(a) Revaluation surplus (d)	865,175,242	865,175,242
(b) Shareholders' contribution	286,240,500	286,240,500
(c) Share premium	247,246,138	247,246,138
	1,398,661,880	1,398,661,880

(a) Land, buildings and equipment were revalued on 31 December 1990, 31 December 2001 and 16 March 2015 on the basis of professional advice. The surplus arising on each revaluation was credited to capital reserves.

(b) This reserve represents contributions in the form of assets by Demerara Holdings Inc.

(c) Share premium resulted from the issue of 77,000,000 $1 shares issued in 1992 at $4.25.

(d) Revaluation reserve	**2019 G$**	**2018 G$**
Balance at beginning of the year	865,175,242	836,336,048
Tax rate adjustment on revaluation surplus	-	28,839,194
Balance at the end of the year	865,175,242	865,175,242

NOTES ON THE ACCOUNTS

13 TRADE AND OTHER PAYABLES	**2019 G$**	**2018 G$**
Trade payables	31,704,488	133,745,892
Accruals	8,192,781	10,818,252
Other payables	22,971,803	30,075,844
Property tax	20,623,267	19,913,416
	83,492,339	194,553,404

No interest is charged on trade and other payables.

14 PARENT COMPANY

Following the acquisition of the shares held by the Government of Guyana on 29 April 1999, Demerara Holdings Inc. has been the majority shareholder of the Company with 85.92% of the issued share capital. Since 31 December 2007, as far as the Directors are aware, the ultimate shareholder of Caribbean Container Inc. is Technology Investments and Management Inc. (TIMI), a private limited liability company incorporated under the laws of Guyana.

15 CONTINGENT LIABILITIES

	2019 G$	**2018 G$**
Bonds in favour of the Comptroller of Customs and Excise	-	2,000,000

With the introduction of the ASYCUDA World (AW) Electronic Customs Platform it is no longer required that a customs bond be maintained; same has been cancelled on the advice of the Guyana Revenue Authority (GRA).

16 PENDING LITIGATION

At the year end, there was no outstanding or pending litigation involving the company. Also there was no threatened litigation or unasserted claims against Caribbean Container Inc.

17 DIVIDENDS

	2019 G$	**2018 G$**
Amount recognised as distributions to equity holders in the period:		
Prior year dividends paid $0.24 per share (2017 -$0.22)	36,219,983	33,201,651
The directors recommend a dividend of $0.24 per share (2018-$ 0.24 per share)	36,219,983	36,219,983

NOTES ON THE ACCOUNTS

18 FAIR VALUE ESTIMATION

Fair value measurement recognised in the statement of financial position.

Level 1 - Fair value determination is with reference to quoted prices in active markets for identical assets and liabilities.

Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The following assets and liabilities are carried at amortised cost. However, fair values have been stated for disclosure purposes.

	2019			2018		
	IFRS 13 Level	**Carrying amount G$**	**Fair value G$**	**IFRS 13 Level**	**Carrying amount G$**	**Fair value G$**
Assets						
Trade and other receivables	2	191,451,803	191,451,803	2	173,327,903	173,327,903
Taxes recoverable	2	5,166,174	5,166,174	2	5,166,174	5,166,174
Cash on hand and at bank	1	318,721,498	318,721,498	1	237,255,619	237,255,619
		515,339,475	515,339,475		415,749,696	415,749,696
Liabilities						
Trade and other payables	2	83,492,339	83,492,339	2	194,553,404	194,553,404
Taxes payable	2	301,687	301,687	2	-	-
Dividends payable	2	1,460,525	1,460,525	2	1,193,207	1,193,207
		85,254,551	85,254,551		195,746,611	195,746,611

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of assets and liabilities were determined as follows:

(a) Trade and other receivables are net of provisions for impairment. The fair value of trade and other receivables is based on expected realisation of outstanding balances taking into account the Company's history with respect to delinquencies.

(b) Financial instruments where the carrying amounts are equal to fair value:- Due to their short-term maturity, the carrying value of certain financial instruments approximates their fair values. These include cash on hand and at bank, trade and other payables, tax payable/recoverable, trade and other receivables and dividends payable.

Asset carried at fair value	2019			2018		
	IFRS 13 Level	**Carrying amount G$**	**Fair value G$**	**IFRS 13 Level**	**Carrying amount G$**	**Fair value G$**
Assets						
Property, plant and equipment	2	1,695,559,983	1,695,559,983	2	1,758,570,429	1,758,570,429

Property, plant and equipment revaluation

For valuation details see note 8 (ii).

NOTES ON THE ACCOUNTS

19 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

2019	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Total**
ASSETS	**G$**	**G$**	**G$**
Trade and other receivables	191,451,803	-	191,451,803
Taxes recoverable	5,166,174	-	5,166,174
Cash on hand and at bank	318,721,498	-	318,721,498
Total assets	515,339,475	-	515,339,475
LIABILITIES			
Trade and other payables	-	83,492,339	83,492,339
Taxes payable	-	301,687	301,687
Dividends payable	-	1,460,525	1,460,525
Total liabilities	-	85,254,551	85,254,551
2018			
ASSETS			
Trade and other receivables	173,327,903	-	173,327,903
Taxes recoverable	5,166,174	-	5,166,174
Cash on hand and at bank	237,255,619	-	237,255,619
Total assets	415,749,696	-	415,749,696
LIABILITIES			
Trade and other payables	-	194,553,404	194,553,404
Dividends payable	-	1,193,207	1,193,207
Total liabilities	-	195,746,611	195,746,611

NOTES ON THE ACCOUNTS

20 FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (interest rate risk, currency risk and price risk), liquidity risk, capital risk and credit risk.

The Company seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies.

Management reports monthly to the Board of Directors on matters relating to risk and management of risk.

(a) Market risk

The Company's activities expose it to the financial risk of changes in foreign currency exchange rates and interest rates. The Company uses interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the Company's exposure to market risks or the manner in which it manages these risks.

(i) Interest sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate at the end of the reporting period

(ii) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

NOTES ON THE ACCOUNTS

20 FINANCIAL RISK MANAGEMENT- CONT'D

(ii) Interest rate risk - cont'd

This impacts directly on the Company's cash flow.

	Average Interest rate	Maturing 2019		
	%	Within 1 year G$	Non- interest bearing G$	Total G$
Assets				
Trade and other receivables	-	-	191,451,803	191,451,803
Taxes recoverable	-	-	5,166,174	5,166,174
Cash on hand and at bank	2.75%	189,079,003	129,642,495	318,721,498
		189,079,003	326,260,472	515,339,475
Liabilities				
Trade and other payables	-	-	83,492,339	83,492,339
Taxes payable		-	301,687	301,687
Dividends payable	-	-	1,460,525	1,460,525
		-	85,254,551	85,254,551
Interest sensitivity gap		189,079,003		

	Average Interest rate	Maturing 2018		
	%	Within 1 year G$	Non- interest bearing G$	Total G$
Assets				
Trade and other receivables	-	-	173,327,903	173,327,903
Taxes recoverable	-	-	5,166,174	5,166,174
Cash on hand and at bank	2.75%	135,035,158	102,220,461	237,255,619
		135,035,158	280,714,538	415,749,696
Liabilities				
Trade and other payables	-	-	194,553,404	194,553,404
Taxes payable	-	-	1,193,207	1,193,207
Dividends payable				
		-	195,746,611	195,746,611
Interest sensitivity gap		135,035,158		

NOTES ON THE ACCOUNTS

20 FINANCIAL RISK MANAGEMENT - CONT'D

(a) Market risk - cont'd

(ii) Currency risk

The Company's exposure to the effects of fluctuations in foreign currency exchange rates arise mainly from foreign receivables and payables. The currency which the Company is mainly exposed to is United States Dollars.

The aggregate amounts of assets and liabilities denominated in currencies other than Guyana dollars are as shown:

	G$
31 December 2019	
Assets	91,859,075
Liabilities	(24,902,774)
31 December 2018	
Assets	66,928,590
Liabilities	(129,574,722)

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 2.5% increase and decrease in the Guyana dollar (GYD) against the United States dollar (US$).

The sensitivity analysis includes only outstanding foreign denominated monetary items and adjusts their translation at the period end for a 2.5% change in foreign currency rates. A negative number indicates an increase in loss where the US$ strengthens 2.5% against the GY$. For a 2.5% weakening of the US$ against G$ there would be an equal and opposite impact on the profit, and the balances below would be positive.

	2019 G$	2018 G$
Profit/(loss)	1,673,908	(1,566,153)

(iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize the risk.

The Company is not significantly exposed to price risks.

NOTES ON THE ACCOUNTS

20 FINANCIAL RISK MANAGEMENT - CONT'D

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The following table shows the distribution of assets and liabilities by maturity:

At 31 December 2019	Maturing			
	Within 1 year			
	On demand G$	Due in 3 mths G$	Due 3 - 12 mth G$	Total G$
Liabilities				
Trade and other payables	-	83,492,339	-	83,492,339
Taxes payable	301,687	-	-	301,687
Dividends payable	1,460,525	-	-	1,460,525
	1,762,212	83,492,339	-	85,254,551

At 31 December 2018	Maturing			
	Within 1 year			
	On demand G$	Due in 3 mths G$	Due 3 - 12 mths G$	Total G$
Liabilities				
Trade and other payables	-	194,553,404	-	194,553,404
Dividends payable	1,193,207	-	-	1,193,207
	1,193,207	194,553,404	-	195,746,611

NOTES ON THE ACCOUNTS

20 FINANCIAL RISK MANAGEMENT - CONT'D

(c) Credit risk

The table below shows the Company's maximum exposure to credit risk.

	2019 Maximum exposure G$	2018 Maximum exposure G$
Trade and other receivables (excluding of prepayments)	191,451,803	173,327,903
Tax recoverable	5,166,174	5,166,174
Cash at bank	318,721,498	237,118,769
Total credit exposure	515,339,475	415,612,846

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company faces credit risk in respect of its trade and other receivables and cash at bank. However, this risk is controlled by close monitoring of these balances by the company.

Balances due by Banks include balances held with Commercial Banks. These Banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due. The related risk is therefore considered very low.

Trade and other receivables consist of a number of customers spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of trade receivables on a regular basis.

The maximum credit risk faced by the Company is the balances reflected in the financial statements.

	2019 G$	2018 G$
Trade and other receivables (excluding prepayments)	191,451,803	173,327,903
The above balances are classified as follows:.		
Current	98,301,480	88,357,234
Past due but not impaired	93,150,327	84,970,669
	191,451,807	173,327,903
Ageing of trade and other receivables which were past due but not impaired		
1-30 days	35,882,743	38,718,301
31-90 days	57,267,584	46,252,368
	93,150,327	84,970,669
Provision for impairment	4,082,150	2,069,936

No collateral is held against financial assets. Financial Assets that are not impaired are considered collectable.

NOTES ON THE ACCOUNTS

20 FINANCIAL RISK MANAGEMENT - CONT'D

(c) Credit risk - cont'd

The table below shows the credit limit and balance of the five major customers (2018 - 5) at the reporting date.

		2019		2018	
Details	Location	G$ Credit Limit	G$ Carrying Amount	G$ Credit Limit	G$ Carrying Amount
Customer #1	Guyana	40,000,000	27,056,693	40,000,000	41,823,130
Customer #2	Guyana	30,000,000	17,096,213	15,000,000	7,459,535
Customer #3	Suriname	12,870,000	11,166,040	15,000,000	10,670,740
Customer #4	Suriname	12,870,000	-	15,000,000	14,180,917
Customer #5	Suriname	12,870,000	4,032,132	12,000,000	10,526,143

Customers # 1,2, 3 and 4 were granted peak season (December) interim credit extensions on existing limits, none of the carrying amounts materially exceeded the extensions granted.

There were seven (7) customers who represented more than 5% of the total balance of trade receivables.(2018: 5 customers)

The average days of these receivables was 42 days (2018: 47 days).

(d) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The overall strategy remains unchanged from 2018.

The Company has embarked on an aggressive capital programme to enhance operating efficiencies and returns to investors.

The capital structure of the Company consists of cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, capital reserves and retained earnings.

21 RELATED PARTY TRANSACTION

Technology Investments and Management Inc (TIMI) is a Private Limited Liability Company, incorporated under The Laws of Guyana, and presently owns Demerara Holdings Inc. (DHI), the holding company which holds 85.92% of the issued shares of CCI. At the time of his death, Mr. Ronald Webster (late Chairman/Managing Director of CCI) held the majority interest in TIMI. In 2012, Ms Patricia Bacchus (CCI's Managing Director and Chairperson) became a shareholder, and in 2013 Messrs. Rabindranauth Ramautar (CCI's Finance Director) and Zulfikar Samdally (CCI's Sales & Marketing Director), became shareholders in TIMI. The Articles of TIMI permit shareholding by Managers of its subsidiaries and affiliates, including CCI.

Dividends amounting to G$31,120,209 payable for the financial year ended 31 December, 2018 was remitted to TIMI in 2019.

NOTES ON THE ACCOUNTS

21 RELATED PARTY TRANSACTION - CONT'D

Compensation of key management personnel.

The Company's key management personnel comprise of its Directors, Managing Director and Managers. The remuneration paid to key management personnel (except Non Executive Directors) for the year was as follows:

	2019 G$	2018 G$
Short- term employee benefits	59,763,980	60,475,062
Post employment benefits	3,835,062	3,730,624
	63,599,042	64,205,686

Non Executive Directors received Director's fees in the sum of $1,080,000 (2018-$1,050,000).

22 TAXATION

Income tax recognised in profit or loss	2019 G$	2018 G$
Reconciliation of tax expense and accounting profit:		
Profit/(loss) before tax	103,394,321	119,175,577
Corporation tax at 25% & 27.5%	25,848,580	32,773,284
Tax effect of expense not deductible in determining taxable profits:		
Depreciation for accounting purposes	19,027,095	19,575,691
Others	782,419	447,908
Tax exempt income	(960,972)	(1,466,754)
Property tax	5,134,181	5,476,189
	49,831,304	56,806,318
Tax effect of depreciation for tax purpose	9,101,406	14,769,007
Set off of losses	20,364,949	21,018,656
Corporation tax	20,364,949	21,018,655
Deferred tax	(18,559,965)	(10,694,559)
	1,804,984	10,324,096
Taxation:		
Current	20,364,949	21,018,655
Prior year adjustment	-	2,748,850
Deferred	(18,559,965)	(10,694,559)
	1,804,984	13,072,946

Components of deferred tax	2019 G$	2018 G$
Deferred tax liability		
Property, plant and equipment, revaluation	288,391,693	288,391,693
Deferred tax asset		
Property, plant and equipment, timing difference	(32,483,400)	(23,174,235)
Tax losses	(99,758,800)	(90,508,000)
	(132,242,200)	(113,682,235)
Net deferred tax	156,149,493	174,709,458

NOTES ON THE ACCOUNTS

22 TAXATION - CONT'D

Movement in temporary differences

	Property, plant and equipment Timing difference (note a) G$	Property, plant and equipment Revaluation G$	Tax losses (note b) G$	Total G$
At 31 December, 2017	(20,707,676)	317,230,887	(82,280,000)	214,243,211
Movement during the year:				
Rate adjustment				
Statement of profit and loss	1,725,640	-	7,480,000	9,205,640
Statement of comprehensive income	-	(28,839,194)	-	(28,839,194)
Movement				
Statement of profit and loss	(4,192,199)	-	(15,708,000)	(19,900,199)
At 31 December, 2018	(23,174,235)	288,391,693	(90,508,000)	174,709,458
Movement during the year:				
Movement				
Statement of profit and loss	(9,309,165)	-	(9,250,800)	(18,559,965)
At December 31, 2019	(32,483,400)	288,391,693	(99,758,800)	156,149,493

Note (a) timing differences
During the current and prior year the Company accounted for deferred tax asset on the difference between the tax written down value and the net book value in the financial statements.

Note (b) tax losses
During the current and prior year the Company accounted for deferred tax asset on tax losses based on past performance and expectation of future recovery.

23 SEGMENT REPORTING

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and assess their performance.

The Company is currently organised into two operating divisions - paper mill and box manufacturing. These divisions are the basis on which the Company reports its primary segment information.

Principal activities are as follows:

Paper Recycling Plant

The production of recycling paper - fluting-medium and linerboard - from recycled carton boxes (Old Corrugated Cartons – OCC). The Board of Directors suspended operations of CCI's Paper Recycling Plant (PRP) effective 30 June 2017. The duration of the suspension of the PRP will be for a maximum period of 36 months; during which time the Board of Directors will continue to assess the conditions and circumstances to enable it to make a long-term decision on the future of the PRP. During the period of suspension, the Company's business of the production of corrugated packaging is sustained with the use of imported paper.

NOTES ON THE ACCOUNTS

23 SEGMENT REPORTING - CONT'D

Box Manufacturing Plant

The production of customized and innovative corrugated packaging and related corrugated and solid board products, and the marketing and sale of these products on local and export markets.

Statement of income

	2019			
	Paper mill G$	Box Manufacturing G$	Elimination G$	Total G$
Revenue				
External sales	-	1,248,190,327	-	1,248,190,327
Total revenue	-	1,248,190,327	-	1,248,190,327
Results				
Profit/(loss) before unallocated items	(11,498,052)	313,814,978	-	302,316,926
Unallocated items:				
Other income				9,098,493
Administrative				(111,387,413)
Selling and distribution				(76,096,961)
Property tax				(20,536,724)
Profit before tax				103,394,321
Taxation				(1,804,984)
Profit for the year				101,589,337
Other Information				
Capital additions	-	13,097,934	-	13,097,934
Depreciation	11,498,052	64,610,327	-	76,108,379

NOTES ON THE ACCOUNTS

23 SEGMENT REPORTING - CONT'D

Statement of income

	2018			
	Paper mill G$	Box Manufacturing G$	Elimination G$	Total G$
Revenue				
External sales	-	1,193,428,649	-	1,193,428,649
Inter-segment sales	-	-	-	-
Total revenue	-	1,193,428,649	-	1,193,428,649
Results				
Gross profit/(loss)	(18,293,561)	289,634,463	-	271,340,902
Impairment of property, plant and equipment	-	-	-	-
Profit/(loss) before unallocated items	(18,293,561)	289,634,463	-	271,340,902
Unallocated items:				
Other income				51,723,484
Administrative				(110,454,408)
Selling and distribution				(73,520,985)
Property tax				(19,913,416)
Loss before tax				119,175,577
Taxation				(13,072,946)
Loss for the year				106,102,631
Other Information				
Capital additions	-	55,187,654	-	55,187,654
Depreciation	11,496,048	59,688,282	-	71,184,330

NOTES ON THE ACCOUNTS

23 SEGMENT REPORTING - CONT'D

Geographical location

The Company's principal operations are carried out in Guyana. However, revenue originates from two major geographical areas namely, Guyana and other Caricom territories.

Revenue by Geographical Market	2019 G$	2018 G$
Guyana	842,643,121	797,093,248
Other Caricom territories	405,547,206	396,335,401
	1,248,190,327	1,193,428,649

The following is an analysis of the Company's revenue and results from continuing operations and reportable segments:

	Segment revenue		Segment profit/(loss)	
	Year ended 2019 G$	Year ended 2018 G$	Year ended 2019 G$	Year ended 2018 G$
Paper Mill	-	-	(11,498,052)	(18,293,561)
Box Manufacturing	1,248,190,327	1,193,428,649	313,814,978	289,634,463
	1,248,190,327	1,193,428,649	302,316,926	271,340,902

Segment profit represents the profit by each segment without allocation of central administration costs, directors fees, finance costs and tax expenses.

The accounting policies of the reportable segments are the same as the Company's accounting policies.

Information about major customers

Included in revenues arising from box manufacturing of G$1,248,190,327 (2018: G$1,193,428,649) - see table above is revenue of approximately G$482,825,292 (2018:G$498,183,076) which arose from sales to the Company's three (3) largest customers.

NOTES ON THE ACCOUNTS

23 SEGMENT REPORTING - CONT'D

2019			
Segment assets	Paper mill G$	Box Manufacturing G$	Total G$
Property, plant and equipment	566,660,563	1,128,899,420	1,695,559,983
Inventories	-	340,295,770	340,295,770
Trade and other receivables	-	191,451,803	191,451,803
Taxation (including deferred tax)	96,541,982	40,866,392	137,408,374
Cash on hand and at bank	-	318,721,498	318,721,498
	663,202,545	2,020,234,883	2,683,437,428
Segment liabilities			
Trade and other payables	-	83,492,339	83,492,339
Taxation (including deferred tax)	85,848,407	202,844,973	288,693,380
Dividends payable	-	1,460,525	1,460,525
	85,848,407	287,797,837	373,646,244

2018			
Segment assets	Paper mill G$	Box Manufacturing G$	Total G$
Property, plant and equipment	578,158,626	1,180,411,803	1,758,570,429
Inventories	-	440,557,774	440,557,774
Trade and other receivables	-	173,327,903	173,327,903
Taxation (including deferred tax)	86,763,990	32,084,419	118,848,409
Cash on hand and at bank	-	237,255,619	237,255,619
	664,922,616	2,063,637,518	2,728,560,134
Segment liabilities			
Trade and other payables	-	194,553,404	194,553,404
Taxation (including deferred tax)	85,848,407	202,543,286	288,391,693
Dividends payable	-	1,193,207	1,193,207
	85,848,407	398,289,897	484,138,304

24 CAPITAL COMMITMENTS

The Company's capital commitments for the year 2019 amounted to G$52,753,950 (2018: G$50,254,347).

25 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on March 18th, 2020.

NOTES

PROXY FORM

I/We...

of...

being a member/members of Caribbean Container Incorporated hereby

appoint...

of...

or failing him/her ....

of ....

As my/our proxy to vote for me/us on my/our behalf at the 35th Annual General Meeting of the Company to be held on Friday 26 June, 2020 and any adjournment thereof.

As witness my hand................day of..2020

(Name of member/s)...

(Signature of member/s)...

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