Caribbean Container Inc.

Annual Report 2021

Caribbean Container Inc.- for Customizable Packaging that's Sustainable, Functional and Eco-Friendly.

Contents

PACKAGING - AN ESSENTIAL PART OF EVERYDAY LIFE.

Safe Storage

Notice of Meeting

The Thirty-seventh Annual General Meeting (AGM) of Caribbean Container Incorporated (CCI) to consider the Company's Accounts and Reports of the Directors and Auditors for the year ended December 31, 2021, will be held on Friday May 13, 2022 at 4:00 pm at the CCI Complex, Plantation Farm, East Bank Demerara.

Every Member entitled to attend and vote at the meeting may do so in person on their own behalf, or appoint a proxy to attend and vote instead of him/her, and such proxy holder need not be a member of the Company.

Any Covid-19 measures existing at the time of the meeting, imposed by the Public Health (Coronavirus) Regulations made under the Public Health Ordinance and published in the Official Gazette, will be enforced.

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, 2021
2. To consider the declaration of a Final Dividend of $0.52 per share in respect of the year ended December 31, 2021 as recommended by the Board of Directors
3. To ratify the appointment of Ms. Lauren Dundas as Executive Director, and to re-elect the following Non-Executive Directors: Mr. Isidro Espinosa, Mr. Khemraj Goberdhan, Ms. Pavita Ramkissoon and Mr. Garfield Wiltshire
4. To fix the fees/emoluments of Non-Executive Directors for the year 2022
5. To appoint the incumbent Auditors TSD LAL & CO. and authorise the Directors to fix their remuneration for the year 2022
6. To present Long Service Awards to Employees

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

For the purpose of preparing warrants of the Final Dividends for the year ended December 31, 2021, the Register of Members and Share Transfer Books of Caribbean Container Incorporated will be closed from April 29 to May 13, 2022 both days inclusive.

By Order of the Board

Lauren Dundas.

Lauren Dundas
Company Secretary

Registered Office
Plantation Farm
East Bank Demerara
March 21, 2022

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.

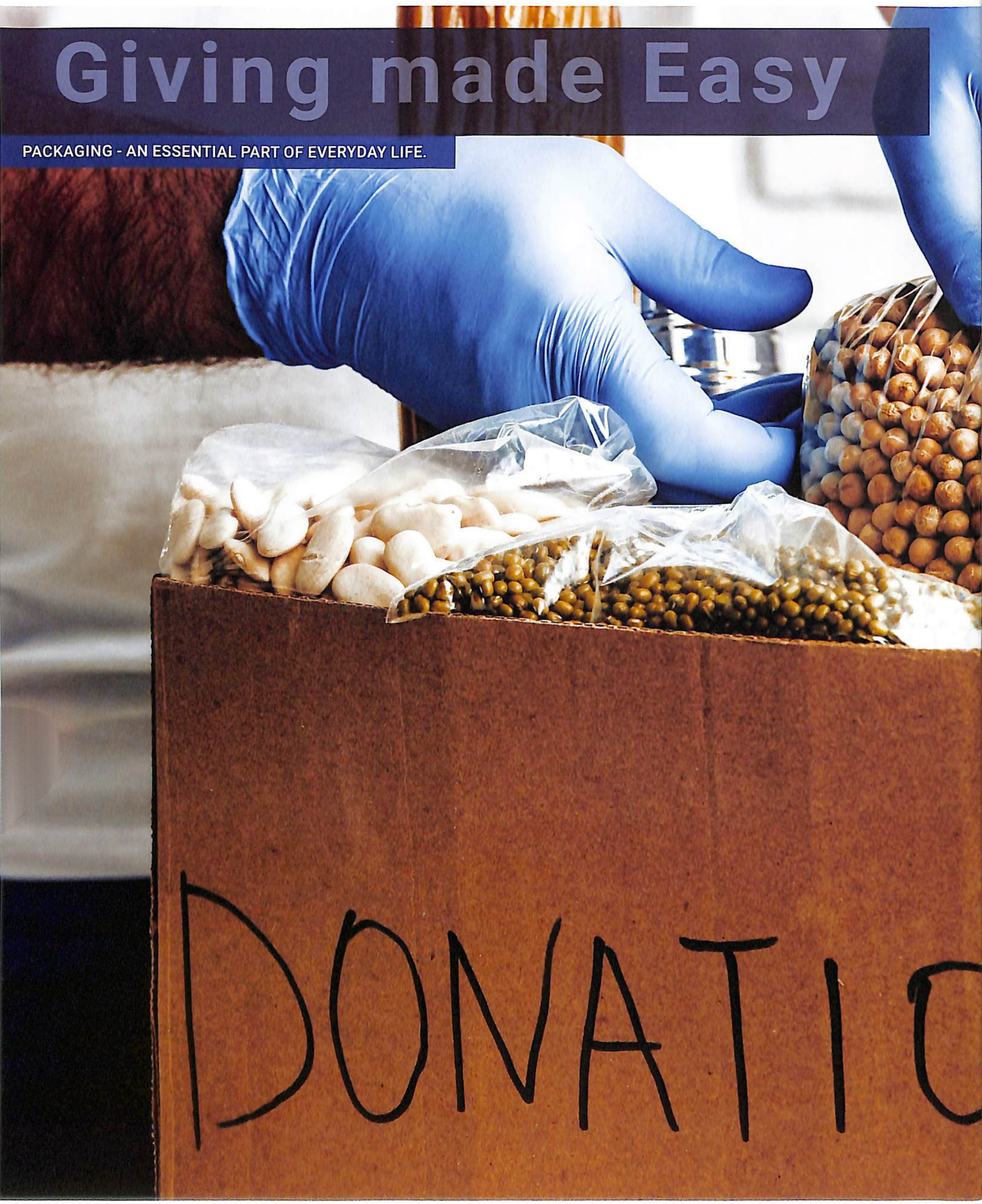
Strategy

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.

Giving made Easy

PACKAGING - AN ESSENTIAL PART OF EVERYDAY LIFE.



Statutory Information

DIRECTORS

MS. PATRICIA BACCHUS
Managing Director & Chairperson

MR. RABINDRANAUTH RAMAUTAR
Finance Director

MR. ZULFIKAR SAMDALLY
Sales and Marketing Director

MS. LAUREN DUNDAS
Director of Administration & Company Secretary

MR. ISIDRO ESPINOSA
Non-Executive Director

MR. KHEMRAJ GOBERDHAN
Non-Executive Director

MS. PAVITA RAMKISSOON
Non-Executive Director

MR. GARFIELD WILTSHIRE
Non-Executive Director

ATTORNEY-AT-LAW

Sievewright Stoby & Co.
15 Ketley & Drysdale Streets
Charlestown
Guyana

AUDITORS

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

BANKERS

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

NEW BUILDING SOCIETY LTD.
1 North Road &
Avenue of the Republic
Georgetown, Guyana

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

REGISTERED OFFICE

Plantation Farm
East Bank Demerara
Guyana

Our Management Team

Patricia Bacchus

Managing Director & Chairperson
15 Years of Service

Rabindranuath Ramautar

Finance Director
29 Years of Service

Zulfikar Samdally

Sales and Marketing Director
26 Years of Service

Lauren Dundas

Director of Administration & Company Secretary
8 Years of Service

Dwayne Musa

Quality Manager
9 Years of Combined Service

Wintson Patokie

Box Plant Production Manager
14 Years of Service

Kallicharran Dudhnath

Maintenance Manager
17 Years of Service

Satyanand Deokinanan

Box Plant Superintendent
29 Years of Service

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 2021.

GLOBAL ECONOMIC GAINS IN 2021

The International Monetary Fund (IMF) estimates global growth at 5.9% for 2021, a significant rebound from the contraction experienced in 2020. Notwithstanding the emergence of the highly transmissible Delta and Omicron Coronavirus variants during the second year of the Pandemic, aggressive vaccination efforts and timely policy support have strengthened resilience and aided global recovery efforts.

The output of Advanced Economies is estimated to have grown by 5% in 2021, rebounding from a 4.5% contraction in 2020. Within this block, the US, the UK, France and Italy recorded above average growth ranging between 5.6% and 7.2%. In 2021, Emerging Market and Developing Economies recorded growth of 6.5%, up from the 2% contraction in 2020, supported largely by strong performance in China and India of 8.1% and 9% respectively.

The Latin America and Caribbean Region, which recorded a 6.9% contraction in 2020, is estimated to have recorded growth of 6.8% in 2021. In the Caribbean sub region, moderate output expansion of 3% is estimated for 2021, buoyed significantly by Guyana's GDP growth of 19.9%.

THE LANDSCAPE IN GUYANA

Guyana continues to boast one of the fastest growing economies worldwide, recording GDP growth of 19.9% in 2021. With the implementation of an effective vaccination drive and as Pandemic related restrictions were incrementally lifted, the conditions allowed for recovery in the non-oil economy, which is estimated to have grown by 4.6%; a significant rebound from the contraction recorded in 2020.

For the Extractive Industries, some subsectors saw divergent performance in 2021. Contractions were recorded in the Gold and Bauxite Mining subsectors; overall Mining and Quarrying output is nonetheless estimated to have expanded by 36.5%, supported by significant growth in infrastructure projects and construction within the Public and Private Sectors. With increased levels of daily production, the Oil and Gas subsector is estimated to have grown by 46.5%.

Due to unprecedented floods experienced during 2021, the Agriculture, Forestry and Fishing Sector is estimated to have contracted by 9.1% with Sugar, Rice and Other Crops subsectors being most affected. Notwithstanding the challenging conditions, the Livestock, Forestry and Fishing subsectors recorded notable growth in 2021.

The Manufacturing Sector is estimated to have expanded by 3.5%, notwithstanding significant contractions recorded in the Sugar and Rice Manufacturing subsectors. With these two subsectors excluded, the Other Manufacturing Sector is estimated to have recorded commendable output growth of 20.7%.

Notable expansion in output was also recorded by the Services Sector, which is estimated to have grown by 11.9% in 2021. As alluded to above, the Construction Sector is also estimated to have recorded significant growth, pegged at 29.8%.

With overall strong performance across sectors, Guyana's economic trajectory remains impressive as it leads the Region, and continues to be one of the fastest growing economies worldwide.

CCI'S PERFORMANCE

During 2021, significant supply chain disruptions, freight rate escalation and raw material price increases were experienced. Cushioning this and keeping cost of sales contained, was the Company's strategy in 2020 and very early in 2021 to stock surplus levels of raw material, procured at prices lower than those which prevailed later in 2021. By the end of 2021, freight rates from some jurisdictions had increased by 300% and the prices of some categories of raw material by almost 100%. These conditions worsened at the beginning of 2022 and deteriorated even further with the advent of the Russia-Ukraine War.

Turnover for 2021 year was recorded at $1.364 billion, 1.3% below 2020 Turnover, as pandemic related surplus purchasing moderated. Cost of Sales, at $852.9 million, was 1.6% below 2020. Gross Profit for the year was recorded at $444.5 million, a 1.7% over 2020. Other Income, recorded at 34.3 million, saw growth of 229% over 2020 as the Company disposed of plant waste and obsolete items.

In 2021, the Board revisited the matter of the Paper Recycling Plant, which Operations were suspended in 2017. Having considered the fact that the conditions which influenced the suspension continued to prevail in 2021, including substantial capital retooling costs, the quality limitations of recycled paperboard and matters related to cost of sales, the Board took the decision to permanently close the Recycling Plant. Resulting from this, an impairment entry was recorded against the Buildings of the Paper Recycling Plant, with $353.2 million hitting the P&L. Shareholders may recall that a similar impairment entry was made in relation to the Equipment of the Paper Recycling Plant in 2017 when Operations were suspended.

Resulting from the 2021 impairment of the Buildings of the Recycling Plant, the Company recorded a loss before tax of $94.6 million. With the inclusion of the Balancing Allowance in relation to the impairment, taxation for the period amounted to a credit of $43.2 million (see further details in Note 21 to the Accounts), resulting in a loss after tax of $51.4 million; a loss of $0.34 per share. Notwithstanding this, as it did in 2017, the Board of Directors considered the operating profit for the year and recommends the declaration of a Final Dividend of $0.52 per ordinary share, a 13% increase over the Dividend declared for 2020.

It is also prudent to note the Independent Valuations conducted on the Company's Property and Equipment as at December 31st 2021; these Valuations are usually undertaken every three to five years to validate and/ or determine the Fair Value of Property and Equipment under IFRS 13. Resulting from the Revaluation Exercises, a net Revaluation Surplus of $1.4 billion, as detailed in Note 12 to the Accounts, was credited to Capital Reserves.

THE EMERGENCE OF NEW THREATS

With the advent of new Coronavirus variants towards the end of 2021, and the resulting reimposition of restrictions in a number of countries, it is clear that the Pandemic continues to have a grip, though not as devastating as in its first year.

As we navigate what many believe to be the tail end of the Pandemic, a number of related as well as new threats emerge. In 2021, supply disruptions were experienced across sectors as reduced output was insufficient to meet increased demand when restrictions were lifted and economic activity rebounded. Similarly, with a boom in global exports, logistics and transport constraints were heightened due to overload as capacity lagged, resulting in significant increases to transport and freight costs, as well as delays. Compounding this, the economic reopening and related energy demand resulted in energy prices ending the year 59% higher than the first trading day in 2021 (S&P Goldman Sachs Commodity Index).

Chairperson's Report (cont'd)

These conditions continue to prevail in 2022 and have induced substantial elevations to inflation rates globally. In February 2022, the US inflation rate accelerated to 7.9%, its highest level in 40 years. Similarly, European Union inflation rate was up to 6.2% in February 2022. In Guyana, the 12-month inflation rate reached 5.7% in December 2021, driven largely by higher food prices.

Cognizant of the realities existing at the beginning of the year, the IMF in its January Update, forecasted that Global Growth will moderate from 5.9% in 2021 to 4.4% for 2022. This projection was of course made prior to Russia's invasion of Ukraine in February 2022, the biggest threat now posed to Global recovery and stability. The IMF Managing Director has since signaled the likelihood of the IMF cutting the Global growth forecast in response to the Russia-Ukraine war.

The consequences of the Russia-Ukraine war are numerous and far reaching. In addition to the loss of lives and the likely refugee crisis, the economic ramifications are already being felt Globally as Sanctions are imposed on Russia, and as output is reduced in Ukraine. Amidst already high inflation levels, energy prices have risen to their highest levels since 2008, pushing over USD120 per barrel in March before moderating around USD100 later in the month. With Russia and Ukraine accounting for about 30% of Global Wheat exports, there has also been significant increases in Wheat prices. Commodity market spikes associated with these volatile conditions are expected to continue, along with increased food prices and a possible exasperation of the already alarming supply chain disruptions. Ultimately, the cost of the war will depend on how long the fighting persists.

Guyana's GDP is projected to expand by an astounding 47.5% in 2022, as the second Floating, Production, Storage and Offloading (FPSO) Vessel comes online. Although growth is forecasted across all economic sectors, volatile commodity prices and continued supply disruptions, (especially if the Russia-Ukraine War persists), can impede the growth rate and drive inflation higher.

NAVIGATING 2022

Significant challenges exist in the procurement of raw material, including availability issues, unprecedented prices, freight rate increases and shipping delays. Russia's invasion of Ukraine will delay stabilization and worsen these conditions. With further increases in raw material prices experienced during the first quarter of 2022, prudent Management is required to ensure the optimization of the Company's resources during what is forecasted to be a very challenging year.

On the upside, earlier in March, the Company executed a Long Lease with a Regional Commercial Conglomerate for the lease of a portion of the Company's idle real estate. Possession and commencement of Rent Payment is slated for later in the year, and is anticipated to contribute notable other income.

In closing, I wish to express our gratitude to all stakeholders that continue to demonstrate trust and confidence in the Company, most notably our Customers and Shareholders. I would also like to thank the Company's Employees, Managers and the Board of Directors for their invaluable service and contribution. Allow me to take this opportunity to congratulate Lauren Dundas, CCI's Company Secretary, on her appointment to the Board of Directors in January 2022. Lauren, an Attorney-at-Law by training, has been with the Company for eight years and is an exceptionally talented and driven young professional, we are pleased to welcome her to the Executive Team.

Patricia Bacchus
Chairperson
March 22, 2022


PACKAGING - AN ESSENTIAL PART OF EVERYDAY LIFE.
Strong, Functional Packaging

Board of Directors

Patricia
Bacchus
Managing Director &
Chairperson

Zulfikar
Samdally
Sales & Marketing
Director

Rabindranauth
Ramautar
Finance Director

Lauren
Dundas
Director of
Administration &
Company Secretary

Garfield
Wiltshire
Non-Excutive Director

Khemraj
Goberdhan
Non-Excutive Director

Pavita
Ramkissoon
Non-Excutive Director

Isidro
Espinosa
Non-Excutive Director

PACKAGING - AN ESSENTIAL PART OF EVERYDAY LIFE.

Handling and Delivery made Safe

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, 2021.

PRINCIPAL ACTIVITIES:

- By Board decision, operations of the Paper Recycling Plant was suspended on June 30th, 2017. The issue was revisited in 2021 and by Board Resolution on March 16th, 2021 the decision was taken to permanently close the Paper Recycling Plant. Going forward, the Paper Recycling Plant will be removed as an Operating Division for Segment Reporting.

- 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 G$1,364,544,775; (2020 $1,383,161,652)

Turnover by Geographical Market	2021	2020
Guyana	$993,632,916	$972,226,877
Other Caricom territories	$370,911,859	$410,934,775

FINANCIAL RESULTS SUMMARY

	2021	2020	2019
Gross Profit	$444,553,718	$437,126,515	$302,316,926
Taxation			
Taxation: Current	$13,825,855	$37,690,842	$20,364,949
Taxation: Deferred	($57,026,993)	($21,272,396)	($18,559,965)
Total Taxation	($43,201,138)	$16,418,446	$1,804,984
Profit/ (loss) after Tax	($51,490,421)	$220,238,339	$101,589,337
Earnings before taxation, depreciation & Impairment	$325,610,521	$316,209,545	$179,502,700
Basic Earnings/ (Loss) per share	($0.34)	$1.46	$0.67
Retained earnings as at December 31st	$823,319,010	$944,231,065	$760,212,709
Assets and Liabilities			
Assets: Current	$1, 247,427,046	$1,146,599,817	$855,635,245
Assets: Non-Current	$3,433,695,309	$1,785,079,240	$1,827,802,183
Total Assets	$4,681,122,355	$2,931,679,057	$2,683,437,428
Liabilities: current	$141,415,144	$149,477,824	$85,254,551
Liabilities: non-current			
Deferred Tax	$757,996,202	$288,391,693	$288,391,693
Total Liabilities	$899,411,346	$437,869,517	$373,646,244

Report of the Directors (cont'd)

CAPITAL EXPENDITURE

In 2021 a total of $133,473,122 from self-generated funds was directed towards Capital Expenditure, compared to $15,557,420 in 2020.

FIXED ASSETS:

Disposal: The Board of Directors took the decision that fully depreciated obsolete property, plant and equipment at a cost/valuation total of G$1,346,857,488, as constituted by the following groupings, be written off from the books as at December 31, 2021. There was no resulting impact on the statement of profit or loss and other comprehensive income. These write offs were Paper Recycling Plant Equipment (previously Impaired in 2017) of G$1,152,004,713, Printery Plant and Machinery of G$16,853,000 and Box Plant Machinery and Equipment (including Office Equipment, Motor Vehicles, and Fixtures and Fittings) of G$177,999,774.

Additions: In 2021, there were additions to fixed assets totaling $133,473,122. In 2020, additions to fixed assets totaled $15,557,420.

Impairment of Assets: Resulting from the suspension of operations of the Paper Recycling Plant (PRP) in June 2017, an impairment review, including the consideration of Independent Valuations, was done in keeping with IAS 36. An Impairment entry was consequently made on the Equipment of the PRP at that time (2017). During the reporting period, the decision was taken by the Board of Directors via Resolution on March 16, 2021, to permanently close operations of the Paper Recycling Plant. As a result, the decision was taken to record the Impairment of the PRP Building during the current reporting period to the value of G$353,267,143, which is charged to the statement of profit or loss and other comprehensive income. Apart from said impairment recognized on the PRP building as at December 31, 2021, 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:

The Board of Directors has recommended the declaration and payment of a dividend of $0.52 per share for the financial year ended December 31, 2021.

BANKERS:

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

OVERDRAFT AND LOAN DISCLOSURES:

As at the end of the financial year ended December 31, 2021, there were no loans and overdraft and/or any other borrowings owed by the Company.

DIRECTORS:

The Directors as at December 31, 2021 were:

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

Pursuant to the Company's Articles of Continuance, Mr. Isidro Espinosa, Mr. Khemraj Goberdhan, Ms. Pavita Ramkissoon and Mr. Garfield Wiltshire retire from office and being eligible, have offered themselves for re-election.

N.B. The Board of Directors on January 28, 2022, appointed Ms. Lauren Dundas Executive Director of Administration. Ms. Dundas, an Attorney-at Law, has eight years of experience in service to CCI as the Company Secretary and Legal Officer; and with said appointment to the Board, Ms. Dundas will hold the dual post of Director of Administration and Company Secretary.

SECRETARY:
The Company Secretary as at December 31, 2021, was:

- Ms. Lauren Dundas

DIRECTORS' EMOLUMENTS:
During the financial year Non-Executive Directors received payment for their services amounting to G$2,400,000, i.e., Mr. Khemraj Goberdhan-G$630,000, Mr. Isidro Espinosa-G$630,000, Ms. Pavita Ramkissoon-G$630,000 and Mr. Garfield Wiltshire-G$510,000. 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	Nil	Nil	12000
Pavita Ramkissoon	Nil	Nil	Nil
Garfield Wiltshire	2,040	Nil	Nil

Non-Executive Director Mr. Khemraj Goberdhan is a substantial shareholder of CAGEYS INC., Private company incorporated under the Laws of Guyana, which owns 12,000 ordinary shares.

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 2021, Dividends for the financial year ended December 31, 2020, amounting to $59,648,306 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 2021	No. of Shares 2020	%Shareholding 2021	%Shareholding 2020
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.

Report of the Directors (cont'd)

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 2021.

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 2021:

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, 2021, the number of employees in the pension scheme was 78. For the year, the Company contributed G$6,948,781 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 2021, the Company contributed a total of G$1,205,150 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 2021, the Company expended a total of G$912,717 towards premiums for both of these policies, which are provided at no cost to employees.

Production Incentive Programmes: During the 2021, employees benefitted from number of gain sharing programs, which have culminated in increased efficiencies and better Plant throughput throughout the year.

Education:
Staff Training – during 2021, CCI facilitated the following training for its employees:

1. Good Manufacturing Practices (GMP)
2. Hazard Analysis and Critical Control Points (HACCP)
3. Guyana National Bureau of Standards (GNBS) Internal Quality Auditor and Data Analysis Course
4. Administration and Microsoft Office
5. Production personnel also 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.

CHARITABLE DONATIONS:

Cognizant of its corporate social responsibility, CCI made charitable donations to/supported several organizations, including:

- Calvaries Sports & Tour Clubs
- Civil Defence Commission (CDC)
- Cheshire Home
- Covent Garden Secondary School
- David Rose Special School
- Eiripan
- Farm Methodist Church
- Guyana Fire Service
- Guyana Police Force
- Hope Children's Home
- Jesus Home of Prayer and Praise: New Beginning
- Little Diamond Herstelling Neighbourhood Democratic Council
- Mayor's Cup Football Tournament
- Ministry of Human Services and Social Security
- Missionaries of Charity, Berbice
- Prabhu Sharran Children's Home
- Rose Hall Town Youth & Sports Club
- Rotaract Club of the University of Guyana
- Save 'R' Kids Home
- Shaheed's Orphanage
- St. John Bosco Orphanage
- St. James the Less Anglican Church
- Theatre Guild of Guyana

Planet:

CCI is 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.

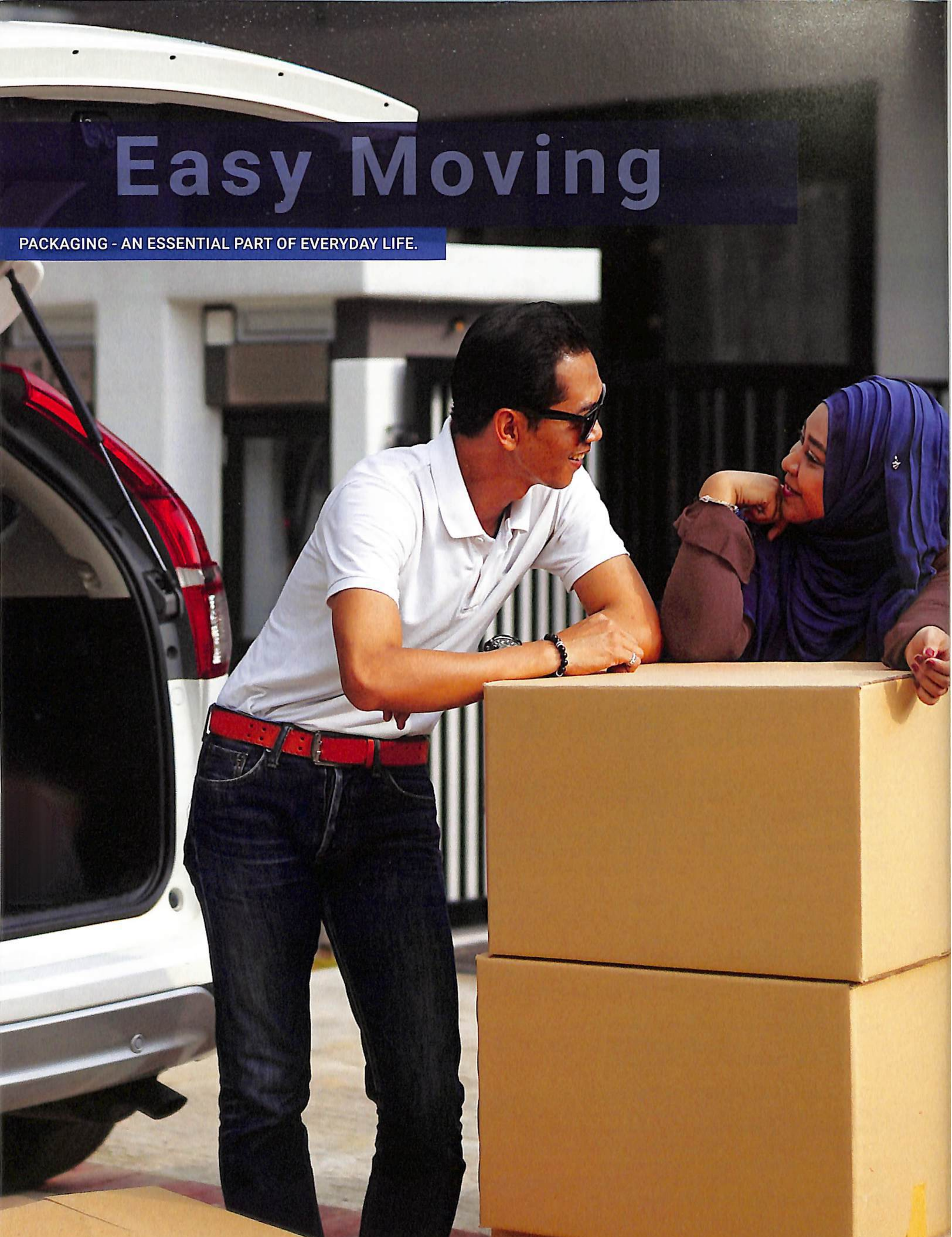
3. Corrugated packaging offers more efficient protection for products: Innovative corrugated packaging designs can eliminate extraneous materials in packaging, while delivering equal or greater structural strength and product protection.

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): During 2021, CCI continued to process and export its cardboard waste/OCC.

Easy Moving

PACKAGING - AN ESSENTIAL PART OF EVERYDAY LIFE.



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 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Caribbean Container Inc., which comprise the statement of financial position as at 31 December 2021, 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 26 to 56.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Caribbean Container Inc. as at 31 December 2021, 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

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$3,223,153,720 as at 31 December, 2021. 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.

As at 31 December 2021 adjustments were made in relation to the following:

- The permanent closure of the Paper Recycling Plant, which resulted in an impairment of property, plant and equipment of G$353,267,143, the reversal of previous revaluation of G$95,726,333 and write off of previously impaired equipment and motor vehicles of G$1,346,857,488;

How our audit addressed the Key Audit Matter

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 reviewed depreciation rates for property, plant and equipment to ensure consistency with the accounting policies and industry rates;
- We obtained and reviewed 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;

Indpendent Auditor's Report (cont'd)

Key Audit Matter	*How our audit addressed the Key Audit Matter*
- The revaluation of the remaining property, plant and equipment which resulted in a surplus of G$1,974,144,366 being recognized and credited to capital reserves. Judgement was used in determining the surplus.	- 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; and we verified samples of the material assets to supporting documents; - We verified the experience, independence and qualifications of management's experts, who were employed to carry out the valuations; - We reviewed the major assumptions used in the valuations to determine whether these were in line with industry norm and our experience.
Valuation of deferred tax assets *(Refer to notes 3(vii) and 21 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 $210,541,589 was included in the statement of financial position as at 31 December, 2021 and an amount of $569,978,614 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 2021 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 and using the 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.

Auditor's Responsibilities for the Audit of the Financial Statements – (Cont'd)

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 Raan Motilall, ACCA, CPA, CGA.

TSD Lal & Co

TSD LAL & CO.
Chartered Accountants

March 21, 2022

77 Brickdam
Stabroek
Georgetown
Guyana

Statement of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 G$	2020 G$
Turnover	22	1,364,544,775	1,383,161,652
Less: Cost of sales	9 (ii)	852,956,120	866,482,377
		511,588,655	516,679,275
Depreciation	8 (i)	67,034,937	79,552,760
Gross profit		444,553,718	437,126,515
Other income	5	34,358,849	10,431,582
		478,912,567	447,558,097
Expenses			
Administrative		122,082,800	116,653,274
Selling and distribution		76,193,314	72,348,343
Property tax		22,060,869	21,899,695
Impairment of Property, plant and equipment	8 (ii)	353,267,143	-
		573,604,126	210,901,312
Profit/(loss) before tax	6	(94,691,559)	236,656,785
Taxation	21	(43,201,138)	16,418,446
Profit/(loss) for the year		(51,490,421)	220,238,339
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss:			
Net increase in revaluation surplus	12 (i)	1,408,813,524	-
Other comprehensive income for the year		1,408,813,524	-
Total comprehensive income for the year		1,357,323,103	220,238,339
Basic earnings/(loss) per share in dollars	7	(0.34)	1.46

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

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Share capital G$	Retained earnings G$	Capital reserves G$	Total G$
Balance at 31 December 2019		**150,916,595**	**760,212,709**	**1,398,661,880**	**2,309,791,184**
Change in equity 2020					
Total comprehensive income for the year		-	220,238,339	-	220,238,339
Dividends paid	16	-	(36,219,983)	-	(36,219,983)
Balance at 31 December 2020		**150,916,595**	**944,231,065**	**1,398,661,880**	**2,493,809,540**
Change in equity 2021					
Total comprehensive income/(loss) for the year		-	(51,490,421)	1,408,813,524	1,357,323,103
Dividends paid	16	-	(69,421,634)	-	(69,421,634)
Balance at 31 December 2021		**150,916,595**	**823,319,010**	**2,807,475,404**	**3,781,711,009**

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

Statement of Financial Position

AS AT 31 DECEMBER 2021

	Notes	2021 G$	2020 G$
ASSETS			
Non - current assets			
Property, plant and equipment	8 (i)	3,223,153,720	1,631,564,644
Deferred tax	21	210,541,589	153,514,596
		3,433,695,309	1,785,079,240
Current assets			
Inventories	9 (i)	333,018,473	462,719,477
Trade and other receivables	10	188,704,763	189,254,762
Taxes recoverable		29,031,462	5,166,174
Cash on hand and at bank		696,672,348	489,459,404
		1,247,427,046	1,146,599,817
TOTAL ASSETS		4,681,122,355	2,931,679,057
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	150,916,595	150,916,595
Retained earnings		823,319,010	944,231,065
Capital reserves	12	2,807,475,404	1,398,661,880
SHAREHOLDERS' FUNDS		3,781,711,009	2,493,809,540
Non - current liabilities			
Deferred tax	21	757,996,202	288,391,693
Current liabilities			
Trade and other payables	13	139,505,820	135,225,064
Taxes payable		-	12,416,831
Dividends payable		1,909,324	1,835,929
		141,415,144	149,477,824
TOTAL EQUITY AND LIABILITIES		4,681,122,355	2,931,679,057

These financial statements were approved by the Board of Directors on March 21, 2022.
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 31 DECEMBER 2021

	2021 G$	2020 G$
Operating activities		
Profit/(loss) for the year before taxation	(94,691,559)	236,656,785
Adjustments for:-		
Depreciation	67,034,937	79,552,760
Impairment of property, plant and equipment	353,267,143	-
Operating profit before working capital changes	325,610,521	316,209,545
Increase in dividends payable	73,395	375,404
(Increase)/decrease in inventories	129,701,004	(122,423,707)
Decrease in trade and other receivables	549,999	2,197,041
Increase in trade and other payables	4,280,756	51,732,725
Cash generated from operations	460,215,675	248,091,008
Taxes paid	(50,107,975)	(25,575,699)
Net cash provided by operating activities	410,107,700	222,515,309
Investing activities		
Payments to acquire property, plant and equipment	(133,473,122)	(15,557,420)
Net cash used in investing activities	(133,473,122)	(15,557,420)
Financing activities		
Dividends paid	(69,421,634)	(36,219,983)
Net cash used in financing activities	(69,421,634)	(36,219,983)
Net increase in cash and cash equivalents	207,212,944	170,737,906
Cash and cash equivalents at beginning of period	489,459,404	318,721,498
Cash and cash equivalents at end of period	696,672,348	489,459,404
Consisting:		
Cash on hand and at bank	696,672,348	489,459,404

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

Notes to 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:

(i) The production of recycling paper - fluting-medium and linerboard - from recycled carton boxes (Old Corrugated Cartons – OCC). By Board decision, operations of the Paper Recycling Plant was suspended on June 30th, 2017. The issue was revisited in 2021 and by Board Resolution on March 16th, 2021 the decision was taken to permanently close the Paper Recycling Plant. Going forward, the Paper Mill will be removed as an Operating Division for Segment Reporting.

(ii) 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 2021 the number of employees of the company was 96 (2020- 92).

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Amendments effective for the current year end

New and Amended Standards	Effective for annual periods beginning on or after
Interest Rate Benchmark Reform — Phase 2	
(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Amendments to IFRS 16 Leases:	
Covid-19-Related rent concessions beyond 30 June 2021	1 April 2021

None of the above new and amended standards and interpretations had a significant effect on the financial statements of the company.

Pronouncements effective in future periods available for early adoption

New and Amended Standards	Effective for annual periods beginning on or after
Annual Improvements 2018-2020	1 January 2022
Narrow scope amendments to IFRS 3, IAS 16 and IAS 37	1 January 2022
IFRS 17 Insurance contracts	1 January 2023
Amendments to IFRS 4 (Deferral of effective date of IFRS 9)	Immediately available
Amendments to IAS 1: Presentation of financial statements on classification of liabilities	1 January 2023
Narrow scope amendments to IAS 1, IAS 8 and IFRS Practice statement	21 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The Company has not opted for early adoption.

None of the foregoing standards and amendments is expected to have a material impact on the Company's accounting policies when adopted except for the one stated below:

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Notes to the Accounts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) 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.

(ii) 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.

- 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.

- 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.

- 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.

- Disaggregation of revenue
  Revenue is disaggregated based on segments as disclosed in note 22.

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

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

- 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.

(iii) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Property, plant and equipment and depreciation (cont'd)

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, building 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.

(iv) Foreign currencies

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

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.

(v) 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$6,948,781 (2020- G$6,558,648). The number of employees in the pension scheme as at 31 December, 2021 was 78 (2020- 70).

(vi) 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.

Notes to the Accounts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(vi) Taxation (cont'd)

Deferred tax

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.

At 31 December 2021 deferred tax assets not taken up due to uncertainties with respect to recoverability, was approximately G$569,978,614 (2020 G$594,777,935). During the year deferred tax assets of G$57,026,993 (2020 G$21,272,396) was accounted for in the financial statements. Refer to note 21.

(vii) 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.

(viii) 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 amortized cost. Appropriate allowances for estimated unrecoverable amounts are recognized in the statement of profit or loss and other comprehensive income on an expected credit losses basis using the simplified approach. 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 amortized cost.

Notes to the Accounts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ix) 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.

(x) 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.

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 recognized 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.

(xi) Provisions

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

(xii) 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.

(xiii) 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.

(xiv) 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 to 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 recognized 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.

<u>Key sources of estimation uncertainty</u>

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:

- <u>Useful lives of property, plant and equipment</u>
  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.

- <u>Impairment of financial assets/expected credit losses.</u>
  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.

- <u>Recognition of deferred tax assets</u>
  The recovery of deferred tax assets is based on management's assessment of future taxable income.

Notes to the Accounts

	2021 G$	2020 G$
5. OTHER INCOME		
Sale of Box Plant waste (OCC)	5,714,006	6,437,659
Interest received	5,798,024	3,478,923
Others	557,740	515,000
Sale of obsolete equipment	22,289,079	-
	34,358,849	10,431,582
6. PROFIT/(LOSS) BEFORE TAX	(94,691,559)	236,656,785
After accounting for:		
Staff costs (i)	281,186,556	269,144,155
Auditor's remuneration	2,520,000	2,400,000
Directors' fees (ii)	2,400,000	1,800,000
Depreciation (operation)	61,946,275	69,554,219
Depreciation (administration)	5,088,662	9,998,541
Fuel	49,711,655	47,401,282
Repairs and maintenance	70,156,300	84,558,630
Property tax	22,060,869	21,859,142
(i) Staff costs		
Wages and salaries	225,295,639	215,383,451
Other employment cost	48,942,136	47,202,056
Pension	6,948,781	6,558,648
	281,186,556	269,144,155
(ii) Directors' fees:		
Khemraj Goberdhan	630,000	600,000
Isidro Espinosa	630,000	600,000
Pavita Ramkissoon	630,000	600,000
Garfield Wiltshire	510,000	-
	2,400,000	1,800,000
7. BASIC EARNINGS/(LOSS) PER SHARE		
Profit/(loss) for the year	(51,490,421)	220,238,339
Number of ordinary shares in issue during the year	150,916,595	150,916,595
Basic earnings/(loss) per share in dollars	(0.34)	1.46

Notes to the Accounts

8. (i) Property, plant and equipment

	Land G$	Building G$	Equipment G$	Motor Vehicles G$	Total G$
Valuation/Cost					
At 1 January 2020	474,611,975	1,210,790,983	2,056,525,887	56,078,071	3,798,006,916
Additions	-	-	15,557,420	-	15,557,420
At 31 December 2020	474,611,975	1,210,790,983	2,072,083,307	56,078,071	3,813,564,336
Additions	-	94,251,477	39,221,645	-	133,473,122
	474,611,975	1,305,042,460	2,111,304,952	56,078,071	3,947,037,458
Write off of accumulated depreciation prior to revaluation	-	(200,321,781)	(629,496,060)	-	(829,817,841)
	474,611,975	1,104,720,679	1,481,808,892	56,078,071	3,117,219,617
Revaluation	1,408,048,025	421,774,796	144,321,545	-	1,974,144,366
	1,882,660,000	1,526,495,475	1,626,130,437	56,078,071	5,091,363,983
Reversal of previous revaluation	-	(95,726,333)	-	-	(95,726,333)
Impairment	-	(353,267,142)	-	-	(353,267,142)
Write off of impaired assets	-	-	(1,324,684,198)	(22,173,290)	(1,346,857,488)
At 31 December 2021	1,882,660,000	1,077,502,000	301,446,239	33,904,781	3,295,513,020
Comprising:					
Cost	8,043,968	120,866,250	21,856,811	33,166,657	183,933,686
Valuation	1,874,616,032	956,635,750	279,589,428	738,124	3,111,579,334
At 31 December 2021	1,882,660,000	1,077,502,000	301,446,239	33,904,781	3,295,513,020
Accumulated Depreciation					
At 1 January 2020	-	150,865,169	1,905,139,037	46,442,726	2,102,446,932
Charge for the year	-	30,476,340	44,691,593	4,384,827	79,552,760
At 31 December 2020	-	181,341,509	1,949,830,630	50,827,553	2,181,999,692
Charge for the year	-	18,980,272	46,079,665	1,975,000	67,034,937
Write back of depreciation	-	(200,321,781)	(629,496,060)	-	(829,817,841)
Write off of impaired assets	-	-	(1,324,684,198)	(22,173,290)	(1,346,857,488)
At 31 December 2021	-	-	41,730,037	30,629,263	72,359,300
Net Book Values:					
At 31 December 2020	474,611,975	1,029,449,474	122,252,677	5,250,518	1,631,564,644
At 31 December 2021	1,882,660,000	1,077,502,000	259,716,202	3,275,518	3,223,153,720

Land and buildings were revalued by the Directors as at 31 December 1990 on the basis of professional advice. As at 31 December 2001 land, buildings and equipment were revalued by Rodrigues Architects Limited and D.R. Spence and Associates, Consulting Engineers, respectively and approved by the Directors. As at 16 March, 2015 a revaluation was done by Hugo Curtis & Associates Property Consultants and Valuators and approved by the Directors. Land, buildings and equipment were revalued as at 31 December, 2021 by Valuation Officer Mr. Peter Green and Mr. Mark Yhann of Yhann Engineering respectively, and approved by the Directors. The surplus arising on each revaluation was credited to capital reserves; Revaluation Surplus is restricted from distribution as Dividend. Further information on fair value is stated below.

Notes to the Accounts

8. (i) Property, plant and equipment - cont'd

If no revaluation of land, buildings and equipment was done, the net book value of property, plant and equipment, after the impairment of the Paper Recycling Plant Building as detailed in note 8 (ii) below, would have been approximately G$ 183,933,686 (2020: G$387,016,629).

(ii) Impairment of Property, plant and equipment

Resulting from the suspension of operations of the Paper Recycling Plant (PRP) in June 2017, an impairment review, including the consideration of Independent Valuations, was done in keeping with IAS 36. An Impairment entry was consequently made on the Equipment of the PRP at that time (2017). During the reporting period, the decision was taken by the Board of Directors via Resolution on March 16, 2021, to permanently close operations of the Paper Recycling Plant. As a result, the decision was taken to record the Impairment of the PRP Building during the current reporting period to the value of G$353,267,143, which is charged to the statement of profit or loss and other comprehensive income.

The Board of Directors took the decision that fully depreciated obsolete property, plant and equipment at a cost/ valuation total of G$1,346,857,488, as constituted by the following groupings, be written off from the books as at December 31 2021. There was no resulting impact on the statement of profit or loss and other comprehensive income. These write offs were Paper Recycling Plant Equipment (previously Impaired in 2017) of G$1,152,004,713, Printery Plant and Machinery of G$16,853,000 and Box Plant Machinery and Equipment (including Office Equipment, Motor Vehicles, and Fixtures and Fittings) of G$177,999,774.

9. (i) Inventories	**2021 G$**	**2020 G$**
Raw materials	124,188,602	286,990,757
Finished products	11,288,671	28,330,381
Consumable stores and office stationery	104,953,233	98,226,366
Goods in transit	89,166,449	79,349,039
Work in progress	24,767,656	5,795,520
	354,364,611	498,692,063
Provision for obsolete stock	(21,346,138)	(35,972,586)
	333,018,473	462,719,477

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$666,422,368 (2020: G$693,521,239). During the year, obsolete inventory to the value of G$14,626,448, was written off against provisions for impairment, thus having no effect on the current year's statement of profit or loss and other comprehensive income (2020-Nil).

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$63,785,829 (2020: G$55,729,351) which comprise of numerous items are held for usage in cases of equipment failure and are used as required.

Notes to the Accounts

		2021	2020
		G$	G$
9. (ii)	**Cost of sales**	852,956,120	866,482,377

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

		2021	2020
10.	**TRADE AND OTHER RECEIVABLES**	G$	G$
	Trade receivables (i)	160,522,604	160,803,789
	Other receivables	28,182,159	28,450,973
		188,704,763	189,254,762
(i)	**Trade receivables**	162,144,044	164,885,939
	Less expected credit losses (ii)	(1,621,440)	(4,082,150)
		160,522,604	160,803,789
(ii)	**At 1 January**	(4,082,150)	(4,082,150)
	Write off for the year	4,082,150	-
	Increase in credit losses for the year	(1,621,440)	-
	At 31 December	(1,621,440)	(4,082,150)

Credit losses were generally assessed as a percentage of receivables at the end of the financial period, taking into consideration past defaults and expected future defaults, with provision made in the sum of G$ 1,621,440.

The company recognized a credit loss to the value of G$4,082,150 as at December 31 2021, which was previously provided for. This amount related to prior year sales of Box Plant waste, owed to CCI by a company that went into receivership.

		2021	2020
11.	**SHARE CAPITAL**		
	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.

Notes to the Accounts

		2021	2020
12.	**CAPITAL RESERVES**	**G$**	**G$**
(i)	Revaluation surplus	2,273,988,766	865,175,242
(ii)	Shareholders' contribution	286,240,500	286,240,500
(iii)	Share premium	247,246,138	247,246,138
		2,807,475,404	1,398,661,880

(i) Land, buildings and equipment were revalued as at 31 December 1990, 31 December 2001, 16 March 2015 and as at 31 December, 2021 on the basis of professional advice. The surplus arising on each revaluation was credited to capital reserves.

Revaluation surplus	2021	2020
	G$	G$
Balance at the beginning of the year	865,175,242	865,175,242
Net Increase in the Revaluation surplus (a)	1,408,813,524	-
Balance at the end of the year	2,273,988,766	865,175,242

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

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

		2021	2020
		G$	G$
(a)	Net Increase in the Revalaution surplus		
	Gain on the revaluation of property, plant and equipment	1,974,144,366	-
	Deferred tax arising on revaluation of property, plant and equipment	(493,536,092)	-
	Write off of previous revaluation arising on impairment of the PRP assets	(95,726,333)	-
	Reversal of deferred tax arising on previous revaluation of the PRP assets	23,931,583	-
		1,408,813,524	-

Notes to the Accounts

13. TRADE AND OTHER PAYABLES

	2021 G$	2020 G$
Trade payables	76,766,552	71,642,674
Accruals	7,456,111	7,399,001
Other payables	33,222,288	34,283,694
Property tax	22,060,869	21,899,695
	139,505,820	135,225,064

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. 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 the company.

16. DIVIDENDS

	2021 G$	2020 G$
Amount recognised as distributions to equity holders in the period:		
Prior year dividends paid $0.46 per share (2019 -$0.24)	69,421,634	36,219,983
The directors recommend a dividend of $0.52 per share (2020-$ 0.46 per share)	78,476,629	69,421,634

Notes to the Accounts

17. FAIR VALUE ESTIMATION

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 tables sets out the carrying value of assets and liabilities. However, Fair values have been stated for disclosure purposes.

		2021			2020	
	IFRS 13 Level	Carrying amount G$	Fair value G$	IFRS 13 Level	Carrying amount G$	Fair value G$
Assets						
Trade and other receivables	2	188,704,763	188,704,763	2	189,254,762	189,254,762
Taxes recoverable	2	29,031,462	29,031,462	2	5,166,174	5,166,174
Cash on hand and at bank	1	696,672,348	696,672,348	1	489,459,404	489,459,404
		914,408,573	914,408,573		683,880,340	683,880,340
Liabilities						
Trade and other payables	2	139,505,820	139,505,820	2	135,225,064	135,225,064
Taxes payable		-	-	2	12,416,831	12,416,831
Dividends payable	2	1,909,324	1,909,324	2	1,835,929	1,835,929
		141,415,144	141,415,144		149,477,824	149,477,824

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.

Notes to the Accounts

17. FAIR VALUE ESTIMATION - CONT'D

Asset carried at fair value

	2021			2020		
	IFRS 13 Level	Carrying amount G$	Fair value G$	IFRS 13 Level	Carrying amount G$	Fair value G$
Assets						
Property, plant and equipment	2	3,223,153,720	3,223,153,720	2	1,631,564,644	1,631,564,644

Property, plant and equipment revaluation

Land and buildings and Equipment are recorded at independent professional valuations.

A valuation of Land and Buildings was done by Valuation Officer Mr. Peter Green as at December 31 2021, which was considered and approved by the Directors. 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.

Equipment and machinery (except for motor vehicle and office equiment) were revalued by Mr. Mark Yhan of Yhann Engineering as at December 31 2021 and approved by the Directors. The equipment and machinery were revalued on the basis of Net Current Replacement Cost as part of a going concern, after assessing expired service potential and residual/remaining useful life from observed physical condition/ depreciation. The valuation of equipment and machinery are classifies as level 2.

Notes to the Accounts

18. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

2021	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
ASSETS	G$	G$	G$
Trade and other receivables	188,704,763	-	188,704,763
Taxes recoverable	29,031,462	-	29,031,462
Cash on hand and at bank	696,672,348	-	696,672,348
Total assets	914,408,573	-	914,408,573
LIABILITIES			
Trade and other payables	-	139,505,820	139,505,820
Dividends payable	-	1,909,324	1,909,324
Total liabilities	-	141,415,144	141,415,144
2020			
ASSETS	G$	G$	G$
Trade and other receivables	189,254,762	-	189,254,762
Taxes recoverable	5,166,174	-	5,166,174
Cash on hand and at bank	489,459,404	-	489,459,404
Total assets	683,880,340	-	683,880,340
LIABILITIES			
Trade and other payables	-	135,225,064	135,225,064
Taxes payable	-	12,416,831	12,416,831
Dividends payable	-	1,835,929	1,835,929
Total liabilities	-	149,477,824	149,477,824

Notes to the Accounts

19. 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.

This impacts directly on the Company's cash flow.

	Average Interest rate	Maturing 2021		
		Within 1 year	Non-interest bearing	Total
	%	G$	G$	G$
Assets				
Trade and other receivables	-	-	188,704,763	188,704,763
Taxes recoverable	-	-	29,031,462	29,031,462
Cash on hand and at bank	2.75%	290,398,648	406,273,701	696,672,349
		290,398,648	624,009,926	914,408,574
Liabilities				
Trade and other payables	-	-	139,505,820	139,505,820
Dividends payable	-	-	1,909,324	1,909,324
		-	141,415,144	141,415,144
Interest sensitivity gap		290,398,648		

Notes to the Accounts

19. FINANCIAL RISK MANAGEMENT - CONT'D

(a) Market risk - cont'd

(ii) Interest rate risk - cont'd

	Average Interest rate %	Maturing 2020 Within 1 year G$	Non-interest bearing G$	Total G$
Assets				
Trade and other receivables	-	-	189,254,762	189,254,762
Taxes recoverable	-	-	5,166,174	5,166,174
Cash on hand and at bank	2.75%	190,363,358	299,096,046	489,459,404
		190,363,358	493,516,982	683,880,340
Liabilities				
Trade and other payables	-	-	135,225,064	135,225,064
Taxes payable	-	-	12,416,831	12,416,831
Dividends payable	-	-	1,835,929	1,835,929
			149,477,824	149,477,824
Interest sensitivity gap		190,363,358		

(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 2021	
Assets	152,135,794
Liabilities	(72,977,997)
31 December 2020	
Assets	118,668,877
Liabilities	(70,716,841)

Notes to the Accounts

19. FINANCIAL RISK MANAGEMENT - CONT'D

(a) Market risk - cont'd

(ii) Currency risk - cont'd

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.

	2021	2020
	G$	G$
Profit/(loss)	1,978,945	1,198,801

(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.

(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 liabilities by maturity:

At 31 December 2021

	Maturing		
	Within 1 year		Total
	On demand	Due in 3 mths	
	G$	G$	G$
Liabilities			
Trade and other payables	-	139,505,820	139,505,820
Dividends payable	1,909,324	-	1,909,324
	1,909,324	139,505,820	141,415,144

Notes to the Accounts

19. FINANCIAL RISK MANAGEMENT - CONT'D

(b) Liquidity risk - cont'd

At 31 December 2020

	Maturing		
	Within 1 year		Total
	On demand	Due in 3 mths	
	G$	G$	G$
Liabilities			
Trade and other payables	-	135,225,064	135,225,064
Taxes payable	12,416,831	-	12,416,831
Dividends payable	1,835,929	-	1,835,929
	14,252,760	135,225,064	149,477,824

(c) Credit risk

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

	2021 Maximum exposure G$	2020 Maximum exposure G$
Trade and other receivables (excluding of prepayments)	187,752,732	189,254,762
Tax recoverable	29,031,462	5,166,174
Cash at bank	696,379,306	489,166,362
Total credit exposure	913,163,500	683,587,298

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.

Notes to the Accounts

19. FINANCIAL RISK MANAGEMENT - CONT'D

(c) Credit risk - cont'd

	2021 G$	2020 G$
Trade and other receivables (excluding prepayments)	187,752,732	189,254,762

The above balances are classified as follows:.

Current	119,780,986	93,085,599
Past due but not impaired	67,971,746	96,169,163
	187,752,732	189,254,762

Ageing of trade and other receivables which were past due but not impaired

1-30 days	46,151,704	61,165,822
31-90 days	21,820,042	35,003,341
	67,971,746	96,169,163
Provision for impairment.	1,621,440	4,082,150

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

The table below shows the credit limit and balance of the five major customers (2020 - 5) at the reporting date.

		2021		2020	
Details	Location	G$ Credit Limit	G$ Carrying Amount	G$ Credit Limit	G$ Carrying Amount
Customer #1	Guyana	40,000,000	33,968,684	40,000,000	30,819,638
Customer #2	Guyana	30,000,000	18,846,019	30,000,000	21,433,470
Customer #3	Guyana	15,000,000	14,698,097	12,870,000	25,606,822
Customer #4	Suriname	12,870,000	5,468,720	12,870,000	18,146,427
Customer #5	Suriname	12,870,000	10,282,248	12,870,000	6,961,846

In 2020, Customers 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 six (6) customers who represented more than 5% of the total balance of trade receivables.(2020: 5 customers)

The average days of these receivables was 43 days (2020: 42 days).

Notes to the Accounts

19. FINANCIAL RISK MANAGEMENT - CONT'D

(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 2020.

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.

20. 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. (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$59,648,306 payable for the financial year ended 31 December 2020 was remitted to TIMI in the year 2021.

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:

	2021	2020
	G$	G$
Short- term employee benefits	73,855,625	66,661,574
Post employment benefits	4,129,957	4,048,055
	77,985,582	70,709,629

Non Executive Directors received Director's fees in the sum of $2,400,000 (2020-$1,800,000).

Notes to the Accounts

21. TAXATION

Income tax recognised in profit or loss	**2021**	**2020**
	G$	**G$**
Reconciliation of tax expense and accounting profit:		
Profit/(loss) before tax	(94,691,559)	236,656,785
Corporation tax at 25%	(23,672,890)	59,164,196
Tax effect of expense not deductible in determining taxable profits:		
Depreciation for accounting purposes	16,758,734	19,888,190
Impairment	88,316,786	-
Others	992,740	315,779
Tax exempt income	(1,449,506)	(869,731)
Property tax	5,515,217	5,474,924
	86,461,081	83,973,358
Tax effect of depreciation for tax purpose	10,620,628	8,591,674
Set off of losses	13,825,856	37,690,842
Balancing allowance	48,188,742	-
Corporation tax	13,825,855	36,690,842
Deferred tax	(57,026,993)	(21,272,396)
	(43,201,138)	16,418,446
Taxation:		
Current	13,825,855	37,690,842
Deferred	(57,026,993)	(21,272,396)
	(43,201,138)	16,418,446

Components of deferred tax	**2021**	**2020**
	G$	**G$**
Deferred tax liability		
Property, plant and equipment, revaluation	757,996,202	288,391,693
Deferred tax asset		
Property, plant and equipment, timing difference	(89,833,441)	(43,779,916)
Tax losses	(120,708,148)	(109,734,680)
	(210,541,589)	(153,514,596)
Net deferred tax	547,454,613	134,877,097

Movement in temporary differences

Notes to the Accounts

21. TAXATION - CONT'D

	Property, plant and equipment			
	Timing difference (note a)	Revaluation	Tax losses (note b)	Total
	G$	G$	G$	G$
At 31 December, 2019	(32,483,400)	288,391,693	(99,758,800)	156,149,493
Movement during the year:				
Statement of profit and loss	(11,296,516)	-	(9,975,880)	(21,272,396)
At 31 December, 2020	(43,779,916)	288,391,693	(109,734,680)	134,877,097
Movement during the year:				
Statement of profit and loss	(46,053,525)	-	(10,973,468)	(57,026,993)
Other comprehensive income	-	469,604,509	-	469,604,509
At December 31, 2021	(89,833,441)	757,996,202	(120,708,148)	547,454,613

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.

22. 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).

By Board decision, operations of the Paper Recycling Plant was suspended on June 30th, 2017. The issue was revisited in 2021 and by Board Resolution on March 16th, 2021 the decision was taken to permanently close the Paper Recycling Plant. Going forward, the Paper Mill will be removed as an Operating Division for Segment Reporting.

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

	2021			
	Paper mill G$	Box Manufacturing G$	Elimination G$	Total G$
Revenue				
External sales	-	1,364,544,775	-	1,364,544,775
Total revenue	-	1,364,544,775	-	1,364,544,775
Results				
Profit/(loss) before unallocated items	(353,267,143)	444,553,718	-	91,286,575
Unallocated items:				
Other income				34,358,849
Administrative				(122,082,800)
Selling and distribution				(76,193,314)
Property tax				(22,060,869)

Notes to the Accounts

22. SEGMENT REPORTING - CONT'D

	2021			
	Paper mill G$	Box Manufacturing G$	Elimination G$	Total G$
Profit before tax				(94,691,559)
Taxation				43,201,138
Profit/(loss) for the year				(51,490,421)
Other Information				
Capital additions	-	133,473,122	-	133,473,122
Depreciation	5,088,662	61,946,275	-	67,034,937

Statement of income

	2020			
	Paper mill G$	Box Manufacturing G$	Elimination G$	Total G$
Revenue				
External sales	-	1,383,161,652	-	1,383,161,652
Total revenue		1,383,161,652		1,383,161,652
Results				
Profit/(loss) before unallocated items	(9,998,541)	447,125,056	-	437,126,515
Unallocated items:				
Other income				10,431,582
Administrative				(116,653,274)
Selling and distribution				(72,348,343)
Property tax				(21,899,695)
Profit before tax				236,656,785
Taxation				(16,418,446)
Profit for the year				220,238,339
Other Information				
Capital additions	-	15,557,420	-	15,557,420
Depreciation	9,998,541	69,554,219	-	79,552,760

Notes to the Accounts

22. 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

	2021	2020
	G$	G$
Guyana	993,632,916	972,226,877
Other Caricom territories	370,911,859	410,934,775
	1,364,544,775	1,383,161,652

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	Year ended	Year ended	Year ended
	2021	2020	2021	2020
	G$	G$	G$	G$
Paper Mill	-	-	(353,267,143)	(9,998,541)
Box Manufacturing	1,364,544,775	1,383,161,652	444,553,718	447,125,056
	1,364,544,775	1,383,161,652	91,286,575	437,126,515

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$1,364,544,775 (2020: G$1,383,161,652) - see table above is revenue of approximately G$585,468,374 (2020:G$552,040,508) which arose from sales to the Company's three (3) largest customers.

By board Resolution on March 16, 2021 a decision was taken to permanently close the Paper Recycling Plant. Going forward, the Paper Mill will be removed as an Operating Division for Segment Reporting. The Paper Recycling Plant assets were fully impaired and all liabilities were written back as at December 31 2021, as such all the assets and liabilities of the company related to Box plant.

Notes to the Accounts

22. SEGMENT REPORTING - CONT'D

	2020		
	Paper mill	Box Manufacturing	Total
Segment assets	G$	G$	G$
Property, plant and equipment	556,662,022	1,074,902,622	1,631,564,644
Inventories	-	462,719,477	462,719,477
Trade and other receivables	-	189,254,762	189,254,762
Taxation (including deferred tax)	115,836,962	42,843,808	158,680,770
Cash on hand and at bank	-	489,459,404	489,459,404
	672,498,984	2,259,180,073	2,931,679,057
Segment liabilities			
Trade and other payables	-	135,225,064	135,225,064
Taxation (including deferred tax)	98,053,176	202,755,348	300,808,524
Dividends payable	-	1,835,929	1,835,929
	98,053,176	339,816,341	437,869,517

23. CAPITAL COMMITMENTS

The Company's capital commitments for the year 2022 amounts to G$55,791,450 (2021- Committed Amount G$110,038,500; Approved Actual Expenditure: G$133,473,122).

24. CONTINGENT LIABILITIES

	2021	2020
	G$	G$
Fixed Security Deposit with Republic Bank (Guyana) Ltd for Corporate Credit Card	2,387,000	-

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on March 21, 2022.

Five Year Statistical Summary

	2021 G$	2020 G$	2019 G$	2018 G$	2017 G$
Turnover	1,364,544,775	1,383,161,652	1,248,190,327	1,193,428,649	1,136,642,280
Gross Profit	444,553,718	437,126,515	302,316,926	271,340,902	314,179,728
Profit Before Corp., Property, Deferred Tax and Impairment of Fixed Assets	280,636,453	258,556,480	123,931,045	139,088,993	140,699,150
Corp. & Property Tax	35,886,724	59,590,537	40,901,673	43,680,921	44,787,779
Profit After Corp. & Property Tax	244,749,729	198,965,943	83,029,372	95,408,072	95,911,371
Deferred Tax	(57,026,993)	(21,272,396)	(18,559,965)	(10,694,559)	(75,747,574)
Profit After Deferred tax	301,776,722	220,238,339	101,589,337	106,102,631	171,658,945
Impairment of Fixed Assets	353,267,143				188,364,973
Profit/(Loss for the Year)	(51,490,421)	220,238,339	101,589,337	106,102,631	(16,706,028)
Basic Earnings Per Share	(0.34)	1.46	0.67	0.70	(0.11)
Dividends Paid or Recommended per Share	0.52	0.46	0.24	0.24	0.22
Gross Assets	4,681,122,355	2,931,679,057	2,683,427,428	2,728,560,134	2,622,805,082
Gross Liabilities	899,411,346	437,869,517	373,646,244	484,138,304	480,123,426
Share Capital	150,916,595	150,916,595	150,916,595	150,916,595	150,916,595
Shareholders' Funds	3,781,711,009	2,493,809,540	2,309,791,184	2,244,421,830	2,142,681,656

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 37th Annual General Meeting of the Company to be held on Friday 13 May, 2022 and any adjournment thereof.

As witness my hand................day of..2022

(Name of member/s)...

(Signature of member/s)..

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