



**ANNUAL REPORT 2023**



## *A Healthy Choice*

-   BLUEBERRY
-   GUAVA
-   MANGO
-   PINEAPPLE
-   VANILLA
-   CHERRY



The background of the page features a soft, golden-brown liquid flowing from the top, creating a sense of movement and depth. In the lower portion, a white bar chart with vertical bars of varying heights is superimposed over the liquid, suggesting data or financial performance.

# Content

Vision   Mission Statement   Corporate Values .....	02	Statement of Profit & Loss and	
Corporate Information .....	03	Other Comprehensive Income .....	19
Notice of Annual General Meeting .....	04	Statement of Changes in Equity.....	21
Board of Directors .....	05	Statement of Financial Position .....	22
Management Team .....	06	Statement of Cash Flows .....	23
Financial Highlights .....	07	Notes on the Accounts .....	25
Report from the Chairman .....	08	Six Year Statistical Summary .....	59
Report of the Directors .....	12	Long Service Awards .....	60
Independent Auditor's Report .....	15	Proxy Form .....	63



## Vision

Sterling Products Limited, a socially responsible and environmentally sustainable company, with the highest annual turnover in the Manufacturing and Distribution Sectors in Guyana by 2025.

## Mission Statement

To be the leading manufacturer and distributor of quality food and chemical products by utilizing skilled human resources and environmentally friendly technology whilst embarking on new opportunities through diversification and growing the existing revenue streams locally and internationally.

## Corporate Values

We will maintain excellent customer loyalty.

We will foster a collaborative relationship with our suppliers and distributors.

We will maintain high ethical standards of conduct and good corporate citizenship at all times.

We will continue to maintain and encourage team effort at all levels and at the same time foster a challenging, rewarding, caring and safe environment for our employees.

We will earn sufficient profit to provide and sustain shareholders with acceptable financial returns and allow for investment in the future.

We will endeavor to use environmentally friendly products and processes.



# Corporate Information

## **DIRECTORS**

Mr. Andrew M. F. Pollard S.C. - Chairman  
Mr. Raymond Ramsaroop  
Mr. Paul Christopher Cheong  
Mr. Suresh Edward Beharry  
Ms. Anna Lisa Fraser-Phang  
Mr. Edward Anand Beharry

## **MANAGEMENT**

Mr. Ramsay Ali A.A, B.Sc  
Chief Executive Officer

Mr. Mahindra Sammy FCCA  
Finance Controller/  
Company Secretary

Mr. Devanand Lalgie B.Sc, ACIS  
Manufacturing Manager

Mr. Dwayne Yan, DIP  
Export Sales Manager

Mr. Robert A. Ross B.Sc., MBA, MSc  
QHSE / Strategic Business Manager

Mr. Dellon Lynch B.Sc  
Marketing Manager

Mr. Earle Aaron B.Sc  
Sales Manager

Mr. Richard Leo ACCA Finalist  
Audit Manager

## **MANAGEMENT - CONT'D**

Mrs. Maneka Jacob DIP-HRM, ABA  
Human Resources Manager

Mr. Chetram Persaud B.Sc, PMP  
Engineering Services Manager

## **AUDITORS**

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

## **ATTORNEYS-AT-LAW**

Messrs Cameron & Shepherd  
2 Avenue of the Republic  
Georgetown, Guyana

## **BANKERS**

Morgan Stanley  
399 Park AVE 12th FL  
New York, NY 10022  
USA

Guyana Bank for Trade & Industry Ltd.  
47-48 Water Street, Georgetown, Guyana

Republic Bank (Guyana) Limited  
38-40 Water Street, Georgetown, Guyana

Bank of Nova Scotia  
104 Carmichael Street,  
Georgetown, Guyana

Demerara Bank Limited  
230 Camp & South Streets,  
Georgetown, Guyana



# Notice of Meeting

The Sixty Ninth (69th) ANNUAL GENERAL MEETING of Sterling Products Limited will be held at The Guyana Marriott Hotel, Battery Road Kingston, Georgetown on Wednesday 24 April, 2024 at 17:00 hours.

## AGENDA

1. To receive and consider the Company's Financial Statements for the year ended December 31st, 2023, the Reports of the Directors and Auditors thereon.
2. To declare a Final Dividend of G\$7.35 per share for financial year 2023.
3. To elect Directors.
4. To fix the remuneration of the Directors.
5. To appoint Auditors and to authorize the Directors to fix their remuneration.

Every member entitled to be present and vote at the Meeting may appoint a proxy to attend and vote in his/her stead and such proxy need not be a member of the Company.

## BY ORDER OF THE BOARD

.....  
**Company Secretary.**  
**Mahindra Sammy**  
February 15, 2024

## REGISTERED OFFICE:

Providence,  
East Bank Demerara

## CLOSURE OF SHARE REGISTER

Please be advised that the Register of Members of Sterling Products Limited will be closed for the period 03 April, 2024 to 24 April, 2024 both days inclusive.



## Board of Directors

From Left to Right

**Mr. Andrew M. F. Pollard S.C. -  
Chairman**

**Mr. Raymond Ramsaroop**

**Mr. Suresh Edward Beharry**

**Mr. Paul Christopher Cheong**

**Mr. Edward Anand Beharry**

**Ms. Anna Lisa Fraser-Phang**



## Management Team

Standing Left to Right

Mr. Robert A. Ross B.Sc., MBA, MSc  
QHSE / Strategic Business Manager

Mr. Dellon Lynch B.Sc  
Marketing Manager

Mr. Dwayne Yan, DIP  
Export Sales Manager

Mr. Devanand Lalgie B.Sc, ACIS  
Manufacturing Manager

Mr. Earle Aaron B.Sc  
Sales Manager

Mr. Richard Leo ACCA Finalist  
Audit Manager

Mr. Mahindra Sammy FCCA  
Finance Controller/  
Company Secretary

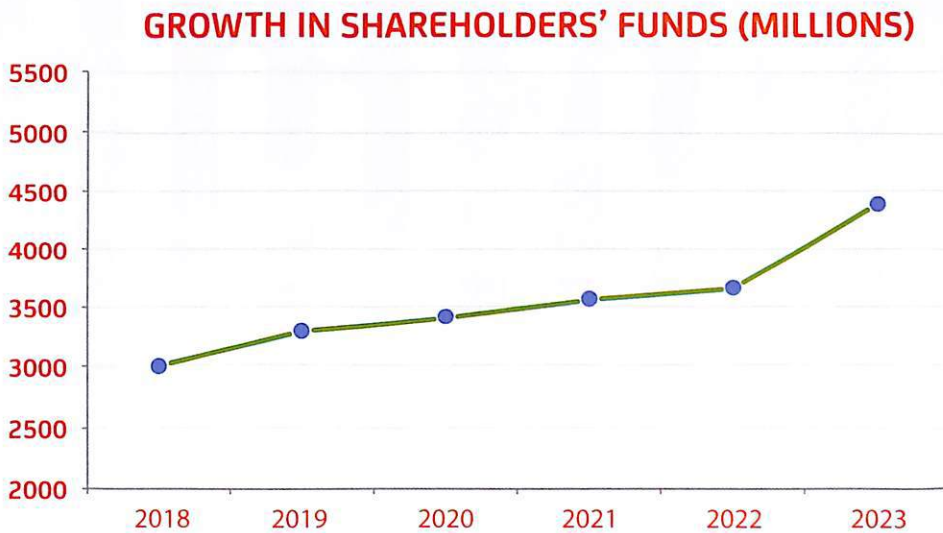
Mr. Ramsay Ali A.A, B.Sc  
Chief Executive Officer

Mrs. Maneka Jacob DIP-HRM, ABA  
Human Resources Manager

Mr. Chetram Persaud B.Sc, PMP  
Engineering Services Manager



# Financial Highlights



- 73% COST OF SALES
- 22% GEN EXP
- 1% CORP TAX
- 2% DIVIDENDS
- 2% RETAINED PROFITS



- 69% COST OF SALES
- 24% GEN EXP
- 2% CORP TAX
- 2% DIVIDENDS
- 3% RETAINED PROFITS



## Report from the Chairman

## Dear fellow Shareholders,

It is my pleasure to report to you once again on a very good performance by the Company. During the year we have seen revenue reach an all-time high. Profit margins improved over last year, which is a positive sign that prices on the world markets for commodities are stabilizing in the near term. All these factors have resulted in a very creditable performance for the year under review.

### GLOBAL ECONOMIC ANALYSIS

The International Monetary Fund (IMF) projects that global growth will reach 3.1 percent in 2024 and will increase in 2025 to 3.2 percent. Global inflation is expected to fall to 5.8 percent in 2024 and further to 4.4 percent in 2025, with the 2025 forecast having been revised downwards. Elevated levels of inflation will pressure central banks to combat inflation with a higher interest rates. Many governments will increase fiscal support, but high debt levels may weigh on economic activity. Rising geopolitical tensions pose the greatest risk to the global economy as supply chains are vulnerable to disruption. Climate change continues to become a realized risk; this is noted from the delays in trade presently experienced at the Panama Canal which delayed shipments in 2023.

### DOMESTIC ECONOMY ANALYSIS

Guyana's economy in 2023 was one of the fastest growing economies in Latin America and the Caribbean region at 33 percent, with non-oil GDP growing at 11.7 percent. This trend is likely to continue with a growth rate of 34.3 percent in 2024 (source: Ministry of Finance, Budget 2024). The IMF projects a rate of inflation of 4.7 percent, with a 26.6 percent projected growth rate for the economy for 2024. In 2023, the agriculture, forestry and fishing sector grew by 7.6 percent and in 2024 it

is projected to continue growing by 10.4 percent. The mining and quarrying sector in 2023 registered growth of 42.6 percent with the oil and gas sector growing by 45.9 percent. In 2024, the mining and quarrying sector is anticipated to grow by 43.6 percent. The manufacturing sector expanded by 25 percent in 2023, with growth recorded in all three subcategories. Sugar and rice production are estimated to have expanded by 28 percent and 8.3 percent, respectively, and other sectors by 31.8 percent. Guyana's manufacturing sector in 2024 is poised to expand by 16 percent, with sugar production exploding by 66.1 percent, rice production 22.7 percent and manufacturing expected to grow by 10.4 percent.

Guyana's largest budget ever brings a focus on significant infrastructure alongside developments for health, education, and cash transfers into households. These developments will improve people's standard of living. The supply side policies will serve as incentives to expand investments and grow domestic capacity in the near term. However, these measures risk overheating the economy as demand pull effect creates higher levels of inflation.

### FINANCIAL PERFORMANCE

Revenue recorded was GYD5.165Bn. compared to GYD4.748Bn. for year 2022, an increase of GYD417.7Mn. or 8.8 percent! This substantial increase in revenue arose from increased demand for all our products in the local market.

Profit before taxation was GYD366.4Mn. for the year, an increase of GYD108.1Mn. or 41.85 percent over year 2022. After deducting income taxation charges for the year of GYD121.9Mn. (2022 tax = GYD72.4Mn.), Profit after tax for the year totaled GYD244.5Mn., an increase of GYD58.7Mn. or 31.6 percent against year 2022.

**Profit before taxation was GYD\$366.4 Million  
for the year, an increase of GYD\$108.1 Million or  
41.85 percent over year 2022.**

# Chairman's Report - cont'd

Expenses were GYD1.238Bn. compared to GYD1.053Bn. for year 2022, an increase of GYD184.9Mn. or 17.6 percent over the previous year. The increase in expenses was due mainly to increased salaries and wages that are tied to Collective Bargaining Agreements, maintenance costs for the Company's sales fleet, and marketing and distribution expenses.

## LIQUIDITY

The current ratio is measured at 3.9 times; this means the Company has more than adequate current resources to meet its financial obligations. Accordingly, the Board of Directors is recommending that Shareholders enjoy a dividend of GYD7.35 per share unit.

## CORPORATE GOVERNANCE

All Directors are non-executive members of the Board. The positions of Chairman and CEO are held by separate individuals. The Audit and Risk Committee is comprised of three independent non-executive Directors and is chaired by Mr. Paul Cheong. The Audit Manager reports directly to the Chairman of the Audit and Risk Committee. This Committee meets quarterly as well as when special circumstances require to consider matters under its remit.

The Remuneration Committee is appointed by the Board of Directors and is responsible for fixing the remuneration for Directors and all executive members of staff. This Committee is comprised of three independent non-executive Directors and is chaired by Ms. Anna Lisa Fraser-Phang. This Committee meets semi-annually.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Sterling Products Limited (SPL) is creating a better tomorrow today through its Corporate Social Responsibility initiatives. These initiatives have shown the potential to address social and environmental challenges.

For the year 2023, SPL observed International Down's syndrome day by undertaking in-house activities to show solidarity. A team represented SPL at the Autism Awareness walk and showed its readiness to provide support and assistance. SPL was also a key participant at World Environmental Day's awareness walk and demonstrated its commitment to conduct business ethically. It is also noteworthy to reference SPL's active involvement in the annual 'Pinktober Walk' to focus awareness on breast cancer.

SPL has also disbursed bursary awards to employees' children and provided educational assistance to

employees who were desirous of pursuing their studies. Additionally, the annual work-study programme for students organized by SPL to impart practical knowledge and skills was a great success. Despite the Company's intensive work schedule, SPL's team facilitated more than 1,200 students on School tours at its facility who gained first-hand knowledge of the manufacturing processes.

Technical support was provided to a micro-business in their bath soap production and SPL donated a key raw material to their process. Another instance where SPL's demonstrated its commitment to CSR was the production of Gelato ice cream at its facility for a small business.

SPL is currently exploring a major CSR initiative in 2024 to bring about positive change in the lives of Amerindian communities.

## STRATEGY AND OUTLOOK

SPL continues to leverage good economic conditions to maximize shareholder value. Sterling recently acquired its Local Content certificate, thereby allowing it to participate in lucrative opportunities within the petroleum sector. Sterling has devised the following pillars which will transform the company to meet its development goals:

- Expansion of distribution power
- Transformation of production processes and investment in production capacity.
- Expanding on product development to capitalize on emerging opportunities like pursuit of new health products and strategic partnerships to distribute products.
- Exploring and developing new export markets
- Development of human capital

This will be accomplished through a mix of prudent management to leverage existing resources to enhance operations through enhancing distribution power and investing in expansion of the production capacity for key products. The company intends to pursue development of products to meet emerging market needs and explore strategic partnerships. The company remains cautious about shipping delays and has employed prudent management practices. As Guyana's growth continues SPL intends to capitalize on opportunities arising from increased tourism, local content legislation and downstream opportunities aligned to the company's core business. The Company is resolved to further strengthen its position as a market leader and good corporate citizen with a commitment to excellence.

## ACKNOWLEDGEMENTS

I wish to extend my thanks and appreciation to my fellow Directors for their valuable guidance, commercial acuity and keen insights during the year. I also take this opportunity to thank our Management and Staff for their continued and constant commitment to the success of the Company. We also thank our customers for their loyalty and look forward to continuing to provide them with very high-quality products. This year would not have been possible without you all.



Yours sincerely,  
**Mr. Andrew M.F. Pollard, SC,**  
Chairman, Board of Directors.



# Report of the Directors

The Directors have the pleasure in submitting to the shareholders their Report and Audited Financial Statements for the year ended 31 December 2023.

## Activities

The principal activities of the Company are the Manufacturing and Marketing of Edible Fats, Detergents, Laundry Soap, Yogurt, Ice Cream and of Igloo Novelties products.

## Geographical Analysis

The company has no subsidiary operations; therefore, segment reporting is prepared in accordance with the accounting standards.

	Segment Revenue		Segment Profit	
	Year Ended 2023 G\$	Year Ended 2022 G\$	Year Ended 2023 G\$	Year Ended 2022 G\$
Foods and branded food products	<b>4,391,813,796</b>	4,005,876,590	<b>1,410,844,320</b>	1,124,638,791
Cleaning Agents	<b>767,189,331</b>	736,375,047	<b>164,024,752</b>	155,706,292
Other	<b>6,383,255</b>	5,428,621	<b>2,399,455</b>	2,015,952
	<b>5,165,386,382</b>	4,747,680,258	<b>1,577,268,527</b>	1,282,361,035

## Summary Financial Results

In accordance with Regulation No. 8 of 2002, subsection 6 (n), made under the Securities Industry Act 1998, the following are disclosures of comparative financial results and of the assets and liabilities of the Company along with any changes to capital.

	<b>2023</b>	<b>2022</b>
	<b>G\$</b>	<b>G\$</b>
Turnover	<b>5,165,386,382</b>	4,747,680,258
Expenses	<b>1,238,345,281</b>	1,053,410,946
Profit before taxation	<b>366,418,284</b>	258,276,783
Taxation	<b>121,910,177</b>	72,433,348
Profit for the year after taxation	<b>244,508,107</b>	185,843,434
Other comprehensive income net of taxes	<b>587,380,524</b>	21,296,045
Total comprehensive income	<b>831,888,631</b>	207,139,479
Assets	<b>5,317,695,175</b>	4,536,822,243
Liabilities-Current	<b>435,324,126</b>	569,012,441
Liabilities –Non-Current	<b>496,685,529</b>	310,931,503

## Shareholders' Equity

	G\$
Balance as at 31.12.2022	<b>3,656,878,299</b>
Total comprehensive income for the year	<b>831,888,631</b>
Payment of dividends	<b>(103,081,410)</b>
Retained earnings carried forward	<b>4,385,685,520</b>

# Report of the Directors - cont'd

## Dividends

The directors recommend a final dividend of G\$7.35 per share (2022 -G\$ 6.75 per share). Dividends are recognized in the Statement of Changes in Equity when actually paid to shareholders. The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting (AGM) and has not been included as a liability in these financial statements for the year.

## Interest Capitalized

In accordance with Regulation No. 8 of 2002, subsection 6 (i), made under the Securities Industry Act 1998. The Company did not have any interest that was capital in nature. The financial statements presented do not include any capitalized interest cost.

## Bank Loans and Overdrafts

In accordance with Regulation No. 8 of 2002, subsection 6 (h), made under the Securities Industry Act 1998. The company did not enter into any loan arrangement nor had any at the beginning of the year. The overdraft facilities the company had undertaken are current totaling G\$0 dollars (2022- G\$ 162.1M). These facilities are secured.

## Capital Expenditures

Total Capital expenditure for the year amounted to G\$ 284.5Mn. (2022 - G\$ 190.1Mn.). This amount was financed from funds generated internally. The expenditure was related to investment in freezing facilities for the trade, structural enhancement, capital items of Plant and Equipment for the production departments and Motor vehicles for the operations.

## Asset Revaluation

The Company had revalued its assets in year 2023, this was done to keep in compliance with International Accounting Standards –IAS 16 Property, Plant and Equipment, a gain of G\$ 1.134Bn. in total net of deferred tax was recorded in the statement of Comprehensive Income and Statement of Changes in Equity. The Directors perform impairment tests on an annual basis.

## Employee Benefits

The Actuarial valuation of the Company's Defined Benefit Pension Plan is completed as of Year-end 31 December 2020 in accordance with Section 111, (1), (2) and (3) of the Insurance Act of 1998. The status of the plan revealed that the valuation of the Scheme's assets exceeded the value of its liabilities with respect to service by G\$ 559.4Mn. The next Actuarial valuation is due for year ending 31 December 2023 and will complete during the year 2024. The Company adopted the revised International Accounting Standards IAS 19-Employee Benefits resulting in modified treatment of actuarial gains and losses arising from post-retirement benefit arrangements. The IAS 19 disclosures for year ended 2023 were completed as outlined in Note 11 of this report.

## Directors

In accordance with Article 97 by rotation, Mr. Edward Anand Beharry and Mr. Paul Christopher Cheong retired from the Board and being eligible offer themselves for re-election.

## BENEFICIAL INTEREST OF DIRECTORS, CHIEF EXECUTIVE AND THEIR ASSOCIATES

	Shares Held 31/12/2023	Shares Held 31/12/2022
Mr. Edward Anand Beharry	1	1
Mr. Paul Christopher Cheong	1	1
Mr. Suresh Edward Beharry	1	1
Mr. Raymond Ramsaroop	1	1
Mr. Andrew M.F. Pollard	1	1
Ms. Anna Lisa Fraser-Phang	5,625	5,625
Ramsay Ali A.A (2,000 shares are held jointly with associates)	3,500	3,500

## DIRECTORS CONTRACT

There are no service contracts for the Directors proposed for re-election.

At no time during the current financial year has any Director been a party to a material contract with the Company or was materially interested in any contract which was significant in relation to the Company's business.

# Report of the Directors - cont'd

<b>DIRECTOR'S FEES PER ANNUM</b>	<b>2023</b>	<b>2022</b>
	<b>G\$</b>	<b>G\$</b>
Mr. Andrew.M.F. Pollard	1,800,000	1,800,000
Mr. Edward Anand Beharry	950,000	950,000
Mr. Paul Christopher Cheong	950,000	950,000
Mr. Suresh Edward Beharry	950,000	950,000
Mr. Raymond Ramsaroop	950,000	950,000
Ms. Anna Lisa Fraser-Phang	950,000	950,000

## **SUBSTANTIAL SHAREHOLDINGS**

The following held substantial interest in the Share Capital as at December 31st, 2023.

	<b>No. of Shares</b>	<b>% Shareholding</b>
Secure International Finance Co. Inc.		
2023	8,868,780	58.1
2022	8,868,780	58.1
Demerara Fire and General Insurance Company Ltd		
2023	1,098,345	7.1
2022	1,098,345	7.1

A substantial Shareholder is defined as a person entitled to exercise or control the exercise of 5% or more of voting power of any general meeting of the issuer.

## **AUDITOR'S**

The Auditor's Messrs. TSD Lal & Co. retired and being eligible, offer themselves for re-appointment.

By Order of the Board,



Mahindra Sammy  
Company Secretary  
February 15, 2024



# INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF STERLING PRODUCTS LIMITED  
(SUBSIDIARY OF SECURE INTERNATIONAL FINANCE COMPANY INCORPORATED)  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Sterling Products Limited (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes on the financial statements, including a summary of significant accounting policies set out on pages 19 to 58.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sterling Products Limited as at 31 December 2023, 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 of defined benefit assets*

*(Refer to note 11 in the financial statements)*

The Company has recognized a net defined benefit asset of G\$ 558,719,405 as at 31 December, 2023. Defined benefit pension asset is considered a key audit matter as the assumptions that underpin the valuation of the defined benefit pension asset involve subjective judgments as the surplus balance is volatile and affects the Company's reserves. Management has obtained advice from an actuarial specialist in order to calculate this surplus, and uncertainty arises as a result of estimates made based on the Company's expectations about long-term trends and market conditions. As a result, the actual surplus realized by the Company may be significantly different to that recognized on the statement of financial position since small changes to the assumptions used in the calculation materially affect the valuation.

#### How our audit addressed the Key Audit Matter

*Our audit procedures in relation to the valuation of defined benefit assets included, but were not limited, to the following:*

- We assessed the professional competence, including the qualifications, experience and reputation of the actuary as well as reviewed the independence and objectivity of the management's expert;
- We obtained an understanding of the methodology and assumptions used by the actuary and assessed whether these were consistent with generally acceptable assumptions and prior years;
- We reviewed the source data used by the Company's actuary and performed tests to ascertain its completeness and accuracy.

# INDEPENDENT AUDITOR'S REPORT (CONT'D)

## Key Audit Matter

*Valuation, impairment and depreciation of property, plant and equipment*

*(Refer to note 10 (a) in the financial statements)*

Property, plant and equipment has a net book value of G\$2,728,796,936 as at 31 December, 2023. Property, plant and equipment is considered a key audit matter as significant management judgment was used to determine the useful life of property, plant and equipment. In addition, an annual impairment review of all property, plant and equipment was done which involved significant management judgment.

*Valuation and impairment of investments.*

*(Refer to note 12 in the financial statements)*

At 31 December 2023, investments in the Company amounted to G\$310,001,685 consisting of equity investments (G\$283,500,000) and bonds (G\$26,501,685).

Investments are considered a key audit matter because the valuation was done by management based on broker developed methods and the local stock exchange which is not considered active.

Therefore, there is significant measurement uncertainty involved in the valuation and impairment assessment. As a result, the valuation and impairment of these instruments were significant to our audit.

## How our audit addressed the Key Audit Matter

*Our audit procedures in relation to management's valuation, impairment and depreciation of property, plant and equipment included, but were not limited to, the following:*

- We assessed the appropriateness of the useful economic lives, methods and expected residual values used in depreciating assets;
- We tested depreciation rates to determine whether these were consistently applied and in line with accounting and industry standards;
- We assessed the methodology used to carry out the impairment review;
- We verified additions to property, plant and equipment that were acquired during the year;
- We tested the internal controls relevant to the authorization, procurement and monitoring of property, plant and equipment.
- 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.

*Our audit procedures in relation to valuation and impairment of investments included, but were not limited to, the following:*

- We obtained an understanding of the valuation methods used by management and the brokers to assess whether they were consistent with prior years, our understanding of the client and considered reasonable;
- We reviewed the Company's policy on accounting for the various categories of investments and ensuring compliance with relevant IFRS/IAS;
- We reviewed interim and audited financial statements of companies in which equity investments are held to ensure there were no going concern, no impairment of investment and fair valuation;
- We reviewed the performance of bonds to ensure no impairment of investment.

# INDEPENDENT AUDITOR'S REPORT (CONT'D)

## 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 2023 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 misstatement, 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 to 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 misstatement, whether due to fraud or error, and to issue an Auditor's report that includes that opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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;

# INDEPENDENT AUDITOR'S REPORT (CONT'D)

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CON'T)

- 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; and
- 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 are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to 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 Malinda Persaud, FCCA.

TSD Lal & Co

TSD LAL & CO.  
Chartered Accountants

February 15, 2024

77 Brickdam  
Stabroek  
Georgetown.

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 G\$	2022 G\$
Revenue from contracts with customers	5 (a)	5,165,386,382	4,747,680,258
Cost of sales		3,588,117,855	3,465,319,223
Gross profit		1,577,268,527	1,282,361,035
Other income	5 (b)	27,495,038	29,326,694
		1,604,763,565	1,311,687,729
Administrative expenses	6 (a)	440,778,211	370,299,057
Distribution and marketing expenses	6 (b)	773,874,962	658,057,763
Finance costs	6 (d)	23,692,108	25,054,126
Profit for the year before taxation	6	366,418,284	258,276,783
Taxation	7 (a)	121,910,177	72,433,348
<b>Profit for the year</b>		<b>244,508,107</b>	<b>185,843,434</b>
Basic earnings per share in dollars	9	16.01	12.17

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

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 G\$	2022 G\$
<b>Profit for the year</b>		<u>244,508,107</u>	<u>185,843,434</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gain on revaluation of land and building	7 (b)	561,756,718	-
Gain/(loss) arising on revaluation of FVTOCI financial assets		(33,330,000)	8,805,000
Remeasurements of defined benefit pension plan	7 (b)	58,938,461	13,626,612
		<u>587,365,179</u>	<u>22,431,612</u>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Gain/(loss) arising on revaluation of FVTOCI financial assets		<u>15,345</u>	<u>(1,135,567)</u>
Other comprehensive income for the year, net of tax		<u>587,380,524</u>	<u>21,296,045</u>
<b>Total Comprehensive Income for the Year</b>		<u>831,888,631</u>	<u>207,139,479</u>

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Share capital G\$	Retained earnings G\$	Capital reserve G\$	Other reserve G\$	Total G\$
Balance at 31 December 2021		702,480,720	1,969,402,015	572,303,468	304,816,197	3,549,002,400
<b>Changes in equity 2022</b>						
Total comprehensive income for the year		-	199,470,046	-	7,669,433	207,139,479
Payments of dividends	8	-	(99,263,580)	-	-	(99,263,580)
<b>Balance at 31 December 2022</b>		<u>702,480,720</u>	<u>2,069,608,481</u>	<u>572,303,468</u>	<u>312,485,630</u>	<u>3,656,878,299</u>
<b>Changes in equity 2023</b>						
Total comprehensive income for the year		-	303,446,568	561,756,718	(33,314,655)	831,888,631
Payments of dividends	8	-	(103,081,410)	-	-	(103,081,410)
<b>Balance at 31 December 2023</b>		<u>702,480,720</u>	<u>2,269,973,639</u>	<u>1,134,060,186</u>	<u>279,170,975</u>	<u>4,385,685,520</u>

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

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 G\$	2022 G\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10(a)	2,728,796,936	1,959,883,776
Defined benefit asset	11	558,719,405	469,749,686
Investments	12	310,001,685	343,316,340
		<u>3,597,518,026</u>	<u>2,772,949,802</u>
<b>Current assets</b>			
Inventory, stores and work-in-progress	13	1,067,686,804	1,232,061,032
Trade receivables	14(a)	377,455,520	324,060,813
Other receivables and prepayments	14(b)	75,826,157	65,776,490
Taxes recoverable		25,866,680	22,312,927
Fixed deposits	15	49,228,262	48,468,097
Cash on hand and at bank		124,113,726	71,193,082
		<u>1,720,177,149</u>	<u>1,763,872,441</u>
<b>TOTAL ASSETS</b>		<u>5,317,695,175</u>	<u>4,536,822,243</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	17(a)	702,480,720	702,480,720
Retained earnings		2,269,973,639	2,069,608,481
Capital reserve	17(b)	1,134,060,186	572,303,468
Other reserve	17(c)	279,170,975	312,485,630
Shareholders' funds		<u>4,385,685,520</u>	<u>3,656,878,299</u>
<b>Non-current liabilities</b>			
Deferred tax	7(a)	496,685,529	304,606,797
Lease liability	18(c)	-	6,324,706
		<u>496,685,529</u>	<u>310,931,503</u>
<b>Current liabilities</b>			
Trade payables	18(a)	203,024,230	231,077,508
Other payables and accruals	18(b)	179,746,271	152,962,447
Lease liability	18(c)	1,807,060	5,952,665
Tax liability		50,746,565	16,896,815
Bank overdraft (secured)	16	-	162,123,006
		<u>435,324,126</u>	<u>569,012,441</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>5,317,695,175</u>	<u>4,536,822,243</u>

These financial statements were approved by the Board of Directors on February 15, 2024.

On behalf of the Board:



Mr. Raymond Ramsaroop - Director



Mr. Andrew M.F. Pollard - Chairman

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

STERLING PRODUCTS LIMITED • SUBSIDIARY OF SECURE INTERNATIONAL FINANCE INCORPORATED



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	G\$	G\$
<b>Operating activities:</b>		
Profit for the year before taxation	366,418,284	258,276,783
Adjustment for -		
Interest received	(858,465)	(461,056)
Interest expense	23,692,108	25,054,126
Investment income	(2,145,893)	(1,408,341)
Foreign exchange gain	(6,882,848)	(7,049,012)
Depreciation	245,862,477	224,021,936
Depreciation- right of use asset	5,959,534	5,959,363
Adjustment to property, plant and equipment	-	1,474,349
Loss to disposal property, plant and equipment	13,037,715	-
Gain on disposal of property, plant and equipment	(4,100,000)	(6,725,000)
Gain on disposal of right of use asset	(260,534)	-
Defined benefit expense	(10,385,104)	(9,005,018)
<b>Operating profit before changes in working capital</b>	<b>630,337,274</b>	<b>490,138,130</b>
Changes in working capital:		
(Increase)/decrease in inventory, stores and work-in-progress	164,374,228	(242,432,016)
Increase in trade receivables, other receivables and prepayments	(63,444,374)	(70,622,846)
Increase/(decrease) in trade payables, other payables and accruals	(1,269,454)	105,795,096
<b>Cash generated from operations</b>	<b>729,997,674</b>	<b>282,878,364</b>
Taxes paid/adjustment	(106,433,844)	(84,384,742)
<b>Net cash provided by operating activities</b>	<b>623,563,830</b>	<b>198,493,622</b>
<b>Investing activities:</b>		
Interest received	858,465	461,056
Interest expense	(22,924,772)	(23,936,633)
Investment income	2,145,893	1,408,341
Foreign exchange gain	6,882,848	7,049,012
Payments to acquire property, plant and equipment	(284,503,393)	(195,814,490)
Proceeds from disposal of property, plant and equipment	4,100,000	6,725,000
<b>Net cash used in investing activities</b>	<b>(293,440,959)</b>	<b>(204,107,714)</b>

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

# STATEMENT OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	G\$	G\$
<b>Financing activities:</b>		
Dividends paid	(103,081,410)	(99,263,580)
Lease interest expense	(767,336)	(1,117,493)
Repayment of lease liability	(10,470,311)	(5,602,507)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(114,319,057)</b>	<b>(105,983,580)</b>
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>215,803,814</b>	<b>(111,597,672)</b>
	<hr/>	<hr/>
Cash and cash equivalents at beginning of period	(42,461,826)	69,135,846
	<hr/>	<hr/>
Cash and cash equivalents at end of period	<b>173,341,988</b>	<b>(42,461,826)</b>
	<hr/>	<hr/>
Cash and cash equivalents comprised of:		
Fixed deposits	49,228,262	48,468,097
Cash on hand and at bank	124,113,726	71,193,082
Bank overdraft (secured)	-	(162,123,006)
	<hr/>	<hr/>
	<b>173,341,988</b>	<b>(42,461,827)</b>
	<hr/>	<hr/>

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

# NOTES ON THE ACCOUNTS

## 1. Incorporation and activities

The Company was incorporated in Guyana on 15 October, 1954. The principal activities of the Company are the manufacture and marketing of Edible Fats, Detergent, Soap, Yogurt and Ice Cream and the distribution of Ice Cream Lollies.

The Company employed on average 277 employees during the year (2022 – 268).

Secure International Finance Company Incorporated has a holding in the Company of 58.1% (2022 – 58.1%).

The registered office is located at Providence, East Bank Demerara, Guyana.

## 2. New and amended standards and interpretations

### Amendments effective for the current year end

Effective for annual periods beginning on or after

#### **New and Amended Standards**

IFRS 17 Insurance contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

None of these amendments had an impact on the Company's financial statements.

### Pronouncements effective in future periods available for early adoption

Effective for annual periods beginning on or after

#### **New and Amended Standards**

Amendments to IAS 1: Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules	1 January 2024
IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2: Climate-related Disclosures	1 January 2024

The Company has not opted for early adoption.

None of the foregoing amendments had a significant impact on the company's financial statements.

# NOTES ON THE ACCOUNTS

## 3. Summary of significant accounting policies

### (a) Accounting convention

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

### (b) Revenue and expense recognition

Revenue is recognized in the statement of profit or loss and other comprehensive income on a basis of the five-step model as prescribed by IFRS 15 - Revenue from Contracts with Customers. Further details of revenue recognition are described below.

#### (i) Nature of goods and services

Revenue is earned from the sale of edible fats, detergents, soap and ice cream and the distribution of ice cream lollies, and the marketing and sale of these products on local and export markets.

#### (ii) Timing of satisfaction of performance obligations

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

#### (iii) Significant payment terms and contract balances

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

#### (iv) Disaggregation of revenue

Revenue is disaggregated based on category and segments as disclosed in note 5 (a) and 23.

#### (v) Assets recognized to obtain or fulfill a contract

There are no assets recognized to fulfill contracts.

#### (vi) Significant judgments in the application of the standard

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

#### (vii) Obligations to returns

The occurrence of returns from customers rarely occurs.

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

### (c) i) Property, plant and equipment and depreciation

Freehold land and buildings held for use in the supply of services or for administrative purposes are stated in the statement of financial position at their revalued amounts. Equipment and other assets are carried at cost. Revalued amounts are taken as the fair value at the date of revaluation less any subsequent accumulated impairment losses.

With regards to work-in-progress, finance charges and related expenses are capitalized during the construction stage of the asset.

Any revaluation increase arising on the revaluation of such land, buildings and equipment is credited to revaluation reserve.

# NOTES ON THE ACCOUNTS

## 3. Summary of significant accounting policies (CONT'D)

### (c) i) Property, plant and equipment and depreciation (cont'd)

Depreciation of other property, plant and equipment other than freehold land and construction work-in-progress is calculated on the straight-line method at rates sufficient to write off the cost or revaluation of these assets to their residual values over their estimated useful lives as follows:

Buildings	-	2% - 3%
Plant and machinery	-	5% - 7.5%
Furniture, fittings and equipment	-	10% - 25%
Motor vehicles	-	25%
Right of use asset	-	33.33%

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.

### (ii) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

# NOTES ON THE ACCOUNTS

## 3. Summary of significant accounting policies (CONT'D)

### (c) ii) Leases (cont'd)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented under Property, Plant and Equipment in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the impairment of 'Property, Plant and Equipment' policy.

### (d) Inventory

Finished Goods and Work-In-Progress are valued at the lower of cost and net realizable value using primarily the weighted average cost method.

Raw Materials and Supplies are valued at lower of cost and net realizable value using the weighted average cost method.

### (e) 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 investment securities, receivables, payables, fixed deposits and cash resources. The recognition method adopted is disclosed in the individual policy statements.

#### Investments

Investments consist of equity and bond instruments.

Management has made an irrevocable election on initial application of IFRS 9 to classify equity instruments as Fair Value Through Other Comprehensive Income (FVTOCI) with all subsequent changes in fair value being recognized in other comprehensive income. This election is made on the basis that the instruments are not held for trading. Dividend income from these investments is recognized in profit or loss.

Bonds are classified as fair value through other comprehensive income as the following conditions are met:

- (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset; and
- (ii) the contractual terms of the financial asset gives rise on specific dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Gains and losses on these bonds are recognized through the statement of profit or loss and other comprehensive income under other comprehensive income until the asset is sold or otherwise disposed, at which time previously recognized gains or losses are transferred to profit or loss for that period.

Bonds are stated net of 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 investment 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.

Movements of fair value of bonds will be reclassified to profit or loss on disposal or derecognition.

# NOTES ON THE ACCOUNTS

## 3. Summary of significant accounting policies (CONT'D)

### (e) Financial Instruments (cont'd)

#### Trade, other receivables and prepayments

Trade, other receivables, and prepayments are measured at amortized cost.

Receivables are stated net of 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.

#### Fixed deposits and cash resources

Fixed deposits and cash resources are held for the purpose of meeting short-term cash commitments rather than investment or other purposes. These are measured at amortized cost.

These are readily convertible to a known amount of cash, with maturity dates of three (3) months or less.

#### Trade, other payables and accruals

Trade, other payables and accruals are measured at amortized cost.

### (f) Reserves

#### (i) Capital

Surplus on revaluation of property, plant and equipment (land and buildings) is credited to this account. This reserve is not distributable.

#### (ii) Other

Fair value adjustments on investments held at fair value through other comprehensive income is credited to this account. This reserve is not distributable.

### (g) Impairment of property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets 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 recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

### (h) Taxation

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

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense 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 or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on 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 are accounted for using the liability method.

# NOTES ON THE ACCOUNTS

## 3. Summary of significant accounting policies (CONT'D)

### (h) Taxation (cont'd)

#### Deferred tax (cont'd)

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. 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 reporting date, to recover or settle the carrying amount 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.

#### Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination.

### (i) Pension funding

The Company participates in a defined benefit pension plan for its employees.

The contributions are held in trustee administered funds which are separate from the company's resources.

The plan covers all permanent employees. The last actuarial valuation was done as at 31 December 2020 and was used as the basis for information presented in Note 11 in accordance with International Accounting Standards No. 19 – Employee Benefits (Revised).

The next actuarial valuation is due on 31 December 2023. This will be completed in year 2024.

The valuation was done using the Projected Unit Credit Method, as required by IAS 19 Employee Benefits (Revised).

### (j) Translation of 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 at the end of the reporting period. Non-monetary assets and liabilities carried at the 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 net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized in other comprehensive income.



# NOTES ON THE ACCOUNTS

## 3. Summary of significant accounting policies (CONT'D)

### (k) Provisions

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

#### De-recognition of provisions

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

### (l) 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 period are disclosed as a note to the financial statements.

### (m) Segment information

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 manufacturing and trading, its secondary format is that of geographic segments reflecting the primary economic environment in which the company has exposure. Refer to note 23.

### (n) Basic earnings per share

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

# NOTES ON THE ACCOUNTS

## 4. Critical accounting judgements 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 judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

### Key sources of estimation uncertainty

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

i) Useful lives of property, plant and equipment

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

ii) Impairment of financial assets/determination of expected credit losses

Management makes judgement 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 judgement.

iii) Valuation of defined benefit pension assets and liabilities

The provisions for defined benefit asset/obligation are determined by the actuary based on data provided by management. The computation of the provisions by the actuary assumes that the data provided is not materially misstated.

iv) Valuation of investments

Investments consist of bonds and shares. Management's valuation of bonds is based on values provided by brokers. The valuation of shares is based on prices quoted on the local stock exchange.

v) Impairment assessment of property, plant and equipment and right-of-use asset

The Management has estimated that the entirety of the right of use asset will be recoverable. The carrying amount of right-of-use asset in respect of the property is G\$1,703,868 at 31 December 2023 (2022– G\$11,920,515).

# NOTES ON THE ACCOUNTS

	2023	2022
	G\$	G\$
<b>5 (a) Revenue from contracts with customers</b>		
Food and branded food products	4,391,813,796	4,005,876,590
Cleaning agents	767,189,331	736,375,047
Other	6,383,255	5,428,621
	<u>5,165,386,382</u>	<u>4,747,680,258</u>
<b>(b) Other income</b>		
Sale of drums	3,658,356	5,663,563
Investment income (a)	2,145,893	1,408,341
Interest income (b)	858,465	461,056
Gain on exchange	6,882,848	7,049,012
Others (c)	13,949,476	14,744,722
	<u>27,495,038</u>	<u>29,326,694</u>
(a) This is income from FVTOCI overseas investments.		
(b) This is interest earned on fixed deposits.		
(c) Others		
Stale dated cheques	4,731,938	3,821,296
Gain on disposal of fixed assets	4,100,000	6,725,000
Dividend income (local)	4,236,720	3,287,736
Sale of miscellaneous items	879,966	910,690
	<u>13,948,624</u>	<u>14,744,722</u>
<b>6 Profit for the year before taxation</b>	<u>366,418,284</u>	<u>258,276,783</u>
<b>(a) Administrative expenses</b>		
Employment cost	172,098,039	148,978,787
Staff welfare	32,816,619	18,378,954
Depreciation	17,285,469	20,737,536
Property tax	39,654,972	37,341,787
Auditor's remuneration	4,391,586	3,093,535
Running expenses (fuel)	16,277,056	10,377,773
Vehicle repairs and maintenance	7,805,294	7,625,909
Directors' emoluments (c)	6,550,000	6,550,000
Others	143,899,176	117,214,776
	<u>440,778,211</u>	<u>370,299,057</u>
<b>(b) Distribution and marketing expenses</b>		
Employment cost	265,117,743	198,865,637
Staff welfare	58,175,378	53,461,145
Depreciation	93,803,533	71,608,873
Running expenses (fuel)	50,123,940	47,850,540
Vehicle repairs and maintenance	42,292,537	48,015,145
Production and promotion	19,188,659	15,044,523
Advertising	67,400,124	59,455,416
Others	177,773,048	163,756,484
	<u>773,874,962</u>	<u>658,057,763</u>

# NOTES ON THE ACCOUNTS

	2023	2022
	G\$	G\$
<b>6. Profit for the year before taxation (CONT'D)</b>		
(c) Chairman	1,800,000	1,800,000
5 Directors sharing equally (2022 - 5)	4,750,000	4,750,000
	<u>6,550,000</u>	<u>6,550,000</u>
(d) Finance costs		
Overdraft interest	10,016,402	11,996,313
Other interest expense	12,908,370	11,940,320
Lease interest expense	767,336	1,117,493
	<u>23,692,108</u>	<u>25,054,126</u>
<b>7.(a) Taxation</b>		
Reconciliation of tax expense and accounting profit		
Accounting profit	<u>366,418,284</u>	<u>258,276,783</u>
Corporation tax at 25% and 40%	91,604,571	64,569,196
Add:		
Tax effect of expenses not deductible in determining taxable profit		
Depreciation for accounting purposes	62,955,503	57,495,325
Donations	4,856,062	3,341,922
Property tax	9,913,743	9,434,917
Defined benefit asset	(2,596,276)	(2,251,255)
Inventory provision	10,500,000	-
Bad debts provision	300,000	300,000
Lease interest	191,834	279,373
Loss on disposal of fixed assets	111,112	140,294
	<u>177,836,549</u>	<u>133,309,772</u>
Deduct:		
Tax effect of depreciation for tax purposes	38,534,361	39,407,456
Rental	1,680,000	1,680,000
Tax exempt income	2,900,403	2,970,533
	<u>134,721,785</u>	<u>89,251,783</u>
Effect of dual tax rate	2,008,055	(740,658)
Corporation tax charge	136,729,839	88,511,125
Prior year adjustment	4,093,817	(5,320,843)
Deferred tax	(18,913,479)	(11,782,834)
Minimum tax	-	1,025,901
	<u>121,910,177</u>	<u>72,433,348</u>
Current tax	136,729,839	88,511,125
Prior year adjustment	4,093,817	(5,320,843)
Deferred tax	(18,913,479)	(11,782,834)
Minimum tax	-	1,025,901
	<u>121,910,177</u>	<u>72,433,348</u>

# NOTES ON THE ACCOUNTS

## 7 (a) Taxation (CONT'D)

### Components of deferred tax :-

Revaluation of land and buildings	378,020,062	184,042,323
Property, plant and equipment (depreciation)	(21,014,384)	495,371
Defined benefit asset	139,679,851	120,069,103
	<u>496,685,529</u>	<u>304,606,797</u>

### Movement in temporary differences

	Revaluation of land and buildings G\$	Property, plant and equipment (depreciation) G\$	Defined benefit asset G\$	Total G\$
At 1 January 2022	184,042,323	14,529,460	113,275,644	311,847,427
Movement during the year:-				
Profit or loss	-	(14,034,089)	2,251,255	(11,782,834)
Other comprehensive income	-	-	4,542,204	4,542,204
At 31 December 2022	184,042,323	495,371	120,069,103	304,606,797
Movement during the year:-				
Profit or loss	-	(21,509,755)	2,596,276	(18,913,479)
Adjustment	6,725,499	-	(2,631,682)	4,093,817
Other comprehensive income	187,252,240	-	19,646,154	206,898,394
At 31 December 2023	<u>378,020,062</u>	<u>(21,014,384)</u>	<u>139,679,851</u>	<u>496,685,529</u>

## 7 (b) Disclosure of tax effects relating to each component of other comprehensive income and statement of changes in equity

	2023			2022		
	Before-tax amount G\$	Tax (expense)/ benefit G\$	Net-of-tax amount G\$	Before-tax amount G\$	Tax (expense)/ benefit G\$	Net-of-tax amount G\$
Remeasurement of defined benefit pension plan	78,584,615	(19,646,154)	58,938,461	18,168,816	(4,542,204)	13,626,612
Revaluation of land	749,008,958	(187,252,240)	561,756,718	-	-	-
Gain/(loss) arising on revaluation of FVTOCI	(33,314,655)	-	(33,314,655)	7,669,433	-	7,669,433
	<u>794,278,918</u>	<u>(206,898,394)</u>	<u>587,380,524</u>	<u>25,838,249</u>	<u>(4,542,204)</u>	<u>21,296,045</u>

# NOTES ON THE ACCOUNTS

8	Dividends	2023	2022
		G\$	G\$
	Amounts recognised as distributions to shareholders in the year		
	Final dividend of G\$6.75 (2022 - G\$6.5) per share	<u>103,081,410</u>	<u>99,263,580</u>
	Proposed final dividend of G\$7.35 (2022:G\$ 6.75) per share	<u>112,244,202</u>	<u>103,081,410</u>
	Dividends are approved by shareholders at the Annual General Meeting		
9	Basic earnings per share		
	Profit for the year	<u>244,508,107</u>	<u>185,843,434</u>
	Number of shares issued	<u>15,271,320</u>	<u>15,271,320</u>
	Basic earnings per share in dollars	<u>16.01</u>	<u>12.17</u>

# NOTES ON THE ACCOUNTS

## 10 Property, plant and equipment

	Freehold land G\$	Buildings G\$	Plant, machinery, furniture and equipment G\$	Motor vehicles G\$	Work-in Progress G\$	Right of use assets (d) G\$	Total G\$
<b>(a) Cost/valuation:</b>							
At 1 January 2022	428,369,040	1,034,369,590	2,426,405,002	293,841,941	16,894,777	35,440,472	4,235,320,822
Additions	-	39,790,489	81,283,835	51,226,632	-	17,879,878	190,180,834
Transfer	-	-	-	-	23,447,797	-	23,447,797
Disposals	-	-	(4,135,824)	(19,150,000)	(847,435)	-	(24,133,259)
At 31 December 2022	428,369,040	1,074,160,079	2,503,553,013	325,918,573	39,495,139	53,320,350	4,424,816,194
Additions	-	66,853,553	102,655,526	95,074,696	19,919,618	-	284,503,393
Disposals	-	-	(3,051,672)	(29,189,940)	(8,171,618)	(43,741,784)	(84,155,014)
Revaluation	671,630,960	77,377,998	-	-	-	-	749,008,958
At 31 December 2023	1,100,000,000	1,218,391,630	2,603,156,867	391,803,329	51,243,139	9,578,566	5,374,173,531
Comprising:							
Cost	438,800	802,126,207	2,603,156,867	391,803,329	51,243,139	9,578,566	3,858,346,908
Valuation (b)	1,099,561,200	416,265,423	-	-	-	-	1,515,826,623
At 31 December 2023	1,100,000,000	1,218,391,630	2,603,156,867	391,803,329	51,243,139	9,578,566	5,374,173,531
<b>Depreciation</b>							
At 1 January 2022	-	282,592,948	1,699,531,944	240,110,402	-	35,440,472	2,257,675,766
Charge for the year	-	37,467,631	148,939,060	37,615,245	-	5,959,363	229,981,299
Written back on disposals (c)	-	-	(3,835,064)	(18,889,583)	-	-	(22,724,647)
At 31 December 2022	-	320,060,579	1,844,635,940	258,836,064	-	41,399,835	2,464,932,418
Charge for the year	-	40,491,334	149,208,790	56,162,353	-	5,959,534	251,822,011
Written back on disposals (c)	-	-	(2,703,222)	(29,189,940)	-	(39,484,671)	(31,893,162)
At 31 December 2023	-	360,551,913	1,991,141,508	285,808,477	-	7,874,698	2,684,861,267
<b>Net book values:</b>							
At 31 December, 2022	428,369,040	754,099,500	658,917,073	67,082,509	39,495,139	11,920,515	1,959,883,776
At 31 December, 2023	1,100,000,000	857,839,717	612,015,359	105,994,852	51,243,139	1,703,868	2,728,796,936

(b) See note 24 for details on valuation.

(c) Assets disposed of comprise of assets sold, obsolete and unserviceable assets. Most of these assets were completely depreciated.

(d) Refer to note 18 (c) for details of right of use assets.

# NOTES ON THE ACCOUNTS

## 11 Defined benefit asset

The information required by International Accounting Standard 19 "Employee Benefits" was prepared as of 31 December 2023 by an independent actuary and is disclosed below:

Disclosures	2022	2023	Budgeted
	G\$	G\$	2024 G\$
<b>Benefit obligation</b>			
At beginning of year	593,168,081	660,729,515	728,113,642
Current service cost	25,992,114	27,754,583	32,699,777
Interest cost	34,243,220	38,005,870	42,427,290
Employee contributions	13,107,733	14,696,444	17,059,845
Actuarial (gains)/losses	13,546,213	11,256,698	-
Benefit payments	(19,327,846)	(24,329,468)	(12,935,987)
<b>Benefit obligation at end of year</b>	<b>660,729,515</b>	<b>728,113,642</b>	<b>807,364,567</b>
<b>Plan assets at fair value</b>			
At beginning of year	1,652,428,180	2,180,332,840	1,979,820,632
Actual return on plan assets	522,012,374	(204,732,331)	360,266,533
Employer contributions (including direct benefit payments for unfunded plans)	17,028,015	19,077,250	22,124,589
Employee contributions	13,107,733	14,696,444	17,059,845
Benefit payments	(19,327,845)	(24,329,468)	(12,935,987)
Administration and other non plan investment Management expenses	(4,915,617)	(5,224,103)	(5,224,103)
<b>Plan assets at fair value at end of year</b>	<b>2,180,332,840</b>	<b>1,979,820,632</b>	<b>2,361,111,509</b>
<b>Funded status</b>			
Funded status at end of year	1,519,603,325	1,251,706,990	1,553,746,942
Effect of asset ceiling	(1,049,853,639)	(692,987,585)	(990,294,566)
<b>Asset on statement of financial position</b>	<b>469,749,686</b>	<b>558,719,405</b>	<b>563,452,376</b>



# NOTES ON THE ACCOUNTS

## 11 Defined benefit asset (CONT'D)

### Disclosures (CONT'D)

	2022	2023	Budgeted		
	G\$	G\$	2024		
			G\$		
<b>Amounts recognised in statement of financial position</b>					
Prepaid benefit assets	469,749,686	558,719,405	563,452,376		
<b>Net amount recognised</b>	<b>469,749,686</b>	<b>558,719,405</b>	<b>563,452,376</b>		
<b>Benefit cost</b>					
Current Service cost	25,992,114	27,754,583	32,699,776		
Net Interest on the net defined benefit (liability)/asset					
Interest cost	34,243,220	38,005,869	42,427,290		
Expected return on plan assets	(91,045,588)	(120,034,360)	(166,226,810)		
Interest on effect of asset ceiling	33,917,634	57,741,950	94,872,823		
Administration and other non Plan Investment Management Expenses	4,915,617	5,224,103	5,224,103		
<b>Net periodic benefit cost (income)</b>	<b>8,022,997</b>	<b>8,692,145</b>	<b>8,997,182</b>		
<b>Statement of other comprehensive income (OCI)</b>					
(Gain)/loss from experience	13,546,213	11,256,698	-		
Expected return on plan assets	91,045,588	120,034,360	109,468,304		
Effect of asset ceiling	399,251,758	(414,608,004)	259,192,664		
Actual return on plan assets	(522,012,374)	204,732,331	(360,266,533)		
<b>Statement of other comprehensive income at end of year</b>	<b>(18,168,815)</b>	<b>(78,584,616)</b>	<b>8,394,435</b>		
<b>Statement of financial position reconciliation</b>					
At beginning of year	442,575,852	469,749,686	558,719,405		
Net periodic benefit (cost) income	(8,022,997)	(8,692,146)	(8,997,182)		
Employer contributions	17,028,015	19,077,250	22,124,588		
Effect of statement of other comprehensive income	18,168,816	78,584,615	(8,394,435)		
<b>Statement of financial position asset at end of year</b>	<b>469,749,686</b>	<b>558,719,405</b>	<b>563,452,376</b>		
<b>Amounts for current year and previous four periods</b>					
	2023	2022	2021	2020	2019
	G\$	G\$	G\$	G\$	G\$
Defined benefit obligation	728,113,642	(660,729,515)	(593,168,081)	(555,067,046)	(508,961,387)
Plan assets	1,979,820,632	2,180,332,840	1,652,428,180	1,194,709,300	1,062,276,297
Surplus	2,707,934,274	1,519,603,325	1,059,260,099	639,642,254	553,314,910

# NOTES ON THE ACCOUNTS

## 11 Defined benefit asset (CONT'D)

### Disclosures (CONT'D)

#### Additional disclosures: Actuarial assumptions

	2023	Budgeted 2024
Assumed discount rate	5.50%	5.50%
Future promotional salary increases	1.00%	1.00%
Future inflationary salary increases	4.00%	4.00%
Expected rate of future pension increases	0.00%	0.00%
Expected rate of return on plan assets	5.50%	5.50%
Bonds	0.00%	0.53%
Equities	89.92%	87.09%
Fixed Deposits	7.76%	8.69%
Short Term Instruments	2.32%	3.70%

A summary of the actuarial assumptions used in the accounting valuation are as follows:

	2023 G\$	2022 G\$
Discount Rate	5.5% per annum	5.5% per annum
Expected return on assets at the end of the year	N/A	N/A
Future promotional salary increases	1.0% per annum	1.0% per annum
Future inflationary salary increases	4% per annum	4% per annum
Future increases in the NIS Ceiling for earnings	4.50% per annum	4.50% per annum
Future increases to pensions	Nil	Nil
Mortality	UP94 at 2024 with projection scale AA	UP94 at 2023 with projection scale AA
Termination of active members	5% per annum up to age 39	5% per annum up to age 39
Early Retirement	5% per annum from 5 years before NRA	5% per annum from 5 years before NRA

# NOTES ON THE ACCOUNTS

## 12 Investments

	2023	2022
	G\$	G\$
Shares	283,500,000	316,830,000
Bonds	26,501,685	26,486,340
FVTOCI	310,001,685	343,316,340

These are investments in local and foreign companies.

## 13 Inventory, stores and work-in-progress

	2023	2022
	G\$	G\$
Raw materials and supplies	914,440,285	987,340,950
Finished goods	131,317,233	174,400,465
Goods in transit	89,780,233	107,230,964
	1,135,537,751	1,268,972,379
Provision for stock write off (i)	(67,850,947)	(36,911,347)
	1,067,686,804	1,232,061,032
(i) At 1 January	36,911,347	64,421,977
Movement for the year	30,939,600	(27,510,630)
At 31 December	67,850,947	36,911,347

The cost of inventory recognised as expense during the period with respect to the operations was G\$3,566,340,944 (2022- G\$3,445,188,685).

There was write off of inventory during the period of G\$11,060,399 (2022 - G\$21,510,629).

Inventories of G\$263,996,898 (2022: G\$309,982,380) are expected to be recovered within twelve months.

## 14 (a) Trade receivables

	2023	2022
	G\$	G\$
Local receivables	337,972,274	289,748,172
Foreign receivables	54,909,333	48,662,746
Trade receivables	392,881,607	338,410,918
Less: expected credit loss/provision for impairment (i)	(15,426,087)	(14,350,105)
	377,455,520	324,060,813
(i) At 1 January	14,350,105	13,150,104
Impairment for the year	1,075,982	1,200,001
At 31 December	15,426,087	14,350,105

The above provision for impairment was assessed using expected credit losses and individually.

## (b) Other receivables and prepayments

	2023	2022
	G\$	G\$
Others	40,944,569	32,731,997
Prepayments	34,881,588	33,044,493
	75,826,157	65,776,490

# NOTES ON THE ACCOUNTS

15	<b>Fixed deposits</b>	<b>2023</b>	<b>2022</b>
		<b>G\$</b>	<b>G\$</b>
	Comprised of:		
	Fixed deposits with overseas banks	12,374,327	11,855,703
	Fixed deposits with local banks	36,853,935	36,612,394
		<u>49,228,262</u>	<u>48,468,097</u>
16	<b>Bank overdraft:</b>		
	Guyana Bank for Trade and Industry	-	<u>162,123,006</u>

Interest rate 6.90% -11.5%

This amount was repaid in the current accounting period and was secured by the following:

Letter of set off over Fixed Deposit Account No. 001015849045 in the name of Sterling Products Limited for G\$33,281,698.

Assignment of 600,000 National Bank of Industry & Commerce Limited (now Republic Bank Limited) shares.

First mortgage over Transport No. 1282/1970 in the name of Sterling Products Limited to property (land) situated at Lot 'E' being a part of Plantation Providence, situated on the East Bank of Demerara River, registered and stamped to cover G\$44,000,000.

17 (a)	<b>Share capital</b>	<b>2023</b>	<b>2022</b>
		<b>G\$</b>	<b>G\$</b>
	Authorised		
	Number of ordinary shares	<u>20,000,000</u>	<u>20,000,000</u>
		<b>G\$</b>	<b>G\$</b>
	Issued and fully paid		
	15,271,320 ordinary shares	<u>702,480,720</u>	<u>702,480,720</u>

Fully paid ordinary shares, with no par value carrying one vote per share and a right to dividends.

(b)	<b>Capital reserve</b>	<b>2023</b>	<b>2022</b>
		<b>G\$</b>	<b>G\$</b>
	At 1 January	572,303,468	572,303,468
	Movement	561,756,718	-
	At 31 December	<u>1,134,060,186</u>	<u>572,303,468</u>

This represents surpluses arising from the revaluations which were credited to capital reserve net of deferred tax.

(c)	<b>Other reserve</b>	<b>2023</b>	<b>2022</b>
		<b>G\$</b>	<b>G\$</b>
	At 1 January	312,485,630	304,816,197
	FVTOCI		
	Fair value adjustments	(33,314,655)	7,669,433
	At 31 December	<u>279,170,975</u>	<u>312,485,630</u>

This represents the fair value adjustments of investments held.

# NOTES ON THE ACCOUNTS

	2023	2022
	G\$	G\$
18 (a) Trade payables	203,024,230	231,077,508

The average credit period on purchases of certain goods ranges from 30 to 90 days. No interest is charged on the trade payables.

The Company has financial risk management policies in place to ensure that all payables are paid within the credit period.

(b) Other payables and accruals	2023	2022
	G\$	G\$
Other payables	147,770,496	127,884,372
Related party payable	7,811,993	9,723,017
Accruals	24,163,782	15,355,058
	<u>179,746,271</u>	<u>152,962,447</u>

(c) Lease liability		
Repayments due within one year	1,807,060	5,952,665
Repayments due within two to three years	-	6,324,706
Present value of lease obligations	<u>1,807,060</u>	<u>12,277,371</u>

This includes two (2) lease agreements.

These leases are for three (3) years and are entered into on 1 January, 2022 and have an annual rental of G\$6,720,000 payable in advance. This rental is due for revision every three (3) years. All terms and conditions are included in the lease agreement dated 1 January 2022 and the leases are for the Igloo outlets in Berbice and Stabroek. However, the lease for Stabroek was disposed as at 31 December, 2023

# NOTES ON THE ACCOUNTS

## 19 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Listed below are transactions and balances with related parties:

	2023	2022
	G\$	G\$
(a) <b>Ultimate parent company</b>		
(i) Edward B. Beharry and Co. Ltd. -services	40,543,098	35,645,839

Edward B. Beharry and Co. Ltd. provided information technology and security services to the company.

(ii) Balance due to	7,811,993	9,723,017
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Amount due to parent is unsecured and interest free. The balance is netted off when any payments are made to or received from parent. There are no repayment terms for this balance.

(iii) Lease rentals	6,800,000	4,800,000
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The above amount represents rental payments to Beharry Restaurant Holdings Inc.

### (b) Group companies

(i) Guyana Bank for Trade and Industry Limited:		
Fixed deposit	34,568,608	34,334,494
Current account	55,116,845	15,235,066
Bank overdraft	-	162,123,006
Interest earned for the year	302,085	308,816
Interest paid for the year	10,016,402	11,996,313
Interest rate on deposits	0.5% - 3.00%	0.5% - 3.00%
Interest rate on overdraft	8.75% - 11.5%	8.75% - 11.5%

(ii) Guyana Americas Merchant Bank Inc.		
Investment	26,501,685	26,486,340
Interest earned for the year	2,145,893	1,408,341
Interest receivable	2,084,953	582,826
Interest rate on investments	4.00% - 9.75%	4.00% - 9.75%

Investment management fees	200,948	233,184
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Guyana Americas Merchant Bank Inc. provides investment management services to the company

# NOTES ON THE ACCOUNTS

## 19 Related party transactions (CONT'D)

(iii) Nafico/Nalico	1,974,001	-
Insurance services provided to the company.	<u>13,882,043</u>	<u>12,064,532</u>

(iv) Balance due from Edward B. Beharry and Co. Ltd. - Trinidad	<u>10,763,858</u>	<u>9,685,697</u>
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The above balance represents goods supplied to Edward B. Beharry and Co. Ltd. - Trinidad. The amount is unsecured and interest free.

(v) Balance due from Beharry Restaurant Holdings Inc.	<u>27,636,860</u>	<u>25,238,700</u>
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The above balance represents amounts receivable for goods supplied to Beharry Restaurant Holdings Inc. The amount is unsecured and interest free.

All transactions with related parties were carried out at arm's length.

## (c) Key management personnel

### (i) Compensation

The company's 16 (2022 - 16) key management personnel comprise its Directors, Chief Executive Officer Finance Controller/Secretary and its Managers. The remuneration paid to key personnel for the year was as follows;

	2023	2022
	G\$	G\$
Short term employee benefits	80,774,980	77,336,201
Post employment benefits	<u>6,613,140</u>	<u>6,287,220</u>
	<u>87,388,120</u>	<u>83,623,421</u>

# NOTES ON THE ACCOUNTS

## 20 Analysis of financial assets and liabilities by measurement basis

2023

	FVTOCI	Financial assets held at amortised cost	Financial liabilities held at amortised cost	Total
ASSETS	G\$	G\$	G\$	G\$
Investments	310,001,685	-	-	310,001,685
Trade receivables	-	377,455,520	-	377,455,520
Other receivables and prepayments	-	75,826,157	-	75,826,157
Tax recoverable	-	25,866,680	-	25,866,680
Fixed deposits	-	49,228,262	-	49,228,262
Cash on hand and at bank	-	124,113,726	-	124,113,726
<b>Total assets</b>	<b>310,001,685</b>	<b>652,490,345</b>	<b>-</b>	<b>962,492,030</b>
<b>LIABILITIES</b>				
Trade payables	-	-	203,024,230	203,024,230
Other payables and accruals	-	-	179,746,271	179,746,271
Tax liability	-	-	50,746,565	50,746,565
Lease liability	-	-	1,807,060	1,807,060
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>435,324,126</b>	<b>435,324,126</b>

2022

	FVTOCI	Financial assets held at amortised cost	Financial liabilities held at amortised cost	Total
ASSETS	G\$	G\$	G\$	G\$
Investments	343,316,340	-	-	343,316,340
Trade receivables	-	324,060,813	-	324,060,813
Other receivables and prepayments	-	65,776,490	-	65,776,490
Tax recoverable	-	22,312,927	-	22,312,927
Fixed deposits	-	48,468,097	-	48,468,097
Cash on hand and at bank	-	71,193,082	-	71,193,082
<b>Total assets</b>	<b>343,316,340</b>	<b>531,811,409</b>	<b>-</b>	<b>875,127,749</b>
<b>LIABILITIES</b>				
Trade payables	-	-	231,077,508	231,077,508
Other payables and accruals	-	-	152,962,447	152,962,447
Bank overdraft (secured)	-	-	162,123,006	162,123,006
Tax liability	-	-	16,896,815	16,896,815
Lease liability	-	-	12,277,371	12,277,371
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>575,337,147</b>	<b>575,337,147</b>



# NOTES ON THE ACCOUNTS

## 21 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 on interest rate risk, foreign exchange risk, capital risk, liquidity risk and credit risk which are approved by the Board of Directors.

### (a) Market risk

Market 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 or its issuer or factors affecting all securities traded in the market. The company's exposure to market risk arises from its local and foreign securities.

Management continually identify, evaluate, and diversify risk in order to minimise the total cost of carrying such risk.

Should the market prices on FVTOCI investment securities change by 5 percent, with all other variables held constant, the impact on equity for the Company would be G\$15,500,084 (2022 - G\$17,165,817).

### (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.

The sensitivity analysis includes only outstanding balances at the end of the reporting period. A 50 basis point increase or decrease is used when reporting interest rate internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

A positive number indicates an increase in profits where the interest rate appreciates by 50 basis points. For a decrease of 50 basis points in the interest rate, this would have an equal and opposite impact on profit, and the balances below would be negative.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the impact on the company's profit would have been:

	Increase/ decrease in basis	Impact on profit for the year	
		2023	2022
<b>Cash and cash equivalents</b>		<b>G\$</b>	<b>G\$</b>
Local currency	+/-50	(381,448)	(513,958)
Foreign currency	+/-50	2,578	706

The Company's sensitivity to interest rates have increased during the year.

Apart from the foregoing with respect to the other financial assets and liabilities, it was not possible to determine the expected impact of a reasonable possible change in interest rates on profit or equity as other factors such as credit risks, market risks, political and disaster risks can affect the value of assets and liabilities.

# NOTES ON THE ACCOUNTS

## 21 Financial risk management (CONT'D)

### (a) Market risk (CONT'D)

#### (ii) Interest rate risk

The company's management continually monitors and manages these risks through the use of appropriate tools and implements relevant strategies to hedge against any adverse effects. The company's exposure to interest rate risk is minimal.

	Average interest rate %	Maturing 2023			Total G\$
		Within 1 year G\$	Over 5 years G\$	Non-interest bearing G\$	
<b>Assets</b>					
Investments	7	-	26,501,685	283,500,000	310,001,685
Trade receivables	-	-	-	377,455,520	377,455,520
Other receivables and prepayments	-	-	-	75,826,157	75,826,157
Tax Recoverable	-	-	-	25,866,680	25,866,680
Fixed deposits	1.45	49,228,262	-	-	49,228,262
Cash on hand and at bank	0.25-1.5	122,430,723	-	1,683,003	124,113,726
		<u>171,658,985</u>	<u>26,501,685</u>	<u>764,331,360</u>	<u>962,492,030</u>
<b>Liabilities</b>					
Trade payables	-	-	-	203,024,230	203,024,230
Other payables and accruals	-	-	-	179,746,271	179,746,271
Lease liability	6.25	1,807,060	-	-	1,807,060
Tax liability	-	-	-	50,746,565	50,746,565
		<u>1,807,060</u>	<u>-</u>	<u>433,517,066</u>	<u>435,324,126</u>
Interest sensitivity gap		<u>169,851,925</u>	<u>26,501,685</u>		

	Average interest rate %	Maturing 2022			Total G\$
		Within 1 year G\$	Over 5 years G\$	Non-interest bearing G\$	
<b>Assets</b>					
Investments	7	-	26,486,340	316,830,000	343,316,340
Trade receivables	-	-	-	324,060,813	324,060,813
Other receivables and prepayments	-	-	-	65,776,490	65,776,490
Tax Recoverable	-	-	-	22,312,927	22,312,927
Fixed deposits	1.45	48,468,097	-	-	48,468,097
Cash on hand and at bank	0.25-1.5	65,139,200	-	6,053,882	71,193,082
		<u>113,607,297</u>	<u>26,486,340</u>	<u>735,034,112</u>	<u>875,127,749</u>
<b>Liabilities</b>					
Trade payables	-	-	-	231,077,508	231,077,508
Other payables and accruals	-	-	-	152,962,447	152,962,447
Lease liability	6.25	5,952,665	6,324,706	-	12,277,371
Tax liability	-	-	-	16,896,815	16,896,815
Bank overdraft (secured)	8.75 -11.5	162,123,006	-	-	162,123,006
		<u>168,075,671</u>	<u>6,324,706</u>	<u>400,936,770</u>	<u>575,337,147</u>
Interest sensitivity gap		<u>(54,468,374)</u>	<u>20,161,634</u>		

# NOTES ON THE ACCOUNTS

## 21 Financial risk management (CONT'D)

### (a) Market risk (CONT'D)

#### (iii) Currency risk

The Company's exposure to the effects of fluctuations in foreign currency exchange rates arise mainly from investments and cash on hand and at bank. The currency which the Company is mainly exposed to is United States Dollars.

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

	US \$ G\$
<b>31 December 2023</b>	
Assets	<u>218,327,414</u>
Liabilities	<u>(131,841,318)</u>
<b>31 December 2022</b>	<b>G\$</b>
Assets	<u>214,561,100</u>
Liabilities	<u>(164,223,956)</u>

#### 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 currency 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 profit where the US\$ weakens 2.5% against the GY\$. For a 2.5% strengthening of the US\$ against G\$ there would be an equal and opposite impact on the profit, and the balances below would be positive.

	2023 G\$	2022 G\$
Profit/(loss)	2,162,152	1,258,429

#### (iv) 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.

Cross-border risk though relatively minimal, exists in relation to investments in Caricom Sovereign Bonds and such risk is mitigated by the application of prudent selection and stringent monitoring of the Company's investment portfolio by its intermediary Guyana Americas Merchant Bank Inc.

#### (v) Other price risks

The Company is not significantly exposed to price risks arising from bonds and equity investments. These investments are held for strategic rather than trading purposes. The Company does not actively trade in these investments.

# NOTES ON THE ACCOUNTS

## 21 Financial risk management (CONT'D)

### (b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

The company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The following table shows the distribution of liabilities by maturity:

	Maturing 2023				
	Within 1 year				Total
	On Demand	Due in 3 mths	Due 3-12 mths	Due over 1 year	
G\$	G\$	G\$	G\$	G\$	
Lease liability	-	451,765	1,355,295	-	1,807,060
Trade payables	-	203,024,230	-	-	203,024,230
Other payables and accruals	-	179,746,271	-	-	179,746,271
Tax liability	-	-	50,746,565	-	50,746,565
	-	383,222,266	52,101,860	-	435,324,126

	Maturing 2022				
	Within 1 year				Total
	On Demand	Due in 3 mths	Due 3-12 mths	Due over 1 year	
G\$	G\$	G\$	G\$	G\$	
Lease liability	-	1,488,166	4,464,499	6,324,706	12,277,371
Trade payables	-	231,077,508	-	-	231,077,508
Other payables and accruals	-	152,962,447	-	-	152,962,447
Bank overdraft (secured)	162,123,006	-	-	-	162,123,006
Tax liability	-	-	16,896,815	-	16,896,815
	162,123,006	385,528,121	21,361,314	6,324,706	575,337,147

# NOTES ON THE ACCOUNTS

## 21 Financial risk management (CONT'D)

### (c) Credit risk

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

	2023 Maximum exposure G\$	2022 Maximum exposure G\$
Cash at bank	122,430,723	65,139,200
Fixed deposits	49,228,262	48,468,097
Investments	310,001,685	343,316,340
Trade receivables	377,455,520	324,060,813
Other receivables ( net of prepayments)	40,944,569	32,731,997
<b>Total Credit risk exposure</b>	<b>900,060,759</b>	<b>813,716,447</b>

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, investments and balances due by 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.

Investments in CARICOM Bonds and equity are assets for which the likelihood of default are considered low by the Directors.

	2023 G\$	2022 G\$
Trade and other receivables and taxes recoverable (excluding prepayments)	444,266,769	356,792,810

The above balances are classified as follows:

Current	202,941,358	179,410,581
Past due but not impaired	241,325,411	177,382,229
	<u>444,266,769</u>	<u>356,792,810</u>

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

30-89 days	204,045,774	159,398,651
90-120 days	37,279,637	17,983,578
	<u>241,325,411</u>	<u>177,382,229</u>

Expected credit loss/provision for impairment	<u>15,426,087</u>	<u>14,350,105</u>
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All expected credit loss/provisions for impairments relate to balances over 90 days past due.

# NOTES ON THE ACCOUNTS

## 21 Financial risk management (CONT'D)

### (c) Credit risk (CONT'D)

The table below shows the credit limit and balances of seven major counterparties at the end of the reporting period.

Details	Location	2023		2022	
		G\$ Credit Limit	G\$ Carrying Amount	G\$ Credit Limit	G\$ Carrying Amount
Customer # 1	Guyana	28,000,000	27,636,860	26,000,000	25,238,700
Customer # 2	Guyana	16,000,000	14,820,428	16,000,000	15,788,996
Customer # 3	Guyana	15,000,000	13,387,907	15,000,000	12,227,987
Customer # 4	Trinidad & Tobago	12,000,000	10,763,858	15,000,000	12,223,856
Customer # 5	Guyana	12,000,000	10,520,918	12,000,000	10,760,316
Customer # 6	U.S.A.	12,000,000	10,434,106	12,000,000	10,749,476
Customer # 7	St Kitts, WI	12,000,000	10,351,254	10,000,000	9,685,697

There was one customer who represented more than 5% of the total balance of trade receivables. (2022: one). The average age of these receivables was 27 days (2022: 25 days).

## 22 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remain unchanged from 2022.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 17.

The company does not have a fixed rate or range to distribute dividends but its dividends policy is based on the performance of the company and future development plans.

### Gearing information:

The Company's management reviews the capital structure on an on-going basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Company has not set a target gearing ratio.

### Gearing information at the year end was as follows:

	2023 G\$	2022 G\$
Debt (i)		
Cash and cash equivalents	1,807,060	174,400,377
	(173,341,988)	(119,661,179)
Net debt	(171,534,928)	54,739,198
Equity (ii)	4,385,685,520	3,656,878,299
From the above the gearing ratio can be seen as (debt/equity)	-	1%

(i) Debt is defined as short-term borrowings, as detailed in note 16 and 18 (c)

(ii) Equity includes all capital and reserves of the Company.

# NOTES ON THE ACCOUNTS

## 23 Segment information

The company has been classified into two main segments, namely manufacturing and trading. These divisions are the basis on which the Company reports its primary segment information.

Principal activities are as follows:

### Manufacturing

The manufacture and marketing of Edible Fats, Detergents, Laundry Soap, Ice Cream and Yogurt. .

### Trading

The distribution of branded products.

### Statement of profit or loss and other comprehensive income

	2023		
	Manufacturing G\$	Trading G\$	Total G\$
Third party revenue	4,991,962,352	173,424,030	5,165,386,382
Operating cost	3,449,112,653	139,005,202	3,588,117,855
Profit on operating activities	1,542,849,699	34,418,828	1,577,268,527
Other income	27,082,612	412,426	27,495,038
General and administrative expenses	(1,219,770,102)	(18,575,179)	(1,238,345,281)
Taxation	(120,081,524)	(1,828,653)	(121,910,177)
Profit for the year	230,080,685	14,427,422	244,508,107
<b>Other Information</b>			
Capital additions and transfers	274,951,402	9,551,991	284,503,393
Depreciation	243,367,273	8,454,738	251,822,011
<b>Segment assets</b>			
Property, plant and equipment	2,565,069,120	163,727,816	2,728,796,936
Defined benefit asset	558,719,405	-	558,719,405
Investments	310,001,685	-	310,001,685
Inventory, stores and work-in-progress	1,041,959,326	25,727,478	1,067,686,804
Trade receivables	368,015,169	9,440,351	377,455,520
Other receivables and prepayments	75,826,157	-	75,826,157
Tax recoverable	25,866,680	-	25,866,680
Fixed deposits	49,228,262	-	49,228,262
Cash on hand and at bank	124,113,726	-	124,113,726
	5,118,799,530	198,895,645	5,317,695,175
<b>Segment liabilities</b>			
Tax liability	47,192,812	3,553,753	50,746,565
Lease liability	1,807,060	-	1,807,060
Trade payables	203,024,230	-	203,024,230
Other payables and accruals	179,746,271	-	179,746,271
	431,770,373	3,553,753	435,324,126

# NOTES ON THE ACCOUNTS

## 23 Segment information (CONT'D)

### Statement of profit or loss and other comprehensive income

	2022		
	Manufacturing G\$	Trading G\$	Total G\$
Third party revenue	4,558,568,640	189,111,618	4,747,680,258
Operating cost	3,318,085,999	147,233,224	3,465,319,223
Profit on operating activities	1,240,482,641	41,878,394	1,282,361,035
Other income	28,740,160	586,534	29,326,694
General and administrative expenses	(1,032,342,727)	(21,068,219)	(1,053,410,946)
Taxation	(70,984,681)	(1,448,667)	(72,433,348)
Profit for the year	165,895,393	19,948,042	185,843,434

### Other Information

Capital additions	207,975,813	4,244,400	212,220,213
Depreciation	225,381,673	4,599,626	229,981,299

### Segment Assets

Property, plant and equipment	1,842,290,749	117,593,027	1,959,883,776
Defined benefit asset	469,749,686	-	469,749,686
Investments	343,316,340	-	343,316,340
Inventory, stores and work-in-progress	1,189,495,852	42,565,180	1,232,061,032
Trade receivables	312,900,805	11,160,008	324,060,813
Other receivables and prepayments	65,776,490	-	65,776,490
Tax Recoverable	22,312,927	-	22,312,927
Fixed deposits	48,468,097	-	48,468,097
Cash on hand and at bank	71,193,082	-	71,193,082
	4,365,504,028	171,318,215	4,536,822,243

### Segment liabilities

Tax liability	13,114,583	3,782,232	16,896,815
Lease liability	12,277,371	-	12,277,371
Trade payables	231,077,508	-	231,077,508
Other payables and accruals	152,962,447	-	152,962,447
Bank overdraft	162,123,006	-	162,123,006
	571,554,915	3,782,232	575,337,147

### Geographical location

The Company's operations ( manufacturing and trading) are located in Guyana.

The company's revenue derived from operations from external customers:

	2023	2022
	G\$	G\$
Sales:		
Local	4,947,621,078	4,527,753,899
Foreign	217,765,304	219,926,359
	5,165,386,382	4,747,680,258



# NOTES ON THE ACCOUNTS

## 23 Segment information (CONT'D)

### Segment revenue and results

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

	Segment Revenue		Segment Gross Profit	
	Year Ended	Year Ended	Year Ended	Year Ended
	2023	2022	2023	2022
	G\$	G\$	G\$	G\$
Foods and branded food products	4,391,813,796	4,005,876,590	1,410,844,320	1,124,638,791
Cleaning Agents	767,189,331	736,375,047	164,024,752	155,706,292
Other	6,383,255	5,428,621	2,399,455	2,015,952
	<u>5,165,386,382</u>	<u>4,747,680,258</u>	<u>1,577,268,527</u>	<u>1,282,361,035</u>

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales reported in the year. (2022: Nil)

Segment profit represents the profit earned by each segment without allocation of central administration costs, Directors fees, investment revenue, finance costs and income 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 sales of foods and branded food products of G\$ 5.165 billion (2022: G\$ 4.747 billion)-(see table above) are revenues of approximately G\$ 255.74 million (2022: G\$ 209.53 million) which arose from the sale to the Company's largest customers.

# NOTES ON THE ACCOUNTS

## 24 Fair value estimation

Fair value is defined as 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.

IFRS 13 requires fair value of assets and liabilities to be determined based on the following hierarchy:

Level 1 quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table details the carrying costs of assets and liabilities.

	2023			2022		
	IFRS	Carrying amount	Fair value	IFRS	Carrying amount	Fair value
	13 Level	G\$	G\$	13 Level	G\$	G\$
<b>Assets</b>						
Trade receivables	2	377,455,520	377,455,520	2	324,060,813	324,060,813
Other receivables and prepayments	2	75,826,157	75,826,157	2	65,776,490	65,776,490
Taxes recoverable	2	25,866,680	25,866,680	2	22,312,927	22,312,927
Fixed deposits	2	49,228,262	49,228,262	2	48,468,097	48,468,097
Cash on hand and at bank	1	124,113,726	124,113,726	1	71,193,082	71,193,082
		<u>652,490,345</u>	<u>652,490,345</u>		<u>531,811,409</u>	<u>531,811,409</u>
<b>Liabilities</b>						
Trade payables	2	203,024,230	203,024,230	2	231,077,508	231,077,508
Other payables and accruals	2	179,746,271	179,746,271	2	152,962,447	152,962,447
Tax liability	2	50,746,565	50,746,565	2	16,896,815	16,896,815
Bank overdraft (secured)		-	-	1	162,123,006	162,123,006
		<u>433,517,066</u>	<u>433,517,066</u>		<u>563,059,776</u>	<u>563,059,776</u>

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

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

- Trade receivables and other receivables are net of specific provisions for impairment. The fair value of trade receivables and other receivables is based on expected realisation of outstanding balances taking into account the company's history with respect to delinquencies.
- 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 and cash equivalents, trade and other payables, tax liability and bank overdraft (secured).

# NOTES ON THE ACCOUNTS

## 24 Fair value estimation (CONT'D)

### Fair value measurement recognised in the statement of financial position

The following table provides an analysis of financial instruments and other assets that are measured subsequent to initial recognition at fair value, grouped into Level 2 and 3 based on the degree to which the value is observable.

	2023		
	Level 2	Level 3	Total
<b>FVTOCI</b>			
Investments	283,500,000	26,501,685	310,001,685

	2022		
	Level 2	Level 3	Total
	G\$	G\$	G\$
<b>FVTOCI</b>			
Investments	316,830,000	26,486,340	343,316,340

	2023		
	Level 2	Level 3	Total
	G\$	G\$	G\$
Property, plant and equipment	1,855,581,916	873,215,020	2,728,796,936

	2022		
	Level 2	Level 3	Total
	G\$	G\$	G\$
Property, plant and equipment	1,182,468,540	777,415,236	1,959,883,776

Freehold land and buildings were revalued by the Directors on advice received from independent professional valuers in 1974, 1980, 2012, 2016, 2019 and 2023 with a total after tax surplus of G\$1,374,939,605 credited to capital reserve

If no valuation of freehold land and building was done, the net book value of property, plant and equipment would have been approximately G\$1,149,183,307 (2022 - G\$1,193,066,111).

25 Capital commitments	2023	2022
	G\$	G\$
Authorised by the Directors but not contracted for	890,155,179	220,770,000

These comprise of acquisition of non current assets.

# NOTES ON THE ACCOUNTS

## 26 Contingent liabilities

### Pending litigation

At the end of the reporting period, there were two pending litigation against the company, the outcome of which cannot be determined at this date.

## 27 Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on February 15, 2024.

# SIX YEAR STATISTICAL SUMMARY

	2023	2022	2021	2020	2019	2018
Turnover (\$)	5,165,386,382	4,747,680,258	4,008,128,690	3,601,294,139	3,605,082,556	3,283,211,508
Net Profit Before Taxation	366,418,284	258,276,783	250,018,624	241,760,845	190,723,748	150,745,063
Percentage on Sales	7.09	5.44	6.24	6.71	5.29	4.60
Taxation (\$)	121,910,177	72,433,348	86,392,245	73,232,318	69,218,140	50,388,250
Profit After Taxation	244,508,107	185,843,434	163,626,379	168,528,527	121,505,608	100,356,813
Cash cost of Dividends (\$)	103,081,410	99,263,580	91,627,920	83,992,260	76,356,600	91,627,920
Dividend Cover	2.37	1.87	1.79	2.01	1.59	1.10
Issued capital (\$)	702,480,720	702,480,720	702,480,720	702,480,720	702,480,720	702,480,720
Shareholders' equity (\$)	4,385,685,520	3,656,878,299	3,549,002,400	3,397,707,492	3,282,942,897	2,994,414,648
Working Capital	1,284,853,023	1,194,860,000	1,104,982,012	1,094,515,681	979,135,712	877,702,418
<b>Per Ordinary Share Unit</b>						
Net Profit (\$)	23.99	16.91	16.37	15.83	12.49	9.87
Shareholders Equity (\$)	287.18	239.46	232.40	222.49	214.97	196.08
Dividends paid	6.75	6.50	6.00	5.50	5.00	6.00

# Long Service Awards

## 30 Years

**Mohar Saktua**  
Machine Operator 1

**Ganesh Ram Singh**  
Plant Operator 1

**Haleem Hussain**  
Plant Operator 1

**Daniel Persaud**  
Supervisor

## 25 Years

**Sewgobin Seecharran**  
Machine Operator 1

**Kamdeo Singh**  
Driver/Salesman

## 20 Years

**Mahindra Sammy**  
Finance Controller  
Company Secretary

**Ramsay Ali**  
Chief Executive Officer

**Dellon Lynch**  
Marketing Manager

**Krishna Ramroop**  
Machine Operator 2

**Anthony Livean**  
Forklift Operator

**Faudia Rafeek**  
Accounts Payable Controller

**Odessa Barrow**  
Supervisor

**Mohamed Ibrahim**  
Senior Sales Supervisor

**Deonandan Budhan**  
Driver/Salesman

## 15 Years

**Teon McBean**  
Machine Operator 2

**Nanda Persaud**  
Factory Attendant

**Mahamad Shaheed**  
Supervisor

**David Baldeo**  
Sales Helper

**Alex Reece**  
Sales Helper

**Shivdat Persaud**  
Machine Operator 1

## 10 Years

**Saeed Mohammadin**  
Machine Operator 2

**Faisal Khan**  
Senior Bond Attendant

**Malcolm Fredericks**  
Sales Helper

**Krishnauth Heeralall**  
Machine Operator 1

**Ramsarran Laldeo**  
Driver/Salesman

**Sadiq Hanif**  
Senior Stock/Delivery Clerk

**Shaziena Khan**  
Administrative Assistant

**Gabriel Dass**  
Deputy QHSE  
Strategic Business Manager

**Deon Marks**  
Assistant Manager  
Engineering Services

# Delicious Flavours







# PROXY FORM

I/We.....

of.....

being a member/members of Sterling Products Limited hereby appoint

.....

of.....

or failing him/her .....

of .....

As my/our proxy to vote for me/us on my/our behalf at the 69th Annual General Meeting of the Company on Wednesday 24 April, 2024 at 17:00 hours.

Signed: .....

Witness: .....

Witness: .....

Date: .....

## Notes:

1. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies at attend and vote instead of him/her. A proxy need not be a member.
2. If the appointee is a Corporation this form must be under its common seal, or the hand of some officer or attorney duly authorized in that behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated.
4. To be valid this form must be deposited at the registered office of the Company not less than 48 hours before the time fixed for holding the Meeting.





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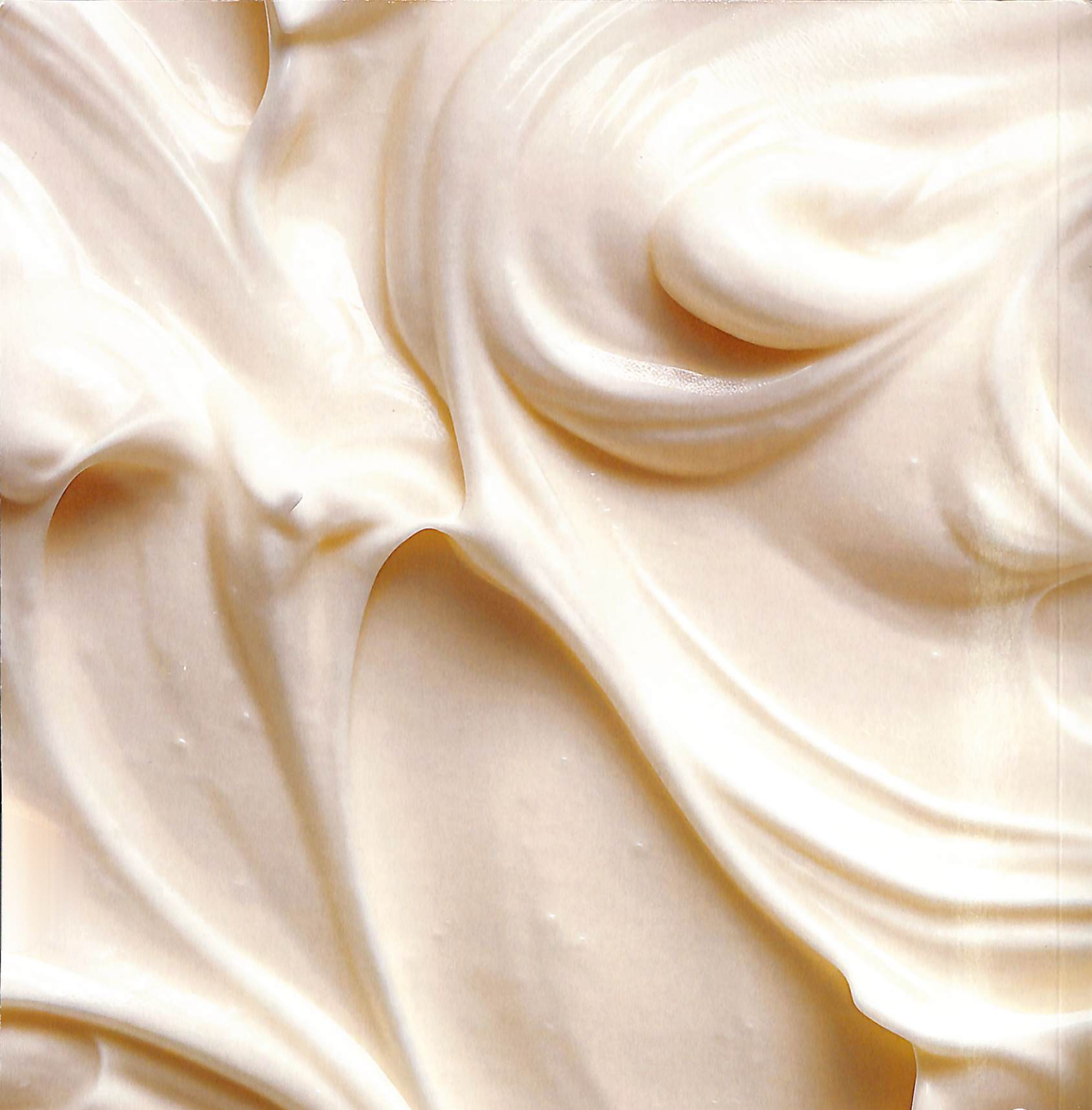


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PRODUCTS LIMITED  
(SUBSIDIARY OF SECURE INTERNATIONAL FINANCE  
COMPANY INCORPORATED)

PROVIDENCE, EAST BANK DEMERARA, GUYANA.