

PINEHILL

2017



ANNUAL REPORT



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# Corporate Information

## **DIRECTORS**

C. A. M. Ramos  
J. Infante  
F. Guimarães  
C. R. Cozier  
N. McD. Brewster  
P. D. Davis

## **CORPORATE SECRETARY**

N. A. Bennett

## **REGISTERED OFFICE**

The Pine  
St. Michael, BB14000  
Barbados, W.I.

## **AUDITORS**

Deloitte & Touche  
The Goddard Building  
Haggatt Hall, BB11059  
Barbados, W.I.

## **BANKERS**

First Caribbean International Bank  
Wildey  
St. Michael  
Barbados, W.I.

## **ATTORNEYS-AT-LAW**

Clarke Gittens Farmer  
Parker House  
Wildey Business Park  
Wildey Road  
St. Michael BB14006  
Barbados, W.I.

# NOTICE

## of Annual General Meeting

Registered Office: Pine Hill Dairy Complex  
The Pine  
St. Michael  
Barbados

Notice is hereby given that the Fifty-Third Annual General Meeting of Barbados Dairy Industries Limited (the "Company") will be held at Banks Barbados Breweries Limited Complex, Newton, Christ Church, Barbados, on **Tuesday the 19th day of February, 2019 at 10:00 A.M.** for the following purposes:

1. To review and adopt the minutes of the Fifty-Second Annual General Meeting of the Company held 19 October, 2017; to receive the Auditor's Report thereon;
2. To receive and consider the Consolidated Financial Statements of the Company for the period ending 31 December 2017 and the Auditor's Report thereon;
3. To elect Directors and if thought fit to pass the following resolutions:
  - i. *THAT in accordance with the requirements of paragraph 4.4 of By-Law No. 2 of the Company, Mr. Caio Augusto Miranda Ramos be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*
  - ii. *THAT in accordance with the requirements of paragraph 4.4 of By-Law No. 2 of the Company, Mr. Jose Infante be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*
  - iii. *THAT in accordance with the requirements of paragraph 4.4 of By-Law No. 2 of the Company, Mr. Fernando Guimarães be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*
4. To appoint Auditors for the ensuing financial year and to authorize the Directors to fix their remuneration and (if thought fit) to pass the following resolution:
  - i. *THAT Deloitte be and are hereby appointed as Auditors of the Company for the period ending at the close of the next Annual General Meeting after their appointment.*
5. To transact any other business which may properly come before the meeting.

By Order of the Board



Nigel A. Bennett  
Corporate Secretary

10 December, 2018

The notes to the enclosed proxy form are incorporated in this notice.

# Board of DIRECTORS' Statement

## OVERVIEW

The 12-month performance on the year is being compared to the 16-month period ended December 2016 when the Company changed its year end from August 31st to December 31st.

Profit from Operations had a slight decrease from 13.52% of revenue to 12.67%. This is as a result of the continuing weak macro-economic environment and specific matters during the year, which impacted line efficiency. While the Company continues to pursue effective cost controls to achieve a healthier profit from operations, the Company also experienced additional supply chain challenges as a result of the severe 2017 Atlantic hurricane season which impacted the availability of some key materials utilized by the Company during the production process.

Despite this, Balance Sheet with working capital continued registering growth and the Company took opportunity to repay long term debt with the \$7.75 million net cash flow generated from operating activities.

## HR MATTERS

As previously stated, in the 2016 Annual Report, the four-year collective bargaining agreement negotiated with the Barbados Workers' Union came to an end in 2016, but the negotiations for a successor agreement were not finalized during 2017. The Company is keen to have this matter resolved and we expect final confirmation on when these discussions can be concluded in the coming months, as the Company is eager to have this matter resolved.

## THE DAIRY INDUSTRY

Discussions continued with government officials on the long-awaited CESS on milk programme. Once implemented, the CESS will allow the local dairy industry to better compete against heavily subsidized international dairy industries. We will continue to work with the authorities to ensure that the programme comes to fruition.

## LOOKING FORWARD

There continues to be strong competition in the juice and dairy categories. However, our brands remain market leaders. The weak economic environment will continue to present challenges to our operation, but we are optimistic that the long awaited industry support initiative will be implemented during the new financial year, returning growth and stability to the industry.

Finally, we would like to thank our staff, distributors, customers and consumers for their continued cooperation, support and patience over the past year and look forward to strengthening these relationships in the coming year.



Caio Augusto Miranda Ramos  
Chairman



C. Richard Cozier  
Director

# Board of DIRECTORS

Barbados Dairy Industries Limited



**CAIO AUGUSTO MIRANDA RAMOS**  
Executive Director & Chairman  
Citizen of Brazil

Mr. Caio Ramos is graduate in Law from State of Parana University and has also completed the Ambev Executive MBA Program at Sao Paulo Business School in Sao Paulo, Brazil.

Mr. Ramos also completed the Program on Corporate Reputation from Stanford University in Palo Alto, California in 2018. Mr. Ramos joined AmBev in 2002 and has accumulated 16 years' experience in legal, corporate affairs and strategy development.



**JOSE INFANTE**  
Executive Director  
Citizen of the Dominican Republic

Mr. Jose Infante was appointed Country Manager of Banks Holdings Limited in 2018.

He joined Cerveceria Nacional Dominicana (CND) in 2010, as a Finance Coordinator. Following AB InBev's acquisition of CND in 2012, Mr. Infante quickly moved through the company's ranks. During his eight years at AB InBev, Mr. Infante has worked in various departments, including human resources, labour relations and sales. Most recently, he worked as CND's commercial manager for two years before his appointment in Barbados.

He holds a Bachelor of Science degree in Business Administration from the Mother and Teacher Pontifical Catholic University in the Dominican Republic. He also has a Master's in Business Administration from the Barna Business School in the Dominican Republic.



**RICHARD COZIER**  
Executive Director  
Citizen of Barbados

A member of the BHL Board since November 13th 1997, Mr. Cozier is a Fellow of the Institute of Chartered Accountants of Barbados (ICAB). He joined the staff at Banks (Barbados) Breweries Limited in 1979 as an Accountant. He was appointed Chief Accountant in 1985 and six years later, General Manager of another Banks Holdings Limited (BHL) subsidiary, the Barbados Bottling Company (BBC). His dedication and commitment was further rewarded in 1999, when he was appointed Managing Director and CEO of the BHL Group comprising Banks (Barbados) Breweries Limited, Barbados Dairy Industries Limited (Pine Hill Dairy), Barbados Bottling Co. Limited and B&B Distribution Ltd. (now Banks Distribution Limited). He is a current member of the Master Brewers Association of the Americas, represents The Barbados Chamber of Commerce & Industry on the Board of The Barbados Stock Exchange and is an independent director on the Board of The Barbados Private Sector Association.

Board of

# DIRECTORS

Barbados Dairy Industries Limited



**FERNANDO GUIMARÃES**

Executive Director  
Citizen of Brazil

Mr. Guimarães is the Finance and Solutions Director with responsibility for the CAC region within the Cerveceria Nacional Dominicana (CND) in the Dominican Republic. Mr. Guimarães joined AMBEV in 2004 through the company's Management Trainee Programme and has held the positions of Planning and Performance Coordinator and Operations Manager during his 14 years with the company. Mr. Fernando Guimarães holds an undergraduate degree in Mechanical Engineering from the Pontifical Catholic University of Rio de Janeiro and an Executive MBA from Brazil's COPPEAD Graduate School of Business.



**PAUL DEVERE DAVIS**

Non-Executive Director  
Citizen of Barbados

Mr. Davis has been a member of the BDIL Board since 1997. A former sugar farmer, he became a career dairy farmer in 1983, when he assumed the post of Manager of Walkers Dairy Farm in St. George, a state-of-the-art facility. His public spiritedness has seen Walkers Dairy Farm hosting various school tours as a way of ensuring that future generations are educated about dairy farming. Mr. Davis pursued Agricultural studies at Macdonald College in Canada. A Past-President of the Barbados Dairy and Beef Producers Association of the Barbados Agricultural Society (BAS), Mr. Davis continues to serve as a member of the Association, which he has been associated with since the mid-1980s.



**NEVILLE MCDONALD BREWSTER**

Non-Executive Director  
Citizen of Barbados

Mr. Brewster utilises his leadership and business experience to provide strategic direction to BDIL. He has been the Managing Director of Super Centre Ltd. (now Massy Stores) since October 2012 and prior to this, served Super Centre Ltd as the Director of Operations from January 2001 to September 2012. Mr. Brewster not only has vast experience in large retail operations; but also possesses marketing skills having worked with Digital Information Systems Ltd as the Marketing Manager and has petroleum industry experience gained during his tenure with Texaco Eastern Caribbean Ltd. He holds a Bachelor of Science degree in Accounting and an MBA in Business Administration and Marketing.



Corporate

# SECRETARY

Barbados Dairy Industries Limited



**NIGEL BENNETT**

Corporate Secretary  
Citizen of Barbados

Nigel Bennett is an attorney-at-law and partner at Court Caribbean Law Practice. He previously served as Legal Counsel to the Central Bank of Barbados, an international banking subsidiary of RBC Royal Bank of Canada and was seconded to a London based “magic circle” law firm. His primary practice areas are corporate & commercial law, international financial services, conveyancing, mortgages and finance-related matters. Nigel also serves as a panel member of the Financial Services Commission Appeals Tribunal.

# DIRECTORS' Report

1. The Directors hereby submit their annual report and the audited financial statements for the 16 months ended 31 December 2017.

	\$
2. The comprehensive income for the year was	6,185,856
To which is added retained earnings brought forward of	39,612,122
Dividends paid	<u>(985,130)</u>
Giving retained earnings carried forward of	<u>44,812,848</u>

3. **The Directors have declared a dividend of 10 c per share in respect of the 12 months ended 31 December 2017.**

4. At 31 December 2017 and 10 December 2018, the following party held more than 5% of the share capital of the Company. No other party held more than 5% of the stated capital of the Company at those dates.

	No. of Shares 31.12.17	No. of Shares 10.12.18
<b>Banks Holdings Limited (BHL)</b>	<b>3,960,667 (84.43%)</b>	<b>3,960,667 (84.43%)</b>

5. No Directors held any beneficial or non-beneficial interest in the Company's shares during the year and there has been no change since the end of the financial year and the date of this Report.

6. No service contracts were entered into between the Company and any of its Directors during the financial year.

## BY ORDER OF THE BOARD



Nigel A. Bennett  
Corporate Secretary  
10 December, 2018

# Corporate GOVERNANCE Statement

The Board of Directors of Barbados Dairy Industries Limited (the “Company”) is accountable to its shareholders and seeks to execute its social and statutory responsibilities in the best interest of its shareholders, employees, creditors, stakeholders and the general public as a whole. The Board is committed to the observance of good corporate governance standards to ensure that the Company’s business is conducted in a prudent, ethical and socially responsible manner.

The Barbados Stock Exchange Inc. (“BSE”) issued a number of Corporate Governance Recommendations (the ‘Recommendations’) as a guide to publicly listed companies. The full text of the Recommendations is available on the BSE’s website at [www.bse.com.bb](http://www.bse.com.bb). The Recommendations are non-obligatory.

The mandate of the Board of Directors includes the following objectives:

- (i) To monitor the performance of the Management Team and to provide general guidance and direction as warranted;
- (ii) To engender a corporate culture of integrity and social responsibility throughout the Company;
- (iii) To oversee the Company’s strategic planning process and approve a strategic plan, budget and financial objectives which take into account among other things, the opportunities and related business risks;
- (iv) To identify the principal risks of the Company’s business, and ensure the implementation of appropriate systems to identify, manage and mitigate these risks, and
- (v) To oversee the design and effectiveness of the Company’s internal controls and management information systems.

## **NOMINATION OF DIRECTORS**

In accordance with By-Law No. 2, and the provisions of the Companies Act, Directors are nominated and elected by the shareholders. Directors elected to fill casual vacancies are selected by the Board.

## **BOARD MEETINGS & DIRECTOR ATTENDANCE**

As at the date of this Report, there were six (6) Directors of the Company. The Company’s Articles provide that it shall have a minimum of three (3) Directors and a maximum of ten (10) Directors. There were two (2) Board Meetings during the Financial Year under review.

# Corporate GOVERNANCE Statement

Outlined below is the table setting out details of the Directors' meeting attendance:

DIRECTOR	ATTENDANCE (NO. OF MEETINGS)	RATE
Marcio JULIANO	1 out of 2*	50%
C. Richard COZIER	2 out of 2	100%
Paul DAVIS	2 out of 2	100%
Neville BREWSTER	2 out of 2	100%
Geoffrey MARSHALL	1 out of 2*	50%

\*Mr. Marcio Juliano, and Mr. Geoffrey Marshall resigned from the Board pursuant to the Board of Directors meeting on October 10, 2018 and were replaced by Mr. Caio Augusto Miranda Ramos, Mr. Jose Infante and Mr. Fernando Guimãres.

Directors are remunerated on an annual basis in arrears for those meetings which they attend. All Directors are remunerated in cash only. They do not receive any performance-based incentives, nor do they participate in stock-option plans or receive other forms of compensation. Only Non-Executive Directors are paid Directors' fees for their service on the Board of Directors. A total of \$31,300 in Directors' Fees was paid for the Financial Year under review.

## AUDIT FEES

In accordance with the mandate from the global procurement department of the parent company AmBev, the Company changed its audit firm from EY to Deloitte at the beginning of the financial year under review. The following table presents a summary of all fees paid to the existing Audit firm Deloitte, during the financial year under review as well as fees paid to the previous Audit firm EY during the previous financial year:

	2017	2016
Audit Fees	\$78,755.55	\$44,769.27
Other Fees	-	-
Tax Review	\$6,051.25	\$7,402.50

## EXECUTIVE MANAGEMENT

The day-to-day operation of the Company is managed by a team of Executive Managers whose profiles may be viewed on the Company's website at [www.thebhlgroup.com](http://www.thebhlgroup.com).

## **CODE OF ETHICS**

As mandated by the Recommendations, the Company adopted a Code of Ethics in 2016. The Code of Ethics is reviewed on an annual basis and revised as necessary. It is to be read and applied in conjunction with the BDIL Fraud Policy Statement and the BDIL Whistleblowing Statement. Each of these policies can be accessed on the Company's website at <http://www.thepinehilldairy.com/>.

## **INSIDER TRADING**

The Company approved and adopted an Insider Trading Policy during the financial year 2016, which can be accessed on the Company's website at [www.thebhlgroup.com](http://www.thebhlgroup.com). This ensures that the Company remains in compliance with the Insider Trading Guidelines of the Barbados Stock Exchange Inc. as well as that of its parent company AmBev. Further details about the Insider Trading Guidelines of the BSE may be accessed at the BSE website at [www.bse.com.bb](http://www.bse.com.bb).

10 December, 2018



## Independent auditors' report

To the shareholders of Barbados Dairy Industries Limited

### Opinion

We have audited the financial statements of Barbados Dairy Industries Limited (the Company), which comprise the statement of financial position as at 31 December 2017, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### 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 Auditors' 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), and we have fulfilled our other ethical responsibilities in accordance with 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 matter

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. This matter was 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 this matter. For the key audit matter described below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' Responsibilities for the Audit of Financial Statements* section of our report, including in relation to those matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of obsolescence provision</b></p> <p><b>Refer to Note 2 (h).</b> There is an element of management's judgement in determining the provision for obsolete, slow moving and defective inventory.</p>	<p>We tested, on a sample basis, the costing of inventory on hand at year-end, including the allocation of overheads for finished goods.</p> <p>We reviewed and tested the basis for inventory provisioning, the consistency of the provisioning in line with the Company's policy and the rationale for the recording of specific provisions. Our audit procedures included, but were not limited to, reviewing and testing inventory movement reports and testing the expiration dates of the inventory based on product release reports and verification procedures during our year-end inventory stock count observation.</p>

## Independent auditors' report (continued)

To the shareholders of Barbados Dairy Industries Limited

### Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditors' responsibilities for the audit of the financial statements

Our objectives 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 judgment and maintain professional skepticism throughout 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 omissions, misrepresentations, or the override of internal control.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



## Independent auditors' report (continued)

To the shareholders of Barbados Dairy Industries Limited

- Conclude on the appropriateness of management's 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

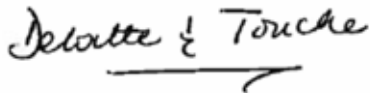
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Other matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

The financial statements of the Company for the period ended 31 December 2016, were audited by another auditor who expressed an unmodified opinion on those statements on 21 April 2017.

The engagement partner on the audit resulting in this independent auditors' report is JE(Betty) Brathwaite.



10 December 2018

# BARBADOS DAIRY INDUSTRIES LIMITED


## Statement of Financial Position

As at 31 December 2017

(expressed in Barbados dollars)

	Notes	2017 \$	2016 \$
<b>Current assets</b>			
Cash		5,502,583	3,322,737
Accounts receivable and prepayments	5	6,553,142	7,278,521
Inventories	7	11,969,292	11,387,234
Due from related companies	8	11,001,295	5,454,138
		<u>35,026,312</u>	<u>27,442,630</u>
Asset classified as held for sale		-	40,000
		<u>35,026,312</u>	<u>27,482,630</u>
<b>Current liabilities</b>			
Bank overdraft	9	-	-
Accounts payable and accruals	10	6,590,694	5,410,668
Due to related companies	8	3,909,912	2,327,796
Current portion of long-term liabilities	11	-	740,123
Loan due to parent company	8	4,442,424	5,566,467
		<u>14,943,030</u>	<u>14,045,054</u>
<b>Working capital</b>		20,083,282	13,437,576
<b>Deferred tax asset</b>	6	4,746,991	6,353,247
<b>Long-term investment</b>	12	1	1
<b>Property, plant and equipment</b>	13	15,893,025	18,920,561
<b>Pension plan asset</b>	14	7,166,805	4,029,804
<b>Post-employment medical liability</b>	15	(354,355)	(325,355)
<b>Long-term liabilities</b>	11	-	(2,570,461)
		<u>47,535,749</u>	<u>39,845,373</u>
<b>Equity</b>			
Share capital	16	998,028	998,028
Other Reserves		1,724,873	(764,777)
Retained earnings		44,812,848	39,612,122
		<u>47,535,749</u>	<u>39,845,373</u>

Approved by the Board on 10 December 2018 and signed on its behalf by:

  
 ..... Chairman  
 Caio Augusto Miranda Ramos

  
 ..... Director  
 C. R. A. Cozier F.C.G.A

# BARBADOS DAIRY INDUSTRIES LIMITED

## Statement of Income

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

	Notes	2017 \$	2016 \$
<b>Sales</b>		<u>59,629,903</u>	<u>84,790,334</u>
<b>Profit from operations before undernoted items</b>	4	7,554,497	11,461,327
Interest expense		(211,434)	(510,114)
Separation costs		<u>9,699</u>	<u>(476,941)</u>
<b>Income before taxation</b>		7,352,762	10,474,272
Taxation	6	<u>(1,166,906)</u>	<u>1,453,351</u>
<b>Net income for the year/period</b>		<u>6,185,856</u>	<u>11,927,623</u>
Earnings per share – basic and diluted	19	<u>1.32</u>	<u>2.54</u>

The accompanying notes form part of these financial statements.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Statement of Comprehensive Income

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

	2017 \$	2016 \$
<b>Net income for the year/period</b>	<u>6,185,856</u>	<u>11,927,623</u>
<b>Other comprehensive income (loss), net of tax</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Re-measurement gain/ (loss) on defined benefit plans	2,929,000	(71,560)
Tax effect ( <b>Note 6</b> )	<u>(439,350)</u>	<u>10,734</u>
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods and total other comprehensive loss, net of tax	<u>2,489,650</u>	<u>(60,826)</u>
<b>Total comprehensive income for the year/period</b>	<u>8,675,506</u>	<u>11,866,797</u>

The accompanying notes form part of these financial statements.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Statement of Changes in Equity

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

	Share capital \$	Other reserves \$	Retained earnings \$	Total \$
<b>Balance at 31 December 2015</b>	998,028	(703,951)	27,684,499	27,978,576
Total comprehensive income for the period	-	(60,826)	11,927,623	11,866,797
<b>Balance at 31 December 2016</b>	998,028	(764,777)	39,612,122	39,845,373
Total comprehensive income for the year	-	2,489,650	6,185,856	8,675,506
Dividends paid	-	-	(985,130)	(985,130)
<b>Balance at 31 December 2017</b>	998,028	1,724,873	44,812,848	47,535,749

The accompanying notes form part of these financial statements.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Statement of Cash Flows

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

	2017 \$	2016 \$
<b>Cash flows from operating activities</b>		
Income before taxation	7,352,762	10,474,272
<b>Adjustments for:</b>		
Depreciation	3,205,690	4,825,612
Gain on disposal of property, plant and equipment	-	(2,667)
Loss on disposal of asset held for sale	13,997	-
Impairment of decommissioned equipment	-	263,111
Interest expense	211,434	510,114
Pension plan asset	(194,001)	(184,571)
Post-employment medical liability	15,000	(17,702)
Operating profit before working capital changes	10,604,882	15,868,169
Decrease /(increase) in accounts receivable and prepayments	725,379	(1,162,141)
(Increase)/decrease in inventories	(582,058)	3,373,284
Increase in due from related companies	(5,547,157)	(5,105,067)
Increase/ (decrease) in accounts payable and accruals	1,180,026	(19,387)
Increase/(decrease) in due to related companies	1,582,116	(4,435,662)
Cash generated from operations	7,963,188	8,519,196
Interest paid	(211,434)	(510,114)
Net cash from operating activities	7,751,754	8,009,082
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	10,000
Proceeds from disposal of asset held for sale	26,003	-
Purchase of property, plant and equipment	(178,154)	(1,378,486)
Net cash used in investing activities	(152,151)	(1,368,486)
<b>Cash flows from financing activities</b>		
Dividends Paid	(985,130)	-
Repayment of long-term liabilities	(3,310,584)	(2,915,610)
(Repayment)/ proceeds from loan due to parent company	(1,124,043)	1,716,467
Net cash used in financing activities	(5,419,757)	(1,199,143)
<b>Increase in cash for the year/period</b>	2,179,846	5,441,453
<b>Cash and cash equivalents – beginning of year/period</b>	3,322,737	(2,118,716)
<b>Cash and cash equivalents – end of year/period</b>	5,502,583	3,322,737
<b>Represented by:</b>		
Cash	5,502,583	3,322,737
Bank overdraft	-	-
Cash and cash equivalents – end of year/period	5,502,583	3,322,737

The accompanying notes form part of these financial statements.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 1. Incorporation, ownership and principal place of business

The Company, a publicly listed entity in Barbados, was incorporated under the Laws of Barbados on 12 March 1964. Its parent company is Banks Holdings Limited, a publicly listed company incorporated in Barbados.

During 2015, the parent company was acquired by SLU Beverages ("SLU"). SLU is a subsidiary of Cerveceria Nacional Dominicana ("CND") headquartered in the Dominican Republic. The ultimate parent is AB-Inbev. Also, during 2016 the Company changed its year end from 31 August to 31 December to be in line with the new ultimate parent.

The principal activity of the Company during the year was the manufacturing, processing and distribution of dairy products and fruit juices.

The Company's registered office is located at the Pine, St. Michael, Barbados.

### 2. Significant accounting policies

#### a] Basis of accounting and financial statement preparation

The financial statements are prepared under the historical cost convention except for long-term investments, which are carried at fair value. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

#### b] Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous financial year. There were no new interpretations or standards which were applicable to the Company in the current year.

#### c] Application of amendments effective for the financial year beginning 1 January 2017

##### ***Amendments to International Accounting Standard (IAS) 7 Disclosure Initiative***

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The application of these amendments has had no impact on the Company's financial statements.

##### ***Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses***

The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilize a deductible temporary difference. The application of these amendments has had no impact on the Company's financial statements.

#### d] New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2017 and not yet early adopted

##### ***IFRS 15 Revenue from Contracts with Customers (Effective 1 January 2018)***

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition.

The application of IFRS 15 will not have a significant impact on the financial position and/or the financial performance of the Company.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 2. Significant accounting policies (cont'd)

#### d] **New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2017 and not yet early adopted (cont'd)**

##### ***IFRS 9 Financial Instruments (Effective 1 January 2018)***

IFRS 9 provides changes to financial instruments accounting for the following:

- classification and measurement of financial instruments based on a business model approach for managing financial assets and the contractual cash flow characteristics of the financial asset;
- impairment of financial assets based on an expected loss model; and
- hedge accounting that incorporates the risk management practices of an entity.

The application of IFRS 9 will not have a significant impact on the Company's financial statements as the Company's financial assets and liabilities will continue to be measured on the basis as currently adopted under IAS 39 and there is no anticipation of a significant increase in the expected loss allowance recognized for the Company's financial assets.

##### ***IFRS 16 Leases (Effective 1 January 2019)***

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current leasing guidance under IAS 17 Leases and the related interpretations when it becomes effective.

The Company is currently assessing the potential impact of this new standard.

#### e] **Revenue recognition**

Revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer and the amount of revenue can be measured reliably.

#### f] **Currency**

These financial statements are presented in Barbados dollars, which is also its functional currency. Monetary assets and liabilities denominated in currencies other than Barbados dollars are translated at the rate of exchange ruling at the statement of financial position date. Non-monetary assets and liabilities and transactions denominated in currencies other than Barbados dollars are translated at the rate of exchange ruling at the date of the transaction. Foreign exchange gains or losses are charged to income.

#### g] **Impairment of financial assets**

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account and the amount of the loss is recognized in income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in income.



# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 2. Significant accounting policies (cont'd)

#### g] Impairment of financial assets (cont'd)

In relation to loans and receivables, a provision for impairment is made when there is objective evidence that the Company will not be able to collect all of the amounts due under the original terms of the agreement. The carrying amount of loans and receivables is reduced through use of an allowance account.

#### h] Inventories

Inventories are stated at the lower of cost and net realizable value. In general, cost is determined on a weighted average basis. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity.

Supplies are valued at cost. Provisions are made for obsolete, slow moving and defective items as considered appropriate in the circumstances.

#### i] Depreciation

Depreciation is charged on leasehold buildings over the term of the lease.

Depreciation of other property, plant and equipment is made by using the straight-line basis at rates sufficient to write off the cost of the assets over their estimated useful lives as follows:

Plant and machinery and spares	-	3 to 20 years
Furniture, fittings and other equipment	-	3 to 10 years
Motor vehicles	-	5 years
Containers	-	5 years

#### j] Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 2. Significant accounting policies (cont'd)

#### k] Taxation

The financial statements are prepared using the liability method of accounting for taxation whereby the future taxable liability or asset arising from temporary differences is provided for at the estimated future corporation tax rate that is expected to apply to the period when the liability is settled or the asset realized. Deferred tax assets in respect of unused tax losses are recognized to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilized.

#### l] Employee retirement benefits

The Company operates a defined benefit plan, the assets of which are held in a separate fund administered by Trustees. The Company meets the balance of the cost of funding the plan and the Company pays contributions of 0.1% of the employee's salary. The funding requirements are based on regular actuarial valuations of the pension plan every three years.

Typically defined benefit plans define an amount of pension benefits that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in income.

The Company also operates a contributory defined contribution pension scheme. Contributions are charged to the statement of comprehensive income in the year to which they relate. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company also provides post-employment healthcare benefits to its employees, pensioners and their registered dependants. These benefits are funded by contributions from the Company to Guardian Life. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans. These obligations are valued by independent qualified actuaries.

#### m] Long-term investment

The Company's investment, which has been classified as fair value through profit and loss, is recorded at fair value. The fair value of this privately held investment, in the absence of readily ascertainable market values, has been estimated by management on the basis of the market value of the underlying assets.

Unrealized gains or losses are recorded in the statement of comprehensive income.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 2. Significant accounting policies (cont'd)

#### n] Interest bearing loans receivable and payable

All interest bearing loans receivable and payable are initially recognized at cost. After initial recognition, they are measured at amortized cost using the effective interest rate method.

#### o] Leases

Finance leases are capitalized at fair value on inception of the lease agreement. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of comprehensive income.

### 3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### i. Property, plant and equipment

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### ii. Impairment of financial assets

When the fair value declines or when there is objective evidence of impairment, management makes assumptions about the declines in value to determine whether it is an impairment that should be recognized in income.

#### iii. Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all other non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

#### iv. Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon likely timing and level of future taxable profits together with future tax planning strategies.

#### v. Employee retirement benefits

The cost of the defined benefit pension plan and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets of the plan, future pension increases, future salary increases, proportion of employees opting for early retirement, future changes in the NIS ceiling and inflation. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 4. Profit from operations

	2017 \$	2016 \$
Sales	59,629,903	84,790,334
Cost of sales	(47,309,306)	(66,905,524)
Gross profit	12,320,597	17,884,810
Other income	19,620	94,948
Selling, general and administrative expenses	(4,785,720)	(6,518,431)
Profit from operations	7,554,497	11,461,327
Profit from operations is after charging:		
Depreciation (Note 13)	3,205,690	4,825,612
Staff costs	6,959,407	10,446,856

### 5. Accounts receivable and prepayments

	2017 \$	2016 \$
Trade receivables (net)	5,589,597	6,321,613
Other receivables and prepayments	963,545	956,908
Gross trade receivables	5,589,597	6,328,264
Provision for doubtful debts	-	(6,651)
Trade receivables (net)	5,589,597	6,321,613

Trade receivables are non-interest bearing and are generally on 30-60 days terms.

As at 31 December 2017, \$nil of trade receivables (2016 - \$6,651) were impaired and fully provided for. Movements in the provision for impairment of receivables were as follows:

	Total \$
As at 31 December 2016	6,651
Recoveries	(6,651)
As at 31 December 2017	-

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 5. Accounts receivable and prepayments (cont'd)

As at 31 December, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			< 30 days	30-60 days	60-90 days	>90 days
	\$	\$	\$	\$	\$	\$
<b>2017</b>	5,589,597	5,589,597	-	-	-	-
<b>2016</b>	6,328,264	5,514,983	646,502	136,156	-	30,623

With respect to trade receivables and other receivables and prepayments that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will default on payment obligations. Of the balance due at 31 December 2017 \$nil (2016 - \$ nil) is due from affiliated companies. With respect to other receivables and prepayments, no amounts have been provided for in respect of a non-trade receivable balance.

### 6. Taxation

	2017	2016
	\$	\$
<b>Statement of income</b>		
Deferred tax recovery for the year/period	1,166,906	(1,453,351)

The tax on the income before taxation differs from the theoretical amount that would arise using the basic corporation tax rate as follows:

	2017	2016
	\$	\$
Income before taxation	7,352,762	10,474,272
Taxed at the applicable rate of 15% (2016 - 15%)	1,102,914	1,571,141
Depreciation on assets not qualifying for capital allowances	480,854	52,387
Manufacturing allowance	(79)	(106,310)
Losses utilized	(1,558,939)	(1,498,031)
Other	(24,750)	(19,187)
Current tax expense	-	-
Deferred tax asset not previously recognized	-	(588,735)
(Under) over-provision of prior year/period deferred tax	-	(391,573)
Deferred tax expense arising from the recognition or reversal of deferred tax asset	1,166,906	(473,043)
	1,166,906	(1,453,351)
<b>Deferred tax asset</b>		
Balance, beginning of year/period	6,353,247	4,889,162
Deferred tax credit recognized in statement of income	(1,166,906)	1,453,351
Deferred tax credit recognized in other comprehensive income	(439,350)	10,734
Balance, end of year/period	4,746,991	6,353,247

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 6. Taxation (cont'd)

	2017 \$	2016 \$
Deferred tax asset is made up as follows:		
Pension plan asset	(1,075,021)	(604,471)
Post-retirement medical liability	53,153	48,803
Unutilized tax losses	1,495,554	3,064,643
Accelerated depreciation for accounting purposes	4,273,305	3,844,272
	4,746,991	6,353,247

#### Tax losses

The Company has unrelieved tax losses of \$9,970,051 (2016 - \$20,430,953) available to be carried forward and applied against future taxable income. The losses have not been agreed by the Revenue Commissioner of the Barbados Revenue Authority but are not in dispute.

Income Year	Amount \$	Expiry Date
2010	401,656	2019
2011	7,700,745	2020
2012	1,867,650	2021
	-	
	9,970,051	

### 7. Inventories

	2017 \$	2016 \$
Raw materials	6,288,003	5,757,995
Finished goods	3,418,802	2,556,532
Spare parts	2,119,681	1,982,322
Marketing materials	54,367	49,278
Fuel and factory supplies	88,439	68,722
Goods in transit	-	972,385
	11,969,292	11,387,234

The net of change in provision and direct write-down of inventories recognized in the statement of income is (59,468), (2016 - (\$184,234)). This amount is included in cost of sales as disclosed in Note 4.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 8. Related party transactions and balances

The amounts due from/to related companies are unsecured, interest-free and have no fixed terms of repayment. The loan due to the parent company is unsecured and interest-free, however the parent company reserves the right to charge interest at a rate of prime minus 1% per annum on the unpaid balance at its sole discretion. The loan is repayable on demand.

	<b>2017</b>	<b>2016</b>
	\$	\$
Loan due to parent company	<u>4,442,424</u>	<u>5,566,467</u>

During the year/period, the Company entered into the following transactions with its parent and fellow subsidiaries:

	<b>2017</b>	<b>2016</b>
	\$	\$
Sales to a related company	14,559,823	17,709,477
Sales to affiliated companies	-	1,912,074
Purchases from affiliated companies	10,776,728	9,937,391
Management fees paid to parent company	258,000	344,000
Rent charged to related parties	-	300,000
Management fees paid to related company	750,000	1,000,000

Compensation of key management personnel of the Company:

	<b>2017</b>	<b>2016</b>
	\$	\$
Short-term employee benefits	<u>395,101</u>	<u>57,625</u>

### 9. Bank overdraft

The security for the bank overdraft facility of \$500,000 is secured by a letter of undertaking to provide the bank with a mortgage over the Company's assets, if called upon to do so and a guarantee endorsed by the parent company, Banks Holdings Limited.

Interest is charged and payable monthly on the overdraft balance at 4.25% (2016 - 4.25%).

### 10. Accounts payable and accruals

	<b>2017</b>	<b>2016</b>
	\$	\$
Trade payables	5,490,610	4,205,889
Other payables and accruals	1,100,084	1,204,779
	<u>6,590,694</u>	<u>5,410,668</u>

Terms and conditions of the above liabilities

- Trade payables are non-interest bearing and are normally settled on 30-60 day terms.
- Other payables are non-interest bearing and are normally settled within three months.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

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	\$	\$
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During the year/period, the Company entered into the following transactions with its parent and fellow subsidiaries:

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	\$	\$
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	<u>6,590,694</u>	<u>5,410,668</u>

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# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 11. Long-term liabilities

	<b>2017</b>	<b>2016</b>
	\$	\$
i) FirstCaribbean International Bank	-	183,715
ii) Tetra Pak, S.A.	-	398,403
iii) FirstCaribbean International Bank	-	<u>2,728,466</u>
	-	3,310,584
Less: current portion	-	<u>(740,123)</u>
Long-term portion	-	<u>2,570,461</u>

i) The FCIB loans have been fully repaid in the fiscal year 2017.

ii) All lease contracts with Tetra Pak became fully expired during the FY 2017.

iii) The company has an overdraft facility with FCIB which is cash secured. The facility has an interest rate of 4.25%

On March 2017, loans to the FirstCaribbean International Bank were repaid in full.

### 12. Long-term investment

	<b>2017</b>	<b>2016</b>
	\$	\$
Barbados Agro Processing Company Limited (in receivership)	<u>1</u>	<u>1</u>

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

13. Property, plant and equipment	At 31 December		At 31 December			
	2016	2017	Additions	Adjustment	Disposal	Transfer
Cost	\$	\$	\$	\$	\$	\$
Buildings on leasehold	15,573,954	15,573,954	-	-	-	-
Land	40,690,573	38,647,872	15,309	(2,782,859)	-	724,849
Plant and machinery	57,262	116,661	-	59,399	-	-
Motor vehicles	1,873,757	1,934,262	-	60,505	-	-
Furniture, fixtures and equipment	414,644	423,247	-	8,603	-	-
Containers	724,849	162,845	162,845	-	-	(724,849)
Construction-in-progress	59,335,039	56,858,841	178,154	(2,654,352)	-	-
<b>Accumulated depreciation</b>						
Buildings on leasehold	9,617,570	9,998,724	381,154	-	-	-
Land	28,486,604	28,571,774	2,782,279	(2,697,109)	-	-
Plant and machinery	53,117	113,473	957	59,399	-	-
Motor vehicles	1,842,543	1,858,598	38,027	(21,972)	-	-
Furniture, fixtures and equipment	414,644	423,247	3,273	5,330	-	-
Containers	40,414,478	40,965,816	3,205,690	(2,654,352)	-	-
<b>Net book value</b>						
Buildings on leasehold	5,956,384	5,575,230				
Land	12,203,969	10,076,098				
Plant and machinery	4,145	3,188				
Motor vehicles	31,214	75,664				
Furniture, fixtures and equipment	-	-				
Containers	724,849	162,845				
Construction-in-progress	18,920,561	15,893,025				



# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 13. Property, plant and equipment (cont'd)

The Company has plant and equipment with a net book value of \$nil (2016 - \$6,192,468) secured under a finance lease.

### 14. Pension plan asset

	2017	2016
	\$	\$
<b>Statement of financial position</b>		
Present value of funded obligation	(9,305,941)	(11,630,941)
Fair value of plan assets	16,472,746	15,660,745
	<hr/>	<hr/>
Net asset recognized in the statement of financial position	7,166,805	4,029,804
	<hr/>	<hr/>
<b>Statement of income</b>		
Current service cost	60,000	146,004
Interest cost	886,000	1,128,554
Administration and other non-plan expenses	55,000	67,918
Expected return on plan assets	(1,194,000)	(1,523,347)
	<hr/>	<hr/>
Total, included in staff costs	(193,000)	(180,871)
	<hr/>	<hr/>
Actual return on plan assets	1,397,000	1,380,995
	<hr/>	<hr/>
<b>Statement of other comprehensive income</b>		
Loss from change in assumptions	(1,900,000)	(344,086)
(Loss)/gain from experience	(840,000)	282,181
Actual return from plan assets	(1,397,000)	(1,380,995)
Expected return on plan assets	1,194,000	1,523,347
	<hr/>	<hr/>
Other comprehensive (income)/loss	(2,943,000)	80,447
	<hr/>	<hr/>
<b>Net movement in pension plan asset recognised in the statement of financial position</b>		
Balance at beginning of year	4,029,804	3,925,680
Net benefit income	193,001	180,871
Employer contributions	1,000	3,700
Other comprehensive income /(loss)	2,943,000	(80,447)
	<hr/>	<hr/>
Balance at end of year/period	7,166,805	4,029,804
	<hr/>	<hr/>

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 14. Pension plan asset (cont'd)

Changes in the present value of the defined benefit obligation are as follows:

	<b>2017</b>	<b>2016</b>
	\$	\$
Balance, beginning of year/period	11,630,941	11,173,044
Interest cost	886,000	1,128,554
Current service cost	60,000	146,004
Benefits paid	(625,000)	(708,796)
Contributions by employee	39,000	59,694
Administrative fees	55,000	-
Actuarial gain on obligation	(2,740,000)	(61,905)
Transfers	-	(105,654)
	<hr/>	<hr/>
Balance, end of year/period	9,305,941	11,630,941

Changes in the fair value of plan assets are as follows:

Balance, beginning of year	15,660,745	15,098,724
Actual return from plan assets	1,397,000	1,380,995
Contributions by employer and employee	40,001	63,394
Benefits paid	(625,000)	(708,796)
Administrative fees	-	(67,918)
Transfers	-	(105,654)
	<hr/>	<hr/>
Balance, end of year/period	16,472,746	15,660,745

	<b>2017</b>	<b>2016</b>
	%	%
Principal actuarial assumptions as at year/period end were:		
Discount rate at end of year	9.25	7.75
Future promotional salary increases	2.00	2.00
Future inflationary salary increase	3.50	3.50
Future increases in NIS ceiling for earnings	4.25	4.25
Future pension increases	3.75	3.75

A quantitative sensitivity analysis for significant assumptions on the present value of the obligation as at 31 December 2017 is shown below:

	<b>Increase</b>	<b>Decrease</b>
	\$	\$
Change in discount rate by 1%	(1,257,000)	1,412,000
Change in salary increase by 0.5%	310,000	(269,000)

Life expectancy at age 60 for current pensioners in years:

Male – 23.4  
Female – 26.0

The weighted duration of the defined benefit obligation was 15 years.

The Company expects to contribute \$1,441 to its defined benefit pension plans in 2018 (2017 - \$1,366).

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 14. Pension plan asset (cont'd)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2017	2016
	%	%
Bonds	35	22
Mortgages	11	7
Equities	18	25
Mutual funds	14	12
Real estate	17	25
Other	5	9

The overall expected rate of return on assets is determined based on the market expectations prevailing on that date, applicable to the period over which the obligation is to be settled.

### 15. Post-employment medical liability

The amounts recognized in the statement of financial position are as follows:

	2017	2016
	\$	\$
Present value of funded obligation	354,355	325,355
Liability recognized in the statement of financial position	354,355	325,355

The amounts recognized in the statement of income are as follows:

Current service cost	9,000	16,429
Interest on obligation	25,000	37,049
Past service costs – vested benefits	(19,000)	(51,514)
Total, included in staff costs	15,000	1,964

#### Statement of other comprehensive income

Gain from change in assumptions	(148,000)	-
Loss from experience	162,000	(8,887)
Other comprehensive loss/(income)	14,000	(8,887)

Movements in the net liability recognized in the statement of financial position are as follows:

Net liability, beginning of year	325,355	351,944
Net expense recognized in the statement of income	34,000	1,964
Other comprehensive loss/(income)	14,000	(8,887)
Contributions	(19,000)	(19,666)
Net liability, end of year/period	354,355	325,355

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 15. Post-employment medical liability (cont'd)

Changes in the present value of the obligation are as follows:

	2017	2016
	\$	\$
Obligation – beginning of year	325,355	351,944
Interest cost	25,000	37,049
Current service cost	9,000	16,429
Past service costs – vested benefits	-	(51,514)
Benefits paid	(19,000)	(19,666)
Actuarial loss on obligation	14,000	(8,887)
	354,355	325,355

#### Principal actuarial assumptions used for accounting purposes at 31 December were as follows:

	2017	2016
	%	%
Discount rate at end of year	9.25	7.75
Future medical claims/premium inflation	4.25	4.25

A one percentage point change in the assumed rate of the following assumptions would have the following effect on the present value of the obligation:

	Increase	Decrease
	\$	\$
<b>2017</b>		
Change of medical inflation by 1%	58,000	(47,000)
Change of discount rate by 1%	(47,000)	52,000

The weighted duration of the defined benefit obligation was 16 years.

Assuming no changes in the premium rates the company expects to pay premiums of \$19,127 during the 2018 financial year (2017 - \$18,347).

### 16. Share capital

#### Authorized:

The Company is authorized to issue an unlimited number of shares without nominal or par value designated as common shares.

#### Issued:

	Number of Shares		2017	2016
	2017	2016	\$	\$
Balance beginning and end of year	4,691,094	4,691,094	998,028	998,028

### 17. Operating lease commitment

The lease expense for the year for motor vehicles was \$71,904 (2016 - \$117,425).

	2017	2016
	\$	\$
Future minimum lease payments under operating leases are as follows:		
Within one year	12,937	71,904
After one year but no more than five years	24,822	207,797
	37,759	279,701

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 18. Commitments and contingencies

Capital expenditure of \$nil (2016 - \$nil) was approved by the Directors and there were no amounts subject to contract in 2017 or 2016.

### 19. Earnings per share

Earnings per share are based on a net income of \$6,185,856 (2016 - net income of \$11,927,623) and a weighted average of 4,691,094 (2016 - 4,691,094) common shares in issue during the year.

### 20. Risk management

The Company's principal financial liabilities comprise bank overdraft, trade payables and long-term liabilities which are loans due to parent company. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, loans receivable, due from related parties, long-term investments and cash, which arise directly from its operations. The Company does not enter into derivative transactions. The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

#### Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company manages its interest rate exposure by using a variable rate debt. The Company's exposure to the risk of changes in the market interest rates relates primarily to its long-term liabilities. As at the end of fiscal year 2017 the company's only long-term liability is with its parent company. As a result management does not consider that there is any significant risk to the company with respect to changes in market interest rates.

#### Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company operates primarily in the Barbados market and is therefore not subject to significant foreign currency risk. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses.

The Company has transactional currency exposures. Such exposure arises from purchases by an operating unit in currencies other than the unit's functional currency. Approximately 57% (2016 - 75%) of the Company's purchases are denominated in a currency other than the functional currency. However the majority of these are in US\$ which has a fixed exchange rate to the functional currency. Fluctuations in currencies other than US\$ are not considered significant.

#### Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Company. The amount of the Company's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

#### Concentration of credit risk

Concentrations of credit risk may arise from exposures to a single debtor or to groups of debtors having a common characteristic such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.

Substantially, all the assets of the Company are located in Barbados and there are no significant concentrations of credit risk.



# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 20. Risk management (cont'd)

#### Concentration of credit risk (cont'd)

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed at Note 5. The Company does not offer credit terms without the approval of Management.

With respect to credit risk arising from the other financial assets of the Company, which comprise of cash, accounts receivable and due from related parties, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

#### Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Company monitors its liquidity risk by considering the maturity of both its financial assets and projected cash flows from operations. Where possible, the Company utilizes available credit facilities such as loans, overdrafts and other financing options.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The table below summarizes the maturity profile of the Company's financial liabilities at 31 December, based on contractual undiscounted payments.

#### Year ended 31 December 2017

	On Demand \$	<1 year \$	1 to 5 years \$	Total \$
Bank overdraft	-	-	-	-
Accounts payable	-	6,590,694	-	6,590,694
Due to related companies	-	3,909,912	-	3,909,912
Loan due to parent company	4,442,424	-	-	4,442,424

#### Year ended 31 December 2016

	On Demand \$	<1 year \$	1 to 5 years \$	Total \$
Bank overdraft	-	-	-	-
Accounts payable	-	5,410,668	-	5,410,668
Due to related companies	-	2,327,796	-	2,327,796
Loan due to parent company	5,566,467	-	-	5,566,467
Long-term liabilities	-	854,017	3,566,894	4,420,911

# BARBADOS DAIRY INDUSTRIES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2017

(with comparatives for the sixteen month period ended 31 December 2016)

(expressed in Barbados dollars)

### 21. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period ended 31 December 2017.

### 22. Fair value of financial instruments

Set out below is a comparison by category of carrying amounts and fair values of all the Company's financial instruments that are carried in the financial statements:

	Carrying amount		Fair value	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash	5,502,583	3,322,737	5,502,583	3,322,737
Accounts receivable and prepayments	6,553,142	7,278,521	6,553,142	7,278,521
Due from related companies	11,001,296	5,454,138	11,001,296	5,454,138
<b>Financial liabilities</b>				
Bank overdraft	-	-	-	-
Accounts payable	6,590,694	5,410,668	6,590,694	5,410,668
Due to related companies	3,909,912	2,327,796	3,909,912	2,327,796
Loan due to parent company	4,442,424	5,566,467	4,442,424	5,566,467
Long-term liabilities	-	3,310,584	-	3,310,584

The methods and assumptions used to estimate the fair value of each class of financial instruments are as follows:

- i) Short-term financial assets and liabilities  
The carrying value of these assets and liabilities is a reasonable estimate of their fair value because of the short maturity of these instruments. Short-term financial assets comprise cash, accounts receivable and due from related companies. Short-term financial liabilities comprise bank overdraft, accounts payable and due to related companies.
- ii) Long-term financial liabilities  
Long-term liabilities are at variable rates and consequently their fair values approximate their carrying values.

### 23. Events subsequent to the balance sheet date

Effectively on 20 November 2018, the Company had its shares suspended on the Barbados Stock Exchange Inc. (BSE) pursuant to Rule 3.01.5 1(a) and (b) of the Rules of the Barbados Stock Exchange Inc. as a consequence of the requirement to submit the quarterly and annual audited financial statements to the Financial Services Commission (FSC) and annual audited financial statements to the BSE within the time period stipulated by those regulatory bodies. Management has realigned its internal processes in order to rectify these instances of non-compliance.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Management Proxy Circular

COMPANY NO: 33151

Management is required by the *Companies Act* Chapter 308 of the laws of Barbados (hereinafter called the "*Companies Act*") to send forms of proxy with the Notice convening the Meeting. By complying with the *Companies Act*, Management is deemed to be soliciting proxies within the meaning of the *Companies Act*.

This Management Proxy Circular accompanies the Notice of the Fifty-Third (53rd) Annual General Meeting of the Shareholders of Barbados Dairy Industries Limited (the 'Company') to be held at Banks (B'dos.) Breweries Limited Complex, Newton, Christ Church, Barbados on **Tuesday the 19th day of February, 2019 at 10:00 A.M.** (hereinafter called 'the Meeting') and is furnished in connection with the solicitation of proxies by the Management of the Company for use at the Meeting, or any adjournment(s) thereof. The solicitation will be primarily by mail. The cost of the solicitation will be borne by the Company.

### Proxies

A shareholder who is entitled to vote at a meeting of shareholders has the right by means of the enclosed proxy form to appoint a person to represent him by inserting the name of such person in the space indicated in the proxy form. Proxy appointments are required to be deposited at the registered office of the Company, at the Pine Hill Dairy Complex, The Pine, St. Michael, Barbados no later than **Monday the 18th day of February, 2019 at 4:15 P.M.**

Proxies given by shareholders for use at the meeting may be revoked by the shareholder giving such proxy, at any time prior to their use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder (or by his attorney) in writing. If the shareholder is a company, the proxy may be executed under its corporate seal or by any duly authorised officer or attorney thereof, and deposited at the registered office of the Company at the Pine Hill Dairy Complex, The Pine, St. Michael at any time up to **4:15 P.M. Monday, the 18th day of February, 2019** being the last business day preceding the day of the meeting, or any adjournment(s) thereof, at which the proxy is to be used. Alternatively, it may be delivered to the Chairman of such meeting, on the day of the meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

### Record Date, Notice of Meeting and Voting Shares

The Directors of the Company have fixed a record date of for determining the **Tuesday, the 29th day of January, 2019** shareholders who are entitled to receive notice of the meeting. In accordance with the *Companies Act*, only shareholders of record at the close of business on **Tuesday, the 29th day of January, 2019** shall be entitled to receive notice of the meeting.

Only such registered holders of common shares of the Company shall be entitled to vote at the meeting. Each holder is entitled to one vote for each share held. As at the date of this Notice, there are **4,691,094** common shares without par value of the Company issued and outstanding.

# BARBADOS DAIRY INDUSTRIES LIMITED

## Management Proxy Circular

### Discretionary Authority

Shares represented by any proxy, given on the enclosed proxy form to the persons named in the proxy, shall be voted on any ballot in accordance with the instructions contained therein.

### In the absence of shareholder instructions, shares represented by proxies shall be VOTED FOR:

- (i) **The adoption of the Annual Report and Financial Statements for the financial year ended 31 December, 2017.**
- (ii) a. *THAT in accordance with the requirements of paragraph 4.4 of By-Law No. 2 of the Company, Mr. Caio Augusto Miranda Ramos be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*
- (ii) b. *THAT in accordance with the requirements of paragraph 4.4 of By-Law No. 2 of the Company, Mr. Jose Infante be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*
- (ii) c. *THAT in accordance with the requirements of paragraph 4.4 of By-Law No. 2 of the Company, Mr. Fernando Guimarães be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.*
- (iii) **The re-appointment of incumbent auditors Deloitte as Auditors of the Company for a period ending at the close of the next Annual General Meeting after their re-appointment.**

The enclosed proxy form confers discretionary authority upon the persons named with respect to amendments to or variations in matters identified in the Notice of Meeting, or other matters that may properly come before the meeting.

Management knows of no matter to come before the meeting other than the matters referred to in the Notice of the meeting enclosed herewith. However, if any other matters which are not now known to management should properly come before the meeting or any adjournment(s) thereof, the shares represented by proxies in favour of management nominees will be voted on any such matter in accordance with the best judgment of the proxy nominee. Similar discretionary authority is conferred with respect to amendments to the matters identified in the Notice of the meeting. The contents of this Management Proxy Circular and the sending thereof to the holders of the common shares of the Company have been approved by the Directors of the Company.

No director's statement has been received by the Company pursuant to section 71(2) of the *Companies Act*.

No auditor's statement has been received by the Company pursuant to section 163 (1) of the *Companies Act*.

BARBADOS DAIRY INDUSTRIES LIMITED

COMPANY NO: 33151

PROXY FORM

I/We ..... of .....

.....

..... shareholder(s) of BARBADOS DAIRY INDUSTRIES LIMITED ('the

Company') hereby appoint .....

..... of ..... or, failing

him, ..... of .....

.....

as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the Fifty-Third (53rd) Annual General Meeting of the Shareholders of Barbados Dairy Industries Limited (the 'Company') to be held at Banks (B'dos.) Breweries Limited Complex, Newton, Christ Church, Barbados on **Tuesday the 19th day of February, 2019 at 10:00 A.M.** (and at any adjournment thereof in the same manner), to the same extent and with the same powers as if the undersigned were present at the said meeting or such adjournment(s) thereof.

Dated this            day of            , 2019.

.....

(Please print name of Shareholder)

.....

(Signature of Shareholder)

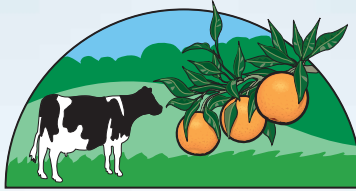


Please indicate with an 'X' for each resolution below how you wish your votes to be cast. The 'vote withheld' option below is provided to enable you to abstain on any particular resolution. However, it should be noted that an abstention will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution. In the absence of Shareholder instructions, shares represented by proxies will be VOTED FOR each of the Resolutions itemised in the table below. With respect to amendments to or variations in matters identified in the Notice of Meeting, or other matters that may properly come before the meeting, proxy-holders shall be entitled to exercise their discretion.

<b>AGENDA ITEM</b>	<b>RESOLUTION</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
3(i)	<i>THAT in accordance with the requirements of paragraph 4.4 of By-Law No. 2 of the Company, Mr. Caio Augusto Miranda Ramos be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.</i>			
3(ii)	<i>THAT in accordance with the requirements of paragraph 4.4 of By-Law No. 2 of the Company, Mr. Jose Infante be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.</i>			
3(iii)	<i>THAT in accordance with the requirements of paragraph 4.4 of By-Law No. 2 of the Company, Mr. Fernando Guimarães be and is hereby elected Director of the Company to hold office until the third Annual Meeting of the Shareholders of the Company following his election.</i>			
4.	<i>THAT the incumbent auditors Deloitte be and are hereby re-appointed as Auditors of the Company for a period ending at the close of the next Annual General Meeting after their re-appointment.</i>			

NOTES:

1. (a) A shareholder who is entitled to vote at any meeting of the shareholders may by means of a proxy appoint a proxy holder, or one or more alternate proxy holders, none of whom need be shareholders, to attend and act at the meeting in the manner and to the extent authorised by the proxy and with the authority conferred by the proxy.  
  
(b) In the case of a shareholder who is a body corporate or association, votes at a meeting of shareholders may be given by any individual authorised by a resolution of the directors or governing body of that body corporate or association to represent it at meetings of the shareholders of the Company.
2. A proxy must be executed in writing by the shareholder or his attorney authorised in writing.
3. **Proxy appointments are required to be deposited at the registered office of the Company, Pine Hill Dairy Complex, The Pine, St. Michael, Barbados no later than 4:15 P.M. Monday, the 18th day of February, 2019.**



**BARBADOS DAIRY INDUSTRIES LIMITED**

A MEMBER OF THE BANKS HOLDINGS (BHL) GROUP

P.O. Box 56B, The Pine, St. Michael,  
BB14000, Barbados, West Indies  
[www.thepinehilldairy.com](http://www.thepinehilldairy.com)

