Antigua Brewery Limited

Financial Statements
Year Ended December 31, 2015

Contents

REGISTERED OFFICE

St. John's
Antigua

DIRECTORS

Ramon Franco
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Donna Francis
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SECRETARY

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Antigua Brewery Limited

Report on the Financial Statements

We have audited the statement of financial position of **Antigua Brewery Limited** as of December 31, 2015, and the related statement of changes in equity, statement of profit or loss and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs), 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of **Antigua Brewery Limited** as of December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with the IFRS for SMEs.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 in the financial statements, which refers to the company's net asset deficiency, as of reporting date, of $15,820,228 (2014: $16,789,944).

Other Matters

The financial statements of **Antigua Brewery Limited** for the year ended December 31, 2014, were audited by another auditor who expressed a qualified opinion on March 17, 2015 on the basis of the company's lack of provision for other liabilities and charges in the statement of financial position, for an amount due to a former supplier of $873,665.

March 12, 2016

Statement of Financial Position
As of December 31, 2015
(Expressed in Eastern Caribbean dollars)

	Notes	2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	919,349	379,523
Trade and other receivables	9	2,445,385	1,248,777
Due from affiliated companies	10	1,990,740	1,560,705
Inventories	11	116,494	323,823
		5,471,968	3,512,828
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Short-term borrowings	13	17,005,385	16,465,433
Trade and other payables	14	1,474,438	1,116,821
Due to affiliated companies	15	2,596,706	2,720,518
Income tax payable		215,667	0
		21,292,196	20,302,772
Shareholders' Equity			
Stated capital	16	21,747,075	21,747,075
Accumulated deficit		(37,567,303)	(38,537,019)
		(15,820,228)	(16,789,944)
		5,471,968	3,512,828

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

APPROVED ON BEHALF OF THE BOARD:-

Ramon Franco
Director

Michael Caraballo
Director

Antigua Brewery Limited

Statement of Changes in Equity
For the Year Ended December 31, 2015
(Expressed in Eastern Caribbean dollars)

	Stated Capital $	Accumulated Deficit $	Total $
Balance at December 31, 2013	21,747,075	(38,811,614)	(17,064,539)
Net profit for the year	0	274,595	274,595
Balance at December 31, 2014	21,747,075	(38,537,019)	(16,789,944)
Net profit for the year	0	969,716	969,716
Balance at December 31, 2015	21,747,075	(37,567,303)	(15,820,228)

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

Antigua Brewery Limited

Statement of Profit or Loss
For the Year Ended December 31, 2015
(Expressed in Eastern Caribbean dollars)

	Notes	2015 $	2014 $
Revenue		2,766,105	2,217,493
Other Income	18	1,504	22,492
Operating Profit before Overheads and Other Expenditure		2,767,609	2,239,985
Other Expenses			
Royalties		355,408	289,554
Security		235,818	263,189
Impairment loss on property, plant and equipment	12	0	246,434
Other expenses		189,114	223,355
Salaries, wages and related employee benefits	21	99,237	97,654
Legal and professional fees		42,497	67,325
Repairs and maintenance		58,380	57,553
Outside services		3,836	15,500
Rent		13,680	13,680
Utilities		44,304	(203,037)
		1,042,274	1,071,207
Operating Profit for the Year		1,725,335	1,168,778
Finance costs		(539,952)	(894,183)
Earnings before Income Tax		1,185,383	274,595
Income tax expense	19	(215,667)	0
Net Profit for the Year		969,716	274,595

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

Antigua Brewery Limited

Statement of Cash Flows
For the Year Ended December 31, 2015
(Expressed in Eastern Caribbean dollars)

	Notes	2015 $	2014 $
Cash Flows from Operating Activities			
Profit for the year		1,185,383	274,595
Adjustments for			
Impairment loss on property, plant and equipment	12	0	246,434
Finance cost		539,952	894,183
Profit before Working Capital Changes		1,725,335	1,415,212
(Increase) decrease in trade and other receivables		(1,196,608)	306,586
Increase in due from affiliated companies		(430,035)	(270,130)
Decrease (increase) in inventories		207,329	(323,823)
Increase in short-term borrowings		539,952	293,249
Increase (decrease) in trade and other payables		357,617	(328,942)
Decrease in due to affiliated companies		(123,812)	(27,639)
Cash Generated from Operations		1,079,778	1,064,513
Finance cost paid		(539,952)	(894,183)
Net Cash Generated from Operating Activities		539,826	170,330
Net Increase in Cash and Cash Equivalents		539,826	170,330
Cash and Cash Equivalents – Beginning of Year		379,523	209,193
Cash and Cash Equivalents – End of Year	8	919,349	379,523

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

Index to Notes to the Financial Statements

1. General Information and Statement of Compliance with IFRS

Antigua Brewery Limited is a limited liability company incorporated on May 16, 1991 under the laws of Antigua and Barbuda. The registered office of the Company is located at P.O. Box 241, Crabb's Peninsula, Antigua.

The Company is a 93.01% owned subsidiary of International Brewing Limited, a company incorporated in St. Lucia. International Brewing Limited is a fully owned subsidiary of Cerveceria Nacional Dominicana, S.A, a company incorporated in the Dominican Republic. Tenedora CND, a company incorporated in the Dominican Republic owns 99.66% (2013: 92.81%) shares of Cerveceria Nacional Dominicana, S.A. On May 11, 2013, Ambev Brasil Bebidas, SA (ultimate parent company), acquired majority ownership of Tenedora CND. As at December 31, 2014, Ambev Brasil Bebidas, SA owns 55% shares of Tenedora CND.

The financial statements for the year ended December 31, 2014 were approved and authorized for issue by the Board of Directors on March 12, 2016.

2. Nature of Operations and Going Concern

Antigua Brewery Limited ("the Company") is engaged in the distribution of aerated beverages and beer brewed under its label and other products under license.

As of reporting date, the statement of financial position reflects a net asset deficiency of $15,820,228 (2014: $16,789,944), which raises doubts about the Company's ability to discharge of its obligations in the ordinary course of business and continue as a going concern.

The company's ability to continue as a going concern is largely dependent on it receiving long-term funding from its immediate and ultimate parent companies.

3. Date of Authorisation for Issue

These financial statements were authorised for issue by the Board of Directors on March 12, 2016.

4. Basis of Preparation

The financial statements of Antigua Brewery Limited have been prepared in accordance with the 'International Financial Reporting Standard for Small and Medium-sized Entities' (IFRS for SMEs). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in note 7.

Transition to the IFRS for SMEs

The company's financial statements for the year ended December 31, 2015, are its first annual statements prepared under accounting policies that comply with the IFRS for SMEs. Antigua Brewery Limited transition date is January 1, 2014. The company prepared its opening IFRS for SMEs statement of financial position at that date.

The company's transition from full IFRS to the IFRS for SME's had no effect on its retained earnings at January 1, 2014 and December 31, 2014 or on the company's profits for the year ended December 31, 2014 and its statement of cash flows for the year then ended, as the company elected not to apply any optimal exemption from full retrospective application.

5. Summary of Accounting Policies

5.1. Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

5. Summary of Accounting Policies (Cont'd)

5.2. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known cash and which are subject to an insignificant risk of changes in value.

5.3. Financial Instruments

Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, financial assets are classified into loans and receivables upon initial recognition.

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within the finance costs or finance income, except for impairment of trade receivables which is presented within 'administrative and other expenses'.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

Classification and Subsequent Measurement of Financial Liabilities

The Company's financial liabilities include short-term borrowings and trade and other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest method.

5.4 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes purchase price, duties, handling and transportation costs. Cost is determined using the weighted-average method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its net realisable value; the impairment loss is recognised immediately in the statement of comprehensive income.

5. Summary of Accounting Policies (Cont'd)

5.5. Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	50 years
Plant and machinery	5 – 20 years
Office furniture and equipment	5– 10 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.7).

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the statement of comprehensive income within the 'gain/loss on disposal of property, plant and equipment' account.

5.6. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

5.7. Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair values less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

5.8. Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Timing or amount of the outflow may still be uncertain. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

5. Summary of Accounting Policies (Cont'd)

5.8. Provisions for other liabilities and charges (Cont'd)

No liability is recognized if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

5.9. Equity

Share capital represents the nominal value of shares that have been issued. Incremental costs directly attributable to the issue of new ordinary shares are shown as a deduction, net of tax, from the proceeds.

Retained earnings include all current and prior period retained profits or losses.

All transactions with owners of the Company are recorded separately within equity.

5.10. Revenue

Revenue arises from the sale of goods. It is measured at the fair value of consideration received or receivable, excluding sales taxes, rebates and trade discounts. The Company imports products from St. Vincent and distributes them to a local distributor which sells the products to the ultimate consumer and recognises a commission from the transaction. The Company applies the revenue recognition criteria set out below to each separately identifiable component of the sales transaction. The consideration received from these multiple-component transactions is allocated to each separately identifiable component in proportion to its relative fair value.

Commission on sale of goods

Commission on sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods.

Other income earned by the Company is recognised on the accrual basis.

5.11. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

5.12. Foreign currency translation

Functional and presentation currency

The financial statements are presented in Eastern Caribbean dollars, which is also the Company's functional currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign exchange gains and losses are presented in the statement of comprehensive income within other income.

5.13. Operating leases

The Company leases certain items of property, plant and equipment. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

5.14. Income taxes

Tax expense recognized in the statement of comprehensive income comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

5. Summary of Accounting Policies (Cont'd)

5.14. Income taxes (Cont'd)

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in Antigua and Barbuda.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantially enacted by the end of the reporting period in Antigua and Barbuda.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in the statement of comprehensive income, except where they relate to items that are recognized in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

6. Financial Instruments Risk

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuseson the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. The Board identifies and evaluates financial risks in close cooperation with the Company's management.

(a) Financial Risk Factors

i) Market Risk

1 Foreign Exchange Risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Substantially all of the Company's transactions, assets and liabilities are denominated in Eastern Caribbean dollars or United States dollars. Therefore, there is no significant exposure to foreign exchange risk.

2 Price Risk

The Company has no investments in equity securities and thus is not exposed to equity securities price risk. The Company is not exposed to commodity price risk.

ii) Interest Risk

3 Cash Flow and Fair Value Interest Rate Risk

The Company's interest rate risk arises from net interest bearing liabilities held with financial institutions and related parties. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The interest bearing liabilities generally have fixed interest rates and as a result there is no significant exposure to the Company as a result of cash flow interest rate risk.

6. Financial Instruments Risk (Cont'd)

(a) Financial Risk Factors (Cont'd)

iii) Credit Risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Company. Credit risk arises from cash as well as credit exposures to customers, including outstanding receivables. There is no independent rating of customers and no collateral is held as security for the financial assets. However, management assesses the credit quality of the customer by taking into consideration its financial position, length of relationship, past experience and other factors. Trade receivables and other receivables are monitored on an ongoing basis. Individual risk limits are set based on internal ratings in accordance with limits set by the Board of Directors. No collateral is held as security for the financial assets. With respect to cash, credit risk is mitigated by the short-term and/or liquid nature of its cash financial assets mainly in bank deposits and placements, which are placed with financial institutions of high credit standing.

The Company has made adequate provision for any potential credit losses and the amount of the Company's maximum exposure to credit risk is indicated by the carrying amount of its financial assets. The table below summarizes the Company's maximum exposure to credit risk for the components of the statement of financial position.

Maximum Exposure to Credit Risk

	2015	2014
Cash and cash equivalents	919,349	379,523
Trade and other receivables	2,445,385	1,248,777
Due from affiliated companies	1,990,740	1,560,705
	5,335,474	3,189,005

Geographic

Substantially all of the Company's counterparties are within Antigua and Barbuda.

Industry Sectors

The following table analyses the Company's credit risk exposure at their carrying amounts as categorised by the industry sectors of the counterparties.

	Commercial Companies $	Other $	Financial Institutions $	Related Parties $	Total $
Cash	0	1,000	918,349	0	919,349
Trade and other receivables	2,445,385	0	0	0	2,445,385
Due from affiliated companies	0	0	0	1,990,740	1,990,740
At December 31, 2015	2,445,385	1,000	918,349	1,990,740	5,355,474
At December 31, 2014	1,248,777	1,000	378,523	1,560,705	3,189,005

iv) Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company maintains flexibility in funding by maintaining an available line of credit with a financial institution.

All of the Company's liabilities are contractually or constructively due within twelve months of the reporting date.

(b) Fair Value of Financial Assets and Liabilities

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists. With the exception of cash, none of the company's financial instruments are traded in a formal market. Estimated fair values are assumed to approximate the carrying values of current financial assets and liabilities due to their short-term nature.

6. Financial Instruments Risk (Cont'd)

(c) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

7. Significant Management Judgement in Applying Accounting Policies and Estimation Uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation Uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of Non-Financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and use an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 4.7).

8. Cash and Cash Equivalents

	2015	2014
Cash on hand	1,000	1,000
Cash at banks	918,349	378,523
	919,349	379,523

9. Trade and Other Receivables

	2015 $	2014 $
Trade receivables	2,471,932	1,411,497
Less: allowance for credit losses	(31,107)	(167,280)
	2,440,825	1,244,217
Prepayments	4,560	4,560
	2,445,385	1,248,777

All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

As at December 31, 2015, trade receivables at a nominal value of $31,107 (2014: $167,280) were impaired and fully provided for. The aging analysis of trade receivables are as follows:

	2015 $	2014 $
Neither past due nor impaired	1,041,212	793,649
Greater than 0 days but less than 15 days	736,008	60,459
Greater than 15 days but less than 60 days	608,303	520,458
Overdue by more than 90 days	86,409	36,931
	2,471,932	1,411,497

The movements in the allowance for credit losses are presented below: -

	2015 $	2014 $
Balance at beginning of year	167,280	167,280
Amounts written off (uncollectible)	(136,173)	0
Balance at end of year	31,107	167,280

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

10. Due from Affiliated Companies

	2015 $	2014 $
Cerveceria Nacional Dominicana	0	297,967
International Brewing Limited	23,146	3,315
St. Vincent Brewery Limited	1,967,594	1,259,423
	1,990,740	1,560,705

11. Inventories

	2015 $	2014 $
Goods in transit	116,494	323,823

12. Plant and Equipment

	Building & Improvements $	Plant & Equipment $	Furniture Equipments $	Total $
At January 1, 2014				
Cost or valuation	8,999,835	110,589	26,834	9,137,258
Accumulated depreciation	8,863,990	0	26,834	8,890,824
Net book amount	135,845	110,589	0	246,434
Year Ended December 31, 2014				
Opening net book amount	135,845	110,589	0	246,434
Impairment loss	(135,845)	(110,589)	0	(246,434)
	0	0	0	0
Cost at December 31, 2014				
Cost	0	0	0	0
Accumulated depreciation and impairment	0	0	0	0
	0	0	0	0
Cost at December 31, 2015				
Cost	0	0	0	0
Accumulated depreciation and impairment	0	0	0	0
	0	0	0	0

In October 2015, the Government of Antigua and Barbuda took possession of the building which was on lease land. Accordingly, the lease on the land is deemed terminated.

13. Short-term Borrowings

	2015 $	2014 $
Related party loan	13,581,848	13,581,848
Shareholder's loan	2,590,336	2,590,336
Interest	833,201	293,249
Total Borrowings	17,005,385	16,465,433

Related party loan represents a one year unsecured revolving loan issued by Cerveceria Nacional Dominicana, S.A. on November 13, 2014, to repay Popular Bank Inc. The loan bears interest at three months LIBOR plus 3%. Interest is payable quarterly.

Shareholder's loan represents advances from International Brewing Limited amounting to US$953,416 at an interest rate of 3.28% (2014: 3.28%) per annum. The amounts are unsecured and have no fixed repayment terms.

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate. The carrying amounts of the Company's borrowings are denominated in United States dollars.

14. Trade and Other Payables

	2015 $	2014 $
Antigua and Barbuda sales tax payable	51,626	29,265
Trade payables	5,412	16,640
Accrued liabilities and other payables	1,417,400	1,070,916
	1,474,438	1,116,821

15. Due to Affiliated Companies

	2015 $	2014 $
Cerveceria Nacional Dominicana	1,155,859	1,456,633
St. Vincent Brewery Limited	1,440,847	1,263,885
	2,596,706	2,720,518

16. Stated Capital

	2015 $	2014 $
Issued and Fully Paid		
93,576,396 shares of no par value each	21,747,075	21,747,075

The company's authorized share capital is unlimited with no par value.

17. Related Party Transactions

	2015 $	2014 $
Sales and Expenses Recharged to:		
St. Vincent Brewery Limited	747,984	774,963

	2015 $	2014 $
Purchases and Expenses Recharged by:		
St. Vincent Brewery Limited	8,187,564	6,596,042
Cerveceria Nacional Dominicana, C.S.A.	16,919	0
Dominica Brewery and Beverages Limited	0	7,252
	8,204,483	6,603,294
Interest Charged by:		
International Brewing Limited	104,174	104,174
Cerveceria Nacional Dominicana, C.S.A.	435,778	58,857
	539,952	163,031

St. Vincent Brewery Limited and Dominica Brewery and Beverages Limited are related to the company by virtue of being fellow subsidiaries of International Brewing Limited.

18. Other Income

	2015 $	2014 $
Miscellaneous income	1,500	20,865
Foreign exchange gain	0	1,627
	1,504	22,492

19. Taxation

During 2009, an exemption was granted from the payment of withholding tax on dividends, technical service fees and interest on foreign borrowings for a period of eight (8) years, expiring in 2017. In addition, exemption was granted from the payment of import duties, levies, customs service charge and environmental tax for all imports of raw and packing materials, merchandising materials, dispensing and cooling equipment, plant and equipment, and spare parts for a period of ten (10) years, expiring in 2019.

19. Taxation (Cont'd)

Income Tax Expense

Income tax comprises:-

	2015 $	2014 $
Current Tax	215,667	0

Income Tax Reconciliation

The effective income tax rate provided in the financial statements varies from the rates specified in the statutes for the following reasons:-

	2015 $	% $	2014 $	% $
Profit for the year before taxation	1,185,383	100.0	274,595	100.0
Income tax credit at effective tax rate of 25%	296,346	25.0	68,649	25.0
Movement in deferred tax not recognised	(215,667)	(18.2)	(587,305)	213.9
Effect of tax loss carried forward	0	0.0	492,612	179.4
Expenses permanently disallowed	134,988	11.4	26,044	9.5
Actual Income Tax Charge	215,667	18.2	0	0.0

Deferred Tax

As at December 31, 2014, a potential deferred tax asset amounting $6,962,008 (2014: $7,177,675) has not been recognized in the financial statements because of uncertainty of its recovery against further taxable profits. The net deferred tax asset is comprised as follows:

	2015 $	2014 $
Tax losses carried forward	6,962,008	7,177,675
Deferred tax asset not recognized	6,962,008	7,177,675
Deferred Tax Asset	0	0

20. Tax Losses

As of reporting date, the Company has tax losses of $27,848,033 (2014: $28,710,700), which are available for loss relief up to a maximum of 50% of future years assessable income. The loss relief expires as follows: -

Assessment Year	Amount $	Expire
2010	1,121,480	2016
2011	3,748,445	2017
2012	8,298,423	2018
2013	4,994,543	2019
2014	2,928,978	2020
2015	6,736,164	2021

During the year, the Company utilized tax losses amounting to $862,668.

21. Salaries, Wages and Related Employee Benefits

	2015 $	2014 $
Salaries and wages	92,522	66,900
Other benefits	0	25,376
Statutory benefits	6,715	5,378
	99,237	97,654

22. Contingencies and Commitments

Operating Lease

The company leased 7.71 acres of land from the Government of Antigua & Barbuda for a period of 50 years, expiring May 15, 2042 at an annual rate of $7,710 subject to review every 10 years.

As discussed in note 12, the lease is deemed terminated.

23. Comparative Figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.