AGOSTINI'S

Annual Report 2017

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About the Cover:

In June 2017, SuperPharm opened the first Presto convenience store at Tumpuna Road in Arima.

Presto features an on premise bakery, fresh grab and go meals, hot and cold drinks and a wide range of "convenience" grocery items.

Contents

All figures in this report are quoted in TT dollars.
The exchange rate was US$ 1.00=TT$6.7793 as at 30 September 2017.

Notice of Meeting

Notice is hereby given that the Seventy-Fourth Annual Shareholders' Meeting of Agostini's Limited will be held at the Marriott Courtyard, Invaders Bay, Port of Spain on Monday, January 29, 2018 at 10:00 a.m. for the following purposes:

1. To receive and consider the Group's Financial Statements for the year ended September 30, 2017 and the Reports of the Directors and Auditors thereon.

2. To re-elect the following Directors retiring by rotation: Ms. Amalia Maharaj, Mr. Anthony Agostini and Mr. Reyaz Ahamad.

3. To appoint Auditors and to authorise the Directors to fix their remuneration.

4. To transact any other ordinary business of the Company.

By Order of the Board

R. Rajkumarsingh
Secretary
December 7, 2017

Documents available for inspection:
No Service Contracts have been entered into between the Company and any of the Directors.

AGOSTINI'S

Company Milestones

1925
Johnnie Agostini begins operations as a commission indent business.

1943
Agostini Brothers becomes a limited liability company.

1950
Agostini Brothers transitions from a commission indent business to a distribution company, with the addition of major pharmaceutical, food and hardware products.

1965
Interior contracting services are added as a new business.

1982
Agostini Brothers changes its name to Agostini's Ltd. and becomes a public company listed on the Trinidad and Tobago Stock Exchange.

1984
Hilti W.L. Yearwood is acquired, later to become Agostini's Fastening Systems (now a division of Agostini Building Solutions).

1993
Gordon Grant Trading, a distribution company specialising in pharmaceutical distribution, is acquired. Agostini's pharmaceutical lines are merged into this company, which is renamed Agostini Pharmaceutical Ltd.

1995
Agostini's acquires a majority shareholding in Rosco Sales Ltd., an oilfield supply company founded in 1950.

2000
Agostini Industries: The Group expands into low-cost housing and townhouse construction, and constructs 30 townhouses and over 300 lowcost single family homes (assets divested in 2010). Petroavance Trinidad Ltd., an oilfield supply company, is acquired and merged with Rosco Sales to become Rosco Petroavance Ltd.

2008
Hand Arnold Trinidad Ltd., a large diversified FMCG distributor established in 1920, is acquired. In July 2015, it becomes part of Caribbean Distribution Partners Ltd.

2010
Victor E. Mouttet Ltd. acquires a controlling interest in Agostini's Ltd. with its sale of Smith Robertson & Co. Ltd., a major pharmaceutical distributor founded in 1894, and the acquisition of SuperPharm Ltd., a major retail pharmacy chain, which began operations in 2005.

2011
In July 2011, Agostini Pharmaceutical is amalgamated into Smith Robertson & Company Ltd.

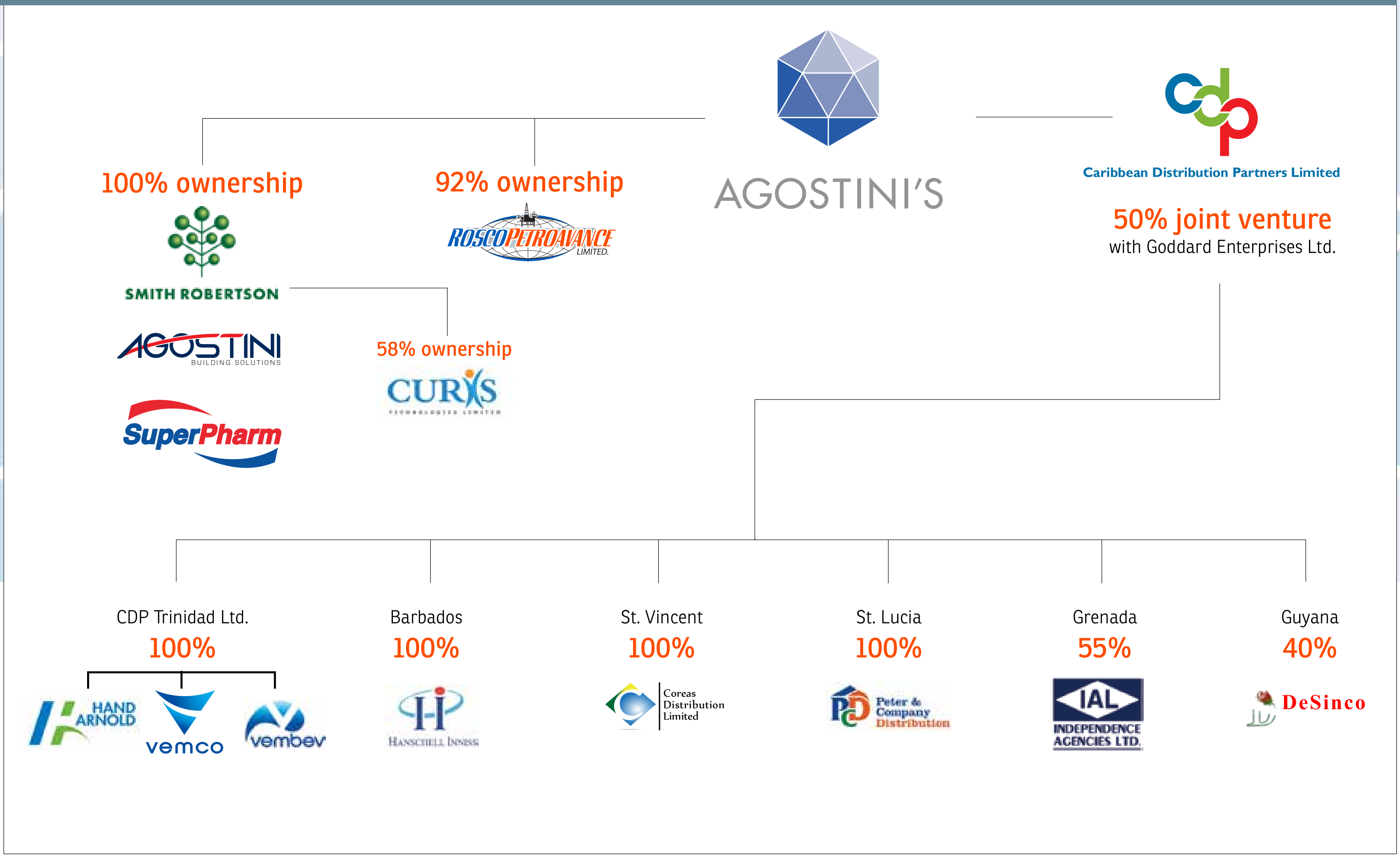
2012
Agostini's Ltd. re-branded "Every Business a Benchmark"

2015
Caribbean Distribution Partners Ltd. formed as a joint venture with Goddard Enterprises Ltd. All the FMCG companies in the two groups are transferred into this joint venture.

2016
Acquisition of Vemco Ltd. and Pepsi Cola Trinidad Bottling Co. Ltd. by Caribbean Distribution Partners Ltd.
Agostini Marketing becomes Agostini Building Solutions.

2017
Opening of first Presto convenience store in Arima.
58% of MiaTrin Medical Limited is acquired by Smith Robertson.
Name changed to Curis Technologies.
Peardrax/Cydrax brands acquired by Caribbean Distribution Partners Ltd.

Group Overview



Product Categories

	Pharma-ceutical	Medical Equipment	Personal Care	Foodstuff and Beverage	Household	Beer	Wine	Spirits	Tobacco	Industrial	Oilfield	Hardware	Contracting	Nutritional
SMITH ROBERTSON	●	●	●											●
SuperPharm	●		●	●	●	●	●	●	●					●
AGOSTINI BUILDING SOLUTIONS										●		●	●	
ROSCO PETROAVANCE LIMITED										●	●			
HAND ARNOLD			●	●	●									
Hanschell Inniss				●	●	●	●	●	●					
Coreas Distribution Limited	●		●	●	●	●	●	●	●					●
Peter & Company Distribution	●		●	●	●	●	●	●	●					
IAL INDEPENDENCE AGENCIES LTD.			●	●	●	●	●	●	●					
DeSinco			●	●										
vemco				●			●							
vembev				●										
CURIS		●												

Group Overview (continued)

100% owned by Agostini's:

SMITH ROBERTSON & COMPANY LIMITED
[Trinidad and Tobago]

Today's Smith Robertson & Co. Ltd is a result of the amalgamation of the original Smith Robertson, which was a follow-on company from J. Cumming & C.o, where two of its employees, Adam Smith and William Robertson, purchased the business in 1894 and changed its name to Smith Robertson, with Vemco's Pharmaceutical division, Agostini Pharmaceutical and Hand Arnold Pharmaceutical.
From its earliest pharmaceutical line of Wyeth in 1938, the company grew into Trinidad and Tobago's largest pharmaceutical and personal care distribution company, with the addition of Revlon in 1956, and many other pharmaceutical representations and personal care lines.
Today it represents many of the major international Pharmaceutical companies for sales to both the private and public sectors in Trinidad and Tobago.

Directors:
Anthony Agostini – Chairman
Roger Farah – CEO/Director
Indera Maharaj – Director
Michele Stagg – Director
Nicole Ramjohn – Finance Director/Secretary
Christian Mouttet – Non-Exec Director

Smith Robertson's Offices in El Socorro

58% owned by Smith Robertson:

CURIS TECHNOLOGIES LIMITED
[Trinidad and Tobago]

In 2017, Smith Robertson acquired 58% shareholding in MiaTrin Medical Limited, a medical supplies and equipment provider to the local market. The name of the company was changed to Curis Technologies Limited.
Curis' remaining 42% is owned by BioMedical International Corp., a Miami-baised medical equipment and supplies company, which has served the Caribbean since 1982.
The principal lines of Curis are GE Healthcare, Sirona Dental Solutions, Steris Corp., Medicon Instruments, Clarus Medical and NDC Medical.

Directors:
Roger Farah – Chairman
Anthony Agostini – Non-Exec Director
Nicole Ramjohn – Non-Exec Director
Stefan Crouch – General Manager

imagination at work

100% owned by Agostini's:

SUPERPHARM LIMITED
[Trinidad and Tobago]
Retail pharmacy and convenience store

The first SuperPharm opened in Westmoorings in 2005. It was the first "Big Box" pharmacy in Trinidad. The Agostini Group acquired SuperPharm in 2010. Today we have eight stores, strategically located in Chaguanas, Diego Martin, Gulf View, Marabella, Maraval, Trincity, Valsayn and Westmoorings. Our ninth store is currently under construction in Couva and is to be opened in the near future. Our first "Presto" convenience store and bakery opened in June 2017 in Arima.

Directors:
Christian Mouttet – Chairman
Glenn Maharaj – CEO/Director
Michele Gonsalves Suite – Director
John Aboud – Non-Exec Director
Anthony Agostini – Non-Exec Director
Lisa Mackenzie – Non-Exec Director
Joseph Rahael – Non-Exec Director
Nicole Fung – Company Secretary

Presto, Arima


Interior of the new Presto Store in Arima

SuperPharm, Diego Martin

Group Overview (continued)

100% owned by Agostini's:

AGOSTINI BUILDING SOLUTIONS
[Trinidad and Tobago]

Agostini Building Solutions, formerly known as Agostini Marketing, started as the trading arm of Agostini's Limited.

In the 1960's its hardware section grew with the addition of plywood and a range of carpets, floorings, partitions and Armstrong flooring and ceiling systems. Interior contracting services became a natural addition to our offerings around this same time, and continues to be a substantial revenue contributor to the business.

In 1984, the Company acquired Hilti W. L. Yearwood Limited, a company that exclusively marketed the industrial range of Hilti products. This business now operates as the Chemicals & Hilti division of Agostini Building Solutions and now also markets explosives, small arms and a range of ammunition.

Over the past few years the Company has further expanded its distribution business with the addition of several hardware lines, Fursys demountable partitions, and entered the retail sector with two decorative lighting stores that also sell Pratt & Lambert paints.

Directors:
Anthony Agostini – Chairman
Andrew Pashley – CEO / Director
Christopher Bernard – Director
Roger Rodriguez – Director
Geoffrey Agostini – Non-Exec Director
Roger Farah – Non-Exec Director

Agostini Building Solutions' new warehouse and distribution centre in El Socorro.

92% owned by Agostini's:

ROSCO PETROAVANCE LIMITED
[Trinidad and Tobago]

Rosco Petroavance Limited (RPL), formerly English Drilling Equipment Company Limited (Edeco), was founded by Mr. Elgen Scott in 1951. Edeco was very successful and grew rapidly to become a leading supplier of oilfield equipment and supplies, representing many quality manufacturers. Years later Edeco was sold and the Company's name was changed to Rosco Sales Limited.

In 1995 Rosco Sales Limited was purchased by Agostini's Ltd [80%] together with Mr. Walter Bernard [20%]. Always looking to expand, Rosco acquired Petroavance Trinidad Limited in 2000. In 2009 both companies were merged, and the Company's name was changed to Rosco Petroavance Limited.

Over the years, RPL has been able to grow and diversify into other sectors. They currently operate seven divisions, Oil Well, Rig Spares, Valves, Hydraulics, Safety, Lubricants and Service. With a commitment to quality, as shown by their STOW certification, Rosco has become a company known for its qualified employees supporting quality products and providing a world class level of service.

Directors:
Anthony Agostini – Chairman
Wayne Bernard – CEO/Director
Jean Paul Rostant – Director
Christopher Bernard – Non-Exec Director
Roger Rodriguez – Non-Exec Director
Vanita Balroop – Company Secretary

Mobil lubricants are fast becoming very popular in the T&T market. Two of the recent sponsorships were in the car and boat racing arenas and are pictured here.

50/50 JV between Agostini's Limited and Goddard Enterprises Limited

Caribbean Distribution Partners Limited (CDP)

Caribbean Distribution Partners Limited

Our Group, together with the Goddard Enterprises Ltd Group of Barbados, entered into a partnership arrangement in July 2015, in order to use our combined strengths in Fast Moving Consumer Goods (FMCG) towards creating a powerful distribution network in the Caribbean region.

The initial companies were:-

Hand Arnold Trinidad Limited, a 97 year-old Trinidad-based distribution company.

Hanschell Inniss Limited, which has been operating in Barbados for the past 133 years.

Facey Trading Ltd of Barbados, now amalgamated into Hanschell Inniss.

Coreas Distribution Limited of St. Vincent, which is over 171 years old.

Peter & Company Ltd, a 126 year-old distribution company in St. Lucia.

Independence Agencies Limited, a 44 year-old Grenadian distribution company. CDP presently owns a 55.12% stake in this company.

Desinco Limited, a Guyanese distribution company with its roots formed in 1980. CDP presently owns a 40% stake in this company.

In October 2016, Vemco Ltd, a 58 year old distribution company with two factories, one producing condiments and the other pasta, was purchased by CDP. In November 2016, Pepsi-Cola Trinidad Bottling Company Ltd, which as the name suggests, distributes Pepsi, Peardrax and a range of other beverages, was also acquired by CDP.

Caribbean Distributors Partners Directors:

Christian Mouttet – Chairman
Anthony Agostini – Director
Anthony Ali – Director
Charles Herbert – Director
William Putnam – Director
Rajesh Rajkumarsingh – Director
Tracey Shuffler – CEO

CDP Trinidad Directors:

Christian Mouttet – Chairman
Anthony Ali – Director
Anthony Agostini – Director
Francois Mouttet – Director
Peter Welch – Director
Tracey Shuffler – Director
Rajesh Rajkumarsingh – Director

100% owned by Caribbean Distribution Partners Ltd.:

VEMBEV (PEPSI COLA TRINIDAD)
[Trinidad and Tobago]

Pepsi Cola and its range of carbonated and still beverages have been distributed by several companies in Trinidad & Tobago over the past decades. Caribbean Distribution Partners Ltd. acquired the distribution rights for Pepsi and a selection of its other drinks as at November 1, 2016 for Trinidad and Tobago and Barbados. The company's name was changed to Vembev in November 2017.

Directors:

Christian Mouttet – Chairman
Marc Mouttet – CEO / Director
Anthony Agostini – Non-Exec Director
Anthony Ali – Non-Exec Director
Francois Mouttet – Non-Exec Director
Rajesh Rajkumarsingh – Non-Exec Director
Tracey Shuffler – Non-Exec Director
Peter Welch – Non-Exec Director

100% owned by Caribbean Distribution Partners Ltd:

VEMCO
[Trinidad and Tobago]

Vemco was established 59 years ago by Victor and Sally Mouttet. It began as a food import and distribution business, and steadily grew over the years, starting first with the importation of peanuts from Africa and prunes from South America, and expanding into branded packaged foods from Europe and North America.

In 1976, the Company branched out into food manufacturing, establishing a plant in Diego Martin to manufacture condiments. Today, most of the condiments under the flagship brand "Swiss", are manufactured at that facility, which also packages "Kerrygold" milk powder under license for Ornua [Formerly The Irish Dairy Board], a Company with which Vemco has a 50 year relationship.

In 1993, Vemco acquired Geddes Grant Foods, a pasta manufacturing business, and later the Catelli pasta and tomato ketchup operations then owned by Nestle, and has since become a significant regional pasta producer under the dominant "Swiss" and "Catelli" brands. In 2017, the plant's machinery was upgraded through the installation of a new "short goods" pasta line.

In addition to its manufactured products, today Vemco distributes products for Campbell's, Dole, Ornua, Nestle and PepsiCo, amongst other international food companies.

In October 2016, Vemco became part of the Caribbean Distribution Partners joint venture.

Directors:
Christian Mouttet – Chairman
Christopher Alcazar – CEO / Director
Dirk Marin – Director
Francois Mouttet – Director
Peter Welch – Director
Anthony Agostini – Non-Exec Director
Anthony Ali – Non-Exec Director
Tracey Shuffler –Non-Exec Director
Jenny Chandler – CFO / Secretary

Above: CEO of CDP Trinidad Peter Welch presents Kerry Paul with a token for his significant contribution during the installation of the Demaco Pasta line.

Left: Group Managing Director Anthony Agostini cuts the ribbon to mark the official commissioning of the newly installed Demaco "Short Goods" line at Vemco's Arima Pasta plant.

Group Overview (continued)

100% owned by Caribbean Distribution Partners Ltd:

HAND ARNOLD
[Trinidad and Tobago]

Hand Arnold was founded in 1920 by two pioneering Canadians, John Hand and his friend Arnold then operating out of Bermuda. They started as commission agents with Canadian products which included Heinz, Red Rose Salmon and Harvest Queen and Five Roses Flours from 'The Lake of the Woods Milling Co.' in Quebec.

By 1945 Messrs. Hand and Arnold had died, and their widows sold the business to their respective managers. Arthur Hale, the manager in Trinidad, bought the Trinidad branch and the new company was locally registered as Hand Arnold (Trinidad) Limited. By 1962, Pharmaceutical and Personal Care products were added.

In 1992 the Company moved into their newly constructed office building in their warehouse compound in El Socorro, and in 1994 acquired Alfred Telfer and Company, a pharmaceutical distribution company marketing Pfizer and other products.

The Company started selling Housewares in 1994 added Kelloggs cereals in 1998, started with the high volume bulk New Zealand cheese category in 2002 and added the Anchor brand of cheese and butter in 2007.

The Agostini's Group acquired the Company in 2008, rationalised its product range and brought it into the Caribbean Distribution Partners joint venture in July 2015.

Directors:
Anthony Agostini – Chairman
Sharon Gunness Balkissoon – CEO / Director
Sherrand Malzar – Secretary/Finance Director
Anthony Ali – Non-Exec Director
Lisa Mackenzie – Non-Exec Director
Rajesh Rajkumarsingh – Non-Exec Director
Tracey Shuffler – Non-Exec Director
Peter Welch – Non-Exec Director

Pictured below is one of Hand Arnold's distribution vehicles displaying its popular "Moo!" evaporated milk.

100% owned by Caribbean Distribution Partners Ltd.:

PETER & COMPANY LIMITED
[St. Lucia]

In 1890, William Peter established a private coaling company to provide mineral coal for merchant ships plying the Caribbean and South American waters. The venture flourished under his dynamic direction. By the turn of the century, Peter & Company was the "leading coal merchant in the West Indies". William Peter, died in 1933, leaving the Company to his two sons Gregor and Allan.

With the replacement of coal with oil as fuel for the shipping industry, the Company was inevitably sailing into the doldrums. William Peter's great granddaughter Lilia, together with her husband William Eaton, struggled to maintain the business.

Fortunately, Lilia's friendship with Jeanette Goddard, a niece of the then Managing Director of the well known Barbados firm, would provide for the survival of Peter & Co. Ltd., when in 1961 J. N. Goddard & Sons of Barbados acquired majority shares in the Company.

In 2015, Goddard Enterprises transferred its food and beverage holding in M&C Ltd. and Bryden & Partners (St. Lucia) Ltd. into Peter & Company Ltd.

Following this, in July 2015, Caribbean Distribution Partners Ltd. purchased 100% of the shares of Peter & Company Ltd.

Directors:
Tracey Shuffler – Chairman
Ricardo Leonard – CEO / Director
Anthony Agostini – Non-Exec Director
Anthony Ali – Non-Exec Director
Chelan Boxhill – CFO / Company Secretary

Peter & Company's Sales and Administration offices in Cul de Sac.

100% owned by Caribbean Distribution Partners Ltd.:

HANSCHELL INNISS LIMITED
[Barbados]

Hanschell & Company was founded in 1884 by Mr. Valdemar Hanschell. He was of Danish descent and came to Barbados from the Virgin Islands, continuing his trade in ship brokerage and eventually adding ship chandlery to his services.

During the 1930's, Mr. G. A Larsen, then Attorney to the Company and also from Denmark, joined the business and the Company changed its name to Hanschell, Larsen & Co. Ltd..

The Company Hanschell Inniss Limited as we know it today was formed in 1970 through the merging of J. H. Inniss & Son Ltd. and Hanschell Larsen & Co. Ltd.. J. H. Inniss & Son Ltd. was the importing arm of a merchant company, which developed its agency business as a result of being appointed as the agents for world-renowned brands such as Mars and Kellogg's.

In 1973, Goddard's agreed to buy out the main shareholders in Hanschell Inniss and combined it with an existing Goddard subsidiary which already represented several food and spirits lines. Investment in what was then an ultra-modern facility at the current location at Kensington, allowed the Company to expand further, and this included the birth of the EVE brand. Further growth was derived through the acquisition of Atkinson & Wolfe, a leading distributor of meats and fish, and Simeon Hunte & Son Ltd. with a range of agencies complementary to the Hanschell brands.

In 1992 a joint venture company with International Distillers & Vintners (IDV), part of the Grand Metropolitan Group of the UK was formed, ID Caribbean (Distribution) Ltd. was established to handle the distribution and marketing of all IDV brands and the Hanschell Inniss brands of rum and locally produced spirits throughout the Caribbean. ID Caribbean was subsequently merged with Hanschell Inniss Ltd., resulting in a Wines & Spirits division being formed in each of the distribution companies in the Goddard's group.

Hanschell Inniss is a leading FMCG distributor in Barbados, and as of July 2015, became one of the companies in the Caribbean Distribution Partners joint venture.

Directors:
Tracey Shuffler – Chairman
Vidia Woods – CEO
Anthony Agostini – Non-Exec Director
Anthony Ali – Non-Exec Director
Rajesh Rajkumarsingh – Non-Exec Director
Karen Forde – CFO / Company Secretary

Pictured below are displays of the Company's flagship brand "Eve".

100% owned by Caribbean Distribution Partners Ltd.:

Coreas Distribution Limited

COREA'S DISTRIBUTION LIMITED
[St. Vincent]

The history of Coreas Distribution Ltd., which was separated from Coreas Hazells Inc. in July 2015 to become part of the Goddard's and Agostini's joint venture, Caribbean Distribution Partners Ltd., is a complex one as it has evolved from the amalgamation of several companies over the past 172 years.

Its earliest roots go back to Hazells Limited which was established in St. Vincent in 1845, and is the oldest registered company in St. Vincent, with wholesale food and liquor being two of its departments that are relevant to the Company today. This Company was acquired by Goddard's in 1981.

Before that, in 1962, Goddard Enterprises Limited acquired United Traders Limited, a privately owned company which traded in hardware, food, motor vehicles and a department store.

In 1963 Goddard's purchased another privately owned company called Corea and Co. Ltd. with similar trading activities.

Later, in 1968, another private company was purchased – Gerry Palmer Ltd.. In 1973, H.D. Dear Ltd. – a company that held lands at Cane Hall and several agencies including B.A.T (British American Tobacco) – was also purchased.

In 1985, Goddard acquired 54% of the shares in W.B. Hutchinson & Co. (St. Vincent) Limited, and in 1990 the remaining shares were acquired. WBH had a Food Distribution Department among others.

In February 2002, Coreas Trading Limited took over the trading activities of W.B. Hutchinson (St. Vincent) Ltd.. In June 2002, Corea's Trading Ltd. and Hazells Ltd. amalgamated under the name – Coreas Hazells Inc. In July 2003, Coreas Hazells Inc and Goddard Enterprises (St. Vincent) Ltd. amalgamated under the name – Coreas Hazells Inc.

Directors:
Tracey Shuffler – Chairman
Jimmy Forde – CEO / Director
Anthony Agostini – Non-Exec Director
William Putnam – Non-Exec Director
Rajesh Rajkumarsingh – Non-Exec Director,
Carlos James – CFO / Company Secretary

Corea's Mustique Food Store, open for business since 1993.

55.12% owned by Caribbean Distribution Partners Ltd.:

INDEPENDENCE AGENCIES LIMITED
[Grenada]

Independence Agencies Limited was established in October 1973 by C.K. Ralph Sylvester. Some of the first suppliers that the Company represented were Dano powdered milk, British American Tobacco, Becks and Orangeboom beer from Holland, Mc Callum's whisky from the UK and matches from Swedish Match.

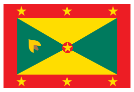
By 1985, the Company relocated to a larger location, which allowed for storage of additional brands like Anchor cheese and butter from New Zealand and Alaska condensed milk from Holland. In 1988, the Empire cinema building was purchased and renovated to be the new location of the Head Office and warehouse.

In 1994 another building was purchased in Grand Anse, and CK's Super Valu Cash and Carry was opened the following year. By the end of 1995 the Company purchased another portion of land on the Maurice Bishop Highway and constructed a warehouse building.

In 2000, Goddard's Enterprises of Barbados purchased 51% of the Company from the Sylvester family.

In 2004, the Head Office in St. George's was destroyed by Hurricane Ivan and the entire operation was relocated into the C.K.'s Super Valu Building. Within two years a new Head Office was opened on the Maurice Bishop Highway property. Today, Independence Agencies is one of the leading distributors in Grenada with one of the widest ranges of world-renowned brands.

Goddard's had acquired another 4% taking their holding to 55% by the time IAL was brought into the Caribbean Distribution Partners joint venture in July 2015.



Directors:
Tracey Shuffler – Chairman
Ken Sylvester – CEO/Director
Brian Sylvester – Director
Anthony Agostini – Non-Exec Director
Yolande Radix – Non-Exec Director
Helen Moss – Company Secretary

Pictured below is IAL's Sales and Administration office, with its warehouse to the rear.

40% owned by Caribbean Distribution Partners Ltd.:

DeSinco

DESINCO TRADING LIMITED
[Guyana]

In 1980, Frank DeAbreu began "suitcase trading" in small quantities of items that were in short supply in Guyana.
Six years later, as consumer demand grew for better quality products, DeAbreu began importing from Lever Brothers West Indies, Nabisco and Sterling Drugs.
In 1990, DeAbreu's DeSinco Trading Limited (a partnership of DeAbreu & Singh) was formed. The following year, the partnership ended and DeAbreu acquired sole ownership.
In 2001, Desinco began distributing the Swiss range of products and Kerrygold milk, which it imported from Vemco in Trinidad.
Desinco continued to grow and maintain strong brand presence, and in January 2015 welcomed Agostini's Ltd. as their new partner, selling a 40% stake in the business, and in July 2015, Desinco Limited became part of the Caribbean Distribution Partners joint venture.

Directors:
Frank DeAbreu – Chairman
Alicia DeAbreu – Director
Anthony Agostini – Non-Exec Director
Deomattie DeAbreu – Non-Exec Director
Christian Mouttet – Non-Exec Director
Rajesh Rajkumarsingh – Non-Exec Director
Jason Alli – CFO / Company Secretary

DeSinco's Office and Warehouse Complex in Eccles.

Chairman's Remarks

CHRISTIAN MOUTTET

Consolidated Results and Financial Position

In this my first full year report as Chairman of the Board, I am pleased to report that our company delivered a credible financial performance for the fiscal year ended September 30, 2017. This result was achieved despite a very challenging economic environment in the core Caribbean markets in which we operate, severe shortages of foreign exchange and a 5% increase in the corporation tax rate.

Group sales grew by 26% to $3.1 billion, largely driven by the inclusion of Vemco and Pepsi Cola Trinidad Bottling Co. Ltd. [now renamed Vembev], which were acquired during the year by Caribbean Distribution Partners Ltd. [CDP], our 50% owned joint venture company. Profit before tax increased by 25.9% to $175 million from $139 million in 2016. Group profit attributable to shareholders increased to $100.2 million from $89 million in the prior year – it should be noted that we benefited from a one off after tax gain of $11.2 million in 2016 as a result of an arbitration settlement with the HDC. Our earnings per share were $1.450, compared with $1.517 per share in 2016, a decline of 4.4%. Without the arbitration gain in 2016, earnings per share for 2017 would have increased by 10%. We ended the year with an improved Debt Equity Ratio of 24:76 compared with 28:72 in 2016, and our Net Assets increased to $1.1 billion from $807 million in the prior year.

The focus of the Group continues to be sustainable long-term growth and financial strength. With these objectives in mind, we continued to build strength and competency in our core FMCG, Pharmaceutical and Retail operations through acquisitions, and the development and expansion of distribution and retail assets. Our industrial and construction operations, whilst experiencing severe headwinds in their respective sectors, were able to manage costs and find growth in certain market segments, and as a result were able to make a positive profit contribution.

Operations Review and Segment Analysis

Pharmaceutical & Personal Care

Smith Robertson

Smith Robertson had a successful year in spite of difficult market conditions and facing many procurement challenges due to foreign exchange availability. Management and staff continued to deliver a high level of excellence in customer service, logistics and supply chain management.

The business completed the purchase of 58% of MiaTrin Medical [re-branded Curis Technologies]. This Company is the distributor for GE Medical Systems and several other suppliers of medical equipment and supplies. We expect that this strategic acquisition will provide growth and add to profitability over the medium-term.

SuperPharm

SuperPharm continued on a positive growth trend in 2017. After eighteen months of planning, we opened our first Presto convenience store in June in Arima. We are encouraged by the performance of this new concept and are actively seeking additional locations for expansion. Construction in Couva of our ninth SuperPharm pharmacy is near completion, and plans are also underway for additional locations for this brand.

We have reported to you in previous years that we entered into an agreement to locate a SuperPharm at Mausica. While my expectations for the construction period were for an "ODI" (not even a Twenty/20!), we are now solidly in "Test Match" territory. We have now entered the fifth year since the landlord began construction, and unless the situation changes drastically in the coming months, we will be re-assessing our commitment to this location – we want to ensure that there is a result at the end of the fifth day!

Industrial & Construction

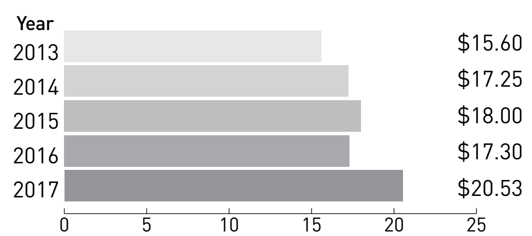
Agostini Building Solutions

The market for construction and interior outfitting has been very sluggish over the past year, and sales of building materials and contracting services were therefore negatively affected. Through effective cost containment, this business was able to achieve a reasonable level of profitability.

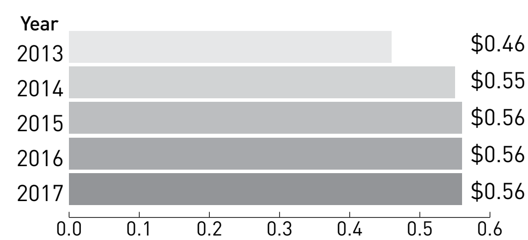
Rosco Petroavance

The traditional energy related products and services offered by this company have been severely affected by the very depressed energy sector in Trinidad and Tobago. The first full year of sales with the Mobil line of lubricants coupled with strong cost management did, however, provide new avenues for growth and improved profitability.

Share Price at Year End (TT$)



Dividends per Share (TT$)



Chairman's Remarks (continued)

Fast Moving Consumer Goods (FMCG)

Caribbean Distribution Partners

Our JV company Caribbean Distribution Partners Ltd. [CDP], had a successful year and most of the companies in this Group showed meaningful improvement over the prior year. We made two significant acquisitions early in our financial year, Vemco Ltd. in October 2016 and Pepsi Cola Bottling Trinidad Ltd. [Vembev] in November 2016. Vemco's exports experienced a sales increase of 20% over the prior year, partially due to sales to Venezuela under the arrangement negotiated by Government. The local distribution business also performed in line with expectations.

Vembev experienced challenges with its supply chain and some hand-over issues post-acquisition, and performed below our expectations, though much better than in 2016.

Hand Arnold was able to deliver a solid performance despite softness in the T&T economy and foreign exchange shortages, and recorded growth and improved profitability.

Through the dedication and hard work of management and staff, Hanschell Inniss' performance has significantly improved in the last 12 months. Late in the financial year, a major enlargement and modernisation of its distribution facility in Fontabelle, Barbados commenced.

Independence Agencies in Grenada had a marginally improved performance, and completed the expansion of their warehouse to facilitate growth in the year's ahead.

Coreas Distribution delivered solid results in 2017. It should begin construction of a completely new office and distribution facility at Diamond in St. Vincent in 2018. This investment is being made to facilitate our strong market position and improve our level of efficiency and customer service.

In St. Lucia, Peter & Company had their first full year of operation in their much expanded distribution facility in the Cul de Sac area. They recorded improved results, and further improvement in the coming year is anticipated.

In Guyana, our associated company Desinco Ltd. continued to add new brands to their portfolio and enjoyed improved sales.

Dividend

Your Board has approved a final dividend of 34 cents per share, which brings the total dividend for the year to 56 cents, the same as the dividend paid in 2016. This dividend will be paid on January 29, 2018 to shareholders on the register of members on January 3, 2018. The Company's register of members will be closed on January 4 and 5, 2018.

Acknowledgements

2017 has been a difficult year in the major economies in which we operate. It is to the credit of our management, partners, associates, staff and customers, and the patience of our suppliers, that we have ended the year with improved operating results. On behalf of the Board I extend our thanks to all of them and look forward to their continued commitment. I extend my personal gratitude to the Management and my fellow Directors for their dedication, wisdom and counsel.

The Year Ahead

We expect the economies in the Caribbean region, with the exception of Guyana, to continue to be challenged in 2018. In Trinidad and Tobago, our largest market, foreign exchange availability is a significant obstacle to growth and expansion, and availability has not improved in the first two months of fiscal 2018. Overall, Management and the Board will have to continue to be resourceful and proactive, as well as to judiciously manage costs, in order to deliver improved results in 2018. Additionally, the Group continues to pursue strategic expansion opportunities through new capital investment and acquisitions, some of which are expected to crystallise in 2018.

Christian Mouttet
Chairman
November 29, 2017

AGOSTINI'S

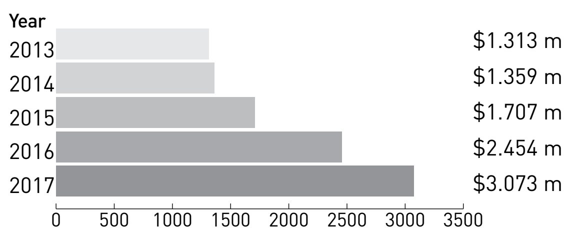
Management Discussion & Analysis

Growing & Diversifying in a Challenging Environment

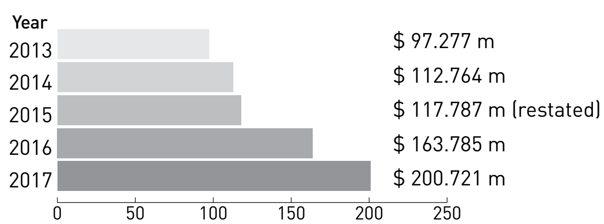
Over the last 3 years, the Group has made good progress in achieving our strategic objective of growth through investment in owned brands and market diversification through regional expansion.

In the current financial year, we were challenged by generally weak economies in the region, by foreign exchange supply challenges in Trinidad and Tobago and in Barbados, and by an increased local corporation tax rate. Despite these challenges, the management of the Group remains committed to pursuing a strategy of growth. The sales of the Group in 2017 grew from $2.5 billion to $3.1 billion. This increase is mainly as a result of the inclusion of a full year's results of Vemco, acquired in October 2016, and eleven months results of Pepsi Trinidad, acquired in November 2016.

Turnover (TT$ million)



Operating Profit (TT$ million)



ANTHONY AGOSTINI

MD&A (continued)

Financial Highlights	2017	2016	% Increase
	$'000	$'000	
Gross Sales	3,138,073	2,527,166	24.17%
Sales to Third Parties	3,073,240	2,453,713	25.25%
Operating Profit	200,721	160,009	25.44%
Profit before Tax	175,436	139,051	26.17%
Profit for the Year	124,987	96,752	29.18%
Profit attritutable to Shareholders	100,207	89,034	12.55%
Stock Units In Issue ('000)	69,104	58,704	17.72%
Earnings per Share	$ 1.45	$ 1.52	(4.39%)
Total Dividends	38,698	32,874	17.72%
Total Assets	2,175,981	1,617,512	34.53%
Stockholder's Equity	888,102	642,198	38.29%

Profit after tax grew by 29% to $125 million, while profit attributable to shareholders increased by 12.5% to $100.2 million. Earnings per share decreased by 4.4% to $1.45. It is important to note that our current year's results were negatively impacted by the 5% increase in corporation tax and the prior year result would have been positively impacted by the one-off gain of $11.2 million as a result of our success in arbitration proceedings.

We ended the year with $160 million in cash and cash equivalents, up from $99 million a year earlier. This will facilitate continued growth strategies over the coming years.

Pharmaceutical and Personal Care

SMITH ROBERTSON & SUPERPHARM

This area of our business continues to perform well, as consumers focus on their health in spite of economic difficulties.

The convenience side of this business is also growing, and in 2017 we opened our first Presto convenience store at the site of the new NP gas station at the corner of Tumpuna Road and the Churchill-Roosevelt Highway in Arima. The concept has been well received and we are actively working on additional locations.

FAST MOVING CONSUMER GOODS (FMCG)

Caribbean Distribution Partners Limited (CDP), our Joint Venture with Goddard Enterprises of Barbados, showed an improved performance this financial year. This was aided primarily by another commendable result at Hand Arnold, our acquisition of Vemco, and improved profitability at Hanschell Inniss in Barbados.

The CDP companies finished the year with revenues of $2 billion with 52% of our turnover coming from the businesses in Barbados, Guyana and the OECS combined, while the remaining 48% was generated from the Trinidad and Tobago based businesses.

Self-service beverage section in the Presto store.

Employees of the Vemco Arima Pasta Plant in front of the recently installed short goods pasta line.

HAND ARNOLD

Hand Arnold had a good year in spite of foreign exchange challenges throughout the year. It was also adjudged the Group's "Company of the Year" for the second year in a row.

VEMCO

In Vemco's first year as part of our CDP joint venture, they have made good progress in growing their core in-house brands of Swiss and Café Brazil. Exports increased over the prior year by 20%, helped by the arrangement made with Venezuela where we were able to export powdered milk, pasta and ketchup.

With the recent addition of a state of the art "short goods" pasta line at Vemco, we expect to bring world class quality to our range of versatile pastas for both food service and household use.

VEMBEV

Pepsi Trinidad, the most recent addition to CDP, has been rebranded Vembev and will be focusing on refreshing its core brands in the coming year and on building market share across the region for the brands owned by the company.

In support of this, we are pleased to have completed our acquisition of the Peardrax and Cydrax brands, which will strengthen our range of owned brands and reinforce our drive to be a strong player in the beverage industry. These beverage brands, despite their British heritage, have an enduring franchise with Caribbean people living in the region and further afield.

Our planned consolidation of our beverage businesses onto one main site at Aranguez in early 2018 will offer greater efficiency of operations and enhanced opportunities for synergies.

HANSCHELL INNISS

Hanschell Inniss (HIL) in Barbados has had a turnaround year with the business making a modest profit due to improved management of expenses and better control of processes within the business. We are investing in the expansion of HIL's warehousing at Fontabelle and look forward to greater efficiencies and expanded brand representation, once it is completed in late 2018.

COREAS, PETER & Co. AND INDEPENDENCE AGENCIES

The economies in the Eastern Caribbean continue to be weak and our businesses there, Coreas Distribution in St. Vincent and the Grenadines, Peter and Company in St. Lucia and Independence Agencies in Grenada, have shown marginal improvements.

Our plans for a new distribution centre in St. Vincent are moving forward to support our business there as it grows and continues to deliver consistent results.

Peter & Company in St. Lucia realised a modest profit, but with the business now consolidated at the Cul De Sac location, we expect the full benefit of planned synergies to be realised in the coming years.

Independence Agencies in Grenada has completed its warehouse expansion, which has doubled in size and now includes spacious areas for cold storage, both chilled and frozen. This business is building its sales base with both international and CDP-owned brands against the backdrop of an expansive national price control regime.

DESINCO

We believe that the economy in Guyana continues to provide great potential for growth. Our shareholding in DeSinco has provided a good return over the last three years. The promise of accelerated economic development through recent oil discoveries presents a case for further investment for CDP.

In accordance with our original purchase agreement, we will be increasing our shareholding to 51% from January 2018. We are in the process of negotiating the price to be paid to effect this increased shareholding.

MD&A (continued)

Ten Year Financial Review	2017	2016	Revised 2015	2014	Revised 2013	Revised 2012	2011	2010	Revised 2009	Revised 2008
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group Turnover	3,073,240	2,453,713	1,706,617	1,359,383	1,312,703	1,293,887	1,255,743	856,702	719,765	547,410
Profit Before Taxation	175,436	139,051	107,353	107,145	87,156	90,242	87,434	57,354	52,339	46,063
Profit for the Year	124,987	96,752	75,422	80,546	62,580	65,217	61,523	40,371	36,373	33,855
Net Profit Atrtributable to Agostini's Limited Shareholders	100,207	89,034	77,248	79,932	61,946	64,770	61,275	24,780	791	30,201
Dividend Amount	38,698	32,874	32,874	32,287	26,984	25,811	24,611	10,241	1,453	11,899
Times covered	2.59	2.71	2.35	2.48	2.30	2.51	2.49	2.4	-	2.5
Issued Stock Units ('000)	69,104	58,704	58,704	58,704	58,704	58,662	58,608	58,583	29,057	27,029
Stockholder's Equity	888,102	642,198	581,272	554,058	494,513	446,964	402,773	358,933	216,992	210,008
Dividend per Stock Unit	56¢	56¢	56¢	55¢	46¢	44¢	42¢	20¢	5¢	42¢
Earnings per Stock Unit	145.0¢	151.7¢	131.6¢	136.2¢	105.5¢	110.5¢	104.9¢	74.7¢	2.7¢	111.9¢
Net Assets	1,141,560	807,532	736,478	555,305	495,582	561,494	485,668	443,646	300,592	298,802

Notes:
1 The 2015 figures have been restated to take effect of adjustments relating to fair values of net assets acquired in the CDP business combination.
2 The 2012 and 2013 figures have been adjusted in accordance with IAS 19, Pension Benefits.
3 The 2008 and 2009 figures have been adjusted in accordance with IFRS 5 Non current assets held for sale and discontinued operations.

Industrial & Construction Products & Services

CONSTRUCTION

Agostini Building Solutions' sales and profits fell marginally compared to the prior year based on the weak construction environment that continued for a second year and still pervades.

ENERGY & INDUSTRIAL PRODUCTS AND SERVICES

Rosco Petroavance's traditional business, based on the activity in the oil and gas sectors, remained somewhat depressed. ExxonMobil lubricants, however, continued to grow and attracted a wider user base as the year progressed. Overall, this company had a much improved year, although not a record one.

Property Rationalisation

We have now fully occupied the property we acquired at 3 Chootoo Road, El Socorro, with Superpharm and Agostini Building Solutions occupying most of the property and a small portion rented out. This has allowed us to free up space for Vemco's offices and warehouse to move in the new year to our property at El Socorro Road Extension.

Our Nelson Street property continued to be only partially used over part of the past year. We are in the process of doing an internal refurbishment and will continue to look for opportunities to monetise this asset.

The Agostini's Board at the Strategic Planning Retreat in 2017.

AGOSTINI'S

	Third Party Turnover 2017 $'000's	Third Party Turnover 2016 $'000's	Operating Profit 2017 $'000's	Operating Profit 2016 $'000's
INFORMATION BY SEGMENT				
Pharmaceutical and Personal Care	901,078	873,489	102,002	97,044
Fast Moving Consumer Goods	2,023,890	1,410,501	79,772	45,158
Industrial, Construction & Holdings	148,272	169,723	18,947	17,807*
	3,073,240	2,453,713	200,721	160,009

* In 2016, the one-off arbitration gain of $15.8 million before tax was included in this figure.

	Group Assets Employed 2017 $'000's	Group Assets Employed 2016 $'000's	Employees at Year End 2017	Employees at Year End 2016
Pharmaceutical and Personal Care	573,316	550,907	606	626
Fast Moving Consumer Goods	1,204,042	718,649	1,749	1,100
Industrial, Construction & Holdings	398,623	347,956	186	181
	2,175,981	1,617,512	2,541	1,907

Strategic Review

Early in the year, your Board took time to review the Group's strategic direction. We reaffirmed our mantra of "Every Business a Benchmark". Simply put, we have to continue to strive to elevate all our businesses to be considered the "Benchmark" of their industry.

We also reviewed the pillars on which we secure our businesses: "Financial Strength; Employee Excellence; Innovation; Exceeding Customer Expectations and Corporate Social Responsibility".

Corporate Social Responsibility

The Group continues to do its part in alleviating hardships faced by many in our society and the wider region. Our Corporate Social Responsibiltity Report is on page 35 of this report.

The Year Ahead

Many retail analysts have long been saying that more spending is taking place online and for experiences, health and wellness instead of possessions. Customers are seeking more premium experiences and at the same time seeking value.

We have these issues top of mind and intend to pursue strategies to capture these trends.

While there will be many challenges facing our companies in 2018, there are equally many opportunities, which we intend to exploit. We have started the year with a major brand acquisition and we expect that other acquisitions, which are currently under review, will also be completed in the coming months and will allow us to continue to grow the value of your investment in the Company.

Anthony Agostini
December 7, 2017

Report of the Directors

Your Directors have pleasure in presenting their report for the year ended September 30, 2017.

Financial Results	**$'000**
Income for the year before taxation	175,436
Less Taxation	(50,449)
Profit for the Year	124,987
Less: Attributable to Minority Interest	(24,780)
Net Income for the year after taxation	100,207
Dividends – Interim	15,203
Final	23,495
Profit Retained for the year	61,509

Dividend
Based on the Group's results, the Directors have approved a final dividend of 34¢, resulting in a total dividend of 56¢ for the year.

Directors
The Directors retiring by rotation under the bye laws, Ms. Amalia Maharaj, Mr. Anthony Agostini and Mr. Reyaz Ahamad, being eligible, offer themselves for re-election.

Auditors
The Auditors, Ernst & Young, retire and being eligible, offer themselves for reappointment.
The Directors are satisfied that the audited Financial Statements published in this Report comply with applicable financial reporting standards, and present fairly in all material respects, the financial affairs of the Group.

By Order of the Board

Rajesh Rajkumarsingh
Secretary
December 7, 2017

Board of Directors

Christian Mouttet
Chairman of Agostini's Ltd.
CEO / Director of Victor E. Mouttet Ltd.
Chairman of Prestige Holdings Ltd.
Director since 2010
Member of the Corporate Governance & Nomination and of the Human Resources & Compensation Committees

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Rajesh Rajkumarsingh
Finance Director & Company Secretary of Agostini's Ltd
Director of Electrical Industries Ltd.
Company Secretary since 2014
Director since 2016

Anthony J. Agostini
Managing Director of Agostini's Ltd.
Director of Caribbean Finance Company Ltd.
Director since 1990

Board of Directors (continued)

Lisa M. Mackenzie
Non-Executive Independent Director
Finance Director of Access & Security Solutions Ltd.
Director of Scotiabank Trinidad & Tobago Ltd. and Scotialife Trinidad & Tobago Ltd.
Director since 2004
Member of the Audit & Risk Committee

Barry A. Davis
Non-Executive Independent Director
Financial Controller of Atlantic LNG Company of Trinidad & Tobago
Director since 2007
Chairman of the Audit & Risk Committee and Member of the Corporate Governance and Nomination Committee

Francois Mouttet
Director of Vemco
Non-Executive Director of CDP Trinidad Ltd.
Director since 2016

Gregor Nassief
Non-Executive Independent Director
CEO of Cerca Technology
Director/Owner of Secret Bay (Dominica)
Executive Chairman of Fort Young Hotel (Dominica)
Director since 2012

Roger A. Farah
Non-Executive Director
CEO/Director of Smith Robertson & Company Ltd
Director since 2010

Reyaz W. Ahamad
Non-Executive Director
Chairman of Caribbean Finance Company Ltd.
Director of Southern Sales & Service Co. Ltd. and Trinidad and Tobago Chamber of Industry and Commerce
Director since 1996
Chairman of Human Resources & Compensation Committee

Amalia L. Maharaj
Non-Executive Director
Partner of Pollonais, Blanc, De la Bastide & Jacelon
Director since 2011
Member of the Audit & Risk Committee

E. Gillian Warner-Hudson
Non-Executive Independent Director
Director of Nourish TT
Management Consultant
Director since 2009
Chairman of the Corporate Governance & Nomination Committee
Member of the Human Resources & Compensation Committee

Corporate Governance

Board Report

The Board of the Company had four regular quarterly meetings, Strategic Review meeting and a Plans and Budget meeting.

The average number of attendees at Board meetings were 10 out of 11.

Board Committee Mandates & Committees

Corporate Governance & Nomination Committee

Members:

- Gillian Warner Hudson (Chairman)
- Christian Mouttet
- Barry Davis

The Committee makes decisions and recommendations to the board based on the following mandate:-

- Monitors best practices for governance worldwide and reviews the Company's governance practices to ensure they continue to exemplify appropriately high standards of corporate governance.
- Recommends to the Board for consideration and adoption:
  - The membership and mandates of Board Committees.
  - The size and composition of the Board.
  - Suitable candidates for nomination as Non-Executive Directors.
  - Appointments to the Boards of Subsidiary, Affiliate and Associate Companies.
  - The communication process between the Board and Management.
  - Approval of the appointments of Executives to the Boards of companies within the Agostini's Limited Group.
- Reviews the Managements succession plans.
- Establishes and reviews policies and procedures with respect to transactions between the Company, its subsidiaries and affiliates and Related Parties, Executive Officers and Directors.
- Establishes and monitors an appropriate Code of Conduct for the Company, its Executives, Managers and Employees and consider and deal with all matters of an ethical nature involving Executives and Non-Executive Directors.
- Reviews annually, the mandates and composition of Board committees.
- Reviews the performance of Directors annually.
- Establishes and monitors an appropriate procedure governing the trading in the Company's securities by Directors and Officers.
- Addresses any matter of Corporate Governance as delegated by the Board from time to time.

This Committee met twice during the year.

Audit & Risk Committee

Members:

- Barry Davis (Chairman)
- Lisa Mackenzie
- Amalia Maharaj

This Committee is responsible for :-

Financial Reporting

To review, and challenge where necessary, the actions and judgments of management, in relation to the Company's financial statements, operating and financial review, interim reports, preliminary announcements and related formal statements before submission to, and approval by, the Board, and before clearance by the auditors. Particular attention is given to:

- Critical accounting policies and practices and the consistency of their application and any changes in them.
- Decisions requiring a significant element of judgement.
- The extent to which the financial statements are affected by any unusual transactions in the period and how they are disclosed.
- The clarity of disclosures.
- Significant adjustments resulting from the audit.
- The going concern assumption.

- The Company's ability to make proposed dividend payments.
- Compliance with accounting standards.
- Compliance with stock exchange and other legal requirements.
- The review of the annual financial statements of the pension funds and tri-annual actuarial valuations.
- Other matters referred by the Board.

Internal Audit

- Monitors and reviews the effectiveness of the Company's Internal Audit function in the context of the Company's overall risk management system.
- Approves the appointment of the external provider or head of internal audit.
- Considers and approves the scope of the internal audit and ensures it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions.
- Reviews and assesses the annual internal audit plan.
- Reviews promptly all reports on the Company from the internal auditor.
- Reviews and monitors management's responsiveness to the findings and recommendations of the internal auditor.

External Audit

- Oversees the Company's relations with the external auditor.
- Considers and makes recommendations on the appointment, reappointment and removal of the external auditor.
- Approves the terms of engagement and the remuneration to be paid to the external auditor in respect of audit services provided.
- Assesses the qualification, expertise and resources, effectiveness and independence of the external auditors annually. Steps to consider include:
    - Seeking reassurance that the auditors and their staff have no family, financial, employment, investment or business relationship with the company (other than in the normal course of business).
    - Seeking from the Audit firm, on an annual basis, information about policies and processes for maintaining independence and monitoring compliance with relevant requirements.
    - Monitoring the external audit firm's compliance with applicable ethical guidance.
- Discusses with the external auditor, before the audit commences, the annual audit plan including the nature and scope of the audit and appropriate levels of materiality.
- Reviews with the external auditors, the findings of their work, including any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgements, levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted;
- Assesses, at the end of the audit cycle, the effectiveness of the audit process by:
    - Reviewing whether the auditor has met the agreed audit plan and understanding the reasons for any changes, including changes in perceived audit risks and the work undertaken by the external auditors to address those risks.
    - Considering the robustness and perceptiveness of the auditors in their handling of the key accounting and audit judgements identified and in responding to questions from the audit committee, and in their commentary, where appropriate, on the systems of internal control.
    - Obtaining feedback about the conduct of the audit from key people involved.
    - Reviewing and monitoring the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the company's business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon;

- Developing and recommending to the board the company's policy in relation to the provision of non-audit services by the auditor and ensuring that the provision of such services does not impair the external auditor's independence or objectivity.

Internal Control

- Reviews the effectiveness of the Company's procedures for whistleblowing and for detecting fraud.
- Reviews management's reports of the effectiveness of the systems for internal financial control and financial reporting.
- Reviews the statement in the annual report and accounts on the company's internal controls and risk management framework.
- Monitors the integrity of the company's internal financial controls.
- Assesses the effectiveness of the systems established by management to identify, manage and monitor both financial and non financial risks.

Risk

- Considers any matters relating to the identification, assessment, monitoring and management of risks associated with the operations of the Group, that it determines to be appropriate and any other matters referred to it by the Board.
- Considers, and makes recommendations to the Board in connection with, the compliance by the Group with its Risk Appetite Statement.
- Reports to the Board on any material changes to the risk profile of the Group.
- Monitors and refers to the Board any instances involving material breaches or potential breaches of the Group's Risk Appetite Statement.
- Reviews the annual insurance coverage and ensures all insurable risks are adequately covered.

The Audit & Risk Committee met four times during the year.

Human Resources, Compensation and Stock Options Committee

Members:

- Reyaz Ahamad (Chairman)
- Christian Mouttet
- Gillian Warner Hudson

This Committee is responsible for all matters relating to the compensation policies of the Group. It reviews, approves or recommends to the Board of Directors suitable Compensation Policies and the compensation structure and programmes to Senior Management.

The Committee's primary responsibilities are as follows:-

- To review and approve (if previously delegated by the Board) or recommend to the Board of Directors, for adoption, as appropriate, all Human Resource and Compensation Policies of the Agostini's Limited Group.
- To review and recommend to the Board for approval, the compensation structure and incentive programmes for Executives. The Group Managing Director may also consult with the Committee regarding the compensation structure and programmes for Managers, whose compensation is determined by the Group Managing Director, consistent with the guidelines set by the Committee.
- To propose, within the guidelines set out in the Company's compensation structure, for approval of the Board of incentives for the Company's Long Term Incentive Plan, and an Annual Bonus and other Incentive Based awards to Executives.
- To review the compensation paid to Non-Executive Directors and recommend appropriate adjustments based on market surveys.
- To review with the Group Managing Director and to recommend to the Board, appointments of all officers at or above the level of General Manager throughout the Agostini's Group.
- To monitor the Executive Medical Examination Policy and process.
- To address any matters of Human Resources or Compensation as delegated by the Board from time to time and to report to the Board on same.

This Committee met once during the year.

Corporate Social Responsibility

Every year Agostini's Limited makes hundreds of thousands of dollars in cash donations and products to needy families and charitable Non-Governmental organisations. We have in the past done this very quietly and without fanfare.

Foundation

A few years ago, we announced that we were going to register a charitable foundation in conjunction with Prestige Holdings Ltd. and Victor E. Mouttet Ltd., which, like Agostini's Ltd., both have the Mouttet family as their majority shareholder.

This process has been on-going for several years as there are numerous Governmental approvals that are necessary and each takes much time to secure. Up to this point in time, we have not as yet been granted the final tax free status we seek for the foundation, which will naturally allow even more funds to reach those in need. We are, however, hoping that we are coming to the end of this process and our foundation will finally be approved in the coming year.

Donations made in our financial year ended 30 September 2017

Notwithstanding this lack of final approval for our foundation, we have continued to make contributions to many worthy causes, and in the past year the total charitable donations made by the companies in our Group amounted to $1,314,790. Included in this amount were contributions through deeds of covenants to 33 charities and donations to several schools, churches, community organisations and various NGOs.

Total charitable donations made by the companies in our Group amounted to $1,314,790.

Whereas we intend to allocate 1% of profit each year to the foundation and to charitable donations, in 2017 the hurricanes in the region have been so destructive that we contributed above this level.

Dominica after some cleaning up. More sturdy structures survived but smaller, particularly wooden buildings and homes in rural areas, were wiped out.

Donations to hurricane-ravaged islands

Very early in the financial year, in October 2016, Haiti was hit with disaster when the powerful hurricane Matthew pummelled the south of the island and once again caused huge damage to this already impoverished island. We immediately organised a container of food and water and sent it to Haiti.

In September 2017, following hurricanes Irma and Maria's destruction of Barbuda and Dominica, we sent relief food supplies from several of our subsidiary companies in Trinidad, Barbados, Grenada and more recently from St. Lucia to these islands. In late September, we also encouraged our staff to authorise a deduction from their salary that would be put towards medicines and foodstuff to be sent to our Caribbean neighbours who were so badly affected by these hurricanes. We first sent $25,000 in medical supplies and $25,000 in foodstuff to Dominica. The balance of the funds collected from staff was used for another container of relief items sent there in November.

In addition to our donations, we were approached by several Non-Governmental organisations to assist them in sending foodstuff and building supplies to Dominica, and we facilitated these requests by giving 'zero profit pricing' to several of them in order to further assist relief efforts in the islands devastated in recent months.

Directors' & Senior Officers' Interest

Director/Senior Officer	Shareholding 30/9/2017	Connected Party
J. M. Aboud	0	1,189,994
A. J. Agostini	668,770	158,571
G. M. Agostini	754,340	
R. W. Ahamad	0	9,800,187
C. G. Bernard	95,847	
W. A. Bernard	19,000	
B. A. Davis	396	
R. A. Farah	10,000	
S. A. Gunness-Balkissoon	10,000	
L. M. Mackenzie	36,800	15,324
A. Maharaj	0	
I. Maharaj Badrie	33,900	
C. E. Mouttet	0	39,925,538
F. N. Mouttet	0	39,925,538
A. B. Pashley	23,200	
R. Rajkumarsingh	28,230	
N. R. Ramjohn	10,000	
R. A. Rodriguez	162,600	
M. Stagg	10,000	
E. G. Warner Hudson	0	

10 Largest Shareholders

Shareholder	Shareholding 30/9/2017	Connected Party
Mouttet Capital Limited	33,525,538	C. E. Mouttet & F. N. Mouttet
Universal Limited	6,054,937	R. W. Ahamad
Home Mortgage Bank Limited	5,951,940	
GNM Properties	4,800,000	C. E. Mouttet & F. N. Mouttet
Proteus Limited	3,745,250	R. W. Ahamad
Home Construction Limited	3,490,030	
JMM Properties	1,600,000	C. E. Mouttet & F. N. Mouttet
T&T Unit Trust Corporation	1,244,592	
Pelican Investments Limited	1,189,994	J. M. Aboud
First Citizens Trust & Asset Management	769,107	

Long Service Awards

The Group wishes to thank Susan Montano, a Director of Hand Arnold, retiring after 27 years (right), and Rhonda Wong, retiring after 41 years at Hand Arnold (left).

Congratulations on 45 years of dedication to the Group to Olga Joseph (Vemco, at left with Christian Mouttet) and to Patricia Indalsingh (Smith Robertson Limited, with Anthony Agostini).

An award for 40 years went to Christine Rampersad (Vemco, pictured with Francois Mouttet).

Chairman Christian Mouttet presented awards for 35 years of service to Helen Ramlochan (Agostini Building Solutions, left) and Susanne Rennie (Hand Arnold, right).

Group Company of the Year 2017

Hand Arnold

In 2017, the award for "Group Company of the Year" went to Hand Arnold. In the picture are Sherrand Malzar – Secretary/ Finance Director, Sharon Gunness Balkissoon – CEO / Director and Anthony Agostini – Chairman of Hand Arnold and Group Managing Director.

AGOSTINI'S

Corporate Information

Secretary and Registered Office:	Rajesh Rajkumarsingh 18 Victoria Avenue Port of Spain
Registrars:	The Trinidad & Tobago Central Depository Ltd. 10th Floor, Nicholas Tower 63 Independence Square Port of Spain
Attorneys-at-Law:	Pollonais, Blanc, De la Bastide & Jacelon 17 Pembroke Street Port of Spain
Auditors:	Ernst & Young 5&7 Sweet Briar Road St. Clair
Bankers:	Scotiabank Trinidad & Tobago Limited ScotiaCentre Corner Park & Richmond Streets Port of Spain
	Republic Bank Limited 59 Independence Square Port of Spain
	Citibank (Trinidad & Tobago) Limited 12 Queen's Park East Port of Spain
	First Citizens Bank Limited 9 Queen's Park East Port of Spain
	RBC Royal Bank (Trinidad & Tobago) Limited 19-21 Park Street Port of Spain

Independent Auditor's Report

Ernst & Young
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To the Shareholders of Agostini's Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Agostini's Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 30 September 2017, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 September 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements.

To the Shareholders of Agostini's Limited

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Estimation uncertainty involved in impairment testing of intangible assets Refer to related disclosures in notes 4 and 7 and accounting policy notes 2(g) and 2(v) to the consolidated financial statements. As at 30 September, 2017, the Group has a material balance of $200 million in relation to intangible assets, which has arisen mainly through business combinations. As required by IAS 36: *Impairment of assets*, the Group's intangible assets with indefinite useful lives must be tested for impairment annually. Based on the impairment test performed by the Group during the year, no impairment provision was recorded in 2017. The impairment test is based on estimates of value in use and fair value less cost of disposal relative to the Cash Generating Unit (CGU) and involves significant estimation and the application of a high level of judgment by the Group relative to key assumptions such as discount rate and future cash-flows. In determining future cash-flow projections, the Group uses assumptions and estimates, such as future market conditions, future economic growth, expected market share and gross margins. The outcome of the impairment testing is sensitive to these assumptions and estimates, such that changes in these assumptions/estimates may result in different impairment test conclusions.	Our audit procedures focused on the assessment of the key assumptions utilised by the Group including the cash-flow projections and the discount rates. We also evaluated whether the impairment test model used by the Group met the requirements of IAS 36. To this end, our procedures included, amongst others, evaluating and testing the assumptions, methodologies, CGU determination, discount rate and other key data used by the Group. We also assessed the Group's assumptions by benchmarking to historical performance of the CGU, local economic conditions and other alternative independent sources of information. In so doing we evaluated the Group's assessment of the sensitivity of the key assumptions to reasonable possible changes which could cause the carrying amount of the CGU to exceed its recoverable amount. We involved our EY valuation specialist to assist with our audit of the impairment test model, including the cash flows, discount rate and long term growth rates. We also read and assessed the appropriateness of the disclosures in the notes to the consolidated financial statements, with reference to that prescribed by IFRSs.
Existence and collectability of trade receivables and revenue recognition Refer to relevant disclosures in notes 4 and 11, and accounting policy notes 2 (k) and 2 (q) to the consolidated financial statements. Trade receivables (net of provision) amounted to $415 million as at 30 September 2017 and the related revenues recognised and recorded amounted to $3 billion for the year then ended. These amounts are material to the consolidated financial statements. As presented in Note 11, $44 million or 11% of the Group's trade receivables are aged in excess of 90 days past due and have not been impaired. There is an element of management judgment in the assessment of the extent of the recoverability of long outstanding trade receivable balances and the determination of provisioning at year end. Furthermore, given the nature of the Group's business and the high volume of sales transactions, there are factors which may result in the recognition of revenue before the risks and rewards have been transferred to the Group's customers.	Our audit procedures included, but were not limited to, internal control testing on the recognition of revenue in accordance with IAS 18: *Revenue*. In addition, we sample tested revenue recognised during the year to supporting documents including invoices and delivery documentation, to evaluate the existence of the recorded revenues and related trade receivable balances during the accounting period and at year end. Our testing also included comparing trade receivable balances to Customer Confirmation Letters received from customers, subsequent collections from customers or delivery documentation. We also evaluated management's assumptions and explanations in relation to trade receivable provisioning with reference to the aged receivables listing, post year end payments received from customers, customer historical payment patterns and related correspondence with customers. Our testing focused on long outstanding balances which were not impaired by the Group. We also tested on a sample basis, sales transactions on either side of the year end date and credit notes issued after year end, to assess whether those transactions were recognised in the correct accounting period.

To the Shareholders of Agostini's Limited

Report on the Audit of the Consolidated Financial Statements (continued)

Other information included in the Group's 2017 Annual Report

Other information consists of the information included in the Group's 2017 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2017 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 consolidated 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 consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

To the Shareholders of Agostini's Limited

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner in charge of the audit resulting in this independent auditor's report is Sheldon Griffith.

Ernst & Young

Port of Spain,

TRINIDAD:

29 November, 2017

Consolidated Statement of Financial Position

	Notes	2017 $'000	2016 $'000
		As at 30 September	
ASSETS			
Non-current assets			
Property, plant and equipment	5	602,450	408,668
Investment properties	6	21,702	66,239
Investment in associate	31	14,951	13,733
Intangible assets	7	200,307	132,489
Retirement benefits asset	8	20,721	20,809
Deferred tax asset	14	12,791	8,775
		872,922	650,713
Current assets			
Inventories	9	549,964	414,568
Construction contract work-in-progress	10	1,521	112
Taxation recoverable		4,541	5,773
Trade and other receivables	11	492,492	373,507
Cash at bank and in hand	21	254,541	172,839
		1,303,059	966,799
TOTAL ASSETS		2,175,981	1,617,512
EQUITY			
Capital and reserves			
Stated capital	12	364,716	187,404
Capital reserve		2,652	2,652
Revaluation reserve	12	28,031	28,031
Other reserves	12	7,975	5,205
Retained earnings		484,728	418,906
Equity attributable to equity holders of the parent		888,102	642,198
Non-controlling interests		253,458	165,334
TOTAL EQUITY		1,141,560	807,532
LIABILITIES			
Non-current liabilities			
Borrowings	13	334,444	244,345
Retirement benefit liability	8	4,738	4,722
Deferred tax liability	14	57,603	33,067
		396,785	282,134
Current liabilities			
Borrowings	13	138,098	108,864
Taxation payable		13,591	14,180
Trade and other payables	15	485,947	404,802
		637,636	527,846
TOTAL LIABILITIES		1,034,421	809,980
TOTAL EQUITY AND LIABILITIES		2,175,981	1,617,512

The accompanying notes form an integral part of these consolidated financial statements.
These consolidated financial statements were authorised for issue by the Board of Directors of Agostini's Limited on 29 November, 2017 and signed on its behalf by:

________________ Director ________________ Director

Consolidated Statement of Income

For the Year ended 30 September

	Notes	2017 $'000	2016 $'000
Third party revenue	29	3,073,240	2,453,713
Cost of sales		(2,342,736)	(1,903,827)
Gross profit		730,504	549,886
Other operating income	16	27,433	60,312
		757,937	610,198
Expenses			
Other operating		(151,305)	(222,411)
Administration		(277,402)	(158,089)
Marketing and distribution		(128,509)	(69,689)
		(557,216)	(450,189)
Operating profit	17	200,721	160,009
Finance costs - net	18	(26,101)	(22,146)
Share of profit in associate	31	816	1,188
Profit before taxation		175,436	139,051
Taxation	19	(50,449)	(42,299)
Profit for the year		124,987	96,752
Attributable to:			
Equity holders of the parent		100,207	89,034
Non-controlling interests		24,780	7,718
		124,987	96,752
Earnings per share:		**$**	**$**
- Basic and diluted (expressed in $ per share)	20	1.45	1.52

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

Consolidated Statement of Comprehensive Income

	Notes	2017 $'000	2016 $'000
		For the Year ended 30 September	
Profit for the year		124,987	96,752
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement (losses)/gains on defined benefit plans	8	(336)	3,999
Income tax effect	14	99	(1,177)
		(237)	2,822
Income tax effect due to change in tax rate		–	(391)
Net other comprehensive (loss)/ income not to be reclassified to profit or loss in subsequent periods		(237)	2,431
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		5,539	5,087
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		5,539	5,087
Other comprehensive income for the year, net of tax		5,302	7,518
Total comprehensive income for the year, net of tax		130,289	104,270
Attributable to:			
Equity holders of the parent		107,290	93,800
Non-controlling interests		22,999	10,470
		130,289	104,270

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

Consolidated Statement of Changes in Equity

For the Year ended 30 September

		Attributable to equity holders of the parent							
	Notes	Stated capital $'000	Capital reserve $'000	Revaluation reserve $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non controlling interests $'000	Total equity $'000
Year ended 30 September 2017									
Opening balance at 1 October 2016		187,404	2,652	28,031	5,205	418,906	642,198	165,334	807,532
Changes in composition of the Group		–	–	–	–	–	–	68,648	68,648
Issuance of Shares	12	177,312	–	–	–	–	177,312	–	177,312
Profit for the year		–	–	–	–	100,207	100,207	24,780	124,987
Other comprehensive income		–	–	–	2,770	4,313	7,083	(1,781)	5,302
Total comprehensive income		–	–	–	2,770	104,250	107,290	22,999	130,289
Dividends – 2017 (56¢ per share)	28	–	–	–	–	(38,698)	(38,698)	(3,523)	(42,221)
Balance at 30 September 2017		364,716	2,652	28,031	7,975	484,728	888,102	253,458	1,141,560
Year ended 30 September 2016									
Balance at 1 October 2015		187,404	2,652	28,422	118	362,676	581,272	155,206	736,478
Profit for the year		–	–	–	–	89,034	89,034	7,718	96,752
Other comprehensive income		–	–	(391)	5,087	70	4,766	2,752	7,518
Total comprehensive income		–	–	(391)	5,087	89,107	93,800	10,470	104,270
Dividends – 2016 (56¢ per share)	28	–	–	–	–	(32,874)	(32,874)	(342)	(33,216)
Balance at 30 September 2016		187,404	2,652	28,031	5,205	418,906	642,198	165,334	807,532

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

Consolidated Statement of Cash Flows

	Notes	2017 $'000	2016 $'000
		For the Year ended 30 September	
Operating activities			
Profit before taxation		175,436	139,051
Adjustments for:			
Depreciation of property, plant and equipment	5	39,558	24,144
Amortisation of intangible assets	7	2,803	4,256
(Gain)/loss on sale of property, plant and equipment		(938)	719
Share of profit in associate	31	(816)	(1,188)
Net retirement benefit expense		5,573	5,933
Impairment of property, plant and equipment	5	–	2,469
Impairment of goodwill	7	–	563
Operating profit before changes in working capital		221,616	175,987
Changes in working capital			
Increase in inventories		(27,115)	(153)
Increase in work-in-progress		(1,409)	(54)
Increase in trade and other receivables		(21,497)	(32,094)
Increase in trade and other payables		1,177	17,315
Net cash flows from operations		172,772	160,981
Pension contributions paid		(5,677)	(5,102)
Taxation paid		(41,654)	(19,878)
Net cash flows from operating activities		125,441	136,001
Investing activities			
Purchase of property, plant and equipment	5	(83,926)	(56,468)
Proceeds from sale of property, plant and equipment		203	1,259
Acquisition of subsidiaries, net of cash acquired	30 c	34,165	–
Purchase of intangible assets	7	–	(4,097)
Net cash flows used in investing activities		(49,558)	(59,306)
Financing activities			
Dividends paid to ordinary shareholders	28	(38,698)	(32,874)
Dividends paid to non-controlling interests		(3,523)	(342)
Net proceeds/(repayment) of borrowings		28,789	(4,444)
Net cash flows used in financing activities		(13,432)	(37,660)
Net increase in cash and cash equivalents during the year		62,451	39,035
Net foreign exchange differences		(1,275)	4,253
Cash and cash equivalents, at 1 October		98,851	55,563
Cash and cash equivalents, at 30 September	21	160,027	98,851

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

1. General information

Agostini's Limited ("the Company" or "the Parent Company") is a limited liability company, incorporated and domiciled in the Republic of Trinidad and Tobago and the address of its registered office is 18 Victoria Avenue, Port of Spain. Agostini's Limited and its subsidiaries ("the Group") are principally engaged in trading and distribution (wholesale and retail), interior building contracting and manufacturing/packing of certain food products. The Group operates and has subsidiaries/associate in Trinidad and Tobago, Barbados, St. Lucia, St. Vincent, Grenada and Guyana. A listing of the Group's subsidiaries and associate is presented in note 23.

The shares of the Parent Company are listed on the Trinidad and Tobago Stock Exchange. The majority shareholder and ultimate parent company of the Group is Victor E. Mouttet Limited ("VEML"), a company incorporated in the Republic of Trinidad and Tobago, which owns 57.8% (2016: 50.3%) of the Company's issued ordinary shares. As disclosed in note 12, Victor E. Mouttet Limited ("VEML") increased its ownership interest to 57.8% as at 1 October 2016.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the Group are prepared under the historical cost convention, as modified by the revaluation of land and buildings and investment properties (notes 2(e) and 2(f)). These consolidated financial statements are expressed in Trinidad and Tobago dollars.

The consolidated financial statements provide comparative information in respect of the previous period.

i) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii) Reclassifications

a) As further described in Note 19, the consolidated financial statements includes a reclassification of 2016 comparative information. The green fund levy expenses of $3,776,000 for the 2016 financial period was reclassified from the tax expense line item to administration expenses within the consolidated statement of income.

b) As further described in Note 31, the consolidated financial statements includes a reclassification of 2016 comparative information. The income tax amount of $802,000 for the associate, Desinco Limited, was reclassified from the tax expense line item to the share of profit from associate within the consolidated statement of income.

c) The consolidated financial statements includes a reclassification of 2016 comparative information. The other reserve amounts of $5,205,000 for the 2016 financial period was reclassified from retained earnings within the consolidated statement of changes in equity.

These reclassifications were made to allow consistent presentation within the current year and had no impact on the previously reported profit after tax, earnings per share or total equity as at 30 September 2016 and for the year then ended.

iii) Principles of consolidation

The consolidated financial statements of the Group include the financial statements of the parent and its subsidiary companies. All intra-group balances, transactions, and income and expenses have been eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of income and consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

iv) Changes in accounting policies and disclosures

a) New and amended standards:

The following standards/amendments became applicable for the 2017 financial year, however there was no impact on the amounts reported and/or disclosed in the consolidated financial statements.

- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception – Effective 1 January 2016
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Effective 1 January 2016
- Amendments to IAS 1 – Disclosure Initiative – Effective 1 January 2016
- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants – Effective 1 January 2016
- IFRS 14, 'Regulatory Deferral Accounts' - Effective 1 January 2016
- Amendments to IFRS 11 – Accounting for Acquisition of Interests in Joint Operations – Effective 1 January 2016
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation – Effective 1 January 2016
- Annual improvements 2012-2014 Cycle

  These improvements are effective from 1 January 2016 and the Group has applied these amendments (where applicable) for the first time in these consolidated financial statements. They include:

  - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
  - IFRS 7 Financial Instruments: Disclosures
  - Applicability of the amendments to IFRS 7 to condensed interim financial statements
  - IAS 19 Employee Benefits
  - IAS 34 Interim Financial Reporting
  - IFRS 14 Regulatory Deferral Accounts
  - Amendments to IFRS 11 Accounting for Acquisition of Interests in Joint Operations
  - Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
  - Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception
  - Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
  - Amendments to IAS 1 Disclosure Initiative
  - Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

b) Standards issued but not yet effective

The Group has not adopted early the following new and revised IFRS's and IFRIC interpretations that have been issued but are not yet effective or are not relevant to the Group's operations:

- IFRS 15, 'Revenue from Contracts with Customers' – Effective 1 January 2018.
- IFRS 16 'Leases' – Effective 1 January 2019
- IFRS 9 'Financial Instruments' – Effective 1 January 2018
- IAS 28 Investments in Associates and Joint Ventures – Effective 1 January 2018

The Group is currently assessing the potential impact of these new standards and interpretations and will adopt them when they are effective.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

iv) Changes in accounting policies and disclosures (continued)

b) Standards issued but not yet effective (continued)

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards and are not expected to have a material impact on the consolidated financial statements and are effective for annual periods beginning on or after 1 January 2017:

- IAS 7 Disclosure Initiative – Effective 1 January 2017
- IAS 12 Income Taxes – Effective 1 January 2017
- IFRS 12 Disclosure of Interest in Other Entities – Effective 1 January 2017
- IAS 40 – Investment Property – Effective 1 January 2018
- IFRIC 23 – Uncertainty over Income Tax Treatment – Effective 1 January 2019

(b) Consolidation

i) Subsidiaries

The consolidated financial statements comprise the financial statements of Agostini's Limited and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;

2. Summary of significant accounting policies (continued)

(b) Consolidation (continued)

i) Subsidiaries (continued)

- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling interests represent the interests not held by the Group, in Rosco Petroavance Limited and Caribbean Distribution Partners Limited.

A listing of the Group's subsidiaries is set out in Note 23.

ii) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Where business combinations under common control occur, the acquisition method can also be used as permitted under the guidelines of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be re-measured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the profit or loss.

iii) Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence is similar to those necessary to determine control over subsidiaries. The Group's investments in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

2. Summary of significant accounting policies (continued)

(b) Consolidation (continued)

iii) Investment in associate (continued)

The consolidated statement of income reflects the Group's share of the results of operations of the associate. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of income outside operating profit.

The financial statements of the associate is prepared for the same reporting period as that of the Group. When necessary, adjustments are also made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the consolidated statement of income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(c) Segment reporting

An operating segment is a group of assets, liabilities and operations which are included in the measures that are used by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Board of Directors, who are also responsible for making strategic decisions.

(d) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Group's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the consolidated statement of income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss on translation of non-monetary assets and liabilities measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (that is translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

Monetary assets and liabilities denominated in foreign currencies and translated into Trinidad and Tobago dollars at the rate of exchange existing at the reporting date.

2. Summary of significant accounting policies (continued)

(d) Foreign currency translation (continued)

iii) Foreign entities

On consolidation the assets and liabilities of foreign operations are translated into Trinidad and Tobago dollars at the rate of exchange prevailing at the reporting date and their consolidated statements of income are translated at the average rate for the financial period. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange at the reporting date.

(e) Property, plant and equipment

Freehold properties (land and buildings) comprise mainly warehouses, retail outlets and offices occupied by the Group and are measured at fair value less subsequent accumulated depreciation for buildings and impairment losses recognised at the date of the revaluation. Management valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. Valuations are performed every five years by qualified independent professional valuators. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to the revaluation reserve included in the equity section of the consolidated statement of financial position. Decreases that offset previous increases of the same asset are charged against revaluation reserve directly in equity; all other decreases are charged to the consolidated statement of income.

The freehold buildings are depreciated on a straight line basis at 1.5% - 2% per annum on the valuation. Leasehold improvements are amortised over the lives of the leases which include options to renew for further terms ranging from 6 years to 10 years which the Group intend to exercise. Land and capital work-in-progress are not depreciated. Depreciation is provided on plant and other assets on the straight line basis at rates as follows:

Machinery and equipment	-	10% - 33 1/3% per annum
Motor vehicles	-	12 1/2% - 25% per annum
Furniture and office equipment	-	10% - 25% per annum

The estimated useful lives of property, plant and equipment is reviewed and adjusted if appropriate, at each financial year end.

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the consolidated statement of income. When revalued assets are sold, the amounts included in the revaluation surplus account are transferred to retained earnings.

2. Summary of significant accounting policies (continued)

(f) Investment properties

Investment properties principally comprising freehold land and buildings are held for long-term rental yields and are not occupied by the Group. Investment properties are measured at fair value, representing market conditions at the reporting date.

Fair value is determined annually based on the valuation methodology applied consistently by management. Investment properties are not subject to depreciation. Changes in fair value are recorded in the consolidated statement of income.

If an investment property becomes owner - occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its carrying value for subsequent accounting purposes.

(g) Intangible assets

Goodwill

Goodwill represents the excess of the cost of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest of the acquiree. Goodwill on acquisition of associates is included in investments in associates and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made of those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Software

Software assets which have been acquired directly are recorded initially at cost. On acquisition the useful life of the asset is estimated and the cost amortised over its life and tested for impairment when there is evidence of same. The current estimated useful life of the software asset is three years.

The amortisation period and the amortisation method for these intangible assets are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on these intangible assets is recognised in the consolidated statement of income in the expense category that is consistent with the function of the intangible assets.

Other intangibles – Customer relationships, brands and other trade names

The cost of other intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of income when the asset is derecognised.

2. Summary of significant accounting policies (continued)

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position, only where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value, cost being landed value determined on the weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production expenses. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

(j) Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised by using the 'percentage of completion method'. The stage of completion is determined by internal valuations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately in the consolidated statement of income.

Costs incurred in the year in connection with future activity on a contract are excluded and shown as contract work-in-progress. The aggregate of the costs incurred and the profit/(loss) recognised on each contract is compared against the progress billings up to the year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers on construction contracts, under receivables and prepayments. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on construction contracts, under trade and other payables.

(k) Financial assets

Initial recognition and measurement

The Group's financial assets include cash at bank and trade and other receivables. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, deposits held on call with banks with an original maturity of three months or less, net of bank overdrafts and short-term borrowings. Bank overdrafts and short-term borrowings are included within borrowings in current liabilities in the consolidated statement of financial position.

Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is established when there is objective evidence that the amount will not be collected according to the original terms of the invoice. When a trade receivable is uncollectible, it is written off against the allowance accounts for trade receivables.

2. Summary of significant accounting policies (continued)

(k) Financial assets (continued)

Subsequent measurement (continued)

Trade and other receivables (continued)

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

In relation to trade and other receivables the carrying amount of the receivable is reduced through use of an allowance account when there is doubt about the collectability of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

De-recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated statement of income.

(l) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs. The Group's financial liabilities include borrowings as well as trade and other payables and are recognised initially at fair value.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the consolidated statement of income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of comprehensive income.

Trade and other payables

Liabilities for trade and other accounts payable which are normally settled on 30 day terms are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

2. Summary of significant accounting policies (continued)

(l) Financial liabilities (continued)

Subsequent measurement (continued)

Trade and other payables (continued)

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of income.

(m) Stated capital

Shares are classified as equity and is recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(n) Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of income, except to the extent that it relates to items recognised directly in equity.

The current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the consolidated statement of financial position date.

Deferred income tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and tax laws that have been enacted or substantially enacted by the consolidated statement of financial position date and are expected to apply when the related income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets relating to carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax to be recovered.

(o) Employee benefits

Pension

Retirement benefits for Group's employees are provided by various defined benefit plans. These plans are funded by contributions from the Group and qualified employees. Payments are made to pension trusts, which are financially separate from the Group, in accordance with periodic calculations by actuaries.

For the CDP Trinidad Limited and Agostini's Limited (operating in Trinidad and Tobago) defined benefit plans, the pension accounting costs are assessed using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. The maximum economic benefits available, as limited by the asset ceiling will crystallise in the form of reductions in future contributions.

2. Summary of significant accounting policies (continued)

(o) Employee benefits (continued)

Pension (continued)

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation within "employee benefit expense" (Note 22):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

The employees of Smith Robertson & Company Limited and the Vemco division (operating in Trinidad and Tobago) are members of the Victor E. Mouttet Limited defined benefit plan, the assets of which are held in separate trustee administered funds. The pension plan is funded by payments from employees and by the Company taking account of the recommendations of independent qualified actuaries. The Company's contributions are included in the employee benefit expense of these consolidated financial statements. Any assets and liabilities in relation to this defined benefit plan in accordance with International Accounting Standard 19 - Employee Benefits, are recorded by the Victor E. Mouttet Limited.

Hanschell Inniss Limited and Peter & Company Limited (operating in Barbados and St. Lucia respectively) participates in a defined benefit and defined contribution plans respectively operated by Goddard Enterprises Limited for the Group employees under segregated fund policies with Sagicor Life Inc. The schemes are funded through payments from the employees and the Group determined by periodic actuarial calculations.

Independence Agencies Limited (operating in Grenada) operates a defined contribution plan which is administered by a registered Insurance Company. Independence Agencies Limited pays fixed contributions into the fund and has no legal or constructive obligation to pay further contributions. The contributions are recorded as an expense in the consolidated statement of income.

Profit-sharing bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the equity holders of the parent shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(p) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

When the Group can reliably measure the outflow of economic benefits in relation to a specific matter and considers such outflows to be probable, the Group records a provision against the matter. Given the subjectivity and uncertainty of determining the probability of losses, the Group takes into account a number of factors including legal advice, the stage of a matter and historical evidence from similar incidents.

2. Summary of significant accounting policies (continued)

(q) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue comprises the fair consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all revenue arrangements, has pricing latitude and is also exposed to inventory and credit risk. Revenue is recognised as follows:

i) Sales of goods-wholesale

The Group sells a range of general consumer items and food products to the wholesale market. Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured. These products are often sold with volume discounts and customers have a right of return on certain products.

ii) Sales of goods-retail

The Group operates a chain of retail outlets for selling its products to the retail market. Revenue is recognised when a Group entity sells a product to the customer. Retail sales are usually by cash or by credit card.

iii) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature.

iv) Contract income

Revenue on fixed priced contracts is recognised by reference to the value of contract work executed as described in Note 2 j).

v) Other income

All other income is recognised on the accrual basis.

(r) Dividends

Dividend distribution on ordinary shares to the Parent's shareholders is recognised as a liability and deducted from equity in the consolidated financial statements in the period in which the dividends are approved by the Board of Directors. Interim dividends are distributed from equity when they are paid. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

(s) Leases

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

The Group has entered into commercial property leases (as Lessor) on its investment property portfolio. The Group has determined, based on evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for contracts as operating leases.

2. Summary of significant accounting policies (continued)

(s) Leases (continued)

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the liability balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the consolidated statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed when incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(u) Fair value measurement

The Group measures freehold properties and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2. Summary of significant accounting policies (continued)

(u) Fair value measurement (continued)

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(v) Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready for use 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

(w) Current versus non-current distinction

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. Financial risk management and fair value estimation

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. Risk is managed through a process of ongoing identification, measurement and monitoring. The process of risk management is critical to the Group's continuing profitability and each individual company within the Group is accountable for the risk exposures relating to their responsibilities.

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles. Day to day adherence to risk principles is carried out by the Executive Management of the Group.

i) Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group companies comprises currency risk and cash flow interest rate risks.

a) Currency risk

Currency risk is the risk that the value of a recognised asset or liability will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases in a currency other than the Group's functional currency and net investments in foreign operations. The Group's primary exposure is primarily with respect to the US dollar. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses.

	TTD $'000	USD $'000	ECD $'000	BDS $'000	Euro $'000	TOTAL $'000
Year ended 30 September 2017						
ASSETS						
Cash at bank	182,096	41,838	14,518	15,670	419	254,541
Trade and other receivables	337,829	41,486	66,654	46,482	41	492,492
Total financial assets	519,925	83,324	81,172	62,152	460	747,033
LIABILITIES						
Borrowings	336,197	61,189	59,691	15,465	–	472,542
Trade and other payables	189,563	215,693	54,759	21,644	4,288	485,947
Total financial liabilities	525,760	276,882	114,450	37,109	4,288	958,489
Net currency risk exposure	(5,835)	(193,558)	(33,278)	25,043	(3,828)	(211,456)
Reasonably possible change in foreign exchange rate		5%	5%	5%	5%	
Effect on profit before tax		(9,678)	(1,664)	1,252	(192)	(10,282)

For the Year Ended 30 September

3. Financial risk management and fault value estimation (continued)

(a) Financial risk factors (continued)

i) Market risk (continued)

a) Currency risk (continued)

	TTD $'000	USD $'000	ECD $'000	BDS $'000	TOTAL $'000
Year ended 30 September 2016					
ASSETS					
Cash at bank	131,919	24,977	14,261	1,682	172,839
Trade and other receivables	232,669	18,792	66,251	52,548	373,507
Total financial assets	367,835	43,769	80,512	54,230	546,346
LIABILITIES					
Borrowings	245,091	49,955	39,934	18,229	353,209
Trade and other payables	113,757	107,018	68,349	115,678	404,802
Total financial liabilities	358,848	156,973	108,283	133,907	758,011
Net currency risk exposure	8,987	(113,204)	(27,771)	(79,677)	(211,665)
Reasonably possible change in foreign exchange rate		5%	5%	5%	
Effect on profit before tax		(5,660)	(1,389)	(3,983)	(11,032)

b) Cash flow and fair value interest rate risk

As the Group has no significant variable rate interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. The Group manages its interest rate exposure by maintaining a significant percentage of the long-term borrowings in fixed rate instruments.

The Group has calculated the impact on profit and loss of a change in interest rates of 100 basis points, based on the average variable borrowings for the financial year. Based on these calculations, the impact would be an increase or decrease of $633,041 (2016: $778,799).

ii) Credit risk

The Group takes on exposure to credit risk, which is the potential for loss due to a debtor's failure to pay amounts when due. Credit risk arises from cash and outstanding receivables. Impairment provisions are established for losses that have been incurred at the consolidated statement of financial position date.

The Group trades only with recognised, credit worthy third parties, who are subject to credit verification procedures, which take into account their financial position and past experience. Individual risk limits are set based on internal ratings. Exposure to credit risk is further managed through regular analysis of the ability of debtors to settle their outstanding balances. Cash is deposited with reputable financial institutions.

The following table shows the maximum exposure to credit risk which represents a worst case scenario of credit risk exposure, without taking account of any collateral held or other credit enhancements attached.

	Gross maximum exposure 2017 $'000	2016 $'000
Trade and other receivables – net (Note 11)	475,146	360,288
Cash at bank and in hand (Note 21)	254,541	172,839
Total	729,687	533,127

3. Financial risk management and fair value estimation (continued)

(a) Financial risk factors (continued)

iii) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Group manages its liquidity risk by monitoring its projected inflows and outflows from operations. Where possible the Group utilises surplus internal funds to finance its operations and ongoing projects. The Group also utilises available credit facilities such as long term borrowings, overdrafts and other financial options where required.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Greater than 5 years $'000	Total $'000
2017					
Bank overdraft/acceptances	94,514	–	–	–	94,514
Borrowings	100,609	77,828	174,788	194,114	547,339
Trade and other payables	390,078	–	–	–	390,078
	585,201	77,828	174,788	194,114	1,031,931
2016					
Bank overdraft/acceptances	73,988	–	–	–	73,988
Borrowings	68,728	38,943	124,050	136,892	368,613
Trade and other payables	349,833	–	–	–	349,833
	492,549	38,943	124,050	136,892	792,434

(b) Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain healthy capital ratios.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio, which is calculated as total borrowings, both current and non-current, less cash divided by shareholders equity. The gearing ratio at 30 September 2017 is 25% (2016: 28%).

For 2017, the Group complied with all of the externally imposed capital requirements to which they are subject.

(c) Fair value estimation

The carrying amount of short-term financial assets and liabilities comprising cash at bank, accounts receivable, accounts payable and the current portion of borrowings are a reasonable estimate of their fair values because of the short maturity of these instruments.

The fair value of the long-term portion of the fixed rate financing as at 30 September 2017 is estimated to be $334.4 million (2016: $244.3 million) which is similar to its carrying value of $334.4 million (2016: $244.3 million). For all other financial assets and liabilities, the carrying value is considered a reasonable approximation of fair value.

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

3. Financial risk management and fair value estimation (continued)

(c) Fair value estimation (continued)

Level 2

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

The Group's investment properties and property, plant and equipment fair values were determined on the basis of Level 3.

4. Significant accounting estimates, assumptions and judgements

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Impairment of goodwill and intangibles

The Group determines whether goodwill or other indefinite life intangibles are impaired at least on an annual basis. This requires an estimation of recoverable amount which is the higher of the 'value in use' or 'fair value less costs of disposal' of the cash-generating units to which the goodwill or other intangibles are allocated. Estimating a recoverable amount requires management to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate and the growth rate used for extrapolation purposes.

ii) Provision for impairment of trade receivables

Management exercises judgement and estimation in determining the adequacy of provisions for trade accounts receivable balances for which collections are considered doubtful. Judgement is used in the assessment of the extent of the recoverability of long outstanding balances. Actual outcomes may be materially different from the provision established by management.

iii) Revenue recognition – construction contracts

The Group uses the percentage-of-completion method in accounting for its construction contracts. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total value of the contract. Where actual results differ from these estimates the profit or loss earned will be affected.

iv) Revaluation of freehold properties and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the consolidated statement of income. In addition, it measures freehold properties at revalued amounts with changes in fair value being recognised in equity. Management performed an internal assessment the fair value of the assets of the Group as at 30 September 2017, resulting in no change to carrying amounts. Valuations are sensitive to the underlying assumptions utilised by management in the valuation methodology applied in determining fair value.

4. Significant accounting estimates, assumptions and judgements (continued)

v) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the existence of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group Company's domicile.

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

vi) Pension benefits

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

5. Property, plant and equipment

	Land, buildings and improvements $'000	Furniture and office equipment $'000	Motor vehicles $'000	Machinery and equipment $'000	Capital work in progress $'000	Total $'000
Year ended 30 September 2017						
Opening net book amount	345,587	37,726	15,820	2,265	7,270	408,668
Additions	28,962	12,802	10,540	3,680	27,942	83,926
Disposals	–	(55)	(110)	(20)	–	(185)
Changes in composition of Group (Note 30)	42,699	8,644	7,444	38,261	6,679	103,727
Transfers	4,758	1,897	35	–	(6,690)	–
Net transfer from investment properties (Note 6)	44,537	–	–	–	–	44,537
Foreign exchange translation	1,074	473	(664)	–	452	1,335
Depreciation charge	(8,602)	(14,614)	(8,706)	(7,636)	–	(39,558)
Closing net book amount	459,015	46,873	24,359	36,550	35,653	602,450
At 30 September 2017						
Cost or valuation	525,250	173,236	96,102	193,259	35,653	1,023,500
Accumulated depreciation	(66,235)	(126,362)	(71,743)	(156,710)	–	(421,049)
Net book amount	459,015	46,873	24,359	36,550	35,653	602,450

For the Year Ended 30 September

5. Property, plant and equipment (continued)

	Land, buildings and improvements $'000	Furniture and office equipment $'000	Motor vehicles $'000	Machinery and equipment $'000	Capital work in progress $'000	Total $'000
Year ended 30 September 2016						
Opening net book amount	325,931	35,583	14,087	2,286	1,125	379,012
Additions	26,103	13,800	7,195	550	8,820	56,468
Disposals	(78)	(1,173)	(722)	(5)	–	(1,978)
Transfers	238	105	–	–	(343)	–
Transfer to intangible assets (Note 7)	–	–	–	–	(6)	(6)
Net transfer to investment properties (Note 6)	(1,545)	–	–	–	–	(1,545)
Foreign exchange translation	3,200	(1,077)	1,097	–	110	3,330
Depreciation charge	(8,229)	(9,512)	(5,837)	(566)	–	(24,144)
Impairment	(33)	–	–	–	(2,436)	(2,469)
Closing net book amount	345,587	37,726	15,820	2,265	7,270	408,668
At 30 September 2016						
Cost or valuation	401,360	129,021	61,736	7,824	7,270	607,211
Accumulated depreciation	(55,773)	(91,295)	(45,916)	(5,559)	–	(198,543)
Net book amount	345,587	37,726	15,820	2,265	7,270	408,668

An independent professional valuation was conducted on the leasehold and freehold properties as at 30 September 2014 by Brent Augustus at $24,000,000 owned by one of the subsidiaries, Superpharm Limited. The Directors are satisfied that the carrying value of the remaining properties in the current period is representative of its fair value.

Depreciation expense of for the year ended 30 September 2017 of $31,239,170 (2016:$24,143,488) has been charged in administration expenses and $8,318,972 (2016: Nil) in cost of sales.

If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2017 $'000	2016 $'000
Cost	241,983	200,850
Accumulated depreciation	(26,673)	(25,315)
Net book amount	215,310	175,535

6. Investment properties

	2017 $'000	2016 $'000
Beginning of year	66,239	64,694
Transfers from property, plant and equipment (Note 5)	–	1,676
Transfers to property, plant and equipment (Note 5)	(44,537)	(131)
End of year	21,702	66,239

Investment property was valued by Linden Scott & Associates Limited and Raymond and Pierre, professional valuators in September 2013 at $54,407,551 on the open market value basis. Management valued the existing investment properties in September 2017 at $21,702,142 (2016: $66,238,667) on the open market value basis.

6. Investment properties (continued)

The following amounts have been recognised in the consolidated statement of comprehensive income:

	2017 $'000	2016 $'000
Rental income	1,118	8,027
Direct operating expenses	118	1,790

7. Intangible assets

	Goodwill	Customer relationships brands and trade name	Software	Total
As at 30 September 2016	$'000	$'000	$'000	$'000
Gross carrying amounts as at 1 October 2015	116,635	12,941	6,184	135,760
Foreign exchange translation differences	–	1,215	–	1,215
Transfer from property, plant and equipment (Note 5)	–	–	6	6
Additions	–	3,100	997	4,097
Gross carrying amounts as at 30 September 2016	116,635	17,256	7,187	141,078
Accumulated impairment and amortisation as at 1 October 2015	–	(690)	(3,080)	(3,770)
Amortisation	–	(2,788)	(1,468)	(4,256)
Impairment	(563)	–	–	(563)
Accumulated impairment and amortisation as at 30 September 2016	(563)	(3,478)	(4,548)	(8,589)
Net carrying amounts as at 30 September 2016	116,072	13,778	2,639	132,489
As at 30 September 2017				
Gross carrying amounts as at 1 October 2016	116,635	17,256	7,187	141,078
Foreign exchange translation differences	–	1,147	–	1,147
Changes in composition of the Group	68,978	–	375	69,353
Disposal	–	–	(219)	(219)
Gross carrying amounts as at 30 September 2017	185,613	18,403	7,343	211,359
Accumulated impairment and amortisation as at 1 October 2016	(563)	(3,478)	(4,548)	(8,589)
Amortisation	–	(1,691)	(1,112)	(2,803)
Disposal and other	–	–	340	340
Accumulated impairment and amortisation as at 30 September 2017	(563)	(5,169)	(5,320)	(11,052)
Net carrying amounts as at 30 September 2017	185,050	13,234	2,023	200,307

7. Intangible assets (continued)

Goodwill

In accordance with IFRS 3, 'Business Combinations', goodwill acquired through business combinations has been allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash-generating units to which goodwill relates.

The following table highlights the goodwill and impairment testing information for each cash-generating unit at year end:

Cash-Generating Unit	Carrying amount of goodwill $'000	Discount rate	Growth rate (extrapolation period)	Year of acquisition
Rosco Petroavance Limited	216	11.45%	2%	2000
CDP Trinidad Limited (Hand Arnold division)	40,642	10.2%	2.5%	2008
CDP Trinidad Limited (Vemco division)	36,102	10.2%	2.5%	2017
CDP Trinidad Limited (Pepsi division)	32,876	10.2%	2.5%	2017
Superpharm Limited	20,888	10.7%	2.9%	2010
Smith Robertson & Company Limited	11,845	10.2%	3%	2010
Agostini Marketing (Interchem division)	1,985	12.2%	3%	2008
Hanschell Inniss Limited	20,895	11.13%	3%	2015
Coreas Distribution Limited	19,471	10.8%	3%	2015
Peter and Company Limited	130	10.6%	3%	2015
Total	**185,050**			

During the year, management reviewed the allocation of goodwill amongst the respective Cash-Generating Units and this resulted in a reallocation of goodwill. There was no change to the gross carrying amount of total goodwill as a result of this review process.

For all of the above impairment tests, the recoverable amount of the relevant business units was determined based on value in use calculations using pre-tax cash flow projections. These projections are based on financial budgets approved by the Board of Directors of the respective companies. In assessing value in use, some budgets were adjusted to deliver an adequate balance between historic performance and likely future outcomes. Growth rates are based on published industry research where available or on the historic average of real GDP for the local economy.

Customer relationships, brands, rights and trade names

Subsequent to initial recognition, the customer relationships, brands and trade names were carried at cost and are expected to have a life of 10 years. Impairment tests were performed on the customer relationships, brands and trade names at year end and there were no impairment charges arising. In 2016 the Group acquired exclusive distribution rights for a drink brand at a cost of $3.1 million which is being amortised on a straight line basis over a finite period of ten years. This asset was not subject to impairment testing at year end as there were no impairment indicators.

The following table highlights the impairment testing information for each brand and license at year end:

Cash-generating unit	Carrying amount of relationships, brands, rights and trade names $'000	Discount rate	Growth rate (extrapolation period)
Hanschell Inniss Limited	4,691	11.13%	3%
Coreas Distribution Limited	3,591	10.8%	3%
Peter and Company Limited	2,188	10.6%	3%
CDP Trinidad Limited	2,764		
Total	**13,234**		

7. Intangible assets (continued)

Software

Intangible assets also include the purchase of a software system known as Syspro System which was recognised at fair value at the capitalisation date. Subsequent to initial recognition, computer software was carried at cost, less amortisation and is expected to have a finite useful life of 3 years.

8. Retirement benefits

The Group has defined benefit and defined contribution plans in Trinidad and Tobago, Barbados, St. Lucia, St. Vincent and Grenada. These plans are governed by the deeds and rules of the specific plan and the employment laws relevant to the jurisdictions in which they operate.

Contributions recognised in the consolidated statement of income with respect to defined contribution plans are as follows:

	2017 $'000	2016 $'000
Contribution expense – Trinidad and Tobago plans	6,011	4,046
Contribution expense – Overseas plans	2,142	3,114

The level of pension benefits provided under the defined benefit plans depends on the member's length of service and salary at retirement age. The defined benefit pension plan requires contributions to be made to a separately administered fund. The fund has a separate legal form and is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The Board of Trustees periodically reviews the level of funding in the pension plan. Such a review includes the asset-liability matching strategy and investment risk management policy which considers the term of the pension obligation while simultaneously remaining compliant with the requirements of the Pension Act. The pension plans are exposed to inflation, interest rate risks and changes in the life expectancy for pensioners in the relevant jurisdictions. As the plan assets include significant investments in quoted equity shares, the Group is also exposed to equity market risk.

	2017 $'000	2016 $'000
Retirement benefits asset:		
Trinidad and Tobago plans (See Note 8 (a))	18,101	17,540
Overseas plans (See Note 8 (b))	2,620	3,269
	20,721	20,809
Retirement benefits liability		
Overseas plans (See Note 8 (b))	4,738	4,722

For the Year Ended 30 September

8. Retirement benefits (continued)

a) Trinidad and Tobago plans

	Defined benefit pension plan	
	2017 $'000	2016 $'000
Changes in present value of defined benefit obligation		
Defined benefit obligation at start of year	155,387	156,956
Interest cost	7,463	6,818
Current service cost – employer's portion	4,177	4,094
Employee additional voluntary contributions	3,481	3,169
Actuarial gains	(310)	(8,682)
Transfer in	742	–
Benefits paid	(7,090)	(6,968)
Defined benefit obligation at end of year	163,850	155,387
Change in fair value of plan assets		
Plan assets at start of year	172,927	173,077
Administration expense	(388)	(301)
Expected return on plan assets	8,639	7,962
Actuarial loss	187	(7,135)
Employee additional voluntary contributions	3,481	3,169
Transfer in	742	–
Benefits paid	(7,090)	(6,968)
Company contributions	3,453	3,123
Plan assets at end of year	181,951	172,927
Amounts recognised in the consolidated statement of financial position		
Present value of pension obligations	(163,850)	(155,387)
Fair value of plan assets	181,951	172,927
Net benefit asset	18,101	17,540
Represented by:		
Retirement benefit asset	18,101	17,540
Retirement benefit liability	–	–
	18,101	17,540
Amount recognised in the consolidated statement of income		
Current service cost	4,177	4,094
Interest on obligation	7,463	6,818
Expected return on plan assets	(8,639)	(7,962)
Administration cost	388	301
Net pension expense recognised during the year	3,389	3,251
Movements in the net asset recognised in the consolidated statement of financial position		
Net asset at 1 October	17,540	16,121
Net pension expense recognised in the consolidated statement of income	(3,389)	(3,251)
Actuarial gains recognised in other comprehensive income	497	1,547
Employer contributions	3,453	3,123
Net asset at 30 September	18,101	17,540

For the Year Ended 30 September

8. Retirement benefits (continued)

a) Trinidad and Tobago plans (continued)

	2017	2016
The major categories of plan assets as a percentage of total plan assets are as follows:		
Mortgages	0%	3%
Government securities	45%	49%
Local equities	27%	30%
Foreign assets	20%	13%
Short-term	8%	5%
Principal actuarial assumptions at the consolidated statement of financial position date		
Discount rate	5%	5%
Future salary escalation	3%	3%-4%
Expected return on plan assets	2.5%-4.5%	4.5%

A quantitative sensitivity analysis for significant assumptions as at 30 September is as shown below for Agostini's Limited and CDP Trinidad Limited:

Assumptions	Discount rate 1% increase $'000	Discount rate 1% decrease $'000	Future salary 1% increase $'000	Future salary 1% decrease $'000
2017				
Impact on the defined benefit obligation	(10,383)	12,450	3,011	(2,040)
2016				
Impact on the defined benefit obligation	(10,224)	13,384	3,182	(2,190)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Group is expected to contribute $3.69 million to its Trinidad and Tobago defined benefit plans in 2018.

The weighted average duration of the defined benefit obligation for the Agostini's Limited plan at the end of the reporting period is 17 years (2016: 17 years).

The weighted average duration of the defined benefit obligation for the CDP Trinidad Limited plan at the end of the reporting period is 15 years (2016: 14 years).

Both the Agostini's Limited and CDP Trinidad Limited pension plans are maintained at significant surpluses. The Group has chosen not to take any contribution holidays to ensure the continued health of the plans in the changing economic circumstances. Members of both pension plans, other than employees of Superpharm Limited (who participate in the Agostini's Limited plan) are required to contribute to the plans at the rate of 5% of their earnings for the foreseeable future. Employees of Superpharm Limited are required to contribute to the plan at the rate of 3% of their earnings for the foreseeable future.

For the Year Ended 30 September

8. Retirement benefits (continued)

b) Overseas plans

Employee benefit asset	Defined benefit pension plan 2017 $'000	2016 $'000
Changes in present value of defined benefit obligation		
Defined benefit obligation at start of year	65,528	61,821
Foreign exchange translation	762	(9,111)
Interest cost	5,012	4,958
Current service cost – employer's portion	1,624	1,533
Employee additional voluntary contributions	597	575
Actuarial gains	(2,355)	(3,184)
Benefits paid	(2,770)	(3,068)
Transfer	–	12,004
Defined benefit obligation at end of year	68,398	65,528
Change in fair value of plan assets		
Plan assets at start of year	64,075	63,758
Foreign exchange translation	(1,569)	(11,359)
Transfer of assets	749	8,845
Administration expense	(49)	(398)
Expected return on plan assets	4,913	3,743
Employee additional voluntary contributions	597	575
Company contributions	2,224	1,979
Benefits paid	(2,770)	(3,068)
Plan assets at end of year	68,170	64,075
Amounts recognised in the consolidated statement of financial position		
Present value of pension obligations	(68,398)	(65,528)
Fair value of plan assets	68,170	64,075
Asset ceiling	(1,890)	–
Net benefit liability	(2,118)	(1,453)
Represented by:		
Retirement benefit asset	2,620	3,269
Retirement benefit liability	(4,738)	(4,722)
	(2,118)	(1,453)
Amount recognised in the consolidated statement of income		
Current service cost	1,624	1,533
Interest on obligation	5,012	4,958
Administration cost	49	398
Expected return on plan assets	(4,913)	(3,743)
Net pension expense recognised during the year	1,772	3,146

For the Year Ended 30 September

8. Employee benefit asset (continued)

b) Overseas plans (continued)

	Defined benefit pension plan 2017 $'000	2016 $'000
Movements in the net liability recognised in the consolidated statement of financial position		
Net (liability)/asset at 1 October	(1,453)	1,937
Foreign exchange	(284)	633
Net pension expense recognised in the consolidated statement of income	(1,772)	(3,146)
Actuarial (losses)/gains recognised in other comprehensive income	(833)	2,452
Employer contributions	2,224	(1,979)
Transfer	–	(1,350)
Net liability at 30 September	(2,118)	(1,453)

	2017	2016
The major categories of plan assets as a percentage of total plan assets are as follows:		
Mortgages	5%	2%
Government securities	37%	13%
Local equities	28%	68%
Foreign assets	9%	5%
Short-term	21%	12%
Principal actuarial assumptions at the consolidated statement of financial position date		
Discount rate	7.5%-7.75%	7.75%
Future salary escalation	6.5%-6.75%	6.5% - 6.75%
Expected return on plan assets	7.5%-7.75%	3.75% - 7.5%
Future pension increases (current retirees only)	3.5%-3.75%	3.5% - 7.75%

A quantitative sensitivity analysis for significant assumptions as at 30 September is as shown below for Hanschell Inniss Limited:

Assumptions	**Discount rate**		**Future salary**	
	1% increase $'000	**1% decrease $'000**	**0.5% increase $'000**	**0.5% decrease $'000**
2017				
Impact on the defined benefit obligation	(22,057)	27,736	24,927	(24,309)
2016				
Impact on the defined benefit obligation	(11,459)	10,197	9,006	(8,730)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The pension plan is maintained at a significant surplus. The Group has chosen not to take any contribution holidays to ensure the continued health of the plan in changing economic circumstances. The Group's contribution rate of up to 5% of pensionable salaries will continue into the foreseeable future.

The Group is expected to contribute $1.8 million to its overseas defined benefit plans in 2018.

The weighted average duration of the defined benefit obligation at the end of the reporting period is 21 years (2016: 21 years).

For the Year Ended 30 September

9. Inventories

	2017 $'000	2016 $'000
Finished goods and goods for resale	435,081	352,876
Raw materials	20,164	351
Provision for obsolescence	(6,852)	(8,183)
	448,393	345,044
Goods in transit	101,430	69,277
Work-in-progress	141	247
	549,964	414,568

The cost of inventories recognised as an expense and included in cost of sales amounted to $2,207 million (2016: $1,903 million).

10. Construction contract work-in-progress

	2017 $'000	2016 $'000
Contract costs incurred in the year	40,861	45,045
Contract expenses recognised in the year	(39,340)	(44,933)
	1,521	112
Contract costs incurred and recognised profits (less losses) to date	12,976	15,886

Amounts due from customers for construction contracts are shown in Note 11.

11. Trade and other receivables

	2017 $'000	2016 $'000
Trade receivables	441,431	339,401
Less: Provision for impairment of receivables	(26,241)	(30,877)
Trade receivables - net	415,190	308,524
Prepayments	17,346	13,219
Other receivables	42,031	28,019
Receivables from GEL group (Note 24)	6,380	11,817
Receivables from VEML group (Note 24)	1,093	1,536
	482,040	363,115
Amounts due from customers for construction contracts	10,452	10,620
Less: Provision for impairment of customers for construction contracts	–	(228)
	10,452	10,392
	492,492	373,507

11. Trade and other receivables (continued)

As at 30 September 2017, trade receivables and amounts due from construction customers at a value of $26,241,114 (2016: $31,104,833) were impaired and fully provided for. Movements in the provision for impairment of trade receivables were as follows:

	2017 $'000	2016 $'000
Balance at 1 October	31,105	27,810
Charge for the year	7,092	7,552
Amounts written off	(7,898)	(1,123)
Amounts recovered	(4,058)	(3,134)
Balance at 30 September	26,241	31,105

The creation and usage of provision for impaired receivables net of bad debts recovered have been included in 'marketing and distribution costs' in the consolidated statement of income.

Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

As at 30 September 2017 and 2016, the ageing analysis of trade receivables is as follows:

	Neither past due nor impaired $'000	Past due but not impaired 30-90 days $'000	Past due but not impaired over 90 days $'000	Total $'000
2017	237,565	134,075	43,550	415,190
2016	144,465	133,161	30,898	308,524

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

12. Stated capital and reserves

	2017 $'000	2016 $'000
Authorised		
An unlimited number of ordinary shares of no par value		
Issued and fully paid		
69,103,779 (2016: 58,704,249) ordinary shares of no par value	364,716	187,404

On 1 October 2016, Agostini's Limited issued 10,399,530 new ordinary shares to Victor E. Mouttet Limited (the ultimate parent company) at a price of $17.05 per share. The net proceeds of ordinary shares was $177,311,986 and as described further in note 30, these proceeds formed the consideration for the acquisition of Vemco Limited in 2017. A reconciliation of the number of shares and dollar amount of the issued and paid share capital during 2017 is presented below:

	Shares	$'000
As at 30 September 2016	58,704,249	187,404
Issued on 1 October 2016	10,399,530	177,312
At 30 September 2017	69,103,779	364,716

Other reserves consists of foreign exchange differences arising on the translation of the financial statements of foreign subsidiaries into Trinidad and Tobago dollars (the Group's presentation currency).

Revaluation reserves arises from the revaluation of freehold properties.

13. Borrowings

	For the Year Ended 30 September	
	2017 $'000	**2016 $'000**
Current		
i) Bankers' acceptances (Note 21)	87,997	57,591
ii) Bank overdraft (Note 21)	6,517	16,397
iii) Bank borrowings	43,584	34,876
	138,098	108,864
Non-current		
iv) Bank borrowings	334,444	244,345
Total borrowings	472,542	353,209

i) Bankers' acceptances are unsecured with a maturity period of 1 – 3 months. Interest rates on these borrowings are 3.4% – 5.0% per annum (2016: 3% – 5% per annum).

ii) Debenture over the fixed and floating assets of the Group stamped to cover $50,000,000 with Scotiabank Trinidad and Tobago Limited ranking pari passu with Republic Bank Limited. Certain subsidiaries' bank borrowings and bank overdrafts are secured by guarantees stamped to cover $50,800,000. The bank overdrafts incur interest at the rate of 3.25% – 6.50% per annum (2016: 3.25% – 6.50% per annum).

iii) &
iv) Bank borrowings include the following loans:

- On 2 October 2015, the Group entered into a refinancing arrangement with Scotiabank Trinidad and Tobago Limited to refinance all term debts and the Fixed Rate Bonds issued by RBC Trust Limited, Republic Bank Limited and First Citizens Trust Services Limited.

  This loan of $140,250,000 is secured by a first mortgage debenture over the fixed and floating assets of the Group, stamped to cover $275,000,000. The principal amount of the loan was $170,000,000 repayable via 28 equal principal payments of $4,250,000 plus interest. A bullet payment of the remaining balance of $51,000,000 will be due at maturity or subject to refinancing for a further 3 years at the bank's option. It has a fixed interest rate of 4.2% per annum.

- A loan of $60,000,000 which is secured by a second debenture over the fixed and floating assets of Agostini's Limited ranking pari passu with Republic Bank Limited and a specific first demand legal mortgage over additional real estate assets. This loan is repayable in monthly instalments of $658,615 over a period of 10 years with a fixed interest rate of 5.75% per annum.

- On December 2015 Agostini's Limited secured a $38,000,000 non-revolving loan with Scotiabank Trinidad and Tobago limited. This loan is repayable via sixty (60) equal quarterly principal payments of $633,333 plus interest at a rate of 5% per annum.

- In November 2016, Caribbean Distribution Partners Limited secured a $43,000,000 non-revolving loan with Scotiabank Trinidad and Tobago Limited. This loan is repayable via thirty two (32) equal quarterly principal payments of $1,075,000. A bullet payment of the remaining balance of $12,900,000 is due on the date of maturity. Interest on this facility was 6.25% per annum and it is secured by guarantees from Agostini's Limited and Goddard Enterprises Limited.

- A subsidiary's loan with Republic Bank Limited obtained in July 2014 which bears an interest rate of 5% per annum, payable in equal monthly instalments of $485,410 inclusive of interest. This loan is secured by the fixed assets of Vemco Limited stamped to cover $85,000,000.

13. Borrowings (continued)

Total borrowings (continued)

iii) &
iv) Bank borrowings include the following loans: (continued)

- A subsidiary's loan with Republic Bank Limited secured by a first mortgage over properties at Lot 9A and Lot 9B Diamond Vale Industrial Estate, Diego Martin stamped to cover $13,464,000. The loan commenced on 1 August 2014 and bears an interest of 4.85% per annum with monthly instalments of $117,941 inclusive of interest.
- A loan of $19,500,000 to refinance existing CIBC First Caribbean International Bank obtained from The Bank of Nova Scotia (Barbados) at an interest of 5.25% per annum. This facility is repayable in 59 equal monthly principal payments of $162,406 per month with security being guaranteed by Goddard Enterprises Limited and Agostini's Limited.
- A subsidiary's loan of $79,000,000 with a first charge over the fixed and floating assets of Peter and Company Limited secured at a rate of 5.2% per annum. The loan is repayable in 59 equal consecutive monthly principal payments of $167,320 each plus interest. The balance of the facility will be paid on or before 21 November 2021.

Maturity of non-current borrowings:

	2017 $'000	2016 $'000
Between 1 and 2 years	62,538	12,716
Between 2 and 5 years	150,077	56,077
Over 5 years	121,829	175,552
	334,444	244,345

14. Deferred income tax

The movement on the deferred tax account is as follows:

	Accumulated tax depreciation $'000	Fair value gains $'000	Retirement benefit obligation $'000	Tax losses $'000	Intangible assets $'000	Total $'000
As at 1 October 2016	16,448	2,690	6,500	(8,041)	6,695	24,292
Charge to consolidated statement of income (Note 19)	3,999	–	56	3,322	(431)	6,946
Changes in composition of Group (Note 30)	11,065	3,798	–	(37)	–	14,826
Charge to consolidated OCI	–	–	(99)	–	–	(99)
Prior year adjustment	(1,153)	–	–	–	–	(1,153)
As at 30 September 2017	30,359	6,488	6,457	(4,756)	6,264	44,812
As at 1 October 2015	12,179	2,298	4,670	(14,015)	7,460	12,592
Charge to consolidated statement of income (Note 19)	2,663	392	653	6,434	(765)	9,377
Charge to consolidated OCI	–	–	1,177	–	–	1,177
Prior year adjustment	1,606	–	–	(460)	–	1,146
As at 30 September 2016	16,448	2,690	6,500	(8,041)	6,695	24,292

For the Year Ended 30 September

14. Deferred income tax (continued)

	2017 $'000	2016 $'000
Deferred tax liability	57,603	33,067
Deferred tax asset	(12,791)	(8,775)
	44,812	24,292

Tax losses of Hanshell Inniss Limited which are available for set off against future taxable income for corporation tax purposes are as follows:

	Amount brought forward $'000	Amount utilised $'000	Amount carried forward $'000	Expiry date $'000
Income				
2008	1,670	(1,670)	–	2017
2009	7,321	(7,321)	–	2018
2010	1,884	(1,884)	–	2019
2015	12,031	(1,085)	10,946	2022
2016	1,250	–	1,250	2023
	24,156	(11,960)	12,196	

These losses are as computed by the Company in its corporation tax returns and have as yet neither been confirmed nor disputed by the Commissioner of Inland Revenue.

Tax losses of Facey's Trading Limited which are available for set off against future taxable income for corporation tax purposes are as follows:

	Amount brought forward $'000	Amount utilised $'000	Amount carried forward $'000	Expiry date $'000
Income				
2006	2,305	(2,305)	–	2015
2007	3,149	(3,149)	–	2016
2008	1,299	–	1,299	2017
2009	390	–	390	2018
2010	1,831	–	1,831	2019
2011	5,681	–	5,681	2020
2012	2,543	–	2,543	2021
2013	762	–	762	2022
2015	3,388	–	3,388	2024
	21,348	(5,454)	15,894	

For the Year Ended 30 September

15. Trade and other payables

	2017 $'000	2016 $'000
Trade payables	325,960	212,482
Accrued expenses	75,780	38,400
Amounts due to contractors	521	1,736
Other payables	20,089	16,569
Payables to GEL Group (Note 24)	62,620	134,891
Payables to VEML Group (Note 24)	977	724
	485,947	404,802

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60 day terms.
- Other payables are non-interest bearing and have an average term of six months.
- For terms and conditions with related parties, refer to Note 24.

16. Other operating income

	2017 $'000	2016 $'000
Management fees	–	1,644
Foreign exchange gains	4,257	8,631
Rental Income	5,877	11,516
Commissions	12,459	7,863
Gain on sale of property, plant and equipment	938	–
Insurance income	–	3,450
Miscellaneous Income	3,902	27,208
	27,433	60,312

17. Expenses by nature

Expenses incurred during the year in arriving at operating profit is presented below by nature of expenses:

	2017 $'000	2016 $'000
Depreciation and amortisation (Notes 5 and 7)	42,361	28,400
Employee benefit expense (Note 22)	314,242	228,460
Changes in inventories of finished goods and work-in-progress	1,391,936	1,107,397
Raw materials and consumables	821,296	557,300
Transportation	25,654	15,362
Advertising costs	35,502	18,769
Net creation of provision for impaired receivables	3,034	4,418
Insurance	10,995	11,100
Repairs and maintenance – vehicles	7,626	6,440
Repairs and maintenance – property	6,152	8,559
Legal and professional fees	8,960	5,089
Green fund levy	6,657	3,776
Directors fees	1,503	1,286
Operating lease payments	23,888	13,725
Other expenses	200,146	343,926
Total cost of goods sold, other operating, administration, and marketing and distribution expenses	2,899,952	2,354,016

For the Year Ended 30 September

18. Finance costs – net

	2017 $'000	2016 $'000
Interest income	(598)	(26)
Interest expense		
- bank borrowings	26,699	22,172
	26,101	22,146

19. Taxation

	2017 $'000	2016 $'000
Current tax	37,306	31,556
Deferred tax (Note 14)	6,946	9,377
Business levy	8,248	2,511
Prior years over provision	(2,051)	(1,145)
	50,449	42,299
The tax on profit before tax differs from the theoretical amount that would arise using the basic rate of tax as follows:		
Profit before taxation	175,436	139,051
Taxes at aggregate statutory tax rates of all jurisdictions:	52,631	41,715
Differences resulting from:		
Expenses not deductible for tax purposes	6,170	1,854
Income not subject to tax	(491)	(1,122)
Movement in deferred tax assets not recognised	(11,862)	–
Prior years over provision	(2,051)	(1,145)
Business levy	8,248	2,511
Other permanent differences	(2,196)	(1,514)
	50,449	42,299

Subsidiary companies have tax losses of approximately $23 million (2016: $42 million) available for set off against future profits.

As a result of the enactment of tax laws in Trinidad and Tobago, effective 30 September 2016, the rate of Corporation Tax on Chargeable Income greater than $1 million increased to 30% (previously 25%) for Trinidad and Tobago entities in the Group. Based on the Budget Presentation on 2 October 2017, the Finance Minister of the Government of Trinidad and Tobago announced a change in tax rate from 25% for the first $1 million in chargeable profits and 30% for all remaining chargeable profits for companies to a flat 30% tax rate for all chargeable profits in the 2018 financial period. This change would impact those entities incorporated in Trinidad and Tobago, that is, Agostini's Limited, Superpharm Limited, Smith Robertson & Company Limited, CDP Trinidad Limited, Rosco Petroavance Limited and Caribbean Distribution Partners Limited.

As disclosed in Note 2 a) ii), the consolidated financial statements includes a reclassification of 2016 comparative information. In accordance with IAS 12 – *Income Taxes*, paragraph 2 states that income taxes includes all domestic and foreign taxes which are based on taxable profits. As a result, the green fund levy amounts of $3,776,000 previously classified within taxation expense for the 2016 financial period was reclassified to administration expenses.

For the Year Ended 30 September

20. Earnings per share

Basic and diluted

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There are no dilutive potential ordinary shares in existence.

	2017	2016
Profit attributable to shareholders of the Parent ($'000)	100,207	89,034
Weighted average number of ordinary shares in issue ('000)	69,103	58,704
Basic and diluted earnings per share ($ per share)	$1.45	$1.52

21. Cash and cash equivalents

	2017 $'000	2016 $'000
Cash at bank and in hand	254,541	172,839
Bank overdraft (Note 13)	(6,517)	(16,397)
Bankers' acceptances (Note 13)	(87,997)	(57,591)
	160,027	98,851

22. Employee benefit expense

	2017 $'000	2016 $'000
Wages and salaries	262,218	183,462
National insurance	18,562	11,849
Other benefits	25,179	25,139
Pension costs	8,158	7,160
Termination costs	125	850
	314,242	228,460

For the Year Ended 30 September

23. Subsidiaries and associate

			2017	2016
Subsidiaries	**Principal activities**	**Country of incorporation**	**Percentage of equity held**	**Percentage of equity held**
Smith Robertson & Company Limited	Wholesale distribution of pharmaceutical and personal care items	Trinidad & Tobago	100%	100%
SuperPharm Limited	Sale of pharmaceutical and convenience items	"	100%	100%
Rosco Petroavance Limited	Marketing of equipment and services to Petroleum related companies	"	92%	92%
Ponderosa Pine Consultancy Limited	Rental of properties	"	100%	100%
Caribbean Distribution Partners Limited	Holding company	"	50%	50%
CDP Trinidad Limited	Wholesale distribution of food, beverage and grocery products	"	50%	50%
Hanschell Inniss Limited	"	Barbados	50%	50%
Peter and Company Limited	"	St. Lucia	50%	50%
Coreas Distribution Limited	"	St. Vincent	50%	50%
Independence Agencies Limited	"	Grenada	27.5%	27.5%
Facey Trading Limited	"	Barbados	50%	50%
Associate:				
Desinco Limited	"	Guyana	20%	20%

CDP Trinidad Limited consists of three (3) divisions involved in the fast moving consumer goods and food manufacturing segment.

Caribbean Distribution Partners Limited ("CDP") is primarily a holding company which has ownership of share capital in the following companies:

1) CDP Trinidad Limited (100%)
2) Hanschell Inniss Limited (100%)
3) Peter and Company Limited (100%)
4) Coreas Distribution Limited (100%)
5) Independence Agencies Limited (55.12%)
6) Facey Trading Limited (100%)
7) Desinco Limited (40%)

In accordance with IFRS 10 – *Consolidated Financial Statements*, Agostini's Limited was assessed as having control of CDP on the basis of the criteria for control as described in Note 2(b)(i). When an investor determines that it controls an investee, the investor (the parent) consolidates the investee (the subsidiary). A parent consolidates a subsidiary from the date on which the parent first obtains control, and continues consolidating that subsidiary until the date on which control is lost.

For the Year Ended 30 September

24. Related party transactions

The total amount of transactions that have been entered into with related parties are as follows:

		2017 $'000	2016 $'000
i)	Amounts due by related parties		
	Victor E. Mouttet Limited Group (Note 11)	1,093	1,536
	Goddard Enterprises Limited Group (Note 11)	6,380	11,817
		7,473	13,353
ii)	Amounts due to related parties		
	Victor E. Mouttet Limited Group (Note 15)	977	724
	Goddard Enterprises Limited Group (Note 15)	62,620	134,891
		63,597	135,615
iii)	Transactions with related parties:		
	Sales and services to related companies	70,982	27,604
	Purchases and services from related companies	19,029	217,420
iv)	Compensation of key management personnel:		
	Salaries and other short-term employee benefits	48,740	36,690

v) Related party transactions

Note 23 provides the information about the Group's structure including the details of the subsidiaries and the holding company.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year- end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 September 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

25. Material partly-owned subsidiary

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Company Name	Country of Incorporation and Operation	% Interest 2017	% Interest 2016
Caribbean Distribution Partners Limited Group	Republic of Trinidad and Tobago	50	50

	2017 $'000	2016 $'000
Accumulated balances of material non-controlling interests:		
Caribbean Distribution Partners Limited Group	251,748	163,744
Profit allocated to material non-controlling interests:		
Caribbean Distribution Partners Limited Group	24,234	10,197

For the Year Ended 30 September

25. Material partly-owned subsidiary (continued)

The summarised financial information of this subsidiary is provided below. This information is based on amounts before inter-company eliminations (where applicable):

Summarised consolidated statement of income:

	Caribbean Distribution Partners Limited Group	
	2017 $'000	**2016 $'000**
Revenues	2,029,499	1,416,498
Cost of sales	(1,588,156)	(1,140,123)
Administrative expenses	(201,784)	(90,288)
Other expenses – net	(162,165)	(154,671)
Finance costs	(14,324)	(8,922)
Share of profit in associate	816	1,188
Profit before tax	63,886	23,682
Taxation	(16,112)	(8,514)
Profit after tax	47,774	15,168
Total other comprehensive income	53,313	21,755
Attributable to non-controlling interests	24,234	10,197
Dividends paid to non-controlling interests	431	251
Summarised consolidated statement of financial position:		
Non-current assets	537,430	296,950
Current assets	756,734	482,265
Non-current liabilities	240,611	105,050
Current liabilities	378,714	274,001
Total equity attributable to:		
Equity holders of parent	423,091	236,420
Non-controlling interests	251,748	163,744
Summarised consolidated cash flow information:		
Operating	300	11,789
Investing	(4,299)	(28,772)
Financing	(34,300)	(8,727)
Net decrease in cash and cash equivalents	(38,299)	(25,710)

For the Year Ended 30 September

26. Commitments

a) Operating lease commitments – Group as lessee

The Group has entered into commercial leases on certain properties. These leases have an average life of between one to fifteen years, with renewal options included in the contracts. There are no restrictions placed upon the Group entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 30 September are as follows:

	2017 $'000	2016 $'000
Within one year	8,170	19,196
After one year but not more than five years	51,388	68,776
More than five years	27,687	56,093
	87,245	144,065

b) Operating lease arrangements – Group as lessor

The Group has entered into commercial leases on its investment property portfolio consisting of the Group's surplus office buildings. These non-cancellable leases have remaining terms of between one to five years. All leases include a clause to enable upward revision of the rental charge every three years according to prevailing market conditions.

Future minimum rentals receivable by the term under non-cancellable operating leases as at 30 September are as follows:

	2017 $'000	2016 $'000
Within one year	317	5,529
After one year but not more than five years	1,267	6,991
	1,584	12,520

27. Contingencies

		2017 $'000	2016 $'000
(i)	Customs bonds	24,903	32,720
(ii)	Bank guarantees	7,321	500
(iii)	Letter of credits	78,494	–

(iv) The Group's subsidiaries are involved in proceedings which are at various stages of litigation and their outcomes are difficult to predict. The information usually required by IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of this matter. In the Board of Directors' opinion, however, the disposition of these matters is not likely to have a materially adverse effect on the Group's financial condition or results of operations.

28. Dividends

The dividends paid and declared in 2017 and 2016 were $38,698,116 ($0.56 per share) and $32,874,444 ($0.56 per share) respectively. Subsequent to year end on 29 November 2017, the Group proposed and approved a final dividend for 2017 of $23,495,284 ($0.34 per share). This 2017 final dividend will be charged against retained earnings in 2018.

For the Year Ended 30 September

29. Segment information

For management purposes, the Group's operating segments are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products.

The pharmaceutical and personal care segment is a diversified supplier of pharmaceutical related items. The fast moving goods segment is a supplier and manufacturer of food and household related products. The industrial, construction and holdings segment provides services relating to interior modelling and other construction related services. Transfer prices amongst operating segments are set on an arm's length basis under normal commercial terms and conditions, similar to transactions with unrelated third parties. Segment revenue, expenses and results include transfers amongst operating segments. Those transfers are eliminated upon consolidation.

The Group's Board of Directors monitors the operating result of its business units and operating segments for the purpose of making decisions about resource allocations and performance assessments.

	Pharmaceutical & personal care distribution		Fast moving consumer goods and food manufacturing		Industrial, construction and holdings		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue								
Third party revenue	901,078	873,489	2,023,890	1,410,501	148,272	169,723	3,073,240	2,453,713
Inter segment sales	51,517	51,417	5,610	5,997	7,706	16,039	64,833	73,453
Total revenue	952,595	924,906	2,029,500	1,416,498	155,978	185,762	3,138,073	2,527,166
Results								
Operating profit	102,002	97,044	79,772	45,158	18,947	17,807	200,721	160,009
Share of profit of an associate	–	–	816	1,188	–	–	816	1,188
Finance costs - net	(6,603)	(6,698)	(14,324)	(8,922)	(5,174)	(6,526)	(26,101)	(22,146)
Profit before taxation	95,399	90,346	66,264	37,424	13,773	11,281	175,436	139,051
Taxation	(29,810)	(28,263)	(15,778)	(4,739)	(4,861)	(9,297)	(50,449)	(42,299)
Profit for the year	65,589	62,083	50,486	32,685	8,912	1,984	124,987	96,752
Non-controlling interests							(24,780)	(7,718)
Net profit attributable to equity holders of the parent							100,207	89,034
Consolidated total assets								
Segment assets	573,316	550,907	1,204,042	718,649	398,623	347,956	2,175,981	1,617,512
Consolidated total liabilities								
Segment liabilities	232,661	219,647	533,863	309,346	267,897	280,987	1,034,421	809,980
Other information								
Capital expenditure	30,298	22,147	49,578	26,795	4,050	7,526	83,926	56,468
Depreciation and amortisation	11,434	10,928	26,989	13,534	3,938	3,938	42,361	28,400

No revenue from transactions with a single external customer or counterparty amounted to 5% or more of the Group's total revenue in 2017 or 2016.

	Trinidad & Tobago		Barbados		Other countries		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Third party revenue	1,970,489	1,402,410	419,887	410,345	682,863	640,958	3,073,239	2,453,713
Non-current assets	703,970	498,747	10,156	12,568	110,333	96,081	824,459	607,396

Other countries include Grenada, Guyana, St. Lucia, and St. Vincent. The revenue information is based on the relevant subsidiaries' principal place of business.

Non-current assets include property, plant and equipment, investment properties and intangible assets.

30. Business combinations

a) Vemco Limited ("Vemco")

This company was a related party of the Group and was acquired on 1 October 2016. Vemco is incorporated and domiciled in Trinidad and Tobago and is primarily involved in the wholesale distribution and manufacture of fast moving consumer goods and drink related items within the Caribbean region.

The acquisition of Vemco was financed by Agostini's Limited through the issuance of 10,399,530 new common shares to the Group's majority shareholder Victor E. Mouttet Limited at the closing value of $177,311,986 and in exchange, Goddard Enterprises Limited (GEL) paid Agostini's Limited the value of $88,656,000 being 50% of the value of the share issuance. In addition, there was contingent consideration paid by the joint venture partners of $7,340,053 to Victor E. Mouttet Limited.

The acquired entity was then amalgamated with CDP Trinidad Limited in accordance with the Amalgamation Act as a division of CDP Trinidad Limited. As stated in Section 3 of the Amalgamation Act, the name of the amalgamated company shall be "CDP Trinidad Limited." CDP Trinidad Limited is 100% owned by Caribbean Distribution Partners Limited ("CDP"). CDP is a 50% owned subsidiary of Agostini's Limited.

The consolidation of Vemco into CDP Trinidad Limited was accounted as a business combination using the acquisition method of accounting in accordance with IFRS 3 "Business Combination." The net identifiable net assets for the entity acquired at the acquisition date was measured and recorded by the Group in conjunction with goodwill arising from the business combination.

The fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition disclosed in the 2017 consolidated financial statements were provisional. Due to the complexity of the acquisition, the assessment of the fair values of all the assets and liabilities had not been completed by the date when the 2017 consolidated financial statements were approved for issue by management.

	Provisional fair value ($'000)
Property, plant and equipment	101,016
Intangible asset	70
Total non-current assets	101,086
Inventories	101,652
Trade and other receivables	82,950
Taxation recoverable	302
Cash and cash equivalents	9,134
Total current assets	194,038
Total identifiable assets acquired	295,124
Trade and other payables	70,212
Borrowings	32,096
Other current liabilities	538
Total current liabilities	102,846
Borrowings	65,004
Deferred tax liability	14,826
Total non-current liabilities	79,830
Total identifiable liabilities assumed	182,676
Net identifiable assets acquired	112,448
Share of identifiable assets acquired	56,224

30. Business combinations (continued)

a) Vemco Limited ("Vemco") (continued)

Goodwill as at the acquisition date was determined at the end of the measurement period as follows:

	Provisional ($'000)
Consideration paid for the acquisition	92,326
Fair value of net identifiable assets acquired	(56,224)
Goodwill	36,102

b) Pepsi- Cola Trinidad Bottling Company Limited ("PCT")

This company is incorporated and domiciled in Trinidad and Tobago and was acquired on 1 November 2016 for US$13 million (TT$87,846,200) by the Group from the Central American Bottling Company Limited and Blue Waters Limited.

The cost to Agostini's Limited was US$6.5 million (TT$43,923,100).

PCT is the licensee and distributor of the PepsiCo range of beverages in Trinidad and Tobago. The beverage brands include Pepsi, Mountain Dew, 7Up, Fizz, the JuC range of flavoured soft drinks, Peardrax, Cydrax, Ocean Spray juices and several other beverage brands owned by or licensed to PepsiCo. PCT will also have distribution rights in Barbados for Pepsi, Mountain Dew, 7Up, Peardrax and Ocean Spray.

As stated in Section 3 of the Amalgamation Act, the name of the amalgamated company shall be "CDP Trinidad Limited." CDP Trinidad Limited is 100% owned by Caribbean Distribution Partners Limited ("CDP"). CDP is a 50% owned subsidiary of Agostini's Limited.

The consolidation of PCT into CDP was accounted as a business combination using the acquisition method of accounting in accordance with IFRS 3 "Business Combination." The net identifiable net assets for the entity acquired at the acquisition date was measured and recorded by the Group in conjunction with goodwill arising from the business combination.

The fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition disclosed in the the 2017 consolidated financial statements were provisional. Due to the complexity of the acquisition, the assessment of the fair values of all the assets and liabilities had not been completed by the date when the 2017 consolidated financial statements were approved for issue by management.

	Provisional fair value ($'000)
Property, plant and equipment	2,711
Inventories	6,631
Trade and other receivables	20,934
Cash and cash equivalents	6,000
Total current assets	33,565
Total identifiable assets acquired	36,276
Trade and other payables	14,182
Total identifiable liabilities assumed	14,182
Net identifiable assets acquired	22,094
Share of identifiable assets acquired	11,047

For the Year Ended 30 September

30. Business combinations (continued)

b) Pepsi- Cola Trinidad Bottling Company Limited ("PCT") (continued)

Goodwill as at the acquisition date was determined at the end of the measurement period as follows:

	Provisional ($'000)
Consideration paid for the acquisition	43,923
Fair value of net identifiable assets acquired	(11,047)
Goodwill	32,876

c) Cash outflow on acquisition

The goodwill on the transactions noted in parts a) and b) is primarily attributable to the significant synergies expected to be achieved from integrating with the Group. The goodwill recognised is non-deductible for tax purposes.

The consideration paid excluded acquisition related costs of $1,603,748. These costs were charged to administrative expenses in the Group's consolidated statement of comprehensive income for the year ended 30 September 2017.

The net cash inflow on the two acquisitions was as follows:

	At the acquisition date ($'000)
Net cash received	19,031
Cash and cash equivalents acquired	15,134
Net cash inflow on acquisition	34,165

31. Investment in associate

The Group has a 40% interest in Desinco Limited, a company involved in the fast moving consumer goods sector in Guyana. 50% of this interest is attributable to the non-controlling interest's share. The Group's interest in Desinco Limited is accounted for using the equity method in the consolidated financial statements.

	2017 $'000	2016 $'000
Carrying value	14,951	13,733
Share of results	816	1,188

31. Investment in associate (continued)

The following table illustrates the summarised financial information of the Group's investment in Desinco Limited.

	2017 $'000	2016 $'000
Assets:		
Non-current assets	2,248	1,781
Current assets	38,569	38,379
	40,817	40,160
Liabilities:		
Non-current liabilities	–	191
Current liabilities	3,439	5,636
	3,439	5,827
Net assets	37,378	34,333
Proportion of Group's ownership	40%	40%
Carrying amount of the investment	14,951	13,733
Revenue	65,217	57,627
Cost of sales	(51,301)	(44,894)
Gross profit	13,916	12,733
Other operating expense	(1,253)	(1,314)
Administration	(7,572)	(5,126)
Marketing and distribution	(1,374)	(1,297)
	(10,199)	(7,737)
Operating profit	3,717	4,996
Finance cost	(64)	(23)
Profit before tax	3,653	4,973
Taxation	(1,613)	(2,004)
Profit for the year	2,040	2,969
Total comprehensive income for the year	2,040	2,969
Group's share of profit for the year: 40% of profit after tax	816	1,188

The associate had no contingent liabilities or capital commitments as at 30 September 2017 (30 September 2016: Nil).

As disclosed in Note 2 a) ii), the consolidated financial statements includes a reclassification of 2016 comparative information. In accordance with IAS 28 – Investment in Associates and Joint Ventures and IAS 1 – Presentation of Financial Statements, share of profit from associate which is recognised in the consolidated statement of income is to be presented post tax (that is net of taxation expense for the year). An amount of $802,000 was reclassified from the taxation expense line item to share of profit in associate line item within the consolidated statement of income.

Management Proxy Circular

AGOSTINI'S

Republic of Trinidad & Tobago
The Companies Act, 1995
(Section 144)

1. **NAME OF COMPANY:**

   Agostini's Limited Company No. A-5907 (A)

2. **PARTICULARS OF MEETING:**

   Seventy-fourth Annual Meeting of the Shareholders of the Company to be held at the Marriott Hotel, Invaders Bay, Port of Spain on Monday, January 29, 2018 10:00 a.m.

3. **SOLICITATION:**

   It is intended to vote the Proxy hereby solicited by the Management of the Company (unless the Shareholder directs otherwise) in favour of all resolutions specified in the Proxy Form sent to the Shareholders with this Circular and in the absence of a specific direction, in the discretion of the Proxy Holder in respect of any other resolution.

4. **ANY DIRECTOR'S STATEMENT SUBMITTED PURSUANT TO SECTION 76 (2):**

   No statement has been received from any Director pursuant to Section 76 (2) of the Companies Act, 1995.

5. **ANY AUDITOR'S STATEMENT SUBMITTED PURSUANT TO SECTION 171 (I):**

   No statement has been received from the Auditors of the Company pursuant to Section 171 (I) of the Companies Act, 1995.

6. **ANY SHAREHOLDER'S PROPOSAL SUBMITTED PURSUANT TO SECTIONS 116 (a) AND 117 (2):**

   No proposal has been received from any Shareholder pursuant to Sections 116 (a) and 117 (2) of the Companies Act 1995.

DATE	NAME AND TITLE	SIGNATURE
December 7, 2017	Rajesh Rajkumarsingh Secretary Agostini's Limited	

Proxy Form

AGOSTINI'S

Republic of Trinidad & Tobago
The Companies Act, 1995
(Section 143 (1))

NAME OF COMPANY:
Agostini's Limited Company No: A-5907 (A)

PARTICULARS OF MEETING:
Seventy-fourth Annual Meeting of the Shareholders of the Company to be held at the Marriott Hotel, Invaders Bay, Port of Spain on Monday, January 29, 2018 at 10:00 a.m.

______________________________ of ____
Name (capital letters) *Address (capital letters)*

I/We, being a shareholder (s) of Agostini's Limited, hereby appoint Mr. Christian Mouttet or failing him, Mr. Anthony Agostini, Directors of the Company or

______________________________ of ____
Name (capital letters) *Address (capital letters)*

as my/our proxy to vote for me/us on my/our behalf on the Resolutions to be proposed at the meeting and at any adjournment thereof in the same manner, to the same extent and with the same powers as if the undersigned were present or such adjournment or adjournments thereof.

Signed this ______ day of ______________ 2018 ______________________________________
Signature of Shareholder(s)

Please indicate with a tick in the appropriated box below how you wish your proxy to vote on the Resolutions referred to. If no such indication is given, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.

RESOLUTIONS	FOR	AGAINST
1. To receive the Financial Statements for the year ended September 30, 2017 and reports of the Directors and Auditors thereon		
2. To re-elect the following Directors:		
i. Ms. Amanda Maharaj		
ii. Mr. Anthony Agostini		
iii. Mr. Reyaz Ahamad		
3. To appoint the Company's Auditors, and to authorise the Directors to fix their remuneration.		

NOTES:

1) If it is desired to appoint a proxy other than the named Directors, the necessary deletions must be made and initialed and the name inserted in the space provided.

2) In the case of joint holders, the signature of any holder is sufficient but the names of all joint holders should be stated.

3) If the appointer is a Corporation, this form must be under its Common Seal or under the name of an officer of the Corporation duly authorised in this behalf.

4) To be valid, the proxy form must be completed signed and deposited with the Secretary, Agostini's Limited, #18 Victoria Avenue, Port-of-Spain at least 48 hours before the time appointed for holding the meeting or adjourned meeting.

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AGOSTINI'S

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