AGOSTINI'S

ANNUAL REPORT 2018

A NATION TOGETHER

OUR ANNUAL REPORT'S THEME

A Nation Together

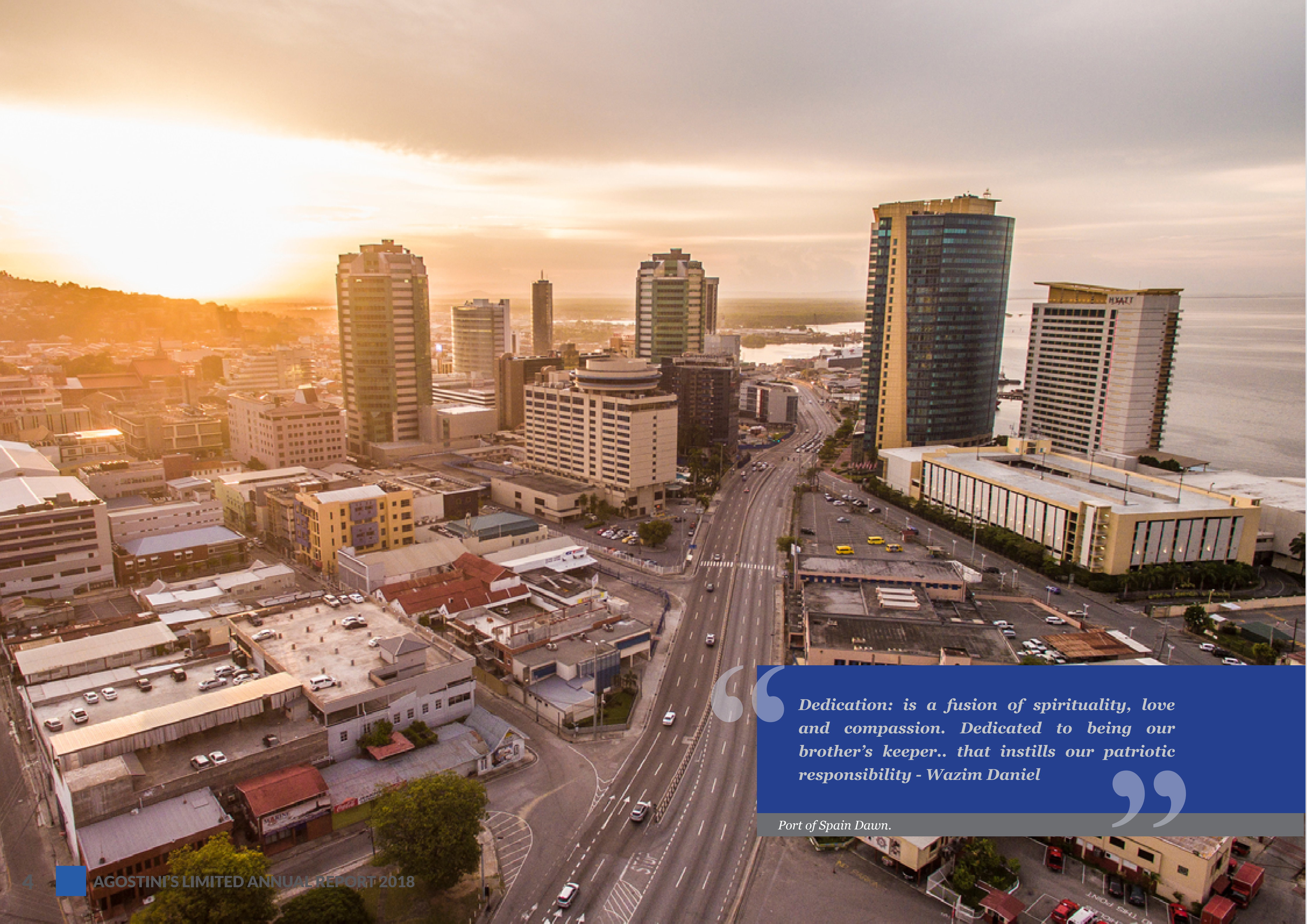
Within the borders of our Nation, resides our most valuable resource, our people!

On October 19th and 20th 2018, our twin island Republic, endured the worst flood in living memory. This once in 100 years flood, caused hardship and tragedy for many of our country's citizens.

Amidst the devastation there was an overwhelming and immediate response from many Individuals, NGO's, Charitable Organizations, Corporate T&T and the Government. All of whom came to the aid of those stranded and devastated by the disaster. The manner in which everyone came together to assist was unprecedented and would have no doubt helped those affected to begin their path to recovery.

Agostini's Limited dedicates our 2018 Annual Report, to all of our T&T family who joined in the massive flood relief efforts. We are grateful, we are humbled and we are inspired by what we can achieve when we unite as a nation.

Thank you T&T.



Dedication: is a fusion of spirituality, love and compassion. Dedicated to being our brother's keeper.. that instills our patriotic responsibility - Wazim Daniel

Port of Spain Dawn.

CONTENTS

CORPORATE SOCIAL RESPONSIBILITY

Victor and Sally Mouttet Foundation

At the start of 2018, we operationalized the "Victor and Sally Mouttet Foundation", which will be the entity through which the group will channel most of its Corporate Social Responsibility (CSR) activities. The name was chosen to honour the founders of Victor E Mouttet Limited, the parent company of Agostini's Limted, and of Prestige Holdings Limited, the other company that will be contributing to this foundation. The third contributor to the foundation will be the Mouttet family.

Both Agostini's Limited and Prestige Holdings Limited will contribute 1% of after tax profits to the foundation, Agostini's beginning in 2018 and Prestige in 2019. The Mouttet family has made a commitment, beginning in 2018, to initially contribute $5 million to the foundation, and to consider additional contributions in future years.

The board of management of the Foundation has been set up with two representatives each appointed by Victor E. Mouttet Limited, Agostini's Limited and Prestige Holdings Limited. The initial directors are Anthony Agostini and Lisa Mackenzie from Agostini's, Germaine Mouttet-Elias and Jeanne Aboud from Victor. E Mouttet and Angela Lee Loy and Martin De Gannes from Prestige Holdings. It is the intention to appoint an independent Chairman in due course.

The board of the Foundation has decided to channel the majority of its funds in two areas: assisting children who are Dyslexic and those who have eye problems, where glasses could make a big difference in their development.

To operationalize the above, the Foundation has partnered with the Dyslexia Association of Trinidad and Tobago and during the period to September 30, 2018, made donations of $100,000 in order to assist the Dyslexic Association in its work. This initial contribution funded the running of a "Training course for teachers". The Foundation will be funding approximately $300,000 per annum for an initial 3 year period in order to ramp up the training and general work of the Dyslexia Association.

The foundation has also been working towards the implementation of an "Eye glasses project" to assist less fortunate children in securing eye tests and glasses at a fraction of the normal cost. A pilot project is presently underway and on completion at the end of the first quarter 2019, the plan is to roll out this project throughout the country. The intention is to spend $300,000 annually on this initiative and to encourage other charitable foundations to join with us, so the reach of this program could be extended to all in need.

In addition to the above, the Foundation made charitable donations to the following causes:-

Through Deeds of Covenant to 32 charities in T&T	-$96,000
John Sabga Pancreatic Cancer Foundation	-$82,700
Group staff affected by the October 2018 floods	-$70,000
Wild Fowl Trust - Board Walk project	-$13,642

As the Foundation has a December 31 year end, the first year's accounts will be published in our next annual report.

Other Group CSR Activities

In addition to the funds donated by our Group's companies to the Victor and Sally Mouttet Foundation, each of our Group's companies were involved in numerous charitable activities in the six countries in which we operate.

In 2018, just after the close of our 2017/2018 financial year, Trinidad and Tobago was hit by unprecedented flooding the likes of which we have never seen nor wish to see again. As a result of this, our individual group companies came to the assistance of those hardest hit by providing emergency supplies to the value of $370,000.

During the actual financial year, our group companies did direct donations to scores of different charities and causes to the value of $486,330.

These donations included relief supplies sent to Dominica, in the last quarter of 2017 [note that the main donations to this cause were done in our previous financial year], after their hurricane damage in 2017:

From Smith Robertson	- $55,935
From Coreas St Vincent	- $24,969
From Peter & Co St Lucia	- $24,180

It is also note worthy that our staff contributed over $120,000 to the Dominica hurricane relief effort in the last quarter of 2017.

A summary of other donations done by our group companiers above $10,000, are high-lighted below :-

United Way	- $21,607
St Vincent Memorial Hospital Blood Bank	- $18,750
The Guyana Civil Defense Commission for Venezuelan refugees	- $15,620
Graduating class of Pharmacy Students	- $15,000
Cornerstone St Lucia - A transient house for the elderly & homeless	- $11,567
Ascension Anglican Primary School	- $10,946
Living Water Community	- $10,000
Medical assistance for 7 year old Jovi Mitchell	- $10,000

A recent project by Vemco at the El Socorro Government Primary school. We facilitated in helping fix toilets, repairing the school's roof and repainted in time for the new school term.

NOTICE OF MEETING

Notice is hereby given that the Seventy-fifth Annual Shareholders' Meeting of Agostini's Limited will be held at the Marriott Courtyard, Invaders Bay, Port of Spain on Monday, January 28, 2019 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, 2018 and the Reports of the Directors and Auditors thereon.

2. To re-elect the following Directors retiring by rotation: Ms. Gillian Warner Hudson and Mr. Gregor Nassief.

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, 2018

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

The most heartwarming experience to see the smiles on the faces of the victims who were left with nothing or not much. They were so contented. Trinidadians showed their true colours in times of despair.
-The Hindu Women's Organisation of T&T

Temple in the Sea at evening time.

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.

AGOSTINI'S

1900 1955 1975 1985 1995

2000

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

2008

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

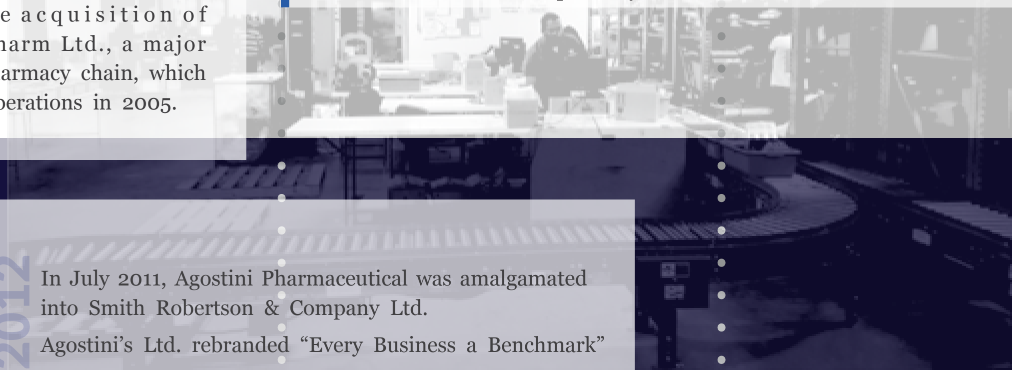
2010

Victor E. Mouttet Ltd. acquired 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 & 2012

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

Agostini's Ltd. rebranded "Every Business a Benchmark"



2015 to 2018

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.

Acquisition of Vemco Ltd. and Pepsi Cola Trinidad Bottling Co. Ltd. now called Vembev, by Caribbean Distribution Partners Ltd.

Agostini Marketing becomes Agostini Building Solutions.

Opening of first Presto convenience store in Arima.

MiaTrin Medical Limited is acquired by Smith Robertson.

Name changed to Curis Technologies Ltd.

Peardrax/Cydrax brands acquired by Caribbean Distribution Partners Ltd.

Shareholding in Curis Technologies and Desinco Limited increased to 100% and 51% respectively.

AGOSTINI'S

2000 2010 2015 2018

GROUP OVERVIEW

AGOSTINI'S

100% ownership
AGOSTINI BUILDING SOLUTIONS

100% ownership
SuperPharm

92% ownership
ROSCOPETROAVANCE LIMITED.

100% ownership
SMITH ROBERTSON

100% ownership
CURIS TECHNOLOGIES LIMITED

Caribbean Distribution Partners Limited

50% joint venture
with Goddard Enterprises Ltd.

100% ownership
CDP Trinidad Ltd.
HAND ARNOLD
vemco
vembev

100% ownership
Barbados
HANSCHELL INNISS

100% ownership
St. Vincent
Coreas Distribution Limited

100% ownership
St. Lucia
Peter & Company Distribution

55% ownership
Grenada
IAL INDEPENDENCE AGENCIES LTD.

51% ownership
Guyana
DeSinco Limited

PRODUCT CATEGORIES

- PHARMACEUTICAL
- MEDICAL EQUIPMENT
- PERSONAL CARE
- FOODSTUFF AND BEVERAGE
- HOUSEHOLD
- BEER
- WINE & SPIRITS
- TOBACCO
- INDUSTRIAL
- OILFIELD
- HARDWARE
- CONTRACTING
- NUTRITIONAL

SMITH ROBERTSON

100% ownership

Country:
Trinidad & Tobago

Directors:

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

Founded in 1894, Smith Robertson today, is the amalgamation of the original company with Vemco Pharmaceutical division, Hand Arnold Pharmaceutical and Agostini Pharmaceutical. They are distributors of a wide range of Pharmaceutical and Personal Care products.

AGOSTINI BUILDING SOLUTIONS

100% ownership

Country:
Trinidad & Tobago

Directors:

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

Formerly known as Agostini Marketing, this company has been involved in supplying building products and contracting services since the early 1960's.

CURIS TECHNOLOGIES LIMITED

100% ownership

Country:
Trinidad & Tobago

Directors:

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

Curis offers a range of GE and other medical technology solutions and medical supplies.

ROSCO PETROAVANCE LIMITED.

92% ownership

Country:
Trinidad & Tobago

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

Formerly English Drilling Equipment Company formed in 1951 and acquiring Petroavance Trinidad in 2000, Rosco supplies oil well, gas, rig, industrial and lubricant products and maintenance services.

SuperPharm

Everything you go to a Pharmacy for... and more

100% ownership

Country:
Trinidad & Tobago

Directors:

Christian Moutett	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

Trinidad's first "big box" pharmacy and convenience store was opened in 2005. Today they have nine outlets spread across Trinidad.

Caribbean Distribution Partners Limited

Formed in 2015 as a JV Company jointly owned with Goddard Enterprises Ltd of Barbados. It is the parent company of our eight FMCG and manufacturing companies operating in six regional markets.

50%
joint venture
with Goddard Enterprises Ltd.

Directors:

Caribbean Distributors Partners Limited:

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

CDP Trinidad Limited:

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

vemco
A Division of CDP Trinidad Ltd.

100% ownership

Country:
Trinidad & Tobago

Directors:

Christian Mouttet	Chairman
Christopher Alcazar	CEO / Director
Anthony Agostini	Non-Exec Director
Anthony Ali	Non-Exec Director
Francois Mouttet	Non-Exec Director
Marc Mouttet	Non-Exec Director
Tracey Shuffler	Non-Exec Director
Peter Welch	Non-Exec Director
Jenny Chandler	CFO / Company Secretary

One of Trinidad & Tobago's leading FMCG distribution companies over the past 60 years. Among the many brands they distribute, is their own Swiss range. They also have manufacturing operations, one producing Swiss condiments and Kerrygold milk powder and another pasta products.

HAND ARNOLD

100% ownership

Country:
Trinidad & Tobago

Directors:

Anthony Agostini	Chairman
Sharon Gunness Balkissoon	CEO / Director
Sherrand Malzar	Secretary/ Finance Director
Ravi Persad	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

Another of Trinidad and Tobago's leading distribution companies, who at 98 years old, distributes a diverse range of FMCG products, including their flagship owned brand, Moo!.

vembev
A Division of CDP Trinidad Ltd.

100% ownership

Country:
Trinidad & Tobago

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

Formerly known as Pepsi Cola Trinidad and Tobago Bottling Company Limited they are a dedicated beverage distribution business for the Pepsi range, Gatorade, Dole and our own Peardrax, Cydrax, JuC and Fizzz beverages.

Coreas Distribution Limited

100% ownership

Country: St Vincent

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

One of St Vincent and the Grenadines' oldest companies formed 173 years ago. The country's largest distributor of FMCG products. They also operate a Foodmart in Kingstown and the Foodstore on the island of Mustique.

IAL INDEPENDENCE AGENCIES LTD.

55% ownership

Country: Grenada

Directors:

Tracey Shuffler	Chairman
Ken Sylvester	CEO/Director
Brian Sylvester	Director
Anthony Agostini	Non-Exec Director
Yolande Radix	Non-Exec Director
Kelly Joseph	CFO

Our 45 year old Grenadian distributor of FMCG products, is one of their countries most recognized distributors. They also operate CK's Foodmart.

HANSCHELL INNISS

100% ownership

Country: Barbados

Directors:

Tracey Shuffler	Chairman
Vidia Woods	CEO / Director
Anthony Agostini	Non-Exec Director
Anthony Ali	Non-Exec Director
Rajesh Rajkumarsingh	Non-Exec Director
Nicole Storey	CFO / Company Secretary

With roots going back to the 1930's, Hanschell Inniss is one of Barbados' largest FMCG distribution companies.

DeSinco Limited

51% ownership

Country: Guyana

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
Tracey Shuffler	Non-Exec Director
Jason Alli	CFO / Company Secretary

With 38 years of experience in the FMCG business, Desinco in Guyana is fast becoming a major distributor in that country. They also operate a "Cash and Carry" in the capital city.

Peter & Company Distribution

100% ownership

Country: St Lucia

Directors:

Tracey Shuffler	Chairman
Anthony Agostini	Non-Exec Director
Anthony Ali	Non-Exec Director
Chelan Boxhill	Finance Director / Company Secretary

Another of our long standing FMCG companies dating back to 1890, Peter & Co is one of St Lucia's largest and most progressive distributors and also operates six retail outlets.

Guardian Media's role is to highlight stories and bring to the public the information that are in their interest. Highlighting the good that people and corporate entities do is our duty. We see this as an opportunity to send out a rallying cry to encourage people and organizations to give more of their time and efforts to help our fellow citizens . It is an honor to be a part of this effort, influencing positive developments in our society. "
-Guardian Media Limited

Sunset at the Caroni River

CHAIRMAN'S REMARKS

Consolidated Results and Financial Position

I am pleased to report that for the year ended September 30, 2018, our company had another solid year, enjoying improvements in sales, profitability and earnings per share. In a challenging domestic and regional economic environment, our improved performance is testimony to the passion, commitment and hard work of our people, all of whom I would like to thank wholeheartedly. Additionally, with no significant acquisitions in 2018, when compared to recent years, improvements to our key financial indicators were all organic in nature.

Group sales grew by 6% to $3.3 billion and profit before tax increased by 31% to $201 million from $153 million [restated] in 2017. Group profit attributable to shareholders increased to $115 million compared to $93 million [restated] in the prior year. The 2018 figures included a one off gain on our Nelson Street property, which was revalued by $9.4m. Our earnings per share were $1.66 [$1.52 without the one off gain], compared to $1.34 [restated] per share in 2017, an increase of 23% [14% without the one off gain]. We ended the year with a strong Debt to Equity Ratio of 17:83, and our Net Assets increased by $237 million, to $1.4 billion, partly as a result of a re-valuation gain on properties of $129 million, net of deferred tax.

All of our actions continue to be guided by the group's two core objectives: sustainable long term growth and financial strength. A key part of our strategy for achieving sustainable growth is the continued development of our proprietary brands and I am pleased to report that our flagship brands, Swiss, Moo! and Eve [which we own for the islands] continue to build equity and share in the domestic and regional markets, as does SuperPharm and Presto in the domestic market. We measure financial strength by our ability to generate strong cash flows, efficiently manage costs and maintain a strong balance sheet, all of which we were able to achieve in 2018.

Operations Review and Segment Analysis

Pharmaceutical & Personal Care

Although experiencing a sluggish market in both the Private Trade and Government sectors, Smith Robertson registered a solid performance for the financial year. In order to further improve efficiencies and customer service, investments in warehouse expansion and our technology infrastructure, are currently underway and will be fully operational in 2019.

During the year we were able to acquire 42% of Curis Technologies (58% previously owned), and it became a fully owned subsidiary of Smith Robertson. We have been able to significantly enhance our service abilities for our GE range of Medical Equipment, by adding personnel and increasing technical training. Given the market response, we are very optimistic for the year and years ahead.

SuperPharm continues to offer our customers in Trinidad, an unmatched experience combining health care and convenience in the nine (9) communities in which we operate. Our first Presto convenience store in Arima continues to perform well and our second location is currently under construction in Trincity and is expected to open in the first quarter 2019. After six long years, we are no longer able to maintain the planned Mausica store location as a serious opportunity in the SuperPharm store development calendar. This is disappointing as we believe the location to be a good one. However, we remain open to this location should the landlord ever get around to completing this development.

Industrial & Construction

The market for construction and by extension interior building works in 2018 has been at its lowest for some years, and Agostini Building Solutions has not been immune to the economics of this sector. Having said that, our management have been tireless in trying to secure projects from the "slim pickings" available, and those efforts have been rewarded with an end of year performance that is only marginally below prior years.

Christian Mouttet, Chairman

Rosco Petroavance's traditional energy sector and industrial products business experienced some recovery as the overall energy sector returned to growth. This, along with the continued growth of the Mobil range of lubricants, which is becoming a meaningful contributor to this company, has helped Rosco finish the year positively.

Fast Moving Consumer Goods (FMCG)

Caribbean Distribution Partners Limited [CDP]

Our JV Company Caribbean Distribution Partners Limited [CDP], had a successful year driven mainly by the improved results of our companies outside of Trinidad and Tobago, and improvements in exports from our Trinidad plants.

The Trinidad businesses, Vemco, Vembev and Hand Arnold had mixed results, with Vemco being the stand-out performer in both local and export sales and profitability. The management delivered strong results with their portfolio of proprietary and international brands. Hand Arnold had a solid performance, meeting most of its objectives in a soft consumer environment. They suffered an inventory loss towards the end of the financial year of almost $2 million from the magnitude 6.9 earthquake in August 2018 that caused some of their warehouse racking to collapse. Fortunately no one was injured and all of our racking is being re-certified to ensure that they meet the highest safety standards. Vembev, our drinks distribution business, underperformed, as it faced both market and company specific challenges. We are robustly addressing these issues so that this business meets all of our objectives.

In Barbados, Hanschell Inniss's performance continued to improve in what is perhaps the most challenged market in the Caribbean. Late in the financial year, a major enlargement and modernization of its warehousing facility in Fontabelle was completed and a similar modernization of their administrative offices will commence in January.

Independence Agencies in Grenada, had a very good year and as expected, their improved and enlarged distribution facility which was completed at the start of the financial year, contributed significantly to this improvement. They were joint winners of the Group's Company of the Year award.

Coreas Distribution in St Vincent also posted very good results in 2018. In 2019 we expect to start construction of a completely new office and distribution facility, at Diamond in St. Vincent and also commence operating the Foodmart at the new Glossy Bay Marina on the island of Canouan.

In St Lucia, the CEO of Peter & Company Limited, Ricardo Leonard passed away during the year after a battle with cancer. We extend our deepest sympathy to his family, friends and all at Peter & Company. We have and will certainly continue to miss his guidance. In the face of these difficulties, it is important that we recognize the tremendous unity, determination and teamwork demonstrated by the management and staff. We have recently been able to recruit a new CEO who will come on board in January 2019.

In Guyana, we were able to increase our shareholding in Desinco Limited from 40% to 51%, in January 2018. Desinco continued to grow sales and market share and delivered a very solid result in 2018. They were joint winners of our Group's Company of the Year award. Agostini's Limited is acquiring 17 ½ acres of land in the Houston area of Guyana. This will facilitate our further expansion in Guyana, a market that we consider strategically very important for our group.

Dividend

Your board has approved a final dividend of 38 cents per share, which brings the total dividend for the year to 61 cents, an overall increase of 5c on the dividend paid in 2017. This dividend will be paid on January 28, 2019 to shareholders on the register of members on January 2, 2019. The Company's register of members will be closed on January 3 and 4, 2019.

The Year Ahead

With the exception of Guyana, we expect many of the economies in the Caribbean region to continue to face challenges. Barbados, after years of decline, is now taking some difficult but correct actions, in our opinion, to stabilize and improve that economy. In the smaller islands in which we operate, the economies are not overly buoyant, but our operations in those islands are robust and doing well. Our distribution company in Guyana continues to perform well and the outlook for that economy in the medium term remains bright. We expect to increase our exposure to that market in the coming years.

In Trinidad and Tobago, our largest market, we are challenged by a still recovering economy and severe foreign exchange availability constraints. We are hopeful that the latter will improve in 2019 and beyond, and are confident our group has the right people, brands, processes and culture to deliver above market returns in the year ahead.

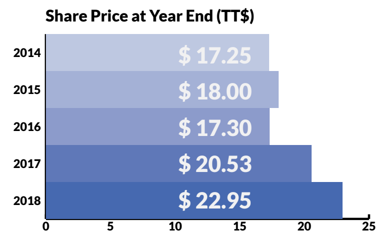
October Floods

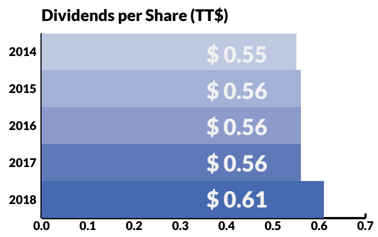
At the end of October 2018, just after the end of our financial year, Trinidad and Tobago was hit by the worst flooding in recent history. Many individuals and families were severely impacted with homes, businesses, schools and farms under several feet of water and whole areas being cut off from accessing basic supplies like food, clean water and medical supplies. From the onset of this tragedy, the very best of our human and national spirit emerged and individuals, NGO's, corporations and government agencies all responded with generosity, determination and genuine caring for their fellow citizens. To borrow the opening sentence from Charles Dickens', A Tale of Two Cities, "It was the best of times, it was the worst of times…" While for many it will take some time to recover from this natural disaster, we must be thankful that there was no loss of life and appreciative of the many individuals who selflessly, and in some cases at tremendous risk, laboured to help their fellow citizens. To those from our own group, who took the initiative in many cases, and helped others by providing supplies or using company assets to assist in providing relief, you are a credit to your families, our company and the national community. We have dedicated our 2018 Annual Report, which will be released in the latter part of December 2018, to all of the individuals and organizations across Trinidad & Tobago who were part of the relief effort.

Acknowledgements

As with all companies, every year brings with it, it's own unique set of challenges and opportunities, and 2018 certainly was not short on either. It is to the credit of our management, partners, associates, staff and customers, that we have ended the year with improved results. On behalf of the Board I extend our thanks to all of them and look forward to their continued support and loyalty. As always, I extend my personal gratitude to the Management and my fellow Directors for their dedication, wisdom and counsel.

Christian Mouttet
Chairman
November 30, 2018





MANAGEMENT DISCUSSION & ANALYSIS

Growing & Diversifying in a Challenging Environment

Over the last four years the Group has made a number of acquisitions with a view to growing top line sales and profitability, as well as reducing our reliance on the Trinidad and Tobago market. This has been accomplished primarily through regional acquisitions and increasing our revenue from owned versus represented brands, which has ultimately improved the return to our shareholders.

Key to the success of these acquisitions, is ensuring the post-acquisition integration is successful. The Group has made significant headway in restructuring the entities acquired, in order to ensure Business Focus. We have also been reviewing the Physical Facilities, Talent and Technology Platforms in order to optimize the performance of the acquired entities, as well as our traditional businesses.

In the financial year under review, we continued to be challenged by weak economies in Trinidad and Tobago and Barbados and continuing foreign exchange supply issues in Trinidad and Tobago. In spite of this, we were able to post reasonable growth in both sales and profitability for the year ended September 30, 2018.

The sales of the Group in 2018 grew from $3.07 billion to $3.25 billion. Profit after tax attributable to shareholders grew by 24%, on the restated 2017 figures, to $115 million. Earnings per share increased to $1.66. These results included a non- trading gain on the revaluation of our Nelson Street property of $9 million.

We ended the year with $127 million in cash and cash equivalents, down from $160 million a year earlier. The reduction was due to capital expenditure on plant and equipment and investments in increased shareholding in Desinco and Curis Technologies, as well as our share of the purchase price of the Peardrax and Cydrax brands.

Pharmaceutical and Personal Care

SMITH ROBERTSON & SUPERPHARM

This area of our business, which operates in Trinidad and Tobago, experienced a soft market. Given the challenge of acquiring foreign exchange in order to settle our suppliers balances on time, we entered into a number of currency swap contracts at a cost of over $5 million. Profits in this segment, as a result, were just below prior year's.

SuperPharm's sales increased, mainly as a result of the coming on stream of their Couva store and their Presto convenience store, in Arima, which performed well.

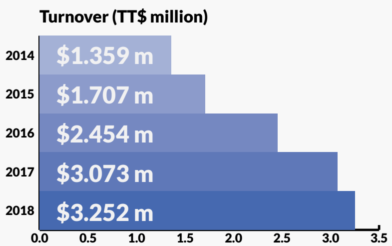
Our Presto convenience store, at the corner of Tumpuna Road and the Churchill Roosevelt highway in Arima, performed well and we will be adding a second outlet in Trincity, in the first quarter 2019.

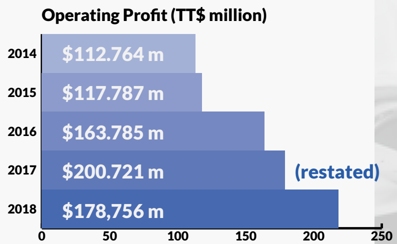
FAST MOVING CONSUMER GOODS (FMCG)

Caribbean Distribution Partners Limited (CDP), our Joint Venture with Goddard Enterprises of Barbados, had an overall excellent year. Sales were up 5% and after tax profit up by 68% based on the restated 2017 figures. [17% on without the restated adjustment].

This was driven primarily by strong results at Desinco Limited in Guyana and Independence Agencies Limited in Grenada, our joint Group Companies of the Year, as well as Coreas Distribution Limited in St Vincent and Vemco in Trinidad.

The CDP companies finished the year with revenues of $2.2 billion with 55% [54% in 2017] of its turnover coming from the businesses in Barbados, Guyana and the OECS combined, while the remaining 45% [46% in 2017] was generated from the Trinidad and Tobago based businesses.





Anthony Agostini, Managing Director

FINANCIAL HIGHLIGHTS

	2018	Restated 2017	'% Increase
	$'000	$'000's	
Gross Sales	3,321,087	3,138,073	5.83%
Sales to Third Parties	3,252,447	3,073,240	5.83%
Operating Profit	218,195	178,756	22.06%
Profit before Tax	200,862	153,471	30.88%
Profit for the Year	145,397	109,612	32.65%
Profit attritutable to Shareholders	114,707	92,520	23.98%
Stock Units In Issue ('000)	69,104	69,104	0.00%
Earnings per Share	$1.66	$1.34	23.88%
Dividends per share	$0.61	$0.56	8.93%
Total Dividends	39,389	38,698	1.79%
Total Assets	2,480,790	2,183,392	13.62%
Stockholder's Equity	1,069,365	885,029	20.83%

HAND ARNOLD

Hand Arnold had a good year in spite of sharp increases in the prices of dairy products, which were not passed on to the consumer, and continual challenges throughout the year in acquiring adequate foreign exchange. This company was also hard hit by the earthquake in August and suffered a loss due to damage and disruption in the Company's activities, of $1.9m which represented the excess on the Company's insurance policy.

VEMCO

Vemco had an excellent year and posted record profits on strong local and export sales, entered into new markets such as Panama and increased their market share in many countries in the region.

They completed the outfitting and relocation of their offices and warehouse to the Group's property at El Socorro Road Extension, earlier in 2018.

VEMBEV

Early in the year Caribbean Distribution Partners acquired the Peardrax and Cydrax brands for all global markets. Although Peardrax and Cydrax are best known in the English speaking Commonwealth countries, we have an excellent opportunity for growth and expansion within existing markets as well as export development and licensing arrangements in new markets, particularly those with a Caribbean Diaspora.

Our beverage distribution company, Vembev distributes the aforementioned products and the Pepsi range including Gatorade, JuC and several other beverage products from other suppliers. The beverage market domestically and internationally, continues to be in a state of transition with regards to regulation on sugar content, new product categories, changing consumer tastes and how drinks are paired at Quick Service Restaurants. More specific to Vembev, during the year we experienced a number of supply chain challenges with some of our major brands, which negatively impacted sales and the result was a disappointing year.

We did however, complete the consolidation of our beverage businesses into one site at Aranguez in 2018. This allows us to offer an improved level of service to our many customers. We continue to refine this business to ensure we optimise the potential of the brands we represent, in the changing beverage market.

HANSCHELL INNISS

Hanschell Inniss in Barbados, had an improved year. Despite the recent announcement of reduced Corporation Tax, in the year ahead, other recently implemented fiscal measures, by the government, will result in approximately BDS$ 1 million in new costs to our business. We will therefore continue to review our operations, as we seek to find the best model for operating in this difficult market. In July, their newly expanded warehousing at Fontabelle was completed and the balance of the facility, including their offices, will be upgraded in the first half of 2019.

COREAS, PETER & Co. AND INDEPENDENCE AGENCIES

The economies in the eastern Caribbean held up reasonably well and our three companies operating in that region, Coreas Distribution in St Vincent and the Grenadines, Peter and Company in St Lucia and Independence Agencies in Grenada, all had very good results.

Our plans for a new distribution centre in St Vincent are moving forward and we hope to start construction in 2019.

Peter & Co will be opening their fourth PCD Food Mart, in Bois D'Orange, St Lucia in early December and Coreas will open their third Food Store in the Glossy Bay Marina in Canouan in December.

DESINCO

Desinco had an excellent year with strong growth in sales and profits.

We exercised our option to increase our shareholding to 51% in January 2018. Our recent addition of Mobil lubricants in this market, will facilitate further growth in the coming year.

10 Year Financial Review

	2018	Restated 2017	2016	Restated 2015	2014	Restated 2013	Restated 2012	2011	2010	Restated 2009
	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's	$'000's
Group Turnover	3,252,447	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
Profit Before Taxation	200,862	153,471	139,051	107,353	107,145	87,156	90,242	87,434	57,354	52,339
Profit for the Year	145,397	109,612	96,752	75,422	80,546	62,580	65,217	61,523	40,371	36,373
Net Profit Atrtributable to Agostini's Limited Shareholders	114,707	92,520	89,034	77,248	79,932	61,946	64,770	61,275	24,780	791
Dividend Amount	39,389	38,698	32,874	32,874	32,287	26,984	25,811	24,611	10,241	1,453
Times covered	2.91	2.39	2.71	2.35	2.48	2.30	2.51	2.49	2.4	—
Issued Stock Units ('000)	69,104	69,104	58,704	58,704	58,704	58,704	58,662	58,608	58,583	29,057
Stockholder's Equity	1,069,365	885,029	642,198	581,272	554,058	494,513	446,964	402,773	358,933	216,992
Dividend per Stock Unit	61¢	56¢	56¢	56¢	55¢	46¢	44¢	42¢	20¢	5¢
Earnings per Stock Unit	166.0¢	134.0¢	151.7¢	131.6¢	136.2¢	105.5¢	110.5¢	104.9¢	74.7¢	2.7¢
Net Assets	1,371,638	1,134,195	807,532	736,478	555,305	495,582	561,494	485,668	443,646	300,592

Notes:
1 The 2017 figures have been restated to take effect of adjustments relating to fair values of net assets acquired in the purchase of Vemco and Vembev.
2 The 2015 figures have been restated to take effect of adjustments relating to fair values of net assets acquired in the CDP business combination.
3 The 2012 and 2013 figures have been adjusted in accordance with IAS 19, Pension Benefits.
4 The 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' profits were marginally lower than the prior year's as they continued to operate in the weak construction environment that has been in effect for the past three years.

ENERGY & INDUSTRIAL PRODUCTS AND SERVICES

Rosco Petroavance had a solid performance boosted by the growing market share of their Mobil Lubricants line.

Guyana

In Guyana we are shortly to close on the acquisition of 17 1/2 acres of land in the Houston area, which will provide us with an excellent platform for planned expanded operations in that growing market.

Graduate Training Program

In mid year we introduced a Graduate Training Program, whereby eight employees from four of our group's companies were enrolled in a twelve month program as part of our plan for training our group's future leaders. It is expected that this training would equip them with the required skills, judgment and know-how, to be effective and responsible managers in the future.

Corporate Social Responsibility

This year, the Group continued to assist numerous charitable causes in Trinidad and Tobago and in the wider region. Along with Victor E. Mouttet Limited and Prestige Holdings Limited, we have formed the "Victor and Sally Mouttet Foundation". We are awaiting the approval from the Board of Inland Revenue of "charitable status" for this foundation, before it becomes fully operational. We have expanded on our various CSR activities this year, on pages 6 and 7 of this report.

INFORMATION BY SEGMENT

	Third Party Turnover	Restated	Operating Profit	Restated
	2018	2017	2018	2017
	$'000's	$'000's	$'000's	$'000's
Pharmaceutical and Personal Care	948,720	901,078	98,566	102,002
Fast Moving Consumer Goods	2,125,134	2,023,890	94,415	57,807
Industrial, Construction & Holdings	178,593	148,272	25,214	18,947
	3,252,447	3,073,240	218,195	178,756

	Group Assets Employed	Restated	Employees at Year End	
	2018	2017	2018	2017
	$'000's	$'000's		
Pharmaceutical and Personal Care	629,185	573,316	671	606
Fast Moving Consumer Goods	1,343,631	1,211,453	1,904	1,749
Industrial, Construction & Holdings	507,974	398,623	191	186
	2,480,790	2,183,392	2,766	2,541

Outlook For 2019

While we can see the beginning of some stabilizing of the Trinidad and Tobago economy, the dislocation of workers at Petrotrin and TSTT will dampen recovery in the short term. In Barbados, we can expect a challenging year as a result of the difficult but much needed structural changes that are now taking place. In Guyana we are looking forward to another strong year and participating in the expected growth in that economy and in the OECS markets in which we operate, our Companies strong positions and management, should allow us to continue growing.

Anthony Agostini
Managing Director
December 7, 2018

REPORT OF THE DIRECTORS

Your Directors have pleasure in presenting their report for the year ended September 30, 2018.

Financial Results	***$'000***
Income for the year before taxation	200,862
Less Taxation	(55,465)
Profit for the Year	145,397
Less: Attributable to Minority Interest	(30,690)
Net Income for the year after taxation	114,707
Dividends – Interim	15,894
Final	26,260
Profit Retained for the year	**72,555**

Dividend

Based on the Group's results, the Directors have approved a final dividend of $0.38, resulting in a total dividend of $0.61 for the year.

Directors

The Directors retiring by rotation under the bye laws, Ms. Gillian Warner-Hudson and Mr.Gregor Nassief, 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, 2018

What was most obvious was the giving of time and energy to help and the beautiful spirit in which it was done. All saying in action and deeds without words "I am my brother's and sister's keeper".
-Living Waters Community

Perseids Meteor Shower, Tracking Station, Macqueripe

BOARD OF DIRECTORS

Christian Mouttet

Chairman of Agostini's Ltd.

Chairman/ CEO 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

Anthony J. Agostini

Managing Director of Agostini's Ltd.

Director of Caribbean Finance Company Ltd.

Director since 1990

Rajesh Rajkumarsingh

Finance Director & Company Secretary of Agostini's Ltd

Chairman of Electrical Industries Ltd.

Company Secretary since 2014

Director since 2016

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

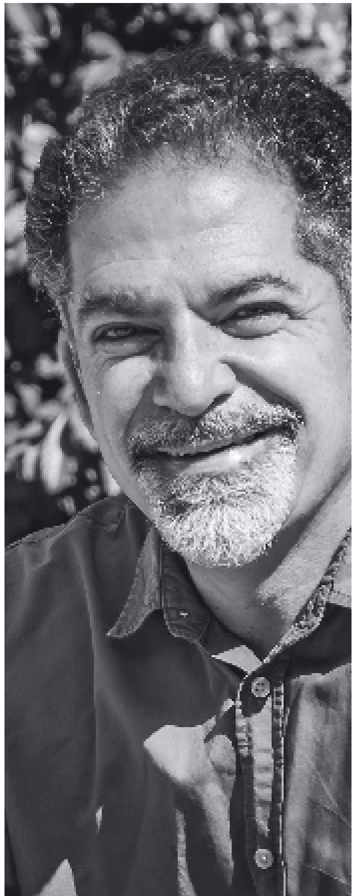
Chairman of the Audit & Risk Committee and Member of the Corporate Governance and Nomination Committee

Francois Mouttet

Executive Director of Vemco

Director of CDP Trinidad Ltd.

Director since 2016



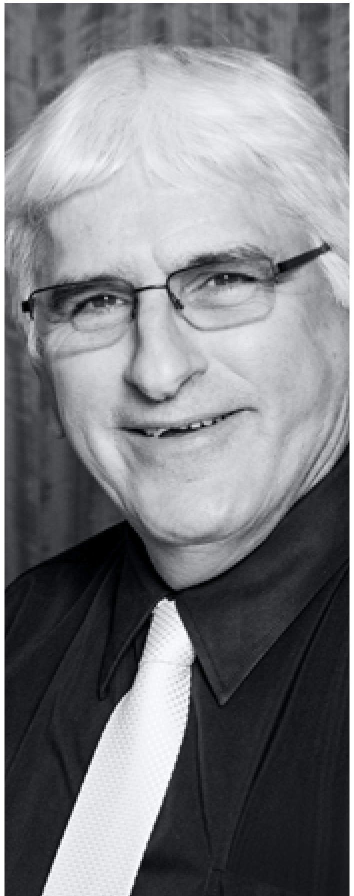
Gregor Nassief

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, a 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 Management's 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 considers and deals 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 five 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.

DIRECTORS' & SENIOR OFFICERS' INTEREST

Director/Senior Officer

	Shareholding 30/9/2018	Connected Party
J. M. Aboud	0	1,189,994
A. J. Agostini	658,076	168,571
R. W. Ahamad	0	10.084,712
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
G. J. Nassief	0	
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 30/9/2018	Connected Party
Mouttet Capital Limited	33,525,538	C. E. Mouttet & F. N. Mouttet
Universal Limited	6,054,937	R. W. Ahamad
National Insurance Board	5,951,940	
GNM Properties	4,800,000	C. E. Mouttet & F. N. Mouttet
Proteus Limited	4,029,775	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	

OUR SPORTS AND FAMILY DAY

The seven Trinidad based companies of the Agostini's Group all took part in the Group's Sports and Family day, held at the Queen's Park Oval on April 21st 2018.

Just over 3,000 members of staff and their families were present to take part in the fun filled activities that were organized for both the young and old.

The theme of the Event was AGOS-KANDA the Kingdom of Agostini, with each company doing a costume and participating in the march past, for which each had a choreographed presentation.

The keenly competed March Past was won for the second time in a row by Team Hand Arnold with their spot on routine and majestic display of this year's theme.

The kids were treated to an entire play area filled with a variety of Bouncy Castles, face painting, giveaways and activities.

The core of the day's activities was the ten fun-filled and highly competitive games. Team SuperPharm amassed the most points overall and copped 1st place on the day.

GROUP COMPANY OF THE YEAR

JOINT WINNERS

Independence Agencies Limited

Standing: Management Team.

Sitting: B. Sylvester, Director K. Slyvester CEO / Director K Raddix Non-Exec Director

Desinco Limited.

Standing: Management Team.

Sitting: F. DeAbreu Chairman

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

"All of the people we serve are part of the Massy Stores family. When our communities were struck by the flooding disaster, there was no question that we would launch into action. Our entire team came together to give those affected the assistance and comfort they needed. With initiatives like the distribution of 1,000 hot meals, 5,000 reusable Massy bags for hampers, heavy discounts on appliances to charity organizations, utilization of stores as collection points for donated items from the public, as well as gift cards to affected employees, we at Massy Stores are proud to do what we can to give relief to those who needed it most."

-Massy Stores

Columbus Bay at eveningtime.

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
5/7 Sweet Briar Road St. Clair, Port of Spain Trinidad and Tobago
Tel: +1 868 628 1105
Fax: +1 868 622 1153
www.ey.com

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 2018, 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 2018 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.

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 i) and 7 and accounting policy notes 2 (g) and 2 (v) to the consolidated financial statements. As at 30 September, 2018, the Group has a material balance of $275 million in relation to intangible assets, which has arisen mainly through business combinations. As required by IAS 36: "Impairment of assets," goodwill and indefinite lived intangible assets must be tested for impairment annually. Based on the impairment test performed by the Group during the year, no impairment provision was recorded in 2018. 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 the 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. Due to the range of assumptions/estimates and the dependence on future market developments used in the models and impairment assessments, this is a key audit matter.	Overall, our audit procedures focused on critically assessing and challenging the appropriateness and reasonableness of the key assumptions utilized by the Group including the CGU determination, 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, benchmarking cash-flow projections to historical performance of the CGU, local economic conditions and other alternative relevant 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. In so doing we determined an appropriate range of recoverable amount for the respective CGU's to inform our conclusions on impairment testing. We involved our EY valuation specialist to assist with our audit of the impairment test methodology, including the cash flows, discount rate and long term growth rates assumptions utilised in the impairment test. We also read and assessed the appropriateness and completeness of the related disclosures in the notes to the consolidated financial statements, with reference to that prescribed by IFRSs.

Key Audit Matter	How our audit addressed the key audit matter
Acquisition accounting and purchase price allocations Refer to related disclosures in note 30, and accounting policy notes 2 (b) and (g) to the consolidated financial statements. IFRS 3: “Business Combinations” provides the accounting and disclosure guidance relating to these transactions. As described in note 30, the Group completed various acquisitions during the previous and current financial years. As part of the acquisition accounting, as prescribed by IFRS 3, management with the assistance of third party professional valuation specialists engaged by the Group, allocated the purchase price to the acquired fair value of acquired assets/liabilities, resulting in the recognition of goodwill and other separately identified intangible assets. Based on the quantitative materiality of these transactions and the significant degree of judgment utilised by the Group in determining the purchase price allocations, consequent goodwill and other intangibles determination, we have determined this to be key audit matter.	We involved our EY valuation specialists to assist in performing our audit procedures in this area, which included amongst others: ■ Reviewing the relevant sale and purchase agreements and other relevant documentation to understand the terms and conditions of the transactions. ■ Auditing the appropriateness of the acquisition accounting entries recorded by the Group, including the verification of the consideration transferred in respect of each transaction and determination of the effective date of control. ■ Reviewing the reports from third party valuation specialists engaged by the Group to assist in the purchase price allocations, and evaluating the reasonableness of their conclusions having regard to the key assumptions used in the purchase price allocations. ■ Evaluating the reasonableness of the valuation methodologies, techniques and key assumptions used by the Group in the purchase price allocation. ■ Assessing the appropriateness of the disclosures in the notes to the consolidated financial statements, with reference to that prescribed by IFRSs.

Key Audit Matter	How our audit addressed the key audit matter
Existence and collectability of trade receivables and revenue recognition Refer to relevant disclosures in notes 4 ii) and 11, and accounting policy notes 2 (k) and 2 (q) to the consolidated financial statements. Trade receivables (net of provision) amounted to $412 million as at 30 September 2018 and the related revenues recognized and recorded amounted to $3.25 billion for the year then ended. These amounts are material to the consolidated financial statements. Given the nature of the Group’s business and the significance of revenue to the financial performance of the Group, we concluded that revenue recognition and assessment of the existence and collectability of trade receivables are key audit matters for our audit. As presented in Note 11, $28 million or 7% of the Group’s trade receivables are aged in excess of 90 days past due and have not been impaired. Also trade receivables (net) represent 17% of consolidated group assets. 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 trade receivable provisioning at year end. Furthermore, in the ordinary course of the Group’s activities, there are factors which may result in the recognition of revenue before the risks and rewards have been transferred to the Group’s customers and therefore the existence of risk that revenue is not recognised in the correct accounting period.	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 recognized 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 and challenged management’s assumptions and explanations in relation to trade receivable provisioning with reference to the aged receivables listing, post year end collections 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 before and after the year end date and credit notes issued after year end, to assess whether those transactions were recognized in the correct accounting period.

Other information included in the Group’s 2018 Annual Report

Other information consists of the information included in the Group’s 2018 Annual Report, other than the consolidated financial statements and our auditor’s report thereon. Management is responsible for the other information. The Group’s 2018 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.

- 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:
November 30, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September

	Notes	2018 $'000	Restated 2017 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	785,124	612,469
Investment properties	6	31,187	21,702
Investment in associate	31	–	14,951
Intangible assets	7	274,806	196,846
Retirement benefits asset	8	22,131	20,721
Deferred tax asset	14	5,400	12,791
Prepayments and advances		5,217	853
		1,123,865	880,333
Current assets			
Inventories	9	594,192	549,964
Construction contract work-in-progress	10	1,283	1,521
Taxation recoverable		4,373	4,541
Trade and other receivables	11	539,689	492,492
Cash at bank and in hand	21	217,388	254,541
		1,356,925	1,303,059
TOTAL ASSETS		2,480,790	2,183,392
EQUITY			
Capital and reserves			
Stated capital	12	364,716	364,716
Capital reserve		2,652	2,652
Revaluation reserve	12	140,410	28,031
Other reserves	12	6,973	7,975
Retained earnings		554,614	481,655
Equity attributable to equity holders of the parent		1,069,365	885,029
Non-controlling interests		302,273	249,166
TOTAL EQUITY		1,371,638	1,134,195

	Notes	2018 $'000	Restated 2017 $'000
LIABILITIES			
Non-current liabilities			
Borrowings	13	344,736	334,444
Retirement benefits liability	8	2,479	4,738
Deferred tax liability	14	83,223	72,379
		430,438	411,561
Current liabilities			
Borrowings	13	151,968	138,098
Taxation payable		11,211	13,591
Trade and other payables	15	515,535	485,947
		678,714	637,636
TOTAL LIABILITIES		1,109,152	1,049,197
TOTAL EQUITY AND LIABILITIES		2,480,790	2,183,392

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 30 November, 2018 and signed on its behalf by:

Director Director

CONSOLIDATED STATEMENT OF INCOME

For the Year ended 30 September

	Notes	2018	Restated 2017
		$'000	$'000
Third party revenue	29	3,252,447	3,073,240
Cost of sales		(2,459,460)	(2,359,933)
Gross profit		792,987	713,307
Other operating income	16	29,544	27,433
		822,531	740,740
Expenses			
Other operating		(157,599)	(151,305)
Administration		(296,623)	(282,170)
Marketing and distribution		(150,114)	(128,509)
		(604,336)	(561,984)
Operating profit		218,195	178,756
Finance costs - net	18	(27,299)	(26,101)
Share of profit in associate	31	481	816
Gain on revaluation of investment property	6	9,485	–
Profit before taxation		200,862	153,471
Taxation	19	(55,465)	(43,859)
Profit for the year		145,397	109,612
Attributable to:			
Equity holders of the parent		114,707	92,520
Non-controlling interests		30,690	17,092
		145,397	109,612
Earnings per share:		$	$
- Basic and diluted (expressed in $ per share)	20	1.66	1.34

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2018	Restated 2017
		$'000	$'000
Profit for the year		145,397	109,612
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement gains / (losses) on defined benefit plans	8	4,195	(336)
Income tax effect	14	(1,310)	99
		2,885	(237)
Revaluation of land and buildings	5	140,978	–
Income tax effect	14	(21,438)	–
		119,540	–
Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods		122,425	(237)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(1,989)	5,539
Net other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods		(1,989)	5,539
Other comprehensive income for the year, net of tax		120,436	5,302
Total comprehensive income for the year, net of tax		265,833	114,914
Attributable to:			
Equity holders of the parent		227,240	99,603
Non-controlling interests		38,593	15,311
		265,833	114,914

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended 30 September

	Notes	Stated capital	Capital reserve	Revaluation reserve	Other reserves	Retained earnings	Total	Non controlling interests	Total equity
		Attributable to equity holders of the parent							
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 September 2018									
Opening balance at 1 October 2017 (Restated)		364,716	2,652	28,031	7,975	481,655	885,029	249,166	1,134,195
Changes in composition of the Group		–	–	–	–	(3,515)	(3,515)	27,551	24,036
Profit for the year		–	–	–	–	114,707	114,707	30,690	145,397
Other comprehensive income		–	–	112,379	(1,002)	1,156	112,533	7,903	120,436
Total comprehensive income		–	–	112,379	(1,002)	115,863	227,240	38,593	265,833
Dividends – 2018 (57¢ per share)	28	–	–	–	–	(39,389)	(39,389)	(13,037)	(52,426)
Balance at 30 September 2018		364,716	2,652	140,410	6,973	554,614	1,069,365	302,273	1,371,638
Year ended 30 September 2017									
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		–	–	–	–	4,614	4,614	72,044	76,658
Issue of shares	12	177,312	–	–	–	–	177,312	–	177,312
Profit for the year		–	–	–	–	92,520	92,520	17,092	109,612
Other comprehensive income		–	–	–	2,770	4,313	7,083	(1,781)	5,302
Total comprehensive income		–	–	–	2,770	96,833	99,603	15,311	114,914
Dividends – 2017 (56¢ per share)	28	–	–	–	–	(38,698)	(38,698)	(3,523)	(42,221)
Balance at 30 September 2017 (Restated)		364,716	2,652	28,031	7,975	481,655	885,029	249,166	1,134,195

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended 30 September

	Notes	2018 $'000	Restated 2017 $'000
Operating Activities			
Profit before taxation		200,862	153,471
Adjustments for:			
Depreciation of property, plant and equipment	5	40,639	40,976
Amortization of intangible assets	7	4,111	4,543
Gain on sale of property, plant and equipment		(944)	(938)
Share of profit in associate	31	(481)	(816)
Net retirement benefit expense		5,768	5,573
Gain on revaluation of investment property	6	(9,485)	–
Fair value movement		–	19,406
Finance cost (net)	18	27,299	26,101
Loss on acquisition of associate	30 (d)	1,365	–
Operating profit before changes in working capital		269,134	248,316
Changes in working capital			
Increase in inventories		(29,317)	(27,115)
Decrease (increase) in work-in-progress		238	(1,409)
Increase in trade and other receivables		(35,409)	(21,497)
Increase in trade and other payables		19,815	1,177
Net cash flows from operations		224,461	199,472
Pension contributions paid		(5,364)	(5,677)
Finance cost paid net		(26,548)	(26,101)
Taxation paid		(51,210)	(41,654)
Net cash flows from operating activities		141,339	126,040

	Notes	2018 $'000	Restated 2017 $'000
Investing activities			
Purchase of property, plant and equipment	5	(78,114)	(83,926)
Proceeds from sale of property, plant and equipment		3,440	203
Acquisition of subsidiaries, net of cash acquired	30 (d+e)	(6,999)	34,165
Prepayment and advances		(5,217)	–
Purchase of intangible assets		(62,240)	–
Net cash flows used in investing activities		(149,130)	(49,558)
Financing activities			
Acquisition of non-controlling interests	30 (e)	(3,736)	–
Dividends paid to ordinary shareholders	28	(39,389)	(38,698)
Dividends paid to non-controlling interests		(13,037)	(3,523)
Net proceeds of borrowings		28,336	28,789
Net cash flows used in financing activities		(27,826)	(13,432)
Net (decrease)/increase in cash and cash equivalents during the year		(35,617)	63,050
Net foreign exchange differences		2,637	(1,874)
Cash and cash equivalents, at 1 October		160,027	98,851
Cash and cash equivalents, at 30 September	21	127,047	160,027

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

> *Our brands serve every major community of Trinidad & Tobago. They come to us every day whenever one needs a delicious meal. When the flood waters disrupted their lives, many were unable to cook themselves a hot meal. It was just the right thing to do for us to provide our affected communities with a hot meal so that they could start to rebuild their lives.*
> *-Prestige Holdings Limited*

Crown Point Tobago, Carisock.com

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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") is 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% of the Company's issued ordinary shares. 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, except as modified by the revaluation of land and buildings and investment properties that have been measured at fair value (notes 2(e) and 2(f)). These consolidated financial statements are expressed in Trinidad and Tobago dollars and all values are rounded to the nearest thousand ($'000). 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) Restatement

The consolidated financial statements have been restated in respect of the 2017 comparative information, as a result of the finalization in 2018 of the fair values of acquired assets and liabilities of entities acquired in 2017.

The impact of the restatements is presented in Note 30 (c).

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.

iv) Changes in accounting policies and disclosures

a) New and amended standards:

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 October 2017. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of new standards and interpretations are disclosed below. Although these new standards and amendments were applied for the first time in 2018, they did not have a material impact on the annual consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 7 - Statement of Cash Flows: Disclosure Initiative – Effective 1 January 2017

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. Application of amendments had no impact on the group.

Amendments to IAS 12 – Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses – Effective 1 January 2017

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments have no impact on the Group.

b) Standards issued but not yet effective:

The standards and interpretations that are issued but not yet effective at the report date are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9, 'Financial Instruments' – Effective 1 January 2018

IFRS 9 'Financial Instruments' was issued in July 2014 to replace IAS 39 "Financial Instruments: Recognition and Measurement". The standard is effective for accounting periods on or after 1 January 2018 and will be adopted by the Group on 1 October 2018.

IFRS 9 will impact the classification and measurement of the Group's financial instruments and will require certain additional disclosures. The primary changes relate to the provisioning for potential future credit losses on contract assets. The Group plans to adopt the new standard on the required effective date and is currently assessing the impact of the new Standard.

The Group has not completed its assessment of the impact of this standard on the consolidated financial statements.

IFRS 15, 'Revenue from Contracts with Customers' – Effective 1 January 2018

IFRS 15, 'Revenue from contracts with customers' is more prescriptive than the current IFRS requirements for revenue recognition and provides more application guidance. The disclosure requirements are also more extensive. Implementing this standard required extensive work by all companies throughout the Group in reassessing their accounting policies, systems and processes, the impact of which is currently being assessed. The Group has decided to apply the modified retrospective approach from the start of the new financial year beginning on 1 October 2018. Additional information on the new requirements of IFRS 15 are further detailed below.

IFRS 15 replaces all existing revenue requirements in IFRS (IAS 11, 'Construction Contracts', IAS 18, 'Revenue', IFRIC 13, 'Customer Loyalty Programmes', IFRIC 15, 'Agreements for the Construction of Real Estate', IFRIC 18, 'Transfers of Assets from Customers' and SIC 31, 'Revenue – Barter Transactions Involving Advertising Services') and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as IAS 17, 'Leases' (or IFRS 16, 'Leases', once applied). Its requirements also provide a model for the recognition and measurement of gains and losses on disposal of certain non-financial assets, including property, plant and equipment and intangible assets.

The standard outlines the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 must be applied using a five-step model:

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

The standard requires the Group to exercise judgement, taking into consideration all relevant facts and circumstances when applying each step of the model to contracts with its customers. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. Application guidance is provided in IFRS 15 to assist entities in applying its requirements to certain common arrangements, including licenses of intellectual property, warranties, rights of return, principal-versus-agent considerations, options for additional goods or services and breakage.

When IFRS 15 is adopted, it can be applied either on a fully retrospective basis, requiring the restatement of the comparative periods presented in the financial statements, or with the cumulative retrospective impact of IFRS 15 applied as an adjustment to retained earnings on the date of adoption; when the latter approach is applied it is necessary to disclose the impact of IFRS 15 on each line item in the financial statements in the reporting period. The Group has not completed its assessment of the new Standard on the consolidated financial statements.

IFRS 16 Leases – Effective from 1 January 2019

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC(15) *Operating Leases-Incentives* and SIC(27) *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2019, the Group will assess the potential effect of IFRS 16 on its consolidated financial statements.

Amendments to IAS 40 – Transfers of Investment Property – Effective 1 January 2018

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – effective on a date to be determined by the International Accounting Standards Board

IFRIC 22, 'Foreign Currency Transactions and Advance Consideration' – Effective 1 January 2018

IFRIC 23, 'Uncertainty over Income Tax Treatments' – Effective 1 January 2019

Annual improvements to IFRS standards 2014 – 2016 cycle, resulting in amendments to IFRS 1, IFRS 12 and IAS 28 – Effective 1 January 2018

Annual improvements to IFRS standards 2015 – 2017 cycle, resulting in amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 – 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;
- 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, Caribbean Distribution Partners Limited, Desinco Limited and Independence Agencies Limited .

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

(b) Consolidation

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 interest 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.

Following a business combination, the Group has a period of not more than twelve months from the date of acquisition to finalize the acquisition fair values of assets acquired and liabilities assumed including the valuations of identifiable intangible assets and other long lived assets.

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.

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.

(a) 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 recognized in OCI or profit or loss are also recognized 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.

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 recognized 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.

(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% - 33⅓% per annum
Motor vehicles	-	121/2% - 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.

(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

Investment properties are derecognised when there have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit are expected. Any gain or loss arising on disposal is recognised in the Consolidated Statement of Income.

(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. The useful lives of other intangible assets are classified as finite or infinite.

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.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually to determine whether the indefinite lives continue to be supportable if not, the change from indefinite to finite is made on a prospective basis.

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.

(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.

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.

(k) Financial assets (con't)

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 derecognized 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.

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

Ordinary 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.

(n) Current and deferred income taxes (con't)

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.

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.

(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. Revenue is 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. Sales of goods are 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) Dividend distribution

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.

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.

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.

(w) Current versus non-current distinction (con't)

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.

3. Financial risk management and fair value estimation (con't)

Year ended 30 September 2018

ASSETS	TTD	USD	ECD	BDS	Euro	GUY	CAD	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash at bank	138,283	22,734	9,041	16,560	8,913	16,992	4,865	217,388
Trade and other								
Receivables	360,051	53,548	72,018	47,595	900	5,577	—	539,689
Total financial								
assets	498,334	76,282	81,059	64,155	9,813	22,569	4,865	757,077
LIABILITIES								
Borrowings	346,068	74,193	58,098	18,345	—	—	—	496,704
Trade and other								
Payables	228,298	143,994	45,928	87,276	8,134	1,905	—	515,535
Total financial								
liabilities	574,366	218,187	104,026	105,621	8,134	1,905	—	1,012,239
Net currency risk								
exposure	(76,032)	(141,905)	(22,967)	(41,466)	1,679	20,664	4,865	(255,162)
Reasonably possible change								
in foreign exchange rate		5%	5%	5%	5%	5%	5%	
Effect on profit before tax		(7,095)	(1,148)	(2,073)	84	1,033	243	(8,956)

3. Financial risk management and fair value estimation (con't)

Year ended 30 September 2017

ASSETS	TTD $'000	USD $'000	ECD $'000	BDS $'000	Euro $'000	TOTAL $'000
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)

3. Financial risk management and fair value estimation (con't)

b) Cash flow 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 $794,805 (2017: $633,041).

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 2018 $'000	2017 $'000
Trade and other receivables – net (Note 11)	523,230	475,146
Cash at bank and in hand (Note 21)	217,388	254,541
Total	740,618	729,687

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.

2018	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Greater than 5 years $'000	Total $'000
Bank overdraft/ acceptances	90,341	–	–	–	90,341
Borrowings	117,995	79,624	169,104	178,974	545,697
Trade and other payables	386,732	–	–	–	386,732
	595,068	79,624	169,104	178,974	1,022,770
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

3. Financial risk management and fair value estimation (con’t)

(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 an optimal capital structure to reduce the cost of capital.

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 total capital (debt and equity), as presented below:

	2018 $’000	2017 $’000
Total borrowings (Note 13)	496,704	472,542
Less: cash at bank (Note 21)	(217,338)	(254,541)
Net debt	279,366	218,001
Total equity	1,371,638	1,134,195
Total capital	1,651,005	1,352,196
Gearing ratio	17%	16%

For 2018, 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 2018 is estimated to be $344.7 million (2017: $334.4 million) which is similar to its carrying value of $344.7 million (2017: $334.4 million). For all other financial assets and liabilities, the carrying value is considered a reasonable approximation of fair value.

At the end of each reporting period, the Group updates their assessment of the fair value of investment properties and freehold properties (classified within Property, plant and equipment) taking into account the most recent independent valuations. During the year, the Group obtained independent valuations for its freehold properties and investment properties, based on valuations performed by qualified external valuers.

These fair value amounts were determined mainly on the basis of level 3 inputs. Main inputs used in the determination of fair value for these assets include the location, square footage, the overall condition of each property and the potential usage of the property.

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 external assessment of the valuation of the freehold

properties and investment properties 2018.ß The resultant changes were included in the revaluation reserves or profit or loss. as a gain in valuation respectively. Valuations are sensitive to the underlying assumptions utilized by management in the valuation methodology applied in determining fair value.

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 recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon 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 2018						
Opening net book amount	461,025	47,110	24,359	44,322	35,653	612,469
Additions	36,249	15,191	13,428	6,648	6,598	78,114
Disposals	—	(165)	(1,445)	(1,335)	—	(2,945)
Changes in composition of						
Group (Note 30 d+e)	544	110	982	567	90	2,293
Transfers	21,459	5,658	20	12,002	(39,139)	—
Write-offs	(4,614)	(241)	—	—	(825)	(5,680)
Revaluation surplus	140,978	—	—	—	—	140,978
Foreign exchange translation	665	(118)	(13)	—	—	534
Depreciation charge	(13,450)	(11,427)	(8,515)	(7,247)	—	(40,639)
Closing net book amount	642,856	56,118	28,816	54,957	2,377	785,124
At 30 September 2018						
Cost or valuation	720,727	173,454	91,953	76,771	2,377	1,065,282
Accumulated depreciation	(77,871)	(117,336)	(63,137)	(21,814)	—	(280,158)
Net book amount	642,856	56,118	28,816	54,957	2,377	785,124

5. Property, plant and equipment (con't)

	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 (Restated)						
Opening net book amount	345,352	37,963	15,820	2,262	7,271	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)	44,989	8,644	7,444	47,408	6,679	115,164
Transfers	4,759	1,897	35	–	(6,691)	–
Net transfer from investment	44,537	–	–	–	–	44,537
properties (Note 6)						
Foreign exchange translation	1,074	473	(664)	–	452	1,335
Depreciation charge	(8,648)	(14,614)	(8,706)	(9,008)	–	(40,976)
Closing net book amount	461,025	47,110	24,359	44,322	35,653	612,469
At 30 September 2017 (Restated)						
Cost or valuation	525,446	153,019	78,981	58,889	35,653	851,988
Accumulated depreciation	(64,421)	(105,909)	(54,622)	(14,567)	–	(239,519)
Net book amount	461,025	47,110	24,359	44,322	35,653	612,469

An independent professional valuation was conducted on the leasehold and freehold properties as at 31 July 2018 by Brent Augustus and Associates, for properties belonging to the subsidiaries in Trinidad.

In Grenada, a valuation was performed by T.M. Williamson Consulting Architects for properties belonging to Independence Agencies Limited as at 30 June 2018. Peter and Company Limited in St. Lucia used Terrence St. Clair, Quality Surveyor for valuation on its property as at 31 July 2018.

Depreciation expense for the year ended 30 September 2018 of $32,075,032 (2017: $32,657,228) has been charged in administration expenses and $8,563,846 (2017: $8,318,972) in cost of sales.

5. Property, plant and equipment (con't)

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

	2018 $'000	2017 $'000
Cost	241,983	241,983
Accumulated depreciation	(28,362)	(26,673)
Net book amount	213,621	215,310

6. Investment properties

	2018	2017
Beginning of year	21,702	66,239
Revaluation on investment property	9,485	–
Transfers to property, plant and equipment (Note 5)	—	(44,537)
End of year	31,187	21,702

Investment property was valued by Brent Augustus and Associates as at 31 July 2018 at $31,187,142 on the open market value basis.

The following amounts have been recognised in the consolidated statement of comprehensive income:	2018 $'000	2017 $'000
Rental income	1,125	1,118
Direct operating expenses	283	118

The Group has no restrictions on the realisability of its investment properties and contractual commitment at year-end to purchase, construct or develop investment properties for repairs or enhancements.

7. Intangible assets

As at 30 September 2017 (Restated)	Goodwill $'000	Customer relationships brands and trade name $'000	Software $'000	Total $'000
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 the composition of the Group	34,438	32,819	375	67,632
Disposal	–	–	(219)	(219)
Gross carrying amounts as at 30 September 2017 (Restated)	151,073	51,222	7,343	209,638
Accumulated impairment and amortisation as at 1 October 2016	(563)	(3,478)	(4,548)	(8,589)
Amortisation	–	(3,431)	(1,112)	(4,543)
Disposal and other	–	–	340	340

7. Intangible assets (con't)

	Goodwill	Customer relationships brands and trade name	Software	Total
Accumulated impairment and amortisation as at 30 September 2017 (Restated)	(563)	(6,909)	(5,320)	(12,792)
Net carrying amounts as at 30 September 2017 (Restated)	150,510	44,313	2,023	196,846
As at 30 September 2018				
Gross carrying amounts as at 1 October 2017 (Restated)	151,073	51,222	7,343	209,638
Additions	—	71,465	988	72,453
Changes in the composition of the Group (Restated)	9,747	—	—	9,747
Disposal	—	—	(129)	(129)
Gross carrying amounts as at 30 September 2018	160,820	122,687	8,202	291,709
Accumulated impairment and amortisation as at 1 October 2017	(563)	(6,909)	(5,320)	(12,792)
Amortisation	—	(3,427)	(684)	(4,111)
Accumulated impairment and amortisation as at 30 September 2018	(563)	(10,336)	(6,004)	(16,903)
Net carrying amounts as at 30 September 2018	160,257	112,351	2,198	274,806

7. Intangible assets (con't)

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)	16,554	12.58%	2.5%	2017
CDP Trinidad Limited (Vembev division)	17,884	14.77%	2.5%	2017
Superpharm Limited	20,888	11.01%	2.9%	2010
Smith Robertson & Company Limited	11,845	10.82%	3%	2010
Agostini Building Solutions (Interchem)	1,985	12.2%	3%	2008
Peter and Company Limited	130	13.74%	3%	2015
Hanschell Inniss Limited	20,895	15.66%	3%	2015
Coreas Distribution Limited	19,471	10.8%	3%	2015
Desinco Limited	4,355	–	–	2018
Curis Technologies Limited	5,392	–	–	2018
Total	160,257			

Impairment tests were not performed on the 2018 acquisitions relating to Desinco Limited and Curis Technologies Limited.

Customer relationships, brands, rights and trade names

Subsequent to initial recognition, the customer relationships, brands, rights and trade names were assessed to determine whether their useful lives were finite or indefinite. Those with finite useful lives were assessed to have lives ranging from 10 to 20 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.

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)
Hanschelllnniss Limited	4,056	15.66%	3%
Coreas Distribution Limited	3,127	10.80%	3%
Peter and Company Limited	1,906	10.60%	3%
CDP Trinidad Limited (Vemco division)	14,522	–	–
CDP Trinidad Limited (Vembev division)	17,276	–	–
Total	40,887		

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.

During the year, CDP Brand Holdings Limited acquired the Peardrax trademark and rights to trademark filings in progress. The trademarks have been recognized with an indefinite useful life in accordance with IAS 38 – Intangible Assets with a carrying value of $71,463,845. No impairment tests was performed during the year on this 2018 aquired brand. CDP Brand Holdings Limited is a wholly owned subsidiary of Caribbean Distribution Partners Limited. Refer to Note 23.

	2018 $'000
Total carrying value customer relationships, brands, rights and trademarks as at 30 September 2018	112,351

7. Intangible assets (con't)

Key assumptions used in value in use calculations

The calculation of value in use for the respective cash generating units is most sensitive to the following assumptions:

- Gross margins
- Discount rates
- Growth rate used to extrapolate cash flows beyond the forecast period

Gross margins – are impacted by the cost of goods for resale/manufactured at the respective cash generating units. The Group has some discretion in setting selling prices which also impacts gross margin. Factors such as increased competition or decreased consumer spending/demand may negatively impact gross margin.

Discount rates – this represents the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated into the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and are derived from its weighted average cost of capital (WACC). The WACC takes into account both equity and debt. Adjustments to the discount rate are made to factor in the specific amounts and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate – is based on industry research and is used to extrapolate cash flows beyond the forecast period.

Software

Intangible assets also include the purchase of a software system known as Syspro System which was recognized at fair value at the capitalization date. Subsequent to initial recognition, computer software was carried at cost, less amortization 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:

	2018 $'000	2017 $'000
Contribution expense – Trinidad and Tobago plans	4,765	4,432
Contribution expense – Overseas plans	358	351

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.

8. Retirement benefits (con't)

	2018 $'000	2017 $'000
Retirement benefits asset:		
Trinidad and Tobago plans (See Note 8 (a))	16,134	18,101
Overseas plans (See Note 8 (b))	5,997	2,620
	22,131	20,721
Retirement benefits liability:		
Overseas plans (See Note 8 (b))	2,479	4,738

(a) Trinidad and Tobago plans

	Defined benefit pension plan 2018	Defined benefit pension plan 2017
Changes in present value of defined benefit obligation	**$'000**	**$'000**
Defined benefit obligation at start of year	163,850	155,387
Interest cost	7,849	7,463
Current service cost – employer's portion	4,592	4,177
Employee additional voluntary contributions	3,938	3,481
Actuarial gains	1,221	(310)
Transfer in	–	742
Benefits paid	(7,164)	(7,090)
Defined benefit obligation at end of year	174,286	163,850
Change in fair value of plan assets		
Plan assets at start of year	181,951	172,927
Administration expense	(432)	(388)
Expected return on plan assets	9,112	8,639
Actuarial (loss)/gain	(923)	187
Employee additional voluntary contributions	3,938	3,481
Transfer in	–	742
Benefits paid	(7,164)	(7,090)
Company contributions	3,938	3,453

	Defined benefit pension plan 2018	Defined benefit pension plan 2017
Plan assets at end of year	190,420	181,951
Amounts recognised in the consolidated statement of financial position		
Present value of pension obligations	(174,286)	
Fair value of plan assets	190,420	181,951
Net benefit asset	16,134	18,101
Represented by:		
Retirement benefit asset	16,134	18,101
Amount recognised in the consolidated statement of income		
Current service cost	4,592	4,177
Interest on obligation	7,849	7,463
Expected return on plan assets	(9,112)	(8,639)
Administration cost	432	388
Net pension expense recognised during the year	3,761	3,389

8. Retirement benefits (con't)

(a) Trinidad and Tobago plans (con't)

	Defined benefit pension plan 2018	2017
Movements in the net asset recognised in the consolidated statement of financial position		
Net asset at 1 October	18,101	17,540
Net pension expense recognised in the consolidated statement of income	(3,761)	(3,389)
Actuarial (losses) / gains recognized in consolidated other comprehensive income	(2,144)	497
Employer contributions	3,938	3,453
Net asset at 30 September	16,134	18,101
The major categories of plan assets as a percentage of total plan assets are as follows:		
Government securities	45%	45%
Local equities	25%	27%
Foreign assets	20%	20%
Short-term	10%	8%
Principal actuarial assumptions at the consolidated statement of financial position date		
Discount rate	5%	5%
Future salary escalation	3%	3%
Expected return on plan assets	2.5%/ 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	Discount rate 1% decrease	Future salary 1% increase	Future salary 1% decrease
2018	**$'000**	**$'000**	**$'000**	**$'000**
Impact on the defined benefit obligation	(9,112)	14,708	3,006	(1,991)
2017				
Impact on the defined benefit obligation	(10,383)	12,450	3,011	(2,040)

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 $4.3 million to its Trinidad and Tobago defined benefit plans in 2019.

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 (2017: 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 16 years (2017: 15 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 are required to contribute to the plans at the rate of 5% of their earnings for the foreseeable future.

8. Retirement benefits (con't)

b) Overseas plans

	Defined benefit pension plan	
	2018	**2017**
Employe benefit asset	**$'000**	**$'000**
Changes in present value of defined benefit obligation		
Defined benefit obligation at start of year	68,398	65,528
Foreign exchange translation	(409)	762
Interest cost	5,269	5,012
Current service cost – employer's portion	1,627	1,624
Employee additional voluntary contributions	519	597
Actuarial gains	(8,895)	(2,355)
Benefits paid	(2,453)	(2,770)
Defined benefit obligation at end of year	64,056	68,398
Change in fair value of plan assets		
Plan assets at start of year	68,170	64,075
Foreign exchange translation	(5,095)	(1,569)
Transfer of assets	–	749
Administration expense	(162)	(49)
Expected return on plan assets	5,051	4,913
Employee additional voluntary contributions	519	597
Company contributions	1,426	2,224
Benefits paid	(2,335)	(2,770)
Plan assets at end of year	67,574	68,170
Amounts recognised in the consolidated statement of financial position	**$'000**	**$'000**
Present value of pension obligations	(64,056)	(68,398)

	Defined benefit pension plan	
	2018	**2017**
Fair value of plan assets	67,574	68,170
Asset ceiling	–	(1,890)
Net benefit asset / (liability)	3,518	(2,118)
Represented by:		
Retirement benefit asset	5,997	2,620
Retirement benefit liability	(2,479)	(4,738)
	3,518	(2,118)
Amount recognised in the consolidated statement of income		
Current service cost	1,627	1,624
Interest on obligation	5,269	5,012
Administration cost/unreconciled asset ceiling	162	49
Expected return on plan assets	(5,051)	(4,913)
Net pension expense recognised during the year	2,007	1,772
Movements in the net liability recognised in the consolidated statement of financial position	**$'000**	**$'000**
Net (liability) at 1 October	(2,118)	(1,453)
Foreign exchange	122	(284)
Net pension expense recognised in the consolidated statement of income	(2007)	(1,772)
Actuarial losses / (gains) recognized in other comprehensive income	6,339	(833)
Employer contributions	1,426	2,224
Net assets / (liability) at 30 September	3,518	(2,118)

8. Retirement benefits (con't)

(b) Overseas plans (con't)

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

	2018	2017
Mortgages	0%	5%
Government securities	40%	37%
Local equities	0%	28%
Foreign assets	34%	9%
Short-term	26%	21%

Principal actuarial assumptions at the consolidated statement of financial position date

	2018	2017
Discount rate	7.5%—7.75%	7.5%—7.75%
Future salary escalation	6.5%—6.75%	6.5%—6.75%
Expected return on plan assets	7.5%—7.75%	7.5%—7.75%
Future pension increases (current retirees only)	3.5%—3.75%	3.5%—3.75%

A quantitative sensitivity analysis for significant assumptions as at 30 September is as shown below for overseas plan:

Assumptions	Discount rate	Future salary		
	1%	1%	0.5%	0.5%
	increase	decrease	increase	decrease
2018	$'000	$'000	$'000	$'000
Impact on the defined benefit obligation	(29,139)	36,954	27,519	(23,274)
2017				
Impact on the defined benefit obligation	(28,561)	37,405	26,822	(24,109)

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 2019.

The weighted average duration of the defined benefit obligation at the end of the reporting period is 22 years (2017: 21 years).

9. Inventories

	2018 $'000	2017 $'000
Finished goods and goods for resale	449,329	435,081
Raw materials	30,595	20,164
	479,924	455,245
Provision for obsolescence	(9,690)	(6,852)
	470,234	448,393
Goods in transit	123,664	101,430
Work-in-progress	294	141
	594,192	549,964

The cost of inventories recognised as an expense and included in cost of sales amounted to $2,415 million (2017: $2,207 million).

10. Construction contract work-in-progress

	2018 $'000	2017 $'000
Contract costs incurred in the year	58,597	40,861
Contract expenses recognised in the year	(57,314)	(39,340)
	1,283	1,521
Contract costs incurred and recognised profits (less losses) to date	12,664	12,976

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

11. Trade and other receivables

	2018 $'000	2017 $'000
Trade receivables	441,220	441,431
Less: Provision for impairment of receivables	(29,270)	(26,241)
Trade receivables - net	411,950	415,190
Prepayments	16,459	17,346
Other receivables	79,199	42,031
Receivables from GEL group (Note 24)	3,351	6,380
Receivables from VEML group (Note 24)	8,773	1,093
	519,732	482,040
Amounts due from customers for construction contracts	19,957	10,452
Less: Provision for impairment of customers for construction contracts	–	–
	19,957	10,452
	539,689	492,492

As at 30 September 2018, trade receivables and amounts due from construction customers at a value of $29,269,717 (2017: $26,241,114) were impaired and fully provided for. Movements in the provision for impairment of trade receivables were as follows:

	2018 $'000	2017 $'000
Balance at 1 October	26,241	31,105
Charge for the year	10,339	7,092
Amounts written off	(2,488)	(7,898)
Amounts recovered	(4,822)	(4,058)
Balance at 30 September	29,270	26,241

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 2018 and 2017, 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
2018	231,312	152,858	27,780	411,950
2017	237,565	134,075	43,550	415,190

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

	2018 $'000	2017 $'000
Authorised		
An unlimited number of ordinary shares of no par value		
Issued and fully paid		
69,103,779 (2017: 69,103,779) ordinary shares of no par value	364,716	364,716

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 these proceeds formed the consideration for the acquisition of Vemco Limited in 2017.

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

	2018 $'000	2017 $'000
Current		
i) Bankers' acceptances (Note 21)	73,120	87,997
ii) Bank overdraft (Note 21)	17,221	6,517
iii) Bank borrowings	61,627	43,584
	151,968	138,098
Non-current		
iv) Bank borrowings	344,736	334,444
Total borrowings	496,704	472,542

i) Bankers' acceptances are unsecured with a maturity period of 1–3 months. Interest rates on these borrowings are 2.9% - 5% per annum (2017: 3.4%–5% per annum).

ii) The Bank overdraft is secured by a 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% - 7.5% per annum (2017: 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 $170,000,000 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 quarterly principal payments of $4,250,000 plus interest beginning January 2015. 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 which began on 31 October 2016 over a period of 10 years with a fixed interest rate of 5.75% per annum.
- In 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 beginning in March 2016 at a rate of 5% per annum and is secured by first demand on property located at #3 Chootoo Road, Aranguez.
- 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 commencing 2 July 2014. This loan is secured by the fixed assets of CDP Trinidad Limited (Vemco division) stamped to cover $85,000,000.
- 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.
- In December 2017, Caribbean Distribution Partners Limited (CDPL) acquired a $35,670,000 non-revolving term loan from Scotiabank Trinidad and Tobago Limited. This loan is repayable in twenty-four (24) equal quarterly principal instalments of $990,833. The bullet payment of the balance of the loan of $11,890,000 shall be payable on the day which is the sixth anniversary from the date of advance or subject to refinance for a further three (3) years at the Bank's sole option. It has a floating interest rate of 4.69% per annum and is secured by registered debenture over the filed and floating assets of the Borrower and a deed of properties executed by the Bank, CDPL and Republic Bank 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:	2018 $'000	2017 $'000
Between 1 and 2 years	56,224	62,538
Between 2 and 5 years	139,508	150,077
Over 5 years	149,004	121,829
	344,736	334,444

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 2017 (Restated)	36,359	9,411	6,457	(10,756)	18,117	59,588
Charge to consolidated statement of income (Note 19)	1,597	(425)	239	7.075	(2,337)	6149
Changes in composition of Group	(17)	–	–	(100)	–	(117)
Credit to consolidated OCI	–	21,438	1,310	–	–	22,748
Other movements	(1,735)	(4,788)	–	2,366	(6,388)	(10,545)
As at 30 September 2018	36,204	25,636	8,006	(1,415)	9,392	77,823
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	(5,668)	56	3,322	(1,353)	356
Changes in composition of Group	17,065	12,389	–	(6,037)	12,775	36,192
Credit to consolidated OCI	–	–	(99)	–	–	(99)
Prior year adjustment	(1,153)	–	–	–	–	(1,153)
As at 30 September 2017 (Restated)	36,359	9,411	6,457	(10,756)	18,117	59,588

	2018 $'000	Restated 2017 $'000
Deferred tax liability	83,223	72,379
Deferred tax asset	(5,400)	(12,791)
	77,823	59,588

14. Deferred income tax (con't)

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

Income year	Amount brought forward $'000	Amount utilised $'000	Amount carried forward $'000	Expiry date
2009	7,321	(7,321)	–	2018
2010	1,884	(1,884)	–	2019
2015	12,031	(6,864)	5,167	2022
2016	1,250	–	1,250	2023
	22,486	(16,069)	6,417	

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:

Income year	Amount brought forward $'000	Amount utilised $'000	Amount carried forward $'000	Expiry date
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
	14,595	(390)	14,205	

15. Trade and other payables

	2018 $'000	2017 $'000
Trade payables	308,439	325,960
Accrued expenses	79,332	75,780
Amounts due to contractors	8,774	521
Other payables	49,471	20,089
Payables to GEL Group (Note 24)	69,519	62,620
Payables to VEML Group (Note 24)	–	977
	515,535	485,947

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

	2018 $'000	2017 $'000
Foreign exchange gains	4,397	4,257
Rental income	6,826	5,877
Commissions	11,133	12,459
Gain on sale of property, plant and equipment	944	938
Miscellaneous income	6,244	3,902
	29,544	27,433

17. Expenses by nature

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

	2018 $'000	Restated 2017 $'000
Depreciation and amortization (Notes 5 and 7)	44,750	45,519
Employee benefit expense (Note 22)	336,922	314,242
Changes in inventories of finished goods and work-in-progress	1,253,674	1,418,669
Raw materials and consumables	1,067,470	822,906
Transportation	28,377	25,654
Advertising costs	44,093	35,502
Net creation of provision for impaired receivables	5,517	3,034
Insurance	11,735	10,995
Repairs and Maintenance – vehicles	8,612	7,626
Repairs and Maintenance – property	9,685	6,152
Legal and Professional fees	9,693	8,960
Green fund levy	6,839	6,657
Directors fees	1,275	1,503
Operating lease payments	43,562	23,888
Other expenses	191,592	190,610
Total cost of goods sold, other operating, administration, and marketing and distribution expenses	3,063,796	2,921,917

18. Finance costs – net

	2018 $'000	2017 $'000
Interest income	(1,935)	(598)
Interest expense		
- bank borrowings and acceptances	29,234	26,699
	27,299	26,101

19. Taxation

	2018 $'000	Restated 2017 $'000
Current tax	42,031	37,306
Deferred tax (Note 14)	6,149	356
Business levy	6,587	8,248
Prior years (over)/under provision	698	(2,051)
	55,465	43,859

The tax on profit before tax differs from the theoretical amount that would arise using the basic rate of tax as follows:

	2018	2017
Profit before taxation	200,862	153,471
Taxes at aggregate statutory tax rates of all jurisdictions:	66,352	46,041
Differences resulting from:		
Expenses not deductible for tax purposes	2,961	6,170
Income not subject to tax	(6,696)	(491)
Other	(13,396)	(18,452)
Prior years (over)/under provision	(698)	(2,051)
Business levy	6,587	8,248
Other permanent differences	(1,041)	4,394
	55,465	43,859

Subsidiary companies have tax losses of approximately $20.6 million (2017: $23 million) available for set off against future profits.

On 19 December 2017, the Government of the Republic of Trinidad and Tobago enacted the Finance Bill 2017, which resulted in a flat tax rate of 30% for companies with effect from 1 January 2018. 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 and Rosco Petroavance Limited.

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.

	2018	Restated 2017
Profit attributable to shareholders of the Parent ($'000)	114,707	92,520
Weighted average number of ordinary shares in issue ('000)	69,104	69,104
Basic and diluted earnings per share ($ per share)	$1.66	$1.34

21. Cash and cash equivalents

	2018 $'000	2017 $'000
Cash at bank and in hand	217,388	254,541
Bank overdraft (Note 13)	(17,221)	(6,517)
Bankers' acceptances (Note 13)	(73,120)	(87,997)
	127,047	160,027

22. Employee benefit expense

	2018	2017
Wages and salaries	276,367	262,218
National insurance	19,208	18,562
Other benefits	29,969	25,179
Pension costs	9,723	8,158
Termination costs	1,655	125
	336,922	314,242

23. Subsidiaries and associate

Subsidiaries	Principal activities	Country of incorporation	2018 Percentage of equity held	2017 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	Trinidad & Tobago	100%	100%
Rosco Petroavance Limited	Marketing of equipment and services to petroleum related companies	Trinidad & Tobago	92%	92%
Ponderosa Pine Limited	Rental of properties	Trinidad & Tobago	100%	100%
Caribbean Distribution Partners Limited	Holding company	Trinidad & Tobago	50%	50%
CDP Trinidad Limited	Wholesale distribution of food, beverage and grocery products	Trinidad & Tobago	50%	50%
Peter and Company Limited	Wholesale distribution of food, beverage and grocery products	St. Lucia	50%	50%
Coreas Distribution Limited	Wholesale distribution of food, beverage and grocery products	St. Vincent	50%	50%
Independence Agencies Limited	Wholesale distribution of food, beverage and grocery products	Grenada	27.5%	27.5%
Hanschell Inniss Limited	Wholesale distribution of food, beverage and grocery products	Barbados	50%	50%
Facey's Limited	Wholesale distribution of food, beverage and grocery products	Barbados	50%	50%
Curis Technologies Limited	Sale and service of medical equipment	Trinidad & Tobago	100%	–
CDP Brands Holdings Limited IBC	Holding of Peardrax brand	St. Lucia	50%	–

23. Subsidiaries and associate (con't)

Subsidiaries	Principal activities	Country of incorporation	2018 Percentage of equity held	2017 Percentage of equity held
Associate:				
Desinco Limited	Wholesale distribution of food, beverage and grocery products	Guyana	–	20%

Changes in composition of the Group

During the year, the Group acquired additional interests of 11% held in Desinco Limited and assumed control of the entity which was previously an associated company of the Group. Accordingly, the entity became a 51% owned subsidiary of the Group. (Refer to Note 30 d)).

During the year, the Group completed the acquisition of 100% of the issued share capital of Curis Technologies Limited (formerly Miatrin Medical Limited) (Refer to Note 30 e)).

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) CDP Brands Holding Limited (100%)
3) Hanschell Inniss Limited (100%)
4) Peter and Company Limited (100%)
5) Coreas Distribution Limited (100%)
6) Independence Agencies Limited (55.12%)
7) Facey's Limited (100%)
8) Desinco Limited (51%)

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.

24. Related party transactions

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

	2018 $'000	2017 $'000
i) Amounts due by related parties		
Victor E. Mouttet Limited Group (Note 11)	8,773	1,093
Goddard Enterprises Limited Group (Note 11)	3,351	6,380
	12,124	7,473
ii) Amounts due to related parties		
Victor E. Mouttet Limited Group (Note 15)	–	977
Goddard Enterprises Limited Group (Note 15)	69,519	62,620
	69,519	63,597
iii) Transactions with related parties:		
Sales and services to related companies	120,531	70,982
Purchases and services from related companies	29,518	19,029
iv) Compensation of key management personnel:		
Salaries and other short-term employee benefits	47,384	48,740

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 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2017: 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 2018	% Interest 2017
Caribbean Distribution Partners Limited Group	Republic of Trinidad and Tobago	50	50

		Restated
	2018	2017
	$'000	$'000
Accumulated balances of material non-controlling interests:		
Caribbean Distribution Partners Limited Group	267,647	225,371
Profit allocated to material non-controlling interests:		
Caribbean Distribution Partners Limited Group	27,237	15,851

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	
		Restated
	2018	2017
	$'000	$'000
Revenues	2,131,096	2,029,499
Cost of sales	(1,642,732)	(1,588,156)
Administrative expenses	(176,001)	(223,471)
Other expenses – net	(220,750)	(162,165)
Finance costs	(15,852)	(14,324)
Share of profit in associate	481	816
Profit before tax	76,242	42,199
Taxation	(20,629)	(10,031)
Profit after tax	55,613	32,168
Total other comprehensive income	54,067	37,707
Attributable to non-controlling interests	27,237	15,851
Dividends paid to non-controlling interests	585	431

	Caribbean Distribution Partners Limited Group	
		Restated
	2018	2017
	$'000	$'000
Summarised consolidated statement of financial position:		
Non-current assets	685,324	542, 356
Current assets	801,798	756,734
Non-current liabilities	258,981	255,470
Current liabilities	420,116	378,714
Total equity attributable to:		
Equity holders of parent	540,378	439,535
Non-controlling interests	267,647	225,371

Summarised consolidated cash flow information:

Operating	86,436	300
Investing	(120,371)	(4,299)
Financing	26,762	(34,300)
Net decrease in cash and cash equivalents	(7,173)	(38,299)

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:

	2018 $'000	2017 $'000
Within one year	8,237	8,170
After one year but not more than five years	43,081	51,388
More than five years	30,835	27,687
	82,153	87,245

(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:

	2018 $'000	2017 $'000
Within one year	259	317
After one year but not more than five years	55	1,267
	314	1,584

27. Contingencies

		2018 $'000	2017 $'000
(i)	Customs bonds	25,414	24,903
(ii)	Bank guarantees	11,218	7,321
(iii)	Letter of credits	78,483	78,494

(iv) The Group's subsidiaries are involved in nine 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 2018 and 2017 were $39,389,154 ($0.57 per share) and $38,698,116 ($0.56 per share) respectively. The final dividend for 2017 of $23,495,284 ($0.34 per share) was paid and charged against 2018 retained earnings.

Subsequent to year end on 28 November 2018, the Group proposed and approved a final dividend for 2018 of $26,259,436 ($0.38 per share). This 2018 final dividend will be charged against retained earnings in 2019.

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 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

29. Segment information (con't)

Business segments

	Pharmaceutical & personal care distribution		Fast moving consumer goods and food manufacturing Restated		Industrial, construction and holdings		Total Restated	
	2018	2017	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue								
Third party revenue	948,720	901,078	2,125,134	2,023,890	178,593	148,272	3,252,447	3,073,240
Inter Segment Sales	52,465	51,517	5,962	5,610	10,213	7,706	68,640	64,833
Total revenue	1,001,185	952,595	2,131,096	2,029,500	188,806	155,978	3,321,087	3,138,073
Results								
Operating profit	98,566	102,002	94,415	57,807	25,214	18,947	218,195	178,756
Gain on revaluation of investment property	–	–	–	–	9,485	–	9,485	–
Share of profit of an associate	–	–	481	816	–	–	481	816
Finance costs - net	(7,427)	(6,603)	(15,851)	(14,324)	(4,021)	(5,174)	(27,299)	(26,101)
Profit before taxation	91,139	95,399	79,045	44,299	30,678	13,773	200,862	153,471
Taxation	(29,467)	(29,810)	(19,902)	(9,188)	(6,096)	(4,861)	(55,465)	(43,859)
Profit for the year	61,672	65,589	59,143	35,111	24,582	8,912	145,397	109,612
Non-controlling interests							(30,690)	(17,092)
Net profit attributable to equity holders of the parent							114,707	92,520
Consolidated total assets								
Segment assets	629,185	573,316	1,343,631	1,211,453	507,974	398,623	2,480,790	2,183,392
Consolidated total liabilities								
Segment liabilities	258,234	232,661	598,579	548,639	252,339	267,897	1,109,152	1,049,197
Other information								
Capital expenditure	18,811	30,298	51,958	49,578	7,345	4,050	78,114	83,926
Depreciation and amortization	14,047	11,434	26,698	30,147	4,005	3,938	44,750	45,519

No revenue from transactions with a single external customer or counterparty amounted to 5% or more of the Group's total revenue in 2018 or 2017.

29. Segment information (con't)

Geographical information

	Trinidad & Tobago		Barbados		Other countries		Total Restated	
	2018	2017	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Third party revenue	2,123,789	1,970,489	410,276	419,887	718,382	682,864	3,252,447	3,073,240
Non-current assets	941,280	710,528	14,194	10,156	135,643	110,333	1,091,117	83,1017

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")

On 1 October 2016, the Group acquired Vemco Limited, a company 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. Upon acquisition, Vemco Limited was amalgamated with CDP Trinidad Limited in accordance with the Amalgamation Act as a division of CDP Trinidad 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 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 2017 consolidated audited 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 the Board of Directors.

The assessment of fair values was completed in the year ended 30 September 2018 as follows:

	Final fair value ($'000)	Provisional fair value ($'000)
Property, plant and equipment (PPE)	107,839	101,016
Intangible asset	29,114	70
Total non-current assets	136,953	101,086
Inventories	117,551	101,652
Trade and other receivables	82,950	82,950
Taxation recoverable	302	302
Cash and cash equivalents	9,134	9,134
Total current assets	209,937	194,038
Total identifiable assets acquired	346,890	295,124
Trade and other payables	70,212	70,212
Borrowings	32,096	32,096
Other current liabilities	538	538
Total current liabilities	102,846	102,846
Borrowings	65,004	65,004
Deferred tax liability	27,496	14,826
Total non-current liabilities	92,500	79,830
Total identifiable liabilities assumed	195,346	182,676
Net identifiable assets acquired	151,544	112,448
Share of identifiable assets acquired	75,772	56,224

30. Business combinations (con't)

(a) Vemco (con't)

The fair value of trade and other receivables amounted to $83 million at acquisition. This amount represents the contractual amount less provision for impairment and therefore reflects the amount that can be collected.

The 2017 comparative information was revised to reflect the adjustments to the provisional amounts. There was also a corresponding decrease in previously reported goodwill by $19.6 million, resulting in a final goodwill of $16.5 million as shown in Note 7.

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

	Final fair value ($'000)	Provisional fair value ($'000)
Consideration paid for the acquisition	92,326	92,326
Fair value of net identifiable assets acquired	(75,772)	(56,224)
Goodwill	16,554	36,102

(b) Vembev

On 1 November 2016, the Group acquired Pepsi-Cola Trinidad Bottling Company Limited ("PCT"), 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. Upon acquisition, PCT was amalgamated with CDP Trinidad Limited in accordance with the Amalgamation Act as a division of CDP Trinidad Limited and its name was changed to Vembev in November 2017.

The amalgamation of Vembev 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 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 the Board of Directors.

The assessment of fair values was completed in the year ended 30 September 2018 as follows:

	Final fair value ($'000)	Provisional fair value ($'000)
Property, plant and equipment (PPE)	2,711	2,711
Inventories	8,716	6,631
Intangible Assets	36,595	–
Trade and other receivables	20,934	20,934
Cash and cash equivalents	6,000	6,000
Total current assets	72,245	33,565
Total identifiable assets acquired	74,956	36,276
Trade and other payables	14,182	14,182
Deferred tax liability	8,697	–
Total identifiable liabilities assumed	22,879	14,182
Net identifiable assets acquired	52,077	22,094
Share of identifiable assets acquired	26,039	11,047

The fair value of trade and other receivables amounted to $21 million at acquisition. This amount represents the contractual amount less any impairment and therefore reflects the amount that can be collected.

The 2017 comparative information was revised to reflect the adjustments to the provisional amounts. There was also a corresponding decrease in the previously reported goodwill of $15 million, resulting in a final goodwill of $17.9 million as shown in Note 7.

30. Business combinations (con't)

(b) Vembev (con't)

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

	Final fair value ($'000)	Provisional fair value ($'000)
Consideration paid for the acquisition	43,923	43,923
Fair value of net identifiable assets acquired	(26,039)	(11,047)
Goodwill	17,884	32,876

(c) Impact of restatement

The impact of the adjustments to provisional amounts on the consolidated financial statements for the year ended 30 September 2017 is summarised below.

Effect on consolidated statement of financial position:

	Balance previously reported as at 30 Sep '17 ($'000)	Adjustment to previously reported fair value ($'000)	Movement in total comprehensive income ($'000)	Restated balance as at 30 Sep'17 ($'000)
Inventories	549,964	17,197	(17,197)	549,964
PPE	602,450	13,114	(3,095)	612,469
Intangible assets	200,307	(1,788)	(1,673)	196,846
Deferred tax liability	57,603	21,366	(6,590)	72,379
Total equity	1,149,560	8,010	(15,375)	1,134,195

Effect on consolidated statement of comprehensive income:

	Year ended 30 Sep'17 ($'000)
Cost of sales	(17,197)
Administrative expense	(4,768)
Taxation	(6,590)
Increase/decrease in total statement of comprehensive income for the year	(15,375)

Effect on consolidated statement of changes in equity ($'000)

	Balance previously reported as at 30 Sept '17 ($'000)	Adjustment to previously reported value ($'000)	Comprehensive Income as at 30 Sept '17 ($'000)	Restated balance as at 30 Sept '17 ($'000)
Retained earnings	484,728	4,614	(7,687)	481,555

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

30. Business combinations (con't)

(d) Desinco Limited

On 1 January 2018, the Group acquired an additional 11% interest in Desinco Limited, a company involved in the fast moving consumer goods sector in Guyana, for cash consideration of US$573,381, thereby increasing its shareholding from 40% to 51% in the current financial year. Prior to the acquisition of the additional interest, Desinco Limited was accounted for as an associate company in the consolidated financial statements (refer to note 31).

At the acquisition date, the Group re-measured its previously held equity investment at fair value and recognised the resulting gain/(loss) of $1.4m in the consolidated statement of income. The fair value of the previously held equity interest was determined based on the fair value of the purchase price for the additional interest acquired.

	Year ended 30 Sep '18 ($'000)
Consideration transferred for additional 11% interest	3,888
Non-controlling interest – share of fair values of identifiable net assets as at the date of acquisition	9,210
Acquisition-date fair value of initial 40% interest (Note 31)	14,409
	27,507
Acquisition-date fair values of identifiable net assets acquired	(18,797)
Goodwill	8,710
Group's share	4,355

From the date of acquisition Desinco Ltd contributed to $53 million to revenue and$5 million to profit before tax for the year ended 30 September 2018. If the acquisition had taken place at the beginning of the year, revenue recognised would have been$72 million and profit before tax $6.9 million for the Group in 2018.

The assessment of fair values for net assets acquired were as follows

	Fair value ($'000)
Property, plant and equipment	2,288
Inventories	12,562
Trade and other receivables	8,910
Cash and cash equivalents	1,990
Total current assets	23,462
Total identifiable assets acquired	25,750
Trade and other payables	4,634
Other current liabilities	2,319
Total current liabilities	6,953
Total identifiable liabilities assumed	6,953
Net identifiable assets acquired	18,797
Share of identifiable assets acquired	9,586

The fair value of trade and other receivables amounted to $9 million at acquisition. This amount represents the contractual amount less provision for impairment and therefore reflects the amount that can be collected.

30. Business combinations (con't)

(d) Desinco (con't)

The net cash outflow on the acquisition was as follows:

	At the acquisition date ($'000)
Consideration paid	(3,888)
Cash and cash equivalents acquired	1,990
Net cash outflow on acquisition	(1,898)

(e) Curis Technologies Limited

In October 2017, the Group through one of its subsidiaries assumed control of Curis Technologies Limited (formally Miatrin Medical Limited) having acquired 58% of the issued share capital for cash consideration of $5,703,750. Curis Technologies Limited is incorporated and operating in the Republic of Trinidad and Tobago. The company is primarily involved in the sale and service of medical, dental and laboratory products, equipment and supplies in Trinidad and Tobago.

The fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition as disclosed in the 2108 consolidated financial statements are provisional. Due to the complexity of the acquisition, the assessment of the fair values of all assets and liabilities had not been completed by the date when the 2018 consolidated financial statements were approved and had been issued by the Board of Directors.

	Provisional fair value ($'000)
Property, plant and equipment	10
Equjpment and vehicles	2
Deferred tax assets	14
Total non-current assets	26
Inventories	2,349
Taxation	33
Trade and other receivables	1,328
Cash and cash equivalents	603
Total current assets	4,313
Total identifiable assets acquired	4,339
Trade and other payables	3,772
Taxation payable	33
Total identifiable liabilities assumed	3,805
Net identifiable assets acquired	534
Share of net identifiable assets acquired	312

30. Business combinations (con't)

(e) Curis Technologies (con't)

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

	Fair value recognised on acquisition ($'000)
Consideration paid for the acquisition	5,704
Groups' share of fair value of net identifiable assets acquired	(312)
Goodwill	5,392

The net cash outflow on the acquisition was as follows:

	At the acquisition date ($'000)
Consideration paid	(5,704)
Cash and cash equivalents acquired	603
Net cash outflow on acquisition	(5,101)

Acquisition of additional interest in Curis Technologies

As at 1 January 2018, the Group acquired the remaining the 42% equity interest of Curis Technologies for $3,736,000.

	($'000)
Cash consideration paid to non-controlling shareholders	3,736
Carrying value of non-controlling interest	(221)
Net difference recognised in retained earnings	(3,515)

31. Investment in associate

The Group previously owned a 40% interest in Desinco Limited, a company involved in the fast moving consumer goods sector in Guyana. Prior to the acquisition date (refer to Note 30 c)), the Group's interest in Desinco Limited was accounted for using the equity method in the consolidated financial statements.

	2018 $'000	2017 $'000
Carrying value	–	14,951
Share of results	481	816

The following table illustrates the summarized financial information of the Group's associate investment in Desinco Limited at year end:

	2018	2017
Assets:	$'000	$'000
Non-current assets	–	2,248
Current assets	–	38,569
	–	40,817
Liabilities:		
Current liabilities	–	3,439
	–	3,439
Net assets	–	37,378
Proportion of Group's ownership	–	40%
Carrying amount of the investment	–	14,951

31. Investment in associate (con't)

	2018 3 months $'000	2017 $'000
Revenue	19,406	65,217
Cost of sales	(15,127)	(51,301)
Gross profit	4,279	13,916
Other operating expense	(310)	(1,253)
Administration	(1,530)	(7,572)
Marketing and distribution	(430)	(1,374)
	(2,270)	(10,199)
Operating profit	2,009	3,717
Finance cost	(17)	(64)
Profit before tax	1,992	3,653
Taxation	(788)	(1,613)
Profit for the parent/year	1,204	2,040
Total comprehensive income for the parent/year	1,204	2,040
Group's share of profit for the year:		
40% of profit after tax	481	816

The associate had no contingent liabilities or capital commitments as at 30 September 2017.

As disclosed in Note 30 d, during 2018 the Group assumed control of Desinco Limited and therefore consolidated the assets/liabilities, cashflows and results of the entity from the date of acquisition.

MANAGEMENT PROXY CIRCULAR

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 28, 2019 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, 2018	Rajesh Rajkumarsingh Secretary Agostini's Limited	

MANAGEMENT PROXY CIRCULAR

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

AGOSTINI'S

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

PARTICULARS OF MEETING:
Seventy-fifth Annual Meeting of the Shareholders of the Company to be held at the Marriott Hotel, Invaders Bay, Port of Spain on Monday, January 28, 2019 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 __________ 2019 ____________________________
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, 2018 and reports of the Directors and Auditors thereon		
2. To re-elect the following Directors:		
i. Ms. Amalia Maharaj		
ii. Mr. Gregor Nassief,		
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 adjoined meeting,

Designed by

eyescream

ANIMATION LTD

AGOSTINI'S

2018 ANNUAL REPORT

#18 VICTORIA AVENUE,
PORT OF SPAIN

www.agostinislimited.com