

**CARIBBEAN
CONTAINER INC.**



**Annual
Report 2023**

CARIBBEAN CONTAINER INC., PROVIDING PACKAGING TO SUPPORT INDUSTRIES: FOOD AND BEVERAGE



Demerara Distillers Limited's Diamond Reserve Rum



Umami Incorporated's Hot Sauce



Sterling Products Limited's YO'great Natural Yogurt



Pizza Hut Guyana



Banks DIH Limited's Banko Wine



Bera Fisheries N.V., Suriname



Gom Food Industries N.V., Suriname. Sishado Barbeque & Grill



N.V. VSH Foods, Suriname. Golden Brand Margarine

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OUR OBJECTIVES

To deliver to our customers quality products and services.

To maximize the creation of shareholder value.

To respect and reward all of our employees for achievement.

To outperform our peers.

To maximize our position within the Caribbean and South American paper & packaging industry through growth and prudent internal investment.

To continue to improve our people, products & processes through an ongoing commitment to our philosophy of managing for continuous improvement.

To continuously reduce operating cost and ensure maximum profit potential from the existing asset base managing for continuous improvement.

OUR STRATEGY

To achieve our objectives, we aim to actively extend our participation in the Caribbean and South American marketplace. We will focus on our core competencies and take such actions as are necessary to achieve those objectives that add value to the company. We will continue to invest in the development of our people recognizing that their contribution is vital to the success of the company.

We will continue to maximize the benefit of the corporate assets and commit resources in a measured way to produce optimum returns for our shareholders.

NOTICE OF MEETING

The Thirty-ninth Annual General Meeting (AGM) of Caribbean Container Incorporated (CCI) to consider the Company's Accounts and Reports of the Directors and Auditors for the year ended December 31, 2023, will be held on Friday, May 24, 2024, at 4:00 pm at the CCI Complex, Plantation Farm, East Bank Demerara.

Every member entitled to attend and vote at the meeting may do so in person on their own behalf, or appoint a proxy to attend and vote instead of him/her, and such proxy holder need not be a member of the company.

Agenda

1. To receive and consider the Company's Accounts and the Reports of the Directors and the Auditors for the year ended December 31, 2023;
2. To consider the declaration of a Final Dividend of \$0.55 per share in respect of the year ended December 31, 2023, as recommended by the Board of Directors;
3. To re-elect the following Non-Executive Directors: Mr. Khemraj Goberdhan, Mr. Garfield Wiltshire, and Ms. Pavita Ramkissoon;
4. To fix the fees of Non-Executive Directors for the year 2024;
5. To appoint the incumbent Auditors TSD LAL & CO. and authorize the Directors to fix their remuneration for the year 2024;
6. To present Long Service Awards to Employees

A form of proxy for use at this Meeting must be received at the registered office of the Company stated hereunder not less than twenty-four (24) hours before the time for holding the Meeting.

Register of Members

For the purpose of preparing warrants of the Final Dividends for the year ended December 31, 2023, the Register of Members and Share Transfer Books of Caribbean Container Incorporated will be closed from May 10 to May 24, 2024, both days inclusive.

By Order of the Board



Lauren Dundas
Company Secretary

Registered Office
Plantation Farm
East Bank Demerara
April 3, 2024

NB. One gift per shareholding will be presented to shareholders in attendance or their duly appointed proxies.

STATUTORY INFORMATION

Directors

Ms. Patricia Bacchus
Managing Director & Chairperson

Mr. Rabindranauth Ramautar
Finance Director

Mr. Zulfikar Samdally
Sales and Marketing Director

Ms. Lauren Dundas
Director of Administration & Company Secretary

Ms. Pavita Ramkissoon
Non-Executive Director

Mr. Garfield Wiltshire
Non-Executive Director

Mr. Khemraj Goberdhan
Non-Executive Director

Bankers

Bank of Nova Scotia
104 Carmichael Street, North
Cummingsburg,
Georgetown, Guyana

Republic Bank (Guyana) Limited
Promenade Court
155-156 New Market Street,
Georgetown, Guyana

New Building Society Ltd.
1 North Road &
Avenue of the Republic,
Georgetown, Guyana

Attorney-at-Law

Sieviewright Stoby & Co.
15 Ketley & Drysdale Streets,
Charlestown, Guyana

Auditors

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

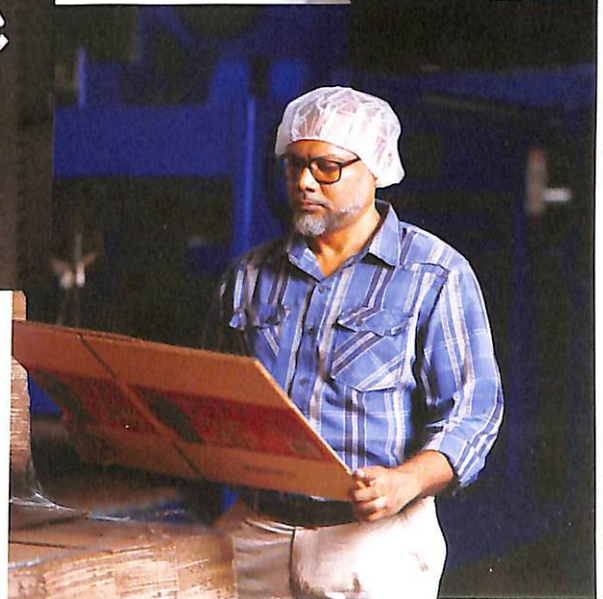
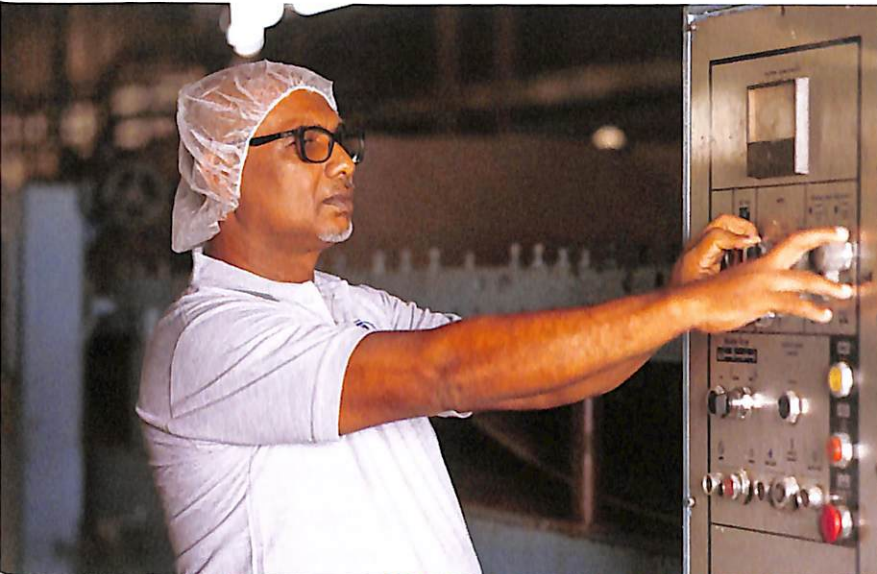
Registered Office

Plantation Farm
East Bank Demerara, Guyana

OUR MANAGEMENT TEAM



Left Top - Patricia Bacchus, Managing Director & Chairperson
Right Top - Rabindranauth Ramautar, Finance Director
Bottom Left - Zulfikar Samdally, Sales and Marketing Director
Bottom Right - Lauren Dundas, Director of Administration & Company Secretary



Top Left - Satyanand Deokinanan, Box Plant Superintendent

Top Right - Dwayne Musa, Quality Manager

Bottom Left - Kallicharran Dudhnath, Maintenance Manager

Bottom Right - Wintson Patokie, Box Plant Production Manager

CHAIRPERSON'S REPORT



Dear Shareholders,

I am pleased to report to you the Company's performance and related matters for the financial year ended December 31st 2023.

GLOBAL ECONOMIC RESILIENCE

Amid many challenges in 2023, according to the IMF, the global economy is estimated to have grown by 3.1%, marginally down from the 3.4% recorded for 2022. Although this signals a slowdown, it is considered a soft landing when examined against prevailing conditions of wars, high inflation and extremely tight monetary

policies. With central banks' interest rates in 2023 surging to their highest in decades, fears over the risk of recessions were not unreasonable. Commendably, the interest rate policy interventions have so far secured the desired disinflation while avoiding a significant downturn in economic performance.

GUYANA'S UNMATCHED ECONOMIC TRAJECTORY

In 2023, Guyana's economy secured another year of strong growth, with GDP estimated to have expanded by 33%. This was largely attributable to the continued ramping up of activities in the oil and gas sector, supported by expansion in the non-oil economy.

Despite El Nino conditions, growth in the Agriculture, Forestry and Fishing Sector in 2023 is estimated at 7%. Notably, Sugar and Rice growing expanded by 28% and 7% respectively, while the other crops subsector is estimated to have grown by 4.1%. The Fishing and Forestry subsectors also recorded commendable growth, estimated at 37.8% and 5.4% respectively. In 2023, the gold and bauxite mining industries contracted by 11.2% and 20.4% respectively. Notwithstanding this, Extractive Activities as a sector recorded growth estimated at 42.6%, largely on account of a 45.9% expansion in the oil and gas subsector and supported by a 22.7% improvement in the other mining subsector (sand, stone, diamonds and manganese).

The Manufacturing Sector also recorded strong growth in 2023, estimated at 25% and due mainly to expansion in sugar and rice manufacturing as well as manufacturing of fabricated metal products. With aggressive investments in infrastructure by both the Private and Public Sectors, Construction continued to demonstrate significant growth at an estimated rate of 26.8%. As anticipated, alongside strong economic activities, the Services Sector continued to experience rapid expansion, estimated at 10.3%.

CCI'S PERFORMANCE AND RELATED MATTERS

Turnover for the year, recorded at \$1.629 billion, remained on par with 2022 turnover, while Cost of Sales of \$1.243 billion was 2.4% below 2022 Cost of Sales on account of limited raw material price savings. Consequently, Gross Profit of \$335 million signaled at 6.7% improvement over 2022. Other Income, recorded at \$175 million, of which lease income accounted for \$160 million, contributed to strong PBT performance of \$241 million, 119% ahead of 2022 PBT. With taxation for the year at \$38 million, PAT was recorded at \$202 million, a 95% improvement over 2022 with a resultant Earnings per Share of \$1.34. Notably, Net Current Assets at the end of 2023 stood at \$1.177 billion, reflecting growth of 7.2% relative to Net Current Assets at the end of 2022.

Capital additions in 2023 totaled \$99 million, 45% ahead of the 2022 sum and include the completion cost for the recently commissioned annex building into which the Stores and the Maintenance Workshops were relocated, as well as the procurement of a new power generating set and a new delivery truck.

In light of the foregoing, I am pleased to inform you that the Board of Directors recommends the declaration of a Final Dividend of \$0.55 per ordinary share, a 37% increase over the Dividends declared and paid for the financial year ended December 31st 2022, making it the highest Dividend payment recommended to date.

On an unrelated note, Shareholders may be aware of the significant movement in the recent traded prices for the company's shares and may have seen publications in the newspapers relating to the matter. Since the commencement of the company's restructuring in 2007, share prices have seen a gradual movement from \$2 per share to about \$21 per share in 2022. Thereafter, the movement was rapid with the first trade in 2023 recorded at \$40 per share and the last trade recorded at \$150 per share; it should be noted that during this period, disclosures on the lease income were made by the Company in its published audited and unaudited financial statements. In 2024, the first few trades were also recorded at \$150 per share and in February 2024, the Company's shares began trading at \$200 per share. Since then, there have been about 10 trades at \$200 per share for volumes ranging between 75 shares and 4000 shares per trade. This increase in the traded price per share will have an impact on the Company's P/E Ratio and Dividend Yield, which the Board will continue to monitor.

It is prudent to note that the trading of shares on the stock exchange and matters relating to trade volumes, bids and offer prices are based on market forces with the buyers and sellers making the final determination on the parameters of trades; the Company plays no role in this process. To inform decision-making by Shareholders,

CHAIRPERSON'S REPORT (CONT'D)

Regulators, Creditors, Potential Investors and other Stakeholders, Companies release periodic financial information on its performance and make relevant disclosures as is required under Accounting/Reporting Standards and local Laws/Regulations. www

LOOKING AHEAD

The effectiveness of monetary policies in tempering inflation while staving off recessionary conditions has been commendable. The IMF projects global growth of 3.1% for 2024 and notes that the forecast for the 2024-2025 period is below the historical (2000-2019) average of 3.8%, signaling a notable slowdown in global economic growth. While inflation rates have cooled, they have not yet returned to the 2% target that most central banks set and there is likely to be divergent disinflation between Advanced Economies and EMDEs. The IMF reports that global headline inflation is likely to fall from an annual average of 6.8% in 2023 to 5.8% in 2024, with advanced economies seeing faster disinflation to 2.6% in 2024.

Compounding the subdued global growth rates projected for the next few years, are the significant downside risks that continue to prevail. Escalated geopolitical tensions with wars raging on two continents, continue to pose substantial risks to global growth and stability. Eastern Europe and the Middle East are regions that are critical to the world's food and energy supplies; as such, the ongoing Russia-Ukraine war and the violent conflicts in the Middle East can have far-reaching implications beyond the devastating loss of lives. Recent attacks in the Red Sea have already

resulted in shipping disruptions through the Suez Canal, which facilitates almost a third of global container traffic. Further escalations can severely impact the availability and prices of food, energy and ocean transport with spinoff implications on commodity prices and cost of living.

The Global Risk Report 2024, published by the World Economic Forum, cites Environmental Risks as the second most severe risk over a two-year timeframe. Extreme weather, including the current warming phase of the El Niño-Southern Oscillation (ENSO) cycle, as well as the risk of floods and droughts, and their impact on food production, are matters of grave concern. Drought-depleted water levels in the Panama Canal have had a significant impact on the amount of container vessels transiting through the canal over the past year, resulting in longer lead times and increased ocean transport costs. Concerns linger over the increased frequency of natural disasters and the likely effect on agriculture yields, poverty and economic growth.

Even with a softer than expected landing in 2023, global economic conditions are likely to remain uncertain on account of the prevailing risks, especially for low- and middle-income countries where conditions may be compounded by the risk of debt distress if interest rates remain relatively high for longer.

Against this backdrop, Guyana's position remains remarkably strong. GDP growth in 2024 is forecasted to come in even stronger at 34.3%, largely on account of anticipated increased oil production and related oil and gas activities. Notably, also, the non-oil economy is expected to grow by 11.9% in 2024.

While the company benefited from a limited amount of savings on raw material in 2023, these savings are now slowly being eroded on account of increases in freight rates and upward movement in paper prices. Escalated conflicts and the prevalence of factors that affect ocean transportation are likely to continue to contribute to raw material price volatility.

With the rapid expansion of economic activities across all sectors in Guyana, severe labour shortages have been impacting the private sector resulting in unfilled vacancies, lower productivity rates and in some cases, wage wars as companies vie for the limited pool of available talent. The company will continue to aggressively explore and implement solutions, including automation, overseas recruitment for critical vacancies and staff retention strategies.

OUR GRATITUDE

We remain thankful to all stakeholders who continue to demonstrate trust and confidence in the Company, most notably our Customers and Shareholders. The hard work and commitment of the Company's Employees, Managers and Directors cannot be overstated as collectively they move the Company from strength to strength.



Patricia Bacchus
Chairperson
April 3rd 2024

From left to right
Patricia Bacchus
Managing Director
& Chairperson
Khemraj Goberdhan
Non-Executive Director
Garfield Wiltshire
Non-Executive Director

BOARD OF DIRECTORS



From left to right
Rabindranauth Ramautar
Finance Director
Lauren Dundas
Director of Administration
& Company Secretary
Zulfikar Samdally
Sales and Marketing
Pavita Ramkissoon
Non-Executive Director



REPORT OF THE DIRECTORS (CONT'D)

Triple Bottom Line Reporting – People, Planet & Profits

The Directors herewith submit their report to the Shareholders with the Audited Financial Statements for the year ended December 31, 2023.

Principal Activity:

CCI's Box Manufacturing Plant manufactures innovative customized corrugated packaging and related paperboard products using Semi-Chemical fluting medium and Kraft linerboard. Quality corrugated packaging and related paperboard products are marketed and distributed at competitive prices, on both the domestic and export markets; providing suitably designed packaging to all industries, including manufacturing, marine (seafood), agricultural (meat and fresh produce), and fast-food industries.

Trading Results:

Turnover for the year was G\$1,629,329,718; (2022 G\$1,637,971,078)

Turnover by Geographical Market	2023	2022
Guyana	\$1,034,519,935	\$1,151,804,665
Other Caricom territories	\$594,809,783	\$486,166,413

Financial Results Summary

	2023	2022	2021
Gross Profit	\$335,115,965	\$314,092,713	\$444,553,718
Taxation			
Taxation: Current	\$52,639,554	\$20,605,905	\$13,825,855
Taxation: Deferred	(\$14,200,677)	(\$14,594,818)	(\$57,026,993)
Total Taxation	\$38,438,877	\$6,011,087	(\$43,201,138)
Profit/ (loss) after Tax	\$202,736,146	\$104,051,049	(\$51,490,421)
Earnings before taxation, depreciation & Impairment	\$291,481,084	\$163,960,689	\$325,610,521
Basic Earnings/ (Loss) per share	\$1.34	\$0.69	(\$0.34)
Retained earnings as at December 31st	\$991,262,938	\$848,893,430	\$823,319,010
Assets and Liabilities			
Assets: Current	\$1,355,432,255	\$1,350,577,356	\$1,247,427,046
Assets: Non-Current	\$3,529,740,648	\$3,466,820,708	\$3,433,695,309
Total Assets	\$4,885,172,903	\$4,817,398,064	\$4,681,122,355
Liabilities: current	\$177,521,764	\$252,116,433	\$141,415,144
Liabilities: non-current	\$757,996,202	\$757,996,202	\$757,996,202
Total Liabilities	\$935,517,966	\$1,010,112,635	\$899,411,346

Capital Expenditure

In 2023 a total of G\$99,024,324 from self-generated funds was directed towards Capital Expenditure, compared to \$68,312,111 in 2022. There was no disposal of fixed assets in 2023.

Impairment of Assets: There is no indication of Impairment of Assets or likely Impairment of the Company's Property (land and building) and Equipment at the date of Reporting.

Dividends:

The Board of Directors has recommended the declaration and payment of a final dividend of G\$0.55 per share for the financial year ended December 31, 2023.

Bankers:

- Bank of Nova Scotia
- New Building Society Ltd.
- Republic Bank (Guyana) Ltd

Overdraft and Loan Disclosures:

As of the end of the financial year ended December 31, 2023, there were no loans and overdrafts and/or any other borrowings owed by the Company.

Directors:

The Directors as of December 31, 2023, were:

- Ms. Patricia Bacchus
- Mr. Rabindranauth Ramautar
- Mr. Zulfikar Samdally
- Mr. Khemraj Goberdhan
- Ms. Pavita Ramkissoon
- Mr. Garfield Wiltshire
- Ms. Lauren Dundas

NB: Mr. Isidro Espinosa who served as Non-Executive Director retired from office at the company's last Annual General Meeting which was held on May 25, 2023.

Secretary:

The Company Secretary as at December 31, 2023, was:

- Ms. Lauren Dundas

Directors' Emoluments:

In 2023, Non-Executive Directors received payment for their services amounting to G\$2,010,000, i.e., Mr. Khemraj Goberdhan-G\$620,000, Ms. Pavita Ramkissoon-G\$620,000, and Mr. Garfield Wiltshire-G\$620,000. Mr. Isidro Espinosa, who retired from office in 2023, received payment for his services in said year amounting to G\$150,000. Executive Directors received no additional compensation for their services as Directors.

REPORT OF THE DIRECTORS (CONT'D)

Directors' Interest in Ordinary Shares:

	Beneficial Interest	Non-Beneficial Interest	Associates' Interest
Patricia Bacchus	Nil	Nil	Nil
Rabindranauth Ramautar	Nil	Nil	Nil
Zulfikar Samdally	Nil	Nil	Nil
Khemraj Goberdhan	Nil	Nil	12000
Pavita Ramkissoon	Nil	Nil	Nil
Garfield Wiltshire	2,040	Nil	Nil
Lauren Dundas	Nil	Nil	Nil

Non-Executive Director Mr. Khemraj Goberdhan is a substantial shareholder of CAGEYS INC., a Private company incorporated under the Laws of Guyana, which owns 12,000 ordinary shares.

Contracts with Directors:

During the financial year there were no:

- Service contracts with any of the Non-Executive Directors of the Company who are proposed for re-election at the forthcoming Annual General Meeting of the Company.
- Significant contracts to which any of the Non-Executive Directors of the Company who are proposed for re-election at the forthcoming Annual General Meeting of the Company, were party to or materially interested in either directly or indirectly.

Related Party Transactions:

Technology Investments and Management Inc (TIMI) is a Private Limited Liability Company, incorporated under The Laws of Guyana, and presently owns Demerara Holdings Inc., the holding company that holds 85.92% of the issued shares of CCI. In 2012, Ms. Patricia Bacchus (CCI's Managing Director and Chairperson) became a shareholder, and in 2013 Messrs. Rabindranauth Ramautar (CCI's Finance Director) and Zulfikar Samdally (CCI's Sales & Marketing Director), became shareholders in TIMI. The Articles of TIMI permit shareholding by Managers of its subsidiaries and affiliates, including CCI. In 2023, Dividends for the financial year ended December 31, 2022, amounting to \$51,868,092 was remitted to Demerara Holdings Inc. and by extension Technology Investments and Management Inc. During the year, there were no other transactions between Caribbean Container Inc. and its related parties.

Auditors:

The retiring Auditors TSD LAL & CO. have indicated their willingness to be reappointed as Auditors.

Substantial Shareholders:

Company Name	No. of Shares		%Shareholding	
	2023	2022	2023	2022
Demerara Holdings Inc.	129,670,230	129,670,230	85.92	85.92
Secure International Finance Co. Inc.	7,791,882	7,791,882	5.16	5.16

A substantial Shareholder is defined as a person who is entitled to exercise or control the exercise of, five percent or more of the voting power at any General Meeting of the Company.

Corporate Governance:

Corporate Governance at CCI is underlined by a triple-bottom-line approach, with emphasis placed on **People**, the **Planet**, and **Profits**. The well-being of employees, fair dealings with customers, suppliers, and other stakeholders, and the equitable treatment of shareholders are mandated under the triple bottom line approach, along with the generation of profits from sustainable operations carried out in the most environmentally conscious manner. A report on the Company's performance and profit was provided above, and below we provide some insight into CCI's engagements under the People and Planet elements of the triple-bottom-line during the reporting period.

People

Employee relations:

Pension – The Company, cognizant of the importance of forward planning, has a defined contribution pension scheme for the benefit of its employees. CCI's pension scheme is administered by Guyana and Trinidad Mutual Life Insurance Company Limited (GTM), and as of December 31, 2023, the number of employees in the pension scheme was 70. For the year, the Company contributed G\$8,858,953 towards its pension scheme.

Medical Insurance Coverage – Employees contribute to a group medical insurance policy, with options for individual coverage as well as family coverage. Employees pay 40% of the premium, with the remaining 60% funded by the Company. In 2023, the Company contributed a total of G\$1,209,189 towards medical insurance premium.

Other voluntary Insurances – The company provides group personal accident insurance coverage, which covers employees in the unfortunate event of accidents that occur outside of CCI while employees are not on duty. The Company also provides life insurance for its employees. In 2023, the Company expended a total of G\$893,800 towards premiums for both of these policies, which are provided at no cost to employees.

REPORT OF THE DIRECTORS (CONT'D)

Education:

Staff Training – during 2023, CCI facilitated the following training for its employees:

1. Good Manufacturing Practices (GMP)
2. Fire Fighting and Fire Safety
3. Production personnel also continue to receive on-the-job Operator training and accreditation, and new employees benefit from a formal onboarding program.

Charitable Donations:

Cognizant of its corporate social responsibility, CCI made charitable donations to/supported several organizations, including:

- Churches: St. James the Less Anglican Church, Jesus Home of Prayer and Praise-New Beginning, Evangelical Lutheran Church in Guyana.
- Eiripan
- Guyana Fire Service
- Guyana Police Force
- Shaheed's Boys and Girls Orphanages
- Schools: Providence Nursery and Primary Schools, Prospect Nursery, Covent Garden Primary and Secondary Schools
- Rose Hall Town Youth & Sports Club
- Theatre Guild of Guyana
- Women's Chamber of Commerce and Industry Guyana

Planet:

CCI is a 'green' business operating in line with the concept of sustainable development. CCI's product, corrugated cardboard packaging, is one of the most environmentally friendly methods of packing, shipping, and storing products. In contrast to other types of packaging, such as plastic or Styrofoam, corrugated cardboard packaging offers the potential to be made, used, reused and ultimately disposed of sustainably. Some of the environmental advantages of using corrugated cardboard packaging are:

1. **Corrugated packaging is made from renewable materials:** Kraft paper is a bio-based material that comes from a renewable resource that is renewed through the sustainable management of forests.
2. **Corrugated packaging is recyclable:** Kraft paper is naturally biodegradable; like tree leaves, the paper breaks down into cellulose fibers naturally in just a few weeks and can be entirely absorbed by the environment without any impact on the environment or human health. In 2023 the company exported 472 metric tonnes of cardboard waste for recycling.
3. **Corrugated packaging offers more efficient protection for products:** Innovative corrugated packaging designs can eliminate extraneous materials in packaging while delivering equal or greater structural strength and product protection.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARIBBEAN CONTAINER INC.
(SUBSIDIARY OF TECHNOLOGY INVESTMENTS AND MANAGEMENT INC.)
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Caribbean Container Inc., which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out on pages 26 to 53.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Caribbean Container Inc. as at 31 December 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Key Audit Matter

Valuation and impairment of property, plant and equipment

(Refer to note 8 in the financial statements)

Property, plant and equipment had a net book value of G\$2,866,103,564 as at 31 December, 2023. Property, plant and equipment was considered a key audit matter because of its materiality and as significant management judgment was used to determine the useful life of property, plant and equipment.

The most recent revaluation of property, plant and equipment booked by the Directors on the basis of professional advice was done as at 31 December 2021. This resulted in a surplus of G\$1,974,144,366 being recognized and credited to capital reserves. Judgement was used in determining the surplus.

How our audit addressed the Key Audit Matter

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

- Assessing the appropriateness of the useful economic lives and methods used in depreciating assets;
- We reviewed depreciation rates for property, plant and equipment to ensure consistency with the accounting policies and industry rates;
- We obtained and reviewed the written representation by management on their assessment of impairment;
- We assessed the methodology used by management to carry out impairment review;
- We physically verified selected assets which were acquired during the current and prior years;
- We verified the company's policy for acquisitions and disposals of property, plant and equipment;
- We tested internal controls governing the procurement and monitoring and disposal of property, plant and equipment;
- We verified samples of the material additions during the year to their supporting documents.

Key Audit Matter

Valuation of deferred tax assets

(Refer to notes 3(vi) and 23 in the financial statements)

The Company had a deferred tax asset resulting from cumulative tax losses and timing differences of property, plant and equipment. The amount of G\$239,337,084 was included in the statement of financial position as at 31 December, 2023 and an amount of G\$520,318,085 was not booked due to uncertainty with respect to recovery. The valuation of deferred tax assets was significant to our audit because the assessment process was based on estimates of future taxable income.

Valuation of investment property

(Refer to note 9 in the financial statements)

Investment property had a carrying value of G\$424,300,000 as at 31 December, 2023. Investment property was considered a key audit matter because of its materiality and as significant management judgment was used to determine its carrying amount. In addition, an annual valuation of land is required which involved significant management judgment.

Other Information in the Annual Report

Management is responsible for the other information. The other information comprises all the information included in the Company's 2023 annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. At the time of our report, the other information was not available.

How our audit addressed the Key Audit Matter

Our procedures in relation to management's recognition of deferred tax assets included, among others:

- We assessed the appropriateness of the level of deferred tax asset balance recognized;
- We examined and considered the most recent forecasts of future performance and critical assessments made of the assumptions and judgments included in these projections, primarily by considering the historical accuracy of forecasts and the sensitivities of the profit forecast.

Our procedures in relation to management's valuation of investment property included but were not limited to the following:

- We obtained an understanding of the valuation methods used by the Company and assessed whether they were consistent with the market and our understanding of the client;
- We ensured that owner-occupied properties were correctly accounted for in the financial statements and presented and disclosed in accordance with IAS 40; we also physically inspected the investment property.



INDEPENDENT AUDITOR'S REPORT (CONT'D)

Responsibilities of Those Charged with Governance for the Financial Statements

The Directors/Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. The Directors/Management is responsible for overseeing the financial reporting process.

In preparing the financial statements, the Directors/Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls,
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management,
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern,

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit. We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991. The engagement partner responsible for the audit resulting in this independent auditor's report is Rajiv Nandalal, FCCA, CPA, CGA.

TSD hal sw -

TSD LAL & CO.
Chartered Accountants

April 3, 2024

77 Brickdam,
Stabroek,
Georgetown,
Guyana.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 G\$	2022 G\$
Turnover	24	1,629,329,718	1,637,971,078
Less: Cost of sales	11 (ii)	1,243,907,692	1,274,096,835
		385,422,026	363,874,243
Depreciation	8 (i)	50,306,061	49,781,530
Gross profit		335,115,965	314,092,713
Other income	5	175,581,840	53,888,553
		510,697,805	367,981,266
Expenses			
Administrative		137,235,643	121,663,796
Selling and distribution		108,914,757	113,980,626
Property tax		23,372,382	22,274,708
		269,522,782	257,919,130
Profit before tax	6	241,175,023	110,062,136
Taxation	23	38,438,877	6,011,087
Profit for the year		202,736,146	104,051,049
Total comprehensive income for the year		202,736,146	104,051,049
Basic earnings per share in dollars	7	1.34	0.69

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Share capital G\$	Retained earnings G\$	Capital reserves G\$	Total G\$
Balance at 01 January 2022		150,916,595	823,319,010	2,807,475,404	3,781,711,009
Change in equity 2022					
Total comprehensive income for the year		-	104,051,049	-	104,051,049
Dividends paid	18	-	(78,476,629)	-	(78,476,629)
Balance at 31 December 2022		150,916,595	848,893,430	2,807,475,404	3,807,285,429
Change in equity 2023					
Total comprehensive income for the year		-	202,736,146	-	202,736,146
Dividends paid	18	-	(60,366,638)	-	(60,366,638)
Balance at 31 December 2023		150,916,595	991,262,938	2,807,475,404	3,949,654,937

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 G\$	2022 G\$
ASSETS			
Non - current assets			
Property, plant and equipment	8	2,866,103,564	2,817,384,301
Investment property	9	424,300,000	424,300,000
Deferred tax	23	239,337,084	225,136,407
		<u>3,529,740,648</u>	<u>3,466,820,708</u>
Current assets			
Inventories	11 (i)	549,932,662	728,282,779
Trade and other receivables	12	199,522,579	206,136,738
Taxes recoverable		25,098,344	23,847,161
Cash on hand and at bank		580,878,670	392,310,678
		<u>1,355,432,255</u>	<u>1,350,577,356</u>
TOTAL ASSETS		<u>4,885,172,903</u>	<u>4,817,398,064</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	150,916,595	150,916,595
Retained earnings		991,262,938	848,893,430
Capital reserves	14	2,807,475,404	2,807,475,404
		<u>3,949,654,937</u>	<u>3,807,285,429</u>
SHAREHOLDERS' FUNDS			
Non - current liabilities			
Deferred tax	23	757,996,202	757,996,202
Current liabilities			
Trade and other payables	15	174,130,305	239,268,055
Taxes payable		-	10,236,513
Dividends payable		3,391,459	2,611,865
		<u>177,521,764</u>	<u>252,116,433</u>
TOTAL EQUITY AND LIABILITIES		<u>4,885,172,903</u>	<u>4,817,398,064</u>

These financial statements were approved by the Board of Directors on April 3, 2024.

On behalf of the Board:


Ms. P. Bacchus - Director


Mr. R. Ramautar - Director

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 2023

	2023 G\$	2022 G\$
Operating activities		
Profit for the year before taxation	241,175,023	110,062,136
Adjustments for:-		
Depreciation	50,306,061	49,781,530
Operating profit before working capital changes	291,481,084	159,843,666
Increase in dividends payable	779,594	702,541
(Increase)/decrease in inventories	178,350,117	(395,264,306)
(Increase)/decrease in trade and other receivables	6,614,159	(17,431,975)
Increase/(decrease) in trade and other payables	(65,137,750)	99,762,235
Cash generated from/(used in) operations	412,087,204	(152,387,839)
Taxes refunded	-	5,184,301
Taxes paid	(64,127,250)	(10,369,392)
Net cash provided by/(used in) operating activities	347,959,954	(157,572,930)
Investing activities		
Payments to acquire property, plant and equipment	(99,025,324)	(68,312,111)
Net cash used in investing activities	(99,025,324)	(68,312,111)
Financing activities		
Dividends paid	(60,366,638)	(78,476,629)
Net cash used in financing activities	(60,366,638)	(78,476,629)
Net increase/(decrease) in cash and cash equivalents	188,567,992	(304,361,670)
Cash and cash equivalents at beginning at the beginning of the year	392,310,678	696,672,348
Cash and cash equivalents at end of the year	580,878,670	392,310,678
Consisting:		
Cash on hand and at bank	580,878,670	392,310,678

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

NOTES ON THE FINANCIAL STATEMENTS

1. INCORPORATION AND ACTIVITIES

The Company was incorporated in Guyana on 12 July, 1978 under the Companies Act Chapter 89:01 as Seals and Packaging Industries Limited and continued under the Companies Act 1991 on 24 September, 1995. On 30 April 1999, the Company changed its name to Caribbean Container Inc. Its principal activities are:

The production of customized and innovative corrugated packaging and related corrugated and solid board products, and the marketing and sale of these products on local and export markets.

Employees:

At 31 December 2023 the number of employees of the company was 93 (2022- 93).

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Amendments effective for the current year end

New and Amended Standards	Effective for annual periods beginning on or after
IFRS 17 Insurance contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

None of the new and amended standards and interpretations had a significant effect on the financial statements of the Company.

Pronouncements effective in future periods available for early adoption

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

The Company has not opted for early adoption.

None of the foregoing standards and amendments is expected to have a material impact on the Company’s accounting policies when adopted.

NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Accounting convention

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

(ii) Revenue and expense recognition

Revenue is recognized in the statement of profit or loss and other comprehensive income on a basis of the five step model as prescribed by IFRS 15 – Revenue from Contracts with Customers.

- Nature of goods and services

Revenue is earned from the sale of produced of customized and innovative corrugated packaging and related corrugated and solid board products, and the marketing and sale of these products on local and export markets.

- Timing of satisfaction of performance obligations

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

- Significant payment terms and contract balances

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

- Assets recognized to obtain or fulfill a contract

There are no assets recognized to fulfill contracts.

- Significant judgments in the application of the standard

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

- Obligations to returns

The occurrence of returns from customers rarely occurs.

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

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

(iii) Property, plant and equipment and depreciation

Freehold land, buildings and equipment held for use in the production of goods or for administrative purposes are stated in the statement of financial position at their revalued amounts.

Revalued amounts are taken as the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase is recognized in the statement of profit or loss and other comprehensive income to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit or loss and other comprehensive income.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in the statement of profit or loss and other comprehensive income. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Property, plant and equipment and depreciation (cont'd)

Motor vehicles are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on revalued, buildings and equipment is charged to statement of profit or loss and other comprehensive income. On the subsequent sale or retirement of a revalued land, building or equipment, the attributable revaluation surplus remaining in the capital reserve is transferred directly to the statement of profit or loss and other comprehensive income.

Depreciation of other fixed assets is calculated on the straight line method at rates sufficient to write off the cost or valuation of these assets to their residual values over their estimated useful lives as follows:-

	2023	2022
Buildings	2-3%	2-3%
Plant and machinery – production	5.8-33.3%	5.8-33.3%
Plant and machinery – other	6.25%	6.25%
Office equipment	12.50%	12.50%
Furniture, fixtures and fittings	10.50%	10.50%
Sundry equipment	20.00%	20.00%
Motor vehicles	25.00%	25.00%
Computer equipment	33.33%	33.33%

No depreciation is charged on work in progress capital expenditure.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

(iv) Foreign currencies

Transactions in foreign currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions.

At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity.

(v) Pension scheme

The company has a Defined Contribution Group Pension Plan which is administered by The Guyana and Trinidad Mutual Life Insurance Company Limited (GTM). The company's contribution for the year was G\$8,858,953 (2022- G\$7,952,198). The number of employees in the pension scheme as at 31 December, 2023 was 70 (2022- 82).

(vi) Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted in Guyana at the end of each reporting period.

NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(vi) Taxation (cont'd)

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets realized based on tax rates (tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to the statement of profit or loss and other comprehensive income except where it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

At 31 December 2023 deferred tax assets not taken up due to uncertainties with respect to recoverability, was approximately G\$520,318,085 (2022 G\$544,373,278). During the year deferred tax assets of G\$14,200,677 (2022 G\$14,594,818) was accounted for in the financial statements. Refer to note 23.

(vii) Inventory

Stocks and stores are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Work in progress comprises cost of production and attributable overheads.

(viii) Financial instruments

Financial assets and liabilities are recognized on the Company's statement of financial position when the company becomes a party to the contractual provisions of the instruments.

Financial instruments carried on the statement of financial position include trade and other receivables, trade and other payables and cash and cash equivalents.

Trade and other receivables

Trade and other receivables are measured at amortized cost. Appropriate allowances for estimated unrecoverable amounts are recognized in the statement of profit or loss and other comprehensive income on an expected credit losses basis using the simplified approach. The allowance recognized is based on management's evaluation of the collectability of the receivables.

Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investment or other purposes. These are readily convertible to a known amount of cash, with maturity dates of (3) months or less.

Trade and other payables

Trade and other payables are measured at amortized cost.

NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ix) Capital reserves

This includes surplus on revaluation of property, plant and equipment, share premium and shareholders' contribution in the form of assets. These reserves are not distributable.

(x) Impairment of property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(xi) Provisions

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

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

(xii) Segment reporting

A business segment is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a group of assets and operations engaged in providing similar products and services that are subject to risks and returns that are different from those of other business segments.

The Company analyses its operations by geographic segments. The primary format is business, reflecting its box manufacturing plant operations and its secondary format is that of geographic segments reflecting the primary economic environment in which the company has exposure.

(xiii) Dividends

Dividends that are proposed and declared are recorded as an appropriation of retained earnings in the statement of changes in equity in the period in which they have been approved. Dividends that are proposed and declared after the reporting date are disclosed as a note to the financial statements.

(xiv) Earnings per share

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

(xv) Investment property

Investment property, which is held to earn rental is stated at fair value at each reporting date. At the end of each reporting year a valuation of investment property is carried out to reflect its current market value. Gains or losses arising from changes in fair value are included in the statement of profit or loss.

NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(xvi) Leases

As lessor

Leases are classified at inception as either operating or finance based on the economic substance of the agreement to reflect the risks and benefits incidental to ownership.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the item, are recognized as an income on a straight-line basis over the term of the lease.

Assets held under finance leases are recognized as assets of the Company at the lower of the present value of the minimum lease payments and the fair value.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

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

- Useful lives of property, plant and equipment
Management reviews the estimated useful lives of property, plant and equipment at the end of each year to determine whether their useful lives should remain the same and the assets are not impaired.
- Valuation of investment property
Management reviews the carrying amount of the investment property and compares this to other market values of similar investment property at the end of each year to determine whether the investment property value should remain the same or increase/ (decrease).
- Impairment of financial assets/expected credit losses.
Management makes judgment on recognition of every financial asset of the expected credit losses. Expected credit losses are estimates of any potential default in payments of contractual cash flows taking into account the entirety of the contract life. These losses are reassessed if the credit risk on the instrument changes. Credit risk is determined based on past and forward-looking information. If the retrieval of forward-looking information causes undue cost or effort past information is used to determine credit risk. There exists significant measurement uncertainty in determining this amount as it is based on management's judgment.
- Recognition of deferred tax assets
The recovery of deferred tax assets is based on management's assessment of future taxable income.

NOTES ON THE FINANCIAL STATEMENTS

	2023 G\$	2022 G\$
5. OTHER INCOME		
Rental income (i)	160,608,384	28,285,653
Sale of obsolete equipment	-	8,123,304
Sale of Box Plant waste (OCC)	5,223,072	9,540,516
Interest received	6,868,719	7,914,493
Others	2,881,665	24,587
	<u>175,581,840</u>	<u>53,888,553</u>
(i) Rental income represents rent received of G\$161,425,800 less expenses incurred of G\$817,416, (2022 G\$39,633,600 less expenses incurred of G\$11,347,947).		
6. PROFIT BEFORE TAX	<u>241,175,023</u>	<u>110,062,136</u>
After accounting for:		
Staff costs (i)	332,307,381	301,665,715
Auditor's remuneration	2,659,460	2,532,820
Directors' fees (ii)	2,010,000	2,470,000
Depreciation (operation)	46,492,687	42,931,583
Depreciation (administration)	3,813,374	6,849,947
Fuel	80,276,409	78,126,158
Repairs and maintenance	108,390,213	72,498,521
Property tax	23,372,382	22,274,708
(i) Staff costs		
Wages and salaries	259,056,761	229,892,368
Other employment cost	64,391,667	63,821,149
Pension	8,858,953	7,952,198
	<u>332,307,381</u>	<u>301,665,715</u>
(ii) Directors' fees:		
Khemraj Goberdhan	620,000	620,000
Isidro Espinosa	150,000	610,000
Pavita Ramkissoon	620,000	620,000
Garfield Wiltshire	620,000	620,000
	<u>2,010,000</u>	<u>2,470,000</u>
7. BASIC EARNINGS PER SHARE		
Profit for the year	202,736,146	104,051,049
Number of ordinary shares in issue during the year	150,916,595	150,916,595
Basic earnings per share in dollars	<u>1.34</u>	<u>0.69</u>

NOTES ON THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT

	Land G\$	Building G\$	Equipment G\$	Motor Vehicles G\$	WIP Capital Expenditure G\$	Total G\$
Valuation/Cost						
At 1 January 2022	1,882,660,000	1,077,502,000	301,446,239	33,904,781	-	3,295,513,020
Additions	-	25,002,910	22,445,568	-	20,863,633	68,312,111
Transfer to investment property	(424,300,000)	-	-	-	-	(424,300,000)
At 31 December 2022	1,458,360,000	1,102,504,910	323,891,807	33,904,781	20,863,633	2,939,525,131
Additions	-	44,777,085	45,183,538	9,064,701	-	99,025,324
Transfer to building	-	20,863,633	-	-	(20,863,633)	-
At 31 December 2023	1,458,360,000	1,168,145,628	369,075,345	42,969,482	-	3,038,550,455
Comprising:						
Cost	8,043,968	190,646,245	89,485,917	42,231,358	-	330,407,488
Valuation	1,450,316,032	956,635,750	279,589,428	738,124	-	2,687,279,334
At 31 December 2023	1,458,360,000	1,168,145,628	369,075,345	42,969,482	-	3,038,550,455
Accumulated Depreciation						
At 1 January 2022	-	-	41,730,037	30,629,263	-	72,359,300
Charge for the year	-	20,441,385	27,365,145	1,975,000	-	49,781,530
At 31 December 2022	-	20,441,385	69,095,182	32,604,263	-	122,140,830
Charge for the year	-	21,457,531	28,470,834	377,696	-	50,306,061
At 31 December 2023	-	41,898,916	97,566,016	32,981,959	-	172,446,891
Net Book Values:						
At 31 December 2022	1,458,360,000	1,082,063,525	254,796,625	1,300,518	20,863,633	2,817,384,301
At 31 December 2023	1,458,360,000	1,126,246,712	271,509,329	9,987,523	-	2,866,103,564

Land and buildings were revalued by the Directors as at 31 December 1990 on the basis of professional advice. As at 31 December 2001 land, buildings and equipment were revalued by Rodrigues Architects Limited and D.R. Spence and Associates, Consulting Engineers, respectively and approved by the Directors. As at 16 March, 2015 a revaluation was done by Hugo Curtis & Associates Property Consultants and Valuers and approved by the Directors. Land, buildings and equipment were revalued as at 31 December, 2021 by Valuation Officer Mr. Peter Green and Mr. Mark Yhann of Yhann Engineering respectively, and approved by the Directors. The surplus arising on each revaluation was credited to capital reserves; Revaluation Surplus is restricted from distribution as Dividend. Further information on fair value is stated in Note 19 (i).

If no revaluation of land, buildings and equipment was done, the net book value of property, plant and equipment would have been approximately G\$319,654,693 (2022: G\$245,306,376).

NOTES ON THE FINANCIAL STATEMENTS

	2023	2022
	G\$	G\$
9. INVESTMENT PROPERTY		
Valuation		
Land transfer from property, plant and equipment	424,300,000	424,300,000

The Investment Property is Commercial Real Estate leased to a third party with rent as detailed below. The initial lease is for 25 years with renewal options thereafter. Periodic escalation of the rent is contemplated during the life of the lease, to be determined at each escalation interval. Accumulated Gross Income for a five-year interval of the lease will be G\$381,879,000.

The Investment Property was valued at its carrying amount on 31st December 2023 of G\$424,300,000, which management determines was its fair value at that date. It is the Company's policy to value Investment properties at Fair Value. See Note 19 (ii) for details.

10. LEASES

The company in 2022, entered into two (2) lease agreements as lessor which are described in details below:

Lease 1: Investment lease

This represents the lease of investment property, with the terms as described in note 9.

Lease 2: Operating lease

The Company executed an operating lease for a non-cancellation period of two years. This lease relates to warehousing space within the Company's Owner-Occupied Facility. Gross Income from this operating lease for a two-year period (2023 and 2024) will be G\$170,000,000.

	2023	2022
	G\$	G\$
11. (i) INVENTORIES		
Raw materials	308,006,669	545,016,332
Finished products	22,792,374	22,626,191
Consumable stores and office stationery	109,515,821	95,744,959
Goods in transit	95,301,179	69,779,894
Work in progress	25,927,484	6,726,268
	561,543,527	739,893,644
Provision for obsolete stock (a)	(11,610,865)	(11,610,865)
	549,932,662	728,282,779
(a) At 1 January	(11,610,865)	(21,346,138)
Write off of inventory against previous provisions	-	9,735,273
At 31 December	(11,610,865)	(11,610,865)

The above provision for impairment was individually assessed.

NOTES ON THE FINANCIAL STATEMENTS

11. (i) INVENTORIES CONT'D

The costs of inventory recognised as expense during the period with respect to the operations was G\$1,007,398,434 (2022: G\$1,059,832,806). During the year, obsolete inventory to the value of G\$0 (2022: G\$9,735,273) was written off against provisions for impairment, thus having no effect on the current and previous year statement of profit or loss and other comprehensive income.

Finished products, work in progress and raw materials are expected to be recovered within twelve months. Normal consumable spares are also expected to be recovered within twelve months.

Specialty spares valued G\$70,852,605 (2022: G\$58,415,438) which comprise of numerous items are held for usage in cases of equipment failure and are used as required.

	2023 G\$	2022 G\$
(ii) Cost of sales	1,243,907,692	1,274,096,835

Cost of sales includes all production costs of goods sold, such as direct labour, direct materials and overhead costs.

12. TRADE AND OTHER RECEIVABLES

	2023 G\$	2022 G\$
Trade receivables (i)	179,322,136	186,083,431
Other receivables	20,200,443	20,053,307
	<u>199,522,579</u>	<u>206,136,738</u>
(i) Trade receivable	181,133,471	187,963,062
Less expected credit losses (ii)	(1,811,335)	(1,879,631)
	<u>179,322,136</u>	<u>186,083,431</u>
(ii) At 1 January	(1,879,631)	(1,621,440)
Increase/(Decrease) in credit losses for the year	68,296	(258,191)
	<u>(1,811,335)</u>	<u>(1,879,631)</u>
At 31 December		

Credit losses were generally assessed as a percentage of receivables at the end of the financial period, taking into consideration past defaults and expected future defaults, with provision made in the sum of G\$1,811,335 (2022: G\$ 1,879,631).

The company recognized no actual credit losses during the year (2022: G\$0).

NOTES ON THE FINANCIAL STATEMENTS

13. SHARE CAPITAL

	2023	2022
Authorised		
Number of ordinary shares	183,514,000	183,514,000
	G\$	G\$
Issued and fully paid		
150,916,595 ordinary shares	150,916,595	150,916,595

Fully paid ordinary shares, with no par value carrying one vote per share and rights to dividend.

	2023	2022
	G\$	G\$
14. CAPITAL RESERVES		
(i) Revaluation surplus	2,273,988,766	2,273,988,766
(ii) Shareholders' contribution	286,240,500	286,240,500
(iii) Share premium	247,246,138	247,246,138
	2,807,475,404	2,807,475,404

- (i) Land, buildings and equipment were revalued as at 31 December 1990, 31 December 2001, 16 March 2015 and as at 31 December, 2021 on the basis of professional advice. The surplus arising on each revaluation was credited to capital reserves.

Revaluation surplus	2023	2022
	G\$	G\$
Balance at the beginning of the year and at the end of the year	2,273,988,766	2,273,988,766

- (ii) This reserve represents contributions in the form of assets by Demerara Holdings Inc.
- (iii) Share premium resulted from the issue of 77,000,000 \$1 shares issued in 1992 at \$4.25.

NOTES ON THE FINANCIAL STATEMENTS

	2023	2022
	G\$	G\$
15. TRADE AND OTHER PAYABLES		
Trade payables	99,293,566	170,509,907
Accruals	7,624,308	7,596,218
Other payables	43,840,049	38,887,222
Property tax	23,372,382	22,274,708
	<u>174,130,305</u>	<u>239,268,055</u>

No interest is charged on trade and other payables.

16. Parent company

Following the acquisition of the shares held by the Government of Guyana on 29 April 1999, Demerara Holdings Inc. has been the majority shareholder of the Company with 85.92% of the issued share capital. Since 31 December 2007, the ultimate parent of Caribbean Container Inc. is Technology Investments and Management Inc. (TIMI), a private limited liability company incorporated under the laws of Guyana.

17. Pending litigation

At the year end, there was no outstanding or pending litigation involving the company. Also there was no threatened litigation or unasserted claims against the company.

18. Dividends

	2023	2022
	G\$	G\$
Amount recognised as distributions to equity holders in the period:		
Prior year dividends paid		
\$0.40 per share (2021-\$ 0.52)	<u>60,366,638</u>	<u>78,476,629</u>
The directors recommend a dividend of \$0.55 per share (2022-\$ 0.52 per share)	<u>83,004,127</u>	<u>60,366,638</u>

NOTES ON THE FINANCIAL STATEMENTS

19. FAIR VALUE ESTIMATION

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.

Level 1 - Fair value determination is with reference to quoted prices in active markets for identical assets and liabilities.

Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The following table sets out the carrying value of assets and liabilities. However, fair values have been stated for disclosure purposes.

		2023			2022	
	IFRS 13	Carrying		IFRS 13	Carrying	
	Level	amount	Fair value	Level	amount	Fair value
		G\$	G\$		G\$	G\$
Assets						
Trade and other receivables	2	199,522,579	199,522,579	2	206,136,738	206,136,738
Taxes recoverable	2	25,098,344	25,098,344	2	23,847,161	23,847,161
Cash on hand and at bank	1	580,878,670	580,878,670	1	392,310,678	392,310,678
		805,499,593	805,499,593		622,294,577	622,294,577
Liabilities						
		174,130,305	174,130,305			
Trade and other payables	2	-	-	2	239,268,055	239,268,055
Taxes payable		3,391,459	3,391,459	2	10,236,513	10,236,513
Dividends payable	2			2	2,611,865	2,611,865
		177,521,764	177,521,764		252,116,433	252,116,433

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

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

- Trade and other receivables are net of provisions for impairment. The fair value of trade and other receivables is based on expected realisation of outstanding balances taking into account the Company's history with respect to delinquencies.
- Financial instruments where the carrying amounts are equal to fair value:- Due to their short-term maturity, the carrying value of certain financial instruments approximates their fair values. These include cash on hand and at bank, trade and other payables, tax payable/recoverable, trade and other receivables and dividends payable.

NOTES ON THE FINANCIAL STATEMENTS

19. FAIR VALUE ESTIMATION

Assets carried at fair value

	IFRS 13 Level	2023		IFRS 13 Level	2022	
		Carrying amount G\$	Fair value G\$		Carrying amount G\$	Fair value G\$
Assets						
Property, plant and equipment	2	2,856,116,041	2,856,116,041	2	2,817,384,301	2,817,384,301
Investment property	2	424,300,000	424,300,000	2	424,300,000	424,300,000
		<u>3,280,416,041</u>	<u>3,280,416,041</u>		<u>3,241,684,301</u>	<u>3,241,684,301</u>

(i) Property, plant and equipment revaluation

Land, buildings and equipment are recorded at independent professional valuations.

A valuation of Land and Buildings was done by Valuation Officer Mr. Peter Green as at December 31 2021, which was considered and approved by the Directors. The valuation of property has been derived by reference to the current market value in the case of land, and the replacement cost in the case of buildings. The most significant input for these valuation approaches is the value or replacement cost per square foot which is considered to be observable. The valuation of property is classified as a level 2.

Equipment and machinery (except for motor vehicle and office equipment) were revalued by Mr. Mark Yhan of Yhann Engineering as at December 31 2021 and approved by the Directors. The equipment and machinery were revalued on the basis of Net Current Replacement Cost as part of a going concern, after assessing expired service potential and residual/remaining useful life from observed physical condition/ depreciation. The valuation of equipment and machinery is classified as level 2.

(ii) Investment property valuation

The value of investment property is based on the independent valuation of land that was conducted by valuation officer Mr. Peter Greene as at December 31, 2021. As at December 31, 2023 management undertook an assessment which determined that there were no changes to said value and that the Fair Value approximates the carrying value of the investment property. The valuation of investment property is classified as Level 2.

NOTES ON THE FINANCIAL STATEMENTS

20. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

2023

	Financial assets at amortised cost G\$	Financial liabilities at amortised cost G\$	Total G\$
ASSETS			
Trade and other receivables	199,522,579	-	199,522,579
Taxes recoverable	25,098,344	-	25,098,344
Cash on hand and at bank	580,878,670	-	580,878,670
Total assets	805,499,593	-	805,499,593
LIABILITIES			
Trade and other payables	-	174,130,305	174,130,305
Dividends payable	-	3,391,459	3,391,459
Total liabilities	-	177,521,764	177,521,764

2022

	G\$	G\$	G\$
ASSETS			
Trade and other receivables	206,136,738	-	206,136,738
Taxes recoverable	23,847,161	-	23,847,161
Cash on hand and at bank	392,310,678	-	392,310,678
Total assets	622,294,577	-	622,294,577
LIABILITIES			
Trade and other payables	-	239,268,055	239,268,055
Taxes payable	-	10,236,513	10,236,513
Dividends payable		2,611,865	2,611,865
Total liabilities	-	252,116,433	252,116,433

NOTES ON THE FINANCIAL STATEMENTS

21. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (interest rate risk, currency risk and price risk), liquidity risk, capital risk and credit risk.

The Company seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies.

Management reports monthly to the Board of Directors on matters relating to risk and management of risk.

(a) Market risk

The Company's activities expose it to the financial risk of changes in foreign currency exchange rates and interest rates. The Company uses interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the Company's exposure to market risks or the manner in which it manages these risks.

(i) Interest sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate at the end of the reporting period

(ii) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

This impacts directly on the Company's cash flow.

	Average Interest rate %	Maturing 2023		
		Within 1 year G\$	Non- interest bearing G\$	Total G\$
Assets				
Trade and other receivables	-	-	199,522,579	199,522,579
Taxes recoverable	-	-	25,098,344	25,098,344
Cash on hand and at bank	2.75%	314,422,387	266,456,283	580,878,670
		314,422,387	491,077,206	805,499,593
Liabilities				
Trade and other payables	-	-	174,130,305	174,130,305
Dividends payable	-	-	3,391,459	3,391,459
		-	177,521,764	177,521,764
Interest sensitivity gap		314,422,387		

NOTES ON THE FINANCIAL STATEMENTS

21. FINANCIAL RISK MANAGEMENT - CONT'D

(a) Market risk - cont'd

(ii) Interest rate risk - cont'd

	Average Interest rate %	Maturing 2022		
		Within 1 year G\$	Non- interest bearing G\$	Total G\$
Assets				
Trade and other receivables	-	-	206,136,738	206,136,738
Taxes recoverable	-	-	23,847,161	23,847,161
Cash on hand and at bank	2.75%	307,593,664	84,717,014	392,310,678
		307,593,664	314,700,913	622,294,577
Liabilities				
Trade and other payables	-	-	239,268,055	239,268,055
Taxes payable	-	-	10,236,513	10,236,513
Dividends payable	-	-	2,611,865	2,611,865
			252,116,433	252,116,433
Interest sensitivity gap		307,593,664		

(iii) Currency risk

The Company's exposure to the effects of fluctuations in foreign currency exchange rates arise mainly from foreign receivables and payables. The currency which the Company is mainly exposed to is United States Dollars.

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

	G\$
31 December 2023	
Assets	140,261,605
Liabilities	(97,243,869)
31 December 2022	
Assets	88,876,711
Liabilities	(167,619,240)

NOTES ON THE FINANCIAL STATEMENTS

21. FINANCIAL RISK MANAGEMENT - CONT'D

(a) Market risk - cont'd

(iii) Currency risk - cont'd

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 2.5% increase and decrease in the Guyana dollar (GYD) against the United States dollar (US\$).

The sensitivity analysis includes only outstanding foreign denominated monetary items and adjusts their translation at the period end for a 2.5% change in foreign currency rates. A negative number indicates an increase in loss where the US\$ strengthens 2.5% against the GY\$. For a 2.5% weakening of the US\$ against G\$ there would be an equal and opposite impact on the profit, and the balances below would be positive.

	2023 G\$	2022 G\$
Profit/(loss)	1,682,090	(1,968,563)

(iv) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize the risk.

The Company is not significantly exposed to price risks.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The following table shows the distribution of liabilities by maturity:

At 31 December 2023

	Maturing		
	Within 1 year		Total
	On demand	Due in 3 mths	
	G\$	G\$	G\$
Liabilities			
Trade and other payables	-	174,130,305	174,130,305
Dividends payable	3,391,459	-	3,391,459
	3,391,459	174,130,305	177,521,764

NOTES ON THE FINANCIAL STATEMENTS

21. FINANCIAL RISK MANAGEMENT - CONT'D

(b) Liquidity risk - cont'd

At 31 December 2022

	Maturing		
	Within 1 year		Total
	On demand G\$	Due in 3 mths G\$	G\$
Liabilities			
Trade and other payables	-	239,268,055	239,268,055
Taxes payable	10,236,513	-	10,236,513
Dividends payable	2,611,865	-	2,611,865
	<u>12,848,378</u>	<u>239,268,055</u>	<u>252,116,433</u>

(c) Credit risk

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

	2023 Maximum exposure G\$	2022 Maximum exposure G\$
Trade and other receivables (excluding of prepayments)	190,577,674	205,683,664
Tax recoverable	25,098,344	23,847,161
Cash at bank	579,612,561	391,243,257
Total credit exposure	<u>795,288,579</u>	<u>620,774,082</u>

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company faces credit risk in respect of its trade and other receivables and cash at bank. However, this risk is controlled by close monitoring of these balances by the company.

Balances due by Banks include balances held with Commercial Banks. These Banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due. The related risk is therefore considered very low.

Trade and other receivables consist of a number of customers spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of trade receivables on a regular basis.

The maximum credit risk faced by the Company is the balances reflected in the financial statements.

NOTES ON THE FINANCIAL STATEMENTS

21. FINANCIAL RISK MANAGEMENT - CONT'D

(c) Credit risk - cont'd

	2023 G\$	2022 G\$
Trade and other receivables (excluding prepayments)	190,577,674	205,683,664
The above balances are classified as follows:		
Current	100,123,632	135,362,260
Past due but not impaired	90,454,042	70,321,404
	190,577,674	205,683,664
Ageing of trade and other receivables which were past due but not impaired		
1-30 days	48,922,474	42,967,366
31-90 days	33,408,338	27,354,038
Over 90 days	8,123,230	-
	90,454,042	70,321,404
Provision for impairment.	1,811,335	1,879,631

No collateral is held against financial assets. Financial assets that are not impaired are considered collectable.

The table below shows the credit limit and balance of the five (5) major customers (2022 - 5) at the reporting date.

Details	Location	2023		2022	
		G\$ Credit Limit	G\$ Carrying Amount	G\$ Credit Limit	G\$ Carrying Amount
Customer #1	Suriname (2022-Guyana)	40,000,000	25,824,365	40,000,000	33,599,578
Customer #2	Guyana	30,000,000	21,389,142	30,000,000	24,745,816
Customer #3	Guyana	20,000,000	19,823,053	15,000,000	9,055,621
Customer #4	Suriname	20,000,000	16,532,017	20,000,000	18,059,210
Customer #5	Suriname	15,000,000	9,662,983	15,000,000	13,730,194

There were five (5) customers who represented more than 5% of the total balance of trade receivables.(2022: 5 customers)

The average days of these receivables was 40 days (2022: 42 days).

NOTES ON THE FINANCIAL STATEMENTS

21. FINANCIAL RISK MANAGEMENT - CONT'D

(d) Capital risk management

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

The Company has embarked on an aggressive capital programme to enhance operating efficiencies and returns to investors.

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

22. RELATED PARTY TRANSACTIONS

Technology Investments and Management Inc (TIMI) is a Private Limited Liability Company, incorporated under The Laws of Guyana, and presently owns Demerara Holdings Inc. (DHI), the holding company which holds 85.92% of the issued shares of CCI. At the time of his death, Mr. Ronald Webster (late Chairman/Managing Director of CCI) held the majority interest in TIMI. In 2012, Ms Patricia Bacchus (CCI's Managing Director and Chairperson) became a shareholder, and in 2013 Messrs. Rabindranauth Ramautar (CCI's Finance Director) and Zulfikar Samdally (CCI's Sales & Marketing Director), became shareholders in TIMI. The Articles of TIMI permit shareholding by Managers of its subsidiaries and affiliates, including CCI.

Dividends amounting to G\$51,868,092 payable for the financial year ended 31 December 2022 was remitted to TIMI in the year 2023 (G\$67,428,520 paid for the financial year ended 31 December 2021 was remitted in 2022).

Compensation of key management personnel.

The Company's key management personnel comprise of its Directors, Managing Director and Managers. The remuneration paid to key management personnel (except Non Executive Directors) for the year was as follows:

	2023	2022
	G\$	G\$
Short- term employee benefits	80,002,989	74,410,907
Post employment benefits	4,459,960	4,436,440
	<u>84,462,949</u>	<u>78,847,347</u>

Non - Executive Directors received Director's fees in the sum of \$2,010,000 (2022-\$2,470,000)..

NOTES ON THE FINANCIAL STATEMENTS

23. TAXATION

Income tax recognised in profit or loss

	2023 G\$	2022 G\$
Reconciliation of tax expense and accounting profit:		
Profit before tax	241,175,023	110,062,136
Corporation tax at 25%	60,293,756	27,515,534
Tax effect of expense not deductible in determining taxable profits:		
Depreciation for accounting purposes	12,576,515	12,445,383
Others	333,254	485,110
Tax exempt income	(1,717,180)	(1,978,623)
Property tax	5,843,095	5,568,677
	77,329,440	44,036,081
Tax effect of depreciation for tax purpose	11,653,734	9,895,655
Set off of losses	13,036,152	13,534,521
Corporation tax	52,639,554	20,605,905
Deferred tax	(14,200,677)	(14,594,818)
	38,438,877	6,011,087
Taxation:		
Current	52,639,554	20,605,905
Deferred	(14,200,677)	(14,594,818)
	38,438,877	6,011,087
Components of deferred tax	2023 G\$	2022 G\$
Deferred tax liability		
Property, plant and equipment, revaluation	757,996,202	757,996,202
Deferred tax asset		
Property, plant and equipment, timing difference	(93,280,225)	(92,357,444)
Tax losses	(146,056,859)	(132,778,963)
	(239,337,084)	(225,136,407)
Net deferred tax	518,659,118	532,859,795

Movement in temporary differences

NOTES ON THE FINANCIAL STATEMENTS

23. TAXATION - CONT'D

	Property, plant and equipment			
	Timing difference (note a) G\$	Revaluation G\$	Tax losses (note b) G\$	Total G\$
At 31 December, 2021	(89,833,441)	757,996,202	(120,708,148)	547,454,613
Movement during the year:				
Statement of profit or loss	(2,524,003)	-	(12,070,815)	(14,594,818)
At 31 December, 2022	(92,357,444)	757,996,202	(132,778,963)	532,859,795
Movement during the year:				
Statement of profit or loss	(922,781)	-	(13,277,896)	(14,200,677)
At December 31, 2023	(93,280,225)	757,996,202	(146,056,859)	518,659,118

Note (a) timing differences

During the current and prior year the Company accounted for deferred tax asset on the difference between the tax written down value and the net book value in the financial statements.

Note (b) tax losses

During the current and prior year the Company accounted for deferred tax asset on tax losses based on past performance and expectation of future recovery.

24. SEGMENT REPORTING

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and assess their performance.

The Company is organised into one operating division. This is the basis on which the Company reports its primary segment information.

Principal activities are as follows:

Box Manufacturing Plant

The production of customized and innovative corrugated packaging and related corrugated and solid board products, and the marketing and sale of these products on local and export markets.

NOTES ON THE FINANCIAL STATEMENTS

24 SEGMENT REPORTING CONT'D

Geographical location

The Company's principal operations are carried out in Guyana. However, revenue originates from two major geographical areas namely, Guyana and other Caricom territories.

Revenue by Geographical Market

	2023 G\$	2022 G\$
Guyana	1,034,519,935	1,151,804,665
Other Caricom territories	594,809,783	486,166,413
	<u>1,629,329,718</u>	<u>1,637,971,078</u>

Information about major customers

Included in revenues arising from box manufacturing of G\$1,629,329,718 (2022: G\$1,637,971,078) - see table above is revenue of approximately G\$519,126,586 (2022: G\$629,049,430) which arose from sales to the Company's three (3) largest customers.

25. CAPITAL COMMITMENTS

The Company's capital commitments for the year 2024 amounts to G\$104,638,463 (2023- Committed Amount G\$123,863,025; Approved Actual Expenditure: G\$99,025,324).

26. CONTINGENT LIABILITIES

	2023 G\$	2022 G\$
Fixed Security Deposit with Republic Bank (Guyana) Ltd for Corporate Credit Card	<u>2,387,000</u>	<u>2,387,000</u>

27. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on April 3, 2024.

FIVE YEAR STATISTICAL SUMMARY

	2023 G\$	2022 G\$	2021 G\$	2020 G\$	2019 G\$
Turnover	1,629,329,718	1,637,971,078	1,364,544,775	1,383,161,652	1,248,190,327
Gross Profit	335,115,965	363,874,243	444,553,718	437,126,515	302,316,926
Profit Before Corp., Property, Deferred Tax and Impairment of Fixed Assets	264,547,405	132,336,844	280,636,453	258,556,480	123,931,045
Corp. & Property Tax	76,011,936	42,880,613	35,886,724	59,590,537	40,901,673
Profit After Corp. & Property Tax	188,535,469	89,456,231	244,749,729	198,965,943	83,029,372
Deferred Tax	(14,200,677)	(14,594,818)	(57,026,993)	(21,272,396)	(18,559,965)
Profit After Deferred tax	202,736,146	104,051,049	301,776,722	220,238,339	101,589,337
Impairment of Fixed Assets			353,267,143		
Profit/(Loss for the Year)	202,736,146	104,051,049	(51,490,421)	220,238,339	101,589,337
Basic Earnings Per Share	1.34	0.69	(0.34)	1.46	0.67
Dividends Paid or Recommended per Share	0.55	0.40	0.52	0.46	0.24
Gross Assets	4,885,172,903	4,817,398,064	4,681,122,355	2,931,679,057	2,683,427,428
Gross Liabilities	935,517,966	1,010,112,635	899,411,346	437,869,517	373,646,244
Share Capital	150,916,595	150,916,595	150,916,595	150,916,595	150,916,595
Shareholders' Funds	3,949,654,937	3,807,285,429	3,781,711,009	2,493,809,540	2,309,791,184

PROXY FORM

I/We.....

.....

of.....

being a member/members of Caribbean Container Incorporated hereby

appoint.....

of.....

or failing him/her

of

As my/our proxy to vote for me/us on my/our behalf at the 39th Annual General Meeting of the Company to be held on Friday, 24 May, 2024 and any adjournment thereof.

As witness my hand.....day of.....2024

(Name of member/s).....

(Signature of member/s).....

CARIBBEAN CONTAINER INC.

Subsidiary of Technology Investments & Management Inc.

Farm, East Bank Demerara, Guyana, South America

Phone: (592) 265-4224 Fax: (592) 265-4251 E-mail: info@ccigy.com Website: www.ccigy.com