

DG

DESNOES & GEDDES LTD

ANNUAL REPORT

FINANCIAL YEAR 2015



MISSION STATEMENT

OUR PURPOSE

CELEBRATING AND ENRICHING JAMAICA;
INSPIRING THE WORLD

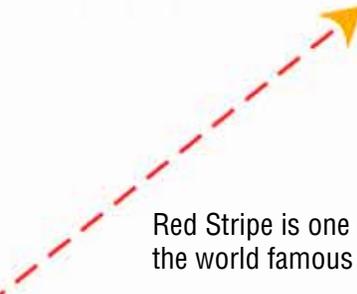
OUR VALUES

VALUING EACH OTHER
BE THE BEST
PROUD OF WHAT WE DO
PASSIONATE ABOUT CONSUMERS AND CUSTOMERS
FREEDOM TO SUCCEED

OUR STRATEGY

BRAND VALUE CREATION
END TO END EFFICIENCIES
PROFITABLE EXPORT GROWTH

COMPANY PROFILE



Red Stripe is one of Jamaica's leading corporate entities, employing over 300 staff members and producing the world famous Red Stripe™ beer.

The company's legacy began in 1918 when Eugene Desnoes and Thomas Geddes merged their carbonated soft drinks business to form Desnoes and Geddes Limited. In the ensuing years, the company became a well-established manufacturer of popular sodas, including Pepsi-Cola™, 7Up™ and D&G™ soft drinks, and the distributor of the best imported spirits.

The award-winning Red Stripe™ beer was first brewed in 1928 and later perfected to the golden lager we know today. Internationally, Red Stripe™ beer has received the prestigious Monde Selection Gold Medal 11 times for its fine quality and taste.

In 1993 Guinness Plc acquired majority of the company's shares and in 1997 merged with UK-based Grand Metropolitan to become Diageo (Dee-AH-Gee-O), which is the parent company of Red Stripe.

Diageo is the world's leading premium drinks business with an outstanding collection of beverage alcohol brands across spirits, wine and beer. These brands include Buchanan's™, Johnnie Walker™, Old Parr™, Guinness™, Smirnoff™, J&B™, Baileys™, Tanqueray™, Red Stripe™ Beer, Zacapa™, Pampero™ and Navarro Correas™ wine. Diageo is a global company, trading in some 180 countries around the world.

Locally, Red Stripe has been recognised as a major player in the manufacturing business, having received the Jamaica Exporters Association Champion Exporter award in 2010, 2011 and 2012. In 2014 we won five awards from the Jamaica Manufacturers' Association. They include Manufacturer of the Year, Champion Exporter in the category of large exporter, The Digicel Business ICT Award, The NCBJ Best Environmental Management Award and the Robert Lightbourne Skills & Productivity Award.

Red Stripe, is the trading name of Desnoes & Geddes Limited in which Diageo Plc holds the majority shares. Diageo is listed both on the London and New York Stock Exchanges. Red Stripe, located at 214 Spanish Town Road, in Kingston, is listed on the Jamaica Stock Exchange.

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RESULTS AT A GLANCE

	2015 \$'000	2014 \$'000
Turnover	15,895,710	14,085,101
Profit before tax	2,834,445	3,676,908
Profit attributable to stockholders	2,333,522	3,153,163
Profit per stock unit (calculated on net profit attributable to stockholders)	83.07¢	112.25¢
Dividends per stock unit	40¢	50¢
<u>STOCKHOLDER'S EQUITY</u>		
Share capital	2,174,980	2,174,980
Capital and other reserves	1,174,704	1,056,129
Revenue reserves	<u>6,984,197</u>	<u>5,779,518</u>
	10,333,881	9,010,627

CHAIRMAN'S STATEMENT



Brand Value Creation

FY15 saw greater emphasis on strengthened sales execution, sampling activities to support new product launches, higher marketing investment and improvement in the effectiveness of promotional programmes.

Our Joint Venture with Pepsi Cola Jamaica, Celebrations Brands Ltd. (CBL) supported our delivery of improved sales through increased direct distribution coverage for our core brands. Now in its second year of operation, CBL is operating satisfactorily, building and extending our route to consumers while driving greater efficiencies for our operations.

Strengthening our Innovation Pipeline

As we seek to meet consumer needs, improve the quality of the beer we enjoy both in the bar and at home, and reach new consumers, we developed an aggressive innovation pipeline introducing two new-to-world products (Red Stripe Sorrel and Lemon Paradise) and five renovations (Guinness foil, Heineken Star bottle, Dragon 1 Litre, Red Stripe cans, and Johnnie Walker 200ml Red and Black) in FY15. This is an excellent performance and is helping drive new interest in the beer, stout and scotch categories.

Profitable Export Growth

In FY15, Red Stripe International grew significantly and was driven through stronger relationship building with our distributor partners, portfolio expansion in existing markets and new market entry. Our focus was also directed intensively on foreign markets, as evidenced by significantly better sales results abroad, with a healthy contribution of \$993 million, up 24% on the previous year.

End to End Efficiencies

The steps that we have taken to transform our business over the last three years are now being consistently reflected in our results. This year we invested \$2,050 million to modernize the plant and build production efficiencies. Targeted projects for this spend were the Combined Heat and Power (CHP) plant, Brewery Consolidation and the continued development of our Local Raw Material [LRM] supply chain.

The CHP plant which uses Liquid Petroleum Gas (LPG), has been running as expected and providing approximately 90% of our power requirement. We look forward to gaining access to Liquefied Natural Gas (LNG) which will allow the

Financial year 2015 has been another year of good growth. Despite operating in a challenging economy, Red Stripe has maintained a strong financial position; improved efficiencies, increased brand strength and recognition, and delivered outstanding products and service to customers and consumers.

Net sales grew 14% to \$13,086 million with profit after tax of \$2,334 million up 7% compared to \$2,179 million organic profit after tax for 2014. The profit performance this year represents an earning per share of 83.07 cents. The annualised return on equity was 23%.

These positive indicators reflect the success of the strategy we developed three years ago; Profitable Export Growth, Brand Value Creation and End-to-End Efficiencies. We continued to invest in our portfolio of brands and we have significantly improved commercial execution. We combined this with compelling consumer marketing and a powerful innovation agenda that contributed 9% to our Net Sales Revenues. We are also finding new ways to leverage our scale to drive cost out of the business and to improve the efficiency of our supply chain.

same plant to supply 100% of our power needs.

There has also been steady progress with our Local Raw Material (LRM) agenda. We reaped 36 acres of cassava in the pilot project and processed it into 2000kg of starch using our newly installed Cassava Starch Factory. The cassava starch which now replaces 5% of imported high maltose corn syrup, was used in our first full scale brew in June 2015. As expected, the quality of the beer remains unchanged and consumers have reacted positively to the initiative. We have set a target to replace at least 40% of raw materials used in our brewery with LRM by 2020, in line with the Diageo Supply Strategy. We will continue on the journey in FY16 with the additional 240 acres which we have leased on the Wallen Farms.

Reputation

We believe that alcohol can play a positive role in society and in order to achieve this we need to continue partnering with others to help reduce the harmful use of alcohol. As part of the United Nations (UN) charter to reduce non-communicable diseases, the World Health Organization (WHO) has set a voluntary target of a 10% reduction in the harmful use of alcohol by 2025. Red Stripe shares this goal. We believe we are making good progress, including importantly our efforts to consistently deliver the Global Beer, Wine and Spirits Producers' commitments – a coordinated industry response to the WHO's call to action through our Drink Right Campaign. We will continue to challenge ourselves and the industry to drive large scale progress.

In addition, our Learning for Life programmes continue to empower young adults through entrepreneurship and skills education. In FY15, 300 Jamaicans were enrolled in our programmes with 100% gaining full time employment.

Board of Directors

The Board of Directors is fully dedicated to ensuring that the company continues on its current trajectory of creating a sustainable future for Red Stripe shareholders, employees and the country. In executing its duties, the Board met 4 times during the year, the Audit Committee met on 4 occasions and the Governance Committee convened 5 times.

I am delighted that we have one new Director appointment to the Board. Effective 17 July 2015, Carol Marcia Bourke, the Managing Director of the Hilton Rose Hall Resort/Jewel Resorts joined the Board. She has extensive hotel and hospitality experience and brings to the Board a strong track record in accountancy and financial management together with experience in retail, travel, audit and risk. Carol's admirable record in championing women in business will

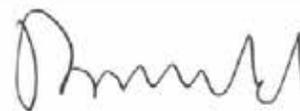
also be an inspiration to our people and the way that we work at Red Stripe.

Outlook

All the major economic indices have shown significant improvement though GDP growth continues to be low, made worse by the prolonged drought conditions over the past 15 months. We remain confident in the progress towards a stronger and more stable economy and will continue our capital investment program to make our operations even more efficient. This, together with the focus that Cedric and the Executive Team will bring to bear, leads the Board to approach the year ahead with confidence.

In closing, I would like to thank every one of our employees for their hard work, professionalism and commitment during a challenging year. It is the people in Red Stripe who will achieve our Performance Ambition, and I am confident that their talents and skills will enable us to build on the entrepreneurial spirit of the founders of our brands and ensure that, wherever we are across the length and breadth of Jamaica, the name Red Stripe is synonymous with commercial success, trust and respect.

I would also like to thank every single one of our consumers who choose our brands, our customers and suppliers who continuously support our business and all our stakeholders for their contributions which promote the delivery of our performance ambition "to be the best performing, most trusted and respected consumer products company in the world."



RICHARD BYLES
CHAIRMAN

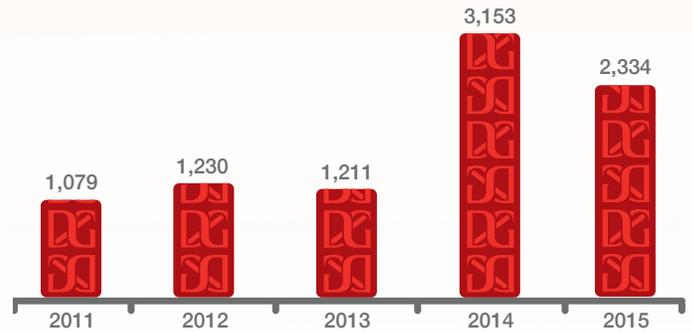
MANAGEMENT DISCUSSION AND ANALYSIS



TRADING PROFIT (\$MILLIONS) & OPERATING MARGIN (%)



PROFIT AFTER TAX (\$MILLIONS)



Red Stripe has delivered yet another resilient performance for the Financial Year ended June 2015. This performance, in the face of a number of headwinds, was driven by the framework we created three years ago to guide delivery of our strategy called our Performance Ambition, “to be the best performing, most trusted and respected consumer products company in the world.” The business is now focused on three performance drivers: Brand Value Creation; End to End Efficiencies; and Profitable Export Growth and this focus has resulted in 41 months of consecutive growth.

In FY15 we strengthened our route to consumer, delivered industry leading innovations at scale, accelerated delivery of our programmed cost savings and further sharpened our marketing to better navigate changing consumer trends.

Performance

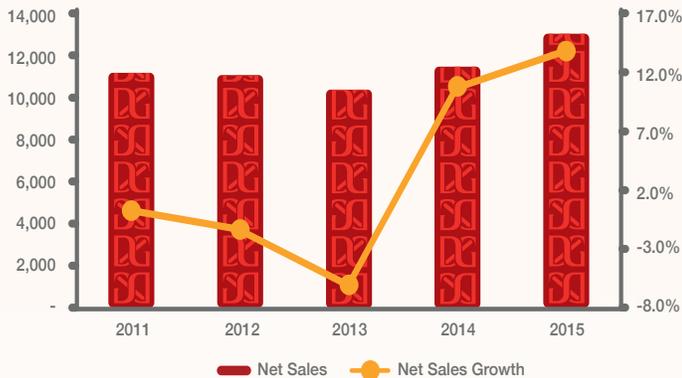
The reported trading profit of \$2,988 million grew by 10% over last year primarily driven by brand volume performance and selective price increases. Profit after tax of \$2,334 million, was \$820 million or 26% lower than last year. This was mainly due to the non-organic gains from the sale of \$974 million investments in F14. Excluding this one-off gain in F14, organic profit after tax grew by \$154 million or 7% and resulted in organic earnings per share growing by 5.49 cents to 83.07 cents.

Revenue

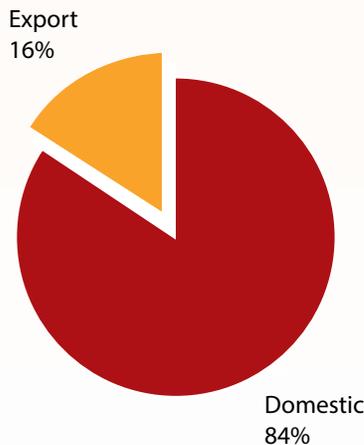
Net sales increased by 14% for the year to \$13,086 million. This was due to overall volume growth on key brands, mix, innovation, and price taken in the first quarter of the year. Refreshing our brands to maintain relevance and appeal is at the heart of growing share in all our alcohol categories and increased sales. In FY15 alone we introduced 9 innovations and renovations including Guinness foil, Heineken Star bottle, Dragon 1 Litre, Red Stripe cans, and Johnnie Walker 200ml Red and Black. The introduction of Red Stripe Sorrel over the Christmas peak period and Red Stripe Lemon Paradise just ahead of the summer season also supported the significant increase in our beer sales.

Exports continued to be a key strategic priority recording 15% net sales growth compared to last year. This performance continued to be fueled by the growth of core brands and portfolio expansion in existing and new markets.

NET SALES (\$ MILLIONS) & NET SALES GROWTH (%)



NET SALES BY SEGMENT



Cost of sales

The cost of sales for the year of \$7,627 million increased by 13% compared to the previous year, primarily attributable to increased production volumes, the impact of local inflation and the increase in the cost of imports due to the devaluation of the Jamaican dollar. We have worked hard to improve efficiency in our brewing and manufacturing operations through our brewery modernization initiative; our Combined Heat & Power Plant, the new fermenting vessels, and Project Grow (Red Stripe’s biggest commitment to import substitution through local raw material sourcing and our aim of fully commercializing cassava in Jamaica) has served to mitigate against some of these increases in costs.

Red Stripe also continues to benefit from higher levels of efficiency, through Celebration Brands Ltd., our 50:50 joint venture with Pepsi-Cola Jamaica. While there are areas we seek to strengthen, we are committed to this joint venture and the additional benefits we believe we will accrue in the coming years.

Marketing

Investment behind our brands substantially increased year on year by 37% to \$1,370 million. Our continued sponsorship of the Red Stripe Premier League (RSPL) allowed us to celebrate and reconnect with our consumers in the communities. We also signed a strategic partnership with ESPN to help promote the RSPL on a broader platform. This strategic partnership with the Premier League Clubs Association (PLCA) has resulted in improved brand equity and consumer loyalty. We see this as a long term commitment to grow the sport in Jamaica to the benefit of the players, the communities and football fans.

Brand investments also supported the launch of our two Red Stripe brand innovations, Sorrel and Lemon Paradise, which received rave reviews from consumers. We also re-established new beer drinking occasions including our Beer Festival which has become an annual event and Beer Wendzdays, a weekly on trade execution with the added element of Beer Wendzdays Live. Both Guinness and the Heineken brands benefited from the launch of contemporary packaging renovations as well as sponsorships of Guinness Street Football and Heineken Happy Hour. The Dragon Stout brand continued to appeal to an ever increasing cross section of consumers resulting in strong double digit growth.

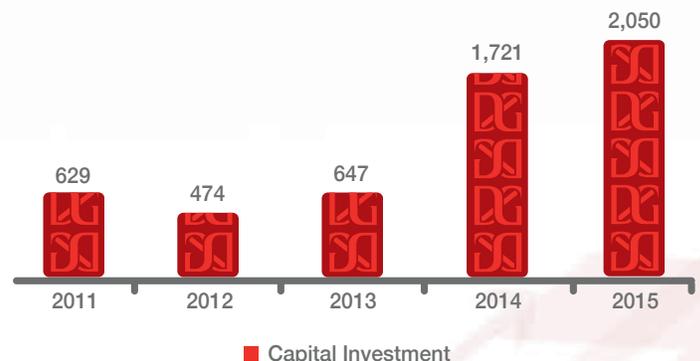
Overheads

General, selling and administrative expenses increased by \$34 million or 3% compared to last year mainly due to inflation.

Other income

During the year, other income primarily comprised of revaluation gains on investment properties and foreign exchange.

CAPITAL INVESTMENT (\$ MILLIONS)



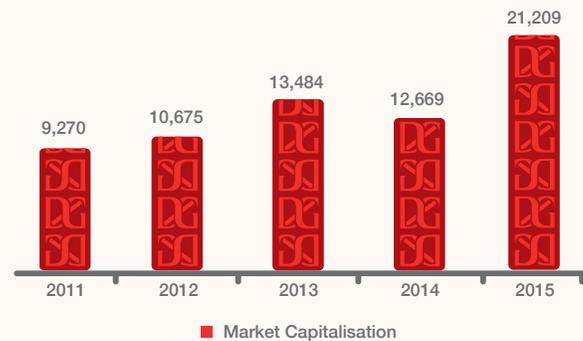
Balance sheet and cash flow

Balance sheet closed with a cash balance of \$1,367 million, \$421 million lower compared to the cash balance last year. Significant cash outflows in the year included capital investments of \$2,050 million mainly used for the brewery modernization projects and dividend payments in the year of \$1,124 million.

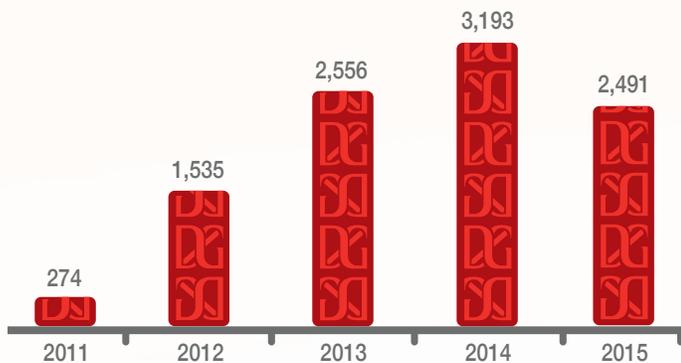
The full year Shareholders' equity of \$10,334 million and shareholders' equity per stock unit of \$3.68 increased by 15% compared to last year.

At the end of the financial year the Desnoes & Geddes Limited share price closed at \$7.55, which represents a market capitalization of \$21,209 million, a 67% increase over last year.

MARKET CAPITALISATION (\$ MILLIONS)



FREE CASH FLOW (\$ MILLIONS)



MARKET STOCK PRICE (\$)



Sustainability & Responsibility

We continue to support fully the Global Producers' Commitments, a coordinated industry response to support the World Health Organization's (WHO) Global Strategy to Reduce the Harmful Use of Alcohol. At an industry level we are engaging and partnering with The Jamaica Alcohol Beverage Association on issues that are associated with the way we make our products, how we promote them and the way they are enjoyed.

Through our Drink Right Campaign, we are focusing on the areas where we can make the greatest impact. The campaign has a simple aim – raising awareness around the smart choices one can take when consuming alcohol in the context of a balanced lifestyle.

In the last two years we have invested 3% of the brand's annual Advertising and Promotions budget in the Drink Right Campaign. Results from an independent audit undertaken by Hope Caribbean Co. Ltd. show that the campaign is effective and has a 72% recall by the target consumer.

At the same time, we are consistently finding ways to reduce the amount of energy and water that are used to brew our products. Through the installation of our Combined Heat and Power Plant, Red Stripe now produces 90% of its electrical energy, taking only 10% from the national grid. This has allowed us to further lower our cost of production by a 40% reduction in our cost of electricity.

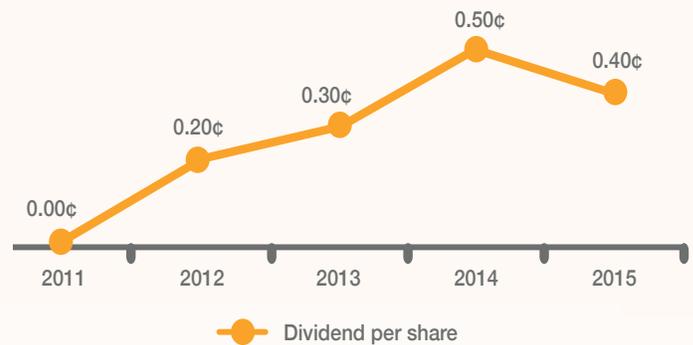
We are also committed to inclusive growth through two major projects; Learning for Life and Project Grow. Through our Learning for Life programmes we continue to train young adults in wide-ranging skills and entrepreneurship. In FY15 we trained 300 Jamaicans in Project Bartender, Project Entrepreneur and Project Grow, our Local Raw Material (LRM) initiative aimed at training young adults in cassava cultivation while providing them with full time

employment in both our cassava starch processing factory and farms at Wallen and Bernard Lodge.

Learning for Life allows us to train people to become skilled entrepreneurs, who can work with us and in the hospitality industry while becoming life-long brand ambassadors. It also allows us to work in partnership with our customers, our employees, government, NGOs, training agencies and programme participants and their families. It is both the right thing to do and it is good for business.

In addition to building trust with government and other stakeholders, while helping to secure supply and deliver wider benefits to the local community, Project Grow is Red Stripe's commitment to source 40% of agricultural materials locally by 2020. Having reaped cassava from our 36 acre pilot farm in Bernard Lodge and commissioned the 20 tonne cassava starch processing factory, we launched the first commercial batch of beer produced with 5% cassava starch as an input on the 18 June 2015.

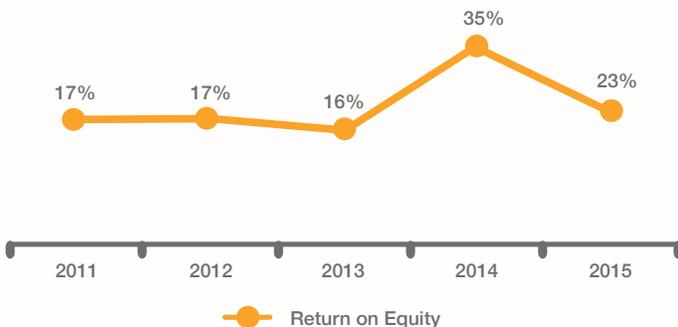
DIVIDEND PER SHARE (C)



**SHAREHOLDERS EQUITY (\$ MILLION)
SHAREHOLDERS EQUITY PER SHARE (\$)**



RETURN ON EQUITY (%)



EARNINGS PER SHARE (C)



Red Stripe is now poised to put into production, the additional 240 acres at the Wallen Farms leased from the Government. Through a special purpose vehicle (SPV) entity, private farmers will eventually be invited to partner to adopt the proven best practice model. Beyond 300 acres we anticipate the SPV to continue expanding the project up to 2400 acres.

Our People

It is a privilege to work with the Board of Directors, the Red Stripe and CBL teams as well as all our suppliers and partners who support this business. Thank you for your dedication, hard work and ongoing commitment to get behind the decisions taken during the year. It is encouraging and is reflected in the business results. It is this passion, resilience and commitment that will drive the future growth of Red Stripe. I look forward to working with every single one of you as we look forward to implementing the exciting plans we have for the year ahead.

Outlook

Trading conditions are expected to remain broadly unchanged from the year just ended. The business will continue to be impacted by currency movements; however, we will continue to innovate at scale, drive out costs, grow our premium core, ensure we have the right people with the right capabilities to deliver our plans across our business and continue to seek opportunities to reach new consumers while enhancing our portfolio of brands across all categories. Investment in production capacity, capability and strong commercial execution of existing and new consumer offerings will continue to drive growth. We will implement new programmes to deliver efficiencies to invest in this growth and improve our margins.

I look forward to leading Red Stripe through the years ahead, continuing to innovate and rejuvenate our products, seize opportunities for growth and increase the efficiency of our operations. With this approach I believe we are well placed in FY16 and beyond to continue to produce stronger volume growth and an improved top line performance that delivers strong returns for shareholders.



CEDRIC BLAIR
MANAGING DIRECTOR



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT

the Ninety-Sixth Annual General Meeting of Desnoes & Geddes Limited will be held at 214 Spanish Town Road, Kingston 11 on Tuesday 03 November 2015 at 10:00 a.m. for the following purposes:

1 Audited Accounts for the Year Ended June 30, 2015

To receive the Audited Financial Statements for the year ended 30 June 2015 together with the reports of the Directors and Auditors thereon. To consider and, (if thought fit) to pass the following resolution: "THAT the Audited Financial Statements for the year ended 30 June 2015 together with the reports of the Directors and the Auditors thereon, be and are hereby adopted."

2 Declaration of Dividend

To declare the first and second interim dividends of \$0.40 paid during the year as final for the year ended 30 June 2015.

To consider and (if thought fit) pass the following resolution: "THAT as recommended by the Directors, the interim dividends of \$0.27 per stock units paid 15 December 2014, and \$0.13 per stock unit paid 31 March 2015 making a total of \$0.40 be and is hereby declared as final dividend for the year under review.

3 Remuneration of Directors

To fix the remuneration of the Non-Executive Directors: To consider and, (if thought fit) pass the following resolution: "THAT Directors' fees in the amount of \$7,974,000 payable for the year to all Non-Executive Directors of the company, be and are hereby approved."

4 Election of Directors

In accordance with Article 108 of the Company's Articles of Incorporation, the directors retiring by rotation are Messrs. Noel daCosta, Gary 'Butch' Hendrickson and Renato Gonzales who being eligible, offer themselves for re-election.

To consider and (if thought fit) pass the following resolutions:

4(a) "THAT the retiring director Mr. Noel daCosta be and is hereby re-elected a Director of the company."

4(b) "THAT the retiring director Mr. Renato Gonzalez be and is hereby re-elected a Director of the company."

4(c) "THAT the retiring director Mr. Gary 'Butch' Hendrickson be and is hereby re-elected a Director of the company."

In accordance with Article 109 of the Articles of Incorporation, Mr. Peter Hall, Ms. Cristina Diezhandino and Mrs. Carol Bourke who were appointed to the Board of Directors since the last Annual General Meeting must retire at this Annual General Meeting, and being eligible offer themselves for election.

To consider and (if thought fit) pass the following resolution:

4(d) "THAT the retiring director Mr. Peter Hall be and is hereby elected a Director of the company."

4(e) "THAT the retiring director Ms. Cristina Diezhandino be and is hereby elected a director of the company"

4(f) "THAT the retiring director Mrs. Carol Bourke be and is hereby elected a director of the company"

5 Election of Auditors PricewaterhouseCoopers

Whereas, consistent with the principles of good corporate governance, KPMG will retire at this annual general meeting having served continuously for more than ten years, and also having indicated that there are no outstanding matters which they consider necessary to be brought to the attention of the Shareholders, and whereas KPMG will not offer themselves for re-election, the Board of Directors has recommended the appointment of PricewaterhouseCoopers as the new auditors of the Company, and Whereas the Board and the Audit Committee of the Company also consider that there are no circumstances in respect of the appointment of the new auditors that need to be brought to the attention of the Shareholders, to consider and (if thought fit) pass the following ordinary resolution:

"THAT PricewaterhouseCoopers be and is hereby appointed as the auditors of the Company and to hold office until the conclusion of the next annual general meeting of the Company and the board of directors of the Company be and is hereby authorised to fix their remuneration."

By Order of the Board



Gene M. Douglas
Corporate Secretary
Dated this 31st day of August 2015

Any member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll, vote instead of the member. A proxy need not be a member of the Company. An appropriate form of proxy is enclosed.

The proxy form must be signed, stamped and deposited at the registered office of the Company situated at 214 Spanish Town Road, Kingston 11 addressed to "The Company Secretary" not less than 48 hours before the time of holding the meeting. The stamp duty is \$100.00 and may be paid by affixing a postage stamp to the proxy form.

BOARD OF DIRECTORS PROFILE



RICHARD BYLES CHAIRMAN

Richard Byles is the President and CEO of Sagicor Group Jamaica Limited. He is the Chairman of the Board of Sagicor Bank Jamaica Limited, and Sagicor Real Estate X-Fund, a recently launched listed company which owns the Jewel Hotel chain in Jamaica and a large portfolio of prime commercial and office space. He is also a Director of Pan Jamaican Investment Trust Limited, Vice President of the Private Sector Organisation of Jamaica and Co-Chair of the Economic Programme Oversight Committee (EPOC) which is charged with oversight of the implementation of the IMF Agreement with the Government of Jamaica since 2013. He holds a Bachelor's degree in Economics from the University of the West Indies and a Masters in National Development from the University of Bradford, England.



CEDRIC BLAIR

Cedric Blair was appointed Managing Director of Red Stripe in September 2012. Since joining Red Stripe in 1995, he has worked in various roles in Engineering and Supply Chain Management. In 2005 Cedric was seconded to Diageo North America where he worked in the spirits industry for 5 years. He spent eighteen months in Diageo Relay, Maryland as a Change Manager and 3 1/2 years in Menlo Park, California as Director of Operations. Cedric returned to Jamaica in August, 2009 as Operations Manager and a year later was appointed Supply Chain Director, joining the Jamaica Executive Team and the Desnoes & Geddes Board. Over the years he has acquired a wealth of experience across Diageo in process improvement, change management and business transformation. In June 2011 he completed the Cedric has a Kellogg School of Business Executive Development Programme. Bachelor of Science with Honours in Chemical Engineering from the University of the West Indies, St Augustine.



CAROL BOURKE

Carol Bourke has 28 years of experience in the Hospitality & Tourism industry and currently serves as the Managing Director of the Hilton Rose Hall Resort. She has a passion for delivering consistently high levels of guest experiences while optimizing revenue and profit opportunities. Carol is also driven by the success of her team members and puts focus on people development and their career advancement. Carol is a board member of the Jamaica Hotel and Tourist Association and the Tourism Product Development Company.



NOEL DACOSTA

Noel daCosta is a management consultant, previously employed to Desnoes & Geddes (D&G)/Diageo in many roles including: Central American and Caribbean Corporate Relations Director for Diageo; Chief Engineer, Brewmaster, Technical Director, and Corporate Relations Director for D&G. A Chartered Engineer, he is a Fellow and past President of the Jamaica Institution of Engineers. He has postgraduate degrees in Engineering, Business Administration and Insurance. He is a director and former President of the Jamaica Chamber of Commerce and has previously served on the boards of many companies in the public and private sector. He currently serves on the board of the Victoria Mutual Building Society, the Bureau of Standards and the Petroleum Corporation of Jamaica. He is the Chairman of the Desnoes & Geddes Foundation, and also chairman of the Caribbean Council of United Way. In 2012 he was awarded the National honour of Commander of the Order of Distinction for his services to the nation.



CRISTINA DIEZHANDINO

Cristina joined the Diageo West Lac team in January 2013 as General Manager Central America & Caribbean. She has been with Diageo since 2006. Prior to her current role, Cristina was the Regional Marketing & Innovation Director for Diageo Africa (2009-20012). During this time, Cristina was a Director of the EABL Board. Ahead of her role in Africa, Cristina was Global Brand Director Whisky Portfolio & Gins and Global Brand Director JW Black, Red & Green Label, based in Amsterdam.

She joined Diageo from Allied Domecq, where she was Corporate Marketing Director Spain (2001-2006). Prior to this, Cristina held various Marketing roles with Unilever HPC (1989-2001) and was based in Spain, UK and the US. Cristina is a graduate from ICADE business school in Madrid (1989) and obtained an Erasmus scholarship at ESSEC in Paris (1988).



JED DRYER

Jed Dryer is the WestLAC Finance Director for Projects and joined the board in September 2010. Prior to this he was the Finance Director of Red Stripe, Finance Director of Diageo Northern Latin America and Caribbean and the Financial Controller for Latin America and Caribbean. He also worked on Strategy, Business Development and Decision Support projects in the Global Business Support Group in Miami and London. Prior to joining Diageo, Jed worked in the Financial Services industry in London and New York. He holds a Bachelors degree from the University of Texas at Austin and a Master of Business Administration from the University of Chicago.



ALBERTO GAVAZZI

Alberto Gavazzi is President of Diageo Latin America and the Caribbean (Diageo LAC) and is a member of the Diageo Global Executive. In this role Alberto is responsible for the business performance of 44 markets across the LAC region and approximately 3000 people managing a wide array of Diageo's premium brands including Johnnie Walker, Smirnoff, Guinness, Tanqueray, Captain Morgan, Baileys, and other Spirit, Beer and Wine brands.

Alberto has held various senior leadership roles across North America, Europe and South America throughout his twenty-year career within Diageo implementing global, regional and local sales and marketing programmes. His ability to bring strategy to action and lead exceptional brand performance has earned him recognition for consistently delivering profitable and sustainable growth in several areas including the Reserve Brand Group, Diageo's Luxury Division.



RENATO GONZALEZ

Renato Gonzalez has twenty years' experience in the consumer goods market in large multinationals across the world. He has a wide range of experience in supply chain management having designed and successfully implemented procedures and processes. Prior to his appointment, he was the Customer Operations Director of Diageo's Global Supply Chain based in Amsterdam, with responsibility for order management and supply planning of Diageo's number one brands and export from multi-plants worldwide. While he was Supply Chain Director for Diageo, Mexico he received two leadership awards for excellence in execution and inspirational leader. Renato also served as the managing director of the recently acquired Diageo company in Brazil, Ypioca. In July 2014 he was appointed to the position of General Manager Transformation, Chile, PBE, and Argentina. He has a degree from the Universidade de Cidade, Rio de Janeiro, Brazil and speaks fluent English, Portuguese and Spanish.

BOARD OF DIRECTORS CONT'D



JAIME GRAÑA

Jaime Graña has occupied the post of Managing Director of Diageo WestLAC since July 2013. Jaime joined Diageo in 2001 as General Manager, Diageo Peru, a role which expanded in 2005 to include Argentina, Bolivia and Chile. In 2007 Jaime was appointed Managing Director, Mexico, where over six and a half years, he built Diageo Mexico into a strong market-leading operation with significant growth rates. In his almost 12 years with Diageo, Jaime has delivered business growth through transforming people, building our brands and solidifying Diageo's culture and reputation as a company of high performance and integrity. He also helped Diageo Mexico rise to fourth place on the list of best companies to work for in Mexico.

An ardent sportsman, Jaime enjoys surfing and table tennis; and is also passionate about gastronomy and tourism.



BRUCE KIDNER

Bruce Kidner was appointed Finance Director of Red Stripe in January 2014. Bruce has worked for Diageo for 17 years. This experience included working in the Diageo Africa region as Finance Director of Namibia Breweries and Finance Director of Guinness Ghana Breweries. Prior to this he held a number of other finance and commercial finance roles within Diageo. Bruce is a qualified Chartered Accountant gaining his qualification whilst working six years in a chartered accountancy practice based in London and he gained a Bachelor of Science with Honours in Economics & Business at Cardiff Business School, University of Wales.



DR. DAMIEN KING

Damien King is currently a Senior Lecturer and Head of the Department of Economics at the University of the West Indies, Mona. He is also Executive Director of the Caribbean Policy Research Institute, a public policy think tank. Damien's career has been mostly in academia but includes work for and consultations with the United Nations Development Programme, the World Bank, and the Planning Institute of Jamaica. Damien previously served on the boards of DyoII Group, DyoII Insurance Company, the National Export-Import Bank of Jamaica, the Jamaica Mutual Life Assurance Society, and the University Hospital of the West Indies.



PETER J HALL

Peter J Hall is an expert in complex portfolio management and leading large commercial organizations at the Executive Committee level with 20 years of experience in beer, wine and spirits. Peter first joined Diageo in 1994 and currently serves as Senior Vice President for Heineken Americas. Peter is a member of the Heineken Americas Leadership Team, with responsibility for Argentina and Chile, as well as all Marketing and Innovation across North and South America and the Caribbean.

Peter has a Masters Degree in Land Economy from Cambridge University and his interests include travel, cinema, wine and the history of architecture.



GARY "BUTCH" HENDRICKSON

Gary "Butch" Hendrickson is the Chairman and CEO of Continental Baking Co. Ltd. manufacturers of NATIONAL, HTB and HOMADE baked products. Mr Hendrickson is also Chairman and CEO of Coconut Bay Beach Resort & Spa St Lucia. He sits on the Boards of Rainforest Seafoods and The King's House Foundation. Butch attended Jamaica College, Miami Military Academy and Fordham University. He has also been sighted on the campus of Wharton at various times.



PETER MELHADO

Peter Melhado is the President and CEO of the ICD Group, a Jamaican-based conglomerate with interests in real estate, construction, property management, general insurance and business process outsourcing.

Mr. Melhado began his career as a project engineer with the UK-based construction firm, Kier International. He subsequently worked in the manufacturing sector with brewer and beverage producer Desnoes and Geddes, before entering the banking sector in 1993 with the Manufacturers Group. Mr. Melhado became the CEO of the Manufacturers Group in 1995, led the company's acquisition of Sigma Investment Managers in 2001 and held that position until merging Manufacturers Sigma with Pan Caribbean in 2004.

Mr. Melhado currently serves as Chairman of Sagicor Bank Jamaica, West Indies Home Contractors, Industrial Chemical Company, CGM Gallagher Group, Kingston Container Terminal and American International School of Kingston. His current directorships include British Caribbean Insurance Company, Red Stripe, Sagicor Investments Jamaica and Port Authority of Jamaica.

He is a former Vice President of the Private Sector Organization of Jamaica.

Mr. Melhado attained a B.Sc. in Mechanical Engineering from McGill University (1985) and an MBA from Columbia University Graduate School of Business (1990), with a concentration in Finance.

DIRECTORS' REPORT

The Directors are pleased to submit their Report and Audited Accounts for the year ended 30 June 2015

	2015 \$ Million	2014 \$ Million
The profit of the Company before tax was	2,834	3,676
Net Profit of the Company after tax was	2,334	3,153

Dividends

The Directors have recommended that the interim dividends of \$0.27 paid to stockholders on 15 December 2014 and \$0.13 paid on 31 March 2015 be declared as final dividend for the year ended 30 June 2015. No further dividend was recommended.

The Board

Pursuant to Article 108 of the Articles of Incorporation of the Company, one-third of the Directors or the number nearest to one-third, where their number is not a multiple of three, shall retire from office each year. Messrs. Noel daCosta, Renato Gonzalez and Gary 'Butch' Hendrickson will retire, and being eligible, offer themselves for re-election. During the year Mr. Oliver McIntosh, Hans van Mamaren and Mr. Alberto Gavazzi resigned from the Board. Ms. Cristina Diezhandino, Mr. Peter Hall and Mrs. Carol Bourke were appointed since the last Annual General Meeting.

The Directors of the Board as at June 30, 2015 comprised:

Mr. Richard O. Byles	Chairman
Mr. Cedric M. Blair	Managing Director
Mr. Noel daCosta	
Ms. Cristina Diezhandino	
Mr. Jed Dryer	
Mr. Renato Gonzalez	
Mr. Jaime Graña	
Mr. Peter Hall	
Mr. Gary C "Butch" Hendrickson	
Mr. Bruce Kidner	
Dr. Damien W. King	
Mr. Peter K. Melhado	

Pursuant to Article 109 of the Articles of Incorporation, Ms. Cristina Diezhandino, Mr. Peter Hall and Mrs. Carol Bourke who were appointed to the Board of Directors during the year, must retire at this Annual General Meeting, and being eligible offer themselves for election.

Auditors

Messrs. KPMG, the present Auditors, will retire at this Annual General Meeting and will not seek re-election. They will be replaced by PricewaterhouseCoopers.

The Directors wish to express their appreciation to the management and staff for the work they have done during the year.

By order of the Board



Gene M. Douglas
Corporate Secretary

Dated this 31st day of August 2015

INTEREST OF DIRECTORS

AS AT JUNE 30, 2015

SHAREHOLDINGS OF DIRECTORS

RICHARD O. BYLES (CHAIRMAN)	4,786,970
CEDRIC M. BLAIR (MAN. DIRECTOR)	750,000
NOEL DACOSTA	440,000
CRISTINA DIEZHANDINO	NIL
JED DRYER	NIL
RENATO GONZALEZ	NIL
JAIME GRAÑA	2,311,000
PETER HALL	NIL
GARY C. HENDRICKSON	NIL
BRUCE KIDNER	2,686,372
DR. DAMIEN KING	1,000,000
PETER K. MELHADO	NIL

SHAREHOLDINGS OF SENIOR MANAGEMENT

CEDRIC BLAIR	750,000
DIANNE ASHTON-SMITH	NIL
MELVERINE HEMMING	NIL
BLANDINE JN-PAUL REID	NIL
BRUCE KIDNER	2,686,372
JEAN LOOK-TONG	78,821
DWAINE WILLIAMS	NIL
MOSES WILLIAMS	NIL
DIANE WILLIS -REID	NIL

TEN (10) LARGEST SHAREHOLDERS

SHAREHOLDERS	STOCK HELD	OWNERSHIP %
1. UDIAM HOLDINGS AB*	1,625,549,827	57.87
2. HEINEKEN BEVERAGES SWITZERLAND AG	434,033,141	15.45
3. BARDI LIMITED	84,255,986	3.00
4. SAGICOR POOLED EQUITY FUND	50,177,245	1.79
5. IDEAL PORTFOLIO SERVICES	33,023,518	1.18
6. NATIONAL PORTFOLIO SERVICES	31,709,129	1.13
7. INV NOM LTD A/C LAS. HENRIQUES ET AL S/F	29,094,181	1.04
8. RESOURCES IN MOTION LIMITED	27,055,543	0.96
9. JETTE LIMITED	26,254,292	0.93
10. JCSD TRUSTEE SERVICES LTD -SIGMA OPTIMA	23,112,942	0.82
TOTAL TO TEN SHAREHOLDINGS	2,364,265,804	84.16
REMAINING SHAREHOLDINGS	444,904,390	15.84
TOTAL ISSUED SHARES	2,809,170,194	100.00
TOTAL NUMBER OF SHAREHOLDERS	3,190	

*CONNECTED PARTIES

CORPORATE DATA

DESNOES & GEDDES LIMITED

31 AUGUST, 2015

Board of Directors:

Richard O. Byles – Chairman
Cedric M. Blair – Managing Director
Carol M. Bourke
Noel daCosta
Cristina Diezhandino
Jed Dryer
Renato Gonzalez
Jaime Graña
Peter Hall
Gary C Hendrickson
Bruce Kidner
Dr. Damien W King
Peter K Melhado

Company Secretary:

Gene M. Douglas, F.C.I.S.; M.B.A.

Registrar & Transfer Agent:

Sagicor Bank Jamaica Limited
Group Legal, Trust & Corporate Services
28-48 Barbados Avenue
Kingston 5.

Auditors:

KPMG
6 Duke Street
Kingston

Bankers:

Bank of Nova Scotia Jamaica Ltd.
Corner Duke & Port Royal Streets
Kingston

Citibank NA
19 Hillcrest Avenue
Kingston 6

National Commercial Bank Jamaica Ltd.
37 Duke Street
Kingston

Attorneys-at-law:

Patterson Mair Hamilton
Temple Court
85 Hope Road
Kingston 6

Myers Fletcher & Gordon
21 East Street
Kingston

Registered Office:

214 Spanish Town Road
Kingston 11

DIRECTORS' ATTENDANCE REGISTER

	BOARD	AUDIT	GOVERNANCE
Number of Meetings held during the year	4	4	5
Richard O. Byles	4		3
Cedric M. Blair	4		4
Noel daCosta	4		
Cristina Diezhandino**	3/4		
Jed Dryer	4		
Alberto Gavazzi	2/3		
Renato Gonzalez	2/4		
Jaime Graña	4		
Peter Hall	1/1		1/2
Gary "Butch" Hendrickson	2		2
Bruce Kidner	4	4	3
Dr. Damien King	4	3	
J. Hans Mameren*	3/3		1/3
Oliver McIntosh*	2	3	
Peter Melhado	4	3	5

BOARD SUB-COMMITTEE AND COMPOSITION

	Executive/Non-Executive/Independent	AUDIT	GOVERNANCE
Richard O. Byles	Chairman - I		•
Cedric M. Blair	E		•
Carol M. Burke	I	•	
Noel daCosta	NE		
Cristina Diezhandino	NE		
Jed Dryer	NE		
Renato Gonzalez	NE		
Jaime Grana	NE		
Peter Hall	NE		•
Gary "Butch" Hendrickson	I		•
Bruce Kidner	E	•	•
Dr. Damien King	I	• Chairman	
Peter K. Melhado	I	•	• Chairman

*Resigned since the last AGM

**Appointed since the last AGM

MEMBERS OF THE AUDIT COMMITTEE

Dr. Damien King - Chairman
 Peter K. Melhado
 Bruce Kidner
 Carol Bourke

MEMBERS OF THE GOVERNANCE COMMITTEE

Peter Melhado (Chairman)
 Cedric M. Blair
 Richard O Byles
 Gary C Hendrickson
 Bruce Kidner
 J. H. van Mameren

EXECUTIVE TEAM





Absent – Jean Look-Tong, Head of Red Stripe International
Dwayne Williams, Head of Commercial (Resigned as of 30 June, 2015)

EXECUTIVE LEADERSHIP PROFILES



CEDRIC BLAIR

Managing Director (See Board of Directors Page)



DIANNE ASHTON-SMITH

Head of Corporate Relations

Dianne is an expert Corporate Relations practitioner with close to 20 years' experience. She joined Red Stripe in 2008 as Communications Manager leading the Alcohol in Society agenda through DrinkIQ and responsible drinking initiatives. She has been credited with a number of communications innovations which contributed to embedding and reinforcing our strategy. Under her leadership, we have enrolled over 11,000 Jamaicans in our award winning Learning for Life programmes, consistently exceeding our year on year targets. In 2013, Dianne joined the Red Stripe Executive team as Head of Corporate Relations. She holds a Bachelor of Arts (Honours) in Literature & Economics from the University of the West Indies and a Master of Science degree in Human Resources Management from the Milano School of International Affairs, Management, and Urban Policy at The New School. She is also a Board Member of the D&G Foundation and a Director of the Jamaica Chamber of Commerce.



DEVON FRANCIS

Acting Head of Supply

Devon Francis, Acting Head of Supply, has been a member of the Diageo family for 25 years. Devon is Jamaica's first Institute of Brewing and Distilling [IBD] accredited Master Brewer. Has developed a sound understanding of the industry, having done several roles across the Red Stripe Supply chain. Prior to taking up his current role, Devon was sent on an international assignment in Africa, where he worked as the Supply Chain Director of the Seychelles Breweries Limited. On his international assignment, Devon successfully lead the first Flash pasteurization to returnable glass operation in Diageo, which is now the benchmark for other such undertakings across Diageo. As Acting Head of Supply, Devon has responsibility for the end to end supply chain, covering Planning, Source, Make and Move and is also responsible for Capital Investment, Health & Safety and the Environment.



MELVERINE HEMMINGS

Head of Human Resource

Melverine joined Red Stripe in March 2001 and since then has held a number of senior roles within the HR function. In 2007 she was seconded to Diageo International as Resourcing Manager and in April 2013 she was seconded to Celebration Brands Ltd. as Human Resource and Communications Director. During that time she played a critical role in developing the newly formed joint venture. Her most significant achievements include the recruitment of over 400 staff members in an eight month period and the selection of key third party suppliers for contract labour and employee benefits. Melverine also led the implementation of a number of key HR processes and procedures within the new organization. In March 2014, Marie returned to Red Stripe as Head of Human Resources and a member of the Jamaica Executive team. She holds a Master of Science (MSc.), Human Resource Development (1999), University of the West Indies, Mona.



BLANDINE JnPAUL-REID

Head of Marketing and Innovation

Blandine JnPaul-Reid is a senior-level marketing professional and brand strategist with experience working for major brands such as Diageo, ESPN, TV Guide and The New York Knicks. She is a marketing innovator whose strategies are infused with market and consumer insights, driving both increased brand awareness and revenue growth. Across her career, Blandine has spurred double-digit sales increases based on extensive research and creative integrated marketing programs. She has created profitable partnerships with leading consumer brands such as Frito-Lay, General Mills, Office Depot and Capital One. Her leadership is also evident in managing 15-person cross-functional teams, external agencies and marketing budgets of up to \$40 million per year.

Blandine joined Red Stripe, a Diageo company in October 2014 as Head of Marketing and Innovation. In her role, she shapes and leads strategic and tactical marketing and global and regional brand positioning for Red Stripe, the iconic Jamaican beer, across all international markets including the Caribbean and Latin America. She drives the full spectrum of strategic marketing, including branding, pricing, share growth strategy and financial performance as well as develops activation mechanics for a six-brand portfolio of beers, RTDs and spirits, including Smirnoff, Johnnie Walker, Ciroc, Guinness, Heineken and Baileys.

**BRUCE KIDNER**

Finance Director (See Board of Directors Page)

**JEAN LOOK-TONG**

Head of Red Stripe International and Licensed Breweries

Jean joined Diageo in February 2014 and has over ten years' senior leadership experience in areas such as business development, strategy, sales, marketing and corporate affairs in Jamaica and the wider Caribbean. Her career has spanned a variety of industry sectors, most notably telecommunications and banking. Jean was a member of the team that created the telecommunications brand 'Flow' and was instrumental in launching and building the business. She holds a First Class Honours BSc Degree in Management Studies, an MBA with Distinction from the University of the West Indies and project management certification. She is also a Director of the Jamaica Exporters' Association.

**DWAINE WILLIAMS**

Dwaine Williams is a business leader with extensive experience in the beverage and tobacco industries. He prides himself for being a results-oriented, innovative and pragmatic leader who is able to inspire and successfully achieve breakthrough results through people. He has a passion for transforming businesses, breaking records and beating the competition.

Dwaine recently returned to Jamaica from the Virgin Islands where he was the General Manager for a beverage distribution company within the TOPA equities group. Before relocating to the Virgin Islands Dwaine spent three (3) years in the tobacco industry working with Carreras Ltd. (British American Tobacco) in Jamaica, where he spent most of his tenure in the capacity of Regional Trade Marketing and Distribution Manager. Preceding that he occupied the role of Sales Manager for J. Wray and Nephew Ltd. with responsibility for the on premise and duty free channels in Jamaica for 3years.

Dwaine has had a consistent and solid record of success as a commercial and business leader. He is driven by strong analytical and leadership skills coupled with a shrewd approach to making decisions. Leadership as he has lived it is the art of getting things done through people.

Dwaine exited the business at the end of the financial year on June 30.

**MOSES WILLIAMS**

Head of Commercial Transformation

Moses joined Red Stripe in July 2006 and since then has held a number of senior roles within the Sales function.

In 2013 he was seconded to Celebration Brands Ltd. as National Sales Manager – Modern Trade. During that time he played a critical role in the recruitment and leadership of the Modern Trade team whilst actively contributing to the implementation of the overall business strategy. In May 2015, Moses was appointed Head of Commercial Transformation and a member of the Jamaica Executive team. He holds a Bachelor of Science (BSc.), Business Administration (2003), Northern Caribbean University.

**DIANE WILLIS-REID**

Administrative & Special Projects Manager

Diane joined Red Stripe in 1995 as an Administrative Assistant and a year later was appointed Executive Assistant to the President. Since then Diane has worked with successive Managing Directors and has been a key contributor to the Red Stripe Executive team through her expertise in business operations, culture transformation and project management. Due to her profound institutional knowledge Diane brought rounded insights to the Executive Team and became an official member in 2010. She is credited with establishing the first-ever records and information management business unit and service centre within Diageo Latin America and Caribbean region. In 2014 Diane lead major transformational projects including the inaugural Employee Conference and phase 1 of Red Stripe's office rationalization.

F15 MILESTONES



PM OPENS CHP PLANT

Prime Minister Portia Simpson-Miller (centre) and Anthony Hylton, Minister of Industry, Investment & Commerce cut the ribbon to unveil Red Stripe's Combined Heat and Power Plant on October 8, 2014. The Government ministers are flanked by former Head of Supply Shane Healy (left), Red Stripe Chairman Richard Byles (2nd right) and Managing Director Cedric Blair.



MINISTER KELLIER ON CASSAVA FARM TOUR

Minister of Agriculture and Fisheries Derrick Kellier (right) inspects a cassava tuber at our Cassava Farm at Bernard Lodge in St Catherine along with former Head of Local Raw Material, Dr. Damo Graham. On October 28, 2014, Minister Kellier and Dr. Peter Phillips, Minister of Finance and Planning, toured the Cassava farm and lauded Red Stripe for its visionary thinking of using local produce in the production of Red Stripe beer.



LEARNING FOR LIFE GRADUATION

Graduates beam with pride during the Diageo Learning for Life graduation which took place on February 18 at the Jamaica Pegasus Hotel. Approximately 130 participants from Project Grow and Project Bartender graduated from the programme.



L4L CELEBRATES 100,000 LIVES

On November 5 all of Diageo celebrated Learning for Life having impacted 100,000 lives globally. Red Stripe joined the celebration by having a special event with past and present participants of the programme. Here Red Stripe team members share a joyous moment with the first cohort of Project Grow students.



RED STRIPE WINS JCC AWARD

Red Stripe won the coveted large enterprise award at the 2015 Jamaica Chamber of Commerce Awards banquet held on May 14 at the Jamaica Pegasus Hotel. Joining in the celebration are Red Stripe/Diageo employees (from left) William Bullard, Ellisse Campbell, Gareth Geddes, Diane Willis-Reid, Dianne Ashton-Smith, Nicholas Bogle, Melverine Hemmings, Moses Williams, Cedric Blair, Joy Roberts-Williams and Bruce Kidner.



RED STRIPE WINS 5 JMA AWARDS

Red Stripe team members from left Shane Healy, Former Head of Supply, Cedric Blair, Managing Director, Trecia Campbell-Sharpe, Environmental Manager, Nicholas Bogle, Logistics & Customer Services Manager, and Bruce Kidner, Finance Director, pose with the five awards won at the Jamaica Manufacturers' Association Awards Banquet.

SUPPLY DEPARTMENT



Project Grow worker Jossef Forrest, takes Ministers Anthony Hylton & Derrick Kellier on a tour of the Cassava Starch Factory

This year has been a breakthrough year for Red Stripe Supply with the implementation of our transformation projects and Perfect Plant Management System [PPMS]. Key projects were the installation of the Combined Heat and Power [CHP] plant which produces 90% of Red Stripe's electrical energy demand. The remaining 10% is obtained from the national grid. This has resulted in a 40% reduction in the cost of electricity. With the brewery consolidation project nearing completion, Red Stripe has begun to compress the footprint of the site, moving away from the campus type layout to a more compact facility. This has also contributed to our overall improvement in energy efficiency.

In the year under review, Red Stripe invested \$1.4 billion in its plant modernization strategy to increase productivity and competitiveness. Targeted projects for this spend were the CHP, Brewery Consolidation and development of a Local Raw Material [LRM] supply chain. Both CHP and Brewery Consolidation have begun to return value, positively impacting both the cost base and our plant efficiency. Through Project Grow, we have laid the foundation for the development and sustainability of a local raw material supply chain. We have harvested cassava from our pilot farm at Bernard Lodge and have commissioned a 20 root tonne processing plant. This allowed Red Stripe to launch the first commercial batch of beer produced with 5% cassava starch as an input on the 18 June. This is the beginning of the journey to reach the target of 40% local raw material use by 2020.

During the year, we received several awards from the Jamaica Manufacturers' Association:

- Manufacturer of the Year
- Champion Exporter in the category of large exporter
- The Digicel Business ICT Award
- The NCBJ Best Environmental Management Award
- The Robert Lightbourne Skills & Productivity Award

From the Jamaica Chamber of Commerce, we won the Best in Chamber award, while we were awarded Excellence in Manufacturing from the Bureau of Standards of Jamaica.

As testimony to our compliance agenda, Red Stripe was successful in the Diageo Global Independent Assurance Audit [IAA]. This is a measure of control in the key Supply risk areas of Security, Quality, Quality Systems, Environment and Health & Safety.

Innovation is one of the engines of growth in our 2020 ambition and the ground work was laid for this in FY15 through the development of two liquid blockbusters; Red Stripe Sorrel and Red Stripe Lemon Paradise. These new innovations were developed through the company's continued focus on gaining consumer insights to develop a robust innovation pipeline. Both products delivered sales performance above forecast.

Red Stripe, as a part of Diageo Global Supply, aims to be recognized as a Manufacturing Excellence benchmark. Overall Equipment Effectiveness (OEE) is one of the key metrics used to measure manufacturing excellence. In January we rolled out the main vehicle and enabler that will allow us to deliver on ambition, the Perfect Plant Management System [PPMS]. PPMS is a performance management system used to evaluate the effectiveness of our processes and to provide information with which to make fact based decisions. The management system is a multi-dimensional framework that creates alignment and supports translation of the business strategy into measurable goals at all levels of the organization. This is done by:

- Helping managers prioritize and focus on the key issues
- Using Key Performance Indicators [KPIs] to measure performance
- Using facts to facilitate decision-making
- Supporting organizational learning and continuous improvement of performance

The deployment of PPMS was spearheaded by Mark Krech (Diageo-Global Supply, Operational Excellence) and Sheldon Sharpe (Diageo-Red Stripe) who have led two successful rollouts across Guinness Ghana and Guinness Cameroon along with a very talented Superuser group consisting of Jaeane Bailey (Packaging Shift Manager), Gayann Mcleod Graham (Brewing Team Leader), Tayna Kemble (Lab Analyst), Petula Lumley (Continuous Improvement), Sean Fray (Engineering Planner) and Andre Bennett (Production and Raw Materials Planning). The process started with a calibration of our site KPI's to develop a baseline and from that an improvement trajectory was agreed with the KPI owners. Through this initiative, we have seen over 66% of these KPI's performing positively against the baseline, with the most impressive being a 10.1 ppt improvement in Overall Equipment Efficiency [OEE] in the packaging department.

Red Stripe delivered a marked improvement in our overall MOVE metrics of on time, in full, without errors [OTIFNE], Case fill rate [CFR] and Sales Forecast Accuracy [SFA]. Our OTIFNE and CFR improvements resulted from a greater level of coordination and co-creation with our major customers across the island and greater alignment of sales and marketing plans that are used to drive activation in both the on and off trade. Embedding CBL planning cycle into the Red Stripe S&OP cycle has resulted in an increase in our Sales forecast accuracy to 86% which currently ranks among the highest globally and number one among all markets in the western hemisphere.

Quality of our products is another key performance driver; an important measure is the reduction in customer and consumer complaints. In F15, we recorded a reduction of 10%, which ranks in the top half of the Diageo Global Beer quality league. Key to this performance was the overall improvement in our bottle sorting activity and upgrade of the electronic bottle inspector [EBI].

Red Stripe continued its focus on Zero Harm, delivering one of the best years yet. The site reordered zero lost time accident [LTA] for its full time equivalent employees. While the site did have an LTA for non-fulltime equivalents, it is noteworthy that 1,000 LTA free days were achieved for this group. Underpinning this performance were the site's 99% compliance to the 11 protocols from the Severe and Fatal Incident Prevention Program [SFIPP] and the introduction of Safety ONLY meetings with leadership teams. We have worked on building the capability of the team by utilizing the Master classes in the Values and Behavior based safety programme delivered by Diageo Global. Our Safety Manager is now a certified Permit to Work trainer.

Waste to landfill remains a challenge in a country where there is little segregation and infrastructure in place for recycling. Red Stripe is the only firm to segregate waste fully on site and has been a champion in Jamaica of ensuring our bottles are returned and recycled. In F15 we put in place a programme to ensure we recycle all our cullet glass instead of sending to landfill sites. In addition, the majority of the old board from our pallet repair programme is now incinerated.

Outlook

Red Stripe Supply intends to increase all performance KPIs by +1 in the maturity index. Through PPMS, flight plans are already in place for the top 10 key performance indicators. Driving out cost will be central to all our plans as we aim to deliver the mandate of flat COGS. Building the Supply capability through training and development will be a key focus as we build the human infrastructure and lay the foundation for our 2020 ambition.

MARKETING DEPARTMENT



Champions Arnett Gardens F.C. celebrate winning the Red Stripe Premier League Title

Marketing with flair and innovation remains a key driver for our brands as we strive to be the best performing company in Jamaica. With a 37% increase in our A&P for the financial year, we focused on growing our core brands while exciting our consumers with innovative variants.

Red Stripe's investment in the quality of the Red Stripe Premier League (RSPL) continues to grow each year with increases in consumer engagement and fan turnout. With resumption to the Playoffs format in F15, the RSPL drew its largest crowd ever for a final with over 18,000 patrons at the National Stadium watching Arnett Gardens win the Championship title.

We also signed a strategic partnership with ESPN to help promote the RSPL on a broader scale. This partnership was a great first step and we plan to evolve this relationship into

F16 in a quest to take the Premiere League and Red Stripe on the Global playing field.

Innovations

Innovation continues to be a key driver for the business. In F15, we launched new packaging for Guinness and Heineken and two new flavours to Red Stripe – Sorrel and Lemon Paradise.

Red Stripe Sorrel in particular was an immediate success. The variant achieved its overall sales target in just one month and generated much discussion on social media during the Christmas season.

In a market saturated by Spirit brands we aim to differentiate our portfolio through innovations and unique experiences. In F15 we continued to see growth for our



A consumer shows her appreciation for the new Heineken K2 bottle at the launch event

core spirit brands - Smirnoff™, Johnnie Walker™ and Baileys™. Activities such as Smirnoff Dream Weekend, Jamaica Carnival and Johnnie Walker Learning for Life Golf Classic aided in delivering premium consumer experiences that drove brand equity growth for the brands. Innovations such as Smirnoff Ice Red Berry and Smirnoff Blueberry also added vibrancy to the Smirnoff portfolio.

Overall, consumption trends for our core brands continue to be strong. Most of our brands posted an increase in sales versus last year with the exception of Heineken and Guinness. To help stem the decline, both Guinness and the Heineken brands benefited from the launch of contemporary packaging renovations.

Experiential Marketing

Our experiential marketing events continue to be a huge driver for our brands. The annual Arthur Guinness Day concert delivered a stellar production that honoured the brand's legacy and made consumers feel the brand was truly 'Made of More'. The music platform, particularly through Reggae/Dancehall, continues to be a key medium where the brand and the consumer can share mutual experiences.

Guinness also introduced the Street Football Competition with Jamaica hosting seven other Caribbean islands in a bid to find the region's top team. Other key events included the launch of the new Heineken bottle and the Jamaica Beer Festival which also allowed us to create an exciting music event to consumers with our full portfolio of brews.

Digital Marketing

In F15 we increased our focus on Digital marketing. Our consumers increasingly use digital platform to get their news, communicate with each other and express themselves. Recognizing this, we increased our investment in digital marketing, particularly around the popular social media platforms with the purpose of creating and participating in conversations with our consumers.

Outlook

In F16, we will continue to stay true to the strategies that have provided growth while building on new opportunities.

There are 3 core areas that we will focus on for F16:

- Add dynamic innovations to create more variety in brewed formats to expand our market position segments
- Inject newness into the Smirnoff portfolio with electrifying new flavours
- Strengthen our Route to Consumer and export strategy by focusing on Hotel & Tourist attractions to accelerate Red Stripe's International growth.

SALES DEPARTMENT



A Spirits Brand Ambassador engages a consumer during one of many Smirnoff activations in the trade.

In F15, revenue from our domestic portfolio of brewed beverages grew by 14% driven by a combination of volume, mix and price. Some of the strategies the sales team pursued during the year included building and extending our route to consumer through our Joint Venture company Celebration Brands Limited (CBL). This allowed us to increase distribution of our core portfolio as well as our key innovations - Red Stripe cans, Dragon 1 Litre, Red Stripe Sorrel, Red Stripe Lemon Paradise and Johnnie Walker 200ml over the year.

To drive more focus on customer service we added new talent to the Red Stripe and CBL teams to improve sales effectiveness.

As a result we have consistently delivered month on month growth for the fiscal year under review.

One Day Sale

In F15, two One Day Sales were held in December and June delivering more than 40,000 cases of brew and more than 1,000 cases of spirits. This initiative required close collaboration with our key customers across the island. Discounts ranging from 10-50 % were offered on select brands and the Sale was supported by radio and print advertising. The One Day Sale also served as a great employee engagement tool as Red Stripe and CBL team members went out in trade interacting with our customers and consumers.

Innovation at Work

Throughout F15 we launched several initiatives to improve beer sales. They included the creation of beer specific occasions, such as Beer Wendzdays and Beer Wendzdays Live and leveraging the Red Stripe Premier League in the community bars. Beer Wendzdays has developed flagship accounts for our core brands across the island and has driven activities at the community bar

level. These platforms have delivered an incremental \$200 million in sales.

Our innovation in Red Stripe cans has satisfied the demand in the hotel channel and continues to show positive traction in other segments. Seasonal beers such as Red Stripe Sorrel (Christmas) and Red Stripe Lemon Paradise (Summer) proved to be enormously successful and brought many new consumers to the beer category. We also continued to expand our Spirits portfolio, adding new variants of existing brands such as Johnnie Walker 200ml, and a new line of wines from Argentina - Navarro Correas.

Bar Academy & Project Bartender

Training and development of our commercial partners remains a priority for us and is key to fulfilling our commercial agenda. In F15 approximately 500 bartenders were trained through Bar Academy and another 200 through Project Bartender under the Diageo Learning for Life programme. These capability building sessions focused on the essentials

such as customer service, perfect serve and product display. The sessions were well received by the customers and will support our mandate of being the best performing company.

Outlook

Amidst a challenging and ever changing market space, in F16 we are committed to driving continued growth as we seek to deliver increased value to our consumers through our brands and activities. We will continue to innovate at scale and continue to improve on our route to market as we widen our distribution of key brands through our distribution company CBL.



During the launch of the new Guinness bottle in September 2014, brand visibility was very prominent in our key supermarket and wholesale outlets.



Two Beer Wendzdays Ambassadors at a Beer Wendzdays Live event in Montego Bay.

HUMAN RESOURCES

An Employer of Choice is described as “...a company or organization where employee actions are directly aligned with business goals, employees feel appreciated and valued for their hard work, and where their contributions are acknowledged and rewarded.” This definition aptly describes the work environment that we have created for our employees at Red Stripe. We believe that creating an environment where they feel inspired, motivated and the company is committed to their growth, development and well-being is one of the most important ways in which we demonstrate that we truly value our employees. The Human Resource Department over the year in review focused on engaging, inspiring and developing our employees to ensure that they possess the motivation, competencies and skills required to deliver Red Stripe’s strategic priorities.



(L-R) Jacqueline Cameron, Carol Laing, Devon Fancis, Herwin Rowe, Jolene Richards ,Antoinette Latty-Johnson, collecting their Q3 & Q4 award.

Employee Conference- One Team, One Amazing Outcome!

Our annual Employee Conference took place at the Iberostar Resort and Spa in Montego Bay, October 21-23. The change of environment provided the opportunity for the leadership team to embed our strategic priorities while placing the team in a relaxed frame of mind to expand their thinking.

Health And Wellness-

Staying Healthy Helps Us Perform At Our Best!

Our health and wellness programme is a crucial part of delivering Red Stripe’s commitment to improve the health and lifestyle of our employees. The aim of this programme is to prevent employees from becoming injured or ill; keeping them healthy at work and providing accessible support to enable them to remain healthy.

Health Fair

On Wednesday March 25, under the theme: “Be Aware, Show You Care”, 150 employees participated in the annual Health Fair. Services offered included checks for cholesterol, vision, blood pressure, pap smear, prostate examination, as well as dental, skin and hair consultation.

We also provided light therapy treatment courtesy of Corporate Mahogany Health and Fitness for those employees who were still experiencing post Chikungunya pains.

Health & Fitness Programme

Employee education forms a very important part of our wellness programme. Through our Wellness Lunch Hour Presentations, employees receive information on healthy lifestyle choices and its significance to quality of life.

Throughout the year employees participated in a number of fitness competitions. These included Step It Challenge, Zumba Classes and Fitness - Mega event. These initiatives have contributed to a significant reduction in our occupational health and medical expenses.

Through the competition participants were able to track progress against plan on their fitness challenge with over 60% of employees achieving their target at the end of the competition.

Grill Fest

On April 29, we hosted our second Grill Fest Competition. There were eight entries from employees of Red Stripe and our sister company Celebration Brands Ltd. Participants were judged on sensory impression, visual appeal and culinary artistry in pursuit of becoming the Champion Griller. The Finance duo of Sean Thompson - GL & Treasury Manager and Wayne Morrison- Purchase to Pay Coordinator, walked away as Champion Grillers.

Employee Blood Drive

Red Stripe continued its ongoing support of the Blood Transfusion Service in Jamaica in the promotion of employees making ‘deposits’ to the Blood Bank. We used the opportunity as an awareness campaign to reinforce the important role the Blood Bank plays to the Jamaican health sector and appealed to their good conscience by donating blood. In F15, Red Stripe was recognized by the Ministry of Health for its contribution to the Blood Transfusion Service in Jamaica.

Training And Development

Employees want to be part of a company that helps them to develop skills so they can excel in their jobs on a daily basis and progress up the career ladder. Red Stripe continues to demonstrate its commitment to training and development

by ensuring that every employee has a personal development plan. This is done through formal class room training sessions, e-learning via the Diageo Academy - our global learning and development resource portal - and on the job.

In F15 we also provided a number of our employees with development opportunities through the Diageo Future Leaders Programme and Secondments.

The 'Future Leaders' programme is a global initiative designed to accelerate the development of individuals with senior management potential. Andrew Anguin, Acting Guinness Brand Manager, was accepted in the programme in F15 and he is now stationed in Kenya as Innovation Manager at the East Africa Breweries Limited. He will be responsible for driving the value spirits innovation and digital marketing transformation.

Great Place To Work Survey

Red Stripe was ranked 15 in the great place to work survey within the Caribbean and Central America. The Great Place To Work Institute certifies companies as great places to work using a set of measurement tools that are based on universal values of: TRUST, PARTNERSHIP and PRIDE. This is a good ranking for Red Stripe and provides us with the platform to continue making Red Stripe one of the region's most sought after employers.

Outlook

We are proud of Red Stripe as an employer of choice and we look forward to F16 with much excitement and enthusiasm as we believe that this will be the "best year yet" for our people. We believe that our renewed focus on employee engagement, leadership development and functional development will serve to propel us even faster towards our goal of becoming Jamaica's most admired company.



Red Stripe's Team members (L-R) Bruce Kidner, Wayne Holness, Jean Look-Tong and Nasson Brown at F15 Employee Conference at Iberostar

CORPORATE RELATIONS

As a producer, distributor and marketer of great brands, Red Stripe has an effect on many different people. Beyond the consumer experience, we affect the lives of our employees, customers, suppliers and those living in the wider communities in which we operate, and we want our contribution to be a positive one. For FY15 our sustainability and responsibility strategy focused on our Alcohol in Society (AiS) agenda and our Diageo Learning for Life programme.

Alcohol in Society

Our Alcohol in Society agenda continues to be led by our Drink Right campaign which is grounded in the Beer, Wine and Spirits Producers' Commitments to Reduce Harmful Drinking, a five-year initiative launched in January 2013 which covers actions in the following five areas:

- Reducing underage drinking
- Strengthening and expanding marketing codes of practice
- Providing consumer information and responsible product innovation
- Reducing drinking and driving
- Enlisting the support of retailers to reduce harmful drinking

Drink Right focuses on three of these commitments: to reduce underage drinking, reduce drinking and driving and enlist the support of retailers to reduce harmful drinking. The campaign uses Facebook, YouTube, Instagram and other social media as well as television, radio and print advertisements to reach potential consumers with our message.

Drink Right also includes:

- Training to on- and off-premises retailers
- The 'We ID' age verification programme to deter underage drinking



DRINK RIGHT Ambassador registers a patron during Reggae Sumfest

- The 'Drink Right' pledge
- Advocacy and support of a number of public policies
- Collaboration with parents, teachers and universities to reduce underage drinking and ensure young people are educated about alcohol.

Throughout the financial year we maintained a heavy media presence in high consumption periods and in particular included a complimentary taxi ride service at this year's Bacchanal Carnival series. This promotion was done via social media engagement which encouraged consumers to travel in groups and leave the driving to us.

The programme has received wide-spread support with endorsements from the Prime Minister of Jamaica, the Most Honourable Portia Simpson Miller ON, MP, the Minister of Youth and Culture, the Honourable Lisa Hanna and the National Road Safety Council.

Results from an independent audit show that the campaign is effective and has a 72% recall by the target consumer. This is a great result for an 18 month campaign which has a simple aim – raising awareness around the smart choices one can take when consuming alcohol in the context of a balanced lifestyle. The result also validates the soundness of the strategy we created to increase awareness and shift behaviours.

The recently commissioned survey further re-enforces the campaign's effectiveness, showing generally positive results for 'Drink Right' which received very high awareness and cut through with the general public. The study undertaken by Hope Caribbean Co. Ltd. indicated that it was one of the most recalled advertisements amongst all CSR marketing and communications campaigns in Jamaica. Findings include:

- 72% of the sample is aware of the Drink Right Campaign
- 90% of the sample who are aware of the overall campaign rated it excellent/very good/good
- 47% of the sample that was aware of the campaign believed their drinking behavior improved as a result of Drink Right
- 17% of the sample has been asked for photo ID at a dance, party, bar or session
- 6% of the sample has been asked for ID before purchasing alcohol at an outlet

The results show that there are tremendous opportunities for us to expand the reach of Drink Right. There is limited or no control in place to prohibit underage individuals from purchasing alcohol in Jamaica and as we move into FY16, we want to increase awareness to 90%, while shifting attitudes/behaviours through:

- Amplifying our Drink Right activations at events
- Increasing our We ID footprint with other industry players



Red Stripe's Head of Corporate Relations Dianne Ashton-Smith (2nd right) and Arlene Amitirigala, Head of Communications for Diageo WestLAC (right) are joined by Member of Parliament Gregory Mair (3rd left) and two residents of the Cheesefield community during an unveiling of the renovated Cheesefield Community Centre. On March 27, more than 40 Red Stripe employees came together to rehabilitate the Centre which is being used as the hub for our Diageo Learning for Life Project Grow programme.

- Partnering with the Jamaica Alcohol Beverage Association, Government and their associated agencies
- Using our Key Opinion Leaders to increase the awareness through participation in a refreshed ATL campaign

Diageo Learning for Life

The Diageo Learning for Life programme achieved several milestones in F15. We celebrated with the region in having impacted over 100,000 lives since the programme's inception in 2008. Red Stripe has contributed more than 11,000 to that total.

We also launched our ground breaking Project Grow training programme which complements the larger Project Grow initiative to replace imported raw material with locally grown cassava. In F15 we trained 67 young men and women in the best practices of cassava cultivation and they are now employed to our farms.

Another innovative programme launched this year was Project Entrepreneur 101. Thirteen grassroots entrepreneurs were trained on the basics of running a business. The module was developed with HEART Trust NTA and covered baseline topics such as creating a marketing plan and managing a budget. To create further success for the young entrepreneurs, a strategic alliance was formed with the Branson Centre of Entrepreneurship which provided mentors for the students. Red Stripe, through the Desnoes & Geddes Foundation, also provided seed funding for the entrepreneurs to help realize their dreams.

Approximately 130 students celebrated their life changing journey through the programme with an entertaining graduation service at the Jamaica Pegasus Hotel on February 19, 2015. The graduating class included students from the Project Grow and Project Bartender programmes and had among its guests the Minister of Industry, Investment and Commerce, the Hon. Anthony Hylton, and the Diageo WestLAC Executive.

Community Outreach

Red Stripe's Corporate Social Responsibility extended to the sleepy rural district of Cheesefield, just outside of Linstead, with the renovation of the Cheesefield Community Centre. We invested approximately \$4 million to rehabilitate the centre which serves as a health clinic and sports club. The centre which now boasts new windows, furniture, interior fixtures and a fresh coat of paint, now also serves as the hub for our Learning for Life Project Grow training programme.

Our outreach also supported the Sagicor Sigma Corporate Run which this year benefitted the Cornwall Regional Hospital.

Outlook

In F16 we have a bold ambition of impacting 1500 lives through Diageo Learning for Life by creating new programmes and developing new alliances.

Despite progress in improved self-regulation and other areas, there has been growing debate over the past 12 months about the role of alcohol in society, with a focus on interventions like minimum pricing, advertising restrictions and discussion of the role of alcohol producers in promoting public health.

Red Stripe will continue to play its part, working with others to implement effective programmes and policies to address alcohol misuse. This includes promoting the role of industry, and leveraging the trusted relationship we enjoy with customers and consumers to ensure that our drinks are enjoyed sensibly. It also means arguing for effective policies and regulations targeted at those who misuse alcohol. We will continue to promote responsible alcohol consumption by working closely with other industry players, Government, their respective agencies and civil society.

The Desnoes & Geddes Foundation will also play a more active role in all CSR and charitable initiatives. Our vision is to reestablish the D&G Foundation as Red Stripe's philanthropic arm with the Foundation being the umbrella of all our CSR initiatives.

RED STRIPE INTERNATIONAL



A giant pair of headphones made up of 300 Red Stripe cans were installed at Field Day in Victoria Park in East London as part of our sponsorship of the 2 day festival in June 2015. The installation was a social media hit with many sharing photos of themselves in between the two ear cups.

In the age of strong global beer competition, Red Stripe marginally grew over last year in EUs (total liquid consumed by the international market). Direct exports performed extremely well during F15, having outperformed F14 volumes by 22%. Export growth was driven through stronger relationship building with our distributor partners, portfolio expansion in existing markets and new market entry. Red Stripe was officially launched in Trinidad and our D&G Malta and Rum brands' distribution extended to the United States. We also expanded distribution in Canada and Great Britain as well as our footprint in Latin America, with entry into Honduras.

MAJOR MARKETS

United States

After a challenging start to the fiscal year, Red Stripe performance was stabilized through a combination of right pricing, increased visibility in trade and focus on our core markets which resulted in 3.3% growth in rate of sale in the last 12 weeks (Sales Equivalent where legal – per point of distribution, as of week ending 18 July 2015), outperforming the total USA beer category, which declined by 0.25% over the same period (Source: Nielsen). In Q4 we introduced new outer case packaging for Red Stripe to increase shelf standout in the overcrowded off premise. Whilst full year volumes were slightly below F14, growth returned to the market in Q4, F15.

We also introduced and implemented an on trade 'Brand Ambassador' program to focus on driving volume, recruitment and awareness of Red Stripe in the on premise, with the ultimate goal of also driving off-premise and overall volumes. This programme was piloted in North Carolina and will be rolled out to other key markets during F16 pending a review of the result achieved in the pilot market. Within the new financial year, our focus will be on volume growth and expansion within key markets, by rebuilding Red Stripe on-premise, targeted investment and execution in off-premise as well as driving recruitment through a new global communications platform.

Great Britain

Brand health in Great Britain remains strong driven by presence at Notting Hill Carnival and other major music focused event platforms geared towards the core Red Stripe consumers, increased distribution in the on-premise and competitiveness in Multiple Grocers, with our key retailers seeing between +5% and +39% growth.

Red Stripe was also the signature brand at trend setting events such as 'Spinfest' and 'Lost Village' festivals which drove new recruitment, brand awareness and loyalty, by connecting with an influential target audience of next generation consumers.

In F16, we will continue to expand on-premise distribution and widen consumer base, through greater engagement, strengthening our connection with influencers and focused distribution in key hubs. We will also focus heavily on distribution and accessibility within grocery and the rapidly growing convenience sector.



Canada

Red Stripe and Dragon volumes outperformed F14, as well as the Diageo Irish Beer portfolio in Canada. These results were largely driven by the 473 ml can sku, sampling, targeted retail programmes and increased distribution in Ontario. Two-hundred and twenty new distribution points were added in Q4 which is expected to significantly increase sales throughout F16.

In order to maintain growth into the new fiscal year, continued focus will be given to distribution and visibility as key sales drivers. We are also identifying and exploring untapped distribution in other Canadian territories to further extend the reach, availability, and awareness factor for the brand.

Outlook

F16 promises to be a year of growth for the performance of our brands in both export and licensed brewing markets. The launch of the Red Stripe Global Communications campaign will provide strong support, mainly but not limited to our three major international markets. Continued focused will be on working closely with our partners to maximize growth and profitability, ultimately increase Red Stripe's global footprint and achieve the F20 ambition of becoming a leading global brand.

Red Stripe took to the streets of West London as part of the 2014 Notting Hill Carnival celebrations in London. Mixing music and culture we promoted Red Stripe in the heart of Carnival over the August Bank Holiday weekend through 2 activations:

- 1) A large scale advertising campaign on Ladbroke Grove; and
- 2) Sponsoring two of the most popular sound system stages – NTS Radio and Digital Soundboy.

EMPLOYEE ALCOHOL POLICY

Championing responsible drinking among our employees is core to our business

Our commitment

At Diageo, we are proud of what we do and our much-loved brands are enjoyed by people all over the world. Responsible drinking is core to our business, and it starts with our employees. Diageo wants to help ensure that those employees who choose to drink alcohol do so responsibly as part of a balanced lifestyle. Moreover, as ambassadors for Diageo, our employees can help us achieve our ambition to become one of the most trusted and respected consumer products companies in the world by promoting responsible attitudes to drinking, both inside and outside Diageo. In contrast, if our employees drink irresponsibly, they not only risk Diageo's reputation but, more importantly, their own health and safety.

Principles

Alcohol and the workplace

All employees must ensure that their judgement and performance at work are never impaired by alcohol. This is especially important for those whose jobs involve activities which could have a significant impact on their own or others' safety. Employees must ensure that the safe performance of their duties and their behaviour is never compromised by the consumption of alcohol, and they never put themselves or others at risk.

For safety reasons it will be appropriate that some Diageo locations apply a zero tolerance approach to alcohol consumption in the workplace.

Employee education

Our purpose is to 'celebrate life every day everywhere' and we encourage our employees and consumers to celebrate responsibly. We are committed to ensuring that our employees understand the nature and effects of drinking alcohol and we expect all employees to educate themselves in this area. Through DRINKiQ we raise awareness about responsible drinking and help inform responsible choices about drinking or not drinking. We promote DRINKiQ.com on all Diageo labels, and the DRINKiQ training course is available to all our employees.

Support for employees

If an employee has difficulty drinking responsibly or is concerned about their drinking, then we strongly encourage the individual to seek medical advice or counselling from, for example, their occupational health centre. We will provide support to any employee who has an alcohol-related dependency problem which may be identified by the employee, by a colleague or a manager.

Alcohol-related offences

All employees are expected to cooperate and must report any alcohol-related offence, and/or alcohol-related arrest to their manager. Our first concern is always for the wellbeing of our employees and the support we can offer, especially to avoid any recurrence, and we will seek to provide guidance or counselling. However, any alcohol-related offence and/or alcohol related arrest presents a risk to Diageo's reputation and is considered a breach of this policy which may result in disciplinary action, up to and including dismissal. Cases will be treated individually based on the circumstances, and local laws and procedures will always be respected. More detailed guidance is available through the HR function.

Diageo expects employees to abide by local legal drink-driving limits, and to drink responsibly in countries where no local drink-driving legislation exists. We expect our general managers to put appropriate arrangements in place so that all their employees, especially sales staff, can operate effectively, without putting themselves or others at risk. Employees should never feel that their job makes it difficult for them to avoid drinking and driving.

We fully respect the legal drinking age in all markets and do not condone the purchase or consumption of alcohol by any employees under the legal drinking age.

Scope of this policy

This policy applies to all Diageo employees and employees of subsidiaries and joint ventures where Diageo has a controlling interest. It also covers agency workers and contractors acting on Diageo's behalf or working on Diageo sites. In joint ventures where Diageo does not

have overall control, the leaders and managers of those businesses are strongly encouraged to adopt the same or similar standards.

Responsibility

Every employee is responsible for making sure that they drink alcohol responsibly and uphold Diageo's position on responsible drinking. Every employee should comply with this policy as well as with our Code of Business Conduct. They must also abide by all laws and regulations in their local market. People managers are expected to ensure that employees receive the guidance, resources and training they need to enable them to comply with this policy.

Monitoring

Any breach of this policy is also considered to be a breach of our Code of Business Conduct and should be reported

promptly through one of the routes described in the Code. Employees can also discuss concerns with their people manager or make a confidential report through SpeakUp. Breaches of this policy will be dealt with in accordance with the Breach Management Global Standard, Diageo Investigations Guidelines and local disciplinary policies, as permitted by law.

Further information and contacts

For further information and support related to this policy, please contact your local HR team. The Global Risk and Compliance team is available to provide help and guidance on all issues relating to our Code and policies.

For further information on responsible drinking choices, please visit www.drinkiq.com.



Payroll Officer Chester Grant informs Summer Intern Danielle Burke on the contents of one of our brands.

CORPORATE SOCIAL RESPONSIBILITY POLICIES

Policy Development & Compliance

As part of Diageo, we benefit from a comprehensive collection of world-class codes and policies, which often go further than Jamaican legislation. Policy development involves referring to external codes and best practice and consulting widely both outside and within the business. Broad dialogue with external groups ensures that our policies address the legitimate concerns of stakeholders and where possible, incorporate their expectations as to how we should act on particular issues. We are subject to the Diageo Code of Business Conduct that sets out standards on issues such as conflicts of interest, competition law, insider trading, corrupt payments, money laundering and other illegal practices. In addition, the code acts as an overarching compliance instrument by including a requirement to comply with the company's other main policies. Each year, all Red Stripe employees are required to confirm compliance with the code and other Diageo policies.

Risk Management

Our aim is to manage risk and control our activities cost-effectively. We do so in a manner that enables us to take up profitable business opportunities, avoid or reduce risks that can cause loss, reputation damage or business failure, support operational effectiveness and enhance resilience to external events. We have established a Risk Management Committee, which meets on a quarterly basis to carry out this objective.

Diageo Marketing Code

The Code provides marketing and advertising practitioners with guidance on the naming, packaging and promotion of our brands, setting standards, which are in addition to Jamaican laws and regulations. We staged workshops with both external and internal stakeholders that included our sponsors, advertising agencies, and media among others.

Digital Marketing Code

Diageo's commitment to responsible marketing and promoting responsible drinking extends across all media including digital channels. As more opportunities in the digital environment emerge there is an increasing need for guidance beyond our Diageo Marketing Code (DMC). Recognising this, we created a digital code to help our marketing teams navigate the complexities of operating in a dynamic digital environment. Diageo's digital code provides detailed guidance and clarification on the interpretation of the DMC principles that apply to

digital marketing activity including websites, mobile, email, social network sites, blogs, text messaging.

Records Retention Policy

The purpose of this records retention policy (and associated retention schedules and procedures) is to protect the interests of the company by ensuring the consistent and orderly maintenance and retention of adequate, unaltered and accurate company records for the appropriate periods of time to satisfy relevant statutory and contractual legal, regulatory, financial, operational and research requirements. It is also to ensure the prompt and confidential disposal of records when such requirements have ceased so as to avoid unnecessary costs relating to records maintenance.

Supplier Standard

The high levels we aspire to in our own behaviour are reflected in the expectations we have of our suppliers. The standards outline Diageo's position on corporate citizenship issues that are currently being phased into our relationship with suppliers.

Employee Alcohol Policy

The policy ensures that employees fully understand the nature and effects of alcohol and sets out the expectations Red Stripe has for their behaviour.

Occupational Health And Safety Policy

The policy sets standards for risk assessment, occupational health, hazardous substances, first aid, noise, ergonomics, protective equipment, emergency evacuation, work permits, visitors and contractors and accident reporting.

Quality Policy

The policy sets a framework for quality management systems and commits every business to continuous improvement in performance.

HIV/Aids Policy

This is an enabling policy, which sets out the minimum standards which will be adopted by the company. The objective is to ensure the employees' fundamental rights are not infringed on in any way and to ensure that Red Stripe is equipped with the methodology to implement high quality HIV/AIDS workplace objectives.



A consumer shows his complimentary water gift card he received from a Drink Right Ambassador at Reggae Sumfest.

External Codes And Charters

Diageo is a signatory to certain external codes that define corporate citizenship principles and standards of conduct. These include the Business Charter for Sustainable Development, the UN Global Compact, the World Economic Forum Leadership Challenge and the Dublin Principles. Further information on these codes is available in the Diageo global corporate citizenship report.

Measuring Performance

We have measures of our progress covering corporate citizenship and other areas of concern to our stakeholders. The data required for each of these measures are collected at least annually. This allows the integration of corporate citizenship measures into business strategy and forms the basis for monitoring performance improvement.

Environmental Policy

Red Stripe, being a producer of alcohol and non-alcohol beverages and ready to drink products, is an environmentally responsible company that operates in

a way that protects and enhances our people, brands and the communities in which we work and live. We are committed to supporting environmental sustainability and biodiversity. We comply with all applicable legal and other requirements such as the DIAGEO Global Risk Management and Licence to Operate Standards governing Environmental Management and ensure continual improvement and prevention of pollution.

Harassment Policy

The Company is committed to promoting and providing a working environment where individuals are treated with respect and courtesy by ensuring the fair and equitable treatment of all employees. The company in keeping with our Values considers unacceptable any conduct involving harassment of any employee for any reason. Whilst sexual harassment is one form of harassment, there are many types of harassment in the workplace. Harassment at work is not acceptable on ethical, moral and, in some instances, legal grounds, and its existence in the workplace is a barrier to the effective running of the business.

CORPORATE GOVERNANCE GUIDELINES

BOARD MISSION

1 MISSION STATEMENT

The Desnoes & Geddes (D&G) Board of Directors represents the owners' interest in maintaining and growing a successful business, including optimizing long-term financial returns and lowering cost of capital. The Board is committed to achieving the highest standards of corporate governance, corporate responsibility and risk management in directing and controlling the business.

The Board is responsible for determining that D&G is managed in such a way to ensure this result. This is an active, not a passive, responsibility. The Board has the responsibility to ensure that management is capably executing its responsibilities. The Board's responsibility is to regularly monitor the effectiveness of management policies and decisions including the execution of its strategies.

In addition to fulfilling its obligations for increased stockholder value, the Board has a responsibility to deliver holistic performance embracing corporate responsibility towards D&G customers, employees, suppliers and to the communities where it operates -- all of whom are essential to a successful business. All of these responsibilities, however, are founded upon the successful perpetuation of the business.

BOARD FUNCTIONS

1 AREAS OF RESPONSIBILITIES

The Board makes decisions and reviews and approves key policies and decisions of the Company in particular in relation to:

- Corporate governance
- Compliance with laws, regulations and the Company's code of business conduct
- Corporate citizenship, ethics, environment
- Strategy and operating plans
- Business development including major investments and disposals
- Financing and treasury
- Appointment or removal of Directors
- Remuneration of Directors
- Risk management
- Financial reporting and audit
- Pensions

2 SPECIFIC RESPONSIBILITIES FOR CHAIRMAN, COMPANY SECRETARY AND DIRECTORS

The Chairman is principally responsible for the effective operation and chairing of the Board and for ensuring that information that it receives is sufficient to make informed judgments. He also provides support to the Managing Director, particularly in relation to external affairs.

The Company Secretary is responsible for ensuring that Board processes and procedures are appropriately followed and support effective decision-making and governance. He is appointed by, and can only be removed by the Board. He is also responsible for ensuring that new Directors receive appropriate training and induction into D&G. All Directors have access to the Company Secretary's advice and services and there is also a formal procedure for Directors to obtain Independent professional advice in the course of their duties, if necessary, at the Company's expense.

Each Board member is expected to commit sufficient time for preparing and attending meetings of the Board, its Committees and, if applicable, of the Independent Directors. Regular attendance at Board meetings is a prerequisite therefore unless explicitly agreed upfront, a Director should not miss two consecutive regular Board meetings.

Because in-depth knowledge of the particulars of the Company's business is vital for each Director in making informed and objective decisions, management is to allow direct involvement and review of operational activities. Similarly, management also is to communicate to Board members opportunities to interact in strategy and day-to-day business settings. Board members are strongly encouraged to take advantage of such opportunities as frequently as feasible. The Directors have complete access to the Leadership of the Company.

SELECTION AND COMPOSITION OF THE BOARD

The Board is responsible for the overseeing of the interest of all stakeholders on the matters as outlined above. The composition of the Board should be such that these interests are best served and therefore the Directors require a diversity in skills and characteristics.

1 SIZE OF THE BOARD

The Board will have a minimum of 10 and a maximum of 15 Directors. Considering the size of the organization and the environment in which it operates, the Board believes such numbers are adequate.

2 EXECUTIVE AND NON-EXECUTIVE DIRECTORS

At any time the number of Executive Directors should not exceed 50 % of the total number of Directors.

3 CONFLICTS OF INTEREST/DISCLOSURE

Any dealings in the Company's shares by any Director must be promptly reported to the Company Secretary who is obliged to disclose such information on a regular basis to the Jamaica Stock Exchange.

With respect to 'block out' dates, no director should trade in the Company's shares during the period from which the Company declares the payment of a dividend to the payment date of such dividend.

A Director who has an interest in the Company or in any transactions with the Company which could create or appear to create a conflict of interest must disclose such interests to the Company. These would include:

- Any Interest in contracts or proposed contracts with the company.
- General disclosure on interest in a firm, which does business with the company.
- Interest in securities held in the Company.
- Emoluments received by the Company.
- Loans or Guarantees granted by the Company to/for the Director.

Disclosure shall be made at the first opportunity at a Board Meeting in writing and such disclosure shall be recorded in the Minutes of the Board Meeting.

The Director shall then excuse himself from the Board meetings when the Board is deliberating over any such contract and shall not vote on any such issue. The Disclosure of Director's interest shall include interests of his family and affiliates.

4 ELECTION, TERMS, RE-ELECTION AND RETIREMENT

Election, terms, re-election and retirement of each Board member is conducted in line with the articles of association of the Company, articles 92 to 100, with the exception that each Board member is to retire during the financial year, when the Director reaches the age of 70 years, unless a special resolution

of exemption to this rule is passed by the Board. Equally the maximum number of terms of the Chairman should not exceed 10 successive years, unless a special resolution of exemption of this rule is passed by the Board.

5 BOARD COMPENSATION

The level of compensation of the Non-Executive Directors reflects the time commitment and responsibilities of the role. It consist of a package appropriate to attract, retain and motivate Non-Executive Directors of the quality required. The compensation is competitive and subject to regular review to what is paid in comparable situations elsewhere.

No remuneration committee shall be in effect. A review by the Board of the remuneration policies for Executive Directors and the members of the central leadership team as applied by the ultimate parent to the Company, will take place during a regular Board meeting annually.

6 DIRECTOR ORIENTATION & EDUCATION

The Board and Management will conduct a comprehensive orientation process for new Directors to become familiar with the Company's vision, strategic direction, core values, financial matters, corporate governance practices and other key policies and practices through a review of background material, meetings with senior management and visits to the Company's facilities.

The Board also recognizes the importance of education for its Directors. It is the responsibility of the Board to advise the Non-Executive Directors about their education, including corporate governance issues. Directors are encouraged to participate in continuing Director education programs.

7 ACCESS TO OUTSIDE ADVISORS AND FUNDS

The Company will make such funds available to the Board and in particular the Non- Executive Directors as is reasonably required for those Directors to objectively make decisions. This may include providing funds to access outside advisors and cover cost associated with travel and the gathering of relevant information for the execution of their responsibilities.

CORPORATE GOVERNANCE GUIDELINES CONT'D

8 CODE OF CONDUCT

The Board expects all Directors, as well as officers and employees, to act ethically at all times and to adhere to all Diageo codes and policies specifically including 'The Diageo Code of Business Conduct', 'The Diageo Marketing Code' and the 'Employee Alcohol Policy.' The Board will not permit any waiver of any of these policies for any Director or Executive officer. If an actual or potential conflict of interest arises for a Director, the Director shall promptly inform the Chairman. If a conflict exists and cannot be resolved, the Director should resign.

BOARD COMMITTEES

The Board has established several Committees, each with clearly defined terms of reference, procedures, responsibilities and powers.

1 GOVERNANCE AND NOMINATION COMMITTEE

This Committee comprises of four Non-Executive Directors and two Executive Directors. This Committee meets at least four times a year or when necessary at the call of the committee chair.

Responsibilities relating to Governance:

This Committee ensures that the board fulfils its legal, ethical, and functional responsibilities. The Committee is responsible for advising the Board on effective governance of the organisation through:

- Developing and reviewing governance policies and procedures.
- Monitor developments in corporate governance generally and make recommendations to the Board on any changes to governance practices that the Committee regards as necessary or desirable.
- Providing induction and training programs for board members.
- Ensure that the board is operating in compliance with legal requirements.
- Facilitating the board's self-assessment and improvement process every one or two years.

Responsibilities relation to Nomination:

This Committee is responsible for keeping under review the composition of the Board and succession to it. It makes recommendations to the Board concerning

appointments to the Board of Non-Executive Directors, having regard to the balance and structure of the Board and the required blend of skills and experience. The Committee has responsibility to:

- Nominate potential candidates and evaluates the suitability of those candidates for future Board membership;
- Proposes suitable candidates to the board for approval prior to approaching the candidate;
- Approaches the future candidate and upon positive response, introduces the future board member to the board.

The nomination of one Non-Executive Director through Diageo and one Non- Executive Director through Heineken are exempt from nomination through the nomination Committee.

The Nomination Committee shall meet in line with election and re-election procedures determine and at such other times as any member of the Committee may request.

2 AUDIT COMMITTEE

On behalf of the Board, the audit Committee shall:

- Monitor the adequacy and effectiveness of the Company's systems of risk management and control, the Business Risk Assurance function and external auditors; and
- Review the Company's annual and interim financial statements and related policies and assumptions and any accompanying reports or related policies and statements.
- Monitor and review the effectiveness of the Company's internal audit function.
- Monitor and review the external auditor's independence, objectivity and effectiveness.
- Develop and implement policy on the engagement of the external auditor to supply Non-audit services.

The Audit Committee shall consist of Non-Executive Directors of the Company duly appointed by the Board. The Chairman and Secretary of the Audit Committee shall also be appointed by the Board. The Board Chairman shall not be a member of the Committee. The Committee shall consist of not less than three members.

The Audit Committee shall meet at least four (4) times a year, within twenty (20) days of the end of each quarter and at such other times as any member of the Committee or the external auditors may request.

3 EVALUATION COMMITTEE

This Committee comprises of the Chairman, the Managing Director and the Company Secretary. The Committee is responsible for keeping under review the performance of all Board members. It develops, maintains and executes an annual process of self- evaluation and 360 degrees feedback between Board members. Results of the self- evaluation are discussed annually in a Board meeting.

The Chairman and the Managing Director will present results of the 360 degrees feedback to the relevant Board member individually.

During each financial year, there will be a minimum of 4 regular Board meetings. Special Board meetings may occur at such other times as any member of the Board may request.

4 AD HOC COMMITTEES

The Company is to provide opportunity for the Non-Executive Directors to meet Independently of the Executive Directors. On the decision of the Non-Executive Directors, the managing Director may be invited if they desire so.

MEETINGS

1 FREQUENCY OF MEETINGS

During each financial year, there will be a minimum of 4 regular Board meetings. Special Board meetings may occur at such other times as any member of the Board may request.

2 NON-EXECUTIVE DIRECTOR MEETINGS

The Company is to provide opportunity for the Non-Executive Directors to meet Independently of the Executive Directors. On the decision of the Non-Executive Directors, the managing Director may be invited if they desire so.

3 STRATEGY AND OPERATING PLAN SETTING MEETING

The Board is consulted on a regular basis on matters which are of strategic importance to the Company. Annually the Company will set, in coordination with the Chairman, a meeting to review the Company's strategy in depth prior to final agreement of such strategy and annual operating plan with the Company's parent Company.

4 ADDITIONAL ATTENDEES TO THE MEETING

The Chairman and Company Secretary will establish the agenda for each Board meeting. Each Board member may suggest the inclusion of item(s) on the agenda. Information important to the Board's understanding of the business will be distributed electronically and or in writing to the Board before the Board meetings. As a general rule, presentations on specific subjects should be sent to the Board members in advance to save time at Board meetings and focus discussion on the Board's questions. On those occasions in which the subject matter is extremely sensitive, the presentation will be discussed at the meeting.

5 ADDITIONAL ATTENDEES TO THE MEETING

Furthermore, the Board encourages the Management to, where it assist the ability of the Board members to execute their responsibilities, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.



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INDEPENDENT AUDITORS' REPORT

To the Members of
DESNOES & GEDDES LIMITED

Report on the financial statements

We have audited the financial statements of Desnoes & Geddes Limited, set out on pages 50 to 88, which comprise the statement of financial position as at June 30, 2015, the income statement, statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

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

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

KPMG, a Jamaican partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

R. Tarun Handa
Patricia O. Dailey -Smith
Linroy J. Marshall
Cynthia L. Lawrence
Rajan Trehan

Norman O. Rainford
Nigel R. Chambers
W. Gihan C. de Mel
Nyssa A. Johnson



INDEPENDENT AUDITORS' REPORT

To the Members of
DESNOES & GEDDES LIMITED

Report on the financial statements (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Desnoes & Geddes Limited as at June 30, 2015, and of its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

A handwritten signature in black ink that reads 'KPMG' in a stylized, cursive font.

Chartered Accountants
Kingston, Jamaica

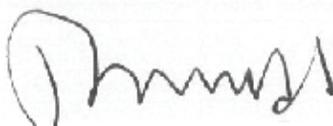
August 21, 2015

DESNOES & GEDDES LIMITED

Statement of Financial Position
June 30, 2015

	<u>Notes</u>	<u>2015</u> \$'000	<u>2014*</u> \$'000
Non-current assets			
Investment in joint venture	4	86,711	181,033
Investment properties	5	943,299	889,599
Property, plant and equipment	6	6,631,278	5,495,994
Employee benefits asset	7	<u>1,200,100</u>	<u>1,046,000</u>
Total non-current assets		<u>8,861,388</u>	<u>7,612,626</u>
Current assets			
Cash and cash equivalents		1,367,063	1,788,523
Accounts receivable	8	1,742,356	1,368,754
Due from fellow subsidiaries	9	477,811	407,208
Inventories	10	<u>1,147,018</u>	<u>1,076,485</u>
Total current assets		<u>4,734,248</u>	<u>4,640,970</u>
Current liabilities			
Accounts payable	11	2,113,095	2,014,807
Taxation payable		310,159	416,451
Due to fellow subsidiaries	9	<u>173,511</u>	<u>193,601</u>
Total current liabilities		<u>2,596,765</u>	<u>2,624,859</u>
Net current assets		<u>2,137,483</u>	<u>2,016,111</u>
Total assets less current liabilities		<u>10,998,871</u>	<u>9,628,737</u>
Equity			
Share capital	12	2,174,980	2,174,980
Capital reserves	13	378,129	378,129
Other reserves	14	796,575	678,000
Retained earnings		<u>6,984,197</u>	<u>5,779,518</u>
Total equity		<u>10,333,881</u>	<u>9,010,627</u>
Non-current liabilities			
Employee benefits obligation	7	138,000	142,000
Deferred tax liabilities	15	<u>526,990</u>	<u>476,110</u>
Total non-current liabilities		<u>664,990</u>	<u>618,110</u>
Total equity and non-current liabilities		<u>10,998,871</u>	<u>9,628,737</u>

The financial statements on pages 50 to 88 were approved for issue by the Board of Directors on August 21, 2015 and signed on its behalf by:



Richard O. Byles Director



Cedric Blair Director

*See notes 1 and 2(b).
The accompanying notes form an integral part of these financial statements.

DESNOES & GEDDES LIMITED

Income Statement
Year ended June 30, 2015

	<u>Notes</u>	<u>Company</u>		<u>Group</u>
		<u>2015</u>	<u>2014*</u>	<u>2014*</u>
		\$'000	\$'000	\$'000
Gross sales	16	15,895,710	14,085,101	14,085,101
Special Consumption Tax		(2,809,526)	(2,587,620)	(2,587,620)
Net sales		13,086,184	11,497,481	11,497,481
Cost of sales	10	(7,626,926)	(6,778,859)	(6,778,859)
Gross profit		5,459,258	4,718,622	4,718,622
Marketing costs		(1,370,168)	(1,003,439)	(1,003,439)
Contribution after marketing costs		4,089,090	3,715,183	3,715,183
General, selling and administration expenses		(1,256,786)	(1,222,601)	(1,222,601)
Gain on settlement of intra-group balances upon liquidation of subsidiaries		-	155,140	-
Other income, net		<u>155,540</u>	<u>231,926</u>	<u>231,926</u>
Trading profit		2,987,844	2,879,648	2,724,508
Gain on disposal of investments		-	973,697	973,697
Finance income – interest		19,412	23,953	23,953
Share of loss in joint venture	4	(94,322)	(22,369)	(22,369)
Loss on disposal of property, plant and equipment		(70,389)	(21,881)	(21,881)
Pension and medical benefits expense, net	7(d)	(8,100)	(1,000)	(1,000)
Profit before taxation	17	2,834,445	3,832,048	3,676,908
Taxation	18	(500,923)	(523,745)	(523,745)
Profit for the year		<u>2,333,522</u>	<u>3,308,303</u>	<u>3,153,163</u>
Earning per stock unit	19	<u>83.07¢</u>		<u>112.25¢</u>

*See notes 1 and 2(b).

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

DESNOES & GEDDES LIMITED

Statement of Profit or Loss and Other Comprehensive Income
Year ended June 30, 2015

	<u>Notes</u>	<u>2015</u> \$'000	<u>2014*</u> \$'000
Profit for the year		<u>2,333,522</u>	<u>3,308,303</u>
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Realised gains on disposal of available-for-sale investment transferred to profit		-	(954,565)
Revaluation surplus on property, plant and equipment		-	310,374
Items that may not be reclassified to profit or loss:			
Change in unrecognised employee benefits asset	7(e)	383,400	1,100,000
Actuarial losses on employee benefits asset/obligation	7(e)	(232,200)	(796,000)
Deferred taxation on employee benefits asset/obligation	15	(37,800)	(76,000)
		<u>113,400</u>	<u>(416,191)</u>
Total comprehensive income for the year		<u>2,446,922</u>	<u>2,892,112</u>

*See notes 1 and 2(b).

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

DESNOES & GEDDES LIMITEDStatement of Changes in Equity
Year ended June 30, 2015

	Share capital \$'000 (Note 12)	Capital reserves \$'000 (Note 13)	Other reserves \$'000 (Note 14)	Retained earnings \$'000	Total \$'000
Balances at June 30, 2013	<u>2,174,980</u>	<u>67,755</u>	<u>1,365,465</u>	<u>3,914,901</u>	<u>7,523,101</u>
Total comprehensive income for the year:					
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,308,303</u>	<u>3,308,303</u>
Other comprehensive income:					
<i>Items that may be reclassified to profit or loss</i>					
Fair value adjustment on available-for-sale investments	-	-	(954,565)	-	(954,565)
Revaluation surplus on property, plant and equipment	-	310,374	-	-	310,374
<i>Items that will not be reclassified to profit or loss</i>					
Change in unrecognised employee benefits asset	-	-	-	1,100,000	1,100,000
Deferred taxation on employee benefits asset/ obligation	-	-	-	(76,000)	(76,000)
Actuarial losses recognised in equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>(796,000)</u>	<u>(796,000)</u>
Total other comprehensive	<u>-</u>	<u>310,374</u>	<u>(954,565)</u>	<u>228,000</u>	<u>(416,191)</u>
Total comprehensive income	<u>-</u>	<u>310,374</u>	<u>(954,565)</u>	<u>3,536,303</u>	<u>2,892,112</u>
Movement within equity:					
Transfer to pension equalisation reserve	<u>-</u>	<u>-</u>	<u>267,100</u>	<u>(267,100)</u>	<u>-</u>
Transactions with owners recorded directly in equity					
Dividends (note 20)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,404,586)</u>	<u>(1,404,586)</u>
Balances at June 30, 2014*	<u>2,174,980</u>	<u>378,129</u>	<u>678,000</u>	<u>5,779,518</u>	<u>9,010,627</u>
Total comprehensive income for the year:					
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,333,522</u>	<u>2,333,522</u>
Other comprehensive income:					
<i>Items that may not be reclassified to profit or loss</i>					
Change in unrecognised employee benefits asset	-	-	-	383,400	383,400
Deferred taxation on employee benefits asset/ obligation	-	-	-	(37,800)	(37,800)
Actuarial losses recognised in equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>(232,200)</u>	<u>(232,200)</u>
Total other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,400</u>	<u>113,400</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,446,922</u>	<u>2,446,922</u>
Movement within equity:					
Transfer to pension equalisation reserve	<u>-</u>	<u>-</u>	<u>118,575</u>	<u>(118,575)</u>	<u>-</u>
Transactions with owners recorded directly in equity					
Dividends (note 20)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,123,668)</u>	<u>(1,123,668)</u>
Balances at June 30, 2015	<u>2,174,980</u>	<u>378,129</u>	<u>796,575</u>	<u>6,984,197</u>	<u>10,333,881</u>

*See notes 1 and 2(b).

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

DESNOES & GEDDES LIMITED

Statement of Cash Flows
Year ended June 30, 2015

	<u>Notes</u>	<u>2015</u> \$'000	<u>2014*</u> \$'000
Cash flows from operating activities			
Profit for the year		2,333,522	3,308,303
Adjustments for:			
Share of loss in joint venture	4	94,322	22,369
Fair value gain on investment properties	5	(53,700)	(194,949)
Depreciation	6	837,392	631,679
Loss on disposal of property, plant and equipment		70,389	21,881
Pension and medical benefits expense, net	7(d)	8,100	1,000
Gain on disposal of investments		-	(973,697)
Write back of long-term liabilities		-	(157,235)
Finance income - interest		(19,412)	(23,953)
Taxation	18	<u>500,923</u>	<u>523,745</u>
		3,771,536	3,159,143
Changes in:			
Accounts receivable		(373,602)	(248,452)
Due from fellow subsidiaries		(70,603)	(89,218)
Inventories		(65,152)	(42,492)
Accounts payable		98,288	(1,763)
Due to fellow subsidiaries		<u>(20,090)</u>	<u>(55,285)</u>
Cash generated from operations		3,340,377	2,721,933
Pension contributions and medical benefits paid		(15,000)	(14,000)
Income taxes paid		<u>(594,135)</u>	<u>(489,212)</u>
Net cash provided by operating activities		<u>2,731,242</u>	<u>2,218,721</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	(2,049,568)	(1,720,822)
Proceeds from disposal of property, plant and equipment		1,122	3,166
Proceeds from disposal of investments		-	956,277
Interest received		<u>19,412</u>	<u>23,953</u>
Net cash used in investing activities		<u>(2,029,034)</u>	<u>(737,426)</u>
Cash flows from financing activity			
Dividends paid, being net cash used in financing activity		(1,123,668)	(1,404,586)
Net (decrease)/increase in cash and cash equivalents		(421,460)	76,709
Cash and cash equivalents at beginning of year		<u>1,788,523</u>	<u>1,711,814</u>
Cash and cash equivalents at end of year		<u>1,367,063</u>	<u>1,788,523</u>

*See notes 1 and 2(b).

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

DESNOES & GEDDES LIMITED

Notes to the Financial Statements
June 30, 2015

1. Identification

Desnoes & Geddes Limited (“the company”), is incorporated and domiciled in Jamaica and is a 58% subsidiary of Udiam Holdings AB, a company incorporated in Sweden. The ultimate parent company is Diageo PLC, incorporated in the United Kingdom. The company’s registered office is located at 214 Spanish Town Road, Kingston 11. The principal activities of the company comprise the brewing, bottling and distribution of beers, stouts and spirits.

The company’s subsidiaries were wound up and its interest in the subsidiaries written off as at June 30, 2014. Consequently, consolidated financial statements are not presented, as the company had no subsidiaries for the year ended June 30, 2015 [see note 2(b)].

The number of employees at June 30, 2015 was 322 (2014: 322) for the company.

2. Statement of compliance and basis of preparation**(a) Statement of compliance**

The financial statements as at and for the year ended June 30, 2015 (the reporting date) are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board, and the Jamaican Companies Act.

Certain new, revised and amended standards and interpretations became effective for the current financial year. The company has adopted new standards and amendments to standards, including consequential amendments to other standards. The nature and effect of the changes are as follows:

- (i) Amendments to IAS 32, *Offsetting of Financial Assets and Financial Liabilities* clarifies those conditions needed to meet the criteria specified for offsetting financial assets and liabilities. The change had no significant impact on the measurements of the company’s assets and liabilities.
- (ii) Amendments to IAS 19, *Defined Benefit Plans: Employee Contributions* clarified the requirements that relate to how contributions from employees or third parties that are linked to services should be attributed to periods of services.
- (iii) *Improvements to IFRS, 2010-2012 and 2011-2013* cycles. The main amendments applicable to the company are as follows:
 - IFRS 13, *Fair Value Measurement*, has been amended to clarify that issuing of the standard and consequential amendments to IAS 39 and IFRS 9 did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

(iii) *Improvements to IFRS, 2010-2012 and 2011-2013* cycles. The main amendments applicable to the company are as follows:

- IAS 24, *Related Party Disclosures*, has been amended to extend the definition of ‘related party’ to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.

(iv) IFRIC 21, *Levies*, provides guidance on accounting for levies in accordance with the requirements of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It requires an entity to recognise a liability for a levy when and only when the triggering event specified in the legislation occurs.

The adoption of these amendments did not result in any change to the presentation and disclosures in the financial statements.

The company has assessed the relevance of new standards, amendments, and interpretations issued but which were issued but not yet effective at the reporting date and have not been early adopted, and has concluded as follows:

(i) IAS 1, *Presentation of Financial Statements*, effective for accounting periods beginning on or after January 1, 2016, has been amended to clarify or state the following:

- specific single disclosures that are not material do not have to be presented even if they are minimum requirements of a standard.
- the order of notes to the financial statements is not prescribed. Instead, entities can choose their own order.
- line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material.
- specific criteria are now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI.
- the presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows the IAS approach of splitting items that may, or that will never, be reclassified to profit or loss.

The company is assessing the impact that this amendment will have on its 2017 financial statements.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

- (ii) Amendments to IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortisation*, are effective for accounting periods beginning on or after January 1, 2016.
- The amendment to IAS 16, *Property, Plant and Equipment*, explicitly states that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.
 - The amendment to IAS 38, *Intangible Assets*, introduces a rebuttable presumption that revenue-based amortisation methods are inappropriate for intangible assets.

The company is assessing the impact that these amendments will have on its 2017 financial statements.

- (iii) Amendments to IAS 16, *Property, Plant and Equipment*, and IAS 41, *Biological Assets*, which are effective for annual reporting periods beginning on or after January 1, 2016, require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16, instead of IAS 41. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41. The company is assessing the impact that these amendments will have on its 2017 financial statements.
- (iv) Amendments to IFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*, effective for accounting periods beginning on or after January 1, 2016, require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value but previously held interests will not be remeasured. The company is assessing the impact that these amendments will have on its 2017 financial statements.
- (v) *Improvements to IFRS 2012-2014 cycle*, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments applicable to the company are as follows:
- IAS 19, *Employee Benefits*, has been amended to clarify that high-quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid. Consequently, the depth of the market for high-quality corporate bonds should be assessed at the currency level and not the country level.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)

June 30, 2015

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

(v) *Improvements to IFRS 2012-2014 cycle (continued):*

- IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, has been amended to clarify that if an entity changes the method of disposal of an asset or disposal group – i.e. reclassifies an asset or disposal group from held-for-distribution to owners to held-for-sale or vice versa without any time lag, then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset or disposal group and recognizes any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute of the asset or disposal group. If an entity determines that an asset or disposal group no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.
- IFRS 7, *Financial Instruments: Disclosures*, has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognized in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset, e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered ‘continuing involvement’.

The company is assessing the impact that these amendments will have on its 2017 financial statements.

- (vi) IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2018, retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. It also includes guidance on classification and measurement of financial liabilities designated as at fair value through profit or loss and incorporates certain existing requirements of IAS 39, *Financial Instruments: Recognition and Measurement*, on the recognition and de-recognition of financial assets and financial liabilities. The company is assessing the impact that the standard will have on its 2019 financial statements.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

2. Statement of compliance and basis of preparation (continued)**(a) Statement of compliance (continued)**

- (vii) IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2017, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC 31 *Revenue, Barter Transactions Involving Advertising Services*. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

The company will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The company is assessing the impact that the standard will have on its 2018 financial statement.

(b) Basis of preparation

These financial statements are individual financial statements of the company as at and for the year ended June 30, 2015, which incorporate the financial position and performance of the company, with the company's investment in joint venture accounted for using the equity method, in accordance with IFRS 11, *Joint Arrangements* and IAS 28, *Investment in Associates*. The financial statements provide comparative information in respect of the previous period on the same basis as the current period. In addition to the minimum comparative information, the income statement includes the consolidated income statement of the company and its subsidiaries for the year ended June 30, 2014 (note 1), which differs from the individual income statement in the recognition of gains of \$155,140,000 on the settlement of intra-group balances.

(c) Basis of measurement

The financial statements are prepared on the historical cost basis, except as follows:

- biological assets are measured at fair value less cost to sell
- investment properties are carried at fair value;
- the employee-benefit asset is recognised as plan assets, less the present value of the defined-benefit obligation, and is restricted as explained in note 3(d); and
- the defined-benefit liability is the present value of the unfunded obligation.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

2. Statement of compliance and basis of preparation (continued)

(d) Functional and presentation currency

The financial statements are presented in Jamaica dollars, which is the company's functional currency. All financial information presented has been rounded to the nearest thousand, unless otherwise indicated.

(e) Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 current and future periods.

The significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed below:

(i) Pension and other post-employment benefits

The amounts recognised in the statement of financial position, income statement and statement of profit or loss and other comprehensive income for pension and other post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

The discount rate is determined based on the estimated yield on long-term government securities that have maturity dates approximating the terms of the company's obligation. In the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenure security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in assumptions will impact the amounts recorded in the financial statements for these obligations.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

2. Statement of compliance and basis of preparation (continued)**(e) Use of estimates and judgments (continued)****(ii) Allowance for impairment losses on accounts receivable**

In determining amounts recorded for impairment losses in the financial statements, management makes judgments regarding indicators of impairment, that is, whether there are indicators that there may be a measurable decrease in the estimated future cash flows from receivables, for example, due to default or adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows.

(iii) Net realisable value of inventories

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the reporting date to the extent that such events confirm conditions existing as at that date. Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

(iv) Determination of fair values

When measuring the fair value of an asset or liability, the company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – Quoted market price (unadjusted) in an active market for an identical assets or liability.
- Level 2 – Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

2. Statement of compliance and basis of preparation (continued)

(e) Use of estimates and judgments (continued)

(iv) Determination of fair values (continued)

- Level 3 (continued)

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

Where the carrying amounts of financial assets and financial liabilities are not measured at fair value, and those carrying amounts are a reasonable approximation of fair value, fair value information including amounts and levels in the fair value hierarchy is not disclosed (note 24).

(iv) Investment properties

Investment properties reflect fair value amounts, based on market information, including valuations done by external independent valuers. On the instructions of management, the valuers have used valuation techniques such as the direct sales comparison approach, income approach and cost approach to determine fair value as detailed in note 5.

It is reasonably probable, based on existing knowledge, that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amounts reflected in the financial statements.

3. Significant accounting policies

(a) Joint arrangements

Joint arrangements are arrangements of which the company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the investee's returns.

The company accounts for its interest in joint venture on the equity method, as the company has rights to the net assets of the venture, which is established as a separate legal entity from the investors.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

3. Significant accounting policies (continued)**(b) Investment properties**

Investment properties are measured at fair value determined annually by an independent registered valuator or by management, using available market information (note 5). Fair value is based on current prices in an active market for similar properties in similar locations and condition. Any gain or loss arising from changes in fair value is recognised in profit or loss.

(c) Property, plant and equipment**(i) Cost**

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The company recognises in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Depreciation

Property, plant and equipment, with the exception of freehold land, on which no depreciation is charged, are depreciated on the straight-line basis at annual rates to write down the carrying value of each asset to its estimated residual value over the period of its expected useful life and is generally recognised in profit or loss. Annual depreciation rates are as follows:

Buildings	2%-2½%
Plant and equipment	2%-12½%
Furniture, fixtures and computer equipment	25%
Vending equipment	20%
Returnable bottles	20%
Returnable crates	10%

The depreciation methods, useful lives and residual values are reassessed annually.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

3. Significant accounting policies (continued)

(d) Employee benefits

Employee benefits are all forms of consideration given by the company in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual leave, and non-monetary benefits such as medical care and housing, post-employment benefits such as pension and other long-term employee benefits such as termination benefits.

(i) Short-term employee benefits

Short-term employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised over the period that the employee becomes entitled to the leave.

(ii) Defined-benefit plan

Employee benefits, comprising pensions and other post-employment obligations included in the financial statements, have been actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuation was conducted in accordance with IAS 19, and the financial statements reflect the company's post-employment benefit asset and obligation as computed by the actuary. In carrying out their audit, the auditors rely on the actuary's report.

The company's net asset in respect of the defined-benefit pension plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is determined by reference to the yield at the reporting date on long-term government instruments of terms approximating those of the company's obligation. The calculation is performed by a qualified actuary, using the projected unit credit method.

Re-measurements of the net defined-benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. The company determines the net interest expense on the net defined-benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of the contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

3. Significant accounting policies (continued)**(d) Employee benefits (continued)****(ii) Defined-benefit plan (continued)**

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the fair value of plan assets exceeds the present value of the obligation, a pension asset is recorded to the extent of economic benefits which can be derived in the form of reductions in future contributions to the plan.

(iii) Other long-term employees benefits

The company also provides post-retirement health benefits to employees upon retirement. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for the defined-benefit pension plan and the present value of future benefits at the reporting date is shown as an obligation on the statement of financial position. Re-measurements are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognises cost for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the company's contractual rights to the cash flows from the financial assets expire or when the company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised when the company's obligations specified in the contract expire, or are discharged or cancelled.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses in respect of financial assets.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

3. Significant accounting policies (continued)

(e) Financial instruments (continued)

Non-derivative financial instruments comprise cash and cash equivalents, accounts receivable, due from fellow subsidiaries, accounts payable and due to fellow subsidiaries.

(f) Cash and cash equivalents

Cash equivalents comprise short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments. These investments include short-term deposits where the maturities do not exceed three months from acquisition date.

Cash and cash equivalents are measured at amortised cost.

Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(g) Accounts receivable

Accounts receivable are measured at amortised cost less allowance for impairment losses. An allowance for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the contract. The amount of the allowance is the difference between the carrying amount and the recoverable amount.

(h) Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss over the useful life of the asset.

Cassava recognised as biological assets is carried at fair value less costs to sell at the date of harvest.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based mainly on standard cost (which approximates to actual on a first-in-first-out basis). Standard cost, where applicable, includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

(j) Accounts payable

Accounts payable are measured at amortised cost.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

3. Significant accounting policies (continued)**(k) Revenue**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and special consumption tax. Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing involvement with the goods.

(l) Finance income and costs

Finance income comprises interest income on funds invested and foreign exchange gains. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings and foreign currency losses. Borrowing costs are recognised in profit or loss using the effective interest method.

(m) Foreign currencies

Balances denominated in foreign currencies at the reporting date are translated at the rates of exchange ruling on that date. Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are included in profit or loss.

For the purpose of the statement of cash flows, foreign currency gains and losses recognised in profit or loss are treated as cash items and are included in cash flows from operating and financing activities.

(n) Impairment**(i) Financial assets**

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows from that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original interest rate. Receivables with a short duration are not discounted. All impairment losses are recognised in profit or loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

3. Significant accounting policies (continued)

(n) Impairment (continued)

(i) Financial assets (continued)

An impairment loss is reversed in profit or loss if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(o) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

3. Significant accounting policies (continued)**(o) Taxation (continued)**

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Provisions and contingencies**(i) Provisions**

A provision is recognised in the statement of financial position when the company has legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(ii) Contingencies

When it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

(q) Segment reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components. All operating segments' operating results are reviewed regularly by the company's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(r) Earnings per stock unit

The company presents basic earnings per stock unit (EPS) data for its ordinary stock. Basic EPS is calculated by dividing the profit or loss attributable to ordinary stockholders of the company by the weighted average number of ordinary stock units in issue during the year.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

4. Investment in joint venture

The company jointly controls Celebration Brands Limited (CBL), in which it holds a 50% shareholding and is party to a shareholders' agreement, which requires unanimous agreement on significant strategic and operating decisions. CBL is engaged in the distribution of the products of the venturers in Jamaica. This involves taking orders, delivery and collection, management of credit risk, maintaining coolers and trade dispensing equipment. CBL is structured as a separate vehicle, and provides the company rights to the net assets of the entity, and is therefore accounted for using the equity method.

In accordance with the agreement under which CBL is established, the company and the other investor may make additional capital contributions as determined by the Board of CBL to be reasonably necessary for the conduct of CBL's business. If either party fails to meet the capital call, the other may advance the funds and treat such advance as a deficiency loan to CBL, which would be repayable before any distributions to the non-contributing party. The company's investment in the joint venture is represented as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Shares, at cost	191,500	191,500
Share of accumulated loss	<u>(104,789)</u>	<u>(10,467)</u>
	<u>86,711</u>	<u>181,033</u>

The following tables summarise the financial information of CBL:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Non-current assets	243,800	311,208
Current assets	3,284,604	3,435,503
Current liabilities	<u>(3,354,982)</u>	<u>(3,384,644)</u>
Net assets	<u>173,422</u>	<u>362,067</u>
Revenue	20,826,280	18,873,358
Loss for the year	<u>(188,644)</u>	<u>(44,738)</u>
Company's share of CBL's loss for the year [note 9(d)]	<u>(94,322)</u>	<u>(22,369)</u>

5. Investment properties

	<u>2015</u> \$'000	<u>2014</u> \$'000
Balance as at beginning of year	889,599	275,650
Fair value gain	53,700	194,949
Transfer from property, plant and equipment (note 6)	<u>-</u>	<u>419,000</u>
Balance as at end of year	<u>943,299</u>	<u>889,599</u>

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

5. Investment properties (continued)

The carrying amount of investment properties is the fair value of the properties as determined in the current and prior years by Property Consultants Limited and Breakenridge & Associates, registered independent valuers having an appropriate recognised professional qualification and recent experience in the locations and category of the properties being valued. In estimating the fair values of the properties at the reporting date, management has used the independent valuations as a point of reference.

Income amounting to \$49,912,104 (2014: \$45,613,908) was earned and expenses of \$23,961,307 (2014: \$1,053,625) were incurred in relation to these properties for the year.

The fair value measurement for investment properties is classified as Level 3.

Investment properties revalued during the year were valued at open market values in accordance with IFRS 13. The valuation techniques used in arriving at the market value, along with the significant assumptions, are described below:

<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
<p><i>Direct sales comparison approach:</i> The approach is based on the principle of substitution whereby the purchaser with perfect knowledge of the property market pays no more for the subject property than the cost of acquiring an existing comparable property, assuming no cost delay in making the substitution.</p>	<ul style="list-style-type: none"> • Details of the sales of comparable properties based on estimated rental income potential. • Conditions influencing the sale of the comparable properties. • Comparability adjustment. 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • Value of comparable properties were higher/(lower). • Comparability adjustment were higher/(lower).

The approach requires comparison of the subject property with others of similar design and utility, inter alia, which were sold in the recent past.

However as no two properties are exactly alike, adjustment is made for the difference between the properties subject to valuation and comparable properties.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

5. Investment properties (continued)

<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
<p><i>Income approach:</i> The approach is based on income/utility expected to be derived from the ownership of the property.</p> <p>Actual or estimated net income and/reversions for comparable alternative investments of similar quality and durability as the subject property are adopted and capitalized/discounted to obtain the present market rates.</p>	<ul style="list-style-type: none"> ● Net annual income 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> ● Annual net income was higher/(lower).
<p><i>Cost approach:</i> The approach is based on the principle of substitution whereby the purchaser with perfect knowledge of the property market pays no more for the subject property than the cost of constructing a similar facility of similar size and design.</p> <p>The approach requires the estimated replacement cost of improvements similar to those of the subject property and the deduction of accrued depreciation. The resulting depreciated amount is then added to the current estimated value of the unimproved land.</p>	<ul style="list-style-type: none"> ● Details of the cost of constructing a similar facility of similar size and design. ● Estimated replacement cost of improvements similar to those of subject properties. ● Depreciation rates. 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> ● Cost of constructing comparable properties were higher/(lower). ● Estimated replacement costs of improvements of comparable properties were higher/(lower). ● Depreciation rates were higher/(lower).

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

6. Property, plant and equipment

	Freehold land and buildings \$'000	Plant and equipment \$'000	Furniture, fixtures and computer equipment \$'000	Returnable packaging \$'000	Construction in progress \$'000	Total \$'000
Cost:						
June 30, 2013	1,642,506	5,528,399	611,714	2,216,791	292,210	10,291,620
Additions	13,730	19,356	-	453,043	1,234,693	1,720,822
Revaluation of buildings reclassified to investment property	310,374	-	-	-	-	310,374
Offset of accumulated depreciation on building reclassified to investment properties	(85,421)	(3,807)	-	-	-	(89,228)
Reclassified to investment properties	(416,239)	(2,761)	-	-	-	(419,000)
Transfers	16,268	24,745	3,655	-	(44,668)	-
Disposals/write-off	(58,138)	(75)	(19,707)	(20,801)	-	(98,721)
June 30, 2014	1,423,080	5,565,857	595,662	2,649,033	1,482,235	11,715,867
Additions	15,159	175,723	22,648	1,059,564	776,474	2,049,568
Transfers	34,208	760,747	18,953	-	(813,908)	-
Disposals/write-off	-	(42,305)	(2,465)	(465,299)	-	(510,069)
June 30, 2015	<u>1,472,447</u>	<u>6,460,022</u>	<u>634,798</u>	<u>3,243,298</u>	<u>1,444,801</u>	<u>13,255,366</u>
Depreciation and impairment losses:						
June 30, 2013	580,660	3,155,832	488,592	1,512,901	-	5,737,985
Charge for the year	34,867	291,890	55,193	249,729	-	631,679
Eliminated on disposals/write-off	(132,550)	(3,839)	(11,162)	(2,240)	-	(149,791)
June 30, 2014	482,977	3,443,883	532,623	1,760,390	-	6,219,873
Charge for the year	34,827	317,795	46,616	438,154	-	837,392
Eliminated on disposals/write-off	-	(27,692)	(1,972)	(403,513)	-	(433,177)
June 30, 2015	<u>517,804</u>	<u>3,733,986</u>	<u>577,267</u>	<u>1,795,031</u>	<u>-</u>	<u>6,624,088</u>
Carrying amounts:						
June 30, 2015	<u>954,643</u>	<u>2,726,036</u>	<u>57,531</u>	<u>1,448,267</u>	<u>1,444,801</u>	<u>6,631,278</u>
June 30, 2014	<u>940,103</u>	<u>2,121,974</u>	<u>63,039</u>	<u>888,643</u>	<u>1,482,235</u>	<u>5,495,994</u>
June 30, 2013	<u>1,061,846</u>	<u>2,372,567</u>	<u>123,122</u>	<u>703,890</u>	<u>292,210</u>	<u>4,553,635</u>

7. Employee benefits asset/obligation

The company operates a defined-benefit pension plan which is open to all permanent employees and is managed by an independent fund manager. The plan is funded by employee contributions at rates varying between 6% and 10% of salary and employer contributions at rates recommended by independent actuaries from time to time. Retirement and other benefits are based on average salary for the last three years of pensionable service. The company also provides post-employment medical benefits to employees upon retirement.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

7. Employee benefits asset/obligation (continued)

(a) Employee benefit asset/(obligation)

	<u>Pension asset</u>		<u>Medical obligation</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	\$'000	\$'000	\$'000	\$'000
Present value of obligations	(5,646,000)	(4,730,000)	(138,000)	(142,000)
Fair value of plan assets	6,846,100	6,126,000	-	-
Asset not recognised due to limitation	-	(350,000)	-	-
Net asset/(obligation) at end of year	<u>1,200,100</u>	<u>1,046,000</u>	<u>(138,000)</u>	<u>(142,000)</u>

(b) Movements in the present value of funded and unfunded obligations

	<u>Pension asset</u>		<u>Medical obligation</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	(4,730,000)	(3,889,000)	(142,000)	(92,000)
Benefits paid	280,000	373,000	5,000	4,000
Service and interest costs	(527,200)	(409,000)	(20,900)	(13,000)
Members' contributions	(85,000)	(83,000)	-	-
Re-measurements	(583,800)	(722,000)	19,900	(41,000)
Balance at end of year	<u>(5,646,000)</u>	<u>(4,730,000)</u>	<u>(138,000)</u>	<u>(142,000)</u>

(c) Movement in pension plan assets

	<u>2015</u>	<u>2014</u>
	\$'000	\$'000
Fair value of plan assets at beginning of year	6,126,000	5,892,000
Members' contributions	85,000	83,000
Employer's contributions	10,000	10,000
Interest income on plan assets	573,400	547,000
Benefits paid	(280,000)	(373,000)
Re-measurements	331,700	(33,000)
Fair value of plan assets at end of year	<u>6,846,100</u>	<u>6,126,000</u>

Plan assets consist of the following:

Fixed income fund	3,348,000	1,960,000
Mortgage and real estate fund	1,680,000	1,449,000
Equity fund	1,448,100	1,554,000
Foreign currency fund	370,000	1,118,000
Money market fund	-	45,000
	<u>6,846,100</u>	<u>6,126,000</u>

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

7. Employee benefit asset/obligation (continued)

(d) (Income)/expense recognised for the year

	<u>Pension asset</u>		<u>Medical obligation</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current service costs	91,000	57,000	7,900	4,000
Net interest costs:				
Interest on obligation	436,200	352,000	13,000	9,000
Interest income on plan asset	(573,400)	(547,000)	-	-
Interest on effect of asset ceiling	<u>33,400</u>	<u>126,000</u>	<u>-</u>	<u>-</u>
	<u>(12,800)</u>	<u>(12,000)</u>	<u>20,900</u>	<u>13,000</u>
Actual return on plan assets	<u>15%</u>	<u>9.0%</u>		

(e) Re-measurement effects recognised in other comprehensive income

	<u>Pension asset</u>		<u>Medical obligation</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Change in demographic assumptions	-	238,000	-	11,000
Change in financial assumptions	-	184,000	-	9,000
Experience adjustment	252,100	333,000	(19,900)	21,000
Change in effect of the asset ceiling	<u>(383,400)</u>	<u>(1,100,000)</u>	<u>-</u>	<u>-</u>
	<u>(131,300)</u>	<u>(345,000)</u>	<u>(19,900)</u>	<u>41,000</u>

(f) Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	<u>2015</u>	<u>2014</u>
	<u>%</u>	<u>%</u>
Inflation rate	6.0	5.5
Discount rate	9.5	9.5
Pay growth	6.0	5.5
Pension increases	4.5	4.5
Medical claims growth	<u>8.5</u>	<u>8.5</u>

- (i) The expected long-term rate of return is based on market expectation of inflation of 6.0% (2014: 5.5%) plus a margin for real returns of 2% on a balanced portfolio of equities and bonds.
- (ii) Assumptions regarding future mortality are based on American 1994 Group Annuitant Mortality (GAM94) table.
- (iii) The company's best estimate of contributions expected to be paid to the plan during the next financial year is \$100,000,000 (2014: \$104,000,000).

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

7. Employee benefit asset/obligation (continued)

- (g) As mortality continues to improve, estimates of life expectancy are expected to increase. the effect on the projected benefit obligation of an increase of one year in the life expectancy is approximately \$90 million.
- (h) Sensitivity analysis on projected benefit obligation

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarizes how the projected benefit obligation measured at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analyses for each assumption, all others were held constant. The economic assumptions are somewhat linked as they are all related to inflation. Hence, for example, a 1% reduction in the long-term discount rate would cause some reduction in the medical trend rate.

	2015		2014	
	1 % <u>decrease</u> \$'000	1 % <u>increase</u> \$'000	1 % <u>decrease</u> \$'000	1 % <u>increase</u> \$'000
Discount rate	259	(214)	632	(493)
Pay growth	(171)	202	(155)	176
Pension increases	(473)	554	(339)	392

- (i) Liability duration

	2015	2014
Active members and all participants	<u>31 years</u>	<u>30 years</u>

8. Accounts receivable

	2015 \$'000	2014 \$'000
Trade	1,702,765	1,208,539
Other	<u>102,489</u>	<u>218,307</u>
	1,805,254	1,426,846
Less: Allowance for impairment	(<u>62,898</u>)	(<u>58,092</u>)
	<u>1,742,356</u>	<u>1,368,754</u>

The maximum exposure to credit risk for trade receivables, less allowance for impairment, at the reporting date by type of customer was:

	2015 \$'000	2014 \$'000
On-trade	3,018	42,098
Off-trade	1,491,974	970,335
Export	137,376	85,656
Other	<u>7,499</u>	<u>52,358</u>
	<u>1,639,867</u>	<u>1,150,447</u>

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

8. Accounts receivable (continued)

The ageing of trade receivables at the reporting date was:

	<u>2015</u>		<u>2014</u>	
	<u>Gross</u> \$'000	<u>Impairment</u> \$'000	<u>Gross</u> \$'000	<u>Impairment</u> \$'000
Not past due	1,636,784	-	1,150,447	-
Past due 31-60 days	3,083	-	-	-
More than 60 days	<u>62,898</u>	<u>(62,898)</u>	<u>58,092</u>	<u>(58,092)</u>
Total	<u>1,702,765</u>	<u>(62,898)</u>	<u>1,208,539</u>	<u>(58,092)</u>

The movement in the allowance for impairment was as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Balance at beginning of year	58,092	43,418
Debts recovered	(1,750)	(6,105)
Debts written-off – trade receivables	(6,704)	(3,415)
Charge for the year – trade receivables	<u>13,260</u>	<u>24,194</u>
Balance at end of year	<u>62,898</u>	<u>58,092</u>

9. Related party balances and transactions**(a) Definition of related parties**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”, in this case, the company).

(A) A person or a close member of that person’s family is related to the company if that person:

- (i) has control or joint control over the company;
- (ii) has significant influence over the company; or
- (iii) is a member of the key management personnel of the company or of a parent of the company.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

9. Related party balances and transactions (continued)

(a) Definition of related parties (continued)

(B) An entity is related to the company if any of the following conditions applies:

- (i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
- (vi) The entity is controlled, or jointly controlled by a person identified in (A).
- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(b) Identity of related parties

The company has related party relationships with the ultimate parent company, parent company, fellow subsidiaries, directors and key management personnel.

(c) The statement of financial position includes the following balances arising from transactions with related parties, in the ordinary course of business:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Fellow subsidiaries:		
Due from (i)	477,811	407,208
Due to (ii)	(173,511)	(193,601)
Key management personnel:		
Accounts receivable (iii)	239	150
Joint venture:		
Accounts receivable (iii)	1,494,858	999,241
Accounts payable (iv)	(<u>165,322</u>)	(<u>26,490</u>)

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

9. Related party balances and transactions (continued)

- (c) The statement of financial position includes the following balances arising from transactions with related parties, in the ordinary course of business (continued):
- (i) This represents balances due on exports to related companies within the Diageo group which are unsecured, interest-free and collectible within twelve (12) months.
 - (ii) This represents balances with Diageo group companies which are unsecured, interest-free and repayable within twelve (12) months.
 - (iii) These are unsecured, interest free and collectible within twelve (12) months.
 - (iv) This is unsecured, interest free and repayable within twelve (12) months.
- (d) The income statement includes income earned from, and expenses incurred in, transactions with related parties in the ordinary course of business, as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Fellow subsidiaries:		
Sales	(786,441)	(795,580)
Royalty income	(477,379)	(501,608)
Royalty expense	210,614	195,608
Marketing cost	14,169	33,276
Purchases of raw materials and finished goods	326,401	336,332
Joint venture:		
Gross sales	(13,654,959)	(10,883,578)
Cost of sales	1,225,556	1,065,180
Share of losses (note 4)	94,322	22,369
Key management personnel compensation:		
Short-term employment benefits	190,777	237,096
Post-employment benefits expense/(income)	<u>83</u>	<u>(155)</u>

10. Inventories

	<u>2015</u> \$'000	<u>2014</u> \$'000
Raw materials	217,937	133,412
Work-in-progress	199,417	185,823
Finished goods	254,553	244,710
Consumables	263,457	318,886
Plant and equipment spares	<u>211,654</u>	<u>193,654</u>
	<u>1,147,018</u>	<u>1,076,485</u>

Inventories of \$2,078,221 (2014: \$2,005,083) were recognised as expense during the year and included in the income statement as part of cost of sales.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

11. Accounts payable

	<u>2015</u> \$'000	<u>2014</u> \$'000
Trade	822,628	959,419
Staff accruals	319,644	380,911
Deposits – returnables	346,326	277,885
Accrued charges	198,226	234,015
Other	<u>426,271</u>	<u>162,577</u>
	<u>2,113,095</u>	<u>2,014,807</u>

12. Share capital

Authorised:		
2,810,500,000 ordinary shares of no par value	<u>2015</u> \$'000	<u>2014</u> \$'000
Issued and fully paid:		
2,809,170,386 ordinary stocks of no par value	<u>2,174,980</u>	<u>2,174,980</u>

13. Capital reserves

Capital reserves represent revaluation surplus on property, plant and equipment.

14. Other reserves

Other reserves represent the net employee benefits asset of \$1,062,100,000 (2014: \$904,000,000), less deferred tax of \$265,525,000 (2014: \$226,000,000), arising on the actuarial valuation under IAS 19, of the company's defined-benefit arrangements.

15. Deferred tax liabilities

	<u>2015</u>			
	<u>Balance at</u> <u>beginning</u> <u>of year</u> \$'000	<u>Recognised</u> <u>in income</u> \$'000 [Note 18(a)(ii)]	<u>Recognised</u> <u>in equity</u> \$'000	<u>Balance at</u> <u>end of year</u> \$'000
Accrued vacation leave	(7,638)	(2,454)	-	(10,092)
Unrealised foreign exchange (loss)/gain	(1,419)	4,478	-	3,059
Property, plant and equipment	259,167	9,331	-	268,498
Employee benefits asset	<u>226,000</u>	<u>1,725</u>	<u>37,800</u>	<u>265,525</u>
	<u>476,110</u>	<u>13,080</u>	<u>37,800</u>	<u>526,990</u>

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

15. Deferred tax liabilities (continued)

	<u>2014</u>			
	Balance at beginning <u>of year</u> \$'000	Recognised <u>in income</u> \$'000 [Note 18(a)(ii)]	Recognised <u>in equity</u> \$'000	Balance at <u>end of year</u> \$'000
Accrued vacation leave	(11,776)	4,138	-	(7,638)
Unrealised foreign exchange gain/(loss)	3,601	(5,020)	-	(1,419)
Property, plant and equipment	368,342	(109,175)	-	259,167
Employee benefits asset	<u>176,100</u>	<u>(26,100)</u>	<u>76,000</u>	<u>226,000</u>
	<u>536,267</u>	<u>(136,157)</u>	<u>76,000</u>	<u>476,110</u>

16. Gross sales

Gross sales represents the invoiced value of goods and services, including Special Consumption Tax (SCT), environmental levy and royalties but excluding General Consumption Tax (GCT).

17. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	<u>2015</u> \$'000	<u>2014</u> \$'000
Auditors' remuneration	7,204	6,600
Depreciation	837,392	631,679
Directors' emoluments:		
Fees	7,974	7,918
Key management personnel	84,252	71,884
Staff costs	1,820,047	1,743,234
Redundancy expenses	55,101	40,306
Foreign exchange gains	(49,536)	(43,650)
Dividends earned on overseas investments	-	(34,007)
Royalties earned	(532,897)	(525,392)
Bad debts	13,260	24,194
Inventories written off	<u>98,470</u>	<u>60,313</u>

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

18. Taxation

(a) The taxation charge is based on the company's results for the year, as adjusted for taxation purposes, and comprises:

	<u>2015</u> \$'000	<u>2014</u> \$'000
(i) Current tax expense:		
Income tax at 25% (2014: 25%)	487,843	637,039
Prior year over-provision	-	(22,674)
Capital gain tax on sale of overseas investments	<u>-</u>	<u>45,537</u>
	487,843	659,902
(ii) Deferred taxation:		
Origination and reversal of temporary differences (note 15)	<u>13,080</u>	<u>(136,157)</u>
Taxation	<u>500,923</u>	<u>523,745</u>

(b) Reconciliation of actual taxation charge:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Profit before taxation	<u>2,834,445</u>	<u>3,832,048</u>
Computed "expected" tax charge at 25% (2014: 25%)	708,611	958,012
Difference between profit for financial statements and tax reporting purposes on:		
Effect of change in tax rates	-	(89,378)
Gain on disposal of investment	-	(237,954)
Depreciation charge and capital allowances	(19,020)	(111,223)
Employer tax credit	(218,846)	-
Dividend income	-	(8,501)
Fair value gain on investment properties	(13,425)	(48,737)
Capital gain tax on sale of overseas investment	-	45,537
Other	43,603	38,663
Prior year overprovision	<u>-</u>	<u>(22,674)</u>
Actual taxation charge	<u>500,923</u>	<u>523,745</u>

19. Earnings per stock unit

The calculation of earnings per stock unit is based on the company's profit for the year of \$2,333,522,000 (2014: the group's profit of \$3,153,163,000) and 2,809,170,386 stock units, being the number of stock units in issue for the year.

DESNOES & GEDDES LIMITEDNotes to the Financial Statements (Continued)
June 30, 2015**20. Dividends**

	<u>2015</u> \$'000	<u>2014</u> \$'000
Ordinary dividends:		
First interim dividend: 27¢ (2014: 25¢) per stock unit – gross	758,476	702,293
Second interim dividend: 13¢ (2014: 25¢) per stock unit – gross	<u>365,192</u>	<u>702,293</u>
	<u>1,123,668</u>	<u>1,404,586</u>

21. Segment reporting

The identification of business segments is based on the company's management and internal reporting structure. The company is managed based on its operating strategic business segments, which are domestic and export. Both segments are involved in the bottling and distribution of premium drinks.

Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

	<u>Domestic</u>		<u>Export</u>		<u>Total</u>	
	<u>2015</u> \$'000	<u>2014</u> \$'000	<u>2015</u> \$'000	<u>2014</u> \$'000	<u>2015</u> \$'000	<u>2014</u> \$'000
Gross sales	13,825,448	12,289,265	2,070,262	1,795,836	15,895,710	14,085,101
Special Consumption Tax	(2,809,526)	(2,587,620)	-	-	(2,809,526)	(2,587,620)
Net external revenue	<u>11,015,922</u>	<u>9,701,645</u>	<u>2,070,262</u>	<u>1,795,836</u>	<u>13,086,184</u>	<u>11,497,481</u>
Segment profit	<u>3,095,965</u>	<u>2,916,125</u>	<u>993,125</u>	<u>799,058</u>	4,089,090	3,715,183
General, selling and administration expenses					(1,256,786)	(1,222,601)
Other income, net					155,540	387,066
Gain on disposal of investments					-	973,697
Finance income - interest					19,412	23,953
Share of loss in joint venture					(94,322)	(22,369)
Loss on disposal of property, plant and equipment					(70,389)	(21,881)
Employee benefits expense					(8,100)	(1,000)
Profit before taxation					2,834,445	3,832,048
Taxation					(500,923)	(523,745)
Profit for the year					<u>2,333,522</u>	<u>3,308,303</u>
Segment assets					<u>13,595,636</u>	<u>12,253,596</u>
Segment liabilities					<u>3,261,755</u>	<u>3,242,969</u>
Depreciation					<u>837,392</u>	<u>631,679</u>
Capital expenditure					<u>2,049,568</u>	<u>1,720,822</u>

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

21. Segment reporting (continued)

Segment information below represents segment revenue based on the country receiving the benefit of the products.

	<u>2015</u> \$'000	<u>2014</u> \$'000
Jamaica	11,015,922	9,701,645
Caribbean	462,734	337,007
Canada	428,686	369,342
Great Britain	383,237	461,412
United States	310,403	300,114
Europe	136,037	166,321
Other	<u>349,165</u>	<u>161,640</u>
	<u>13,086,184</u>	<u>11,497,481</u>

All material non-current assets are geographically located in Jamaica.

22. Contingent liabilities

- (i) At the reporting date, the company had a contingent liability in respect of letters of credit issued in favour of the Collector of Customs, amounting to \$47,500,000 (2014: \$47,500,000), in the ordinary course of business.
- (ii) Claims amounting to \$14.3 million have been made against the company by former employees. Defence has been filed against these claims and no provision has been made in the financial statements with respect to these amounts, as management expects the defence to be successful.

23. Financial risk management

The company has exposure to credit risk, liquidity risk, and market risk from its use of financial instruments and its operations. This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has established a Risk Management Committee, which is responsible for developing and monitoring the company's risk management policies. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

23. Financial risk management (continued)**(i) Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's cash and cash equivalents and receivables from customers. The primary concentration of credit risk is within trade receivables, which is mitigated by the performance of regular credit evaluation of customers.

Trade receivables

Appropriate credit checks, references and analyses are performed and/or received in order to assess customers' credit risk prior to offering new credit or increasing existing credit limits. Customers who are in receivership or liquidation or exceeding their credit limits are identified and the appropriate actions taken. Key performance indicators are reviewed at least monthly, including the amount of cash collected, average debt collection period, percentage of customers with overdue balances and debts deemed uncollectible.

Credit limits for all customers are reviewed at least annually against the customers' payment history, assessment of customers' credit risk and sales department information.

Cash and cash equivalents

The company maintains cash resources with reputable financial institutions that are appropriately licensed and regulated, therefore credit risk is considered to be low. No allowance for impairment is deemed necessary.

Exposure to credit risk

The carrying amount of financial assets on the statement of financial position represents the maximum exposure to credit risk at the reporting date.

Management makes specific impairment allowance, irrespective of ageing for certain trade receivables, after assessing the circumstances relating to those receivables. The majority of the overall trade receivable balance relates to customers that have a good record of payment. The balance with the joint venture company, Celebration Brands Limited, accounts for approximately 88% (2014: 73%) of the trade receivables balance.

During 2015, the company did not renegotiate the terms of trade receivables with any of its customers.

The allowance account in respect of trade receivables is used to record impairment losses, unless management is satisfied that no recovery of the amount owing is possible. At that point, the amount considered irrecoverable is written off directly against the receivable balance.

There was no change to the company's exposure to credit risk or the manner in which it measures and manages this risk during the year.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

23. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it has sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company ensures that it has sufficient cash on demand to meet expected operational expenses. The company maintains two lines of unsecured credit, which are available if the company does not have sufficient cash to settle its obligation, as follows:

- (a) \$600,000,000 (2014: \$600,000,000) facility with The Bank of Nova Scotia Jamaica Limited. Interest is negotiated or determined at the time the funds are accessed.
- (b) US\$9,000,000 (2014: US\$9,000,000) line of credit with Citibank N.A., Jamaica Branch. The rate of interest per annum is determined at the time the funds are accessed.

The contractual outflows for accounts payable and the amounts due to fellow subsidiaries are represented by the carrying amounts and may require settlement within 12 months of the reporting date.

There was no change to the company's exposure to liquidity risk or the manner in which it measures and manages this risk during the year.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risk

For each of the major components of market risk, the company has policies and procedures in place which detail how each risk should be monitored and managed. The management of each of these major components of risk and the exposure of the company at the reporting date are as follows:

(a) Foreign currency risk

Foreign currency risk is the risk that the value on cash flows of a financial instruments will fluctuate due to changes in foreign exchange rates.

The company is exposed to currency risk on purchases that are denominated in a currency other than the Jamaica dollar, which is the functional currency of the company.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

23. Financial risk management (continued)

(iii) Market risk (continued)

(a) Foreign currency risk (continued)

Exposure to currency risk

The company had net foreign currency assets/(liabilities) as follows:

	<u>Jamaican dollar equivalent</u>	
	<u>2015</u>	<u>2014</u>
	\$'000	\$'000
<u>Currency</u>		
Canadian dollars	114,253	57,224
United States dollars	110,514	(138,856)
Pounds sterling	41,795	(38,751)
Euro	<u>5,347</u>	<u>(34,987)</u>

Sensitivity analysis

The following table details the company's sensitivity to a 1% (2014: 1%) strengthening and 8% (2014: 15%) weakening of the Jamaica dollar against the relevant currencies based on the effect that such changes would have on the reported profits for the year. This analysis assumes that all other variables, in particular interest rates, remain constant and was performed on the same basis as 2014.

	<u>2015</u>		<u>2014</u>	
	<u>1% strengthening</u>	<u>8% weakening</u>	<u>1% strengthening</u>	<u>15%weakening</u>
	\$'000	\$'000	\$'000	\$'000
<u>Currency</u>				
Canadian dollars	(1,143)	9,140	(572)	8,584
United States dollars	(1,105)	8,841	1,389	(20,828)
Pounds sterling	(418)	3,344	388	(5,813)
Euro	<u>(53)</u>	<u>428</u>	<u>350</u>	<u>(5,248)</u>

(b) Interest rate risk

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

The company materially contracts financial liabilities at fixed interest rates for the duration of the term. When utilised, bank overdrafts are subject to fixed interest rates, which may be varied with appropriate notice by the lender.

The company does not carry any financial instrument at fair value, therefore a change in market interest rates would not affect the carrying value of the company's financial instruments.

There was no change to the company's exposure to market risk or the manner in which it measures and manages this risk during the year.

DESNOES & GEDDES LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015

23. Financial risk management (continued)

(iv) Capital management

The company is not subject to externally-imposed capital requirements. The Board's policy is to maintain a strong capital base, which the company defines as total equity, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the level of dividends to ordinary stockholders and the return on capital,

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the company's approach to capital management during the year.

24. Fair values

The fair value of cash and cash equivalents, accounts receivable, due from fellow subsidiaries, due to fellow subsidiaries and accounts payable was determined to approximate their carrying value due to their short-term nature [note 2(e)(iv)].

25. Lease commitment

At June 30, the future minimum lease payments under non-cancellable leases are receivable as follows:

	<u>2015</u> \$'000	<u>2014</u> \$'000
Within one year	49,912	49,912
Over one year	<u>-</u>	<u>49,912</u>
	<u>49,912</u>	<u>99,824</u>

FORM OF PROXY

PLACE
\$100
STAMP
HERE

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

Being a member/members of Desnoes & Geddes Limited, hereby appoint

.....of.....

Or failing him,of.....

As my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday November 3, 2015 at 10:00 a.m. and any adjournment thereof.

Dated..... Signed

Please indicate by inserting “X” in the space below how you wish your vote to be cast. If no indication is given your proxy will vote for or against resolution or abstain as he/she thinks fit.

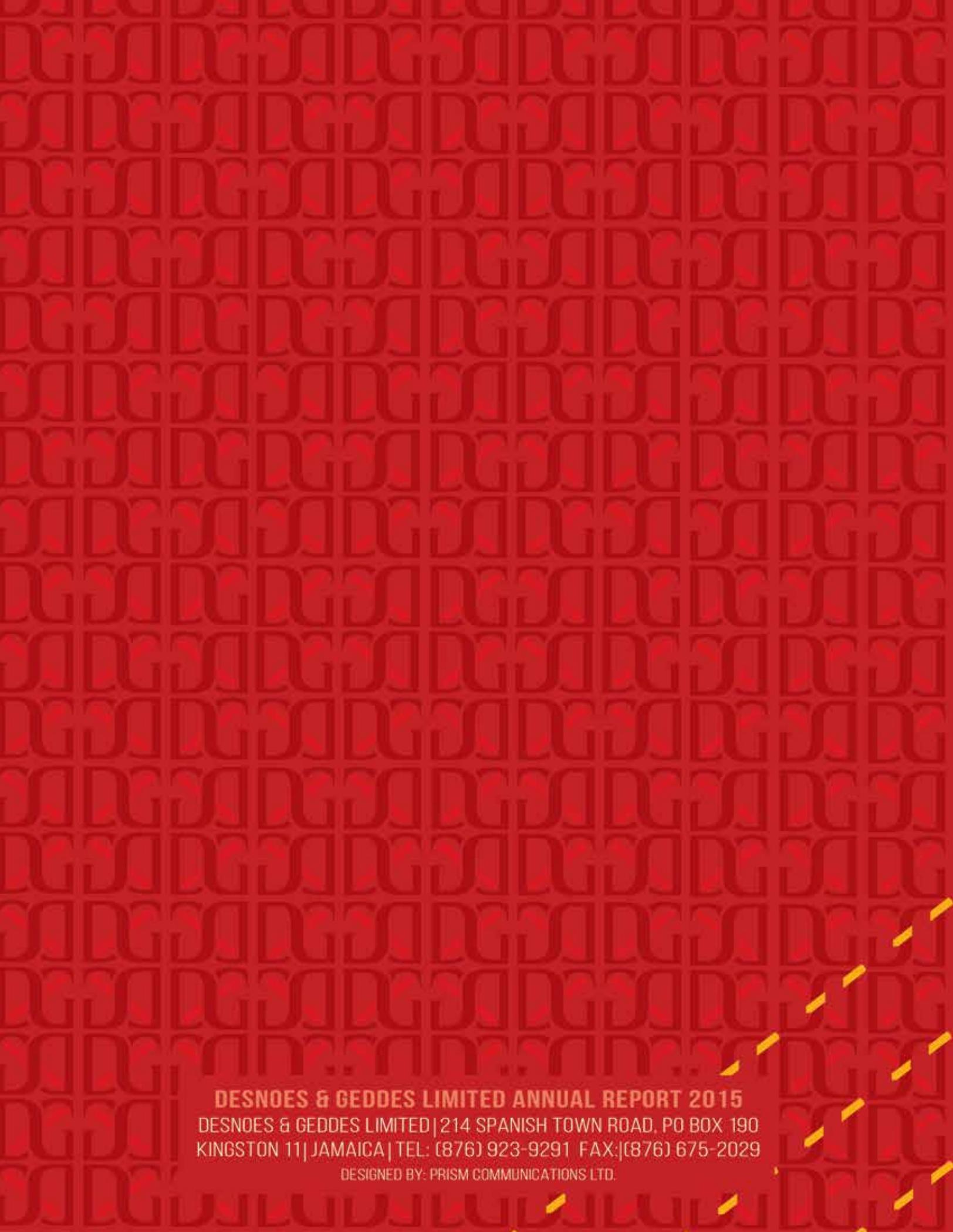
RESOLUTIONS

		For	Against
1.	Adopting the financial statements and reports of Directors and Auditors thereon		
2.	Declaration of Dividend		
3.	Approving Fees for Non-Executive Directors for the year		
4(a).	Re-electing Director Mr. Noel daCosta		
4(b).	Re-electing Director Mr. Renato Gonzales		
4(c).	Re-electing Director Mr. Gary ‘Butch’ Hendrickson		
4(d).	Electing Director Mr. Peter Hall		
4(e).	Electing Director Cristina Diezhandino		
4(f).	Electing Director Carol M. Bourke		
5.	Appointment of Auditors - PricewaterhouseCoopers		

Notes:

1. If a member is a corporation, this form must be done under common seal or under the hand of an officer or attorney duly authorised in writing.
2. To be valid, this form must be received at the Registered Office of the Company, 214 Spanish Town Road, Kingston 11, no later than 10:00 a.m. on October 29, 2015





DESNOES & GEDDES LIMITED ANNUAL REPORT 2015
DESNOES & GEDDES LIMITED | 214 SPANISH TOWN ROAD, PO BOX 190
KINGSTON 11 | JAMAICA | TEL: (876) 923-9291 FAX: (876) 675-2029

DESIGNED BY: PRISM COMMUNICATIONS LTD.