

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER, 2025



CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER, 2025**

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Carib Brewery (St. Kitts & Nevis) Limited ("the Company") which comprise the statement of financial position as at 31st December, 2025, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31st December, 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in St. Kitts-Nevis, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Company's 2025 Annual Report

Other information consists of the information included in the Company's 2025 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's 2025 Annual Report, if we conclude that it contains a material misstatement, we are required to communicate the matter to those charged with governance.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CARIB BREWERY (ST. KITTS & NEVIS) LIMITED**

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and The Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CARIB BREWERY (ST. KITTS & NEVIS) LIMITED**

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibility for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

GRENADA

March 12th, 2026

A handwritten signature in black ink that reads "PKF", enclosed within a light yellow rectangular box.

Accountants & Business Advisers





CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	2025	2024
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	25,840,550	27,709,119
Intangible assets	7	386,008	382,030
Deferred tax asset	8	2,524,169	3,444,268
Investment security	9	<u>40,248</u>	<u>40,248</u>
		<u>28,790,975</u>	<u>31,575,665</u>
Current Assets			
Inventories	10	13,490,760	14,108,258
Trade and other receivables	11	7,155,459	6,363,639
Due from Group Companies	12	2,938,626	3,704,315
Cash and cash equivalents	13	<u>7,007,587</u>	<u>5,170,674</u>
		<u>30,592,432</u>	<u>29,346,886</u>
TOTAL ASSETS		<u>\$59,383,407</u>	<u>\$60,922,551</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	14	8,200,000	8,200,000
Capital reserve	15	77,500	77,500
Retained earnings		<u>34,879,400</u>	<u>34,627,072</u>
TOTAL EQUITY		<u>43,156,900</u>	<u>42,904,572</u>
Non-Current Liabilities			
Past service benefits liability	16	348,056	299,005
Deferred tax liability	17	<u>1,561,953</u>	<u>1,533,491</u>
		<u>1,910,009</u>	<u>1,832,496</u>
Current Liabilities			
Trade and other payables	18	9,876,610	10,123,689
Provision for repayment of deposits on cases		2,330,834	1,871,767
Due to Group Companies	12	1,054,175	2,361,103
Taxation payable	19 (a)	<u>1,054,879</u>	<u>1,828,924</u>
		<u>14,316,498</u>	<u>16,185,483</u>
TOTAL LIABILITIES		<u>16,226,507</u>	<u>18,017,979</u>
TOTAL EQUITY AND LIABILITIES		<u>\$59,383,407</u>	<u>\$60,922,551</u>

The accompanying notes form an integral part of these financial statements


Anthony Kelside
Deputy Chairman


Mark Wilkin
Managing Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)**

	Notes	2025	2024
Revenue			
- Local		41,266,719	39,961,730
- Export		<u>28,398,738</u>	<u>27,217,059</u>
		69,665,457	67,178,789
Cost of sales		<u>(50,389,150)</u>	<u>(48,911,695)</u>
Other income	24	19,276,307 <u>244,481</u>	18,267,094 <u>435,672</u>
Administrative expenses (Schedule 1)		19,520,788	18,702,766
Marketing and distribution expenses (Schedule 2)		(4,837,504)	(4,503,696)
Obsolete inventory and provisions		(5,263,161)	(6,170,210)
		<u>(445,329)</u>	<u>1,282,480</u>
Net income for the year before taxation		8,974,794	9,311,340
Tax expense	19 (b)	(2,007,632)	(3,021,585)
Net income for the year after taxation		<u>6,967,162</u>	<u>6,289,755</u>
Other comprehensive income			
- Actuarial (loss)/gain on past service employee benefits	16	(16,749)	37,676
Less: Related taxation		<u>4,187</u>	<u>(9,419)</u>
Total comprehensive income carried to statement of change in equity		<u>(12,562)</u>	<u>28,257</u>
		<u>\$6,954,600</u>	<u>\$6,318,012</u>
Income for the year attributable to:			
Owners of the parent		3,566,091	3,219,365
Non-controlling interest		<u>3,401,071</u>	<u>3,070,390</u>
		<u>\$6,967,162</u>	<u>\$6,289,755</u>
Total comprehensive income attributable to:			
Owners of the parent		3,559,661	3,233,828
Non-controlling interest		<u>3,394,939</u>	<u>3,084,184</u>
		<u>\$6,954,600</u>	<u>\$6,318,012</u>
EARNINGS PER SHARE		<u>\$0.85</u>	<u>\$0.77</u>

The accompanying notes form an integral part of these financial statements



CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)**

	Stated Capital	Capital Reserve	Retained Earnings	Total Equity
Balance at 1 st January, 2024	8,200,000	77,500	31,589,395	39,866,895
Dividend paid	-	-	(3,280,000)	(3,280,000)
Unclaimed dividends reinstated	-	-	(335)	(335)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>6,318,012</u>	<u>6,318,012</u>
Balance at 31 st December, 2024	8,200,000	77,500	34,627,072	42,904,572
Dividend paid	-	-	(7,380,000)	(7,380,000)
Unclaimed dividends reinstated	-	-	677,728	677,728
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>6,954,600</u>	<u>6,954,600</u>
Balance at 31 st December, 2025	<u>\$8,200,000</u>	<u>\$77,500</u>	<u>\$34,879,400</u>	<u>\$43,156,900</u>

The accompanying notes form an integral part of these financial statements

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED



STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)

	Notes	2025	2024
OPERATING ACTIVITIES			
Net income for the year before taxation		8,974,794	9,311,340
Adjustment for:			
Depreciation and amortization	6 & 7	9,390,684	11,066,931
Actuarial adjustment on past service employee benefits		(16,749)	37,676
Gain on disposal of property, plant and equipment		—	27
Operating profit before working capital changes		18,348,729	20,415,974
Trade and other receivables		(791,820)	(20,608)
Due from Group Companies		765,689	(412,682)
Inventories		617,498	(388,648)
Trade and other payables		(247,080)	2,074,479
Due to Group Companies		(1,306,928)	(4,298,332)
Provision for repayment of deposits on cases		459,067	(1,112,329)
Taxation paid		(1,828,928)	(2,229,928)
Net cash provided by operating activities		16,016,227	14,027,926
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7,526,093)	(10,679,430)
Net cash used in investing activities		(7,526,093)	(10,679,430)
FINANCING ACTIVITIES			
Past service employee benefits liability		49,051	(3,206)
Dividends paid	22	(7,380,000)	(3,280,000)
Unclaimed dividends reinstated		677,728	(335)
Net cash used in financing activities		(6,653,221)	(3,283,541)
Increase in cash and cash equivalents		1,836,913	64,955
Cash and cash equivalents - at beginning of year		5,170,674	5,105,719
- at end of year		\$7,007,587	\$5,170,674
REPRESENTED BY:			
Cash on hand and at Bank	13	\$7,007,587	\$5,170,674

The accompanying notes form an integral part of these financial statements

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)****1. INCORPORATION AND INFORMATION***Incorporation:*

The Company was incorporated as a public limited liability company under the provision of the Companies Act Chapter 335 of the Laws of St. Kitts-Nevis.

In accordance with the provisions of the Companies Act (No.22 of 1196), the Company was re-registered as a Company with limited liability under the provision of the Companies Act (No. 22 of 1996).

The Company's registered office is situated at "Marshall House", Independence Square West, Basseterre, St. Kitts.

In accordance with a resolution of change of name dated 1 May, 1997, the name of the company previously known as St. Kitts Breweries Limited was changed to Carib Brewery (St. Kitts & Nevis) Limited by the issue of a Change of Name Certificate dated 3 July, 1997 by the Registrar of Companies.

Principal Activity:

The Company is engaged in the manufacture, brewing and distribution of beer, lager, stout and non-alcoholic beverages and has the capacity to engage in any lawful acts or activities.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(a) Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and are expressed in Eastern Caribbean Currency Dollars. The financial statements have been prepared under the historical cost convention modified by the revaluation of plant and machinery.

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)
(continued)****2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)****(a) Basis of Preparation (continued)**

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(b) Changes in accounting policies and disclosures**(i) New Accounting Standards, Amendments and Interpretations adopted**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December, 2024 except for the adoption of new standards and interpretations below.

Amendments to IAS 21 – Lack of exchangeability (effective 1 January 2025)

In August 2023, the Board issued lack of exchangeability (Amendments to IAS 21).

The amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

When applying the amendments, comparative information is not restated.

This amendment had no impact on the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(i) New Accounting Standards, Amendments and Interpretations adopted (continued)

Amendments to the SASB standards to enhance their international applicability (effective 1 January 2025)

The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.

These amendments had no impact on the Company.

(ii) Standard in issue not yet affected

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Company's financial statements. These standards and interpretations may be applicable to the Company at a future date and will be adopted when they become effective. The Company is currently assessing the impact of adopting these standards and interpretations.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective 1 January 2026)

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met;
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features;
- Clarifies the treatment of non-recourse assets and contractually linked instruments;
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue not yet effective (continued)

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (effective 1 January 2026)

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments:

- Update the ‘own-use’ requirements for in-scope contracts. Under the amendments, the sale of unused nature-dependent electricity will be in accordance with an entity’s expected purchase or usage requirements, if specified criteria are met;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments will allow an entity to designate a variable nominal volume of forecast electricity transactions as a hedged item, if specified criteria are met;
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. IFRS 7 has been amended to require specific disclosures relating to contracts that have been excluded from the scope of IFRS 9 as a result of the amendments.

The amendments only apply to contracts that reference nature-dependent electricity. These are contracts that expose an entity to variability in an underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions, typically associated with renewable electricity sources such as sun and wind.

The amendments relating to the own-use exception must be applied retrospectively. An entity is not required to restate prior periods, and it is only permitted to do so if this can be done without using hindsight.

The hedge accounting amendments must be applied prospectively to new hedging relationships designated on or after the date of initial application.

The IFRS 7 disclosure amendments must be applied when the IFRS 9 amendments are applied. If an entity does not restate comparative information, then the entity must not present comparative disclosures.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue not yet effective (continued)

IFRS 18 – Presentation and Disclosure in Financial Statements (effective 1 January 2027)

In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for ‘operating profit or loss’, ‘profit or loss before financing and income taxes’ and ‘profit or loss’.

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management’s view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity’s MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS accounting standard.

IFRS 18 must be applied retrospectively.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures (effective 1 January, 2027)

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(ii) Standards in issue not yet effective (continued)

**IFRS 19 - Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)
(continued)**

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

An entity may elect to apply IFRS 19 if at the end of the reporting period:

- It is a subsidiary as defined in IFRS 10 Consolidated Financial Statements;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

An entity has public accountability if:

- Its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market; or
- It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (i.e., not for reasons incidental to its primary business).

If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19, unless IFRS 19 or another IFRS accounting standard permits or requires otherwise.

IFRS S2 - Amendments to Greenhouse Gas Emissions Disclosures (Effective 1 January 2027)

The amendments to IFRS S2 aim at supporting entities applying the standard by reducing the complexity, risk of potential duplication of reporting and related costs of applying specific requirements in the standard.

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in thousands of Eastern Caribbean Dollars)
(continued)**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies and disclosures (continued)

(iii) Improvements to International Financial Reporting Standards

The annual improvements process for the IASB deals with non-urgent but necessary clarifications and amendments to IFRS.

Annual improvements to IFRS Accounting Standards-Volume 11

The following amendments are applicable to annual periods beginning on or after 1 January 2026.

IFRS – Subject of Amendment

IFRS 1	First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-Time Adopter.
IFRS 7	Financial Instruments: Disclosures – Gain or Loss on Derecognition.
IFRS 7	Financial Instruments: Disclosures – Guidance on implementing Introduction, Disclosures of Deferred Difference Between Fair Value and Transaction Price and Credit Risk Disclosures.
IFRS 9	Financial Instruments – Lessee Derecognition of Lease Liabilities.
IFRS 9	Financial Instruments – Transaction Price.
IFRS 10	Consolidated Financial Statements – Determination of a ‘De Facto Agent’.
IAS 7	Statement of Cash Flows – Cost Method.

(c) Property, Plant and Equipment

Some items of property, plant and equipment are stated at valuation less subsequent depreciation. The others are stated at cost less accumulated depreciation.

Subsequent costs are included in the assets carrying amounts or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)
(continued)**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Property, Plant and Equipment (continued)

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows:

	Per annum
Buildings	2.5% to 4%
Fences	10%
Plant, machinery and equipment	2.5% to 50%
Motor vehicles	20%
Furniture, fittings and equipment	20% to 50%
Returnable bottles	33.33% to 50%
Returnable crates	10% to 16.67%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(d) Inventories

Inventories are valued as follows:

- 1) Raw materials and general stocks - The lower of landed cost determined on the average price basis and net realizable
- 2) Consumable stores - The lower of landed cost and net realizable value on a first-in, first-out basis.
- 3) Work-in-progress - Raw material costs, direct labour and overheads incurred in brewing,
- 4) Finished products - Raw material costs, direct labour and overheads incurred in brewing, bottling and packaging
- 5) Goods in transit - Suppliers' invoiced cost.

Adequate provision has been made for slow-moving and obsolete items.

**CARIB BREWERY (ST. KITTS & NEVIS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)
(continued)**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Returnable bottles and crates in circulation

The provision is based on the number of bottles and crates in circulation at the end of the financial year.

(f) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the date of the statement of financial position. The resulting profits and losses are dealt with in the statement of comprehensive income. There are no foreign currency borrowings.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand and at bank and short-term demand deposits with original maturity of three (3) months or less.

(h) Trade and Other Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for expected credit loss. The Company uses a provision matrix to calculate expected credit loss (ECL) for trade receivables.

(i) Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date that is the date on which the company commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)
(continued)**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(i) *Financial instruments (continued)*

Initial measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVPL) whereby transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at transaction price.

(i) *Recognition and measurement*

Subsequent measurement categories of financial assets and liabilities

The Company classifies all its financial assets based on the business model for managing the assets and the asset's contractual terms.

The Company classifies its financial assets at amortized cost except equity which is at fair value through profit and loss.

Amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and:
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Eastern Caribbean Dollars)
(continued)**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(i) *Financial instruments (continued)*

(ii) *Classification and measurement*

Financial assets at fair value through profit or loss

Financial assets in this category are those that are designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when the following criteria is met. Such designation is determined on an instrument-by - instrument basis:

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis, or

Financial assets at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Interest earned or incurred on instruments designated at FVPL is accrued in interest income, using the Effective Interest Rate (EIR), taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument.

(ii) *Impairment*

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss (ECL) model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Therefore, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Company records an allowance for expected credit losses for its trade receivables using a simplified approach to calculating ECLs whereby it recognizes a loss allowance based on lifetime ECLs at each reporting date. The ECL on these financial assets are estimated used a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The provision rates used in the provision matrix are based on days past due.

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)
(continued)****2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)****(i) Financial instruments (continued)****(iii) Impairment (continued)**

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If on the other hand the credit risk on a financial instrument has not increased significantly since initial recognition the Company recognizes the loss allowance for the financial instrument at an amount equal to 12-month ECL where applicable. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or actual default occurring.

Lifetime ECL represents the expected credit losses that will result for all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible with 12 months after the reporting date.

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial assets have occurred. Evidence that a financial asset is credit-impaired includes observable date about the following events:

- (i) Significant financial difficulty of the issuer or borrower.
- (ii) A breach of contract, such as a default or past due event.
- (iii) It is becoming probable that the borrower will enter in bankruptcy or other financial re-organization; and
- (iv) The disappearance of an active market for that financial asset because of financial difficulties

(iv) Write offs

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally when the Company determines that the borrower does not have assets or resources of income that would generate sufficient cash flows to repay the amount subject to the write-off.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)
(continued)**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(i) *Financial instruments (continued)*

(v) *Derecognition of financial assets*

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

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognized in profit or loss.

(vi) *Financial liabilities*

When financial liabilities are recognized, they are measured at fair value of the consideration given plus transactions costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortized cost using the effective interest rate.

Financial liabilities are derecognized when they are extinguished, that is when the obligation specified in the contract as discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration price is recognized in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)
(continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of estimated returns, rebates and discounts.

Revenue is recognized when the Company has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

(k) Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Transactions entered into with related parties in the normal course of business are carried out on commercial terms and conditions during the year.

(l) Income tax

The charge for the current year is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using the applicable tax rates for the period.

Deferred income tax is provided using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on the enacted tax rate at the statement of financial position date. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

(m) Stated capital

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)
(continued)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(n) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

(o) Provisions

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

(p) Dividends

Dividends that are proposed and declared during the period are accounted for as an appropriation of retained earnings in the statement of changes in equity.

(q) Finance charges

Finance charges are recognized in the statement of comprehensive income as an expense in the period in which they are incurred.

(r) Intangible assets

Amortization is charged to comprehensive income on a straight-line basis over the estimated useful lives of the intangible asset unless such lives are indefinite. Intangible assets with an indefinite useful life are tested for impairment annually. Other intangible assets are amortized from the date they are available for use. The useful lives are as follows:

Software costs – 5-10 years

Amortization periods and methods are reviewed annually and adjusted if appropriate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)
(continued)**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(s) Past service benefits liability

The Company provides past service benefits to their retirees. These benefits are unfunded. The entitlement to these benefits is based on the employees remaining in service up to retirement age and the completing of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for the defined benefits plan.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the company's reported assets, liabilities, revenues and expenses. The items which may have the most effect on these financial statements, are set out below.

i) Valuation of property

The Company utilizes professional valuers to determine the fair value of its plant and machinery. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumptions chosen.

ii) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Eastern Caribbean Dollars)
(continued)**

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (continued)

iii) Property, plant and equipment

Management exercises judgment in determining whether future economic benefits can be derived from expenditures to be capitalized and in estimating the useful lives and residual values of these assets.

iv) Provision for inventory obsolescence

Provision for obsolescence on inventory is based on the assessment of the physical condition of inventory and the levels of obsolete or unsaleable inventory items on hand.

4. OTHER INCOME

Other income comprises sundry sales, profit on the disposal of property, plant and equipment and interest income.

5. PROFIT FOR THE YEAR

This profit is stated after charging:

	2025	2024
Auditors' remuneration	70,000	70,000
Directors' fees and expenses	6,522	6,522
Depreciation	9,296,378	10,972,506
Amortization	94,306	94,425

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
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(continued)**

6. PROPERTY, PLANT AND EQUIPMENT	Land & Buildings at Cost	Plant & Machinery- At Cost/Valuation	Other Assets at Cost	Capital Work in Progress at Cost	Returnable Bottles and crates	Total
Balance at 1st January, 2024						
Cost/Valuation	7,773,506	47,281,268	6,730,905	837,729	37,230,757	99,854,165
Accumulated Depreciation	(4,243,521)	(36,264,746)	(4,695,832)	-	(26,647,845)	(71,851,944)
NET BOOK VALUE	<u>\$3,529,985</u>	<u>\$11,016,522</u>	<u>\$2,035,073</u>	<u>\$837,729</u>	<u>\$10,582,912</u>	<u>\$28,002,221</u>
For the year ended 31st December, 2024						
Opening book value	3,529,985	11,016,522	2,035,073	837,729	10,582,912	28,002,221
Additions for the year	-	-	-	2,542,595	8,136,836	10,679,431
Transfer	1,290,314	1,190,246	692,038	(3,172,598)	-	-
Disposal – Cost	-	(2,030,554)	(573,041)	-	(18,242,202)	(20,845,797)
Disposals -accumulative depreciation	-	2,030,554	573,041	-	18,242,202	20,845,797
Disposals for the year (NBV)	-	-	(22)	-	(5)	(27)
Depreciation charge for the year	(216,991)	(1,518,316)	(727,773)	-	(8,509,426)	(10,972,506)
NET BOOK VALUE	<u>\$4,603,308</u>	<u>\$10,688,452</u>	<u>\$1,999,316</u>	<u>\$207,726</u>	<u>\$10,210,317</u>	<u>\$27,709,119</u>
Balance at 31st December 2025						
Cost/Valuation	9,063,820	46,440,960	6,782,903	207,726	21,555,863	84,051,272
Accumulated Depreciation	(4,460,512)	(35,752,508)	(4,783,587)	-	(11,345,546)	(56,342,153)
NET BOOK VALUE	<u>\$4,603,308</u>	<u>\$10,688,452</u>	<u>\$1,999,316</u>	<u>\$207,726</u>	<u>\$10,210,317</u>	<u>\$27,709,119</u>
For the year ended 31st December, 2025						
Opening book value	4,603,308	10,688,452	1,999,316	207,726	10,210,317	27,709,119
Additions for the year	-	-	-	2,656,847	4,770,962	7,427,809
Transfer	797,600	465,061	1,097,334	(2,359,995)	-	-
Adjustment-cost	-	-	-	-	(9,354,344)	(9,354,344)
Adjustment – Accumulated depreciation	-	-	-	-	9,354,344	9,354,344
Depreciation charge for the year	(180,624)	(1,355,779)	(727,928)	-	(7,032,047)	(9,296,378)
NET BOOK VALUE	<u>\$5,220,284</u>	<u>\$9,797,734</u>	<u>\$2,368,722</u>	<u>\$504,578</u>	<u>\$7,949,232</u>	<u>\$25,840,550</u>
Balance at 31st December 2025						
Cost/Valuation	9,861,420	46,906,021	7,880,237	504,578	16,972,481	82,124,737
Accumulated Depreciation	(4,641,136)	(37,108,287)	(5,511,515)	-	(9,023,249)	(56,284,187)
NET BOOK VALUE	<u>\$5,220,284</u>	<u>\$9,797,734</u>	<u>\$2,368,722</u>	<u>\$504,578</u>	<u>\$7,949,232</u>	<u>\$25,840,550</u>

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)
(continued)**

7. INTANGIBLE ASSETS

	2025	2024
<i>Computer software:</i>		
Gross carrying amount – at beginning of year	1,574,507	1,574,507
Additions for the year	<u>98,284</u>	<u>-</u>
Gross carrying amount – at end of year	<u>1,672,791</u>	<u>1,574,507</u>
Accumulated amortization – at beginning of year	1,192,477	1,098,052
Current year amortization	<u>94,306</u>	<u>94,425</u>
Accumulated amortization – end of year	<u>1,286,783</u>	<u>1,192,477</u>
	<u>\$386,008</u>	<u>\$382,030</u>

8. DEFERRED TAX ASSETS

Balance at beginning of year	3,444,268	4,405,405
Deferred tax charge	<u>(920,099)</u>	<u>(961,137)</u>
Balance at end of year	<u>\$2,524,169</u>	<u>\$3,444,268</u>
Employee benefits	87,014	74,751
Un-utilized capital allowance	<u>2,437,155</u>	<u>3,369,517</u>
	<u>\$2,524,169</u>	<u>\$3,444,268</u>

9. INVESTMENT SECURITY

St. Kitts Development Limited:		
- 261 Ordinary shares of \$100 each	10,930	10,930
- 900 Preference shares of \$100 each	<u>29,318</u>	<u>29,318</u>
	<u>\$40,248</u>	<u>\$40,248</u>

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Eastern Caribbean Dollars)
(continued)**

9. INVESTMENT SECURITY (continued)

The only asset of St. Kitts Development Limited is land at Half Moon Bay and Muddy Pond located adjacent to Frigate Bay (prime tourist resort). The Company has the approval of the Government for the development of these lands for housing and tourism. The Company has commenced development of these lands.

The Director's opinion based on the current market value of lands of similar nature in the adjacent Frigate Bay Development and general land value in St. Kitts, is that the present value of the Company's lands exceeds their historical value quite considerably.

The fair value of the St. Kitts Development Limited shares was estimated at cost since insufficient information was available to measure fair value.

10. INVENTORIES

	2025	2024
Raw materials (including packaging)	4,821,479	3,717,010
Work-in-progress	1,355,468	1,942,112
Finished products – manufactured and imported	3,861,685	2,903,900
Consumables	<u>1,451,174</u>	<u>1,310,581</u>
Inventories net of provisions	11,489,806	9,873,603
Goods in transit	<u>2,000,954</u>	<u>4,234,655</u>
	<u>\$13,490,760</u>	<u>\$14,108,258</u>
Analysis of provision for impairment of inventory		
Balance at 1 st January, 2025	2,907,511	3,757,410
Charge for the year	514,579	380,736
Recoveries	<u>(698,837)</u>	<u>(1,230,635)</u>
Balance at 31 st December, 2025	<u>\$2,723,253</u>	<u>\$2,907,511</u>

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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(continued)

11. TRADE AND OTHER RECEIVABLES

	2025	2024
Trade receivables	2,016,408	1,951,643
Due from other related party	70,887	68,058
Less: expected credit loss on trade receivables	<u>(694,283)</u>	<u>(811,193)</u>
	1,393,012	1,208,508
Prepayment and other receivables (Net of expected credit loss)	<u>5,762,447</u>	<u>5,155,131</u>
	<u>\$7,155,459</u>	<u>\$6,363,639</u>

Aging analysis of trade receivable:

	Total	Neither past due nor impaired	<u>Past due but not impaired</u>	
			30 to 90 days	Over 90 days
31 st December, 2025	<u>\$1,393,012</u>	<u>\$986,480</u>	<u>\$377,508</u>	<u>\$29,024</u>
31 st December, 2024	<u>\$1,208,508</u>	<u>\$872,628</u>	<u>\$311,500</u>	<u>\$24,380</u>

Analysis of expected credit loss of trade and other receivables

	Trade	Other	2025	Total 2024
Balance at 1 st January, 2025	811,193	158,714	969,907	904,601
Charge for the year	237,429	4,370	241,799	394,347
Recoveries	<u>(354,339)</u>	<u>(1,347)</u>	<u>(355,686)</u>	<u>(329,041)</u>
Balance at 31 st December, 2025	<u>\$694,283</u>	<u>\$161,737</u>	<u>\$856,020</u>	<u>\$969,907</u>

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
(Expressed in Eastern Caribbean Dollars)
(continued)

11. TRADE AND OTHER RECEIVABLES (continued)

Rebate due from Government of St. Kitts-Nevis is included in the prepayments and other receivables. The carrying value of trade and other receivables approximates fair value. Credit quality of the customer is assessed based on regular monitoring of accounts receivables and actual incurred historical data. Customers credit risk is also managed by establishing defined limits based on the customer's ability to pay. Accounts receivable are unsecured.

12. RELATED PARTY TRANSACTIONS

The Company is a subsidiary of CDC (St. Kitts) Limited which owns a 51% interest in its share capital. The remaining 49% of the shares are widely held. The ultimate parent company is Ansa McAL Limited.

	2025	2024
(a) Year-end balances:		
Due from Group Companies:		
Ansa McAl Limited	-	4,500
Carib Brewery (Grenada) Limited	-	59,700
Carib Brewery Limited	366,955	1,527,680
Caribbean Development Company Limited	2,511,765	2,102,521
Carib Brewery USA	-	9,914
Ansa McAl (US) Inc	<u>59,906</u>	<u>-</u>
Total	<u>\$2,938,626</u>	<u>\$3,704,315</u>
Due to Group Companies:		
ANSA Chemicals	10,394	62,591
Ansa McAL Limited	128,702	33,988
Ansa McAL (US) Inc	-	1,318,348
Carib Glassworks Limited	203,712	174,611
Caribbean Development Company Limited	702,351	769,676
Carib Brewery USA	3,033	-
Carib Brewery (Grenada) Limited	806	-
Trinidad & Tobago Insurance Limited	<u>5,177</u>	<u>1,889</u>
	<u>\$1,054,175</u>	<u>\$2,361,103</u>

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
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(continued)

12. RELATED PARTY TRANSACTIONS (continued)

These balances are as a result of transactions incurred in the normal course of business and are unsecured. The Company has not made any allowance for expected credit loss in respect of related party debtors.

b) Other related parties

	2025	2024
a) Sales of goods	<u>\$447,447</u>	<u>\$441,863</u>
b) Payment of dividends	<u>\$1,485,135</u>	<u>\$660,060</u>
c) Purchase of goods	<u>\$3,338,932</u>	<u>\$3,161,119</u>

c) The following transactions were carried out with related parties during the year:

a) Sales of goods	<u>\$28,388,071</u>	<u>\$27,190,146</u>
b) Purchase of goods	<u>\$7,830,080</u>	<u>\$6,561,048</u>
c) Payment of dividends	<u>\$3,777,399</u>	<u>\$1,678,844</u>

ii) Compensation of key management personnel of the company:

Salaries and other benefits	<u>\$1,668,396</u>	<u>\$1,355,906</u>
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13. CASH AND CASH EQUIVALENTS

Cash on hand	655	760
Current accounts	<u>7,006,932</u>	<u>5,169,914</u>
	<u>\$7,007,587</u>	<u>\$5,170,674</u>

NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Eastern Caribbean Dollars)
(continued)

13. CASH AND CASH EQUIVALENTS (Continued)

Collateral for Banking Facilities

The Bank of Nevis:

Registered Demand First Mortgage Debenture creating a fixed first charge on all assets of the Company including uncalled capital and goodwill and a floating charge on all other assets stamp to secure \$3,850,000.00.

The above debenture ranks pari-passu with a debenture in favour of CIBC First Caribbean International Bank Limited, in the ratio of Barclays Bank EC\$1,700M and Royal Bank EC\$3,400M, as per agreement dated July 26,1991.

CIBC First Caribbean International Bank Limited:

Mortgage debenture registered and stamped for XCD\$2,400,000 giving the bank a 1st legal charge over the real property of the company, and a floating charge over the business assets. This debenture ranks pari-passu with the debenture held by the Bank of Nevis.

14. STATED CAPITAL

	2025	2024
Authorized		
- 15,000,000 ordinary shares of \$1 each	<u>\$15,000,000</u>	<u>\$15,000,000</u>
Fully paid Up		
- 8,200,000 ordinary shares of \$1 each	<u>\$8,200,000</u>	<u>\$8,200,000</u>

15. RESERVE

Capital Reserve – Surplus on Return on Investment:

During the year ended 31 December 2001, there was a full and final return on the investment in St. Kitts Tourism Development Company Limited in the amount of \$232,500. The Capital Reserve is made up as shown hereunder:

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. RESERVE (continued)

	2025	2024
Return on investments	232,500	232,500
Original cost of investment	(155,000)	(155,000)
Surplus on return on investment	<u>\$77,500</u>	<u>\$77,500</u>

16. PAST SERVICE BENEFIT LIABILITY
Changes in the present value of the Defined Benefit Obligation are:

Opening present value of Defined Benefit Obligation	299,005	302,211
Current service cost	14,356	16,032
Interest cost	17,946	18,437
Actuarial gains on obligation	<u>16,749</u>	<u>(37,676)</u>
Closing present value of Defined Benefits Obligation	<u>\$348,056</u>	<u>\$299,005</u>

The amount recognized in the Statement of Financial Position are as follows:

Present value of the Defined Benefits Obligation	<u>348,056</u>	<u>299,005</u>
Liability recognized in statement of financial position	<u>\$348,056</u>	<u>\$299,005</u>

The amounts recognized in profit or loss are as follows:

Current service cost	14,356	16,032
Net interest cost	<u>17,946</u>	<u>18,437</u>
Expense recognized in the profit or loss	<u>\$32,302</u>	<u>\$34,469</u>

The amounts recognized in other comprehensive income

Experience loss/(gains) – Demographic	16,749	(82,566)
Remeasurement gains/losses Financial	-	<u>44,890</u>
Total amount of actuarial gain recognized in other comprehensive income	<u>\$16,749</u>	<u>\$(37,676)</u>

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025
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(continued)**

17. DEFERRED TAX LIABILITY

	2025	2024
Balance at 1 st January, 2025	1,533,491	\$1,542,553
Deferred tax expense/(credit)	<u>28,462</u>	<u>(9,062)</u>
Balance at 31 st December, 2025	<u>\$1,561,953</u>	<u>\$1,533,491</u>
Deferred tax liability comprises:		
- Accelerated capital allowances	<u>\$1,561,953</u>	<u>\$1,533,491</u>

18. TRADE AND OTHER PAYABLES

Trade creditors	2,183,346	4,416,452
Due to other related parties	228,916	172,355
Other payables, provisions and accruals	<u>7,464,348</u>	<u>5,534,882</u>
	<u>\$9,876,610</u>	<u>\$10,123,689</u>

The carrying value of trade and other payables approximates their fair value.

19. TAXATION

(a) Statement of financial position

Balance at 31 December, 2025	<u>\$1,054,879</u>	<u>\$1,828,924</u>
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**NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

19. TAXATION (continued)

b. Charge in the statement of comprehensive income

The charge in the statement of comprehensive income comprised the following:

	2025	2024
Taxation charge against income	2,007,632	3,021,585
Taxation charge/(credit) against other comprehensive income	<u>4,187</u>	<u>(9,419)</u>
	<u>\$2,011,819</u>	<u>\$3,012,166</u>
Profit before taxation	8,974,794	9,311,340
Tax at applicable statutory rate 25%	2,243,699	2,327,835
Tax effect of expenses not deductible in determining taxable profits	(697,351)	(718,441)
Tax effects of non-taxable income	-	(18,750)
Additional taxes as per agreement	(491,469)	491,469
Tax effect re: Past service employee benefits	4,187	(9,419)
Deferred tax	952,749	942,657
Other	<u>4</u>	<u>(3,185)</u>
Taxation expense	<u>\$2,011,819</u>	<u>\$3,012,166</u>



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**NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

20. CAPITAL COMMITMENTS

The capital commitments at 31st December, 2025 were \$1,066,511.

21. CONTINGENT LIABILITIES

The Company's legal counsel has advised that at 31st December 2025, there was no pending and existing litigation against the Company.

22. DIVIDEND PAID

	2025	2024
2023: Final dividend paid - \$0.40	-	3,280,000
2024: Interim Dividend paid - \$0.30	2,460,000	-
2024: Final Dividend paid - \$0.30	2,460,000	-
2025: Interim Dividend paid - \$0.30	<u>2,460,000</u>	<u>-</u>
	<u>\$7,380,000</u>	<u>\$3,280,000</u>

23. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the year by the number of ordinary shares in issue during the year.

Net profit for the year after taxation	<u>\$6,967,162</u>	<u>\$6,289,755</u>
Number of shares in issue during the year	<u>8,200,000</u>	<u>8,200,000</u>
Basic earnings per share	<u>\$0.85</u>	<u>\$0.77</u>

**NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

24. OTHER INCOME

	2025	2024
Loss on disposal of property, plant and equipment	-	(27)
Dividend income	-	75,000
Tent rental and other income	<u>244,481</u>	<u>360,699</u>
	<u>\$244,481</u>	<u>\$435,672</u>

25. RISK MANAGEMENT

Risk is inherent in the Company’s activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The management of risk is important to the Company’s continuing profitability and each person is accountable for the risk exposures relating to their functions and responsibilities. The Company is exposed to credit risk, liquidity risk and market risk.

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Company in compliance with the policies approved by the Board of Directors.

(a) Credit risk:

Credit risk management

The Company has exposure to credit risk, which is the potential for loss due to debtors or counterparties failure to pay amounts when due. Credit risk is the most important risk for the Group’s business therefore management carefully manages its exposure to it. Credit risk exposures arise principally from the Company’s receivables and financial transactions. The Company extends credit to recognized, creditworthy third parties who are subject to a credit verification process.

Significant changes in the economy, or in the state of a particular industry segment that represent a concentration of the Company’s customer base, could result in losses that are different from those provided at the date of the statement of financial position.

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**NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

25. RISK MANAGEMENT (continued)

(a) Credit risk: (continued)

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Executive Committee has established a credit policy under which each customer is analyzed individually for creditworthiness prior to the Company offering them a credit facility. Credit limits are assigned to each customer, which represents the maximum credit allowable without approval from the Board of Directors. The Company has procedures in place to restrict customers' orders if the order will exceed their credit limits. Customers that fail to meet the Company's benchmark creditworthiness can only trade with the Company on a cash basis.

Credit risk management

Customer credit risk is monitored according to their credit characteristics such as whether it is an individual or company, types of industry, aging profile and previous financial difficulties. The Company's credit period is thirty (30) days. Trade receivables over one hundred and eighty (180) days are fully provided for.

The following table shows the maximum exposure to credit risk for the components of the statement of financial position.

	Gross Maximum Exposure	
	2025	2024
Investment security	40,248	40,248
Trade and other receivables	7,155,459	6,363,639
Due from Group Companies	2,938,626	3,704,315
Cash and cash equivalents	<u>7,007,587</u>	<u>5,170,674</u>
	<u>\$17,141,920</u>	<u>\$15,278,876</u>

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(Expressed in Eastern Caribbean Dollars)
(continued)**

25. RISK MANAGEMENT (continued)

(a) Credit risk: (continued)

Set out below is the information about the credit risk exposure on the Company's trade receivables.

	Current	31-90 days	90-180 days	Over 180 days	Total
December 31st 2025					
Expected credit loss rate	1%	5%	20%	100%	
Gross carrying amount	947,815	383,184	27,912	657,497	2,016,408
Expected credit loss booked	<u>(12,045)</u>	<u>(19,159)</u>	<u>(5,582)</u>	<u>(657,497)</u>	<u>(694,283)</u>
Net carrying amount	<u>\$935,770</u>	<u>\$364,025</u>	<u>\$22,330</u>	<u>\$ -</u>	<u>\$1,322,125</u>
	Current	31-90 days	90-180 days	Over 180 days	Total
December 31st 2024					
Expected credit loss rate	1%	5%	20%	100%	
Gross carrying amount	881,710	256,768	30,475	782,690	1,951,643
Expected credit loss booked	<u>(9,569)</u>	<u>(12,839)</u>	<u>(6,095)</u>	<u>(782,690)</u>	<u>(811,193)</u>
Net carrying amount	<u>\$872,141</u>	<u>\$243,929</u>	<u>\$24,380</u>	<u>\$ -</u>	<u>\$1,140,450</u>

(b) Fair values:

Fair value of the financial assets and liabilities represents the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of cash and cash equivalents, trade and other receivable, due from Group Companies, trade and other payables and due to Group Companies approximate their carrying amounts due to the short-term maturities of these instruments.

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Eastern Caribbean Dollars)
(continued)**

25. RISK MANAGEMENT (continued)

(a) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Company monitors its liquidity risk by considering the maturity of its financial investments, financial assets and projected cash flow from operations. Where possible the Company utilizes surplus internal funds to finance its operations on on-going projects.

Liquidity risk management process:

The Company's liquidity management process includes:

1. Monitoring liquidity on a daily basis and further cash flows on a monthly basis.
2. Maintaining a portfolio of cash investments with staggered maturity dates that can be easily terminated if required.
3. Maintaining committed lines of credit.
4. Maximizing cash returns on investment.

The table below summaries the maturity profile of the Company's financial liabilities at 31st December, 2025 based on contractual undiscounted payments.

	On Demand	< 1 year	Total
Trade and other payables	9,876,610	-	9,876,610
Provision for repayments of deposits on cases	2,330,834	-	2,330,834
Due to Group Companies	<u>-</u>	<u>1,054,175</u>	<u>1,054,175</u>
Balance at 31st December, 2025	<u>\$12,207,444</u>	<u>\$1,054,175</u>	<u>\$13,261,619</u>
Trade and other payables	10,123,689	-	10,123,689
Provision for repayments of deposits on cases	1,871,767	-	1,871,767
Due to Group Companies	<u>-</u>	<u>2,361,103</u>	<u>2,361,103</u>
Balance at 31st December 2024	<u>\$11,995,456</u>	<u>\$2,361,103</u>	<u>\$14,356,559</u>

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Eastern Caribbean Dollars)
(continued)**

25. RISK MANAGEMENT (continued)

Market risk

The Company takes on exposure to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. There have been no changes to the Company's exposure to market risks or the manner in which it manages and measures the risk from the previous years.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rate. Since the Company holds primarily fixed rate financial instruments and also has no significant interest-bearing assets or liabilities, its income and operating cash flows are substantially independent of changes in market interest rates.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases in currencies other than the Company's functional currency. Management monitors its exposure to foreign currency fluctuation and employs appropriate strategies to mitigate any potential losses. The Company operates primarily in The Eastern Caribbean; although some of these transactions are in United States Dollars, the currency risk exposures are minimal due to the fact that the Eastern Caribbean dollar is pegged to the United States Dollar. The Company is also exposed to a minimal amount of currency risks from transactions conducted in Euro, Pounds Sterling and Trinidad and Tobago and Guyana Dollars.

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Eastern Caribbean Dollars)
(continued)**

25. RISK MANAGEMENT (continued)

(b) Currency risk:

The aggregate value of financial assets and liabilities by reporting currency are as follows:

2025	US\$	EC\$	BDS	GBPS	EURO€	Total
Current Assets						
Cash and cash equivalents	4,788,824	2,218,763	-	-	-	7,007,587
Trade and other receivables	104,135	5,663,077	-	-	-	5,767,212
Due from Group Companies	2,938,626	-	-	-	-	2,938,626
Investment security	<u>-</u>	<u>40,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,248</u>
	<u>\$7,831,585</u>	<u>\$7,922,088</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$15,753,673</u>
Current liabilities						
Trade and other payables	1,597,838	7,972,198	-	3,017	-	9,573,053
Provision for repayment of deposits on cases	-	2,330,834	-	-	-	2,330,834
Due to Group Companies	<u>1,053,370</u>	<u>805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,054,175</u>
	<u>\$2,651,208</u>	<u>\$10,303,837</u>	<u>\$-</u>	<u>\$3,017</u>	<u>\$-</u>	<u>\$12,958,062</u>
Net currency risk exposure	<u>5,180,377</u>	<u>\$(2,381,749)</u>	<u>\$-</u>	<u>\$(3017)</u>	<u>\$-</u>	<u>\$2,795,611</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Eastern Caribbean Dollars)
(continued)**

25. RISK MANAGEMENT (continued)

(b) Currency risk:

The aggregate value of financial assets and liabilities by reporting currency are as follows:

	US\$	EC\$	BDS	GBPS	EURO€	Total
2024						
Current Assets						
Cash and cash equivalents	1,598,605	3,572,069	-	-	-	5,170,674
Trade and other receivables	-	5,606,814	-	-	-	5,606,814
Due from Group Companies	3,704,315	-	-	-	-	3,704,315
Investment security	<u>-</u>	<u>40,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,248</u>
	<u>\$5,302,920</u>	<u>\$9,219,131</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$14,522,051</u>
Current liabilities						
Trade and other payable	3,113,382	6,157,515	-	-	9,818	9,280,715
Provision for repayment of deposits on cases	-	1,871,767	-	-	-	1,871,767
Due to Group Companies	<u>2,361,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,361,103</u>
	<u>\$5,474,485</u>	<u>\$8,029,282</u>	<u>\$-</u>	<u>\$-</u>	<u>\$9,818</u>	<u>\$13,513,585</u>
Net currency risk exposure	<u>\$(171,565)</u>	<u>\$1,189,849</u>	<u>\$-</u>	<u>\$-</u>	<u>\$(9,818)</u>	<u>\$1,008,466</u>

**NOTES TO THE FINANCIAL STATEMENTS
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(continued)**

26. COMPARATIVE FIGURES

Certain of the 2024 comparative figures have been reclassified to conform to the current year's financial statements presentation. These changes have no impact on the surplus reported for the previous year.

CARIB BREWERY (ST. KITTS & NEVIS) LIMITED



**ADMINISTRATIVE, MARKETING AND DISTRIBUTION EXPENSES
FOR THE YEAR ENDED 31ST DECEMBER, 2025
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(continued)**

SCHEDULE I

ADMINISTRATIVE EXPENSES

	2025	2024
Staff costs	2,375,078	2,229,707
Communication, software and IT fees	517,979	388,762
Depreciation	279,206	296,052
Directors fee	6,522	6,522
Equipment rental	15,904	14,943
Insurance	27,462	23,622
Management charges to Head Office	217,998	226,800
Other	705,398	717,411
Repairs, maintenance and vehicle expenses	33,418	42,567
Security	289,207	208,154
Bank charges and exchange loss	<u>369,332</u>	<u>349,156</u>
	<u>\$4,837,504</u>	<u>\$4,503,696</u>

SCHEDULE II

MARKETING AND DISTRIBUTION EXPENSES

Staff cost	2,035,232	2,390,646
Advertising	1,399,702	1,424,389
Credit loss (recovery)/expense	(113,887)	65,306
Depreciation	389,194	377,036
Export cost	216,066	230,590
Insurance	110,531	91,811
Other	576,966	794,605
Rent	159,730	159,730
Repairs, maintenance and vehicle expense	321,379	402,359
Security	<u>168,248</u>	<u>233,738</u>
	<u>\$5,263,161</u>	<u>\$6,170,210</u>