



BANKS DIH LIMITED & ITS SUBSIDIARIES



Interim Financial Report
for the half year ended 31 March, 2022

PLATFORMS TO SUCCESS

BANKS DIH LIMITED AND ITS SUBSIDIARIES **INTERIM FINANCIAL STATEMENTS** **FOR THE HALF YEAR ENDED 31 MARCH 2022**

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Platforms to Success



INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 MARCH 2022



Chairman/Managing Director
Mr. Clifford B. Reis C.C.H

Chairman's Report

On behalf of the Board of Directors of Banks DIH Limited, I am pleased to present the Group's Operating and Financial results for the first half of the Financial Year 2022.

The Group's third party revenue for the six month period ended 31 March 2022 was \$21.873 Billion compared to \$19.759 Billion for the corresponding period in 2021, an increase of \$2.114 Billion or 10.7%.

The unaudited Profit before Taxation for the Group for the six months ended 31 March

2022 was \$4.782 Billion as compared to \$3.999 Billion in 2021, an increase of \$783 Million or 19.6%.

Revenue generated by the Company was \$19.568 Billion compared to \$17.868 Billion in 2021, an increase of \$1.700 Billion or 9.5%.

The unaudited Operating Profit before Taxation for the Company was \$3.646 Billion compared to \$3.262 Billion in 2021, an increase of \$384 Million or 11.8%, while the unaudited Profit after Taxation was \$2.533 Billion compared to \$2.275 Billion in 2021, an increase of \$258 Million or 11.3%.

My Fellow Shareholders, the Company delivered enhanced results in the first half year of 2022 due to revenue growth derived from the increase in physical sales of our Beverage and Food products and Restaurant operations, as well as continuous efficiencies from our production capabilities and management of operational expenses.

The capital expenditure programme saw the acquisition of new Trucks, Display Coolers, Freezers, Dispensers and Draught Beer Cylinders to enhance our marketing and distribution infrastructure. There was also the replacement of equipment across the Company which included Power Generation/Supply, Refrigeration, Security Cameras and Computer equipment. In the second half year, work will continue on the Syrup Room upgrade, the new Water Bottling Plant, the new Malt and Rice Mill, as well as a new Centrifuge System for the Brewery.

Banks Automotive and Services Inc., a 100% owned subsidiary of the Company generated revenue of \$25.8 Million compared to \$19.5 Million in 2021, increasing by \$6.3 Million or 32%. Profit after taxation was \$1.6 million compared to \$1.1 Million in 2021, an increase of \$0.5 Million or 45%.



INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 MARCH 2022

Chairman's Report Cont'd

My Fellow Shareholders, for the first six months the upgraded certification of the Food Safety Management System (FSSC Version 5.1) was completed for the Soft Drink and Dairy Plants as well as the Carbon Dioxide (CO₂) Plant. In addition, the Company maintained the number one position for the Coca Cola Quality, Safety and Environmental Requirement (QSE).

Citizens Bank Guyana Inc., a 51% owned subsidiary of the Company, recorded an unaudited Profit after Taxation for the period ended 31 March 2022 of \$722.2 Million compared to \$478.4 Million achieved in 2021, resulting in an increase of \$243.8 Million or 51%.

The remaining six months of the financial year for Citizens Bank is not expected to be without challenges. We are however optimistic that our strategies will result in a satisfactory performance that will result in increased shareholder value.

I am pleased to report that a Distribution Agreement was signed between Diageo Brands BV, R&A Bailey and Banks DIH Limited, giving our Company the sole right to distribute Johnnie Walker Scotch Whisky, Ciroc Vodkas, Zacapa Centenario Rums and Baileys Liqueur.

The Directors have approved an interim dividend of \$0.40 per share unit to all shareholders whose names appear on the share register as at 17 May 2022. The cost of this dividend payment will be \$340 Million.

My Fellow Shareholders, the mitigation of the effects of the Coronavirus Pandemic (COVID-19) has assisted the Company to cope with the many challenges that arose therefrom. However, the supply chain will continue to be disrupted as a result of the Geopolitical crisis in Europe. Prices of key raw material and supplies will continue to rise which will affect our profitability. We are confident that we will rise above the challenges ahead and will report improved results, in the second half of Financial Year 2022.


I will take this opportunity to thank my fellow Directors for their support and advice, as well as the Executive Board and to express my sincere appreciation to all our dedicated Shareholders, Employees, Suppliers and Customers for their continued confidence in the Group during the period.

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Clifford B. Reis, CCH
17 May 2022


CONSOLIDATED STATEMENT OF FINANCIAL POSITION **31 MARCH 2022**

Thousands of Guyana Dollars	Unaudited as at 31 March 2022	Unaudited as at 31 March 2021	Audited as at 30 September 2021
ASSETS			
Non-current assets			
Property, plant and equipment	30,412,799	28,139,745	28,994,587
Investment securities	3,657,065	2,325,147	2,970,085
Loans and advances	26,355,397	26,157,281	26,750,035
Others	470,839	374,035	387,226
	60,896,100	56,996,208	59,101,933
Current assets			
Inventories	8,988,386	6,640,557	7,566,807
Receivables and prepayments	2,721,428	2,623,921	1,630,083
Loans and advances	7,674,055	6,146,839	7,051,004
Investment securities	23,664,762	7,763,492	8,922,108
Cash resources	24,072,388	31,291,051	35,690,255
Other	191,232	143,505	191,232
	67,312,251	54,609,365	61,051,489
TOTAL ASSETS	128,208,351	111,605,573	120,153,422
EQUITY AND LIABILITIES			
Capital & reserves			
Share capital	2,009,889	2,009,889	2,009,889
Reserves	50,643,564	43,016,755	48,024,310
	52,653,453	45,026,644	50,034,199
Non-controlling interest	5,660,965	5,126,338	5,382,878
	58,314,418	50,152,982	55,417,077
Non-current liabilities			
Customers' deposits	481,440	537,712	482,981
Deferred Taxation	2,231,664	2,386,086	2,230,335
Provision for employee benefits	488,080	459,143	527,457
	3,201,184	3,382,941	3,240,773
Current liabilities			
Payables and accruals	8,066,026	7,020,839	5,959,365
Customers' deposits	56,315,709	49,456,175	53,650,757
Other	2,311,014	1,592,636	1,885,450
	66,692,749	58,069,650	61,495,572
TOTAL EQUITY AND LIABILITIES	128,208,351	111,605,573	120,153,422

On behalf of the Board of Directors:


 CLIFFORD B. REIS C.C.H.
 CHAIRMAN

DIRECTORS


 ROY E. CHEONG A.A.
 VICE CHAIRMAN

**CONSOLIDATED STATEMENT OF INCOME
FOR THE HALF YEAR ENDED 31 MARCH 2022**

Thousands of Guyana Dollars	Unaudited Half year ended 31 March 2022	Unaudited Half year ended 31 March 2021	Audited Year ended 30 September 2021
REVENUE	21,872,666	19,759,021	39,807,188
PROFIT BEFORE TAXATION	4,782,381	3,998,948	11,077,642
Taxation	(1,608,507)	(1,317,168)	(3,390,003)
PROFIT AFTER TAXATION	3,173,874	2,681,780	7,687,639
NET PROFIT ATTRIBUTABLE TO:			
Equity holders of the parent	2,819,995	2,447,351	7,170,434
Non-controlling interest	353,879	234,429	517,205
	3,173,874	2,681,780	7,687,639
EARNINGS PER SHARE	3.32 Dollar	2.88 Dollar	8.44 Dollar

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 MARCH 2022**

Thousands of Guyana Dollars	Unaudited Half year ended 31 March 2022	Unaudited Half year ended 31 March 2021	Audited Year ended 30 September 2021
PROFIT AFTER TAXATION	3,173,874	2,681,780	7,687,639
<i>Items that will not be reclassified to profit and loss:</i>			
Remeasurement of provision for employee benefits, net of tax	0	(54,278)	(63,348)
Fair value gains on equity investments designated as FVOCI	989,065	279,226	678,944
Deferred tax credit relating to revaluation of property arising from change in tax legislation	0	0	148,781
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	989,065	224,948	764,377
TOTAL COMPREHENSIVE INCOME	4,162,939	2,906,728	8,452,016
TOTAL COMPREHENSIVE INCOME ATTRIBUTE TO:			
Equity holders of the parent	3,809,060	2,672,299	7,934,811
Non-controlling interest	353,879	234,429	517,205
	4,162,939	2,906,728	8,452,016

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 MARCH 2022

Thousands of Guyana Dollars

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				
	Share Capital	Retained Earnings	Other Reserves	Non- controlling Interest	Total
Half year ended 31 March 2021					
Balance as at beginning of period	2,009,889	31,907,420	9,329,391	4,957,498	48,204,198
Net profit for the period	0	2,447,351	0	234,429	2,681,780
Other comprehensive income	0	(54,278)	279,226	0	224,948
Dividends paid	0	(892,355)	0	(65,589)	(957,944)
Balance as at end of period	2,009,889	33,408,138	9,608,617	5,126,338	50,152,982
Year ended 30 September 2021					
Balance as at beginning of year	2,009,889	31,907,420	9,329,391	4,957,498	48,204,198
Net profit for the year	0	7,170,434	0	517,205	7,687,639
Other comprehensive income	0	(63,348)	827,725	0	764,377
Transfers	0	(71,036)	71,036	0	0
Dividends paid	0	(1,147,312)	0	(91,825)	(1,239,137)
Balance as at end of year	2,009,889	37,796,158	10,228,152	5,382,878	55,417,077
Half year ended 31 March 2022					
Balance as at beginning of period	2,009,889	37,796,158	10,228,152	5,382,878	55,417,077
Net profit for the period	0	2,819,995	0	353,879	3,173,874
Other comprehensive income	0	0	989,065	0	989,065
Dividends paid	0	(1,189,806)	0	(75,792)	(1,265,598)
Balance as at end of period	2,009,889	39,426,347	11,217,217	5,660,965	58,314,418

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 MARCH 2022**

Thousands of Guyana Dollars	Unaudited Half year ended 31 March 2022	Unaudited Half year ended 31 March 2021	Audited Year ended 30 September 2021
Profit before taxation	4,782,381	3,998,948	11,077,642
Adjustments for other non-cash items	1,873,100	1,722,563	3,760,752
Increase in operating assets	(3,830,803)	(3,187,924)	(5,437,630)
Increase in operating liabilities	4,770,072	11,677,645	14,756,022
Movement to defined benefit obligations	42,266	(59,262)	(52,764)
Taxes paid	(1,183,010)	(1,051,610)	(2,896,861)
Net Cash Inflow - Operating Activities	6,454,006	13,100,360	21,207,161
Purchase of property, plant and equipment	(2,517,698)	(2,402,000)	(5,129,042)
Purchases of investment securities	(17,569,144)	(6,767,572)	(9,160,769)
Disposals/maturities of investment securities	3,128,575	6,519,239	7,489,482
Others	21,930	24,046	122,191
Net Cash Outflow - Investing Activities	(16,936,337)	(2,626,287)	(6,678,138)
Dividends paid to shareholders	(1,189,806)	(892,355)	(1,147,312)
Dividends paid to non-controlling interest	(75,792)	(65,589)	(91,825)
Net Cash Outflow - Financing Activities	(1,265,598)	(957,944)	(1,239,137)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(11,747,929)	9,516,129	13,289,886
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	28,907,242	15,617,356	15,617,356
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	17,159,313	25,133,485	28,907,242
CASH AND CASH EQUIVALENTS COMPRISE:			
Unrestricted cash resources	17,159,313	25,133,485	28,907,242

NOTES TO THE INTERIM FINANCIAL STATEMENTS
31 MARCH 2022

Thousands of Guyana Dollars

1. BASIS OF PREPARATION

These interim financial statements comply with the provisions of the Securities Industry Act 1998 and should be read in conjunction with the annual financial statements for the year ended 30 September 2021, which were prepared in accordance with International Financial Reporting Standards.

2. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 September 2021, as described in those financial statements.

There are some changes to IFRSs that are applicable for this financial year but these are not expected to have a significant impact on the Group's financial reporting.

3. TAXATION

Taxation is based on the actual results for the period, adjusted for the provisions of the applicable tax legislation, and includes an allowance for deferred taxation. Deferred taxation is computed using the liability method for all temporary differences arising between the tax bases of the assets and liabilities and their carrying values for the financial reporting purposes.

4. INTRA-GROUP OBLIGATIONS

As at 31 March 2022, Banks DIH Limited had obligations due to its subsidiary, Citizens Bank Guyana Inc., comprising of guarantees of \$85,400 (2021 - guarantees of \$102,351).

5. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders of Banks DIH Limited as at 31 March 2022 were:

**Ordinary Shares
Of No Par Value**

Demerara Life Group of Companies	96,931,679
Trust Company Guyana Limited	70,426,113
Banks Holdings Limited	50,046,155
Hand-In-Hand Group of Companies	46,631,451

A substantial shareholder is defined as a person or entity entitled to exercise, or control the exercise of, five percent (5%) or more of the voting power at any general meeting.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

31 MARCH 2022

Thousands of Guyana Dollars

6. SEGMENT INFORMATION

	Beverages	Commercial Banking	All Other Segments	Net of Consolidation Eliminations	Total
Unaudited					
Half year ended 31 March 2022					
Revenue	18,208,310	2,291,714	1,385,407	(12,765)	21,872,666
Profit before taxation	3,426,024	1,216,224	198,212	(82,859)	4,757,601
Total assets	45,573,989	85,420,513	9,186,136	(16,290,856)	123,889,782
Total liabilities	6,565,863	73,580,342	97,445	(15,380,475)	64,863,175

Unaudited **Half year ended 31 March 2021**

Revenue	16,801,549	1,871,814	1,085,658	0	19,759,021
Profit before taxation	3,022,936	808,112	113,318	30,537	3,974,903
Total assets	43,112,397	75,508,367	4,957,680	(14,814,990)	108,763,454
Total Liabilities	5,890,648	65,046,451	29,956	(13,952,329)	57,014,726

Reconciliation of profit before taxation for reportable segments to total profit before tax is as follows:

	31 March 2022	31 March 2021
Profit before taxation for reportable segments	4,757,601	3,974,903
Income from investment securities	21,586	20,355
Net finance income	3,194	3,690
Total profit before taxation	4,782,381	3,998,948

Reconciliation of reportable segments' assets to total assets is as follows:

	31 March 2022	31 March 2021
Total segment assets	123,889,782	108,763,454
Investment securities	3,657,065	2,325,147
Taxation (including deferred taxation)	338,307	252,771
Provision for employee benefits	323,197	264,201
Total assets	128,208,351	111,605,573

Reconciliation of reportable segments' liabilities to total liabilities is as follows:

	31 March 2022	31 March 2021
Total segment liabilities	64,863,175	57,014,726
Provision for employee benefits	488,080	459,143
Taxation (including deferred taxation)	4,542,678	3,978,722
Total liabilities	69,893,933	61,452,591

7. REVENUE

	31 March 2022	31 March 2021
Sales of beverages	18,208,310	16,801,549
Commercial banking income	2,291,714	1,871,814
Sales of food items	1,341,196	1,047,206
Hotel and laundry services income	18,424	18,905
Automotive unit sales and after-sales services	13,022	19,547
Total Revenue	21,872,666	19,759,021

NOTES TO THE INTERIM FINANCIAL STATEMENTS

31 MARCH 2022

Thousands of Guyana Dollars

8. MATERIAL CONTRACTS

At no time during the period was any Director of Banks DIH Limited materially interested in any contract which was significant to the Company's business.

9. DIVIDENDS

Dividends in respect of 2022 totalling \$1.40 per share were paid in the period while for the comparative half year, dividends in respect of 2021 totalling \$1.05 per share were paid. An interim dividend of \$0.40 per share has been proposed by the Board of Directors (March 2021 - \$0.30 per share).

10. DIRECTORS' INTERESTS

The interests of the Directors holding office during the period in the ordinary shares of Banks DIH Limited and its subsidiaries were:

Banks DIH Limited	Ordinary Shares Of No Par Value		
	Beneficial	Non Beneficial	Associates' Beneficial Interest
C.B. Reis	636,635	0	2,022,865
R.E. Cheong	562,500	0	293,985
R.G. Burch-Smith	62,272	0	0
F.S. Parris	1,000	0	0
D.B. Stoute	0	0	0
M.J. DeSantos	2,465	0	0
G.G. McDonald	656,353	0	0
P.A. Carto	612,862	0	612,861
M.S. Hussein	610,180	0	0
G.C. Todd	490,987	0	0
A. Cameron	2,800	0	0

Citizens Banks Guyana Inc.	Ordinary Shares Of No Par Value		
	Beneficial	Non Beneficial	Associates' Beneficial Interest
C.B. Reis	0	0	125,000
R.E. Cheong	0	0	31,250
F.S. Parris	6,250	0	0

No Director of Banks DIH Limited has any beneficial interest in shares issued by Caribanks Shipping Company Limited. Mr. Clifford Reis has one share in Banks Automotive and Services Inc. as a nominee shareholder.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

31 MARCH 2022

Thousands of Guyana Dollars

11. FAIR VALUE ESTIMATION

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for assets or liabilities that are not based on observable market data (that is, unobservable inputs).

	Level 1	Level 2	Level 3	Total
Half year ended 31 March 2022				
Assets				
Freehold properties	0	12,190,347	0	12,190,347
Investment securities (FVPL and FVOCI)	300,500	3,488,208	572	3,789,280
	<u>300,500</u>	<u>15,678,555</u>	<u>572</u>	<u>15,979,627</u>

Half year ended 31 March 2021

Assets				
Freehold properties	0	12,190,347	0	12,190,347
Investment securities (FVPL and FVOCI)	253,595	2,099,428	572	2,353,595
	<u>253,595</u>	<u>14,289,775</u>	<u>572</u>	<u>14,543,942</u>

The valuation of freehold properties has been derived by reference to the current market value in the case of land, and the replacement cost in the case of buildings. The most significant input for these valuation approaches is the value or replacement cost per square foot.

NOTES

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Thirst Park, Georgetown, P.O. Box 10194
Tel: 592-225-0910