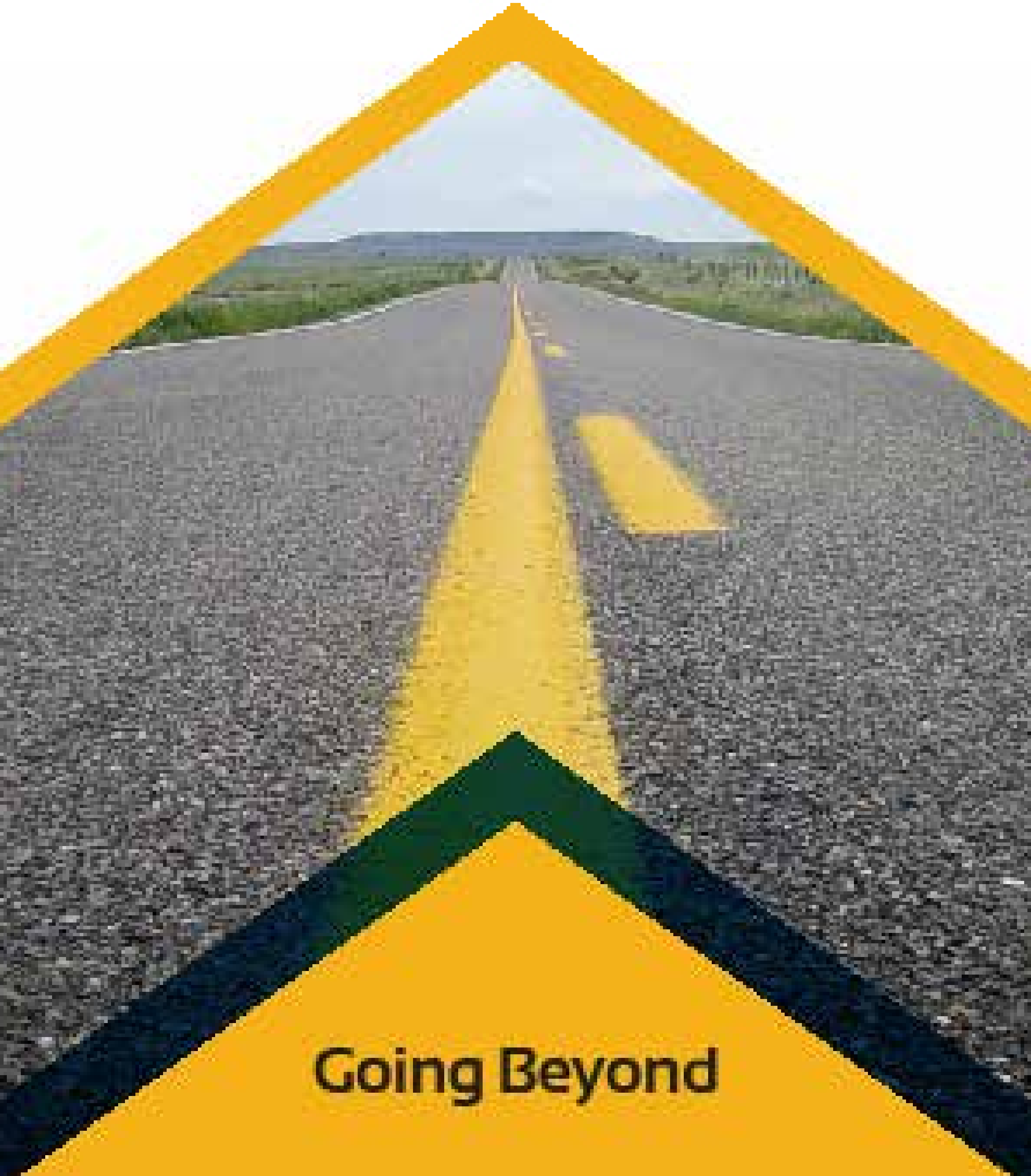
DEMERARA TOBACCO

2014 ANNUAL REPORT

DEMERARA TOBACCO



Our endeavor is to go beyond as we move this business forward amidst the economic, social, political and regulatory challenges.

Our resilience will be demonstrated by having a focused brand portfolio to ensure strategic alignment and long term sustainability.

Our efforts will continue toward product superiority through clear consumer and business benefits, opportunities mapping and recommendations across the entire supply chain.

Another focus area will be an effective Trade Marketing and Distribution platform where we will be Fit for Purpose through strategic execution to facilitate growth and provide sustainability through efficiencies.

As a response to proposed regulation and consumer trends, evolution of new generation products will support the delivery of unique consumer moments.

We will continue the drive toward portfolio optimisation by strengthening our flagship brand, Bristol, through an optimized and consumer-centric portfolio.

Our Business Principles

Our Business Principles cover the key issues that we believe underpin Corporate Social Responsiblitiy (CSR) for the unique characteristics of a tobacco business. Together, these three principles form the basis on which we expect our business to be run in terms of responsibility.

The Principle of Mutual Benefit

This Principle is the basis on which we build relationships with our stakeholders. We are primarily in business to build long-term shareholder value and we believe the best way to do this is to seek to understand and take account of the needs of all our stakeholders.

The Principle of Responsible Product Stewardship

This Principle is the basis on which we meet consumer demand for a legal product that is generally accepted as a cause of serious diseases. Therefore, our products and brands should be developed, manufactured and marketed in a responsible manner.

The Principle of Good Corporate Conduct

This Principle is the basis on which our business should be managed. Business success brings with it an obligation for high standards of behavior and integrity in everything we do and wherever we operate. These standards should not be compromised for the sake of results.

Demerara Tobacco

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Corporate Information

Chairman
Amanda Cavill de Zavaley

Directors
Chandradat Chintamani
Charles Quintin
Oscar Quesada
Maurlain Kirton

Secretary
Carol Liverpool

Registered Office
90 Carmichael Street
South Cummingsburg
Georgetown

Attorney-At-Law
Cameron & Shepherd
2 Avenue of Republic
Georgetown

Auditors
Jack A Alli, Sons & Co.
Chartered Accountants
145 Crown Street
Queenstown
Georgetown

Bankers
Guyana Bank for Trade & Industry Limited
138 Regent Street
Lacytown
Georgetown

Republic Bank (Guyana) Limited
38-40 Water Street
Robbstown
Georgetown

Registrar
Trust Company (Guyana) Limited
230 Camp Street & South Road
Georgetown

DEMERARA TOBACCO

Notice of Meeting

Carol Liverpool
Secretary

Notice is hereby given that the 81st Annual General Meeting of the Demerara Tobacco Company Limited will be held at the **Pegasus Hotel, Seawall Road, Kingston, Georgetown** on **10 April 2015** at 4.00 p.m. for the transaction of the following business:

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon.

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

   "THAT THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON BE AND ARE HEREBY APPROVED."

Notice of Meeting (continued)

3. To consider the declaration of a Final Dividend of $10.95 per share by the Board in addition to the four (4) Interim Dividends totalling $61.34 per share already declared and paid by the board and (if thought fit) pass the following resolution:

   "THAT THE FOUR (4) INTERIM DIVIDENDS TOTALLING $61.34 ALREADY PAID BE CONFIRMED, AND THAT A FINAL DIVIDEND OF $10.95 PER SHARE AS RECOMMENDED BY THE BOARD FOR THE YEAR ENDED 31 DECEMBER 2014 BE APPROVED AND PAID TO THOSE SHAREHOLDERS ON THE COMPANY'S SHARE REGISTER AT THE CLOSE OF BUSINESS ON 10 APRIL 2015."

4. To elect Director:
   To propose and (if thought fit) pass the under mentioned resolution:

   "THAT MR. OSCAR QUESADA, WHO WAS APPOINTED UNDER BY-LAW 18 (7) OF THE COMPANY'S BY-LAWS AS A DIRECTOR OF THE COMPANY, BE AND IS HEREBY ELECTED AS A DIRECTOR"

5. To re-elect Directors:
   To propose and (if thought fit) pass the under mentioned resolutions:

   5.1 "THAT MRS AMANDA CAVILL DE ZAVALEY, WHO RETIRES IN ACCORDANCE WITH BY-LAW 18 (1) OF THE COMPANY'S BY-LAWS AS A DIRECTOR OF THE COMPANY, BE AND IS HEREBY RE-ELECTED AS A DIRECTOR "

   5.2 "THAT MR CHANDRADAT CHINTAMANI, WHO RETIRES IN ACCORDANCE WITH BY-LAW 18 (1) OF THE COMPANY'S BY-LAWS AS A DIRECTOR OF THE COMPANY, BE AND IS HEREBY RE-ELECTED AS A DIRECTOR"

6. To fix the remuneration of the Directors.
   To consider and (if thought fit) pass the following resolution:

   "THAT IN ACCORDANCE WITH BY-LAW 16 OF THE COMPANY'S BY-LAWS, THE ANNUAL REMUNERATION OF THE NON-EXECUTIVE DIRECTOR BE FIXED AT $550,000."

7. To appoint auditors
   To consider and (if thought fit) pass the following resolution:

   "THAT JACK A. ALLI, SONS & CO BE AND ARE HEREBY APPOINTED AUDITORS FOR THE PERIOD ENDING WITH THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING."

8. To fix the remuneration of auditors.
   To consider and (if thought fit) pass the following resolution:

   "THAT THE DIRECTORS ARE HEREBY AUTHORISED TO FIX THE REMUNERATION OF THE AUDITORS AT A SUM TO BE AGREED."

BY ORDER OF THE BOARD

Carol Liverpool
Secretary
05 March 2015

Report of the Directors

The Directors have pleasure in submitting their report for the year ended 31 December 2014.

Principal Activities

The principal activities of the Company are the marketing and sale of tobacco products in Guyana, which are manufactured under the contract to predetermined specifications.

Financial Results

	G$'000
Gross Turnover	6,521,227
Cost of Sales	(2,795,864)
Gross Profit	3,725,363
Other Operating Income	10,846
Operating Expenses	(904,489)
Profit Before Taxation	2,831,720
Taxation	(1,207,028)
Profit After Taxation	1,624,692

Cash, Deposits and Capital Expenditure

Cash & Bank Balances at 31 December 2014 totalled $827 million compared to $726 million at the prior year end, an increase of $101 million resulting from improved working capital management and operating profits.

Operating activities generated cash of $3.02 billion for the year under review.

Taxation paid during the year amounted to $1.35 billion. Total dividend paid amounted to $1.63 billion. Capital Expenditure for the year was $12.40 million compared to $14.59 million for the previous year.

Intercompany Loan

The company did not have any intercompany loan transactions for 2014.

Dividend

In May, August, and November 2014 and February 2015 there were four (4) interim dividend payments totalling $61.34 per share. A final dividend of $10.95 per share is proposed by your directors making a total payment for the year of $72.29 per share, a decrease of $6.77 or 8.56% .

Directors

In accordance with By-Law 17 (5) of the Company's By-Laws, Ms Malissa Sylvester resigned from the Board of Directors on 31 August 2014. In light of the causal vacancy caused by the resignation of Ms Sylvester, Mr Oscar Quesada was appointed to the board.

Mr Oscar Quesada who was appointed under By-Law 18 (7) of the Company's By-Laws as Director of the Company is proposed as a Director.

Mrs Amanda Cavill de Zavaley and Mr Chandradat Chintamani who retire in accordance with By-law 18(1) of the Company's By-Laws as Directors of the Company are proposed for re-election. The Directors who served during the year are shown on pages 10-11.

Auditors

The Auditors, Jack A. Alli, Sons & Co, Chartered Accountants, have retired and are proposed for re-election.

BY ORDER OF THE BOARD

Carol Liverpool
Secretary

Five Years at a Glance

G $ 000	2010	2011	2012	2013	2014
Balance Sheet Items					
Non-Current Assets	93,883	77,324	46,900	43,529	58,834
Current Assets	1,213,760	1,154,969	1,434,066	1,495,702	1,427,447
Total Assets	**1,307,643**	**1,232,293**	**1,480,966**	**1,539,231**	**1,486,281**
Current Liabilities	716,158	650,165	907,185	887,699	733,920
Non-Current Liabilities	21,390	36,494	14,297	15,220	49,145
Net Assets	**570,095**	**545,634**	**559,484**	**636,312**	**703,216**
Net Asset per Share	**24.36**	**23.32**	**23.91**	**27.19**	**30.05**
Profit and Distribution					
Net Profit before Tax	2,199,885	2,391,526	2,934,322	3,231,848	2,831,720
Taxation	1,066,181	1,038,897	1,254,914	1,381,208	1,207,028
Net Profit after Tax	1,133,704	1,352,629	1,679,408	1,850,640	1,624,692
Statistics					
Ordinary Shares in issue ('000)	23,400	23,400	23,400	23,400	23,400
Earnings per share	48.45	57.80	71.77	79.09	69.43
Dividends declared per share	48.42	57.80	77.41	79.06	72.29

Financial Calendar

ANNUAL MEETING	10 April 2015
REPORTS:	
Interim Report for six months to 30.06.2015	August 2015
DIVIDENDS:	
Final	April 2015
First Interim	May 2015
Second Interim	August 2015
Third Interim	November 2015
Fourth Interim	February 2016
Final 2015	March 2016

Directors' Beneficial Interest:

	Shares Held As at 31/12/2014	Shares Held As at 31/12/2013
Charles Quintin	40,039	40,039

At no time during the current financial year has any Director been a party to a material contract with the Company or was materially interested in any contract which was significant in relation to the Company's business.

Directors' Contracts:

There are no Service Contracts for the Directors proposed for re-election.

Substantial Interests:

The following company held a substantial interest in the Share Capital of the Company:

	31/12/2014	31/12/2013
British American Tobacco International Holdings (UK) Limited (Fully owned subsidiary of British American Tobacco p.l.c, a company registered in the United Kingdom)	16,439,420	16,439,420

A substantial Interest is defined as any holding of 5% or more of the issued Share Capital of the Company.

Shareholders' Interests:

Holdings	# of Shareholders	% of Shareholders	# of Shares
1 - 10,000	813	88	1,404,429
10,001 - 20,000	58	6	824,498
20,001 - 50,000	38	4	1,182,711
50,001 - 100,000	10	1	712,133
100,001 - 500,000	9	1	1,320,901
500,001 - 1,000,000	2	0	1,515,908
1,000,001 & over	1	0	16,439,420
Total	**931**	**100**	**23,400,000**

Board of Directors

Charles Quintin
Director

Maurlain Kirton
Managing Director

Oscar Quesada
Director

Board of Directors

Amanda Cavill de Zavaley
Chairman

Chandradat Chintamani
Director

Amanda Cavill de Zavaley
Chairman

Chairman's Statement

Demerara Tobacco Company Limited faced significant challenges during 2014, principally the impact of a decline in economic conditions on the disposable income of our consumers, and increased competition from ultra-low competitors. This resulted in sales decreasing by $660mn or 9% and profits before tax declining by $400mn or 12% when compared to 2013. This has resulted in a 12.2% or $9.66 decrease in earnings per share.

The Guyana economy was mixed in 2014 with some growth in the first half of the year, driven by some favourable commodity prices, and contraction in the gold and bauxite production due to fluctuating international prices. This decline in the mining sector significantly contributed to the drop in Dunhill and Bristol performance. Furthermore, increased incidence of crime had a direct impact on the business hours of many retail outlets, and required greater vigilance in distribution of products by our distributor.

The Board of Directors has already approved four interim dividends totalling $61.34 which, together with the proposed final dividend of $10.95 per share, bringing the total dividend to $72.29 per ordinary share. Once the final dividend is approved, payment will be made in accordance with the established company guideline.

The Demerara Tobacco Company Limited (DTC) continues to maintain its commitment to Guyana through corporate social responsible activities. During the year 2014, DTC supported the Nazareth Home for senior citizens, executed rehabilitation work for the Guyana Relief Council and continued work with the National AIDS Programme Secretariat, in addition to many other donations toward similar causes.

The Company, as with many other companies in the retail industry, continues to be faced with the challenge of fair and unfair competition, the latter of which takes revenue from the Government. We continue to engage openly on regulatory issues and support evidence-based regulation, marketing our products responsibly, fighting tobacco trafficking and reducing our environmental impact - all of which help us to be a successful global business while also raising standards across the industry to benefit government and consumers.

As a responsible organisation, we want to work with the authorities with regard to the regulation of the industry as we continue to seek balanced regulation. As a legal industry, controversial as we may seem, regulation adapted to the current market reality is essential in order to be able to communicate and market our products responsibly. We believe that as marketers of cigarettes, we are knowledgeable about our product's design, manufacture, distribution and sale. We are willing to work with regulators to provide measures which are in the best interest of all stakeholders.

Demerara Tobacco Company Limited, being the leading industry player views our inclusion in policy development as imperative. We believe that as a responsible company we can contribute through information, ideas and practical steps – to helping regulators address the key issues surrounding our products and our industry.

As one of our main tenets, we support the need for effective and balanced regulation of the tobacco industry as the absence of such leads to illicit trade. It is in light of this that every effort will be sought to engage with key stakeholders on balanced regulation.

It is at this junction, the closing of the 2014 review, that I take the opportunity to express the Board's sincerest appreciation to the management and staff of Demerara Tobacco Company Limited for helping to ensure another good year despite the external challenges. The continued success of the company is due to your dedication and determination to continually deliver against all odds.

Amanda Cavill de Zavaley
Chairman

Maurlain Kirton
Managing Director

With much privilege, I fill the role of Managing Director of Demerara Tobacco Company Limited, a company which has continued to market profitable brands and deliver value to its shareholders.

BUSINESS PERFORMANCE AND STRATEGY

In 2014, the company experienced a full year's impact of the challenging economic environment. This resulted in lower volume performance vs prior year of 9%. The spin off effect of contractions in disposable income led by reduced revenue from the economic drivers affected the purchasing level of our consumers. Resilient as we are, aggressive promotions and trade investment helped to mitigate further impact on our performance. The continuous availability of ultra-low priced and illicitly traded brands coupled with increased crime levels were the other main contributing factors.

Our results for this year, even though down from previous year was due to prudent business decisions, including cost saving initiatives and robust financial controls. We continued to focus on productivity improvements, managing our cost-base through system standardisation and processes.

As an organization, we continue to drive toward delivering great results and bolster our leadership position in the tobacco industry; while seeking to ensure sustained shareholder value.

The performance of 2014 reflects the continued determination to deliver the long term vision of the company.

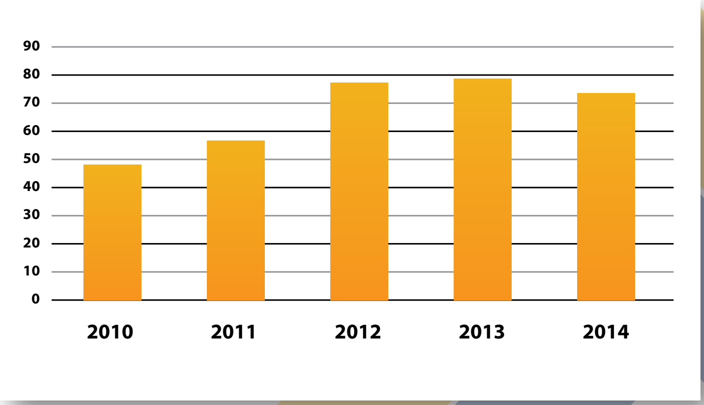
CONSUMER FOCUS

Great emphasis was placed on ensuring the delivery of exceptional consumer moments led by new product innovation of our core brand, Bristol, and line extension in the form of Bristol Menthol. There was total brand acceptance and availability of the brands at retail level. This consumer focus also extends to our efforts to improve productivity through a flexible and efficient supply organization.

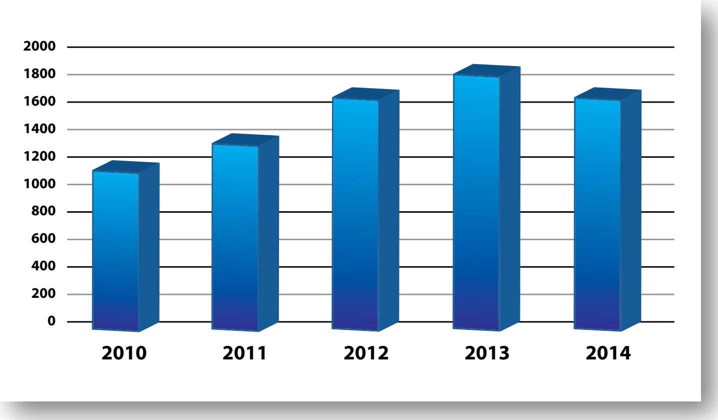
GROWTH

In 2014, both our local and international brands were challenged in terms of volume performance. Pall Mall grew by 17%, the offer continues building on its equity and consumer attractiveness. Bristol's performance was affected by consumer affordability while its availability was everywhere. Dunhill sales reduced by 34% vs last year impacted also by consumer disposable income. Continued improvement in retailer relationships and distribution coverage sustained this year's achievement. Our business partner in distribution, E.B. Beharry and Company has supported the initiatives taken and has been instrumental in deliverying full year volumes.

Dividend Per Share



Profit After Tax ($Mn)



GREAT PEOPLE

Our achievement last year was due to the drive, commitment and team spirited employees who supported the business initiatives in every aspect, even when the tasks seemed daunting. Attracting, developing and retaining talent continued to be a key factor in our strategy. The team continued to embrace the ever changing business environment.

INCOME DISTRIBUTION

In 2014, total taxes paid to the government amounted to 46% or just over $3.4 billion of our Gross Income compared to $3.9 billion in 2013.

Operating costs inclusive of Marketing and Overheads accounted for 11.96% of Gross Income.

Our total overhead costs included contributions made to charitable and other organizations as part of our commitment to invest in our communities. Return to investors amounted to $1.63 billion or 21.51% compared to previous year of $1.78 billion or 21%.

SUSTAINABILITY: THE HEART OF OUR BUSINESS

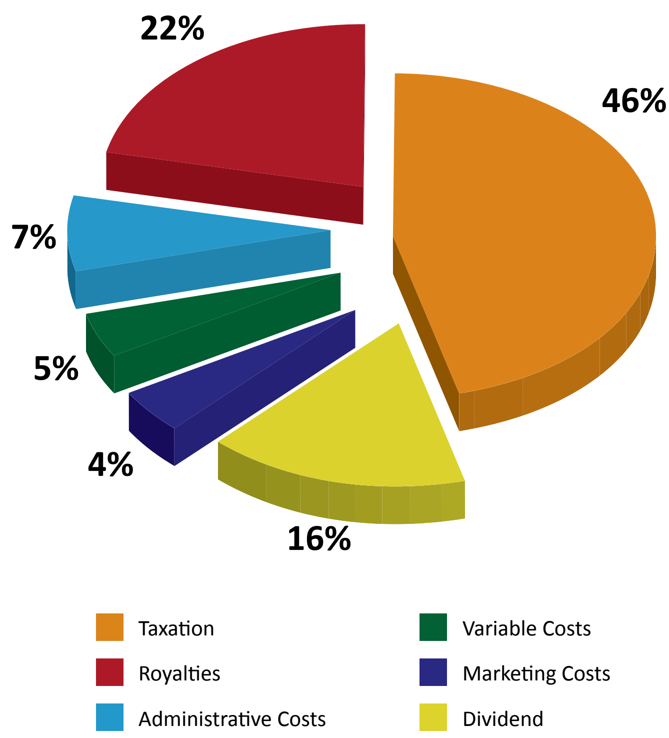
We continue to foster efforts aimed at ensuring high standards within our supply chain, responsible marketing of our products, and strive to reduce the impact of tobacco use on public health. To grow our business, our Company must operate sustainably, creating value for our shareholders and society in a challenging and changing environment. Our efforts in these areas have received positive recognition in the past, and we will continue to make even greater strides in the future.

CORPORATE AND REGULATORY AFFAIRS

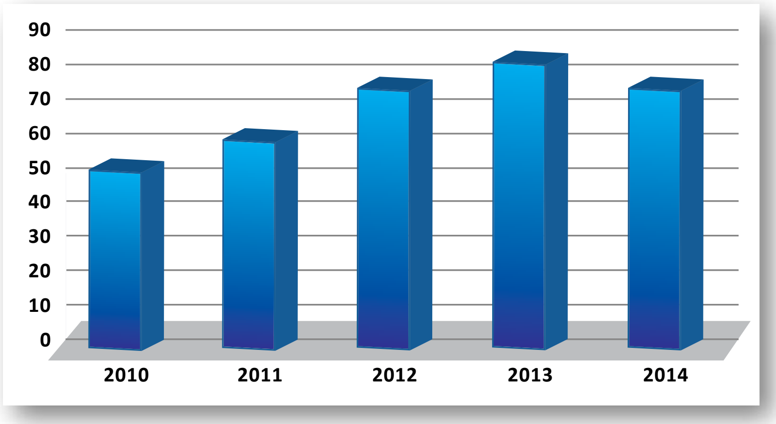
As a corporate citizen, we recognised our role of supporting local community and charitable projects. Our focus had been to inform or enrich public and community life via collaborative efforts or direct involvement.

In 2014, we proactively led the rehabilitation project of the Guyana Relief Council, the home which housed persons affected by any kind of disasters such as; fire and flood. The exercise was fully supported by all staff and their relatives along with media coverage. Support was also given to the Nazareth Home located in our community, the Veteran Association and Carnegie School of Home Economics, and yearly contribution to support the Ministry of Health initiatives of "persons living with HIV" continued. Donations were made toward various charitable organizations.

Income Distribution



Earnings Per Share



It is our strategic imperative as a participant, to support and seek balanced and enforceable tobacco regulation and to have discussions with government and key stakeholders on compliance with effective future laws. As a responsible tobacco business we can contribute, through information, ideas and practical steps to help regulators address the key issues surrounding our product. Measures such as; excessive excise increases, retail display bans and plain packaging do more to disrupt stable markets and little to further their intended aims. The unintended consequences of such regulations create ideal conditions for counterfeiters and smugglers to thrive.

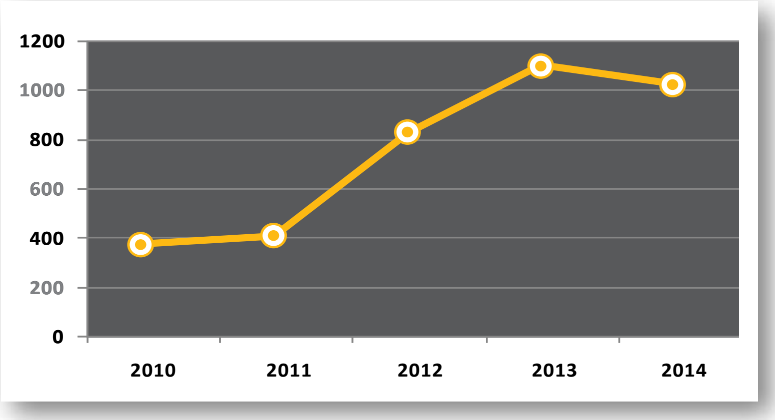
CHALLENGES AND OPPORTUNITIES AHEAD

Our strengths lie in our strong brand portfolio being a member of a global industry, and the dedication of local team and business partner. This combination definitely will produce a resilience and sustainable organization in Guyana. We also believe that building a portfolio of next generation products alongside our main tobacco business will provide us with significant new opportunities in the years ahead.

Closing 2014, we believe that the foundation of the business is strong and every effort will be bolstered to ensure a sustained and profitable business in the year ahead. The capabilities, structure and proven brands along with the commitment and energies from people, will lead us into another productive year.

I would like to take this opportunity to thank the management team and employees of Demerara Tobacco Company Limited for their support, team work, and perseverance in delivering our strategic agenda in 2014, and I look forward to 2015 with high optimism in performance.

Share Price



Maurlain Kirton
Managing Director

Purpose Statement

We, the employees of Demerara Tobacco Company Limited, as members of the British American Tobacco Caribbean and Central America Area Team, commit to sustain our market leadership by offering Superior Quality Products to our consumers, Superior Value to our shareholders and as an active and responsible Company, create a sense of pride in each and every Guyanese.

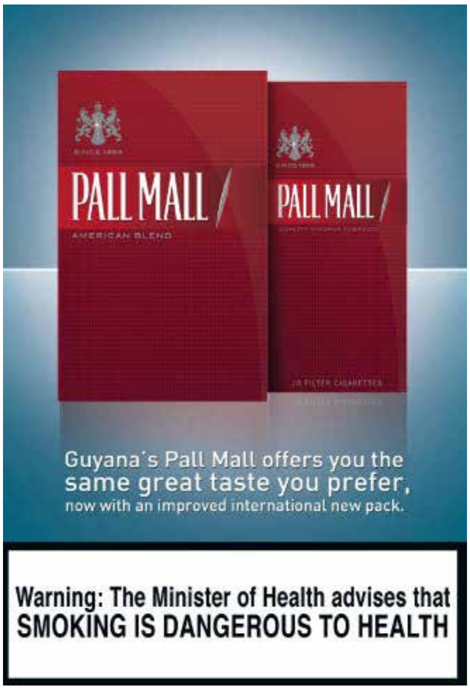
Demerara Tobacco's main focus for 2014 was aimed at sustained growth led by consumer-centric initiatives, a strategy to increase productivity; which were all supported by a winning organisation. We acted responsibly in partnership with our external stakeholders.

DUNHILL

Dunhill as our premium brand continued to deliver the unique consumer moments. Exclusive events were held to engage premium smokers as they participated in interactive games and were rewarded by exciting prizes. Those events allowed us to continue to build our consumer base.

Pall Mall

As a globally driven brand, Pall Mall has secured a position of delivering value and quality at an attractive price to our consumers. This brand was very active last year, especially in areas where illegal competition was present.



Bristol Pack Change and Menthol Launch

The flagship brand, Bristol, delivered the strongest support to our growth pillar through a massive pack revamp. This new look was launched in October of 2014 together with the reintroduction of Bristol Menthol. The three (3) launches held in the various counties were well attended by retailers, distribution team and other stakeholders. We are happy to report total consumer acceptance of this modern pack.

Corporate Social Intiatives

Guyana Relief Council

Demtoco supported the rehabilitation works at the shelter which houses persons affected by any kind of disaster. Support was given to this venture by all staff members.

YSP Communication

Youth Smoking Prevention programme had been an ongoing activity which aimed at seeking commitment from our retailers to sell our products to adult consumers only. This was visible via signage on or in outlets at the point of sale.

Public Place Smoking

As the company continued to proactively recognise the co-existence of smokers and non smokers, retailers were provided with furniture for their outdoor smoking space.

Jack A. Alli, Sons & Co.

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REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF DEMERARA TOBACCO COMPANY LIMITED

We have audited the accompanying financial statements of Demerara Tobacco Company Limited which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and include a summary of significant accounting policies and other explanatory notes as set out on pages 27 to 42.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements give a true and fair view of the financial position of Demerara Tobacco Company Limited as at 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act.

Jack A. Alli Sons & Co
....

JACK A. ALLI, SONS & CO.
05 March 2015

DEMERARA TOBACCO

AS AT 31 DECEMBER 2014

Thousands of Guyana Dollars	Note	2014	2013
ASSETS			
Non-current assets			
Plant and equipment	**3**	25,310	27,774
Intangible asset	**4**	652	1,254
Deferred taxation	**5**	32,872	14,501
		58,834	43,529
Current assets			
Inventories	**6**	222,731	137,955
Accounts receivable and prepayments	**7**	292,106	283,170
Amounts due from related parties	**8**	7,292	270,388
Taxation		78,136	78,136
Cash and cash equivalents	**9**	827,182	726,053
		1,427,447	1,495,702
TOTAL ASSETS		1,486,281	1,539,231
EQUITY AND LIABILITIES			
Equity			
Share capital	**10**	23,400	23,400
Retained earnings		679,816	612,912
		703,216	636,312
Non-current liability			
Retirement benefit plan deficit	**11**	49,145	15,220
Current liabilities			
Accounts payable and accruals	**12**	512,521	460,823
Amounts due to related parties	**8**	141,980	222,244
Taxation		59,906	178,944
Provision for other liabilities	**13**	19,513	25,688
		733,920	887,699
TOTAL EQUITY AND LIABILITIES		1,486,281	1,539,231

The notes on pages 27 to 42 form an integral part of these financial statements. The Board of Directors approved these financial statements for issue on 13 February 2015.

DIRECTORS

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2014

Thousands of Guyana Dollars	Note	2014	2013
Sales		6,521,227	7,180,733
Cost of sales	**14**	(2,795,864)	(2,997,543)
Gross profit		3,725,363	4,183,190
Distribution and marketing costs	**14**	(347,359)	(342,004)
Administrative expenses	**14**	(557,130)	(611,512)
Other income		10,575	1,864
Profit from operations		2,831,449	3,231,538
Finance income		271	310
Profit before taxation		2,831,720	3,231,848
Taxation	**17**	(1,207,028)	(1,381,208)
Profit for the year		1,624,692	1,850,640
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement benefit plan		3,569	5,306
Deferred tax charge on remeasurement of retirement benefit plan		(1,428)	(2,122)
Other comprehensive income for the year		2,141	3,184
Total comprehensive income for the year		1,626,833	1,853,824
Earnings per share	**18**	69.43 Dollars	79.09 Dollars

The notes on pages 27 to 42 form an integral part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2014

Thousands of Guyana Dollars	Note	Share Capital	Retained Earnings	Total
Year ended 31 December 2013				
As at beginning of year		23,400	536,084	559,484
Profit for the year		0	1,850,640	1,850,640
Other comprehensive income for the year		0	3,184	3,184
Dividends paid	**19**	0	(1,776,996)	(1,776,996)
As at end of year		23,400	612,912	636,312
Year ended 31 December 2014				
Balance at beginning of year		23,400	612,912	636,312
Profit for the year		0	1,624,692	1,624,692
Other comprehensive income for the year		0	2,141	2,141
Dividends paid	**19**	0	(1,627,002)	(1,627,002)
Reversal of unclaimed dividends	**19**	0	67,073	67,073
As at end of year		23,400	679,816	703,216

The notes on pages 27 to 42 form an integral part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2014

Thousands of Guyana Dollars	2014	2013
OPERATING ACTIVITIES		
Profit before taxation	2,831,720	3,231,848
Adjusted for:		
Depreciation and amortisation	15,413	14,901
Interest received	(271)	(310)
(Gain) / loss on disposal of plant and equipment	(746)	1,504
Retirement benefit plan	37,494	6,229
Net movement in provision for other liabilities	(6,175)	(875)
Operating profit before changes in working capital	2,877,435	3,253,297
(Increase) / decrease in inventories	(84,776)	106,088
(Increase) / decrease in accounts receivable and prepayments	(8,936)	83,246
Decrease in net amounts due from related parties	182,832	63,034
Increase / (decrease) in accounts payable and accruals	51,698	(2,821)
Cash generated from operations	3,018,253	3,502,844
Taxes paid	(1,345,865)	(1,467,621)
Net Cash Inflow - Operating Activities	1,672,388	2,035,223
INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	800	2,040
Acquisition of plant, equipment and intangible asset	(12,401)	(14,592)
Interest received	271	310
Net Cash Outflow - Investing Activities	(11,330)	(12,242)
FINANCING ACTIVITIES		
Dividends paid	(1,627,002)	(1,776,996)
Reversal of unclaimed dividends	67,073	0
Net Cash Outflow - Financing Activities	(1,559,929)	(1,776,996)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	101,129	245,985
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	726,053	480,068
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	827,182	726,053

The notes on pages 27 to 42 form an integral part of these financial statements.

31 DECEMBER 2014

1. INCORPORATION AND PRINCIPAL ACTIVITIES

The Company was incorporated in Guyana on 14 June 1934. Its registered office is 90 Carmichael Street, South Cummingsburg, Georgetown.

The Company is a subsidiary of British American Tobacco International Holdings (UK) Limited, a company registered in the United Kingdom. The ultimate parent company is British American Tobacco plc., a company registered in the United Kingdom.

The principal activities of the Company are the marketing and sale of tobacco products in Guyana, which are manufactured under contract to pre-determined specifications.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention. The Company's accounting policies conform with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS requires the use of certain judgements, estimates and assumptions concerning the future. The most significant of these arises on the determination of the retirement benefit plan position and the estimation of the expected useful lives of plant and equipment.

Pronouncements effective in current year

The following amendments and interpretation to existing standards have been published and are effective for the current financial period but do not have a significant impact on the Company's financial reporting.

IAS 32	Amendment - Offsetting financial assets and financial liabilities
IAS 36	Amendment - Recoverable amount disclosures for non-financial assets
IAS 39	Amendment - Novation of derivatives and continuation of hedge accounting
IFRIC 21	Levies

Pronouncements effective in future periods

The following new standards and amendments to existing standards have been published and are effective in future financial years.

IFRS 9	Financial instruments
IFRS 14	Regulatory deferral accounts
IFRS 15	Revenue from contracts with customers
IAS 19	Amendments - Defined benefit plans: employee contributions
IAS 16 / IAS 38	Amendments - Clarification of acceptable methods of depreciation and amortisation
IAS 16 / IAS 41	Amendments - Bearer plants
IAS 27	Amendments - Equity method in separate financial statements
IFRS 10 / IAS 28	Amendments - Sale or contribution of assets
IFRS 11	Amendments - Acquisitions of interests in joint operations
Annual Improvements	2010-2012 cycle; 2011-2013 cycle; 2012-2014 cycle

31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation (cont'd)

Of these pronouncements, those that are expected to be relevant to the Company's financial reporting are described below.

IFRS 9 - Financial instruments

The standard will be effective for the financial period beginning on 01 January 2018. One component of the standard sets out a single approach to determine whether a financial asset is measured at amortised cost or fair value based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The other components of the standard introduce a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. Management is reviewing the provisions of this standard to determine the impact against current practices.

IFRS 15 - Revenue from contracts with customers

The standard will be effective for the financial period beginning on 01 January 2017. The core principle of the new standard is the recognition of revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which an entity expects to be entitled in exchange for those goods or services. The standard contains enhanced disclosure requirements relative to revenue and also provides guidance for transactions that were not previously addressed comprehensively. Management is reviewing the provisions of this standard to determine the impact, if any, against current practices.

(b) Foreign Currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Guyana Dollars, which is the Company's functional currency.

Transactions and balances

Transactions involving foreign currencies are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end rates are recognised in the income statement

31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is calculated on a straight line basis at rates estimated to write off the assets over their expected useful economic lives. The current rates of depreciation are:

Plant and machinery	7%
Office and other equipment (excluding computers and ancillary equipment)	10%
Computers and ancillary equipment	33.33%
Motor vehicles	25% - 33.33%

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

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and at least at every reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(d) Intangible Assets (Computer Software)

The costs of acquiring and installing computer software are capitalised and amortised on a straight line basis over the estimated useful economic life of three years. Costs associated with maintenance of computer software are expensed as incurred.

(e) Taxation

The tax expense for the year comprises current and deferred tax and is recognised in the income statement and the other comprehensive income as appropriate. The current corporate tax charge is identified on the basis of laws enacted at the reporting date. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company provides for deferred tax using the liability method for all temporary differences arising between the tax bases of the assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred corporate tax. The principal temporary differences arise from depreciation on plant and equipment and from the retirement benefit plan position.

31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on an average cost basis and net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(g) Receivables, including amounts due from Related Parties

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less a provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the receivable is impaired. If impaired, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the income statement.

(h) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and comprise short term deposits, other cash at bank and cash in hand.

(i) Share Capital and Dividends

Ordinary shares with discretionary dividends are classified as equity.

Dividends are recognised as a deduction from shareholders' equity in the period in which they are approved by shareholders, or as in the case of interim dividends, when paid by the directors as authorised under the Company's by-laws.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Retirement Benefit Plan

The Company operates a defined benefit pension scheme for its eligible employees, which is funded by payments from members and the Company, taking account of the recommendations of an independent qualified actuary. The pension benefit is based on years of service and salary level at retirement. The governance of the plan is the responsibility of Trustees and it is regulated under the Insurance Act of Guyana.

The position in respect of the retirement benefit plan is the present value of the defined benefit obligation minus the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income immediately.

(k) Payables, including amounts due to Related Parties

Payables are recognised initially at fair value and subsequently at amortised cost.

(l) Provisions

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

The Company recognises a liability for bonuses to employees and the distributor.

(m) Revenue Recognition

Sales represent the value of goods sold to third parties, after deducting sales discounts. Sales are recognised upon delivery of products and customer acceptance.

Interest income is recognised on a time-proportion basis using the effective interest method.

(n) Operating Lease

Payments made under the operating lease are charged to the income statement on a systematic basis over the period of the associated lease.

(o) Operating Segments

The Company is managed as a single unit engaged in operations exclusively in Guyana.

31 DECEMBER 2014

Thousands of Guyana Dollars

3. PLANT AND EQUIPMENT	**Plant and Machinery**	**Office and Other Equipment**	**Motor Vehicles**	**Total**
Cost				
As at 01 January 2014	297	34,749	57,830	92,876
Additions	0	0	12,401	12,401
Disposals	0	(2,652)	(3,881)	(6,533)
As at 31 December 2014	297	32,097	66,350	98,744
Accumulated Depreciation				
As at 01 January 2014	(297)	(23,003)	(41,802)	(65,102)
Charges for the year	0	(3,480)	(11,331)	(14,811)
Written back on disposals	0	2,598	3,881	6,479
As at 31 December 2014	(297)	(23,885)	(49,252)	(73,434)
Net Book Amount				
As at 31 December 2014	0	8,212	17,098	25,310
Cost				
As at 01 January 2013	297	37,072	51,280	88,649
Additions	0	2,392	12,200	14,592
Disposals	0	(4,715)	(5,650)	(10,365)
As at 31 December 2013	297	34,749	57,830	92,876
Accumulated Depreciation				
As at 01 January 2013	(297)	(21,164)	(36,139)	(57,600)
Charges for the year	0	(5,364)	(8,959)	(14,323)
Written back on disposals	0	3,525	3,296	6,821
As at 31 December 2013	(297)	(23,003)	(41,802)	(65,102)
Net Book Amount				
As at 31 December 2013	0	11,746	16,028	27,774

The Company has authorised, but not contracted, capital expenditure on plant and equipment of $1,068 for the coming year (2013 - $18,707).

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Thousands of Guyana Dollars

		2014	2013
4.	**INTANGIBLE ASSET - COMPUTER SOFTWARE**	**2014**	**2013**
	Cost		
	As at beginning and end of year	34,349	34,349
	Accumulated Amortisation		
	As at beginning of year	(33,095)	(32,517)
	Amortisation during the year	(602)	(578)
	As at end of year	(33,697)	(33,095)
	Net Book Amount		
	As at end of year	652	1,254
5.	**DEFERRED TAXATION**		
	Asset arising on accelerated accounts depreciation		
	- to be recovered after 12 months	3,300	8,413
	Asset arising on retirement benefit plan deficit		
	- to be recovered after 12 months	29,572	6,088
		32,872	14,501
6.	**INVENTORIES**		
	Goods for resale	156,452	63,954
	Goods in transit	66,279	74,001
		222,731	137,955
7.	**ACCOUNTS RECEIVABLE AND PREPAYMENTS**		
	Trade receivables	287,725	278,677
	Other receivables	945	802
	Prepayments	3,436	3,691
		292,106	283,170

31 DECEMBER 2014

Thousands of Guyana Dollars

		2014	2013
8.	**RELATED PARTIES**	**2014**	**2013**
(a)	*Key management compensation:*		
	Short term benefits	46,916	26,530
	Post-employment benefits	21,931	2,404
		68,847	28,934
(b)	*Transactions carried out with related parties:*		
	Acquisition of products from fellow group subsidiary	1,239,021	1,282,315
	Management services from fellow group subsidiary	278,682	294,339
	Royalties charged by fellow group subsidiary	321,688	349,600
	Technical and advisory services from fellow group subsidiary	120,805	136,110
	Dividends paid to parent	1,143,033	1,248,410
(c)	*Outstanding balances at year end:*		
	Amount due from fellow group subsidiaries	7,292	270,388
	Amounts due to fellow group subsidiaries	141,980	222,244

All balances are interest free, unsecured and repayable on demand.

9. CASH AND CASH EQUIVALENTS

	2014	2013
Short term deposits	17,890	54,619
Other cash at bank	807,526	671,217
Cash in hand	1,766	217
	827,182	726,053

10. SHARE CAPITAL

	2014	2013
Authorised		
23,400,000 ordinary shares of no par value		
Issued and fully paid		
23,400,000 ordinary shares of no par value	23,400	23,400

The Company's ordinary share confers upon its holder the right to (i) vote at any meeting of shareholders, (ii) receive any dividend declared by the Company, and (iii) receive the remaining property of the Company on its dissolution.

DEMERARA TOBACCO

31 DECEMBER 2014

Thousands of Guyana Dollars

11.	**RETIREMENT BENEFIT PLAN**	**2014**	**2013**
	Liability recognised in the statement of financial position:		
	Present value of obligation	130,090	91,524
	Fair value of plan assets	(80,945)	(76,304)
		49,145	15,220
	Amount recognised in the income statement:		
	Current service cost	16,683	16,196
	Interest cost	1,377	383
	Past service credit	21,964	(8,834)
		40,024	7,745
	Amount recognised in other comprehensive income:		
	Actuarial gain on plan assets	5,401	278
	Actuarial loss on plan liabilities	(8,970)	(5,584)
		(3,569)	(5,306)
	Movement in present value of obligation:		
	As at beginning of year	91,524	82,934
	Current service cost	16,683	16,196
	Interest cost	6,359	5,294
	Contributions by members	2,530	1,517
	Past service cost	23,333	5,777
	Transfer out	(1,369)	(14,610)
	Remeasurement - experience gain	(8,970)	(5,584)
	As at end of year	130,090	91,524

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Thousands of Guyana Dollars

11.	**RETIREMENT BENEFIT PLAN (CONT'D)**	**2014**	**2013**
	Movement in fair value of plan assets:		
	As at beginning of year	76,304	68,637
	Expected return on plan assets	4,982	4,911
	Contributions by members	2,530	1,517
	Contributions by Company	2,530	1,517
	Remeasurement - experience loss	(5,401)	(278)
	As at end of year	80,945	76,304

Plan assets:	**2014**		**2013**	
Equity (quoted)	74,169	92%	69,349	91%
Cash resources	6,776	8%	6,955	9%
	80,945	100%	76,304	100%

Principal assumptions:	**2014**	**2013**
Discount rate	7%	7%
Future salary growth	8%	8%
Expected return on plan assets	7%	7%

Sensitivity of the defined benefit plan obligation to changes in assumptions:

	2014	**2013**
Decrease of future salary growth rate by 1%	Decrease of $13,367	Decrease of $8,310
Increase of future salary growth rate by 1%	Increase of $15,798	Increase of $10,049
Decrease of discount rate by 1%	Increase of $31,268	Increase of $22,333
Increase of discount rate by 1%	Decrease of $23,783	Decrease of $16,869

In calculating the sensitivity analysis the same method has been applied as when calculating the pension liability recognised in the statement of financial position.

Expected contributions to the plan for the upcoming year are $6,559 (2013 - $5,059).

The average duration of the defined benefit obligation is 35 years (2013 - 36 years).

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Thousands of Guyana Dollars

12. ACCOUNTS PAYABLE AND ACCRUALS

	2014	2013
Sundry payables	490,112	444,533
Accruals	22,409	16,290
	512,521	460,823

The prior year figures have been reclassified for consistency with current year.

13. PROVISION FOR OTHER LIABILITIES

	2014	2013
Provision for bonuses:		
As at beginning of year	25,688	26,563
Charged in the year	20,920	21,297
Used in the year	(27,095)	(22,172)
As at end of year	19,513	25,688

The bonuses are payable after the finalisation of the audited financial statements.

14. EXPENSES BY NATURE

	2014	2013
Cost of inventories expensed	2,795,864	2,997,543
Advertising expenses	108,985	122,378
Management services	278,682	294,339
Staff costs (note 15)	124,967	90,652
Technical and advisory services	120,805	136,110
Depreciation and amortisation	15,413	14,901
Operating lease charges	30,050	33,177
Utilities	4,687	4,185
Communications	15,419	19,475
Auditors' remuneration	4,998	4,285
Directors' remuneration (note 16)	1,100	1,100
Other	199,383	232,914
Total Cost of Sales, Distribution and Marketing Costs, and Administrative Expenses	3,700,353	3,951,059

31 DECEMBER 2014

Thousands of Guyana Dollars

15. STAFF COSTS

	2014	2013
Wages and salaries	82,695	80,833
Pension costs (note 11)	40,024	7,745
Other benefits	2,248	2,074
	124,967	90,652

16. DIRECTORS' REMUNERATION

Remuneration paid to Directors for services as directors, included in key management compensation:

Chandradat Chintamani	550	550
Charles Quintin	550	550
	1,100	1,100

Other Directors waived their rights to remuneration for their services as directors.

17. TAXATION

The provisional charge for taxation is made up as follows:

Current tax	1,221,638	1,381,766
Deferred tax	(15,197)	(2,636)
Prior year adjustments	587	2,078
	1,207,028	1,381,208

Reconciliation of tax expense and accounting profit:

Profit before taxation	2,831,720	3,231,848
Corporation tax at 40% (2013 - 40%)	1,132,688	1,292,739
Income not subject to tax	(2,022)	(125)
Expenses not deductible for tax purposes	70,163	80,661
Property tax	5,612	5,855
Prior year adjustments	587	2,078
	1,207,028	1,381,208

31 DECEMBER 2014

Thousands of Guyana Dollars

18. EARNINGS PER SHARE

	2014	2013
Profit attributable to shareholders	1,624,692	1,850,640
Weighed average number of ordinary shares in issue	23,400,000	23,400,000
Basic earnings per share	69.43 Dollars	79.09 Dollars

19. DIVIDENDS

	2014	2013
Prior year interim paid $16.43 per share (2013 - $15.53)	384,462	363,402
Prior year final paid $9.60 per share (2013 - $7.38 per share)	224,640	172,692
Interim declared and paid $8.41 per share (2013 - $15.10 per share)	196,794	353,340
Interim declared and paid $18.72 per share (2013 - $18.25 per share)	438,048	427,050
Interim declared and paid $16.37 per share (2013 - $19.68 per share)	383,058	460,512
	1,627,002	1,776,996

A fourth interim dividend in respect of the financial year of $17.84 per share (2013 - $16.43), amounting to a total dividend of $417,456 (2013 - $384,462), has been declared and paid after the year end. A final dividend in respect of the financial year of $10.95 per share (2013 - $9.60 per share), amounting to a total dividend of $256,230 (2013 - $224,640), is to be proposed at the annual general meeting on 10 April 2015.

In accordance with By-Law 26(6) of the Company's By-Laws, amended after receiving legal advice, the Company reversed $67,073 in unclaimed dividends through equity (2013 - nil).

20. OPERATING LEASE COMMITMENTS

	2014	2013
The future minimum lease payments under non-cancellable operating leases for properties are as follows:		
- within 1 year	25,338	25,851
- between 1 and 5 years	13,038	26,076
	38,376	51,927

31 DECEMBER 2014

Thousands of Guyana Dollars

21. CONTINGENT LIABILITY

	2014	2013
Bonds in favour of the Comptroller of Customs and Excise	19,500	19,500

22. LITIGATION

The Company is currently defending a litigation matter. In the Directors' opinion, after taking legal advice, the outcome of this matter will not give rise to any significant loss.

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Financial Instruments

Financial instruments carried at the reporting date include accounts receivable, related parties' balances, cash and cash equivalents, accounts payable, accruals and provision for liabilities based on contractual obligations.

Financial assets (accounts receivables, related parties' balances and cash and cash equivalents) are classified as *Loans* and *Receivables.* Financial liabilities (accounts payable, related parties' balances, accruals and provision for liabilities based on contractual obligations) are classified as *Financial Liabilities measured at Amortised Cost.*

(b) Credit Risk

Credit risk arises from cash holdings and receivables from customers and related parties. The maximum exposure to credit risk at the reporting date is represented by the carrying amounts of these financial assets.

Cash resources are held with financial institutions licensed in Guyana.

The Company's credit risk from customers is managed by restricting credit to between five to ten working days. Also, the majority of the Company's sales are made to a single distributor which management considers to be of good credit quality based on past trading experience. Revenue earned from this distributor amounted to 99 percent (2013 - 99 percent) of total revenue. No collateral is held as security for customers' balances.

Management considers the credit risk arising on balances due from related parties to be minimal given that the entities are controlled by British American Tobacco plc. and are of good financial standing. No collateral is held as security for related parties' balances.

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Thousands of Guyana Dollars

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Credit Risk (cont'd)*

As at the year end, no receivables were past due (2013 - nil). During the current year and prior year there was no impairment of receivables.

As at the year end, receivables of $295,962 (2013 - $549,867) are fully performing and have not been renegotiated during the year.

(c) *Liquidity Risk*

The table below shows the contractual undiscounted cash flows arising on financial liabilities.

	Within 1 month	Between 1 and 3 months	Total
As at 31 December 2014			
Accounts payable and accruals	251,603	260,918	512,521
Amounts due to related parties	141,980	0	141,980
Provision for other liabilities (based on contractual obligations)	0	8,925	8,925
As at 31 December 2013			
Accounts payable and accruals	188,381	272,442	460,823
Amounts due to related parties	222,244	0	222,244
Provision for other liabilities (based on contractual obligations)	0	7,835	7,835

The Company manages this risk by monitoring expected cash flows arising on financial instruments.

(d) *Capital Risk Management*

The Company's objectives when managing its capital (ordinary shares) are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

31 DECEMBER 2014

Thousands of Guyana Dollars

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(e) *Foreign Currency Risk*

The Company is exposed to foreign currency risk through its holding of financial instruments denominated in the following foreign currencies:

	2014	2013
Assets		
United States Dollars	8,898	270,445
Liabilities		
United States Dollars	86,053	153,392
British Pound Sterling	55,927	68,852

The Company's exposure to foreign exchange risk is limited by the denomination of the underlying transactions in stable foreign currencies.

The Company recognised net exchange losses of $1,034 in the year (2013 - $15,424).

As at the year end, if the Guyana Dollar had weakened / strengthened by 1% against the United States Dollar, with all other variables held constant, post-tax profit for the year would have been $463 lower / higher (2013 - $702 higher / lower).

As at the year end, if the Guyana Dollar had weakened / strengthened by 1% against the British Pound Sterling, with all other variables held constant, post-tax profit for the year would have been $335 (2013 - $413) lower / higher

(f) *Fair Values*

The carrying values of financial assets and liabilities approximate to their fair values given their short term maturity.

DEMERARA TOBACCO

THE COMPANIES ACT, 1991
(Section 114)

1. **Name of Company**
DEMERARA TOBACCO COMPANY LIMITED Company No: 308

2. **Particulars of Meeting:**
Eighty-first Annual Meeting of The Demerara Tobacco Company Limited to be held at the Grand Savannah Suite, Pegasus Hotel, Seawall Road, Kingston, Georgetown on Friday, 10 April 2015 at 4.00 pm.

3. I/We ____

____

of ____

or failing him/her____

of ____

to be my/our proxy to vote for me/us and on my/our behalf at the above meeting and any adjournment thereof in the same manner, to the same extent and with the same powers as if I/we was/were present at the said meeting or such adjournment or adjournments thereof and in respect of the resolutions listed overleaf to vote in accordance with my/our instructions.

Signature/s ______________________________

____

Dated this ______________ day of ______________ 2015

Please indicate with an "X" in the spaces overleaf your instructions on how you wish your votes to be cast. Unless otherwise instructed, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.

Please consider Notes 1 to 5 below for assistance to complete and deposit the Proxy Form.

Notes:

1 If the appointer is a corporation, this Proxy Form must be under its common seal or under the hand of an officer of the corporation or attorney duly authorized in that behalf.

2 A shareholder who is a body corporate may, in lieu of appointing a proxy, authorize an individual by resolution of its directors or governing body to represent it at this Annual Meeting.

3 In the case of joint shareholders, the names of all the joint shareholders must be stated on the Proxy Form and any one shareholder must sign on the Proxy Form.

4 If the Proxy Form is returned without any indication as to how the person-appointed proxy shall vote, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.

5 To be valid, this Proxy Form must be completed and deposited at the Registered Office of the Company at the address below at least 48 hours before the time for holding the Annual Meeting.

Return to: THE SECRETARY
THE DEMERARA TOBACCO COMPANY LIMITED
90 CARMICHAEL STREET
SOUTH CUMMINGSBURG
GEORGETOWN GUYANA

Proxy Form

RESOLUTION		FOR	AGAINST
1	That the Financial Statements of the Company for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors thereon be and are hereby approved.		
2	That the four (4) Interim Dividends totalling $61.34 already paid be confirmed and that a Final Dividend of $10.95 per share as recommended by the Board for the year ended 31 December 2014 be approved and paid to those shareholders on the Company's share register at the close of business on 10 April 2015.		
3	That Mr Oscar Quesada, who was appointed under By-Law 18 (7) of the company's By-Laws as a Director of the Company, is proposed as a Director.		
4	That Mrs Amanda Cavill de Zavaley, who retires in accordance with By-Law 18 (1) of the Company's By-Laws as a Director of the Company, be and is hereby re-elected as a Director.		
5	That Mr Chandradat Chintamani, who retires in accordance with By-Law 18 (1) of the Company's By-Laws as a Director of the Company, be and is hereby re-elected as a Director.		
6	That in accordance with By-Law 16 of the Company's By-Laws the annual remuneration of the non-executive Director be fixed at $550,000.		
7	That Jack A Alli, Sons & Co be and are hereby appointed Auditors for the period ending with the conclusion of the next Annual General Meeting.		
8	That the Directors are hereby authorized to fix the remuneration of the Auditors at a sum to be agreed.		

Management Proxy Circular - Guyana

THE COMPANIES ACT, 1991 - (Section 115)

1 **Name of Company:**
THE DEMERARA TOBACCO COMPANY LIMITED — Company No: 308

2 **Particulars of Meeting:**
Eighty-first Annual General Meeting of the Demerara Tobacco Company Limited to be held at the Pegasus Hotel, Seawall Road, Kingston, Georgetown on Friday, 10 April 2015.

3 **Solicitation:**
It is intended to vote the Proxy hereby solicited by the Management of the Company (unless the Shareholder directs otherwise) in favour of all resolutions specified in the Proxy Form sent to the Shareholders with this Circular and, in the absence of a specific direction, in the discretion of the Proxy Holder in respect of any other resolution.

4 **Any Director's statement submitted pursuant to Section 72(2):**
No statement has been received from any Director pursuant to Section 72(2) of the Companies Act, 1991.

5 **Any Auditor's statement submitted pursuant to Section 178:**
No statement has been received from any Auditors pursuant to Section 178 of the Companies Act, 1991.

6 **Any Shareholder's proposal submitted pursuant to Section 114(a) and 115(2):**
No statement has been received from any Shareholder pursuant to Section 114(a) and 115(2) of the Companies Act, 1991.

DATE	NAME AND TITLE	SIGNATURE
05 March 2015	Carol B A Liverpool Secretary and Authorised Signatory The Demerara Tobacco Company Limited	Liverpool

DEMERARA TOBACCO

DEMERARA TOBACCO COMPANY LIMITED
A member of the British American Tobacco Group