

2018
ANNUAL REPORT
ABV INVESTMENTS INC.

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Notice of Meeting

Notice of Twenty-Eighth Annual General Meeting of ABV Investments Inc.

NOTICE is hereby given that the Twenty-Eighth Annual General Meeting of the Shareholders of ABV Investments Inc. will be held on Tuesday, February 19, 2019 at 1:30 p.m. at the Massy Training Facility, Coles Building, Bay Street, St. Michael for the following purposes:

1. To receive and consider the Directors' Report and Financial Statements for the year ended September 30, 2018 and the Auditor's Report thereon.
2. To elect the following Director for a period of three years:
G. A. King
3. To appoint Auditors for the ensuing year.
4. To transact any other business which may be transacted at an Ordinary General Meeting.

By Order of the Board



Secretary

Registered Office:
Massy Dome,
Warrens,
St. Michael.
January 18, 2019

Board of Directors

E. GERVASE WARNER, Trinidad & Tobago Citizen

Gervase Warner is a non-independent Director and is the President & Group Chief Executive Officer of Massy Holdings Ltd. Mr. Warner has extensive experience in the Financial Services, Information Technology, Telecom and Petroleum sectors. He holds an MBA from the Harvard Graduate School of Business and prior to joining the Massy Group, he led the Puerto Rico office and Caribbean Practice of McKinsey & Company Inc. Mr. Warner currently serves on the Trinidad & Tobago Board of Citigroup Merchant Bank Limited and the Arthur Lok Jack Graduate School of Business.

G. ANTHONY KING, Barbados Citizen

Mr. King is a non-independent Director. He served as a regional executive of the Neal & Massy Group (now renamed Massy) until October 2004 at which point he then joined The Barbados Shipping and Trading Group (BS&T) as Group CEO. Mr. King retired in 2012 but continues to serve on the Board of Directors of Massy Holdings Ltd. in Trinidad as a Non-executive Director. Mr. King has previously served on the Boards of other publicly listed companies in Barbados and currently serves on the Boards of Wibisco and Republic Bank (Barbados) Ltd. In the course of his career he has also been associated with various private sector organisations including as the President of the Barbados Chamber of Commerce & Industry and a Director of the Caribbean Association of Industry and Commerce (CAIC). He was also a Director of the Barbados Private Sector Association from 2004 to 2015 and the Chairman of the Tourism Development Corporation (TDC) for eleven years until January 2016.

THOMAS A. PANTIN, Trinidad & Tobago Citizen

Thomas Pantin is a non-independent Director with over 25 years of experience within the Caribbean. He is the Senior Vice-President & Executive Chairman of the Retail Line of Business at the Massy Group. Mr. Pantin joined the Massy Group in 2011 as Senior Vice-President of Special Projects and Growth and later moved on as Senior Vice-President & Executive Chairman of the Consumer Finance Line of Business. He has held many senior positions at Courts plc including Commercial Director, Regional Director/CEO and was also the CEO of The Office Authority Ltd. with headquarters in Trinidad & Tobago.

PHILIP N. W. OSBORNE, Barbados Citizen

Philip Osborne is an independent Director who retired as the Group Chief Financial Officer of Sagicor Financial Corporation in 2013 after holding that position for ten years. He has over 25 years' experience in the life insurance industry having served in financial management positions at Sagicor and Life of Barbados and having served as non-executive director of a number of subsidiaries of Sagicor. Mr. Osborne currently also serves as a non-executive director of a number of international business entities. He has been a chartered accountant since 1983 and prior to joining the insurance sector, spent 10 years working for professional accounting firms in England and Barbados.

Board of Directors cont'd

SIR PAUL ALTMAN, Barbados Citizen

Sir Paul is an independent Director who has been involved in the real estate profession for over thirty years. He is the Managing Director of Altman Real Estate and Ambassador and Chairman of the Savills Caribbean Associates. Sir Paul has been at the forefront of developments in Barbados' luxury residential market, including Royal Westmoreland and Sugar Hill Resort, and helped to set the tone for resort communities in Barbados on a whole. He is at the helm of the development of the Limegrove Lifestyle Centre, Barbados' first mixed-use centre. Limegrove's commercial aspect comprises 100 retailers and restaurants, a nightclub and cinemas; the residential component is ongoing. His real estate developments have also extended into the wider Caribbean.

Sir Paul serves as a Director of a number of listed Barbadian and offshore companies. He is a Past President of the Barbados National Trust and, currently, is a member of the Task Force on the Preservation of Barbados' Built Heritage. Sir Paul was appointed to the Board of the National Art Gallery in March 2011, is Chairman of the Barbados Community Foundation, a private charity, and is a trustee of the Duke of Edinburgh International Award Barbados. Sir Paul has been recognised throughout the years for his service to Barbados, culminating with the honour of Knight Bachelor which was bestowed in 2016 by Her Majesty Queen Elizabeth II.

Chairman's Report

During the financial year ending 30th September 2018, minimal costs were incurred in undertaking the operations required for the Company. These costs were necessary to support the legal, administrative and financial activities of the Company.

Unfortunately, there has been little change in the status of the outstanding receivables balances from either the Barbados Revenue Authority (Value Added Tax refunds) or the National Insurance Department (severance rebate).

Approval was given by the Financial Services Commission for the windup of the Almond Resorts Inc. Pension Plan and the administrative service provider, Sagicor Life Inc., is carrying out the necessary procedures to complete this exercise.

The Directors of the Company remain focused on the liquidation of the Company once all matters relating to the receivables and pension plan are addressed.

Mr. E. Gervase Warner,
Chairman



ABV INVESTMENTS INC.

Corporate Governance Statement

The Board of Directors of ABV Investments Inc. ("the Company") is committed to the observance of good corporate governance standards and best practices by the Company and seeks to ensure that the conduct of the Company's business takes place in a prudent, ethical and responsible manner.

The Barbados Stock Exchange Inc. ("BSE") issued a number of Corporate Governance Recommendations ("the Recommendations") as a guide to listed companies.

Nomination of Directors

In accordance with By-Laws No. 1 and 4 of the Company and the provisions of the Companies Act, Directors are nominated by the Board of Directors or shareholders and elected by shareholders. A new Director is eligible for election if on or before 15th December in the year preceding the year of the meeting, a nomination in writing signed by shareholders who represent in the aggregate not less than 5% of the issued shares is received. Directors elected to fill casual vacancies are selected by the Board.

Board Meetings & Director Attendance

As at the date of this Report, there were five (5) Directors of the Company. The Company's Articles provide that it shall have a minimum of three (3) Directors and a maximum of eight (8) Directors.

Given the status of the Company whereby it is no longer active in the hotel business, several matters which required the Board's attention were handled by resolution. However, there was one Board Meeting during the Financial Year ended 30th September, 2018 ("the Financial Year") and the attendance of Directors is represented within the below table as follows:

Director	Attendance (No. of Meetings)	Rate
Mr. E. Gervase Warner	1 out of 1	100%
Mr. G. Anthony King	1 out of 1	100%
Mr. Philip N. Osborne	1 out of 1	100%
Mr. Thomas A. Pantin	1 out of 1	100%
Sir Paul Altman	1 out of 1	100%

Only those Directors who are not executives of the Massy Group (the majority shareholder) receive Director's fees for serving on the Board. Those Directors are remunerated on an annual basis and are remunerated in cash only. They do not receive any performance-based incentives, nor do they participate in stock-option plans or receive other forms of compensation. In total, \$15,000.00 in Director's fees were paid for the Financial Year.

Board Committees

The Board of Directors has appointed one standing Committee – an Audit Committee. The Charter of the Audit Committee may be viewed by contacting the Company Secretary.

Membership of the Audit Committee as at fiscal year-end was as follows:

Audit Committee

Mr. P. N. Osborne, Chairman

Mr. G. A. King

Sir Paul Altman

The Audit Committee reviews the Company's financial reporting process, the system of internal control, the audit process and the process for monitoring compliance with laws, regulations and the code of conduct. It consists of three members of the Board of Directors, two of which are independent. The Audit Committee has the authority to:

- Recommend the appointment and compensation of any registered public accounting firm as Auditor and to oversee the work of such firm.
- Institute special investigations and if appropriate, hire special counsel, accountants or other experts to advise the Audit Committee or assist in the conduct of the investigation.
- Resolve any disagreements between management and the External Auditors regarding financial reporting.
- Pre-approve all audit and non-audit services to be provided by the External Auditors.
- Seek information or hold meetings with the External Auditor, outside counsel or other external third parties as necessary.

Audit Fees

The following table presents a summary of all fees paid to the Company's Auditors, PricewaterhouseCoopers SRL, during the Financial Year and the previous financial year:

	2018	2017
Audit Fees	\$18,950	\$18,500
Tax Review	\$5,125	\$5,125

January 18, 2019

Shareholder Information

Shareholders 2.5% & over

	Number of Shares	% of Shares
Massy (Barbados) Ltd.	20,472,095	36
Roberts Manufacturing Co.Ltd.	11,345,092	20
Sagicor (Equity) Fund	8,152,096	14
Massy (Barbados) Investments Ltd.	3,193,298	6
National Insurance Scheme	2,400,000	4
Ralph Taylor	1,570,757	3
Totals	47,133,338	83

Directors' Report

The Directors submit their report and the audited financial statements of the Company, ABV Investments Inc., for the year ended September 30, 2018.

The Chairman's report on page 7 forms an integral part of this report. The audited financial statements are presented on pages 18 to 34.

Financial Results

Net Loss	(\$ 118,398)
Accumulated deficit at beginning of year	(\$53,267,732)
Accumulated deficit at end of year	<u>(\$53,386,130)</u>

Directors

In accordance with the Company's By-Laws, G. A. King will retire at the end of the Twenty-Eighth Annual General Meeting and has consented to offer himself for re-election.

Dividends

No dividend has been declared by the Directors as a result of the Company's financial position.

Directors' Interest

According to the Company's Register, the interest of the Directors as at September 30, 2018 and January 18, 2019 are set out below:

Shares held by Directors

	Shares 30.09.18	Shares 18.01.19
Mr. Gervase Warner	0	0
Mr. Thomas Pantin	0	0
Sir Paul Altman	0	0
Mr. Anthony King	18,585	18,585
Mr. Philip Osborne	9,000	9,000

Directors' Report cont'd

There has been no change in the Directors' interest occurring between the end of the Company's financial year and one month prior to the date of the notice convening the Annual Meeting.

At no time during, or at the end of the financial year, has any Director had any material interests in any contract or arrangement to the business of the Company or any of its subsidiaries.

Auditors

The Directors recommend that PricewaterhouseCoopers SRL be re-appointed auditors of the Company to hold office until the next annual meeting of shareholders.

By Order of the Board

Mr. E. Gervase Warner, Director



Mr. Philip Osborne, Director





Independent auditor's report

To the Shareholders of ABV Investments Inc.

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of ABV Investments Inc. (the Company) as at September 30, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at September 30, 2018;
- the statement of changes in equity for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of matter

We draw attention to Note 2 to these financial statements, which refers to the basis of preparation of the financial statements. Consistent with the financial statements as of September 30, 2011, 2012, 2013, 2014, 2015, 2016 and 2017, these financial statements have not been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers SRL, The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies

T: +246-626-6700, F: +246-436-1275, www.pwc.com/bb

We also draw attention to Note 1 to the financial statements, which describes the reissuance of the previously issued financial statements. We issued our original auditor's report dated December 21, 2018 on the previously issued financial statements. Due to the details described in Note 1, we provide this new auditor's report on the reissued financial statements.

Our audit approach

Overview



- Overall materiality: \$7,700, which represents 1% of net assets
- In addition to determining materiality, we also assessed, amongst other factors, the following in designing our audit:
 - the risk of material misstatement in the financial statements
 - significant accounting estimates
 - the risk of management override of internal controls
- There are no key audit matters

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

In the prior year, we determined that the carrying value of government receivables was a key audit matter as the determining the carrying value of the government receivables involved management applying significant judgement regarding the inputs and assumptions used relating to the period over which the receivable would be recovered and the appropriate discount rate to be used. The carrying value of government receivables has not been included as a key audit matter in the current year as there is now greater certainty surrounding the repayment of government liabilities as disclosed in Note 3 to the financial statements.



Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

<i>Overall materiality</i>	\$7,700
<i>How we determined it</i>	1% of net assets
<i>Rationale for the materiality benchmark applied</i>	We chose net assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We chose 1% which is within a range of acceptable benchmark thresholds.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above \$385, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the 2018 Annual Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities 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 scepticism 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.
- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Jardine.

Bridgetown, Barbados
January 18, 2019

Assets

Current assets

Cash (note 4)	441,760	642,053
Other receivables and prepayments (note 6)	398,613	626,550

840,373	1,268,603
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Other receivables and prepayments (note 6)

314,986	–
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Total assets

1,155,359	1,268,603
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Liabilities

Current liabilities

Amounts due to related company (note 5)	53,164	36,131
Accounts payable and accruals (note 8)	232,160	244,039

Total liabilities

285,324	280,170
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Equity

Share capital (note 9)	54,256,165	54,256,165
Accumulated deficit	(53,386,130)	(53,267,732)

Total equity

870,035	988,433
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Total liabilities and equity

1,155,359	1,268,603
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The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors on January 9, 2019 and signed on its behalf by:



Mr. Gervase Warner, Director



Mr. Philip Osborne, Director

ABV Investments Inc. (formerly Almond Resorts Inc.)
Statement of Changes in Equity
September 30, 2018
(expressed in Barbados dollars)

	Share capital \$	Accumulated deficit \$	Total \$
Balance at September 30, 2016	54,256,165	(53,047,552)	1,208,613
Net loss and total comprehensive loss for the year	—	(220,180)	(220,180)
Balance at September 30, 2017	54,256,165	(53,267,732)	988,433
Net loss and total comprehensive loss for the year	—	(118,398)	(118,398)
Balance at September 30, 2018	54,256,165	(53,386,130)	870,035

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

ABV Investments Inc. (formerly Almond Resorts Inc.)
Statement of Comprehensive Income
September 30, 2018
(expressed in Barbados dollars)

	2018	2017
	\$	\$
Expenses (note 12)	<u>(118,398)</u>	<u>(220,180)</u>
Net loss and total comprehensive loss for the year	<u>(118,398)</u>	<u>(220,180)</u>
Loss per share - basic and diluted (note 11)	(0.21)¢	(0.39)¢

The accompanying notes form an integral part of these financial statements

ABV Investments Inc. (formerly Almond Resorts Inc.)
Statement of Cash Flows
September 30, 2018
(expressed in Barbados dollars)

	2018	2017
	\$	\$
Cash flows from operating activities		
Loss before taxation	(118,398)	(220,180)
Adjustments for:		
Movement in carrying value adjustment	(69,636)	38,208
	<hr/>	<hr/>
Operating loss before working capital changes	(188,034)	(181,972)
(Increase)/decrease in other accounts receivable and prepayments	(17,413)	(14,140)
Decrease in accounts payable and accruals	(11,879)	(3,712)
Increase in amounts due to related company	17,033	–
	<hr/>	<hr/>
Net cash used in operating activities	(200,293)	(199,824)
Net decrease in cash and cash equivalents	(200,293)	(199,824)
Cash and cash equivalents - beginning of year	642,053	841,877
	<hr/>	<hr/>
Cash and cash equivalents - end of year (note 4)	441,760	642,053
	<hr/>	<hr/>

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

1 Corporate information, registered office, principal activity and subsequent event

On May 28, 2014 Almond Resorts Inc was renamed ABV Investments Inc. The registered office location is Massy Dome, Warrens, St. Michael, Barbados.

The Company's shares are listed on the Barbados Stock Exchange.

The Company is an associate of Massy (Barbados) Ltd. and a subsidiary of Massy Holdings Ltd.

Until 2012, the principal activity of the Company was the operation of two luxury “all-inclusive” hotels, Almond Beach Village and Almond Beach Club, located in Barbados, and shared ownership and management of two other hotel properties, Casuarina Beach Club in Barbados and Morgan Bay in St. Lucia. These four properties were disposed of during the period of December, 2011 to December, 2013.

During the financial year 2012-2013, the Company dissolved its subsidiaries as follows:

Name of Subsidiary	Country of Incorporation	Date of Dissolution
Almond Reservation Services Inc.	United States of America	January 31, 2013
Almond Vacations LLC	United States of America	January 31, 2013
Almond Resorts Marketing Ltd.	United Kingdom	September 17, 2013

The Company’s investment in its associated company was written down in 2011 as management does not anticipate any recovery from this investment. The associate companies are as follows:

Name of Associate	Country of Incorporation	Effective Shareholding
Casuarina Holdings Inc.	St. Lucia	35.5%

The financial statements were approved by the Board of Directors on January 9, 2019.

The shareholders have the power to amend the financial statements after issue.

Reissuance of financial statements

The financial statements of the Company for the year ended September 30, 2018 were originally issued on December 21, 2018.

Subsequently, it was noted that the financial statements did not reflect the effects of the forgiveness of debt of \$3,072,144 to Casuarina Beach Club Limited, a related party, which was effective September 30, 2018.

The reissuance of the financial statements has no impact on the statement of financial position as at September 30, 2018, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, as the loan due from related party was fully provided for. The disclosure related to this matter is reflected in Note 5.

2 Significant accounting policies

a) Basis of accounting and financial statement preparation - going concern

As of September 30, 2011, the Board of Directors recognised that the Company could not continue normal trading for a further period of 12 months and determined that the going concern basis of preparation was no longer appropriate for the preparation and presentation of the company's financial statements.

Consistent with the financial statements as of September 30, 2011, 2012, 2013, 2014, 2015, 2016 and 2017, these financial statements have not been prepared on a going concern basis.

While the Company has ceased trading, plans to complete full wind up of operations are dependent on resolution of the outstanding receivables and legal matters.

The decision to cease trading and dispose of the hotel properties and hotel investments impacts the classification and recoverable amounts of the Company's assets and liabilities, in accordance with the following accounting policies:

- Current financial assets have been assessed for impairment.
- Non-current liabilities have been reclassified to current where they are expected to be settled within the next twelve months from the date of the financial statements.

These financial statements have been prepared in conformity with the Framework for the Preparation and Presentation of Financial Statements issued by the International Accounting Standards Board and is consistent with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention.

The preparation of financial statements requires the use of critical accounting estimates. It also requires the directors to exercise judgement 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 are disclosed in Note 3.

2 Significant accounting policies ...continued

a) Basis of preparation ...continued

New standards, and amendments and interpretations to published standards that are effective and relevant

- IAS 7 (Amendment) Statement of cash flows on disclosure initiative (effective annual periods on or after January 1, 2017)
- IAS 12 (Amendment) Income taxes on recognition of deferred tax assets for unrealized losses (effective annual periods on or after January 1, 2017)
- IFRS 9 Financial instrument (effective annual periods on or after January 1, 2018)

These amendments have no significant effects on the financial statements.

New standards, and amendments and interpretations to published standards that are not yet effective and have not been early adopted

Management have reviewed the new standards, amendments and interpretations to existing standards that are not yet effective and have determined that the following are relevant to the company's operations. Management have not yet determined the impact of these standards on the financial statements. The company has not early adopted the new standards, amendments and interpretations and will adopt the standards, amendments and interpretations based on the effective dates as noted below:

- IFRS 15 Revenue from contracts with customers (effective annual periods on or after January 1, 2018)
- IFRIC 22 Foreign currency transactions and advance consideration (effective annual periods on or after January 1, 2018)

b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Barbados dollars, which is the Company's functional and presentation currency.

Transactions and balances

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

2 Significant accounting policies ...continued

c) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

d) Financial assets

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

e) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through use of an allowance account and the amount of the loss is recognised in the statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of income.

f) Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company follows the liability method of accounting for taxation whereby the future tax asset or liability resulting from temporary differences is accounted for at the estimated future corporation tax rate that is expected to apply to the period when the asset is realized and the liability settled. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the losses can be utilized.

g) Revenue recognition

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

2 Significant accounting policies ...continued

h) Pension costs

The Company has a defined contribution pension scheme for its eligible employees, providing for fixed rates of contribution based on the level of employees' remuneration. Contributions are charged to the statement of income in the year to which they relate. The Company has started the process of winding down the pension plan guided by the Company's legal counsel. During the year approval was given by the Financial Services Commission for the winding up of the Pension Plan.

i) Share capital

Common shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

j) Trade payables

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

k) Provisions - business closure costs

Provisions are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

l) Financial liabilities

Financial liabilities are recognized initially at fair value and are subsequently stated at amortized cost using the effective yield method. Financial liabilities are classified as current liabilities if they are contractually due for settlement within the next twelve months from the date of the financial statements.

m) Dividend distribution

Dividend distributions, if any, to the Company's shareholders are recognized as a liability in the Company's financial statements in the period during which the dividends are approved by the Board of Directors.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Going concern

The use of the going concern assumption is a significant judgement made by management. As further disclosed in notes 1 and 2(a), the Board of Directors have concluded that the Company is not considered a going concern and these accounts have not been prepared on a going concern basis.

Impairment of non-financial assets

Non-financial assets are reviewed annually for changes in their carrying value whenever events in circumstances indicate that the carrying amount may not be recoverable. Adjustments are recognised for the amount by which the carrying value of the asset exceeds its recoverable value, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Assets in the process of sale or realisation

a) Amount due from Casuarina Beach Club Limited

The carrying value of the amount due from the associated company has been reviewed by management after the subsequent sale of the Casuarina Beach Club property. Management have assessed this balance for impairment and has written down this balance to its estimated recoverable amount based on the net sale proceeds and realisation of other assets held by Casuarina Beach Club Limited as disclosed in note 5.

b) Other receivables and prepayments

Other receivables and prepayments primarily include VAT and severance recoverable amounts due from the Barbados Revenue Authority and the National Insurance Scheme. These amounts have not been disputed by the Barbados Revenue Authority nor by the National Insurance Scheme.

i) VAT receivable

In September, 2018, the Government of Barbados entered into a programme with the International Monetary Fund for the settlement of its payables including Value Added Tax. Based on public communications from the Government of Barbados, commencing March, 2019, companies will start to receive repayments based on 42 equal installments. The Company has utilised this information in calculating the fair carrying value of the VAT receivable (Note 6 and 12).

4 Cash and cash equivalents

	2018 \$	2017 \$
Cash	<u>441,760</u>	<u>642,053</u>

Cash is held in a non-interest earning current account.

5 Related party balances and transactions

Balances due from and to the related party may be analyzed as follows:

	Restated 2018 \$	Previously reported 2018 \$	2017 \$
Amounts due from related company			
Casuarina Beach Club Limited	181,603	3,253,747	3,253,747
Provision for doubtful debts (Casuarina Beach Club Limited)	<u>(181,603)</u>	<u>(3,253,747)</u>	<u>(3,253,747)</u>
	—	—	—

	2018 \$	2017 \$
Amounts due to related company		
Casuarina Beach Club Limited	<u>53,154</u>	<u>36,131</u>

The amounts receivable arose from advances to the related company and are interest free and repayable on demand.

Compensation of key management personnel of the Company comprises short-term employee benefits in the amount of \$84,500 (2017 - \$78,000).

Reissuance of financial statements

On September 30, 2018, the Company's directors approved a resolution, effective on that date, to forgive Casuarina Beach Club Limited (CBCL), the debt of \$3,072,144 due from them, in recognition of CBCL's inability to settle the amounts due to its shareholders. The net loss and net equity position of the Company is not affected by this action as the full amount due from CBCL was previously fully provided for, and the debt was written off against the provision.

6 Other receivables and prepayments

	2018	2017
	\$	\$
VAT receivable	433,869	420,481
Less carrying value adjustment (note 12)	(59,286)	(128,922)
	374,583	291,559
Severance recoverable	338,266	334,241
Prepayments and refundable deposits	750	750
	713,599	626,550
Less long term portion of VAT receivable	314,986	–
	398,613	626,550

In accordance with the Severance Payments Act, 1971 and the Severance Payments (Rebates) Regulations 1972, the Company has accounted for rebates on any gross severances paid at a rate at 25% of the gross severance payments. The VAT receivable represents amounts due from Barbados Revenue Authority.

The Company has used appropriate discount rates in assessing the carrying value of its VAT receivable, to coincide with the payment plan established by the Government of Barbados to settle its liabilities beginning March, 2019, in 42 equal installments. This was used to determine the split between the current and long term portions of the Company's receivable.

7 Taxation

The tax on the Company's loss before taxation differs from the theoretical amount that would arise using the basic rate of corporation tax as follows:

	2018	2017
	\$	\$
Loss before taxation	(118,398)	(220,180)
Tax calculated at 25% (2017 - 25%)	(29,600)	(55,045)
Movement in deferred tax not recognised	29,600	55,045
Tax charge	—	—

The deferred tax asset is comprised as follows:

	2018	2017
	\$	\$
Tax losses at 30% (2017 - 25%)	14,375,130	12,291,871
Deferred tax asset not recognised	(14,375,130)	(12,291,871)
Deferred tax asset	—	—

The Company has tax losses which are available for set off against future taxable income as follows:

Year of income	Losses b/forward	Adjustment	Incurred	Expired	Losses c/forward	Expiry date
	\$	\$	\$	\$	\$	
2009	1,330,573	—	—	(1,330,573)	—	2018
2010	6,996,792	—	—	—	6,996,792	2019
2011	17,498,232	—	—	—	17,498,232	2020
2012	10,809,664	—	—	—	10,809,664	2021
2013	5,643,728	—	—	—	5,643,728	2022
2014	5,490,219	—	—	—	5,490,219	2023
2015	859,548	—	—	—	859,548	2022
2016	318,548	—	—	—	318,548	2023
2017	220,180	(38,208)	—	—	181,972	2024
2018	—	—	118,398	—	118,398	2025
	49,167,484	(38,208)	118,398	(1,330,573)	47,917,101	

These losses have neither been confirmed nor disputed by the Commissioner of the Barbados Revenue Authority.

8 Accounts payable and accruals

	2018	2017
	\$	\$
Other payables	147,301	147,301
Accruals	84,859	96,738
	232,160	244,039

Included in accruals is \$Nil (2017 - \$22,500) relating to management fees due to Massy (Barbados) Ltd.

9 Share capital

Authorized:

The Company is authorized to issue an unlimited number of common shares without nominal or par value.

Issued:

	2018		2017	
	Number	\$	Number	\$
Balance				
- beginning and end of year	56,457,066	54,256,165	56,457,066	54,256,165

10 Capital commitments and contingencies

As at the balance sheet date, the Company has not entered into commitments for any capital expenditures (2017 - \$Nil).

The Company is a defendant in various legal actions which, in the opinion of management after seeking appropriate legal advice, will not give rise to any significant loss.

11 Earnings per share

Basic earnings per share ('EPS') is calculated by dividing the net income or loss for the year by the weighted average number of common shares in issue during the year. Fully diluted EPS is calculated by adjusting the weighted average number of common shares in issue to include the potential dilutive effect of share options granted under the ESOP. For the years ended September 30, 2018 and 2017, the fully diluted EPS was the same as the basic EPS as no share options were granted.

	2018	2017
	\$	\$
Net loss for the year	(118,398)	(220,180)
Weighted average number of ordinary shares in issue	56,457,066	56,457,066
Basic and diluted loss per share	(0.21) ¢	(0.39) ¢

12 Expenses by nature

	2018	2017
	\$	\$
Employee costs (note 13)	104,819	94,630
Directors fees	15,000	20,000
Professional fees	40,656	45,707
Other expenses	27,560	21,635
	188,035	181,972
VAT carrying value adjustment (note 6)	(69,637)	38,208
	118,398	220,180

13 Employee costs

	2018	2017
	\$	\$
Salaries, wages and social security costs	104,819	94,630

14 Risk management

The Company's principal financial liabilities comprise accounts payable and amounts due to related party. The Company's financial assets is cash. As disclosed in note 4, cash is non-interest earning and therefore the Company has no exposure to interest rate risk. The Company does not enter into derivative transactions. The main risks arising from the Company's activities are credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below. The Company has no exposure to market risk as there is no exchange risk or interest rate.

Credit risk

The Company is exposed to credit risk, which is the potential for loss due to debtor's failure to pay amounts when due. Credit risk arises from cash.

The maximum exposure to credit risk on the Company's financial assets is equal to the carrying value of these assets, as follows:

	2018	2017
	\$	\$
Cash	<u>441,760</u>	<u>642,053</u>

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due.

Cash flows payable by the Company in respect of its financial liabilities and commitments are summarized in the following tables. Maturity profile amounts are analyzed by their earliest contractual maturity dates and consist of contractual undiscounted cash flows.

	Due within 1 year	Total
	\$	\$
As of September 30, 2018		
Amounts due to related parties	53,164	53,164
Other liabilities	<u>147,301</u>	<u>147,301</u>
	<u>200,465</u>	<u>200,465</u>
As of September 30, 2017		
Amounts due to related parties	36,131	36,131
Other liabilities	<u>147,301</u>	<u>147,301</u>
	<u>183,432</u>	<u>183,432</u>

15 Capital management

As indicated in notes 1 and 2(a), the Company is no longer considered a going concern and the Board of Directors having disposed of the hotel properties of the company as have its associates, is in the process of collecting outstanding receivables and settling payables and any other obligations.

16 Fair value of financial instruments

Set out below is a comparison by category of carrying amounts and fair values of all the Company's financial instruments that are carried in the financial statements:

	<u>Carrying value</u>		<u>Fair value</u>	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash	441,760	642,053	441,760	642,053
Financial liabilities				
Amounts due to related companies	53,184	36,131	53,184	36,131
Other payables	147,301	147,301	147,301	147,301

The carrying amounts of financial assets such as cash normally approximate their fair values because of their short-term maturity.

The carrying amounts of financial liabilities which comprise amounts due to related companies and accounts payable approximate their fair values because of their short-term maturity.

ABV INVESTMENTS INC.
(INCORPORATED IN BARBADOS)

Company No.7147

MANAGEMENT PROXY CIRCULAR

Management is required by the Companies Act Cap.308 of the Laws of Barbados (hereinafter called "the Companies Act") to send with the notice convening the meeting forms of proxy. By complying with the Companies Act, management is deemed to be soliciting within the meaning of the Companies Act.

The Management Proxy Circular accompanies the notice of the Twenty-Eighth Annual General Meeting of Shareholders of ABV Investments Inc. (hereinafter called "the Company") to be held on Tuesday, February 19, 2019 at 1:30 p.m. (hereinafter called "the meeting") and is furnished in connection with the solicitation by the management of the Company of proxies for use at the meeting, or any adjournment thereof. It is expected that the solicitation will primarily be by mail. The cost of the solicitation will be borne by the Company.

Proxies

A shareholder who is entitled to vote at a meeting of the shareholders has the right by means of the enclosed form of proxy to appoint a person to represent him by inserting the name of such a person in the space indicated in the form of proxy.

Proxies given by shareholders for use at the meeting may be revoked by the shareholder giving such proxy at any time prior to their use. In addition to revocation in any manner permitted by the Law, a proxy may be revoked by an instrument in writing executed by the shareholder or by his attorney in writing; if the shareholder is a company, executed under its corporate seal or by any duly authorised officer or attorney thereof, and deposited at the registered office of the Company at Massy Dome, Warrens, St. Michael, at any time up to 4:15 pm, on Friday, February 15, 2019 being two (2) business days preceding the day of the meeting, or any adjournment thereof, and upon either of such deposits the proxy is revoked.

Record Date, Notice of Meeting and Voting Shares

The Directors of the Company have not fixed a record date for determining the shareholders who are entitled to receive notice of the meeting. In accordance with the Companies Act, the statutory record date applies. Only shareholders on record at the close of business on the day immediately preceding the day on which notice is given under Section 109(1) of the Companies Act will be entitled to receive notice of the meeting.

Only such registered holders of common shares of the Company will be entitled to vote at the meeting. Each holder is entitled to one vote for each share held. As at the date hereof there are 56,457,066 common shares without par value of the Company issued and outstanding.

Election of Directors

The Board of Directors consists of members who retire in rotation. On January 18, 2019 there were five (5) Board Members. The number of directors of the Company to be elected at the meeting is one (1). The following is the name of the person proposed as nominee for election as director of the Company and for whom it is intended that votes will be cast for his election as director pursuant to the form of the proxy herewith enclosed:

Nominee for Director

G.A. King

Principal Occupation

Corporate Executive

With respect to the nomination of Mr. King, his term of office will expire at the close of the third Annual Meeting of the Shareholders of the Company following his election or until his successor is elected or appointed. The nominated candidate is willing to serve and has signed a declaration of consent attesting to his willingness to serve. The Company does not contemplate that the person named above will, for any reason, become unable or unwilling to serve as a director.

The one (1) person nominated is now Director of the Company and will retire at the close of the Twenty-Eighth Annual General Meeting in accordance with the provisions of Clause 4.4 of By-Law No.1 of the Company but, being qualified, is eligible for re-election and has consented to offer himself for re-election. Mr. King was elected Director at the Shareholders Meeting held on April 26, 2016.

Appointment of Auditors

The Directors recommend that PricewaterhouseCoopers SRL be re-appointed auditors of the Company to hold office until the next Annual Meeting of Shareholders.

Discretionary Authority

Management knows of no matter to come before the meeting other than the matters referred to in the notice of meeting enclosed herewith. However, if any other matters which are not known to management should properly come before the meeting or any adjournment thereof, the shares represented by proxies in favour of management nominees will be voted on any such matter in accordance with the best judgment of the proxy nominee. Similar discretionary authority is conferred with respect to amendments to the matters identified in the notice of the meeting. The contents of this Management Proxy Circular and the sending thereof to the holders of the common shares of the Company have been approved by the Directors of the Company.

No Director's statement is submitted pursuant to section 71(2) of the Companies Act.

No Auditor's statement is submitted pursuant to section 163(1) of the Companies Act.

No Shareholder's proposal and/or statement is submitted pursuant to sections 112(a) and 113(2) of the Companies Act.

Notes:

1. (a) A shareholder who is entitled to vote at a meeting of shareholders may, by means of a proxy, appoint a proxy holder, or one or more alternate proxy holders, none of whom need be shareholders, to attend and act at the meeting in the manner and to the extent authorised by the proxy and with the authority conferred by the proxy.

(b) In the case of a shareholder who is a body corporate or association, votes at meetings of shareholders may be given by an individual authorised by a resolution of the directors or governing body of that body corporate or association to represent it at meetings of shareholders of the Company.

2. A proxy must be executed in writing by the shareholder or his attorney authorised in writing.

3. Proxy appointments are required to be deposited at the registered office of the Company no later than 4:15 p.m. on Friday, February 15, 2019.

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