

2019
ANNUAL REPORT
ABV INVESTMENTS INC.

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Notice of Meeting

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

NOTICE is hereby given that the Twenty-Ninth Annual General Meeting of the Shareholders of ABV Investments Inc. will be held on Wednesday, March 4, 2020 at 1:30 p.m. at the **Massy Stores Training Room, Massy Stores SuperCentre Complex, Warrens, St. Michael** for the following purposes:

1. To receive and consider the Directors' Report and Financial Statements for the year ended September 30, 2019 and the Auditor's Report thereon.
2. To elect the following Directors for a period of three years:
E. G. Warner and Frere F. C. Delmas
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

Natalie M. Brace

Secretary

Registered Office:
Massy Dome,
Warrens,
St. Michael.
December 23, 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 served on the Board of Directors of Massy Holdings Ltd. in Trinidad as a Non-executive Director until 19 December 2019. 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.

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.

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.

Board of Directors cont'd

FRERE F. C. DELMAS, Barbados Citizen

Frere Delmas is a non-independent Director and currently serves as the Non-Executive Chairman of the Board of Directors of Massy (Barbados) Ltd., a position he assumed on 1st November, 2019. Prior to his retirement at the end of September 2019, Mr. Delmas served as Massy's Senior Vice President for Other Investments and as a Director on the Board of Massy Holdings Ltd. He also held the positions of Executive Vice President of Massy's Integrated Retail Business Unit and Director & Country Manager of Massy (Barbados) Ltd. Mr. Delmas has an accumulated wealth of management experience and knowledge in the supermarket industry and wholesale distribution, which he acquired during his career in the field. He is a former Executive Chairman for Neal & Massy's Retail Business Unit and, before that, was the Executive Chairman of the BS&T Food Retail and Distribution Division as well as a BS&T Director.

Chairman's Report

In the financial year ended 30 September 2019, focus was maintained on resolving the matter of the amounts due from the Barbados Revenue Authority for Value Added Tax refunds and the National Insurance Department for severance rebates.

Some success was achieved in that payment was received from the National Insurance Department representing 75% of the severance rebate that was due as at the close of the prior year. Efforts are on-going to receive the balance due from the National Insurance Department and otherwise, the amounts due from the Barbados Revenue Authority.

In order to keep costs to a minimum, only expenses associated with necessary activities to operate the Company were incurred.

It is hoped that, during the financial year 2020, the outstanding matters can be resolved such that the Directors of the Company can proceed with the liquidation process for the winding up of the Company.

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 December 15 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. Mr. Thomas Pantin resigned as Director of the Company with effect from October 22, 2019. Mr. Frere Delmas was appointed Director of the Company effective November 4, 2019.

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 September 30, 2019 ("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%
Sir Paul Altman	1 out of 1	100%
Mr. Thomas Pantin	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 charged by the Company's Auditors, PricewaterhouseCoopers SRL, during the Financial Year and the previous financial year:

	2019	2018
Audit Fees	\$18,950	\$18,500
Tax Review	\$5,125	\$5,125

December 23, 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, 2019.

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 Profit	\$ 17,031
Accumulated deficit at beginning of year	(\$53,386,130)
Accumulated deficit at end of year	<u>(\$53,369,099)</u>

Directors

In accordance with the Company's By-Laws, E. G. Warner and Frere F. C. Delmas will retire at the end of the Twenty-Ninth Annual General Meeting and have consented to offer themselves 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, 2019 and December 23, 2019 are set out below:

Shares held by Directors

	Shares 30.09.19	Shares 23.12.19
Mr. Gervase Warner	0	0
Sir Paul Altman	0	0
Mr. Anthony King	18,585	18,585
Mr. Philip Osborne	9,000	9,000
Mr. Frere Delmas	0	0
Mr. Thomas Pantin	0	0

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, 2019, 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, 2019;
- 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

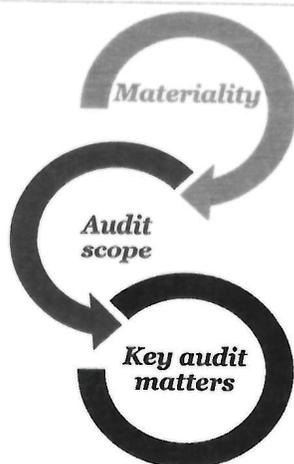
We draw attention to Note 2 to these financial statements, which refers to the basis of preparation of the financial statements. Consistent with the financial statements as of September 30, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018, these financial statements have not been prepared on a going 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

Our audit approach

Overview



- Overall materiality: \$7,400, 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.

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>	\$7,400
<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 \$370, 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 2019 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.

PricewaterhouseCoopers SRL

Bridgetown, Barbados
December 23, 2019

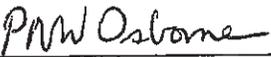
	2019 \$	2018 \$
Assets		
Current assets		
Cash (note 4)	482,781	441,760
Other receivables and prepayments (note 6)	<u>252,958</u>	<u>398,613</u>
	735,739	840,373
Non-current assets		
Receivables (note 6)	<u>221,156</u>	<u>314,986</u>
Total assets	<u>956,895</u>	<u>1,155,359</u>
Liabilities		
Current liabilities		
Amounts due to related company (note 5)	–	53,164
Accounts payable and accruals (note 8)	<u>69,829</u>	<u>232,160</u>
Total liabilities	<u>69,829</u>	<u>285,324</u>
Equity		
Share capital (note 9)	54,256,165	54,256,165
Accumulated deficit	<u>(53,369,099)</u>	<u>(53,386,130)</u>
Total equity	<u>887,066</u>	<u>870,035</u>
Total liabilities and equity	<u>956,895</u>	<u>1,155,359</u>

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

Approved by the Board of Directors on December 18, 2019 and signed on its behalf by:



 Mr. Gervase Warner, Director



 Mr. Philip Osborne, Director

ABV Investments Inc.
Statement of Changes in Equity
September 30, 2019
(expressed in Barbados dollars)

	Share capital \$	Accumulated deficit \$	Total \$
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
Net profit and total comprehensive profit for the year	—	17,031	17,031
Balance at September 30, 2019	54,256,165	(53,369,099)	887,066

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

ABV Investments Inc.
Statement of Comprehensive Income
September 30, 2019
(expressed in Barbados dollars)

	2019	2018
	\$	\$
Expenses (note 12)	(36,133)	(118,398)
Other income		
Forgiveness of debt (note 5)	53,164	—
Net profit/(loss) and total comprehensive profit/(loss) for the year	17,031	(118,398)
Profit/(loss) per share - basic and diluted (note 11)	0.03¢	(0.21)¢

The accompanying notes form an integral part of these financial statements

ABV Investments Inc.
Statement of Cash Flows
September 30, 2019
(expressed in Barbados dollars)

	2019	2018
	\$	\$
Cash flows from operating activities		
Profit/(loss) before taxation	17,031	(118,398)
Adjustments for:		
Movement in carrying value adjustment	–	(69,636)
Forgiveness of debt (note 5)	(53,164)	–
	<hr/>	<hr/>
Operating loss before working capital changes	(36,133)	(188,034)
Decrease/(increase) in other accounts receivable and prepayments	239,485	(17,413)
Decrease in accounts payable and accruals	(162,331)	(11,879)
Increase in amounts due to related company	–	17,033
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	41,021	(200,293)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	41,021	(200,293)
	<hr/>	<hr/>
Cash and cash equivalents - beginning of year	441,760	642,053
	<hr/>	<hr/>
Cash and cash equivalents - end of year (note 4)	482,781	441,760
	<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 December 18, 2019.

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

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, 2017 and 2018, 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.

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

IFRS 9 'Financial instruments' (effective January 1, 2018). IFRS9, 'Financial instruments' includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. IFRS 9 has been adopted effective October 1, 2018. There have been no changes to the carrying values of our financial instruments at October 1, 2018, or to previously reported figures as the effect of the adoption on the opening balances and the current year results was immaterial.

2 Significant accounting policies ...continued

a) Basis of preparation ...continued

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

IFRIC 22, ‘Foreign currency transactions and advance consideration’ (effective January 1, 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice.

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:

Annual improvements 2015 - 2017 (effective January 1, 2019). These amendments include minor changes to: IAS 12, ‘Income taxes’ - a company accounts for all income tax consequences of dividend payments in the same way.

IFRIC 23, ‘Uncertainty over income tax treatments’ (effective January 1, 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 ‘Income taxes’, are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 ‘Provisions, contingent liabilities and contingent assets’, applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

2 Significant accounting policies ...continued

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.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

d) Financial assets

The Company classifies its financial assets at amortized cost. The classification depends on the Company’s business model. Management determines the classification of its financial assets at initial recognition.

e) Impairment of non-financial assets

The Company assesses at each balance sheet date whether a non-financial asset or group of non-financial assets is impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

2 Significant accounting policies ...continued

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 profits 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.

h) 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.

i) Trade payables

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

j) 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.

2 Significant accounting policies ...continued

k) 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.

l) 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.

3 Significant accounting judgements, estimates and assumptions ...continued

Assets in the process of sale or realisation ...continued

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 estimating the carrying value of the VAT receivable (Note 6 and 12).

4 Cash and cash equivalents

	2019 \$	2018 \$
Cash	<u>482,781</u>	<u>441,760</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:

	2019 \$	2018 \$
Amounts due from related company		
Casuarina Beach Club Limited	181,603	181,603
Provision for doubtful debts (Casuarina Beach Club Limited)	<u>(181,603)</u>	<u>(181,603)</u>
	—	—
Amounts due to related company		
Casuarina Beach Club Limited	—	<u>53,164</u>

5 Related party balances and transactions ...continued

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

During the year, Casuarina Beach Club Limited forgave the company \$53,164 of debt due to them.

Compensation of key management personnel of the Company comprises short-term employee benefits in the amount of \$78,000 (2018 - \$84,500).

6 Other receivables and prepayments

	2019	2018
	\$	\$
VAT receivable	446,303	433,869
Less carrying value adjustment (note 12)	(59,286)	(59,286)
	387,017	374,583
Severance recoverable	87,097	338,266
Prepayments and refundable deposits	–	750
	474,114	713,599
Less long-term portion of VAT receivable	(221,156)	(314,986)
	252,958	398,613

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 the Barbados Revenue Authority. The amount due has been discounted using appropriate discount rates in assessing the carrying value of the receivable, to coincide with the payment plan established by the Government of Barbados under the Barbados Economic Recovery and Transformation (BERT) plan, to begin in March, 2019, based on 42 equal installments. No payments were received during the year in accordance with the scheduled repayment plan. The split between the current and long-term portions of the Company's receivable has been presented based on the original plan as outlined by the Government where repayments were to commence in March, 2019.

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:

	2019 \$	2018 \$
Profit/(loss) before taxation	<u>17,031</u>	<u>(118,398)</u>
Tax calculated at 5.5% (2018 - 25%)	937	(29,600)
Tax effect of reduction in the tax rate	11,739,689	–
Movement in deferred tax not recognised	(12,121,151)	29,600
Tax losses expiring unutilised	384,355	–
Prior year over provision - deferred tax	<u>(3,830)</u>	<u>–</u>
Tax charge	<u>–</u>	<u>–</u>

The deferred tax asset is comprised as follows:

	2019 \$	2018 \$
Tax losses at 5.5% (2018 - 30%)	2,254,447	14,375,130
Deferred tax asset not recognised	<u>(2,254,447)</u>	<u>(14,375,130)</u>
Deferred tax asset	<u>–</u>	<u>–</u>

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

Year of income	Losses b/forward \$	Adjustment \$	Expired \$	Losses c/forward \$	Expiry date
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	181,972	–	–	181,972	2024
2018	118,398	69,636	–	188,034	2025
	<u>47,917,101</u>	<u>69,636</u>	<u>(6,996,792)</u>	<u>40,989,945</u>	

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

8 Accounts payable and accruals

	2019	2018
	\$	\$
Other payables (note 12)	–	147,301
Accruals	69,829	84,859
	69,829	232,160

9 Share capital

Authorized:

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

Issued:

	2019		2018	
	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 (2018 - \$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, 2019 and 2018, the fully diluted EPS was the same as the basic EPS as no share options were granted.

	2019	2018
	\$	\$
Net profit/(loss) for the year	17,031	(118,398)
Weighted average number of ordinary shares in issue	56,457,066	56,457,066
Basic and diluted earnings/(loss) per share	0.03¢	(0.21)¢

12 Expenses by nature

	2019	2018
	\$	\$
Employee costs (note 13)	88,545	104,819
Directors fees	15,000	15,000
Professional fees	26,363	40,656
Other expenses	53,526	27,559
Write-off of payables (note 8)	(147,301)	–
	36,133	188,034
VAT carrying value adjustment (note 6)	–	(69,636)
	36,133	118,398

13 Employee costs

	2019	2018
	\$	\$
Salaries, wages and social security costs	88,545	104,819

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:

	2019	2018
	\$	\$
Cash	482,781	441,760

14 Risk management ...continued

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, 2019		
Amounts due to related parties	—	—
Other liabilities	—	—
	<hr/>	<hr/>
	—	—
	<hr/>	<hr/>
As of September 30, 2018		
Amounts due to related parties	53,164	53,164
Other liabilities	147,301	147,301
	<hr/>	<hr/>
	200,465	200,465
	<hr/>	<hr/>

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>	
	2019	2018	2019	2018
	\$	\$	\$	\$
Financial assets				
Cash	482,781	441,760	482,781	441,760
Financial liabilities				
Amounts due to related companies	–	53,184	–	53,184
Other payables	–	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-Ninth Annual General Meeting of Shareholders of ABV Investments Inc. (hereinafter called "the Company") to be held on Wednesday, March 4, 2020 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 Monday, March 2, 2020 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 December 23, 2019 there were five (5) Board Members. The number of directors of the Company to be elected at the meeting is two (2). The following are the names of the persons proposed as nominees for election as directors of the Company and for whom it is intended that votes will be cast for their election as directors pursuant to the form of the proxy herewith enclosed:

Nominee for Director

E. Gervase Warner
Frere F. C. Delmas

Principal Occupation

Corporate Executive
Corporate Executive

With respect to the nomination of these two Directors, their term of office will expire at the close of the third Annual Meeting of the Shareholders of the Company following their election or until their successor is elected or appointed. The nominated candidates are willing to serve and have signed a declaration of consent attesting to their willingness to serve. The Company does not contemplate that the persons named above will, for any reason, become unable or unwilling to serve as a director.

The two (2) persons nominated are now Directors of the Company and will retire at the close of the Twenty-Ninth Annual General Meeting in accordance with the provisions of Clause 4.4 of By-Law No.1 of the Company but, being qualified, are eligible for re-election and have consented to offer themselves for re-election. Mr. Warner was elected Director at the Shareholders Meeting held on March 29, 2017. Mr. Thomas Pantin was also elected Director at the Shareholders Meeting held on March 29, 2017. Mr. Pantin resigned as Director of the Company on October 22, 2019 and Mr. Delmas was appointed as replacement Director of the Company effective November 4, 2019.

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 Monday, March 2, 2020.

Notes

