Massy Holdings Ltd.

Consolidated Financial Statements

30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

Massy Holdings Ltd.

Contents **Page**

Massy Holdings Ltd.

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Massy Holdings Ltd. and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 30 September 2022, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of operational efficiencies for the Group;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Chief Executive Officer
23 November 2022

Chief Financial Officer
23 November 2022

Independent auditor's report

To the Shareholders of Massy Holdings Ltd.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Massy Holdings Ltd. (the Company) and its subsidiaries (together 'the Group') as at 30 September 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 September 2022;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 consolidated financial statements* section of our report.

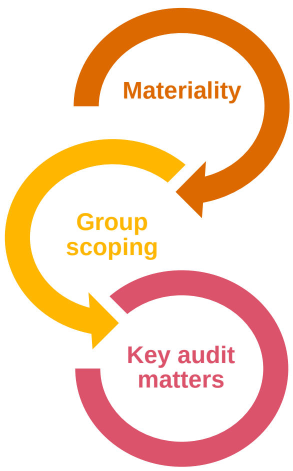
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview



Overall group materiality: $51.5 million, which represents 5% of profit before income tax from continuing operations.

The group audit included:

- Full scope audits of six subsidiaries which were deemed to be individually financially significant components, three of which have head offices in Trinidad and Tobago, with the others being located in Barbados, Jamaica and Guyana
- An audit of specific account balances in six other components

Key audit matters:

- Goodwill impairment
- Valuation of unquoted equity investment
- Valuation of retirement benefit asset and obligation

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated 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.

How we tailored our group audit scope

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

The Group is structured into five segments (see note 3 to the consolidated financial statements) and is a consolidation of over 120 separate legal entities. The Group comprises component entities directly held by Massy Holdings Ltd., as well as sub-group components. The following components were deemed to be financially significant and were subject to full scope audits:

- Massy Transportation Group Ltd. and its subsidiaries
- Massy Integrated Retail Ltd. and its subsidiaries
- Massy Guyana Ltd. and its subsidiaries
- Massy Stores (Barbados) Ltd.
- Massy Gas Products (Trinidad) Ltd. and its subsidiaries
- Massy Gas Products (Jamaica) Ltd.

Three of the six significant components were audited by PricewaterhouseCoopers Trinidad and Tobago. In addition, a further six components were subject to an audit of specific account balances, four of which were audited by PricewaterhouseCoopers Trinidad and Tobago. For all other components, which are within the scope of the Group audit, we used component auditors from PwC network firms and non-PwC firms, who are familiar with the local laws and regulations, to perform this audit work.

For the work performed by all component audit teams (both PwC and non-PwC) operating under our instructions, we determined the level of involvement we needed to have in the audit work at those locations to be satisfied that sufficient audit evidence has been obtained for the purpose of our opinion. We maintained ongoing involvement with the component audit teams throughout the audit and performed remote reviews of component working papers for components in Barbados, Jamaica, Guyana and St. Lucia.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated 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 consolidated financial statements as a whole.

Overall Group materiality	$51.5 million
How we determined it	5% of profit before income tax from continuing operations
Rationale for the materiality benchmark applied	We chose profit before income tax from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $1.75 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment *Refer to notes 2.8.1, 4.a.(i) and 8 to the consolidated financial statements for disclosures of related accounting policies and balances.* Management performs an annual impairment assessment of goodwill. Goodwill totalling $168.2 million was recognised on the consolidated statement of financial position as at 30 September 2022. The recoverable amount of each cash generating unit (CGU) is calculated as the higher of the value-in-use (VIU) and fair value less costs of disposal (FVLCOD). Management determined the recoverable amount by reference to the VIU which was derived based on a discounted expected cash flow approach which involved the development of a best, worst and base case scenario. Each scenario was assigned a weighting based on management's judgement to derive an expected cash flow for the CGU. These cash flows included areas where management makes significant judgements on certain key inputs, including, in particular, assigned weightings, discount rates and growth rates. We focused on this area because of the significant level of judgement required in arriving at the key assumptions used in management's impairment assessment.	Our approach to addressing the matter, with the assistance of our specialist, involved the following procedures, amongst others: ● updated our understanding of the methods used by management to perform its annual goodwill impairment assessment of each CGU and assessed whether the methods applied were consistent with the prior year; ● assessed the reasonableness of the weighting assigned to each cash flow forecast based on our understanding of the current economic environment, historical results and the expected likelihood of occurrence; ● recalculated the weighted average cost of capital (WACC) used to discount the expected cash flows and evaluated those rates against market-based inputs, our knowledge of the economic environment and the risk premium associated with the respective industries and countries; ● compared management's determined growth rates to historical performance of the CGU and to relevant external economic industry data where available, taking into consideration the CGU's ability to achieve these growth rates in the current economic environment; ● compared management's future cash flow forecasts used in the impairment assessment to those presented and approved by the Board of Directors as part of the annual budgeting process; ● evaluated the accuracy of the forecasts made by comparing past forecasts to historical results, where available, and by comparing to the current year results of the entity; and ● tested the mathematical accuracy of management's calculations. The results of the above audit procedures indicated management's goodwill impairment assessment conclusion was not unreasonable.

Key audit matter	How our audit addressed the key audit matter
Valuation of unquoted equity investment *Refer to notes 2.9.3, 4.a.(v), 12 and 34.3.1 to the consolidated financial statements for disclosures of related accounting policies and balances.* The Group's consolidated statement of financial position as at 30 September 2022 includes a carrying value of $202.4 million relating to an unquoted equity investment. This investment is classified as a financial asset at fair value through other comprehensive income (FVOCI). Fair value was determined based on the discounted cash flow method using free cash flow to equity and risk-adjusted discount rates to arrive at the fair value of the equity investment. This methodology also used other significant unobservable inputs in computing the key assumptions being discount rate, growth rates and methanol prices. We focused on this area because of the significant level of judgement required in arriving at the key assumptions used in management's fair valuation.	Our approach to addressing the matter, with the assistance of our valuation specialist, involved the following procedures, amongst others: ● updated our understanding of the approach used by management to determine its fair valuation of the unquoted equity investment in accordance with IFRS and confirmed that it was consistent with the prior year; ● assessed the reasonableness of the cash flow forecast made by comparing past forecasts to historical results, where available, and by comparing to the current year results; ● recalculated the weighted average cost of capital (WACC) used to discount the cash flows and evaluated those rates against market-based inputs, our knowledge of the economic environment and the risk premium associated with the investment; ● assessed the growth rate based on the expected growth of the operations in the context of the company's operations and industry; ● assessed the methanol prices used in the cash flow projections based on global trends and taking into consideration the existing offtake agreement in place; ● recalculated the enterprise value based on the discounted free cash flow available to firm; and ● tested the mathematical accuracy of management's calculations. The results of the above audit procedures indicated management's fair valuation was not unreasonable within a range of outcomes.

Key audit matter	How our audit addressed the key audit matter
Valuation of retirement benefit asset and obligation *Refer to notes 2.18.1, 4.a.(vii) and 14 to the consolidated financial statements for disclosures of related accounting policies and balances.* The Group sponsors separate pension plans for its employees in Trinidad and overseas. As at 30 September 2022, the Group had a consolidated retirement benefit asset of $416.8 million and a consolidated net retirement benefit obligation of $77.7 million. The net retirement benefit asset comprises the value of pension plan assets less the pension obligation. The following key assumptions used to calculate the pension obligation can have a material impact on the calculation of the liability: ● salary increases; ● discount rates; and ● mortality rates. Management utilised an external actuary to perform certain calculations with respect to the estimated pension obligation. The pension assets consist of financial investments held at fair value, which are based on a range of inputs. While many of the inputs can be obtained from readily available liquid market prices and rates, certain securities are based on modelled prices as observable market data is limited. In these instances, management is required to make significant judgements due to the complexity in the valuation model estimates resulting in high estimation uncertainty risk. We focused on this area because of the significance of the actuarial assumptions stated above in determining the pension obligation and the unobservable inputs used in the valuation models of certain securities within the pension assets.	Our approach to addressing the matter, with the assistance of our valuation specialist (in respect of pension assets), involved the following procedures, amongst others: Pension obligation: ● compared the discount rate used by management to the yield of sovereign bonds of a similar period to retirement; ● compared mortality rates to publicly available statistics; ● compared salary increases to historical increases, taking into account the current economic climate; ● tested the completeness and accuracy of the census data used in the actuarial calculation on a sample basis by comparing it to personnel files; and ● assessed the independence, competence and objectivity of the actuary used by management to calculate the retirement benefit obligations. Pension assets: For investments, which were valued using a valuation model: ● evaluated the assumptions, methodologies and models used by the Group; ● tested the significant inputs relating to yield, prices and valuation on a sample basis to external sources where available and compared to similar transactions in the marketplace; and ● recalculated the valuation for a sample of management's modelled securities. The results of the above audit procedures indicated management's valuation of the net retirement benefit asset was not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon).

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Dwayne Rodriguez-Seijas.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
23 November 2022

Massy Holdings Ltd.

Consolidated Statement of Financial Position
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	As at 30 September 2022 $	2021 $
Assets			
Non-current assets			
Property, plant and equipment	5	2,528,760	2,123,886
Right-of-use assets	6	769,535	854,536
Investment properties	7	297,821	329,503
Goodwill	8	168,200	168,409
Other intangible assets	9	63,417	59,415
Investments in associates and joint ventures	10	140,228	129,608
Trade and other receivables	11	822	800
Financial assets	12	1,861,390	923,521
Deferred income tax assets	13	133,890	132,405
Retirement benefit assets	14	416,840	457,411
		6,380,903	5,179,494
Current assets			
Inventories	15	2,063,908	1,627,654
Trade and other receivables	11	1,854,381	1,571,430
Financial assets	12	1,044,797	587,353
Statutory deposits with regulators	16	47,654	26,643
Cash and cash equivalents	17	1,227,119	2,034,141
Assets classified as held for sale	37	79,821	2,508,194
		6,317,680	8,355,415
Total assets		12,698,583	13,534,909
Equity			
Capital and reserves attributable to equity holders of the parent			
Share capital	18	764,344	764,344
Retained earnings		6,370,513	5,878,713
Other reserves	20	(67,903)	25,075
		7,066,954	6,668,132
Non-controlling interests	21	185,829	164,039
Total equity		7,252,783	6,832,171

Massy Holdings Ltd.

Consolidated Statement of Financial Position (continued)
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	As at 30 September 2022 $	2021 $
Liabilities			
Non-current liabilities			
Borrowings	22	1,546,406	1,448,159
Lease liabilities	6	846,518	919,516
Trade and other payables	24	2,116	--
Deferred income tax liabilities	13	224,210	234,043
Customers' deposits	23	211,938	114,028
Retirement benefit obligations	14	77,715	82,664
Provisions for other liabilities and charges		15,689	48,094
		2,924,592	2,846,504
Current liabilities			
Trade and other payables	24	1,713,135	1,485,242
Customers' deposits	23	334,665	179,474
Current income tax liabilities		157,432	161,570
Borrowings	22	239,822	261,742
Lease liabilities	6	76,154	68,717
Liabilities classified as held for sale	37	--	1,699,489
		2,521,208	3,856,234
Total liabilities		5,445,800	6,702,738
Total equity and liabilities		12,698,583	13,534,909

The notes on pages 18 to 122 are an integral part of these consolidated financial statements.

On 23 November 2022, the Board of Directors of Massy Holdings Ltd. authorised these consolidated financial statements for issue.

E.G. Warner	Peter Jeewan	Vaughn Martin
Director	Director	Director

Massy Holdings Ltd.

Consolidated Statement of Profit or Loss
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Year ended 30 September 2022 $	2021 $ (Restated)
	37		
Continuing operations:			
Revenue	3/26	12,367,145	11,116,080
Operating profit before finance costs and expected credit losses		1,135,476	981,567
Expected credit losses	26.2	(23,587)	(4,007)
Operating profit before finance costs	26	1,111,889	977,560
Finance cost - net	28	(101,412)	(102,767)
Operating profit after finance costs		1,010,477	874,793
Share of profit of associates and joint ventures	10	18,842	50,296
Profit before income tax		1,029,319	925,089
Income tax expense	29	(305,976)	(249,841)
Profit for the year from continuing operations		723,343	675,248
Discontinued operations:			
Gain on sale of discontinued operations	37	83,441	90,784
Profit after tax from discontinued operations	37	51,404	55,996
Profit for the year from discontinued operations		134,845	146,780
Profit for the year		858,188	822,028
Attributable to:			
Owners of the parent			
- continuing operations		679,084	637,068
- discontinued operations	37	134,845	151,390
Profit attributable to owners of the parent		813,929	788,458
Non-controlling interests:			
- continuing operations		44,259	38,180
- discontinued operations	37	--	(4,610)
Profit attributable to non-controlling interests	21	44,259	33,570
Profit for the year		858,188	822,028

Earnings per share attributable to the owners of the parent during the year (expressed in TT cents per share)

	Notes	2022	2021
Basic earnings per share:			
- continuing operations	30/37	34.31	32.39
- discontinued operations	30/37	6.81	7.70
		41.12	40.09

The notes on pages 18 to 122 are an integral part of these consolidated financial statements.

Massy Holdings Ltd.

Consolidated Statement of Other Comprehensive Income

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Year ended 30 September 2022 $	2021 $
Profit for the year	858,188	822,028
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit pension plans net of taxation	(24,587)	(19,924)
	(24,587)	(19,924)
Items that may be subsequently reclassified to profit or loss		
- Currency translation differences	(37,262)	(12,750)
- Financial assets at fair value through OCI	(35,859)	--
	(73,121)	(12,750)
Other comprehensive loss for the year, net of tax	(97,708)	(32,674)
Total comprehensive income for the year	760,480	789,354
Attributable to:		
- owners of the parent	715,241	755,851
- non-controlling interests	45,239	33,503
Total comprehensive income for the year	760,480	789,354
Attributable to:		
- Continuing operations	580,404	608,423
- Discontinued operations	134,837	147,428
Total comprehensive income attributable to owners of the parent	715,241	755,851

The notes on pages 18 to 122 are an integral part of these consolidated financial statements.

Massy Holdings Ltd.

Consolidated Statement of Changes in Equity
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Share capital $	Other reserves $	Retained earnings $	Subtotal attributable to equity holders of the parent $	Non-controlling interest $	Total equity $
Balance at 1 October 2021		764,344	25,075	5,878,713	6,668,132	164,039	6,832,171
Profit for the year		--	--	813,929	813,929	44,259	858,188
Other comprehensive (loss)/income		--	(38,298)	(60,390)	(98,688)	980	(97,708)
Total comprehensive income for the year		--	(38,298)	753,539	715,241	45,239	760,480
Other movements:							
- Transfer from other reserves	20	--	15,052	(15,052)	--	--	--
- Disposal of subsidiaries		--	(61,962)	--	(61,962)	--	(61,962)
- Other reserve movements		--	(7,770)	40,324	32,554	(443)	32,111
Transactions with owners:							
- Dividends paid	19	--	--	(287,011)	(287,011)	(23,006)	(310,017)
Balance at 30 September 2022		764,344	(67,903)	6,370,513	7,066,954	185,829	7,252,783

Massy Holdings Ltd.

Consolidated Statement of Changes in Equity
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Share capital $	Other reserves $	Retained earnings $	Subtotal attributable to equity holders of the parent $	Non-controlling interest $	Total equity $
Balance at 1 October 2020		764,344	60,219	5,346,075	6,170,638	246,406	6,417,044
Profit for the year		--	--	788,458	788,458	33,570	822,028
Other comprehensive income		--	(12,653)	(19,954)	(32,607)	(67)	(32,674)
Total comprehensive income for the year		--	(12,653)	768,504	755,851	33,503	789,354
Other movements:							
- Transfer from other reserves	20	--	(16,785)	16,785	--	--	--
- Disposal of subsidiaries		--	(3,058)	--	(3,058)	(68,306)	(71,364)
- Other reserve movements		--	(1,722)	(1,876)	(3,598)	843	(2,755)
Transactions with owners:							
- Dividends paid	19	--	--	(250,775)	(250,775)	(47,202)	(297,977)
- Purchase of non-controlling interests		--	(926)	--	(926)	(1,205)	(2,131)
Balance at 30 September 2021		764,344	25,075	5,878,713	6,668,132	164,039	6,832,171

		Year ended 30 September 2022	Year ended 30 September 2021 (Restated)
Dividends per share	19	15.68 cents	14.25 cents
Dividends paid per share	19	14.50 cents	12.75 cents

The notes on pages 18 to 122 are an integral part of these consolidated financial statements.

Massy Holdings Ltd.

Consolidated Statement of Cash Flows

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Year ended 30 September 2022 $	2021 $ (Restated)
Cash flows from operating activities			
Profit before income tax from continuing operations		1,029,319	925,089
Profit before tax from discontinued operations	37	138,946	165,518
Adjustments for:			
Share of results of associates and joint ventures	10	(18,842)	(52,344)
Depreciation and impairment of property, plant and equipment	5	228,854	217,010
Depreciation of right-of-use assets	6	91,021	90,332
Depreciation and impairment of investment properties	7	2,577	2,892
Impairment of goodwill	8	--	10,263
Amortisation of other intangible assets	9	20,980	19,320
Unwinding of interest on restoration liability		214	145
Covid-19 lease concessions	6.2	--	(276)
Gain on disposal of property, plant and equipment		(67,472)	(113,748)
Gain on disposal of investment properties		(6,791)	(8,828)
Gain on disposal of subsidiaries	37	(83,441)	(90,784)
Expected credit losses/impairment expense on financial instruments		22,278	6,942
Loss/(gain) on other financial instruments		16,810	(51,255)
Employee retirement and other benefits		11,035	(16,541)
Profit before changes in working capital		1,385,488	1,103,735
Changes in working capital:			
Increase in inventories		(435,865)	(94,454)
Increase in trade and other receivables		(304,333)	(530,721)
Decrease in other provisions and other charges		(32,743)	(28,234)
Increase in instalment credit and other loans		(25,005)	(14,786)
Increase in trade and other payables		182,633	107,234
Increase in statutory deposits with regulators		(21,011)	(45,586)
Increase in liabilities on insurance contracts		--	157,758
Increase in customers' deposits		253,101	4,545
Cash generated from operations		1,002,265	659,491
Taxation paid		(321,154)	(245,454)
Net cash generated from operating activities		681,111	414,037

Consolidated Statement of Cash Flows (continued)
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Year ended 30 September 2022 $	2021 $
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		119,085	159,176
Proceeds from sale of investment properties		27,270	27,516
Additions to property, plant and equipment	5	(700,837)	(423,775)
Additions to investment properties	7	(2,179)	(2,066)
Net change in other financial assets excluding instalment credit and other loans	12	(1,423,126)	292,642
Increase in other investments, other intangibles, non-controlling interests and investments in associates and joint ventures		(54,510)	(30,494)
Dividends received from associated companies	10	40,232	33,692
Net change in Net Assets reclassified to held for sale	37	399,995	--
Acquisition of subsidiary	36	(19,585)	--
Proceeds on sale of subsidiaries, net of cash disposed and direct costs	37	56,529	165,200
Net cash (used in)/generated from investing activities		(1,557,126)	221,891
Cash flows from financing activities			
Proceeds from borrowings		943,705	647,401
Principal repayments on borrowings		(884,652)	(1,064,701)
Principal repayments on lease liabilities	6	(67,728)	(77,215)
Purchase of non-controlling interest		--	(2,131)
Dividends paid to company's shareholders	19	(287,011)	(250,775)
Dividends paid to non-controlling interests		(23,006)	(47,202)
Net cash used in financing activities		(318,692)	(794,623)
Net decrease in cash, cash equivalents		(1,194,707)	(158,695)
Cash, cash equivalents and bank overdrafts at beginning of the year		2,362,092	2,525,521
Effect of exchange rate changes on cash and bank overdrafts		1,948	(4,734)
Cash, cash equivalents and bank overdrafts at end of the year		1,169,333	2,362,092
Cash and short-term bank deposits		1,227,119	2,379,882
Bank overdrafts	22	(57,786)	(17,790)
		1,169,333	2,362,092
The following amounts are included within cash flows from operating activities:			
Interest received from other financial instruments		79,609	80,218
Dividends received from other financial instruments		2,331	2,198
Cash and short-term bank deposits:			
Continuing operations	17	1,227,119	2,034,141
Reclassified to held for sale	37	--	345,741
		1,227,119	2,379,882

The notes on pages 18 to 122 are an integral part of these consolidated financial statements.

(Expressed in Thousands of Trinidad and Tobago Dollars)

1 General information

Massy Holdings Ltd. (the 'Company'), was incorporated in the Republic of Trinidad and Tobago in 1923. The address of its registered office is 63 Park Street, Port of Spain, Trinidad. The Company and its subsidiaries, (together, the Group) is engaged in trading, service industries and finance in Trinidad and Tobago, the wider Caribbean region and Colombia. The Company has primary listings on the Trinidad and Tobago and Jamaica Stock Exchange.

The principal subsidiaries are listed below with the percentage holding of the parent's (Massy Holdings Ltd.) effective shareholding where there is an intermediary company.

There were no changes in the ownership of the entities listed below except for the entities disposed in Note 37.

Motors and Machines	**Country of incorporation**	**Percentage equity capital held**
Massy Transportation Group Ltd.	Trinidad and Tobago	100%
Massy Motors Ltd.	Trinidad and Tobago	100%
City Motors (1986) Limited	Trinidad and Tobago	100%
Massy Machinery Ltd.	Trinidad and Tobago	100%
Massy Automotive Components Ltd.	Trinidad and Tobago	100%
Massy Motors (Tobago) Ltd.	Trinidad and Tobago	100%
Master Serv Limited	Trinidad and Tobago	100%
Massy Motors (Guyana) Ltd.	Guyana	93.64%
Massy Motors Colombia S.A.S	Colombia	100%
Massy Motors Best Auto Ltd.	Trinidad and Tobago	100%
Massy Motors & Machines Miami Distribution Inc.	United States of America	100%
Financial Services		
Massy Remittance Services (Trinidad) Ltd.	Trinidad and Tobago	100%
Massy Remittance Services (SLU) Ltd.	St. Lucia	100%
Massy Finance GFC Ltd.	Trinidad and Tobago	100%
Massycard (Barbados) Limited	Barbados	100%
Massy Remittance Services (Guyana) Ltd.	Guyana	93.64%
Massy Credit Plus Ltd.	Trinidad and Tobago	100%
Massy Remittance Services (St. Vincent) Ltd.	St Vincent	100%
Gas Products		
Massy Gas Products Holdings Ltd.	Trinidad and Tobago	100%
Massy Energy (Trinidad) Ltd.	Trinidad and Tobago	100%
Massy Gas Products (Trinidad) Ltd.	Trinidad and Tobago	100%
Massy Gas Products (Jamaica) Limited	Jamaica	100%
Massy Gas Products (Guyana) Ltd.	Guyana	93.64%
Massy Energy Colombia S.A.S.	Colombia	100%
Massy Energy Engineered Solutions Ltd.	Trinidad and Tobago	100%

(Expressed in Thousands of Trinidad and Tobago Dollars)

1 **General information (continued)**

Integrated Retail	Country of incorporation	Percentage equity capital held
Massy Integrated Retail Ltd.	Trinidad and Tobago	100%
Arvee Foodmaster Limited	Trinidad and Tobago	100%
Massy Stores (SLU) Ltd.	St. Lucia	60%
Massy Stores (Guyana) Inc.	Guyana	93.64%
Massy Stores (Barbados) Ltd.	Barbados	100%
Price Low Ltd.	Barbados	100%
Massy Stores (SVG) Ltd.	St Vincent	83.33%
Massy Distribution (Jamaica) Limited	Jamaica	100%
Massy Distribution (Guyana) Inc.	Guyana	93.64%
Massy Distribution (Barbados) Ltd.	Barbados	100%
Massy Distribution (St. Lucia) Ltd.	St. Lucia	100%
Massy Distribution (USA) Inc.	United States of America	100%
Knights Limited	Barbados	99.8%
Real Estate		
Massy Properties (Barbados) Ltd.	Barbados	100%
Corporate Office		
Massy Ltd.	Trinidad and Tobago	100%
Massy (Barbados) Ltd.	Barbados	100%
Massy (Guyana) Ltd.	Guyana	93.64%
The Interregional Reinsurance Company Limited	Cayman Islands	100%
Massy Finance (Barbados) Ltd.	Barbados	100%

The Group has subsidiaries whose year-ends are not coterminous with September 30 as follows:

	Reporting year end
Massy Motors Colombia S.A.S	31 December
Massy Energy Colombia S.A.S	31 December
Autogalias S.A.S	31 December
Macarena de la Montaña SAS	31 December
Autolux SAS	31 December
Seguros Automontaña Ltda.	31 December
Automontaña S.A.S	31 December
Germania Motors S.A.S	31 December
Auto Orion S.A.S	31 December
Massy Motors Premium S.A.S.	31 December
Massy Motors Rentals S.A.S	31 December
Mazko S.A.S.	31 December
Distribuidora Central de Gas S.A.S. E.S.P.	31 December
Gas Propano de Colombia S.A.S. E.S.P.	31 December
Grandos Gomez & CIA S.A. Empresa de Servicios Publicos Gas	31 December

2 Summary of significant accounting policies

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

2.1 *Basis of preparation*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The consolidated financial statements have been prepared under the historical cost convention as modified by the measurement of certain financial assets at fair value and except for assets held for sale which are measured at fair value less costs to sell.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.1.1 *Standards, amendments and interpretations adopted by the Group*

The Group has applied the following amendment for the annual reporting period commencing 1 October 2021:

- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions: Extension of the practical expedient (effective 1 April 2021). As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The adoption of this amendment did not have a material impact on the Group.

2.1.2 *New standards and interpretations that are not yet effective and not early adopted*

The following are new standards and interpretations which have not yet been adopted and are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions:

- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (effective 1 October 2022)
- Amendments to IAS 1, Presentation of financial statements', on classification of liabilities (effective 1 October 2024)
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (effective 1 October 2023)
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction (effective 1 October 2023)

2 Summary of significant accounting policies (continued)

2.1 *Basis of preparation (continued)*

2.1.2 *New standards and interpretations that are not yet effective and not early adopted (continued)*

- IFRS 17, 'Insurance contracts', as amended in December 2021 (effective 1 October 2023).

2.2 *Consolidation*

2.2.1 *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2 **Summary of significant accounting policies (continued)**

2.2 *Consolidation (continued)*

2.2.2 *Transactions with non-controlling interests*

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.2.3 *Associates and Joint ventures*

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post acquisition profits or losses is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Joint ventures are also accounted for using the equity method. The Group discontinues the use of the equity method from the date on which it ceases to have joint control over, or have significant influence in, a jointly controlled entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of profit or loss.

2 Summary of significant accounting policies (continued)

2.3 *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

2.4 *Foreign currency translation*

2.4.1 *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Group's presentation currency.

2.4.2 *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 at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss are recognised as part of the fair value gain or loss.

2.4.3 *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

b) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

c) all resulting exchange differences are recognised in the consolidated statement of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to the consolidated statement of other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in other comprehensive income are recognised in the consolidated statement of profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are included in assets and liabilities of the foreign entity and translated at the closing rate.

2 Summary of significant accounting policies (continued)

2.5 *Property, plant and equipment*

Property, plant and equipment including land and buildings are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Land is not depreciated.

Depreciation is provided on the straight-line basis at rates estimated to write-off the cost of each asset over its expected useful life. In the case of motor vehicles, depreciation is based on cost less an estimated residual value. The estimated useful lives of assets are reviewed periodically, taking account of commercial and technological obsolescence as well as normal wear and tear, and depreciation rates are adjusted if appropriate.

Current rates of depreciation are:

Freehold property	-	2%
Leasehold property and improvements	-	2% to 20%
Plant and equipment	-	5% to 33.3%
Rental assets	-	25%
Furniture and fixtures	-	10% to 25%
Motor vehicles	-	10% to 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Leasehold property and improvements are depreciated over the shorter of the asset's useful economic life and the lease term.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the consolidated statement of profit or loss.

2 **Summary of significant accounting policies (continued)**

2.6 *Leases*

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

2.6.1 *The Group as a lessee*

The Group mainly leases various commercial space, motor vehicles and equipment used in its operations. Rental contracts for these leases are typically made for fixed periods but may have extension options, which are described below. Some contracts contain lease and non-lease components, which are accounted for as separate components based on the standalone prices stated in the contracts.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

The Group applies a single recognition and measurement approach to all leases, except for short-term leases and leases of low-value assets. At lease commencement date, the Group recognises a right-of-use asset and a lease liability in the consolidated statement of financial position.

The right-of-use asset is initially measured at cost, which comprises the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequent to initial measurement, the right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Group also assesses the right-of-use asset for impairment when such indicators exist. The Group does not revalue any of its right-of-use assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. These rates were attained from the Group's bankers in the differing regions.

2 **Summary of significant accounting policies (continued)**

2.6 *Leases (continued)*

2.6.1 *The Group as a lessee (continued)*

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Residual guarantees;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- Penalty payments for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

The Group remeasures the lease liability when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option. Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments (or credits) are recognised as an expense (or income) in the period in which the event or condition that triggers those payments. The Group did not have any variable lease payments that do not depend on an index or a rate for the period ended 30 September 2022. Covid-19 rental waivers were accounted for as variable lease payments.

The Group applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets to leases that are considered to be low value. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

2 **Summary of significant accounting policies (continued)**

2.6 *Leases (continued)*

2.6.2 *The Group as a lessor*

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Assets leased out under operating leases are included in property, plant and equipment in the consolidated statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similarly owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a pattern reflecting a constant periodic rate of return on the lessor's net investment.

2.7 *Investment properties*

Investment and development properties are owned or leased by the Group and held for long-term rental income and capital appreciation and exclude properties occupied by the Group.

Investment properties are stated at cost less accumulated depreciation and impairment. Transaction costs are included on initial measurement. The fair values of investment properties are disclosed in Note 7. These are assessed using internationally accepted valuation methods, such as taking comparable properties as a guide to current market prices or by applying the discounted cash flow method. Like property, plant and equipment, investment properties are depreciated using the straight-line method.

The current rate of depreciation is 2%.

Investment properties cease recognition as investment property either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss in the period of the retirement or disposal.

2.8 *Intangible assets*

2.8.1 *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill represents the goodwill acquired on acquisition of subsidiaries. Goodwill on acquisition of associates is included in 'Investments in Associates'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group discloses goodwill for each business segment in each country in which it operates (Note 8).

2 **Summary of significant accounting policies (continued)**

2.8 *Intangible assets (continued)*

2.8.2 *Computer software*

Costs associated with the maintenance of existing computer software programmes are expensed as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed six years.

2.8.3 *Brands*

Brands acquired in a business combination are recognised at fair value at the acquisition date, and are being amortised over seven to twenty years.

2.8.4 *Impairment of non-financial assets*

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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 of disposal 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 (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 **Summary of significant accounting policies (continued)**

2.9 *Financial assets*

2.9.1 *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured at Amortised Cost (AC),
- those to be measured at Fair Value Through Other Comprehensive income (FVOCI), and
- those to be measured subsequently at Fair Value Through Profit or Loss (FVPL).

The classification for debt instruments depends on the entity's Business Model for managing those assets. It also requires the entity to examine the contractual terms of the cash flows, i.e. whether these represent 'Solely Payments of Principal and Interest' (SPPI).

The Business Model test requires the entity to assess the purpose for holding debt securities (hold to collect, hold to collect and sell or to trade). Substantially all the Group's debt instruments are held to collect cash flows and accordingly meet the 'hold to collect' criteria.

All debt instruments passing the Business Model and SPPI tests are classified at amortised cost. Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets are classified at FVOCI.

On initial recognition, equity securities which are not held for trading and which are considered strategic investments are classified irrevocably at FVOCI.

All other instruments are carried at FVPL. For assets measured at fair value, gains and losses are recorded in profit or loss

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.9.2 *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 **Summary of significant accounting policies (continued)**

2.9 *Financial assets (continued)*

2.9.3 *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

a) *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included within 'net interest and other investment income' using the effective interest rate method.

  The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

  The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired (POCI) financial assets - assets that are credit-impaired at initial recognition - the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

  When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

  Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'net interest and other investment income' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

2 **Summary of significant accounting policies (continued)**

2.9 *Financial assets (continued)*

2.9.3 *Measurement (continued)*

a) *Debt instruments (continued)*

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in operating profit before finance costs in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within 'net interest and other investment income' in the period in which it arises.

b) *Equity instruments*

The Group subsequently measures all equity investments at fair value. Gains or losses are either recognised either in OCI or in profit or loss, depending on the nature and purpose of the investment. Changes in the fair value of financial assets at FVPL are recognised in 'net interest and other investment income' in the statement of profit or loss as applicable. While changes in the fair value of financial assets at FVOCI are recognised in 'items that will not be reclassified to profit or loss – financial assets at fair value through OCI' in the statement of other comprehensive income. Dividends from equity investments are recognised in profit or loss within 'net interest and other investment income' when the Group's right to receive payments is established.

2.9.4 *Impairment*

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI.

a) *Debt instruments carried at amortised cost and FVOCI*

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 – This category comprises instruments which are performing in accordance with the contractual terms and conditions and display no deterioration in credit risk since initial recognition. This category also includes those financial instruments with low credit risk.
- Stage 2 – This category includes instruments which display a significant increase in credit risk (SICR) since initial recognition but have not yet defaulted.
- Stage 3 – This category includes instruments that are in default.

2 **Summary of significant accounting policies (continued)**

2.9 *Financial assets (continued)*

2.9.4 *Impairment (continued)*

a) *Debt instruments carried at amortised cost and FVOCI (continued)*

The above categories exclude purchased or originated credit-impaired (POCI) financial assets. A financial asset is considered credit-impaired on purchase or origination if there is evidence of impairment at the point of initial recognition (for instance, if it is acquired at a deep discount). POCI financial assets are not included in Stages 1, 2 or 3, and are instead shown as a separate category.

Expected credit loss (ECL) is measured as follows:

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.
- Instruments in Stages 2 or 3 or that are POCI have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information. The Group utilised a probability-weighted assessment of the factors which it believes will have an impact on forward looking rates.

The formula for ECL is generally the 'Probability of Default' (PD) multiplied by the 'Exposure at Default' (EAD) multiplied by the 'Loss Given Default' (LGD). An adjustment is made to reflect the time value of money by considering the original effective interest rate on the individual instruments. The overall models involved the use of various PD, EAD and LGD tables which were then applied to individual instruments based on several pre-determined criteria, including type, original tenor, time to maturity, whether they are in Stages 1, 2 or 3 and other indicators.

The process in arriving at the individual components of ECL and the forward-looking adjustments involved critical estimates and judgements. This is discussed further in Note 4.

The change in allowance for debt investments is recognised in profit or loss. For debt instruments at FVOCI, the change is recognised in profit or loss and adjusts the fair value change otherwise recognised in OCI.

b) *Definition of default and credit-impaired assets*

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Expected credit loss measurement Quantitative criteria:

The borrower is more than 90- days past due on its contractual payment.

2 **Summary of significant accounting policies (continued)**

2.9 *Financial assets (continued)*

2.9.4 *Impairment (continued)*

b) *Definition of default and credit-impaired assets (continued)*

Qualitative criteria:

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is deceased
- The borrower is insolvent.
- The borrower indicated reduced income. In response to Covid-19, the Government and other institutions implemented programs such as; “loan payment deferral program” to offer relief to borrowers during the global pandemic. Borrowers were asked to provide a reason for their application, which was used together with specific industry factors, as indicators of SICR for the duration of the deferral period where the borrowers’ arrears status would be frozen.
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of default (PD), Exposure at Default (EAD), and Loss given Default (LGD) throughout the Company’s expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six (6) months.

Expected credit loss measurement

The Group recognises provision for losses on instalment credit and other loans subject to credit risk using the expected credit loss model. While cash and cash equivalents, statutory deposit, due from related parties and other financial assets are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group uses the general approach in arriving at expected losses for instalment credit and other loans.

The general approach

Under the general approach, the Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

2 **Summary of significant accounting policies (continued)**

2.9 *Financial assets (continued)*

2.9.4 *Impairment (continued)*

b) *Definition of default and credit-impaired assets (continued)*

The general approach (continued)

It considers available reasonable and supportive forwarding-looking information, including the following:

- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Company.

Regardless of the analysis above, a significant increase in credit risk is presumed:

- if a debtor is more than 30 days past due in making a contractual payment.

A default on a loan occurs in the following circumstances:

- When the borrower fails to make contractual payments within 90 days of when they fall due.

Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the country's GDP as the most relevant macroeconomic factor and accordingly adjusted the historical loss rates based on expected changes in this factor.

c) *Trade receivables and contract assets*

The Group applies the simplified approach for trade receivables and contract assets as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. All customer accounts are grouped together based on shared credit risk characteristics and are aged using a 'provisions matrix'. Scaled loss rates are then calculated based on historical payment profiles. The loss rates were adjusted to incorporate forward-looking information and then applied to the different aging buckets as of the statement of financial position date.

2.10 *Inventories*

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprise raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2 **Summary of significant accounting policies (continued)**

2.11 *Trade receivables*

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

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Impairment of trade receivables is described in Note 2.9.4(b).

2.12 *Cash and cash equivalents*

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. In the consolidated statement of financial position, bank overdrafts and short-term borrowings are shown within borrowings in current liabilities.

2.13 *Share capital*

Ordinary shares 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.

Where any Group company purchases the Company’s equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company’s equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company’s equity holders.

2.14 *Trade payables*

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

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

2 Summary of significant accounting policies (continued)

2.15 *Insurance*

2.15.1 *Insurance and reinsurance contracts*

Insurance and reinsurance contracts are defined as those containing significant insurance risk at the inception of the contract, or those where at the inception of the contract there is a scenario with commercial substance where the level of insurance risk may be significant.

The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during the period.

In the normal course of business, the Group seeks to reduce the losses to which it is exposed that may cause unfavourable underwriting results by re-insuring a certain level of risk with reinsurance companies. Reinsurance premiums are accounted for on a basis consistent with that used in accounting for the original policies issued and the terms of the reinsurance contracts.

Reinsurance contracts ceded do not relieve the Group from its obligations to policyholders. The Group remains liable to its policyholders for the portion re-insured, to the extent that the reinsurers do not meet the obligations assumed under the reinsurance agreements.

2.15.2 *Amounts receivable from reinsurance companies*

Included in accounts receivable on the statement of financial position, are amounts receivable from reinsurance companies, which consist primarily of amounts due in respect of ceded insurance liabilities. Recoverable amounts are estimated in a manner consistent with the outstanding claims reserve or settled claims associated with the re-insured policies and in accordance with the relevant reinsurance contract.

If amounts receivable from reinsurance companies are impaired, the Group reduces the carrying amount accordingly and recognises an impairment loss in the consolidated statement of profit or loss. A reinsurance asset is impaired if there is objective evidence that the Group may not receive all, or part, of the amounts due to it under the terms of the reinsurance contract.

2.16 *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

2 **Summary of significant accounting policies (continued)**

2.17 *Current and deferred income tax*

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group's subsidiaries, associates and joint ventures operate 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.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The principal temporary differences arise from depreciation on property, plant and equipment, retirement benefits and tax losses carried forward. Deferred tax assets relating to the carrying forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be earned against which the unused tax losses can be utilised.

2 **Summary of significant accounting policies (continued)**

2.18 *Employee benefits*

2.18.1 *Pension obligations*

Group companies operate various pension plans. The majority of the Trinidad and Tobago resident employees are members of either the Neal & Massy Group Pension Fund Plan, the Retirement Income Security Plan or the T. Geddes Grant Limited Pension Fund Plan.

The Neal & Massy Group Pension Fund Plan, contributions to which were frozen on January 3,1990, is a defined contribution plan whose assets are held separately from those of the Group in an independently administered fund. The pension benefits accrued prior to 1 February 1990 are defined benefit in nature. The most recent actuarial valuation, at March 31, 2020, revealed that the plan is adequately funded. There are certain benefits payable by the Neal & Massy Group Pension Fund Plan which fall within the scope of IAS 19 (revised) – Employee Benefits.

The Retirement Income Security Plan incorporates an employee stock ownership plan, which is funded by contributions made by the employer, and a deferred annuity savings plan, which is funded by the employees. Contributions to the Plan are accounted for on the accrual basis and the assets are held separately from those of the Company in independently administered funds.

T. Geddes Grant Limited Pension Fund Plan is a defined contribution plan whose assets are held separately from those of the Group in an independently administered fund. Contributions to the plan are accounted for on the accrual basis and are reviewed by independent actuaries on the basis of triennial valuations.

The majority of the employees of the overseas companies participate in either defined contribution or defined benefit pension plans which are separate from the Trinidad and Tobago plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The asset and liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. The Group operates in countries where there is no deep market and trading liquidity for corporate bonds and as such the market rates on government bonds are used as a benchmark to derive prices and bond values.

2 **Summary of significant accounting policies (continued)**

2.18 *Employee benefits (continued)*

2.18.1 *Pension obligations (continued)*

The pension assets consist of financial investments held at fair value which are based on a range of inputs obtainable from readily available liquid market prices and rates. Certain securities are based on modelled prices due to limited market data. For these instances, significant judgements are made by management resulting in high estimation uncertainty risks.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.18.2 *Other post-employment obligations*

Certain Group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which it arises. These obligations are valued annually by independent qualified actuaries.

2.18.3 *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination and when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2 **Summary of significant accounting policies (continued)**

2.18 *Employee benefits (continued)*

2.18.4 *Bonus plans*

A liability for employee benefits in the form of bonus plans is recognised in other provisions when there is no realistic alternative but to settle the liability and at least one of the following conditions are met:

- there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or
- past practice has created a valid expectation by employees that they will receive a bonus/profit sharing and the amount can be determined before the time of issuing the financial statements.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2.18.5 *Executive share-based payments and long term incentive plan*

(a) *Share-based payments*

The Group operates cash and equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for cash or equity instruments of the Group. The fair value of the employee services received in exchange for the allocation or grant of the shares is recognised as an expense under both the Employee Share Ownership Plan ("ESOP") and the Performance Share Plan ("PSP") for Executives only. The PSP was replaced by the cash-settled long term incentive plan on 1 October 2016.

The total amount to be expensed for shares allocated under the ESOP is determined by reference to the market value and purchase price of the shares on the market at the point of purchase.

The total amount to be expensed, under the PSP, is determined by reference to the fair value of the shares granted:

- including any market performance conditions (for example, an entity's share price); and
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Non-market vesting conditions are included in assumptions about the number of shares that are expected to be granted and then vested. The total expense is recognised over the vesting period, which is the period over which all of the specified performance criterion and vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of shares that are expected to vest based on the performance criterion and any applicable non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

When the share grants are due to be vested, the Company will issue new shares.

The grant by the Company of shares to the Executives of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of Executive services received, is measured by reference to the grant date fair value and, is recognised over the vesting period.

2 Summary of significant accounting policies (continued)

2.18 *Employee benefits (continued)*

2.18.5 *Executive share-based payments and long term incentive plan (continued)*

(b) *Long term incentive plan*

Long-term incentive plans are employee benefits (other than post-employment benefits and termination benefits) that are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the service that gives rise to the benefit. These include annual incentive plans which are subject to a multi-year vesting period and other considerations, including EPS growth.

The Plan is not accounted for under IFRS 2 – Share-Based Payments as the growth in EPS in itself is not considered a true reflection of the fair value of the entity's shares. Other factors such as changes in P/E multiples are typically considered in arriving at fair market value. Accordingly, the Plan is accounted for under IAS 19 – Employee Benefits as a deferred compensation arrangement.

The accounting for deferred compensation arrangements under IAS 19 involves discounting of future cash flows (where the time value of money is material) using the projected unit credit method. The projected unit credit method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The rate used to discount the obligations is determined using the same methodology as that used for defined benefit pension plans, subject to a shorter settlement period.

The measurement of deferred compensation plans is not usually subject to the same degree of uncertainty as the measurement of post-employment benefits. For this reason, a simplified approach is applied where the service cost, interest cost and re-measurements are all recognised in profit or loss in the year they arise.

At the end of each financial year, the Group will re-estimate the obligation based on factors existing as of the new statement of financial position date (e.g. revised EPS numbers, performance score cards etc.). The change in estimate as it relates to the opening obligation is recognised immediately, such the annual undiscounted current service cost is always equal to the total benefit divided by 4. Re-estimates and re-measurements are to be recognised immediately in profit or loss.

2 **Summary of significant accounting policies (continued)**

2.19 *Provisions*

Provisions for dismantlement costs, restructuring costs, legal claims and all other provisions are recognised when: the Group 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 recognised 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 recognised 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. The increase in the provision due to passage of time is recognised as interest expense.

2.20 *Revenue recognition*

2.20.1 *Sale of goods and services*

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and the rendering of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. A description of revenue by business segment is shown in Note 3.

Revenue from the sale of goods is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the use and deployment of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific customer site or place of delivery, the risks of obsolescence and loss have been transferred to the customer, or the customer has accepted the products in accordance with the relevant contract.

Sales are recorded based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as the sales are made with credit terms as specified for entities within the Group, which is consistent with the market practice. Variable consideration relating to volume rebates and discounts are measured using the expected value approach and are shown within contract liabilities.

Revenue from the rendering of services is recognised in the accounting period in which the services are rendered. The Group employs various methods for measuring progress for services delivered over time. The method selected best depicts the pattern of transfer and is applied consistently to similar performance obligations and in similar circumstances. Methods for measuring progress include:

- Output methods, that recognise revenue based on direct measurements of the value transferred to the customer (for example, using contract milestones)
- Input methods, that recognise revenue based on the entity's efforts to satisfy the performance obligation (for example, labour hours spent).

2 **Summary of significant accounting policies (continued)**

2.20 *Revenue recognition (continued)*

2.20.1 *Sale of goods and services (continued)*

Payments received in advance of satisfying performance obligations are shown within contract liabilities.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

Some arrangements involve two or more unrelated parties that contribute to providing a specified good or service to a customer. Management determines, separately for each specified good or service, whether the entity has promised to provide the specified good and service itself (as a principal) or to arrange for those specified good or service to be provided by another party (as an agent). An entity is the principal in a transaction if it obtains control of the specified goods or services before they are transferred to the customer. The principal recognises as revenue the ‘gross’ amount paid by the customer for the specified good or service. The principal records a corresponding expense for the commission or fee that it has to pay to any agent, in addition to the direct costs of satisfying the contract. An entity is an agent if it does not control the specified goods or services before they are transferred to the customer. An agent records as revenue the commission or fee earned for facilitating the transfer of the specified goods or services (the ‘net’ amount retained). It records as revenue the net consideration that it retains after paying the principal for the specified goods or services that were provided to the customer.

2.20.2 *Customer loyalty programme*

The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted and the likelihood of redemption using past experience. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised when the points are redeemed or when they expire.

2.20.3 *Premium income*

Premiums written are recognised on policy inception and earned on a pro rata basis over the term of the related policy coverage. Estimates of premiums written as at the statement of financial position date but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums earned. Premiums ceded are expensed on a pro-rata basis over the term of the respective policy.

2 **Summary of significant accounting policies (continued)**

2.20 *Revenue recognition (continued)*

2.20.4 *Rental income*

Rental income from investment property leased out under an operating lease is recognised in the consolidated statement of profit or loss on a straight- line basis over the lease term.

Contingent rents, such as turnover rents, rent reviews and indexation, are recorded as income in the periods in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants.

2.20.5 *Interest income*

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.20.6 *Dividend income*

Dividend income is recognised when the shareholder's right to receive payment is established.

2.21 *Dividend distribution*

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's directors.

2.22 *Non-current assets (or disposal groups) held for sale and discontinued operations*

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale. The results of discontinued operations are presented separately in the statement of profit or loss.

3 Segment information

The Chief Operating Decision Maker (CODM) is the Chief Executive Officer (CEO). Management has determined the operating segments based on the reports reviewed by the CEO and the Board of Massy Holdings Ltd.

The CEO and the Board consider the business from both a geographic and business unit perspective. Geographically, management considers the performance of operating companies in Trinidad and Tobago, Barbados and the Eastern Caribbean, Guyana, Jamaica, U.S.A. and Colombia.

The Group is organised into five main business segments:

(1) Integrated Retail;
(2) Gas Products;
(3) Motors and Machines;
(4) Financial Services; and
(5) Real Estate.

Corporate Office and Other Adjustments relate to the cost associated with the provision of support services by the head office to its subsidiaries. The returns from divestment proceeds that were re-invested are included.

The CEO and the Board assess the performance of the operating segments based on a measure of profit before income tax, profit for the year and asset utilisation.

(1) *Integrated retail*

This segment derives its revenue mainly from the sale of retail and wholesale distribution of food, pharmaceuticals and general merchandise.

(2) *Gas products*

This segment derives its revenue from the sale of Liquified Petroleum Gases and Industrial Gases including Nitrogen, Oxygen and Carbon Dioxide. Gas Products also derives revenue from the provision of maintenance services and the execution of construction projects for oil, gas and mining clients.

(3) *Motors and machines*

This segment derives its revenue mainly from the sale of new and used vehicles, spare parts and industrial equipment and also includes the sale of lubricants and short- and long-term vehicle and equipment rentals.

(4) *Financial services*

This segment includes a financing company that accepts deposits for fixed terms and grants instalment credit secured by assets. This segment also includes the Group's Remittances service companies in Guyana, Trinidad, Barbados, St. Lucia and St. Vincent.

(5) *Real Estate*

This segment holds the Group's investments in property sales and rentals in Barbados.

(Expressed in Thousands of Trinidad and Tobago Dollars)

3 Segment information (continued)

The Group's retirement benefit assets are deemed unallocated and are not considered to be segment assets but rather are managed by Head Office. These assets along with the related income and expense are included in Corporate Office and Other Adjustments.

The segment results for the year ended September 30, 2022 relating to continuing operations are as follows:

	Integrated Retail $	Gas Products $	Motors and Machines $	Financial Services $	Real Estate $	Corporate Office and Other Adjustments $	Total $
Group revenue	7,942,952	1,635,011	3,357,119	150,726	44,834	20,867	13,151,509
Inter-segment revenue	(436,888)	(18,732)	(302,904)	(680)	(4,293)	(20,867)	(784,364)
Third party revenue	7,506,064	1,616,279	3,054,215	150,046	40,541	--	12,367,145
Timing of revenue							
At a point in time	7,942,952	1,339,235	3,203,070	113,464	--	20,867	12,619,588
Over time	--	280,307	77,251	36,935	44,834	--	439,327
Revenue not recognised under IFRS 15	--	15,469	76,798	327	--	--	92,594
	7,942,952	1,635,011	3,357,119	150,726	44,834	20,867	13,151,509
Operating profit/(loss) before finance costs	589,369	281,194	262,991	90,968	34,277	(146,910)	1,111,889
Finance costs - net	(55,794)	(7,008)	(12,046)	(1,196)	--	(25,368)	(101,412)
	533,575	274,186	250,945	89,772	34,277	(172,278)	1,010,477
Share of results of associates and joint ventures (Note 10)	--	30,978	(12,136)	--	--	--	18,842
Profit/(loss) before income tax	533,575	305,164	238,809	89,772	34,277	(172,278)	1,029,319
Taxation (Note 29)	(130,671)	(102,230)	(78,314)	(23,674)	(268)	29,181	(305,976)
Profit/(loss) for the year	402,904	202,934	160,495	66,098	34,009	(143,097)	723,343

(Expressed in Thousands of Trinidad and Tobago Dollars)

3 Segment information (continued)

The segment results for the year ended September 30, 2021 relating to continuing operations are as follows:

	Integrated Retail $ (Restated)	Gas Products $ (Restated)	Motors and Machines $	Financial Services $	Real Estate $ (Restated)	Corporate Office and Other Adjustments $ (Restated)	Total $
Group revenue	7,378,300	1,326,054	2,870,521	126,800	36,015	22,082	11,759,772
Inter-segment revenue	(435,185)	(14,519)	(162,854)	--	(9,052)	(22,082)	(643,692)
Third party revenue	6,943,115	1,311,535	2,707,667	126,800	26,963	--	11,116,080
Timing of revenue							
At a point in time	7,378,300	1,132,717	2,729,035	96,905	--	1,339	11,338,296
Over time	--	178,959	81,269	29,355	36,015	20,743	346,341
Revenue not recognised under IFRS 15	--	14,378	60,217	540	--	--	75,135
	7,378,300	1,326,054	2,870,521	126,800	36,015	22,082	11,759,772
Operating profit/(loss) before finance costs	494,653	228,576	182,985	88,756	9,143	(26,553)	977,560
Finance costs – net (Restated)	(68,591)	(14,625)	(9,696)	(330)	--	(9,525)	(102,767)
	426,062	213,951	173,289	88,426	9,143	(36,078)	874,793
Share of results of associates and joint ventures (Note 10)	--	50,296	--	--	--	--	50,296
Profit/(loss) before income tax	426,062	264,247	173,289	88,426	9,143	(36,078)	925,089
Taxation (Note 29)	(114,732)	(83,923)	(59,869)	(23,184)	--	31,867	(249,841)
Profit/(loss) for the year	311,330	180,324	113,420	65,242	9,143	(4,211)	675,248

(Expressed in Thousands of Trinidad and Tobago Dollars)

3 **Segment information (continued)**

The segment assets and liabilities at September 30, 2022 and capital expenditure for the year then ended are as follows:

	Integrated Retail $	Gas Products $	Motors and Machines $	Financial Services $	Real Estate $	Corporate Office and Other Adjustments $	Total $
Total assets	4,925,446	2,006,599	1,945,005	1,632,838	422,485	1,766,210	12,698,583
Investments in associates and joint ventures (Note 10)	19,579	103,997	16,176	--	--	476	140,228
Total liabilities	1,968,242	484,578	760,919	586,508	65,575	1,579,978	5,445,800
Capital expenditure (Notes 5, 6, 7 and 9)	404,456	111,914	222,571	11,871	4,961	7,122	762,895

Other segment items included in the consolidated statement of profit or loss are as follows:-

	Integrated Retail $	Gas Products $	Motors and Machines $	Financial Services $	Real Estate $	Corporate Office and Other Adjustments $	Total $
Depreciation and impairment (Notes 5, 6 and 7)	175,623	49,779	85,944	3,784	4,475	2,545	322,150

(Expressed in Thousands of Trinidad and Tobago Dollars)

3 Segment Information (continued)

The segment assets and liabilities at September 30, 2021 and capital expenditure for the year then ended are as follows:

	Integrated Retail $	Gas Products $	Motors and Machines $	Financial Services $	Real Estate $	Corporate Office and Other Adjustments $	Total $
Total assets	4,362,440	1,479,550	1,711,803	2,897,196	855,746	2,228,174	13,534,909
Investments in associates and joint ventures (Note 10)	6,747	121,683	742	--	--	436	129,608
Total liabilities	1,780,262	405,368	592,935	2,077,165	93,197	1,753,811	6,702,738
Capital expenditure (Notes 5, 6, 7 and 9)	333,178	80,163	171,341	4,158	8,130	9,208	606,178

Other segment items included in the consolidated statement of profit or loss are as follows:-

Depreciation and impairment (Notes 5, 6 and 7)	171,880	48,311	80,218	1,609	5,689	(18,733)	288,974
Impairment of goodwill	--	263	--	--	--	--	263

(Expressed in Thousands of Trinidad and Tobago Dollars)

3 Segment information (continued)

The Group's five business segments operate in five main geographical areas, even though they are managed on a regional basis.

The main operations occur in the home country of the Company. The areas of operation are principally trading, service industries and finance.

	Third party revenue		Profit before income tax		Total assets		Capital expenditure	
	2022 $	2021 $ (Restated)	2022 $	2021 $ (Restated)	2022 $	2021 $	2022 $	2021 $
Trinidad and Tobago	4,756,869	4,399,543	531,927	412,495	4,537,654	5,869,643	257,705	206,100
Barbados and Eastern Caribbean	3,396,552	2,989,766	262,533	211,379	4,808,955	5,114,937	272,005	226,221
Guyana	1,533,557	1,206,509	258,502	202,359	1,622,830	889,719	82,356	47,990
Jamaica	712,839	598,306	66,706	62,897	457,223	485,175	43,619	36,839
Colombia	1,848,614	1,816,791	68,197	66,961	773,037	706,276	104,606	88,963
Other	118,714	105,165	13,732	5,076	498,884	469,159	2,604	65
Corporate Office and other adjustments	--	--	(172,278)	(36,078)	--	--	--	--
	12,367,145	11,116,080	1,029,319	925,089	12,698,583	13,534,909	762,895	606,178

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. *Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Estimated impairment of goodwill*

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.8.4. The recoverable amounts of cash-generating units have been determined based on value-in-use and fair value less cost to sell calculations. These calculations require the use of estimates as described in Note 8.

(ii) *Measurement of the expected credit loss allowance*

The measurement of the expected credit loss allowance (ECL) for debt instruments measured at amortised cost and FVOCI is an area that requires the use of models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product / market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

ECL calculations are shown in Note 34. Had there been a 10% shift in the average ECL rate for all debt instruments at amortised cost and FVOCI, the Group ECL allowance would have been lower by $9,082 (2021: $14,281).

(iii) *Impairment of property, plant and equipment and investment properties*

When any indicators of impairment are identified, property, plant and equipment and investment properties are reviewed for impairment based on each cash generating unit. The cash generating units are the smallest group of assets which generates independent cashflows. The carrying value of these assets is compared to the recoverable amount of the cash generating units, which is based either on value-in-use or fair value less cost to sell. Value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates which do not exceed the long-term average growth rates for the businesses in which the cash generating unit operates. Where fair values are used, these are provided by an independent professional valuator. Impairment losses are recognised in the consolidated statement of profit or loss.

4 **Critical accounting estimates and judgements (continued)**

a. *Critical accounting estimates and assumptions (continued)*

(iii) *Impairment of property, plant and equipment and investment properties (continued)*

The assessment of whether indicators of impairment exist and the estimation of the recoverable amount both require the use of management judgement. Refer to Notes 5 and 7 for the carrying values of property, plant and equipment and investment properties.

(iv) *Income taxes*

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Current and deferred income tax balances are disclosed in the statement of financial position. Details of the expense for the year are shown in Note 29.

(v) *Fair value of financial instruments*

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date. The Group uses discounted cash flow analyses for various financial assets at fair value through other comprehensive income that were not traded in active markets. The assumptions and amounts subject to fair value measurements are shown in Note 34.

(vi) *Revenue recognition*

Once the Group determines that a performance obligation is satisfied over time, it measures its progress towards complete satisfaction of that performance obligation, in order to determine the timing of revenue recognition. The purpose of measuring progress towards satisfaction of a performance obligation is to recognise revenue in a pattern that reflects the transfer of control of the promised good or service to the customer. Management employs various input or output methods for measuring progress ensuring that the selected approach best depicts the transfer of control of goods or services and applies that method consistently to similar performance obligations and in similar circumstances. Revenue from the rendering of services is disclosed in Note 26.

(vii) *Pension benefits*

The present value of the pension obligations is determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

4 **Critical accounting estimates and judgements (continued)**

a. *Critical accounting estimates and assumptions (continued)*

(vii) *Pension benefits (continued)*

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

The pension assets consist of financial investments held at fair value which are based on a range of inputs obtainable from readily available liquid market prices and rates, certain securities are based on modelled prices due to limited market data. For these instances, significant judgements are made by management resulting in high estimation uncertainty risks.

As at 30 September 2022, if the discount rate had been 1.0% higher or lower with all other variables held constant, the carrying amount of pension benefits would have been $182,002 lower or $234,029 higher (2021: $175,212 lower or $225,220 higher).

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 14.

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 Property, plant and equipment

	Freehold Properties $	Leasehold properties and improvements $	Plant and equipment $	Rental assets $	Furniture and fixtures $	Motor vehicles $	Capital work in progress $	Total $
Year ended September 30, 2022								
Opening net book amount	1,082,321	208,973	393,370	174,191	67,838	77,272	119,921	2,123,886
Additions	167,856	19,527	99,274	154,518	33,508	29,099	197,055	700,837
Acquisition of subsidiaries (Note 36)	12,675	--	3,471	--	27	4,552	--	20,725
Disposal of subsidiaries (Note 37)	(10,784)	--	(770)	--	(487)	--	--	(12,041)
Disposals and adjustments	(14,441)	8,300	1,787	(28,841)	(223)	(3,615)	(14,580)	(51,613)
Translation adjustments	(7,429)	(935)	(5,066)	(8,429)	(437)	(1,733)	(151)	(24,180)
Transfer from capital work in progress	73,273	24,951	45,875	1,580	9,114	7,126	(161,919)	--
Depreciation and impairment charge	(13,101)	(29,222)	(78,484)	(56,938)	(28,281)	(22,828)	--	(228,854)
Closing net book amount	1,290,370	231,594	459,457	236,081	81,059	89,873	140,326	2,528,760
At September 30, 2022								
Cost	1,517,344	441,674	1,326,088	442,794	282,920	238,098	140,326	4,389,244
Accumulated depreciation	(226,974)	(210,080)	(866,631)	(206,713)	(201,861)	(148,225)	--	(1,860,484)
Net book amount	1,290,370	231,594	459,457	236,081	81,059	89,873	140,326	2,528,760

The net book amount of property, plant and equipment includes $2,399 (2021: $3,453) in respect of motor vehicles held under finance leases.

Depreciation and impairment expenses of $72,281 (2021: $44,926) has been charged in cost of sales and $156,573 (2021: $172,084) in ‘selling, general and administrative expenses’.

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 **Property, plant and equipment (continued)**

	Freehold Properties $	Leasehold properties and improvements $	Plant and equipment $	Rental assets $	Furniture and fixtures $	Motor vehicles $	Capital work in progress $	Total $
Year ended September 30, 2021								
Opening net book amount	1,179,564	217,886	433,108	153,560	58,116	79,005	63,962	2,185,201
Additions	12,649	17,680	104,252	105,135	22,507	30,035	131,517	423,775
Disposal of subsidiaries (Note 37)	(59,616)	(587)	(29,210)	--	(122)	(3,096)	--	(92,631)
Disposals and adjustments	978	(9,564)	(1,695)	(30,705)	(108)	(5,576)	1,242	(45,428)
Translation adjustments	(926)	520	(3,279)	(3,342)	(135)	(450)	16	(7,596)
Transfer from capital work in progress	40,686	7,517	21,290	14	3,362	3,947	(76,816)	--
Reclassified to held for sale (Note 37)	(85,857)	--	(34,575)	--	--	(1,993)	--	(122,425)
Depreciation and impairment charge	(5,157)	(24,479)	(96,521)	(50,471)	(15,782)	(24,600)	--	(217,010)
Closing net book amount	1,082,321	208,973	393,370	174,191	67,838	77,272	119,921	2,123,886
At September 30, 2021								
Cost	1,311,886	392,584	1,223,213	357,621	248,886	213,083	119,921	3,867,194
Accumulated depreciation	(229,565)	(183,611)	(829,843)	(183,430)	(181,048)	(135,811)	--	(1,743,308)
Net book amount	1,082,321	208,973	393,370	174,191	67,838	77,272	119,921	2,123,886

(Expressed in Thousands of Trinidad and Tobago Dollars)

6 Leases

The following tables provide information for leases where the Group is a lessee:

6.1 *Right-of-use assets*

	Buildings $	Vehicles and Equipment $	Other $	Total $
Year ended September 30, 2022				
Opening net book amount	813,632	2,711	38,193	854,536
Exchange adjustment	(7,819)	(240)	(14)	(8,073)
Additions	44,200	458	--	44,658
Acquisition of subsidiaries (Note 36)	162	--	--	162
Disposals and adjustments	(32,912)	(80)	42	(32,950)
Effect of modification to lease terms	1,468	--	755	2,223
Depreciation charge	(84,111)	(1,065)	(5,845)	(91,021)
At end of year	734,620	1,784	33,131	769,535
Cost	940,605	6,086	50,266	996,957
Accumulated depreciation	(205,985)	(4,302)	(17,135)	(227,422)
At end of year	734,620	1,784	33,131	769,535
Year ended September 30, 2021				
Opening net book amount	742,822	1,091	49,007	792,920
Exchange adjustment	1,192	(15)	(29)	1,148
Additions	158,336	3,016	2,392	163,744
Disposals and adjustments	(3,774)	127	676	(2,971)
Disposal of subsidiaries (Note 37)	--	--	(8,063)	(8,063)
Effect of modification to lease terms	1,844	--	15	1,859
Depreciation charge	(83,019)	(1,508)	(5,805)	(90,332)
Reclassified to held for sale (Note 37)	(3,769)	--	--	(3,769)
At end of year	813,632	2,711	38,193	854,536
Cost	983,765	6,853	49,609	1,040,227
Accumulated depreciation	(170,133)	(4,142)	(11,416)	(185,691)
At end of year	813,632	2,711	38,193	854,536

(Expressed in Thousands of Trinidad and Tobago Dollars)

6 **Leases (continued)**

6.2 *Lease liabilities*

	2022 $	2021 $
Opening net book amount	988,233	910,607
Translation adjustments	(8,561)	236
Additions	44,114	162,974
Payments	(67,728)	(77,215)
Acquisition of subsidiaries	162	--
Disposal of subsidiaries (Note 37)	--	(9,327)
Covid-19-related rent concessions	--	(276)
Effect of modifications of lease terms	1,802	1,901
Reclassified to held for sale (Note 37)	--	(3,968)
Disposals and adjustments	(35,350)	3,301
Closing net book amount	922,672	988,233
Current	76,154	68,717
Non-current	846,518	919,516
	922,672	988,233

6.3 *Amounts recognised in the consolidated statement of profit or loss for continuing operations:*

	2022 $	2021 $
Interest expense on lease liabilities (Note 28)	61,244	55,086
Depreciation charge on right-of-use assets	91,021	87,922
Expense relating to short-term leases	22,585	13,656
Expense relating to leases of low value assets not included above	149	1,918
Net losses on lease modifications	--	41
Covid-19-related rent concessions	--	(276)
	174,999	158,347

(Expressed in Thousands of Trinidad and Tobago Dollars)

7 Investment properties

	2022 $	2021 $
Cost	331,463	431,008
Accumulated depreciation and impairment	(33,642)	(101,505)
Net book amount	297,821	329,503
Movement analysis:		
Opening net book amount	329,503	403,215
Translation adjustments	(510)	(908)
Additions	2,179	2,066
Disposals	(20,479)	(18,688)
Depreciation	(2,577)	(2,892)
Disposal of subsidiary (Note 37)	(10,101)	(1,416)
Reclassified to held for sale (Note 37)	--	(51,883)
Other adjustments	(194)	9
Closing net book amount	297,821	329,503

- The fair value of the investment properties amounted to $313,284 (2021: $469,492).
- The fair value amount was either:
  1. valued by independent, professionally qualified valuators; or
  2. asserted via a Director's valuation based on:
     - references to properties in similar areas and condition;
     - correspondence from valuators which supports that there has not been significant movement in terms of market prices;
     - the directors' independent FV assessment based on a calculation if the property is tenanted;
     - re-assessment of any assumptions made in the last valuation and whether there were or should have been any changes and any other factors which support management's position that the FV continues to be relevant and appropriate.
- The property rental income earned by the Group during the year from its investment properties, amounted to $19,679 (2021: $30,460).
- Direct operating expenses arising on the investment properties which generated revenue during the year amounted to $11,402 (2021: $14,206).
- Direct operating expenses arising on the investment properties which did not generate revenue during the year amounted to $2,666 in the prior year. There were no costs in the current year.
- Depreciation and impairment expenses have been charged in cost of sales.

(Expressed in Thousands of Trinidad and Tobago Dollars)

8 **Goodwill**	**2022** **$**	**2021** **$**
Cost	331,787	355,760
Accumulated translation adjustments	(7,644)	(7,435)
Accumulated impairment	(155,943)	(155,943)
Disposal of subsidiary	--	(3,271)
Reclassified to held for sale (Note 37)	--	(20,702)
Net book amount	168,200	168,409
Movement analysis:		
Opening net book amount	168,409	202,768
Disposal of subsidiary	--	(3,271)
Reclassified to held for sale (Note 37)	--	(20,702)
Translation adjustments	(209)	(123)
Impairment charge	--	(10,263)
Closing net book amount	168,200	168,409

Goodwill is allocated to the Group's cash-generating units ('CGUs') identified according to country of operation and business segment.

For continuing operations, a segment-level summary of the goodwill allocation is presented below.

Motors and Machines	105,223	105,223
Gas Products	2,835	2,896
Integrated Retail	60,142	60,290
Total	168,200	168,409

The recoverable amount of cash generating units is determined based on value-in-use and fair value less costs to sell calculations.

These calculations use weighted cash flow projections based upon a base, best and worst case sensitivity approved by Directors covering a five-year period.

(Expressed in Thousands of Trinidad and Tobago Dollars)

8 Goodwill (continued)

Key assumptions used for value-in-use and fair value less costs to sell calculations:

	2022		2021	
	Growth Rate[1]	**Discount Rate[2]**	**Growth Rate[1]**	**Discount Rate[2]**
Motors and machines	2.5%-4.72%	11.06%	2.5%-4.6%	11.70%-12.20%
Gas products	2.3%	9.75%	1.9%-3.0%	9.78%-12.80%
Integrated retail	3.00%-5.97%	7.64%-8.29%	3.0% - 3.24%	10.80%-11.00%

[1] Weighted average growth rate used to extrapolate cash flows beyond the budget period.

[2] Pre-tax discount rate applied to the cash flow projections

These assumptions have been used for the analysis of each CGU within the business segment. Management determined the budgeted gross margin based on past performance and its expectations for the market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risk relating to the relevant segments.

9 Other intangible assets

Intangibles represent brands and software licenses which have been recognised at fair value at the acquisition date and are measured at carrying value less accumulated amortisation and impairment. No impairment has been recorded during the years presented.

	2022 $	2021 $
Opening net book value	59,415	63,356
Translation adjustments	(4,515)	152
Additions for the year	15,534	30,494
Acquisition of subsidiaries (Note 36)	14,820	--
Amortisation charge for the year	(20,980)	(19,320)
Other adjustments	(857)	--
Reclassified to held for sale (Note 37)	--	(15,267)
Net book amount	63,417	59,415
Cost	156,290	130,450
Accumulated amortisation	(92,873)	(71,035)
Net book amount	63,417	59,415

The amortisation charge is included in selling, general and administrative expenses.

(Expressed in Thousands of Trinidad and Tobago Dollars)

10 Investments in associates and joint ventures

	2022 $	2021 $
Investment and advances	114,157	74,324
Share of post-acquisition reserves	26,071	55,284
	140,228	129,608

Movement analysis:

	2022 $	2021 $
Balance at beginning of year	129,608	170,498
Translation adjustments	(24)	(215)
Share of results before tax	18,842	52,344
Share of tax	(9,165)	(15,977)
Dividends received	(40,232)	(33,692)
Disposal of associates	--	(5,169)
Reclassified to held for sale (Note 37)	--	(38,573)
Additional investments and advances	39,833	--
Other	1,366	392
Balance at end of year	140,228	129,608

Analysed as:

	2022 $	2021 $
Individually material associates and joint ventures	120,175	121,682
Individually immaterial associates and joint ventures	20,053	7,926
	140,228	129,608

Share of profit before tax of associates and joint ventures

	2022 $	2021 $
Continuing operations	18,842	50,296
Reclassified to held for sale (Note 37)	--	2,048
	18,842	52,344

Individually immaterial associates and joint ventures include SigniaGlobe Financial Group Inc. in the prior year which has since been sold.

(Expressed in Thousands of Trinidad and Tobago Dollars)

10 **Investments in associates and joint ventures (continued)**

The tables below provide summarised financial information for those associates and joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Group's share of those amounts. A reconciliation to the net carrying amounts is included below to reflect adjustments made by the entity when using the equity method, including goodwill and other adjustments.

	2022				2021		
	Massy Wood $	**Caribbean Industrial Gases Unlimited $**	**Curbo $**	**Total $**	**Massy Wood $**	**Caribbean Industrial Gases Unlimited $**	**Total $**
As at September 30, 2022							
Summarised balance sheet:							
Current assets	285,006	79,557	99,353	463,916	371,206	66,784	437,990
Non-current assets	23,209	9,675	48,364	81,248	31,481	48,999	80,480
Current liabilities	(137,545)	(30,621)	(20,178)	(188,344)	(232,796)	(10,914)	(243,710)
Non-current liabilities	(2,681)	(20,057)	(10,312)	(33,050)	(3,844)	(30,939)	(34,783)
Net assets	167,989	38,554	117,227	323,770	166,047	73,930	239,977
Reconciliation to net carrying amounts:							
Group share of joint ventures (%)	50%	50%	19.55%		50%	50%	50%
Group share of joint ventures ($)	83,995	19,277	22,918	126,190	83,023	36,965	119,988
Goodwill	727	--	--	727	727	967	1,694
Impairment	--	--	(6,742)	(6,742)	--	--	--
	84,722	19,277	16,176	120,175	83,750	37,932	121,682
Other information:							
Country of incorporation	Trinidad & Tobago	Trinidad & Tobago	Colombia		Trinidad & Tobago	Trinidad & Tobago	
Nature of relationship	Joint venture	Joint venture	Associate		Joint venture	Joint venture	

(Expressed in Thousands of Trinidad and Tobago Dollars)

10 Investments in associates and joint ventures (continued)

	Massy Wood $	Caribbean Industrial Gases Unlimited $	Curbo $	Total $
Summarised statement of comprehensive income				
As at September 30, 2022				
Revenue	809,094	46,172	5,888	861,154
Depreciation and amortisation	(11,269)	(1,109)	(131)	(12,509)
Interest expense	(618)	(811)	(664)	(2,093)
Profit/(loss) before tax	46,720	17,170	(27,592)	36,298
Reconciliation to profit or loss:				
Group share of joint ventures (%)	50%	50%	19.55%	
Group share of profit/(loss) before impairment expenses	23,360	8,585	(5,394)	26,551
Goodwill impairment	--	(967)	--	(967)
Impairment	--	--	(6,742)	(6,742)
Group share of profit/(loss) before tax	23,360	7,618	(12,136)	18,842
Income tax expense	(6,295)	(2,869)	--	(9,164)
Group share of profit/(loss) for the year	17,065	4,749	(12,136)	9,678
As at September 30, 2021				
Revenue	1,049,185	89,625	--	1,138,810
Interest income	1	--	--	1
Depreciation and amortisation	--	(1,453)	--	(1,453)
Interest expense	--	(805)	--	(805)
Profit before tax	66,955	35,167	--	102,122
Reconciliation to profit or loss:				
Group share of joint ventures (%)	50%	50%	--	
Group share of profit before impairment expenses	33,478	17,583	--	51,061
Goodwill Impairment	--	(765)	--	(765)
Group share of profit before tax	33,478	16,818	--	50,296
Income tax expense	(10,594)	(4,859)	--	(15,453)
Group share of profit for the year	22,884	11,959	--	34,843

The Group has investments in a joint venture and an associate whose year ends are not coterminous with September 30:

	Country of incorporation	Reporting year end
Massy Wood	Trinidad and Tobago	31 December
Curbo	Colombia	31 December

(Expressed in Thousands of Trinidad and Tobago Dollars)

11 Trade and other receivables

	2022 $	2021 $
Trade receivables	1,063,426	883,762
Receivables with related parties	7,052	25,323
Less: provision for impairment of receivables	(64,544)	(56,418)
Trade receivables – net	1,005,934	852,667
Contract assets (Note 11.1)	105,403	90,028
Less: provision for impairment of contract assets (Note 11.1)	(173)	(131)
Other debtors and prepayments	745,650	631,789
Less: provision for impairment of other debtors	(1,611)	(2,123)
Other debtors and prepayments – net	849,269	719,563
	1,855,203	1,572,230
Non-current portion	822	800
Current portion	1,854,381	1,571,430
	1,855,203	1,572,230

11.1 *Contract assets comprises*:

	2022 $	2021 $
Unbilled income	95,198	89,791
Assets recognised from costs to fulfil a contract	123	--
Other: Service contracts	9,909	106
	105,230	89,897

The contract assets and other debtors are subjected to impairment testing under IFRS 9. The basis for impairment is explained in Note 34.1.2.

Contract assets have increased as the Group has provided less services ahead of the agreed payment schedules for fixed-price contracts.

(Expressed in Thousands of Trinidad and Tobago Dollars)

12 Financial assets

	2022 $	2021 $
At amortised cost:		
- Bonds	571,750	407,638
- Less: provision for impairment of bonds	(1,051)	(413)
- Instalment credit, hire purchase receivables and other accounts	628,425	602,317
- Less: provision for impairment of instalment credit, hire purchase receivables and other accounts	(20,479)	(17,292)
	1,178,645	992,250
Fair value through profit or loss:		
- Bonds and treasury bills	13,621	304,001
- Listed equities	11,650	12,180
- Unlisted equities	212	212
- Investment funds	3,178	3,454
- Structured notes	48,232	--
	76,893	319,847
Fair value through other comprehensive income:		
- Bonds and treasury bills	1,448,694	--
- Less: provision for impairment of bonds and treasury bills	(449)	--
- Unlisted equities	202,404	198,777
	1,650,649	198,777
Total	2,906,187	1,510,874
Non-current portion	1,861,390	923,521
Current portion	1,044,797	587,353
	2,906,187	1,510,874

12.1 *Finance leases*

Included in instalment credit and other accounts are amounts relating to finance leases as follows:

	2022 $	2021 $
Not later than 1 year	3,957	4,662
Later than 1 year and not later than 5 years	6,761	8,804
	10,718	13,466
Unearned finance charges on finance leases	(127)	(1,531)
Net investment in finance leases	10,591	11,935
Not later than 1 year	3,523	4,051
Later than 1 year and not later than 5 years	7,068	7,884
	10,591	11,935

(Expressed in Thousands of Trinidad and Tobago Dollars)

13 Deferred income tax

Deferred income taxes are calculated in full, on temporary differences under the liability method using a principal tax rate of 30% (2021: 30%).

The movements in deferred tax assets/(liabilities) are as follows:

Deferred income tax assets

	Accelerated depreciation $	Tax losses $	Leases $	Pension $	Other $	Total $
Year ended September 30, 2022						
At beginning of year	9,320	21,420	36,867	14,640	50,158	132,405
Credit / (Charge) to consolidated statement of profit or loss	6,379	(3,986)	1,612	1,224	901	6,130
Exchange adjustment	85	308	136	--	(6,884)	(6,355)
Other movements	120	287	24	--	1,279	1,710
At end of year	15,904	18,029	38,639	15,864	45,454	133,890
Year ended September 30, 2021						
At beginning of year	15,307	13,984	41,653	13,654	40,025	124,623
Credit to consolidated income statement	3,060	9,730	4,630	3,566	20,132	41,118
Exchange adjustment	2	90	(357)	--	253	(12)
Disposal of subsidiary (Note 37)	(932)	(2,745)	--	--	--	(3,677)
Reclassified to held for sale (Note 37)	1,606	(2,403)	--	--	(2,520)	(3,317)
Other movements	(9,723)	2,764	(9,059)	(2,580)	(7,732)	(26,330)
At end of year	9,320	21,420	36,867	14,640	50,158	132,405

Deferred tax assets are recognised for tax losses carried-forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable.

Other deferred income tax assets comprise balances relating to pension plan adjustments and smaller miscellaneous inputs.

(Expressed in Thousands of Trinidad and Tobago Dollars)

13 Deferred income tax (continued)

Deferred income tax liabilities

	Accelerated depreciation $	Pension plan surplus $	Other $	Total $
Year ended September 30, 2022				
At beginning of year	56,317	137,820	39,906	234,043
(Credit)/charge to consolidated statement of profit or loss	(1,280)	8,723	(284)	7,159
Exchange adjustment	93	86	(5,422)	(5,243)
Acquisition of Subsidiary	--	--	7,044	7,044
Disposal of subsidiary (Note 37)	(2,135)	--	--	(2,135)
Other movements	(1,576)	(8,537)	(6,545)	(16,658)
At end of year	51,419	138,092	34,699	224,210
Year ended September 30, 2021				
At beginning of year	73,287	135,544	27,219	236,050
(Credit)/charge to consolidated statement of profit or loss	(1,895)	(1,213)	19,870	16,762
Exchange adjustment	(405)	(624)	52	(977)
Disposal of subsidiary (Note 37)	(3,233)	--	--	(3,233)
Other movements	(11,437)	4,113	(7,235)	(14,559)
At end of year	56,317	137,820	39,906	234,043

14 Retirement benefit assets/obligations

	2022 $	2021 $
Retirement benefit assets		
Neal & Massy Group Pension Fund Plan	380,303	382,573
Overseas plans – Other	36,537	74,838
	416,840	457,411

The pension plans were valued by independent actuaries using the projected unit credit method.

Neal & Massy Group Pension Fund Plan

The amounts recognised in the statement of financial position are as follows:

	2022	2021
Fair value of plan assets	1,838,122	1,858,543
Present value of obligation	(1,323,001)	(1,292,700)
	515,121	565,843
Unutilisable asset	(134,818)	(183,270)
Asset in the statement of financial position	380,303	382,573

(Expressed in Thousands of Trinidad and Tobago Dollars)

14 **Retirement benefit assets/obligations (continued)**

Neal & Massy Group Pension Fund Plan (continued)

	2022 $	2021 $
The movement in the present value of the defined benefit obligation is as follows:		
Opening present value of defined benefit obligation	1,292,700	1,263,030
Current service cost	34,783	30,972
Interest cost	62,978	61,941
Actuarial gains on obligation	(1,164)	(14,821)
Benefits paid	(66,296)	(48,422)
Closing present value of defined benefit obligation at September 30	1,323,001	1,292,700
The movement in the fair value of plan assets for the year is as follows:		
Opening fair value of plan assets	1,858,543	1,669,790
Expected return on plan assets	82,106	81,026
Actuarial (losses)/gains on plan assets	(36,231)	156,149
Benefits paid	(66,296)	(48,422)
Closing fair value of plan assets at September 30	1,838,122	1,858,543
The amounts recognised in the consolidated statement of profit or loss are as follows:		
Current service cost	34,783	30,972
Net interest cost	(19,128)	(19,085)
Total included in profit or loss	15,655	11,887
Actuarial (gains) recognised in other comprehensive income before tax	(13,385)	(12,760)
Movement in the asset recognised in the consolidated statement of financial position:		
Asset at beginning of year	382,573	381,700
Net pension expense	(15,655)	(11,887)
Actuarial gains	13,385	12,760
Asset at end of year	380,303	382,573

The principal actuarial assumptions used were:

	Per annum	Per annum
Discount rate	5%	5.0%
Future salary increases	5%	5.0%
Future pension increases – post retirement	3%	3.0%
Sensitivity – change in discount rate increase	1% increase	1%
Sensitivity impact	(182,002)	(175,212)

(Expressed in Thousands of Trinidad and Tobago Dollars)

14 Retirement benefit assets/obligations (continued)

Assumptions regarding future mortality experience are set based on advice from published statistics and experience in each territory.

	2022	**2021**
Plan assets are comprised as follows:		
Local equities/mutual funds	32%	31%
Local bonds/mortgages	17%	17%
Foreign investments	45%	46%
Deferred annuities/insurance policy	4%	4%
Short-term securities/cash/accrued income	2%	2%

The average life expectancy in years of a pensioner retiring at age 60 is as follows:

Male	81	81
Female	85	85

Overseas plans – HD Hopwood Jamaica & Massy Guyana Staff Pension Fund Plans

The amounts recognised in the statement of financial position are as follows:

	2022 $	**2021 $**
Fair value of plan assets	451,075	323,425
Present value of the defined benefit obligation	(183,657)	(156,295)
	267,418	167,130
Unutilisable asset	(230,881)	(92,292)
Asset recognised in the statement of financial position	36,537	74,838

The movement in the defined benefit obligation over the year is as follows:

Opening present value of defined benefit obligation	156,295	186,758
Current service cost	4,752	3,256
Interest cost	10,923	9,807
Plan participant contributions	4,043	3,549
Actuarial losses on obligation	12,704	4,330
Liabilities extinguished on settlement/curtailment	--	(42,689)
Exchange differences on foreign plans	1,174	(1,063)
Benefits paid	(6,234)	(7,653)
Closing present value of defined benefit obligation	183,657	156,295

(Expressed in Thousands of Trinidad and Tobago Dollars)

14 **Retirement benefit assets/obligations (continued)**

Overseas plans – HD Hopwood Jamaica & Massy Guyana Staff Pension Fund Plans (continued)

	2022 $	2021 $
The movement in the fair value of plan assets for the year is as follows:		
Opening fair value of plan assets	323,425	316,604
Income from discount rate on utilisable plan assets	16,118	13,690
Actual return on assets greater than above	108,751	48,577
Assets disbursed on settlement	--	(51,070)
Exchange differences on foreign plans	2,172	(2,772)
Employer contributions	3,412	2,936
Plan participant contributions	4,043	3,549
Administration expenses	(611)	(436)
Benefits paid	(6,235)	(7,653)
Closing fair value of plan assets at September 30	451,075	323,425
The amounts recognised in the consolidated statement of profit or loss are as follows:		
Current service cost	4,752	3,256
Net interest cost	(5,195)	(3,883)
Administration expenses	611	436
Curtailments and settlements	--	(1,296)
Total included in other income	168	(1,487)
Actual return on plan assets	124,869	62,267
Movement in the asset recognised in the consolidated statement of financial position:		
Asset at beginning of year	74,838	58,287
Actuarial (losses)/gains recognised in other comprehensive	(41,545)	12,127
Net pension (expense)/income	(168)	1,487
Increase in unrecognisable asset	--	--
Employer contributions	3,412	2,937
Asset at end of year	36,537	74,838
Actuarial (losses)/gains recognised in other comprehensive income	(41,543)	12,127

The principal actuarial assumptions used were:

	Per annum	Per annum
Discount rate	5%-11.5%	6%-9%
Future salary increases	5%-5.5%	5%-6.5%
Future national insurance increases	4%	4%
Future pension increases	2%-5%	2%-5%
Future bonuses	0%-2%	0%-2%

Assumptions regarding future mortality experience are set based on advice from published statistics and experience in each territory.

(Expressed in Thousands of Trinidad and Tobago Dollars)

14 **Retirement benefit assets/obligations (continued)**

	2022 $	2021 $
Retirement benefit obligations		
Massy Holdings/BS&T/Hopwood – medical pension plan	(121,792)	(130,645)
Barbados Shipping & Trading (BS&T) – pension plan	44,077	47,981
	(77,715)	(82,664)

Barbados Shipping & Trading (BS&T) – pension plan

The amounts recognised in the statement of financial position are as follows:

	2022 $	2021 $
Fair value of plan assets	595,711	669,730
Present value of the defined benefit obligation	(503,722)	(527,081)
	91,989	142,649
Unrecognised asset due to limit	(47,912)	(94,668)
Asset in the statement of financial position	44,077	47,981

The movement in the defined benefit obligation over the year is as follows:

	2022 $	2021 $
Opening present value of defined benefit obligation	527,081	529,275
Current service cost	5,104	5,787
Interest cost	38,351	40,014
Past service cost	1,069	--
Asset/(liabilities) extinguished on settlement	(23,629)	2,625
Actuarial gains on obligation	(3,203)	(11,810)
Exchange differences on foreign plans	(1,028)	(1,253)
Benefits paid	(40,023)	(37,557)
Closing present value of defined benefit obligation at 30 September	503,722	527,081

The movement in the fair value of plan assets for the year is as follows:

	2022 $	2021 $
Opening fair value of plan assets	669,730	595,565
Income from discount rate on utilisable plan assets	42,049	45,811
Actual return on assets less than above	(66,294)	36,579
Assets disbursed on settlement	(18,059)	--
Administration expenses	(175)	(283)
Employer contributions	9,729	31,055
Exchange differences	(1,246)	(1,440)
Benefits paid	(40,023)	(37,557)
Closing fair value of plan assets at September 30	595,711	669,730

(Expressed in Thousands of Trinidad and Tobago Dollars)

14 **Retirement benefit assets/obligations (continued)**

Barbados Shipping & Trading (BS&T) – pension plan *(continued)*

The amounts recognised in the consolidated statement of profit or loss are as follows:

	2022 $	2021 $
Current service cost	5,104	5,787
Net interest income	(3,698)	(5,797)
Past service cost	1,069	--
(Gain)/loss on curtailments	(5,570)	2,625
Administration expenses	175	283
Expense/(income) recognised in the statement of profit or loss	(2,920)	2,898
Actual return on plan assets	(24,245)	82,390
Liability at beginning of year	47,981	66,290
Expense recognised in other comprehensive income	(16,553)	(46,466)
Net pension income/(expense)	2,920	(2,898)
Contributions paid	9,729	31,055
Asset at end of year	44,077	47,981

The principal actuarial assumptions used were:

	2022 Per annum	2021 Per annum
Discount rates	7.75%	7.75%
Future salary increases	5.75%	5.75%
Future NIS increases	3.5%	3.50%
Future pension increases – past service	0.75%	0.75%
Future pension increases – future service	0.75%	0.75%

Assumptions regarding future mortality experience were obtained from published statistics and experience in each territory.

The average life expectancy in years of a pensioner retiring at age 65 is as follows:

Male	83	83
Female	86	86

BS&T – medical plans

The principal actuarial assumptions used were:

	Per annum	Per annum
Discount rate	7.75%	7.75%
Annual increase in health care	4.5%	4.50%

(Expressed in Thousands of Trinidad and Tobago Dollars)

14 Retirement benefit assets/obligations (continued)

Other Plans: Massy Holdings/BS&T/Hopwood Medical Fund Plan

The amounts recognised in the statement of financial position are as follows:	2022 $	2021 $
Present value of the defined benefit obligation	(121,792)	(130,645)
Liability recognised in the statement of financial position	(121,792)	(130,645)

The movement in the defined benefit obligation over the year is as follows:

Opening present value of defined benefit obligation	(130,645)	(135,139)
Current service cost	(6,258)	(6,546)
Interest cost	(8,836)	(9,259)
Actuarial gains on obligation	15,734	11,779
Past service cost	4,053	(115)
Liabilities extinguished on curtailment	--	7,106
Exchange differences on foreign plans	545	(1,843)
Benefits paid	3,615	3,372
Closing present value of defined benefit obligation	(121,792)	(130,645)

The amounts recognised in the consolidated statement of profit or loss are as follows:

Current service cost	(6,258)	(6,546)
Net interest cost	(8,836)	(9,259)
Past Service cost	4,053	(115)
Gains on curtailments and settlements	--	7,106
Total income recognised in consolidated statement of profit or loss	(11,041)	(8,814)

The amounts recognised in other comprehensive income:

Actuarial losses recognised in other comprehensive income	(15,734)	11,779

The principal actuarial assumptions used were:

	Per annum	Per annum
Barbados Shipping & Trading (BS&T)		
Discount rate	7.75%	7.75%
Annual Increases in Healthcare Costs	4.50%	4.50%
Hopwood Medical Fund Plan		
Discount rate	11.50%	9.00%
Annual Increases in Healthcare Costs	7.00%	8.00%
Neal & Massy Group Medical Fund Plan		
Discount rate	5.00%	5.00%
Annual Increases in Healthcare Costs	3.50%	3.50%

(Expressed in Thousands of Trinidad and Tobago Dollars)

15 Inventories

	Gross $	Provision $	2022 $
Finished goods and goods for resale	1,727,369	(79,989)	1,647,380
Goods in transit	337,121	--	337,121
Raw materials and consumables	54,985	(7,541)	47,444
Work in progress	33,825	(1,862)	31,963
	2,153,300	(89,392)	2,063,908

	Gross $	Provision $	2021 $
Finished goods and goods for resale	1,435,816	(77,683)	1,358,133
Goods in transit	217,405	--	217,405
Raw materials and consumables	44,558	(5,950)	38,608
Work in progress	15,224	(1,716)	13,508
	1,713,003	(85,349)	1,627,654

The cost of inventories recognised in expense and included in cost of sales amounted to $8,368,315 (Restated 2021: $7,709,336).

16 Statutory deposits with regulators

This mainly comprises of the following:

- Massy United Insurance Ltd. – This entity is registered to conduct insurance business under legislation in each relevant jurisdiction. This legislation may prescribe a number of requirements with respect to deposits, investment of funds and solvency for the protection of policy holders. In order to satisfy the legislative requirements of the various jurisdictions, a portion of cash and cash equivalents has been deposited or is held in trust to the order of the regulators.

  The deposit was reclassified to Held for Sale in 2021. The Company was sold in 2022. (Note 37).

- Massy Finance GFC Ltd – The Financial Institutions Act, 2008 requires that every non-banking financial institution licensed under the Act in the Republic of Trinidad and Tobago hold and maintain a non-interest bearing deposit account with the Central Bank of Trinidad and Tobago equivalent to 9% of the total deposit liabilities of that institution. As at 30 September 2022 and 2021, Massy Finance GFC Ltd complied with the above requirement.

(Expressed in Thousands of Trinidad and Tobago Dollars)

17 Cash and cash equivalents

	2022 $	2021 $
Cash at bank and in hand	1,188,360	1,987,011
Short-term bank deposit	38,759	47,130
	1,227,119	2,034,141

Deposits have an average maturity of less than 90 days.

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	2022	2021
Cash and cash equivalents	1,227,119	2,034,141
Bank overdrafts (Note 22)	(57,786)	(17,790)
Cash, net of bank overdrafts	1,169,333	2,016,351

In September 2021 Massy Limited sold the investments held in the Divested Funds Portfolio (DFP) which contributed to the 2021 cash balance noted above. In 2022, those funds were re-invested, hence the large variance noted in cash and cash equivalents with a corresponding increase in Financial Assets note 12.

18 Share capital

	Number of shares #	Ordinary shares $	Total $
At September 30, 2021	98,343	764,344	764,344
Employee share grant – vested	626	--	--
Additional shares due stock split	1,880,416	--	--
At September 30, 2022	1,979,385	764,344	764,344
At September 30, 2021	98,343	764,344	764,344

The total authorised number of ordinary shares is unlimited with no par value. All issued shares are fully paid.

The Shareholders of Massy Holdings Ltd. approved a Performance Share Plan for the benefit and long-term incentive of selected Senior Executives of Massy Holdings Ltd. and its subsidiaries, under which shares may be granted to such Executives. The Plan was approved on September 26, 2013 and the first tranche of shares was awarded on October 1, 2013 for the Executive Performance Period of October 1, 2012 to September 30, 2013. The Award is a conditional right to receive a grant of shares which may only vest where the Base Share Price grows by a compound annual growth rate, approved each year by the Board of Directors.

The Base Share Price will be calculated based on the average market price of the shares, for the last ten trading days, in the calendar month immediately preceding the Grant Date. Shares may vest between three and six years from the Grant Date subject to the applicable compound annual growth rate from the Base Share Price, which must be achieved to trigger the vesting and issue of the shares. There were no amounts recognised in the consolidated statement of profit or loss in 2020 and 2021. Performance Share Plan Grants have satisfied the condition to be vested and this resulted in the grant of 626,845 shares on October 1, 2021.

In 2017, this plan was suspended and therefore no new share grants were issued to the Executives of Massy Holdings Ltd. and its subsidiaries. A long term incentive plan (Note 24.2) has been introduced which is linked to the Group's EPS.

(Expressed in Thousands of Trinidad and Tobago Dollars)

18 Share capital (continued)

At the Annual Shareholders' Meeting held on January 21, 2022, the Shareholders approved a proposal by the Company's Board of Directors for a 20:1 stock split, which provided authorization for a share split to convert each ordinary share into twenty ordinary shares, subject to receipt of the requisite regulatory approvals. The effective date was March 11, 2022 for the effecting of the corporate action. Following approval from the Trinidad and Tobago Stock Exchange there was an increase in the number of issued shares from 98,969 to 1,979,385. The price of the security was also adjusted consistent with the 20:1 share split ratio.

19 Dividends per share

	2022 $	2021 $
Interim paid: 2022 – 3 cents per share (2021 – 2.75 cents)	59,382	54,089
Final paid: 2021 – 11.50 cents per share (2020 – 10 cents)	227,629	196,686
	287,011	250,775

On 23 November 2022 the Board of Directors of Massy Holdings Ltd. declared a final dividend per share of 12.68 cents, bringing the total dividends per share for the financial year ended 30 September 2022 to 15.68 cents (2021 – 14.25 cents).

The 20:1 stock split effected on March 11, 2022 means the number of shares is now 1,979,385 with the dividends per share and earnings per share for the prior year having to be restated (Note 30).

20 Other reserves

	Translation reserve $	Catastrophe reserve (Note 20.2) $	Statutory and general banking reserves (Note 20.1) $	Other amounts $	Total $
As at 30 September 2022					
Balance at beginning of year	(136,746)	369,206	17,390	(224,775)	25,075
Currency translation adjustments	(38,298)	--	--	--	(38,298)
Disposal of subsidiary	(31,230)	(38,299)	--	7,567	(61,962)
Transfer to other reserves	--	15,052	--	--	15,052
Other reserves	(984)	--	--	(6,786)	(7,770)
Balance at end of year	(207,258)	345,959	17,390	(223,994)	(67,903)
As at 30 September 2021					
Balance at beginning of year	(120,010)	385,991	17,390	(223,152)	60,219
Currency translation adjustments	(12,653)	--	--	--	(12,653)
Disposal of subsidiary	(3,787)	--	--	729	(3,058)
Transfer to other reserves	--	(16,785)	--	--	(16,785)
Other reserves	(296)	--	--	(1,426)	(1,722)
Purchase of non-controlling interest	--	--	--	(926)	(926)
Balance at end of year	(136,746)	369,206	17,390	(224,775)	25,075

(Expressed in Thousands of Trinidad and Tobago Dollars)

20 Other reserves (continued)

20.1 *Statutory and general banking reserves*

These are applicable to Massy Finance (GFC) Ltd as follows:

- Statutory Reserve – The Financial Institutions Act, 2008 requires a financial institution to transfer annually a minimum of 10% of its profit after taxation to a reserve fund until the balance on this reserve is equal to the paid-up capital of the institution. The reserve amounted to $15,000 (2021: $15,000).
- General Banking Reserve – In keeping with the Financial Institutions (Prudential Criteria) Regulations, 1994, the Company has set aside a reserve out of retained earnings to provide against unforeseen losses on the loan portfolio. The reserve amounted to $2,390 (2021: $2,390).

20.2 *Catastrophe reserve*

This comprises reserves arising from two entities:

- Massy United Insurance Ltd (HFS in 2021) – This entity transfers from its retained earnings, as permitted in Section 155 of the Insurance Act, 1996 – 32, 25% of net premium income earned arising from its property business into a reserve established to cover claims made by the Group's policyholders arising from a catastrophic event, which is included as a separate component of equity. The reserve amounted to $38,299 in 2021. The Company was sold in 2022.
- The Interregional Reinsurance Company Limited (TIRCL) – Appropriations from Retained Earnings are periodically made to this reserve as determined by the Directors. The reserve is intended to be only available to meet both current and future losses arising under the entity's insurance policies from catastrophic events. The reserve amounted to $345,959 (2021: $330,907).

21 Non-controlling interests

The following is an analysis of non-controlling interests which are material and individually immaterial to the Group:

	2022 $	2021 $
Accumulated balances with non-controlling interests		
Material non-controlling interests	123,935	105,827
Individually immaterial non-controlling interests	61,894	58,212
	185,829	164,039
Profit for the year from non-controlling interests		
Material non-controlling interests	33,768	26,608
Individually immaterial non-controlling interests	10,491	6,962
	44,259	33,570

Individually immaterial non-controlling interests include Massy Guyana Group and Massy Carbonics Limited.

(Expressed in Thousands of Trinidad and Tobago Dollars)

21 Non-controlling interests (continued)

The table below shows a movement analysis of subsidiaries with non-controlling interests that are material to the Group. The amounts included represents the share attributable to the non-controlling interests.

	Roberts Manufacturing Co Limited $	Massy Stores (SLU) Ltd $	Total $
	49.5%	**40%**	
As at September 30, 2022			
Balance at beginning of year	--	105,827	105,827
Total comprehensive income for the year	--	33,768	33,768
Dividends	--	(20,377)	(20,377)
Currency translation adjustments	--	(234)	(234)
Other adjustments	--	4,951	4,951
Balance at end of year	--	123,935	123,935
As at September 30, 2021			
Balance at beginning of year	67,959	93,556	161,515
Total comprehensive income for the year	(986)	27,594	26,608
Dividends	(26,314)	(15,097)	(41,411)
Currency translation adjustments	(141)	(226)	(367)
Disposal of subsidiary	(40,518)	--	(40,518)
Balance at end of year	--	105,827	105,827

(Expressed in Thousands of Trinidad and Tobago Dollars)

21 Non-controlling interests (continued)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are the amounts as per the entities' financial statements before inter-company eliminations.

	Massy Stores (SLU) Ltd $
As at September 30, 2022	
Summarised balance sheet:	
Current assets	262,890
Non-current assets	311,794
Current liabilities	(134,988)
Non-current liabilities	(121,366)
Indirect NCI	(11,223)
Net assets	307,107
Summarised statement of comprehensive income:	
Revenue	1,448,554
Profit attributable to parent	84,420
Total comprehensive income for the year	84,420
NCI share (%)	40
NCI share ($)	33,768
Summarised statement of cash flows:	
Operating activities	72,228
Investing activities	(96,483)
Financing activities	(33,551)
Net change in cash flows	(57,806)

(Expressed in Thousands of Trinidad and Tobago Dollars)

21 **Non-controlling interests (continued)**

	Roberts Manufacturing Co Limited $	Massy Stores (SLU) Ltd $
As at September 30, 2021		
Summarised balance sheet:		
Current assets	--	255,826
Non-current assets	--	351,456
Current liabilities	--	(163,457)
Non-current liabilities	--	(173,984)
Indirect NCI	--	(5,273)
Net assets	--	264,568
Summarised statement of comprehensive income:		
Revenue	269,736	1,280,389
Profit attributable to parent	(1,991)	68,986
Total comprehensive income for the year	(1,991)	68,986
NCI share (%)	49.5	40
NCI share ($)	(986)	27,594
Summarised statement of cash flows:		
Operating activities	22,437	102,135
Investing activities	(8,264)	(65,498)
Financing activities	(58,828)	(27,379)
Net change in cash flows	(44,655)	9,258

(Expressed in Thousands of Trinidad and Tobago Dollars)

22 Borrowings

	2022 $	2021 $
Secured advances and mortgage loans	261,176	117,965
Unsecured advances	1,457,266	1,564,146
Bank overdrafts (Note 17)	57,786	17,790
Bankers acceptance	10,000	10,000
Total borrowings	1,786,228	1,709,901
Less short-term borrowings	(239,822)	(261,742)
Medium and long-term borrowings	1,546,406	1,448,159
Short-term borrowings comprise:		
Bank overdrafts (Note 17)	57,786	17,790
Bankers acceptance	10,000	10,000
Current portion of other borrowings	172,036	233,952
	239,822	261,742

On July 30, 2014, Massy Holdings Ltd. issued a $1.2B TT Dollar Fixed Rate Bond. A private auction system was used to determine the issue size and cost of each series of the Bond issue. RBC Merchant Bank (Caribbean) Limited was the Arranger and RBC Trust (Trinidad & Tobago) Limited was the Trustee. The bond was issued at a premium. The face value of both series was $600M each with a tenure of 10 years (Series A) and 15 years (Series B) at coupon rates of 4.00% and 5.25% respectively. Interest is paid on a semi-annual basis in arrears and the principal will be repaid via a bullet payment at maturity. The bond payable is shown net of any investor's interests held by the parent.

Total borrowings include secured liabilities of $156,592 (2021: $110,107).

Bank borrowings are secured by the land and buildings of the Group.

Where applicable, the Group has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 reporting periods.

22.1 *Net debt reconciliation*

	Cash and cash equivalents, net of overdrafts (Note 17) $	Borrowings, net of overdrafts $	Total $
Year ended 30 September 2022			
At beginning of year	2,016,351	(1,692,111)	324,240
Acquisition of subsidiaries	--	(253)	(253)
Proceeds on new borrowings	--	(943,705)	(943,705)
Principal repayments on borrowings	--	884,652	884,652
Effect of exchange rate changes on cash and bank overdrafts	(3,703)	21,208	17,505
Other cash flows	(843,315)	1,767	(841,548)
At end of year	1,169,333	(1,728,442)	(559,109)

(Expressed in Thousands of Trinidad and Tobago Dollars)

22 Borrowings (continued)

22.1 *Net debt reconciliation (continued)*

	Cash and cash equivalents, net of overdrafts (Note 17) $	Borrowings, net of overdrafts $	Total $
Year ended 30 September 2021			
At beginning of year	2,525,521	(2,109,180)	416,341
Proceeds on new borrowings	--	(647,401)	(647,401)
Principal repayments on borrowings	--	1,064,701	1,064,701
Effect of exchange rate changes on cash and bank overdrafts	(4,734)	(164)	(4,898)
Other cash flows	(504,436)	(67)	(504,503)
At end of year	2,016,351	(1,692,111)	324,240

23 Customers' deposits

These represent the deposits for fixed terms accepted mainly by Massy Finance GFC Ltd.

	2022 $	2021 $
Payable within one year	334,665	179,474
Payable between two and five years	211,938	114,028
	546,603	293,502

Sectorial analysis of deposit balances

Private sector	223,547	51,736
Consumers	323,056	241,766
	546,603	293,502

Interest expense on customers' deposits of $11,429 (2021: $6,770) is shown within "other direct costs" in Note 26.

(Expressed in Thousands of Trinidad and Tobago Dollars)

24 **Trade and other payables**	**2022 $**	**2021 $**
Trade creditors	828,423	649,780
Contract liabilities (Note 24.1)	4,193	4,505
Other payables (Note 24.2)	882,635	830,957
	1,715,251	1,485,242
Age analysis of payables		
Current	2,116	--
Non current	1,713,135	1,485,242
	1,715,251	1,485,242

24.1 *Contract liabilities*

Analysis of contract liabilities:		
Deferred income	2,657	2,483
Extended warranty programmes	968	982
Other	568	1,040
	4,193	4,505
Expected timing of revenue recognition:		
Within 1 year	3,200	3,094
After 1 year	993	1,411
	4,193	4,505
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period	1,593	2,299

24.2 Included in other payables is the provision for the Long-Term Incentive Plan. The Shareholders of Massy Holdings Ltd approved a Long-term Incentive Plan for the benefit of selected Senior Executives of Massy Holdings Ltd and its subsidiaries. Individuals are awarded an incentive based on a pre-defined multiple of their salary. This amount is then converted into an equivalent number of phantom shares which are then adjusted to reflect individual Key Performance Indicators. The phantom shares awarded are subject to a vesting period of three years. On the vesting date, the settlement amount is determined by multiplying the number of phantom shares by the phantom share grant price. The latter is determined by applying a pre-determined P/E ratio to the EPS preceding the year of settlement.

Balance at the beginning of the year	62,985	46,814
Payments	(58,731)	(21,666)
Current service cost	36,033	37,837
Balance at the end of the year	40,287	62,985

(Expressed in Thousands of Trinidad and Tobago Dollars)

25 Liabilities on insurance contracts (continued)

Liabilities on Insurance contract was reclassified to Held for Sale in 2021. The Company was sold in 2022. (Note 37).

The major classes of general insurance written by the Group's insurance operations included motor, property, and other miscellaneous types of general insurance. Risks under these policies usually cover a twelve-month duration. Liabilities comprise:

	2022 $	2021 $
Outstanding claims	--	434,063
Unearned premiums	--	896,509
(Note 37)	--	1,330,572

Movement in outstanding claims reserve may be analysed as follows:

	Insurance liabilities 2022 $	Reinsurers' share 2022 $	Insurance liabilities 2021 $	Reinsurers' share 2021 $
Beginning of the year	--	--	433,645	93,291
Exchange adjustment	--	--	(1,029)	(222)
Claims incurred	--	--	285,369	88,613
Claims paid	--	--	(283,922)	(84,901)
	--	--	434,063	96,781

Movement in the unearned premium reserve may be analysed as follows:

	Insurance liabilities 2022 $	Reinsurers' share 2022 $	Insurance liabilities 2021 $	Reinsurers' share 2021 $
Beginning of the year	--	--	739,169	555,212
Exchange adjustment	--	--	(1,754)	(1,771)
Claims incurred	--	--	1,565,115	1,151,986
Claims paid	--	--	(1,406,021)	(1,011,030)
	--	--	896,509	694,397

The reinsurers' share of outstanding claims and unearned premium reserves were included in accounts receivable. Claims reserves comprise provisions for claims reported by policyholders and claims incurred but not yet reported were established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred were estimated based on known facts at the statement of financial position date. Outstanding claims reserves were not discounted for the time value of money.

The principal assumption underlying the estimates is past claims development experience. This includes assumptions in respect of average claims costs and claims numbers for each accident year. In addition, larger claims were separately assessed by loss adjusters. Judgement was used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. The ultimate liabilities varied as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities were recognised in subsequent periods.

(Expressed in Thousands of Trinidad and Tobago Dollars)

25 **Liabilities on insurance contracts (continued)**

Claims development table

Gross	**2013 $**	**2014 $**	**2015 $**	**2016 $**	**2017 $**	**2018 $**	**2019 $**	**2020 $**	**2021 $**	**Total $**
At end of accident year	150,705	185,538	221,707	296,089	2,222,912	243,044	460,452	255,108	247,237	
One year later	158,985	153,082	219,948	285,344	2,087,214	257,381	413,764	319,919	--	
Two years later	152,839	157,679	207,643	272,122	1,771,109	267,547	406,993	--	--	
Three years later	153,534	157,409	196,946	270,622	1,763,957	246,720	--	--	--	
Four years later	153,558	157,018	196,491	263,973	1,757,001	--	--	--	--	
Five years later	151,439	157,453	197,757	261,109	--	--	--	--	--	
Six years later	152,632	152,089	198,514	--	--	--	--	--	--	
Seven years later	152,089	159,027	--	--	--	--	--	--	--	
Eight years later	152,510	--	--	--	--	--	--	--	--	
	152,510	159,027	198,514	261,109	1,757,001	246,720	406,993	319,919	247,237	3,749,030
Cumulative payments to date	147,651	146,698	182,598	245,770	1,733,007	198,209	362,322	263,794	127,173	3,407,222
Liability recognised	12,329	15,916	15,339	23,994	48,511	44,671	56,125	120,064	120,064	341,808
Liability in respect of prior years										92,255
Total liability										**434,063**
Net favourable/(unfavourable) development	26,511	23,193	34,980	465,911	(3,676)	53,459	(64,811)			

(Expressed in Thousands of Trinidad and Tobago Dollars)

25 **Liabilities on insurance contracts (continued)**

Claims development table (continued)

Net Claims	2013 $	2014 $	2015 $	2016 $	2017 $	2018 $	2019 $	2020 $	2021 $	Total $
At end of accident year	91,847	114,974	169,941	190,168	241,831	204,926	263,790	202,640	163,129	
One year later	102,600	112,313	161,014	175,899	274,079	214,203	215,768	257,510	--	
Two years later	91,163	109,779	151,488	168,101	255,170	210,522	228,436	--	--	
Three years later	96,163	105,195	142,686	165,903	235,476	198,796	--	--	--	
Four years later	96,697	105,029	141,339	159,404	246,268	--	--	--	--	
Five years later	94,893	104,360	126,922	161,211	--	--	--	--	--	
Six years later	95,654	97,867	143,197	--	--	--	--	--	--	
Seven years later	91,262	103,651	--	--	--	--	--	--	--	
Eight years later	95,552	--	--	--	--	--	--	--	--	
	95,552	103,651	143,197	161,211	246,268	198,796	228,436	257,510	163,129	1,597,750
Cumulative payments to date	90,756	94,752	127,444	147,058	224,971	161,242	189,183	217,979	96,023	1,349,408
Liability recognised	4,796	8,899	15,753	14,153	21,297	37,554	39,253	39,531	67,106	248,342
Liability in respect of prior years										88,940
Total liability										**337,282**
Net favourable/ (unfavourable) development	(3,705)	11,323	26,744	28,957	(4,437)	6,130	35,354	(54,870)		

Massy United Insurance Ltd. – Disposed in 2022 (Note 37).

(Expressed in Thousands of Trinidad and Tobago Dollars)

26 Operating profit before finance costs

	2022 $	2021 $ (Restated)
Revenue:		
– Sale of goods	11,116,293	10,084,159
– Rendering of services	1,214,202	1,001,900
– Net interest and other investment income (Note 26.1)	36,650	30,021
	12,367,145	11,116,080
Cost of sales and other direct costs:		
– Cost of sales	(8,368,315)	(7,709,336)
– Other direct costs	(627,273)	(549,060)
	(8,995,588)	(8,258,396)
Gross profit	3,371,557	2,857,684
Administrative expenses	(1,348,783)	(1,165,227)
Other operating expenses	(1,175,989)	(1,016,988)
Other income	265,104	302,091
Operating profit before finance costs	1,111,889	977,560

26.1 ‘Net interest and other investment income’ is attributable to loans to customers and other financial assets held for investment purposes only. Income from bank balances, short term investments, treasuries and other securities held for cash management purposes is included within finance income (Note 28).

26.2 The following items were included in arriving at operating profit before finance cost from continuing operations:

	2022	2021
Staff and staff related costs	1,810,944	1,604,178
Depreciation and impairment of property, plant and equipment	228,854	198,607
Depreciation of right-of-use assets	91,021	87,922
Depreciation and impairment of investment properties	2,275	2,445
Expected credit losses/net impairment expense on financial assets (Note 34.1.2):		
- Trade and other receivables	18,961	9,916
- Corporate and sovereign bonds	871	(2,696)
- Instalment credit, hire purchase accounts and other financial assets	3,755	(3,213)
Impairment of goodwill	--	263
Negative goodwill (Note 36)	(7,215)	--
Amortisation of other intangible assets	20,980	18,405
Directors’ fees	3,976	3,707
Operating lease rentals	22,734	17,741

(Expressed in Thousands of Trinidad and Tobago Dollars)

26 Operating profit before finance costs (continued)

26.3 Material profit or loss items included in arriving at operating profit:

The Group has identified the following items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group:

	2022 $	2021 $
Gain on disposal of subsidiaries (Note 37)	(83,441)	(90,784)

27 Staff costs

Staff costs included in cost of sales, selling, general and administrative expenses are as follows:

	2022 $	2021 $ (Restated)
Wages and salaries and termination benefits	1,491,574	1,356,830
Pension costs	61,268	50,981
	1,552,842	1,407,811

Average number of persons employed by the Group during the year:

Full time	10,246	10,315
Part time	2,608	1,792
	12,854	12,107

28 Finance costs – net

Finance costs:		
Interest expense on borrowings	83,020	106,154
Unwinding of interest on restoration liability	107	145
Interest expense on lease liabilities (Note 6.3)	61,244	55,086
	144,371	161,385
Finance income:		
Finance income (Note 28.2)	(42,959)	(58,618)
Finance costs – net	101,412	102,767

28.1 Borrowing costs capitalised during the year $1,820 (2021: $0).

28.2 Income from bank balances, short term investments, treasuries and other securities held for cash management purposes is shown within finance income.

(Expressed in Thousands of Trinidad and Tobago Dollars)

29 Income tax expense

	2022 $	2021 $ (Restated)
Current tax	305,209	272,883
Deferred tax	(3,271)	(23,814)
Business levy/withholding taxes	4,038	772
	305,976	249,841

In the prior year, the Group's effective tax rate of 27% differed from the statutory Trinidad and Tobago tax rate of 30%, however, it is aligned in the current year as follows:

	2022	2021
Profit before income tax	1,029,319	925,089
Tax calculated at a tax rate of 30%	315,211	281,219
Effect of different tax rates in other countries	39,337	(24,698)
Expenses not deductible for tax purposes	134,892	172,398
Income not subject to tax	(177,666)	(175,287)
Business levy/withholding taxes	4,038	772
Effect of change in overseas tax rate	776	2,577
Adjustments to prior year tax provisions	(10,612)	(7,140)
Income tax expense	305,976	249,841

The income tax expense is attributable to:

	2022	2021
Trinidad and Tobago subsidiaries	116,980	97,317
Overseas subsidiaries	179,831	137,071
Associated companies	9,165	15,453
	305,976	249,841

30 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

	2022 $	2021 $ (Restated)
Profit attributable to shareholders:		
– from continuing operations	679,084	637,068
– from discontinued operations	134,845	151,390
	813,929	788,458
Weighted average number of ordinary shares in issue (thousands)	1,979,385	98,343
Basic earnings per share		
– from continuing operations	34.31	32.39
– from discontinued operations	6.81	7.70
	41.12	40.09

The 20:1 stock split effected on March 11, 2022 means the number of shares is now 1,979,385 equivalently 1,966,860 in 2021 with the dividends per share and earnings per share for the prior year having to be restated (Note 19).

(Expressed in Thousands of Trinidad and Tobago Dollars)

31 Contingencies

Subsidiaries

The Property Tax Act of 2009 (PTA) was enacted into law by the Government of the Republic of Trinidad and Tobago (GORTT), effective from 1 January 2010. As of present date there have been no further changes to the legislation or extension of the waivers previously granted by the GORTT. The PTA has not yet been enforced primarily due to non-completion of property valuations by the statutory authority and assessments not being sent to taxpayers. While a present obligation exists, taxpayers are unable to reliably estimate the liability as the basis for fair value at this time has not been clarified. Property tax was not accrued for the year ended 30 September 2022.

At September 30, 2022 the Group had contingent liabilities in respect of customs bonds, guarantees and other matters arising in the ordinary course of business amounting to $807,960 (2021: $936,051).

Group companies are defendants in various legal actions. In the opinion of the Directors, after taking appropriate legal advice, the outcome of such actions will not give rise to any material unprovided losses.

Other investments

Included within the contingencies above are guarantees entered into by Massy Holdings Ltd. with Mitsubishi Heavy Industries, Ltd (MHI) under which it guaranteed payment of 10% of Caribbean Gas Chemical Limited's payment obligations to MHI under the contracts for the engineering procurement and construction of the methanol and DME plants and 12.5% of the base equity commitment for Caribbean Gas Chemical Barbados Limited. MHL's maximum liability under guarantees is $644,786 (2021: $646,088). These guarantees were still active as at 30 September 2022 but closed in October 2022.

32 Commitments

Capital commitments

Capital expenditure contracted at the consolidated statement of financial position date but not yet incurred is as follows:

	2022 $	2021 $
Property, plant and equipment	89,652	177,346

Operating lease commitments - where a Group Company is the lessee:

The Group leases various retail outlets, commercial space and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The Group also leases various plant and machinery under cancellable operating lease agreements. The Group is required to give a six-month notice for the termination of these agreements.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

No later than 1 year	11,472	--
	11,472	--

(Expressed in Thousands of Trinidad and Tobago Dollars)

32 Commitments (continued)

Operating lease commitments - where a Group Company is the lessor:

	2022 $	2021 $
Less than one year	28,182	14,191
One year to five years	36,860	9,485
	65,042	23,676

33 Related party transactions

The ultimate parent of the Group is Massy Holdings Ltd. (incorporated in the Republic of Trinidad and Tobago).

The following transactions were carried out with related parties:

a. *Sales of goods*

	2022 $	2021 $
Associates	37,595	49,937

Goods are sold on the basis of the price lists in force with non-related parties.

b. *Purchases of goods*

	2022 $	2021 $
Associates	2,427	1,088
Goods purchased from entities controlled by non-executive directors	687,368	157,385

Goods are bought on the basis of the price lists in force with non-related parties.

c. *Key management compensation*

	2022 $	2021 $
Salaries and other short-term employee benefits	164,496	149,022
Post-employment benefits	10,692	9,686
	175,188	158,708

d. *Year-end balances arising from sales/purchases of goods/services*

	2022 $	2021 $
Receivables from related parties	6,244	25,139
Payables to related parties	62	1,392

	2022 $	2021 $
e. *Customer deposits to related parties*	31,602	7,518

34 Financial risk management

34.1 *Financial risk factors*

The Group's activities expose it to a variety of financial risks. The Group's aim therefore is to achieve an appropriate balance between risk and return and minimise potentially adverse effects on the Group's financial performance. This is achieved by the analysis, evaluation, acceptance and management of the Group's risk exposure.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The main financial risks of the Group relate to the availability of funds to meet business needs, the risk of default by counterparties to financial transactions, and fluctuations in interest and foreign exchange rates. The treasury function manages the financial risks that arise in relation to underlying business needs and operates within clear policies and stringent parameters. The function does not operate as a profit centre and the undertaking of speculative transactions is not permitted.

The Group's principal financial liabilities comprise bank loans, operating overdrafts, trade payables and insurance claims liabilities which are used to finance Group operations. There are various financial assets such as trade receivables, investments, loans receivable, cash and short-term deposits which emanate from its operations. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, foreign currency risk, interest rate risk and equity securities price risk.

Insurance claim liabilities are applicable for the period until the sale of Massy United Insurance Ltd. to the Coralisle Group Ltd. See note 37.

The following contains information relative to the Group's exposure to each of the above risks, including quantitative disclosures.

34.1.1 *Market risk*

The Group is inherently exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk can be subdivided into three categories namely currency risk, interest rate risk and price risk.

(a) *Currency risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities. The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions as well as holding foreign currency balances.

The following table summarises the Group's net exposure and sensitivities to currency risk on its financial instruments.

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.1 *Market risk(continued)*

(a) *Currency risk (continued)*

As at 30 September 2022

Currency	**Net Currency Exposure $**	**Sensitivity**	**Change/ Impact $**
USD	1,988,576	2%	39,772
BBD	(335,908)	2%	(6,718)
PESO	(177,980)	1%	(1,780)
GYD	231,943	3%	6,958
JCD	123,162	5%	6,158
OTHER	(191,381)	2%	(3,828)
TOTAL	1,638,412		40,562

As at 30 September 2021

Currency	**Net Currency Exposure $**	**Sensitivity**	**Change/ Impact $**
USD	1,538,610	2%	30,772
BBD	(203,852)	2%	(4,077)
PESO	(111,338)	1%	(1,113)
GYD	161,333	3%	4,840
JCD	128,760	5%	6,438
OTHER	(95,703)	2%	(1,914)
TOTAL	1,417,810		34,946

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.1 *Market risk (continued)*

(b) *Interest rate risk*

The Group's loans receivable are fixed rate and is subject to fair value interest rate risk with no impact to the financial statements since they are carried at amortised cost. However, floating rate loans and bonds are subject to cash flow interest rate risk. The Group's exposure to floating rate bonds is minimal.

The Group's exposure to changes in market interest rates relates primarily to the long-term debt obligations, with floating interest rates. The exposure to interest rate risk on cash held on deposit is not significant.

At the end of 2022, interest rates were fixed on approximately 93% of the borrowings (2021: 95%). The impact on the consolidated statement of profit or loss to a 50 basis points change in floating interest rates is $602 in 2022 (2021: $387).

(c) *Price risk*

The Group has investments in equity securities and investment funds and these are carried at fair value, consequently resulting in exposure to equity securities price risk. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. See note 34.3.1

34.1.2 *Credit risk*

The Group is exposed to credit risk, which is the risk that may arise from its customers, clients and counterparties failing to discharge their contractual obligations. The credit exposures arise primarily from the Group's receivables on sales, interest-bearing investments and cash held on deposit at various financial institutions.

The Group has no significant concentrations of credit risk and trades mainly with recognised, creditworthy third parties. It is the Group's policy that all customers trading on credit terms are subject to credit verification procedures. These procedures are elements of a structured credit control system and include an analysis of each customer's creditworthiness and the establishment of limits before credit terms are set. In addition, receivable balances are monitored on an ongoing basis to mitigate the Group's exposure to bad debts.

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

The following is a summary of the Group's maximum exposure to credit risk.

	2022 $	2021 $
Cash and cash equivalents (Note 17)	1,227,119	2,034,141
Trade and other receivables (Note 11)	1,855,203	1,572,230
Other financial assets at amortised cost (Note 12):		
- Bonds	570,699	407,225
- Instalment credit and other accounts	544,576	538,051
- Hire purchase receivables	63,370	46,974
Other financial assets at fair value		
through profit or loss (Note 12):		
- Bonds and treasury bills	13,621	304,001
Other financial assets at fair value		
through other comprehensive income (Note 12):		
- Bonds and treasury bills	1,448,245	--
Assets reclassified to held for sale (Note 37)		
Cash and cash equivalents	--	345,741
Trade and other receivables		387,553
Reinsurance assets	--	791,178
Other financial assets at amortised cost		
- Bonds	--	304,992
- Instalment credit and other accounts	71,131	70,825
- Mortgages	--	2,964
Other financial assets at fair value		
through profit or loss:		
- Bonds and treasury bills	--	24,923
Total	5,793,964	6,830,798

The Group recognises provision for losses for assets subject to credit risk using the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group uses the general approach in arriving at expected losses for instalment credit and other loans, Note 2.9.

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

A default on a financial asset occurs in the following circumstances:

- When the issuer of a bond has missed a payment of principal or interest or has announced its intention to suspend payments on part or all of its financial obligations, or
- For all other financial assets, when the counterparty fails to make contractual payments within 90 days of when they fall due.

Practical expedient for financial assets with low credit risk

As an exception to the simplified and general approaches, if the credit risk of a financial instrument is low at the reporting date, the Group can measure impairment using 12-month expected credit losses (ECL), and so it does not have to assess whether a significant increase in credit risk has occurred.

The financial instrument has to meet the following requirements, in order for this practical expedient to apply:

- it has a low risk of default;
- the borrower is considered, in the short term, to have a strong capacity to meet its obligations in the near term; and
- the lender expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations.

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

Assets written off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Collateral and other credit enhancements

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period.

- *Trade receivables and treasuries:* These are generally unsecured and are generally considered low risk subject to a few exceptions.
- *Corporate debt securities and sovereign debt securities:* These are both secured and unsecured by fixed or floating charges on the assets of the issuer.
- *Instalment credit debtors, hire purchase receivables and other accounts:* The principal collateral types for these instruments are security agreements over motor vehicles, furniture and appliances, the values of which are reviewed periodically if there is a significant increase in credit risk.

Summary of ECL calculations

a) *The simplified approach (trade receivables, contract assets and other debtors)*

The following is a summary of the ECL and Exposure at Default (EAD) on trade receivables and contract assets from a combination of specific and general provisions:

As at September 30, 2022

Aging Bucket	**Average ECL rate %**	**Estimated EAD $**	**Expected credit loss $**
Current (0-30 days)	0.65	600,116	3,917
31 to 90 days	1.63	214,535	3,506
Over 90 days	15.86	361,230	57,294
TOTAL	5.50	1,175,881	64,717

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

Summary of ECL calculations (continued)

a) *The simplified approach (trade receivables, contract assets and other debtors)*

Reclassified to held for sale

As at September 30, 2021

Aging Bucket	**Average ECL rate %**	**Estimated EAD $**	**Expected credit loss $**
Current (0-30 days)	1.14	542,789	6,162
31 to 90 days	1.72	184,342	3,177
Over 90 days	17.36	271,982	47,210
TOTAL	5.66	999,113	56,549

Reclassified to held for sale

Aging Bucket	**Average ECL rate %**	**Estimated EAD $**	**Expected credit loss $**
Current (0-30 days)	--	59,331	--
31 to 90 days	--	88,000	--
Over 90 days	13.54	222,122	30,086
TOTAL	8.14	369,453	30,086

The movement in the provision for expected credit losses for trade receivables and contract asset accounts is as follows:

	2022 $	**2021 $**
Balance at beginning of the year	56,549	134,612
Disposal of subsidiary	(140)	(48,919)
Translation adjustments	(283)	(457)
Increase in loss allowance recognised in profit or loss	12,143	6,328
Amounts written off in the current year	(3,552)	(4,929)
Balance at end of the year	64,717	86,635
Reclassified to held for sale	--	(30,086)
Total	64,717	56,549

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

Summary of ECL calculations (continued)

a) *The simplified approach (trade receivables, contract assets and other debtors) (continued)*

The following is an analysis of the net impairment expense on financial assets recognised in profit or loss:

	2022 **$**	**2021** **$**
Net changes to provisions for the year per above	12,143	6,328
Other adjustments	6,657	6,557
Net expense for the year	18,800	12,885
Net expense for the year attributable to:		
Continuing operations (Note 26.2)	18,609	9,916
Discontinued operations	191	2,969
Total	18,800	12,885

The following is a summary of the ECL on other debtors and prepayments from a combination of specific and general provisions:

As at September 30, 2022

Aging Bucket	**Average ECL rate** **%**	**Estimated EAD** **$**	**Expected credit loss** **$**
Current (0-30 days)	0.01	647,761	63
31 to 90 days	1.73	104	2
Over 90 days	10.87	14,220	1,546
TOTAL	0.24	662,085	1,611

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

Summary of ECL calculations (continued)

a) *The simplified approach (trade receivables, contract assets and other debtors) (continued)*

The movement in the provision for expected credit losses for other debtors and prepayments accounts is as follows:

	2022 $	2021 $
Balance at beginning of the year	2,123	5,392
Translation adjustments	3	--
Increase in loss allowance recognised in profit or loss	352	--
Amounts written off in the current year	(867)	(3,269)
Balance at end of the year	1,611	2,123

The following is an analysis of the net impairment expense on financial assets recognised in profit or loss:

	2022 $	2021 $
Net changes to provisions for the year per above	352	--
Net expense for the year	352	--

b) *The general approach*

A summary of the assumptions underpinning the Company's expected credit loss model under the general approach is as follows:

Category	**Definition**	**Basis for recognition of expected credit loss provision**
Performing (Stage 1)	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming (Stage 2)	Financial assets for which there is a significant increase in credit risk since origination	Lifetime expected losses
Non-performing (Stage 3)	The financial asset is in default	Lifetime expected losses

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Category	Definition	Basis for recognition of expected credit loss provision
Purchased or Credit-impaired	Financial assets with evidence of impairment at the point of initial recognition (for instance, if they are acquired at a deep discount)	Lifetime expected losses using a credit-adjusted effective interest rate.
Write-off	There is no reasonable expectation of recovery	Asset is written off

Over the term of the financial asset, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of financial assets and adjusts for forward looking macroeconomic data.

Corporate and sovereign bonds at amortised cost

As at September 30, 2022

Category	Average ECL rate	Estimated EAD	Expected credit loss
	%	$	$
Performing (Stage 1)	0.14	567,324	813
Non-performing (Stage 3)	5.38	4,426	238
Total	0.18	571,750	1,051

The movement in the provision for expected credit losses is as follows:

As at September 30, 2022

	Performing	Non-performing	Total
	$	$	$
Balance at beginning of the year	165	248	413
Translation adjustments	(1)	(1)	(2)
Reclassification and other adjustments	111	(9)	102
Net charge to profit or loss	538	--	538
Balance at end of the year	813	238	1,051

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Corporate and sovereign bonds at amortised cost (continued)

As at September 30, 2021

Category	Average ECL rate %	Estimated EAD $	Expected credit loss $
Performing (Stage 1)	0.04	402,347	165
Non-performing (Stage 3)	4.68	5,291	248
Total	0.10	407,638	413

Reclassified to held for sale

Category	Average ECL rate %	Estimated EAD $	Expected credit loss $
Performing (Stage 1)	0.34	213,507	720
Non-performing (Stage 3)	56.02	1,312	735
Purchased or originated credit-impaired	25.38	122,790	31,162
Total	9.66	337,609	32,617

As at September 30, 2021

The movement in the provision for expected credit losses is as follows:

	Performing $	Non-performing $	Purchased or originated credit-impaired $	Total $
Balance at beginning of the year	2,980	13,940	18,884	35,804
Translation adjustments	(2)	(27)	(49)	(78)
Reclassification and other adjustments	--	(12,327)	12,327	--
Net charge to profit or loss	(2,093)	(603)	--	(2,696)
Balance at end of the year	885	983	31,162	33,030
Reclassified to held for sale	(720)	(735)	(31,162)	(32,617)
Total	165	248	--	413

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Corporate and sovereign bonds (continued)

The following is an analysis of the net impairment expense on financial assets recognised in profit or loss:

	2022 $	2021 $
Net changes to provisions for the year per above	538	(2,696)
Net expense for the year (Note 26.2)	538	(2,696)
Net expense for the year attributable to:		
Continuing operations (Note 26.2)	538	(2,696)
TOTAL	538	(2,696)

Corporate and sovereign bonds at fair value through other comprehensive income

As at September 30, 2022

Category	Average ECL rate %	Estimated EAD $	Expected credit loss $
Performing (Stage 1)	0.03	1,448,694	449
Total	0.03	1,448,694	449

As at September 30, 2022

	Performing $	Total $
Reclassification and other adjustments	116	116
Net charge to profit or loss	333	333
Balance at end of the year	449	449

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Corporate and sovereign bonds (continued)
The movement in the provision for expected credit losses is as follows:

The following is an analysis of the net impairment expense on financial assets recognised in profit or loss:

	2022 $	**2021 $**
Net changes to provisions for the year per above	333	--
Net expense for the year (Note 26.2)	333	--
Net expense for the year attributable to:		
Continuing operations (Note 26.2)	333	--
TOTAL	333	--

Instalment credit, hire purchase accounts and other financial assets

As at 30 September 2022

Category	**Average ECL rate %**	**Estimated EAD $**	**Expected credit loss $**
Performing (Stage 1)	1.06	548,600	5,827
Underperforming (Stage 2)	3.16	19,171	604
Non-performing (Stage 3)	23.16	60,654	14,048
TOTAL	3.26	628,425	20,479

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Instalment credit, hire purchase accounts and other financial assets (continued)

Reclassified to held for sale

Category	**Average ECL rate** %	**Estimated EAD** $	**Expected credit loss** $
Performing (Stage 1)	0.66	58,118	384
Underperforming (Stage 2)	10.68	3,336	356
Non-performing (Stage 3)	14.53	12,188	1,771
TOTAL	3.41	73,642	2,511

The movement in the provision for expected credit losses is as follows:

As at 30 September 2022

	Performing $	**Under-performing** $	**Non-performing** $	**Total** $
Balance at beginning of the year	3,388	659	13,245	17,292
Translation adjustments	5	7	29	41
Net changes to provisions and reclassifications	2,449	(59)	2,014	4,404
Amounts written off in the current year	(15)	(3)	(1,240)	(1,258)
Balance at end of the year	5,827	604	14,048	20,479

Reclassified to held for sale

	Performing $	**Under-performing** $	**Non-performing** $	**Total** $
Balance at beginning of the year	722	894	4,234	5,850
Translation adjustments	(2)	(2)	(8)	(12)
Net changes to provisions and reclassifications	(392)	(75)	(258)	(725)
Amounts written off in the current year	56	(461)	(2,197)	(2,602)
Balance at end of the year	384	356	1,771	2,511

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Instalment credit, hire purchase accounts and other financial assets (continued)

As at 30 September 2021

Category	**Average ECL rate**	**Estimated EAD**	**Expected credit loss**
	%	**$**	**$**
Performing (Stage 1)	0.63	536,045	3,388
Underperforming (Stage 2)	2.23	29,590	659
Non-performing (Stage 3)	36.11	36,682	13,245
TOTAL	2.87	602,317	17,292

Reclassified to held for sale

Category	**Average ECL rate**	**Estimated EAD**	**Expected credit loss**
	%	**$**	**$**
Performing (Stage 1)	1.20	60,283	722
Underperforming (Stage 2)	23.27	3,843	894
Non-performing (Stage 3)	33.74	12,549	4,234
TOTAL	7.63	76,675	5,850

The movement in the provision for expected credit losses is as follows:

As at 30 September 2021

	Performing	**Under-performing**	**Non-performing**	**Total**
	$	**$**	**$**	**$**
Balance at beginning of the year	7,475	1,768	19,617	28,860
Translation adjustments	(6)	--	(7)	(13)
Net changes to provisions and reclassifications	(3,451)	(341)	176	(3,616)
Amounts written off in the current year	92	126	(2,307)	(2,089)
Balance at end of the year	4,110	1,553	17,479	23,142
Reclassified to held for sale	(722)	(894)	(4,234)	(5,850)
Total	3,388	659	13,245	17,292

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 Financial risk management (continued)

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Reclassified to held for sale (continued)

The following is an analysis of the net impairment expense on financial assets recognised in profit or loss:

	2022 $	2021 $
Net changes to provisions for the year per above	3,679	(3,616)
Other adjustments	(1,424)	369
Net expense for the year	2,255	(3,247)
Net expense for the year attributable to:		
Continuing operations (Note 26.2)	3,755	(3,213)
Discontinued operations	(1,500)	(34)
Total	2,255	(3,247)

34.1.3 *Liquidity risk*

Liquidity risk is the risk which may arise if the Group is unable to meet the obligations associated with its financial liabilities when they fall due.

The Group's liquidity risk management process is measured and monitored by senior management. This process includes monitoring current cash flows on a frequent basis, assessing the expected cash inflows as well as ensuring that the Group has adequate committed lines of credit to meet its obligations.

The following is an analysis of the undiscounted contractual cash flows payable under financial liabilities. Undiscounted cash flows will differ from both the carrying values and the fair values.

Maturity analysis of financial liabilities

	Less than 1 year $	1 - 5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
2022					
Financial liabilities					
Bank overdraft & bankers acceptance (Note 22)	67,786	--	--	67,786	67,786
Other borrowings (Note 22)	178,915	855,793	695,658	1,730,366	1,718,442
Customers' deposits (Note 23)	340,228	199,432	22,062	561,722	546,603
Trade and other payables (Note 24)	1,713,135	2,116	--	1,715,251	1,715,251
Lease liabilities (Note 6.2)	125,839	434,882	1,291,403	1,852,124	922,672
Total	2,425,903	1,492,223	2,009,123	5,927,249	4,970,754

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 Financial risk management (continued)

34.1 *Financial risk factors (continued)*

34.1.3 *Liquidity risk*

	Less than 1 year $	1 - 5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
2021					
Financial liabilities					
Bank overdraft & bankers acceptance (Note 22)	27,790	--	--	27,790	27,790
Other borrowings (Note 22)	246,179	825,624	628,311	1,700,114	1,682,111
Customers' deposits (Note 23)	181,829	118,918	--	300,747	293,502
Trade and other payables (Note 24)	1,485,242	--	--	1,485,242	1,485,242
Lease liabilities (Note 6.2)	82,619	321,131	656,378	1,060,128	988,233
Reclassified to held for sale (Note 37)	1,397,082	171,896	115,811	1,684,789	1,684,789
Total	3,420,741	1,437,569	1,400,500	6,258,810	6,161,667

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.2 *Capital risk management*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may vary the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated statement of financial position plus net debt.

	2022 $	2021 $
Total borrowings (Note 22)	1,786,228	1,709,901
Less: Cash and cash equivalents including cash Reclassified to held for sale	(1,227,119)	(2,379,882)
Net debt	559,109	(669,981)
Total equity	7,252,783	6,832,171
Total capital	7,811,892	6,162,190
Gearing ratio	7.2%	0%
Total borrowings to total equity ratio	24.6%	25.0%

34.2.1 *Regulatory capital held by subsidiaries*

a) *Massy Finance GFC Ltd.*

This entity is incorporated in the Republic of Trinidad and Tobago and is licensed under the Financial Institutions Act, 2008. It is subject to the capital requirements set by the Central Bank of Trinidad and Tobago (CBTT).

Capital adequacy and the use of regulatory capital are monitored weekly by management based on the guidelines developed by the Basel Committee, as implemented by the CBTT, the country's authority for supervisory purposes. The required information is filed with the CBTT on a quarterly basis.

In addition to the above, there are specific requirements governing lending, customers' deposits and other activities in relation to the Company's capital.

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.2 *Capital risk management (continued)*

34.2.1 *Regulatory capital held by subsidiaries (continued)*

The table below summarises the total equity positions of each of the above entities, both of which are in excess of their minimum regulatory capital requirements.

	Massy Finance GFC Ltd.		**Massy United Insurance Ltd.**	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Total equity	141,202	139,606	--	552,550

34.3 *Fair value of financial assets and liabilities*

34.3.1 *Fair value hierarchy*

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities recorded at fair value in the consolidated financial statements based upon the level of judgement associated with the inputs used to measure their fair value. The hierarchical levels, from lowest to highest based on the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities are as follows:

Level 1

Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at level 1 fair value are equity and debt securities listed in active markets. The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived principally from or corroborated by observable market data by correlation or other means at the measurement date and for the duration of the instruments' anticipated life.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Level 3

Inputs that are unobservable for the asset or liability for which there are no active markets to determine a price. These financial instruments are carried at fair value and are regularly tested for impairment with changes taken through other comprehensive income.

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.3 *Fair value of financial assets and liabilities (continued)*

34.3.1 *Fair value hierarchy (continued)*

The following table presents the Group's assets that are measured at fair value at September 30, 2022:

Assets	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets at FVPL and FVOCI (Note 12)				
- Bonds and treasury bills	--	1,448,245	13,621	1,461,866
- Listed equities	11,616	34	--	11,650
- Unlisted equities	--	139	202,477	202,616
- Investment funds	3,178	--	--	3,178
- Structured Notes	--	48,232	--	48,232
	14,794	1,496,650	216,098	1,727,542

The following table presents the Group's assets that are measured at fair value at September 30, 2021:

Assets	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets at FVPL and FVOCI (Note 12)				
- Bonds and treasury bills	1,090	302,911	--	304,001
- Listed equities	12,146	34	--	12,180
- Unlisted equities	--	139	198,850	198,989
- Investment funds	3,454	--	--	3,454
	16,690	303,084	198,850	518,624
Reclassified to held for sale	166,245	26,362	5	192,612
	182,935	329,446	198,855	711,236

The movement in level 3 financial assets is as follows:

	2022 $	**2021 $**
Balance at beginning of year	198,850	198,964
Additions for the year	13,621	59
Reclassified to held for sale (Note 37)	--	(5)
Transfers	4,034	--
Net fair value losses recognised in profit or loss	--	(167)
Exchange adjustments on retranslation of overseas operations	(407)	(1)
	216,098	198,850

(Expressed in Thousands of Trinidad and Tobago Dollars)

34 **Financial risk management (continued)**

34.3 *Fair value of financial assets and liabilities (continued)*

34.3.1 *Fair value hierarchy (continued)*

The Group utilises the valuation specialists (internal or external) for the valuations of non-property items required for financial reporting purposes, including level 3 fair values. The following is a summary of the significant unobservable inputs used in level 3 fair value measurements of unlisted equity instruments:

- Risk-adjusted discount rates – Discount rates ranging around 7.6% were used in arriving at fair value measurements. Had these rates changed by +/- 200 basis points, the fair value measurement would have been lower or higher by $39,201 or higher by $56,969.
- Growth rate was nil since operations are at 100% capacity
- Methanol prices were based upon the Argus Price Forecast

34.3.2 *Fair value of financial instruments carried at amortised cost*

The carrying amounts and fair values of financial instruments carried at amortised cost are as follows:

	Carrying amount		Fair value	
	2022 $	2021 $	2022 $	2021 $
Financial assets				
Financial assets at amortised cost (Note 12)				
- Bonds	570,699	407,225	571,183	409,075
- Instalment credit and other accounts	544,576	538,051	562,116	543,883
- Hire purchase receivables	63,370	46,974	60,399	46,974
Reclassified to held for sale (Note 37)	71,131	378,781	71,131	378,781
	1,249,776	1,371,031	1,264,829	1,378,713
Financial liabilities				
Bank overdraft and bankers acceptance (Note 22)	67,786	27,790	67,786	27,790
Other borrowings (Note 22)	1,718,442	1,682,111	1,718,466	1,675,732
Customers' deposits (Note 23)	546,603	293,502	550,558	295,798
Reclassified to held for sale (Note 37)	--	3,967	--	3,967
	2,332,831	2,007,370	2,336,810	2,003,287

Due to the short-term nature of Trade and other receivables and Trade and other payables, their carrying amounts are considered to be the same as their fair values. Accordingly, their values are not shown in the tables above.

(Expressed in Thousands of Trinidad and Tobago Dollars)

35 Management of insurance risk

In May 2022, the Group sold its general insurance Company. The Group no longer has exposure to insurance risks.

The primary risk the Group had through its insurance contracts was that the actual claims payments or timing thereof, differ from expectations. This was influenced by the frequency of claims, severity of claims, and subsequent development of claims.

The aforementioned insurance risk exposure was mitigated by diversification across a relatively large portfolio of insurance contracts and geographical areas. The variability of risk was augmented by careful selection and execution of underwriting guidelines throughout our agency network, as well as the use of reinsurance arrangements.

The majority of insurance business ceded was placed on a quota share basis with retention limits varying by product line and territory. The amounts recoverable from reinsurers were in accordance with reinsurance contracts. Although the Group had reinsurance arrangements, it was not relieved of its direct obligations to its policyholders and thus a credit exposure existed with respect to ceded insurance, to the extent that any reinsurer was unable to meet its obligations assumed under such reinsurance agreements.

The Group primarily issued the following types of general insurance contracts: motor, household, commercial and business interruption within the Caribbean region. The risks under these policies usually covered a duration of twelve months or less.

The most significant risk for these general insurance and reinsurance contracts arose from natural disasters. The Group utilized a claims review policy which concentrated on review of large and personal injury claims where there was the potential for greater exposure, and performed periodic review of claims handling procedures throughout the agency network. The Group also enforced a policy of actively managing its claims portfolio in order to reduce its exposure to unpredictable future developments that could negatively impact the Group.

The Group had also limited its exposure by its utilization of reinsurance arrangements in order to limit exposure to catastrophic events. Amounts recoverable from reinsurers were estimated in a manner consistent with the outstanding claims provision and were in accordance with the reinsurance contracts. The Group's reinsurance coverage is placed with reputable third party reinsurers.

The table below sets out the concentration of general insurance contract liabilities by type of contract.

	2022			2021		
	General liabilities $	Reinsurers' share of liabilities $	Net liabilities $	General liabilities $	Reinsurers' share of liabilities $	Net liabilities $
Fire	--	--	--	681,637	(658,288)	23,349
Motor	--	--	--	340,454	(6,079)	334,375
Employers liability	--	--	--	--	--	--
Engineering	--	--	--	47,257	(24,903)	22,354
Other accident	--	--	--	212,165	(69,891)	142,274
Marine	--	--	--	49,059	(32,017)	17,042
	--	--	--	1,330,572	(791,178)	539,394

(Expressed in Thousands of Trinidad and Tobago Dollars)

35 **Management of insurance risk (continued)**

The geographical concentration of the Group's general insurance contract liabilities is noted below. The disclosure is based on the countries where the business is written.

	2022			2021		
	General liabilities $	Reinsurers' share of liabilities $	Net liabilities $	General liabilities $	Reinsurers' share of liabilities $	Net liabilities $
Barbados	--	--	--	309,008	(116,624)	192,384
St. Lucia	--	--	--	57,916	(31,577)	26,339
Antigua	--	--	--	80,646	(43,033)	37,613
St. Vincent	--	--	--	29,583	(16,825)	12,758
Trinidad	--	--	--	200,462	(116,969)	83,493
Other Caribbean	--	--	--	652,957	(466,150)	186,807
Asia and Europe	--	--	--	--	--	--
	--	--	--	1,330,572	(791,178)	539,394

Sensitivities

If the insurance liabilities and related reinsurers' share were to increase by 10%, the impact on income before tax and equity would be as follows:

	Change in assumptions	Impact on gross liabilities $	Impact on reinsurers' share $	Impact on income before tax $	Impact on equity $
As at September 30, 2022					
Average claim cost	--	--	--	--	--
As at September 30, 2021					
Average claim cost	10%	133,057	(79,118)	53,939	37,758

(Expressed in Thousands of Trinidad and Tobago Dollars)

36 Business combinations

On 01 December 2021 the Group acquired 100% of the issued share capital of Grandos Gomez & CIA S.A. Empresa de Servicios Publicos Gas, Gragos S.A. E.S P (Gragos).

The following table summarises the consideration paid, the fair value of assets acquired and liabilities assumed at the acquisition date:

	Gragos $
Total purchase consideration	20,573
The assets and liabilities recognised as a result of the acquisition are as follows:	
Cash and short-term investments	988
Trade receivables	1,152
Inventories	434
Current tax assets	452
Fixed assets	20,725
Right of use asset	162
Intangible assets	14,820
Medium and long-term borrowings	(253)
Trade payable	(910)
Current tax liabilities	(325)
Deferred tax liabilities	(7,044)
Other liabilities	(2,413)
Net identifiable assets acquired	27,788
Negative Goodwill	(7,215)
Purchase consideration-cash outflow	
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	20,573
Less: Cash and short-term investments acquired	(988)
Net outflow of cash - investing activities	19,585

37 Discontinued operations

The following disposals are reported in the current and prior period. Disposals and disposal groups held for sale are restated in the prior period as discontinued operations.

30 September 2022 – Disposed entities

- Massy United Insurance Ltd. was sold to the Coralisle Group Ltd. on 4 May, 2022.
- Endervelt Limited was sold to AB SG Acquisition Company Limited on 31 May, 2022.
- Massy Properties (Trinidad) Ltd. was sold to Endeavour Holdings Limited on 8 July, 2022.
- Other - this consists primarily of a $20 million warranty provision arising from the sale of Massy Technologies (Trinidad) Ltd in 2020. This warranty expired on the 30 September 2022 with no claims being made by the purchaser, therefore this provision was released as at 30 September 2022.

30 September 2022 – Held for sale entities

- Massycard (Barbados) Limited has signed a sale agreement for the sale of the credit card portfolio and supporting assets. The sale is expected to be completed within the new financial year.
- Other - Massy Barbados Ltd. has signed a sale agreement for the sale of Farnells Holdings Inc, an associate of Massy Barbados Ltd. The sale is expected to be completed within the new financial year.

30 September 2021 – Disposed entities

- The Group's 50.5% interest in Roberts Manufacturing Co. Limited was sold to Proven Investments Limited on 8 June, 2021.
- Massy Pres-T-Con Holdings Ltd's 99.35% interest was bought PRESTCON 2021 LIMITED on 1 April 2021.
- Highway Properties Limited, a subsidiary of Massy Transportation Group Ltd., was sold to Mouttet Capital Limited on 30 September, 2021

30 September 2021 – Held for sale entities

- Massy (Barbados) Limited entered into a Share Purchase Agreement with the Coralisle Group Ltd. on 2 September, 2021 to sell 100% of the share capital of Massy United Insurance Ltd.
- Massycard (Barbados) Limited entered into an Asset Purchase Agreement on November 15, 2021 for the sale of the credit card portfolio and supporting assets.
- Other - this consists of multiple properties held for sale.

(Expressed in Thousands of Trinidad and Tobago Dollars)

37 Discontinued operations (continued)

37.1 *Summary of gain on sale of subsidiaries*

The following are the details of the assets and liabilities sold, the proceeds and the gain on sale for the period ending 30 September, 2022:

	Endervelt Limited $	**Massy Properties (Trinidad) Ltd. $**	**Massy United Insurance Ltd. $**	**Total $**
Analysis of net assets sold				
Property, plant and equipment	--	12,041	68,700	80,741
Investment properties	6,383	10,100	--	16,483
Right of use assets	--	--	2,508	2,508
Other financial assets	--	--	442,982	442,982
Inventory	--	45	--	45
Trade and other receivables	3	367	1,032,859	1,033,229
Other current assets	3,500	1,075	582,157	586,732
Trade and other payables	(4,250)	(1,209)	(419,132)	(424,591)
Other liabilities	--	(2,135)	(1,191,039)	(1,193,174)
Net assets	5,636	20,284	519,035	544,955
Cumulative currency translation adjustments	--	--	(21,267)	(21,267)
Intangible Assets	--	--	9,159	9,159
Goodwill	--	--	20,702	20,702
Impairment	(3,000)	--	--	(3,000)
Adjusted net assets	2,636	20,284	527,629	550,549
Cash	(3,500)	(1,075)	(572,886)	(577,461)
Adjusted net assets (net of cash)	**(864)**	**19,209**	**(45,257)**	**(26,912)**
Proceeds	2,500	55,775	620,084	678,359
Direct costs	(107)	(557)	(43,705)	(44,369)
Cash	(3,500)	(1,075)	(572,886)	(577,461)
Proceeds, net of cash sold and direct costs	**(1,107)**	**54,143**	**3,493**	**56,529**
Gain/(loss) on sale	**(243)**	**34,934**	**48,750**	**83,441**

(Expressed in Thousands of Trinidad and Tobago Dollars)

37 **Discontinued operations (continued)**

37.1 *Summary of gain on sale of subsidiaries (continued)*

The following are the details of the assets and liabilities sold, the proceeds and the gain on sale for the period ending September 30, 2021.

	Roberts Manufacturing Co. Limited $	Massy Pres-T-Con Holdings Ltd. $	Highway Property Ltd. $	Total $
Analysis of net assets sold				
Property, plant and equipment	77,382	15,249	--	92,631
Investment properties	--	--	1,416	1,416
Right of use assets	--	8,063	--	8,063
Other financial assets	--	--	683	683
Inventory	50,035	3,967	--	54,002
Trade and other receivables	41,432	19,023	1,828	62,283
Other current assets	6,102	2,745	--	8,847
Lease liabilities	--	(9,327)	--	(9,327)
Trade and other payables	(51,470)	(13,074)	(65)	(64,609)
Other liabilities	(7,305)	(3,446)	--	(10,751)
Net assets	116,176	23,200	3,862	143,238
Non-controlling Interests	(68,150)	(156)	--	(68,306)
Cumulative currency translation adjustments	(3,787)	--	--	(3,787)
Goodwill	3,271	--	--	3,271
Adjusted net assets	47,510	23,044	3,862	74,416
Proceeds, net of cash sold and direct costs	124,625	17,428	23,147	165,200
Gain/(loss) on sale	77,115	(5,616)	19,285	90,784

(Expressed in Thousands of Trinidad and Tobago Dollars)

37 **Discontinued operations (continued)**

37.2 *Held for Sale entities*

Assets reclassified to Held for Sale for the period ending September 2022

	Massycard (Barbados) Ltd $	Other $	Total $
Property, plant and equipment	3,678	--	3,678
Financial assets			
- Instalment credit and other accounts	71,131	--	71,131
Other current assets	--	5,012	5,012
Total assets	74,809	5,012	79,821

Assets reclassified to Held for Sale for the period ending September 2021.

	Massy United Insurance Ltd $	Massycard (Barbados) Ltd $	Other $	Total $
Property, plant and equipment	76,050	7,704	38,671	122,425
Investment Properties	--	--	59,883	59,883
Financial assets				
Other financial assets at amortised cost:				
- Bonds	304,992	--	--	304,992
- Instalment credit and other accounts	--	70,825	--	70,825
- Mortgages	2,964	--	--	2,964
Other financial assets at fair value through profit or loss:				
- Bonds and treasury bills	24,923	--	--	24,923
- Listed and unlisted equities	144,462	--	--	144,462
- Investment funds	23,227	--	--	23,227
Trade and other receivables	387,553	--	--	387,553
Reinsurance assets	791,178	--	--	791,178
Statutory deposit	148,414	--	--	148,414
Cash and cash equivalents	345,741	--	--	345,741
Other current assets	76,585	--	5,022	81,607
Total assets	2,326,089	78,529	103,576	2,508,194

(Expressed in Thousands of Trinidad and Tobago Dollars)

37 **Discontinued operations (continued)**

37.2 *Held for Sale entities*

Liabilities reclassified to Held for Sale for the period ending September 2021.

	Massy United Insurance Ltd $	Massycard (Barbados) Ltd $	Other $	Total $
Trade and other payables	350,249	--	--	350,249
Liabilities on insurance contracts	1,330,572	--	--	1,330,572
Other current liabilities	18,668	--	--	18,668
Total liabilities	1,699,489	--	--	1,699,489

37.3 *Analysis of the results of discontinued operations*

	2022 $	2021 $
Revenue	372,639	845,275
Operating profit before finance costs and expected credit losses	52,370	74,384
Expected credit losses	1,309	(2,935)
Operating profit before finance costs	53,679	71,449
Finance cost - net	1,826	1,237
Operating profit after finance costs	55,505	72,686
Share of results of associates and joint ventures	--	2,048
Income tax expense	(4,101)	(18,738)
Profit after income tax	51,404	55,996
Gain on sale of discontinued operations	83,441	90,784
Profit for the year from discontinued operations	134,845	146,780
Attributable to:		
Owners of the parent	134,845	151,390
Non-controlling interests	--	(4,610)
	134,845	146,780

Analysis of profit before tax from discontinued operations as per consolidated statement of cashflows:

	2022 $	2021 $
Operating profit after finance costs	55,505	72,686
Share of results of associates and joint ventures	--	2,048
Gain on sale of discontinued operations	83,441	90,784
	138,946	165,518

(Expressed in Thousands of Trinidad and Tobago Dollars)

37 **Discontinued operations (continued)**

	Roberts Manufacturing Co. Ltd		Massy United Insurance Ltd.		Massycard (Barbados) Ltd.		Other		Endervelt Limited		Massy Properties (Trinidad) Ltd.		Total	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
Revenue	--	241,900	344,404	552,746	21,769	22,920	--	15,845	35	767	6,431	11,097	372,639	845,275
Operating profit before finance costs and expected credit losses	--	2,199	18,495	66,884	8,380	4,356	24,688	(2,842)	6,214	(69)	(5,407)	3,856	52,370	74,384
Expected credit losses	--	(3,582)	--	--	1,309	800	--	(153)	--	--	--	--	1,309	(2,935)
Operating profit before finance costs	--	(1,383)	18,495	66,884	9,689	5,156	24,688	(2,995)	6,214	(69)	(5,407)	3,856	53,679	71,449
Finance cost - net	--	(59)	1,826	2,077		--	--	(781)					1,826	1,237
Operating profit after finance costs	--	(1,442)	20,321	68,961	9,689	5,156	24,688	(3,776)	6,214	(69)	(5,407)	3,856	55,505	72,686
Share of results of associates and joint ventures (Note 10)	--		--	2,048	--	--	--	--	--	--	--	--	--	2,048
Income tax expense	--	(86)	(3,926)	(17,848)	160	329	--	(111)	1	19	(336)	(1,041)	(4,101)	(18,738)
Profit after income tax		(1,528)	16,395	53,161	9,849	5,485	24,688	(3,887)	6,215	(50)	(5,743)	2,815	51,404	55,996
Attributable to:														
Owners of the parent	--	3,182	16,395	53,161	9,849	5,485	24,688	(3,987)	6,215	(50)	(5,743)	2,815	51,404	60,606
Non-controlling interests	--	(4,710)	--	--	--	--	--	100	--	--	--	--	--	(4,610)
	--	(1,528)	16,395	53,161	9,849	5,485	24,688	(3,887)	6,215	(50)	(5,743)	2,815	51,404	55,996

37.4 *Analysis of cash flows from material disposals*

	2022 $	2021 $
Net cash inflow from operating activities	1,314	33,969
Net cash inflow from investing activities	6,346	42,337
Net cash outflow from financing activities	(69,041)	(49,039)
Total cash flows	(61,381)	27,267

(Expressed in Thousands of Trinidad and Tobago Dollars)

37 Discontinued operations (continued)

37.5 *Restatement of results from material disposals*

The consolidated statement of profit or loss for September 30, 2021 was restated for the disposal of Massy Properties (Trinidad) Ltd. and Endervelt Limited. There was no impact on the consolidated statement of other comprehensive income.

	As previously reported 2021 $	Adjustment 2021 $	Restated 2021 $
Continuing operations:			
Revenue	11,127,944	(11,864)	11,116,080
Operating profit before finance costs And expected credit losses	985,354	(3,787)	981,567
Expected credit losses	(4,007)	--	(4,007)
Operating profit before finance costs	981,347	(3,787)	977,560
Finance costs-net	(102,767)	--	(102,767)
Operating profit after finance costs	878,580	(3,787)	874,793
Share of results of associates and joint ventures	50,296	--	50,296
Profit before income tax	928,876	(3,787)	925,089
Income tax expense	(250,863)	1,022	(249,841)
Profit for the year from continuing operations	678,013	(2,765)	675,248
Discontinued operations:			
Gain on sale of discontinued operations	90,784	--	90,784
Profit after tax discontinued operations	53,231	2,765	55,996
Profit for the year from discontinued operations	144,015	2,765	146,780
Profit for the year	822,028	--	822,028
Owners of the parent:			
- Continuing operations	639,833	(2,765)	637,068
- Discontinued operations	148,625	2,765	151,390
Non-controlling interests:			
- Continuing operations	38,180	--	38,180
- Discontinued operations	(4,610)	--	(4,610)
Profit for the year	822,028	--	822,028
Basic earnings per share			
– Continuing operations	32.53	(0.14)	32.39
– Discontinued operations	7.56	0.14	7.70
	40.09	--	40.09