L.J. Williams Limited

Consolidated Financial Statements

31 March 2024

(Expressed in Trinidad and Tobago Dollars)

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L.J. Williams Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of L.J. Williams Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and material 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 Group operational efficiencies;

- 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 IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting 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.

Managing Director
26 June 2024

Chief Accountant
26 June2024

Independent auditor's report

To the Shareholders of L.J. Williams Limited

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 L.J. Williams Limited (the Company) and its subsidiaries (together 'the Group') as at 31 March 2024, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2024;
- the consolidated statement of profit or loss and 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, comprising material accounting policy information 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.

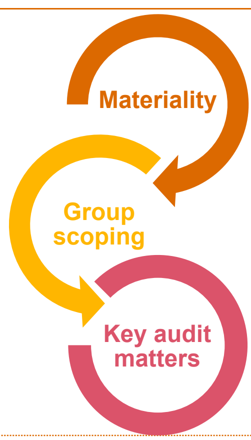
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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: $1.72 million, which represents 1% of revenue.*

- The Group audit included:
  - full scope audits of the parent and one fully owned subsidiary.
  - an audit of specific account balances for right of use assets and lease liabilities for the Guyana subsidiary.

- Recognition of right of use assets and lease liabilities

Our audit approach (continued)

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 industry in which the Group operates.

The Group audit engagement team performed all audits within the scope of the Group audit. This comprised the full scope audits of both the parent and one fully owned subsidiary (The Home Store Limited) as well as the audit over specific account balances of the Guyana subsidiary (The Home Store Inc.).

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	$1.72 million
How we determined it	1% of revenue
Rationale for the materiality benchmark applied	We chose revenue as the benchmark because, in our view, it is the most stable benchmark against which the performance of the Group is measured by users, and is a generally accepted benchmark. We chose 1% 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 $86,016, 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

Recognition of right of use assets and lease liabilities
Refer to notes 2 (g) and 7 to the consolidated financial statements for disclosures of related accounting policies and balances.
 	
As at 31 March 2024, the Group recognised right of use assets of $25.2 million and lease liabilities of $27.2 million.
 	
The recognition of the right of use assets and lease liabilities balances is determined in accordance with the Group's accounting policy and IFRS 16 - Leases (IFRS 16).
 	
We focused on this area because the accounting for these leases is dependent on management's judgement in applying the requirements of IFRS 16, in particular the determination of the lease term and the incremental borrowing rates.
	Our approach to addressing the matter involved the following procedures, amongst others:
	• Evaluated the Group's IFRS 16 accounting policy against the requirements of IFRS 16, including its application in management's calculated model, and the accounting books and records.
	• Tested the completeness of individual lease agreements included in the model by comparing these to the population of stores, offices and warehouse locations based on our knowledge of the Group and by inspecting the lease schedule for existing lease agreements.
	• Selected a sample of right of use assets/lease liabilities and:
	   • inspected the lease agreements for defined lease periods considering extension and termination options;
	   • assessed the appropriateness of management's conclusion on the term of the lease;
	   • compared the Group's use of the incremental borrowing rate as included in the model to the prevailing prime bank rate, which is considered a comparable rate;
	   • agreed the lease payments to the underlying lease agreements;
	   • tested the mathematical accuracy of the model through a recalculation of the right of use assets and lease liabilities; and
	   • agreed outputs from the model to the relevant disclosures in the consolidated financial statements.
	
	Based on the results of the procedures performed, the assumptions and inputs, including lease term and incremental borrowing rates, used by management for determining the accounting of the right of use assets and lease liabilities were not unreasonable.

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Other information (continued)

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting 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.

Auditor’s responsibilities for the audit of the consolidated financial statements (continued)

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 leader on the audit resulting in this independent auditor’s report is Makedah Harris.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
26 June 2024

L.J. Williams Limited

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

	Notes	As at 31 March 2024 $'000	2023 $'000
Assets			
Non-current assets			
Investment properties	5	13,950	13,950
Property, plant and equipment	6	88,146	79,495
Right of use assets	7	25,233	37,006
Deferred tax assets	8	2,549	619
Financial assets			
- Fair value through other comprehensive income	9	317	340
Retirement benefit asset	10	776	565
		130,971	131,975
Current assets			
Inventories	11	46,995	57,864
Installation contracts work in progress	12	--	20
Trade and other receivables	13	17,222	17,694
Tax recoverable		430	--
Cash at bank and on hand	14	7,058	7,384
		71,705	82,962
Total assets		202,676	214,937
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	15	33,976	33,976
Other reserves	16	35,108	25,564
Retained earnings		48,133	47,858
Total equity		117,217	107,398
Liabilities			
Non-current liabilities			
Deferred tax liabilities	8	6,359	5,176
Lease liabilities	7	18,541	29,295
Borrowings	17	9,235	8,080
		34,135	42,551
Current liabilities			
Trade and other payables	18	14,749	30,008
Dividend payable	24	--	1,952
Taxation payable		4,455	3,034
Lease liabilities	7	8,683	9,189
Borrowings	17	7,787	7,657
Bank overdrafts and short-term advances	17	15,650	13,148
		51,324	64,988
Total liabilities		85,459	107,539
Total equity and liabilities		202,676	214,937

The notes on pages 11 to 55 are an integral part of these consolidated financial statements.

On 26 June 2024, the Directors of L.J. Williams Limited authorised these consolidated financial statements for issue and were signed off on its behalf.

________________ Director   ________________ Director

L.J. Williams Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 March 2024 $'000	2023 $'000
Revenue	19	170,949	177,744
Cost of sales	20	(111,780)	(116,194)
Gross profit		59,169	61,550
Other income	21	398	317
Administrative expenses	20	(49,947)	(44,914)
Distribution costs	20	(1,568)	(1,530)
Operating profit		8,052	15,423
Finance costs		(6,404)	(5,033)
Profit before taxation		1,648	10,390
Taxation expense	22	(1,373)	(4,472)
Profit for the year		275	5,918
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Revaluation of land and building	6	10,469	--
Deferred tax	8	(1,208)	240
Remeasurement of retirement benefit asset	10	306	(800)
		9,567	(560)
Items that may be subsequently reclassified to profit or loss			
Fair value loss on financial asset	9	(23)	(27)
Total comprehensive income for the year attributable to equity holders of the company		9,819	5,331
Earnings per share attributable to the equity holders of the company during the year			
- basic earnings per share 'A' common shares	23	0.1¢	2¢
- basic earnings per share 'B' common shares	23	1¢	24¢

The notes on pages 11 to 55 are an integral part of these consolidated financial statements.

L.J. Williams Limited

Consolidated Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Notes	Share capital $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Year ended 31 March 2024					
Balance at 1 April 2023		33,976	25,564	47,858	107,398
Profit for the year		--	--	275	275
Other comprehensive income:					
Revaluation of land and building	6	--	10,469	--	10,469
Revaluation loss on investment asset	9	--	(23)	--	(23)
Remeasurement of retirement benefit asset	10	--	306	--	306
Deferred tax	8	--	(1,208)		(1,208)
Total comprehensive income for the year		--	9,544	275	9,819
Balance at 31 March 2024		33,976	35,108	48,133	117,217
Year ended 31 March 2023					
Balance at 1 April 2022		33,976	26,151	43,892	104,019
Profit for the year		--	--	5,918	5,918
Other comprehensive income:					
Revaluation loss on investment asset	9	--	(27)	--	(27)
Remeasurement of retirement benefit asset	10	--	(800)	--	(800)
Deferred tax	8	--	240	--	240
Total comprehensive income for the year		--	(587)	5,918	5,331
Transactions with owners in their capacity as owners:					
Dividends declared to company's shareholders	24	--	--	(1,952)	(1,952)
Balance at 31 March 2023		33,976	25,564	47,858	107,398

The notes on pages 11 to 55 are an integral part of these consolidated financial statements.

L.J. Williams Limited

Consolidated Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 March 2024 $'000	2023 $'000
Cash flows from operating activities			
Profit before taxation		1,648	10,390
Adjustments to reconcile profit before taxation to net cash generated from operating activities:			
Dividends received	21	(89)	(380)
Interest expense		4,948	4,479
Gain on sale of property, plant and equipment		(33)	(20)
Gain on derecognition of lease liabilities		(349)	--
Revaluation of investment properties	5	--	500
Depreciation	6, 7	15,754	11,341
Derecognition of right of use asset	7	1,799	--
Derecognition of lease liabilities	7	(2,270)	--
Contributions paid	10	(291)	(168)
Net pension cost	10	386	391
Net changes in operating assets/liabilities	25	(3,898)	133
		17,605	26,666
Taxation paid		(2,336)	(2,316)
Net cash generated from operating activities		15,269	24,350
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(4,167)	(12,578)
Proceeds from sale of property, plant and equipment		238	212
Dividends received	21	89	380
Net cash used in investing activities		(3,840)	(11,986)
Cash flows from financing activities			
Interest paid		(4,948)	(4,479)
Dividends paid to company's shareholders	24	(1,952)	--
Principal payments of lease liabilities		(8,642)	(6,656)
Proceeds from borrowings		12,877	8,281
Repayment of borrowings		(11,592)	(8,393)
Net cash used in financing activities		(14,257)	(11,247)
Net (decrease)/increase in cash and cash equivalents		(2,828)	1,117
Cash and cash equivalents at beginning of year		(5,764)	(6,881)
Cash and cash equivalents at end of year		(8,592)	(5,764)
Represented by:			
Cash at bank and on hand		7,058	7,384
Bank overdrafts, short-term advances and bankers' acceptances	17	(15,650)	(13,148)
		(8,592)	(5,764)

The notes on pages 11 to 55 are an integral part of these consolidated financial statements.

1 **General information**

L.J. Williams Limited ('the Company') and its subsidiaries (together 'the Group') is engaged in merchandising, manufacturing, distribution and ship chandlery. The registered office of the Company is # 2 Sixth Avenue, Barataria, Trinidad.

The Company is a public limited liability company which is listed on the Trinidad and Tobago Stock Exchange and is incorporated in the Republic of Trinidad and Tobago.

The Board of Directors is the body responsible for approving the consolidated financial statements and they have the power to amend them after issue.

The ultimate parent is Williams Holdings Limited. The registered office of the ultimate parent company is # 2 Sixth Avenue, Barataria, Trinidad.

The amalgamation between Movalite Limited and The Home Store Limited was completed on 3 October 2022.

The Home Store Inc was registered in the Republic of Guyana on 26 July 2022 and commenced trading on 3 December 2022.

Target Trading Inc was registered in the Republic of Guyana on 23 June 2023 and has not yet commenced trading.

Subsidiaries	Percentage owned	Country of incorporation
The Home Store Limited	100%	Republic of Trinidad and Tobago
The Home Store Inc.	100%	Co-operative Republic of Guyana
Target Trading Inc	100%	Co-operative Republic of Guyana

2 **Material 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.

a. *Basis of preparation*

The consolidated financial statements of L.J. Williams Limited have been prepared in accordance with IFRS Accounting Standards, IAS Standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations, under the historical cost convention, as modified by the revaluation of land and buildings and investment properties and financial assets measured at fair value through other comprehensive income and defined benefit plans where plan assets are measured at fair value.

The preparation of consolidated 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 **Material accounting policies (continued)**

a. *Basis of preparation (continued)*

Changes in accounting policy and disclosures

(a) *New and amended standards adopted by the Group*

The following standards and interpretations have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2023.

- Disclosure of Accounting Policies – Amendments at IAS 1 and IFRS Practice Statement 2.
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendment to IAS 12.

These amendments listed above did not have any impact to the Group.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2023 and not early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

b. *Consolidation*

(i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where 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 to direct the activities of 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 acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

2 **Material accounting policies (continued)**

b. *Consolidation (continued)*

(i) *Subsidiaries (continued)*

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

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 remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

(ii) *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint 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. This fair value becomes 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 a joint venture or an associate is reduced but joint control or 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 **Material accounting policies (continued)**

c. *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 managing director who makes strategic decisions.

d. *Foreign currency translation*

(i) *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.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 and other comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss and other comprehensive income within 'finance costs'. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within 'Other Income'.

(iii) *Foreign subsidiary*

The results and financial position of foreign operations (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:

- 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.
- income and expenses for the statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this 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
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to
profit or loss, as part of the gain or loss on sale

2 **Material accounting policies (continued)**

e. *Investment properties*

Properties that are held for long –term rental or for capital appreciation or both, and that is not occupied by the companies in the Group is classified as investment properties.

Investment properties are measured initially at its cost, including related transaction cost and where applicable borrowing cost. After initial recognition investment properties are carried at fair value.

Fair value is based on active market price. Valuations are performed as of the consolidated financial position date by professional valuers who hold recognised and relevant professional qualification and have recent experience in the location and category of the investment properties being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements. The fair value of investment properties reflects, among other things, rental income from current leases and other assumptions market participants make when pricing the property under current market conditions.

If within 12 months of the last valuation management determined there is no significant change to market conditions, management will consult with the valuators and confirm there is no change to the value of investment properties.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property and the fair value is reassessed.

Changes in fair values are recognised in the consolidated statement of profit or loss and other comprehensive income as part of "other income". Investment properties are derecognised when they have been disposed.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price and the adjustment is recorded in the consolidated statement of profit or loss and other comprehensive income within net gain from fair value adjustment on investment properties.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carry amount and the fair value of this item at the date of transfer is treated in the same manner as revaluation under IAS 16. Any resulting increase in the carrying amount of the properties are recognised in the consolidated statement of profit or loss and other comprehensive income to the extent that it reverses a previous impairment loss, and any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity.

2 **Material accounting policies (continued)**

e. *Investment properties (continued)*

A resulting decrease in the carrying amount of the properties are initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decreases charged to the consolidated statement of profit or loss and other comprehensive income.

f. *Property, plant and equipment*

Leasehold improvements are improvements made to the shop rentals at various The Home Store locations. It is depreciated on a straight-line basis on the historic cost for the life of the lease. Plant and equipment are stated at historical cost less accumulated depreciation.

Land and buildings comprise mainly factory, retail spaces and offices. Land and buildings are shown at fair value based on valuations by external independent valuers every five years, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Independent valuations are performed at regular intervals not exceeding five years. All other property, plant and equipment 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 derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other reserves in shareholders’ equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity, all other decreases are charged to the consolidated statement of profit or loss and other comprehensive income.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows or the shorter of the lease term in the case of leasehold improvements:

Leasehold improvements	-	10 – 33⅔%	per annum
Buildings and building improvements	-	2 – 10%	per annum
Plant and machinery	-	6 ⅔ - 10%	per annum
Furniture and office equipment	-	10 – 25%	per annum
Motor vehicles	-	16 ⅔ %	per annum

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

2 **Material accounting policies (continued)**

f. *Property, plant and equipment (continued)*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised within ‘other income’ in the consolidated statement of profit or loss and other comprehensive income.

On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

g. *Leases*

The Group leases various retail and warehouse spaces typically made for fixed periods of 3 to 10 years.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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 other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the incremental borrowing rate, being the rate that 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.

2 **Material accounting policies (continued)**

g. *Leases (continued)*

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g. term and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. 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. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property 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.

Lessor accounting

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

2 **Material accounting policies (continued)**

h. *Impairment of non-financial assets*

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 largely independent cash flows (cash generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

i. *Investments and other financial assets*

(i) *Classification*

The Group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through OCI or through profit or loss), and those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

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

(ii) *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.

(iii) *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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 **Material accounting policies (continued)**

i. *Investments and other financial assets (continued)*

(iii) *Measurement (continued)*

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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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 solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.
- 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.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

There were no financial assets at FVPL.

2 **Material accounting policies (continued)**

i. *Investments and other financial assets (continued)*

(iv) *Impairment*

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3 (a) (ii) for further details.

j. *Inventories*

Inventories are stated at the lower of cost or net realisable value, allowance having been made for damaged, slow moving and obsolete items. Cost is determined on the following bases:

- Raw materials are carried at the lower of average cost or net realisable value.
- Inventories in process are carried at the lower of cost or net realisable value.
- Finished goods are carried at the lower of raw materials cost plus a portion of labour and production overheads, or net realisable value.
- Goods for resale are carried at the lower of average cost or net realisable value.
- Goods in transit are carried at suppliers' invoice cost plus freight and insurance, as applicable.

The costs of finished goods and work in progress comprise, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventories excludes borrowing costs.

k. *Trade and other receivables*

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. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method less provision for impairment.

See Note 3 (a) (ii) for impairment of financial assets accounting policy.

2 **Material accounting policies (continued)**

l. *Cash and cash equivalents*

In the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and on hand, bank overdrafts and short-term advances with original maturities of three months or less.

m. *Share capital*

Ordinary shares and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Preference shares which are not redeemable and do not accrue a fixed rate of dividend are classified as equity.

n. *Other reserves*

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve within equity.

Retirement benefit reserve is used to record actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in the period in which they arise.

o. *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured 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 and other comprehensive income over the period of the borrowing 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 consolidated statement of financial position date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognised in the consolidated statement of profit and loss and other comprehensive income in the period in which they occurred.

2 **Material accounting policies (continued)**

p. *Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable 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 expenditure expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense in the consolidated statement of profit or loss and other comprehensive income.

q. *Employee benefits*

(i) *Pension obligations*

The Group operates a defined benefit pension plan, the assets of which are held in separate trustee-administered funds. The pension plan is funded by payments from employees and by the Group, taking account of the recommendations of independent qualified actuaries.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The 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 end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method with a full valuation done every three years.

Roll forward valuations, which are less detailed than full valuations are performed annually. 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 current service cost of the defined benefit plan, recognised in the consolidated statement of profit or loss and other comprehensive income in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. 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 consolidated statement of profit or loss and other comprehensive income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in statement of other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in income.

2 **Material accounting policies (continued)**

q. *Employee benefits (continued)*

(ii) *Termination benefits*

Benefits are payable when employment is terminated 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 terminating employment of current employees according to a formal plan without the possibility of withdrawal.

r. *Revenue recognition*

Revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(i) *Sale of goods – wholesale and retail*

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 at the time of sale. 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.

(ii) *Sales of services – construction contracts*

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, returns and amounts collected on behalf of third parties (value added taxes).

The Group provides the supply of materials and installation under a fixed price contract. Revenue from providing services is recognised at a point in time in the accounting period in which the services are rendered.

For fixed price contracts revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

2 **Material accounting policies (continued)**

r. *Revenue recognition (continued)*

(ii) *Sales of services – construction contracts (continued)*

The installation does not include an integration service and could be performed by another party. It is therefore accounted for as a separate obligation.

Revenue for installation is recognised overtime using an input method of accounting which include inputs to the satisfaction of the performance obligation, for example labour hours expended, costs incurred, time elapsed relative to the total expected inputs to the satisfaction of the Group's performance obligation.

In the case of fixed-price contracts, the customer pays the fixed amount based on the terms of the contract. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or service to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(iii) *Sale of services – shipping services*

The Group sells shipping services to other retailers. For sales of services, revenue is recognised when services are rendered and customers have signed for acceptance.

(iv) *Dividend income*

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

s. *Current and deferred tax*

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and other comprehensive income, 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 consolidated statement of financial position date in the country where the subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 **Material accounting policies (continued)**

s. *Current and deferred tax (continued)*

Deferred tax is recognised, 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 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 tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated 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 profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

t. *Trade and other payables*

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payments are due within one year or less. If not, they are presented as non-current liabilities.

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

u. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

v. *Dividend distribution*

Dividend distribution to the Group’s shareholders is recognised as a liability in the Group’s financial statements in the period in which the dividends are declared and approved by the Group’s Board of Directors.

3 **Financial risk management**

a. *Financial risk factors*

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk. Risk management is carried out in line with policies approved by the Board of Directors. Management reviews principles for overall risk management, covering specific areas, such as currency risk, cash flow interest rate risk, credit risk, and the investment of excess liquidity. These policies and procedures have remained unchanged throughout the year and have not changed compared to the prior year.

(i) *Market risk*

(a) *Currency risk*

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar and UK pound sterling. The Group's management monitors the exchange rate fluctuations on a continuous basis and employs appropriate strategies to mitigate any potential losses.

At 31 March 2024 if the functional currency had weakened/strengthened by 5% against the US dollar with all other variables held constant, the profit for the year would have been $811,135 (2023: $764,265) lower/higher.

At 31 March 2024 if the functional currency had weakened/strengthened by 5% against the UK Pound Sterling with all other variables held constant, the profit for the year would have been $48,960 (2023: $62,612) lower/higher.

These are mainly as a result of the net of foreign exchange gains/losses on translation of bank accounts and trade and other payables.

There have been no changes to the way the Group manages this exposure compared to the prior year.

(b) *Price risk*

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as financial assets – FVOCI. The Group's exposure to equity securities price risk is not significant as the portfolio of financial assets - FVOCI is not significant. There have been no changes to the way the Group manages this exposure compared to the prior year.

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(i) *Market risk (continued)*

(c) *Cash flow interest rate risk*

The Group finances its operations through a mixture of retained earnings and borrowings. The Group borrows in the desired currencies at fixed and floating rates of interest. Cash flow interest rate risk is the risk that the Group's cash flows will change due to changes in interest rates. Fair value interest rate risk is the risk that the fair value of recognised financial assets and liabilities may change due to changes in interest rates.

As the Group has no significant interest–bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2023 and 2024 the Group's borrowings at variable rates were denominated in local currency.

At 31 March 2024 if the interest rate on borrowings had been 0.25% lower/higher with all other variables held constant, profit for the year would have been $129,593 higher/lower (2023: $110,567), mainly as a result lower/higher interest expense on floating rate borrowings.

(ii) *Credit risk*

The Group's exposure to credit risk lies primarily with its trade receivables and cash and cash equivalents. Sales to customers are settled in cash or using major credit cards.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

The Group is exposed to credit risk, which is the potential for loss due to a debtor's failure to pay amounts when due. The Group manages this by regular analysis of the ability of debtors to settle their outstanding balances. Impairment provisions are established for losses or potential losses that have been incurred at the reporting date.

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

The Group trades with third parties who are subject to credit verification procedures, which take into account their consolidated financial position and past experience. Individual risk limits are set based on internal analysis.

Credit risk on cash and cash equivalents held by the Group are minimised as all cash deposits are held with banks which have acceptable credit ratings.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

Maximum exposure to credit risk

The accounting policies for financial instruments have been applied to the line items below:

	2024 $'000	**2023 $'000**
Financial assets – FVOCI (Note 9)	317	340
Trade receivables (Note 13)	11,576	12,768
Other receivables (Note 13)	553	1,742
Cash at bank and on hand (Note 14)	7,058	7,384
	19,504	22,234

Credit risk is the risk of default on financial assets that may arise from a counterparty failing to make payments or honour an obligation. Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, other financial assets, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group has no significant concentration of credit risk and trades mainly with recognised credit worthy third parties.

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Financial instruments	
Financial assets		
Financial assets – FVOCI (Note 9)	317	340
Cash at bank and in hand (Note 14)	7,058	7,384
Trade and other receivables (excluding prepayments) (Note 13)	12,129	14,510
	19,504	22,234

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

	Other financial liabilities at amortised cost	
	2024	2023
	$'000	$'000
Financial liabilities		
Trade and other payables (excluding statutory liabilities)	14,496	29,369
Borrowings (Note 17)	32,672	28,885
Lease liabilities (Note 7)	27,224	38,484
	74,392	96,738

Business is conducted with only reputable financial institutions. Customers trading on credit terms are subject to credit verification procedures and credit limits are defined for each customer. The approval process is undertaken on an individual basis before management provides credit to customers. There have been no changes to the way the Group manages this exposure compared to the prior year.

Term deposits and cash are held with reputable financial institutions. There is no formal credit rating policy for the quality of assets held as at the statement of financial position date. Collateral is not held for any balances exposed to credit risk.

The Group recognises provision for losses for assets subject to credit risk using the expected credit loss model.

The Group uses one approach in arriving at expected losses, the simplified approach for trade receivables.

The simplified approach

The Group applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables. The simplified approach eliminates the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred. Accordingly, a lifetime expected loss allowance is used from day 1. To measure the lifetime loss allowance, the Group first considers whether any individual customer accounts require specific provisions.

Incorporation of forward-looking information

Historical loss rates for trade receivables are adjusted to reflect current and forward-looking information on macroeconomic factors – GDP growth, affecting the ability of the customers to settle the receivables.

Trade receivables assessed for specific provisions are identified based on certain default triggers (e.g. customers with a significant portion of their invoices > 90 days, customers with significant cash flow issues, business model issues and other relevant factors). Once the population for specific provisions is identified, it is segregated from the rest of the portfolio.

A provision matrix is then applied to all remaining accounts on a portfolio basis. Customer balances covered by specific provisions are excluded from the portfolio provision calculations to avoid double counting.

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

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).

The following is a summary of the ECL on trade receivables from a combination of specific and general provisions:

At 31 March 2024

Aging	**Average ECL Rate**	**Estimated EAD $'000**	**Expected Credit Loss $'000**
Current (0 – 30 days)	0.77%	5,698	44
31 - 60 days	1.12%	3,413	38
61 - 90 days	2.26%	951	21
91 - 120 days	13.09%	517	68
Over 120 days	10.69%	1,658	177
		12,237	348

At 31 March 2023

Aging	**Average ECL Rate**	**Estimated EAD $'000**	**Expected Credit Loss $'000**
Current (0 – 30 days)	0.49%	7,046	35
31 - 60 days	0.71%	3,437	24
61 - 90 days	1.46%	839	12
91 - 120 days	3.48%	571	20
Over 120 days	7.16%	1,528	109
		13,421	200

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

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

	2024 $'000	2023 $'000
Opening loss allowance as at 1 April	653	321
Increase allowance in profit and loss during the year	100	332
Recoveries	(92)	--
At 31 March	661	653
General provision	348	200
Specific provision	313	453
	661	517

The Group's exposure to credit risk lies primarily with its trade receivables and cash and cash equivalents. Sales to customers are settled in cash or using major credit cards.

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Consistent with the prior year, due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

Due to the seasonal nature of the operations of certain companies in the Group, management reviews its cash needs monthly and determines which entities have surplus cash vs those that have deficits and operates a treasury management function whereby cash is allocated to the entity that is in need and ensure repayments are made on a timely basis.

The table below analyses the Group's financial liabilities based on the remaining period at the consolidated statement of financial position date to the contractual maturity date.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Contractual cash flow $'000	Carrying amount $'000
At 31 March 2024						
Borrowings	8,579	5,826	3,741	308	18,454	17,022
Leases	10,561	6,837	3,249	13,816	34,463	27,224
Bank overdrafts and short term advances (Note 17)	15,650	--	--	--	15,650	15,650
Trade and other payables excluding statutory liabilities	14,496	--	--	--	14,496	14,496
	49,286	12,663	6,990	14,124	83,063	74,392
At 31 March 2023						
Borrowings	8,411	3,259	4,644	1,232	17,546	15,737
Leases	11,824	11,295	13,867	11,687	48,673	38,484
Bank overdrafts and short term advances (Note 17)	13,148	--	--	--	13,148	13,148
Dividend payable	1,952	--	--	--	1,952	1,952
Trade and other payables excluding statutory liabilities	29,369	--	--	--	29,369	29,369
	64,704	14,554	18,511	12,919	110,688	98,690

3 **Financial risk management (continued)**

b. *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 adjust the amount of the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings, leases and bank overdrafts and bankers' acceptances as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratios as at 31 March 2024 and 31 March 2023 were as follows:

	2024 $'000	**2023 $'000**
Total borrowings (Note 17)	32,672	28,885
Total lease liabilities (Note 7)	27,224	38,484
Less: cash at bank and on hand (Note 14)	(7,058)	(7,384)
Net debt	52,838	59,985
Total equity	117,217	107,398
Total capital	170,055	167,383
Gearing ratio	31%	36%

c. *Fair value estimation*

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

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

The following table presents the Group's assets that are measured at fair value at 31 March 2024 and 31 March 2023.

Level 1- Financial assets- FVOCI (quoted) (Note 9)	237	260
Level 3- Investment properties (Note 5)	13,950	13,950
Level 3- Land and buildings (Note 6)	78,805	70,143
Level 3- Financial assets- FVOCI (unquoted) (Note 9)	80	80
	93,072	84,433

3 **Financial risk management (continued)**

c. *Fair value estimation (continued)*

(i) *Financial assets in Level 1*

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date, A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transaction on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1 are from the Trinidad and Tobago Stock Exchange.

(ii) *Financial assets in Level 3*

The fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are unobservable, the instrument is included in level 3.

The movements of investments categorised as level 3 during the year are reflected in Note 9.

The fair values of unlisted securities are determined by management based on the lower of net assets or selling price given by the investee and are determined to be the same as cost.

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.

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 in the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) *Pension benefits*

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using certain 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 obligations.

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 obligations. In determining the appropriate discount rate, the Group considers the interest rates of long-term Government securities 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 liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information including sensitivity to assumptions made is disclosed in Note 10.

(ii) *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 determines that financial instruments are impaired when there has been a significant or prolonged decline in fair value below its cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the normal volatility in share price, the financial health of the investee and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee and operational and financing cash flows.

Sensitivity to market risk is included in Note 3.

(iii) *Income taxes*

Significant judgement is required in determining the provision for income taxes. There are several transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises tax 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 current and deferred income tax assets and liabilities in the period in which such determination is made.

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

(iv) *Deferred tax asset*

The deferred tax asset of $2,549,000 (2023: $619,000) include $1,590,000 (2023: $Nil) (Note 8) which relates to carried-forward tax losses of the Group for losses acquired over time which was not previously recognised as a result of the uncertainty of recovery due to the financial situation of the Group at the time. The Group has recognised a deferred tax asset to the extent that there is a deferred tax liability related to the same tax authority. The losses can be carried forward indefinitely and have no expiry date.

(v) *Investment properties*

See Note 2 (e) and Note 5 for information regarding the determination of fair values of investment properties by the external, independent and qualified valuers.

(vi) *Property, plant and equipment*

See Note 2 (f) and Note 6 for information regarding the determination of fair values of land and buildings by the external, independent and qualified valuers.

(vii) *Leases*

See Note 2 (g) for information about assumption and estimation uncertainties regarding discount and incremental borrowing rates.

5 **Investment properties**

Year ended 31 March 2024	**Car park $'000**	**Office $'000**	**Total $'000**
At 1 April 2023	7,450	6,500	13,950
At 31 March 2024	7,450	6,500	13,950
Year ended 31 March 2023			
At 1 April 2022	7,450	7,000	14,450
Loss on revaluation of investment properties (Note 22)	--	(500)	(500)
At 31 March 2023	7,450	6,500	13,950

5 **Investment properties (continued)**

Properties held for long term rental or for capital appreciation are classified as investment properties. Freehold land located at 124 St Vincent Street is operated as a car park rental service and land and building located at 119 Abercromby Street offers office space rental. The rental income and annual revaluation from these properties are included in Note 21.

Valuation processes

The Group's investment properties were valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the location and segments of the investment properties valued. At the end of each financial year the managing director:

- Verifies the values held to the independent valuation report.
- Assesses property valuation movements compared to the prior year valuation report.
- Holds discussions with the independent valuer.

Valuation techniques underlying management's estimate of fair value

The property located at 124 St Vincent Street is freehold land and was valued by professional valuer Brent Augustus & Associates Limited at 31 March 2024 and is currently used to let on a month to month basis to various tenants as a car park. The land's best use is for commercial office development.

The property located at 119 Abercromby Street consists of land and single storey office building and was valued by professional valuer Brent Augustus & Associates Limited at 31 March 2024. Due to the age of the building, it was not considered in the valuation. The land's best use is for commercial office development. Management will continue to monitor the economic uncertainty and review the valuations as new information comes to light. See Note 2 (a) for further information.

Income derived from rental of investment properties:

	2024 $'000	2023 $'000
Car park rental	371	304
Office space rental	--	66
	371	370

Level 3 fair values of land and buildings have been derived using the Market Basis of Valuation approach. This approach used a perspective on the property market which identified reduced levels of direct foreign investment and local private sector investment within the economy. It also incorporated the fiscal and monetary impact of the expected decline in the economy due to the decline in the energy sector as well as the performance of the non-energy sector.

The Group is exposed to property price risk because of investment properties carried at fair value. Had property prices in the market increased/decreased by 5% the Group's profits would have increased/decreased by $697,500 (2023: 697,500), and the Group's reserves would have increased/decreased by $697,500 (2023: $697,500).

6 Property, plant and equipment

	Land and buildings and improvements $'000	Plant and machinery $'000	Furniture and office equipment $'000	Motor vehicles $'000	Total $'000
Year ended 31 March 2024					
Opening net book amount	70,143	2,185	6,243	924	79,495
Revaluation of land and building	10,469	--	--	--	10,469
Additions	1,334	76	1,012	1,745	4,167
Disposals	--	--	--	(205)	(205)
Depreciation charge	(3,141)	(357)	(1,467)	(815)	(5,780)
Closing net book amount	78,805	1,904	5,788	1,649	88,146
At 31 March 2024					
Cost/valuation	88,773	6,757	19,611	8,042	123,183
Accumulated depreciation	(9,968)	(4,853)	(13,823)	(6,393)	(35,037)
Net book amount	78,805	1,904	5,788	1,649	88,146
Year ended 31 March 2023					
Opening net book amount	65,248	1,658	3,511	1,143	71,560
Additions	7,363	814	3,784	617	12,578
Disposal/adjustments	(149)	--	--	(114)	(263)
Depreciation charge	(2,319)	(287)	(1,052)	(722)	(4,380)
Closing net book amount	70,143	2,185	6,243	924	79,495
At 31 March 2023					
Cost/valuation	76,970	6,681	18,599	6,502	108,752
Accumulated depreciation	(6,827)	(4,496)	(12,356)	(5,578)	(29,257)
Net book amount	70,143	2,185	6,243	924	79,495
At 1 April 2022					
Cost/valuation	84,862	7,473	22,150	7,267	121,752
Accumulated depreciation	(19,614)	(5,815)	(18,639)	(6,124)	(50,192)
Net book amount	65,248	1,658	3,511	1,143	71,560

Bank borrowings are secured on land and buildings for the value of $66,695,000 (2023: $56,095,000) (Note 17).

6 Property, plant and equipment (continued)

Land and buildings located at Trincity Industrial Estate were revalued by independent valuators Linden Scott and Associates on 18 February 2021 for the year ended 31 March 2021. Land and building located at #2 Barataria was revalued by independent valuators Brent Augustus and Associates on 8 April 2024 for the year ended 31 March 2024. Both valuations were made on the basis of open market values. The revaluation surplus was credited to other reserves in shareholders' equity.

If land and buildings and improvements were stated on the historical cost basis, the amounts would be as follows:

	2024 $'000	2023 $'000
Cost	61,625	60,291
Accumulated depreciation	(11,574)	(10,341)
	50,051	49,950

7 Leases

	2024 $'000	2023 $'000
Right of use assets		
At 1 April	37,006	13,885
Additions	--	30,082
Derecognition	(1,799)	--
Depreciation	(9,974)	(6,961)
At 31 March	25,233	37,006
Cost	44,923	46,722
Accumulated depreciation	(19,690)	(9,716)
At 31 March	25,233	37,006
Lease liabilities		
At 1 April	38,484	15,112
Additions	--	30,082
Derecognition of lease liabilities	(2,270)	--
Gain on derecognition of lease liabilities	(349)	--
Principal repayments	(8,641)	(5,684)
COVID-19 related rent concessions (Note 20)	--	(1,026)
At 31 March	27,224	38,484
Current	8,683	9,189
Non-current	18,541	29,295
Total lease liabilities	27,224	38,484

(i) *Amounts recognised in the consolidated statement of profit or loss and other comprehensive income*

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2024 $'000	2023 $'000
Interest expense (included in finance costs)	2,716	1,885
COVID-19 related rent concessions (Note 20)	--	(1,026)
	2,716	859
The total cash outflow for leases	13,976	8,124

8 Deferred tax

The analysis of deferred tax assets and (liabilities) is as follows:

	Accelerated tax depreciation $'000	IFRS 16 $'000	Retirement benefit asset $'000	Revaluation surplus $'000	Accumulated tax losses $'000	Total $'000
At 1 April 2023	(2,185)	619	(170)	(2,821)	--	(4,557)
Credited/(charged) to profit/(loss)	(3)	340	28	--	1,590	1,955
Charge to other-comprehensive income	--	--	(92)	(1,116)	--	(1,208)
At 31 March 2024	(2,188)	959	(234)	(3,937)	1,590	(3,810)
At 1 April 2022	(2,394)	621	(477)	(2,821)	346	(4,725)
Credited/(charged) to profit/(loss)	209	(2)	67	--	(346)	(72)
Credited to other-comprehensive income	--	--	240	--	--	240
At 31 March 2023	(2,185)	619	(170)	(2,821)	--	(4,557)

	2024 $'000	2023 $'000
Deferred tax assets	(2,549)	(619)
Deferred tax liabilities	6,359	5,176
Deferred tax liabilities - net	3,810	4,557

The movement on deferred income tax is as follows:

	2024 $'000	2023 $'000
At 1 April	4,557	4,725
(Credit)/charge to profit and loss (Note 22)	(1,955)	72
Charge/(credit) to other comprehensive income	1,208	(240)
At 31 March	3,810	4,557

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 30% (2023: 30%) for Trinidad and Tobago and 40% (2023: 40%) for Co-operative Republic of Guyana.

The Company did not recognise deferred tax assets of 1,654,652 (2023: 1,654,652) in respect of losses amounting to $5,515,508 that can be carried forward against future taxable income.

9 Financial assets

	2024 $'000	2023 $'000
Beginning of year	340	367
Fair value loss	(23)	(27)
End of year	317	340

Financial assets include the following:
Fair value through other comprehensive income:

	2024 $'000	2023 $'000
GraceKennedy (Trinidad & Tobago) Limited	237	260
Container Recovery And Billing Limited	50	50
Medway Limited	30	30
	317	340

10 Retirement benefit asset

The information below was extracted from the actuarial valuation report dated 23 April 2024.

Amounts recognised in the consolidated statement of financial position:

	2024 $'000	2023 $'000
Fair value of plan assets	(22,388)	(21,698)
Retirement benefit obligation	21,612	21,133
Net defined benefit asset	(776)	(565)

Movement in the defined benefit obligation over the year is as follows:

	2024 $'000	2023 $'000
At beginning of year	21,133	21,112
Current service cost	403	461
Interest cost	1,231	1,232
Members' contributions	146	168
Benefits paid	(1,259)	(1,192)
Experience adjustments	(42)	(648)
At end of year	21,612	21,133

Movement in the fair value of plan assets over the year is as follows:

	2024 $'000	2023 $'000
At beginning of year	21,698	22,700
Interest income	1,277	1,336
Return on plan assets (excluding interest income)	264	(1,448)
Employer contributions	291	168
Employee contributions	146	168
Expense allowance	(29)	(34)
Benefits paid	(1,259)	(1,192)
At end of year	22,388	21,698

10 **Retirement benefit asset (continued)**

Movement in the asset recognised in the consolidated statement of financial position:

	2024 $'000	2023 $'000
At beginning of year	(565)	(1,588)
Pension costs (Note 20)	386	391
Re-measurement recognised in other comprehensive income	(306)	800
Contributions paid	(291)	(168)
At end of year	(776)	(565)
Experience losses/(gains)	(306)	800
Amount recognised in other comprehensive income	(306)	800

The principal actuarial assumptions used for accounting purposes were:

	2024	2023
- Discount rate	6.0%	6.0%
- Average individual salary increases	4.0%	4.0%
- Future pension increases	0.0%	0.0%
Life expectancy for current pensioners		
- Male at age 65	17.6	17.6
- Female at age 60	26.2	26.2
Life expectancy for current member		
- Male at age 65	18.7	18.6
- Female at age 60	27.1	27.1

Sensitivity analysis	1%pa increase $000	1%pa decrease $000
- Discount rate	2,335	(1,964)
- Future salary increases	(77)	93

10 **Retirement benefit asset (continued)**

Funding

The Company meets the balance of the cost of funding the defined benefit Pension Plan and the Company must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above. The Company expects to pay $0.262 million to the Pension Plan during the 12 month period to 31 March 2025.

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income (Note 20) are as follows:

	2024 $'000	2023 $'000
Current service cost	403	461
Net interest on net defined benefit asset	(46)	(104)
Administration expenses	29	34
Net pension cost	386	391

Plan assets comprise the following:

	2024		2023	
	$000	%	$000	%
Locally listed equities	1,739	8%	2,675	12%
Overseas equities	3,466	15%	3,968	18%
Government issued nominal bonds	6,667	30%	4,891	23%
Corporate bonds	1,426	6%	886	4%
Mutual bonds	97	0%	73	0%
Cash and cash equivalents	838	4%	1,446	7%
Other (annuity polices)	8,155	36%	7,759	36%
	22,388	100%	21,698	100%

All asset values as at 31 March 2024 were provided by the Plan's Investment Manager (RBC). Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve. The value of the annuity policies was estimated using the same assumptions as used to value the corresponding liabilities. The value of these policies is reliant on the financial strength of the insurers – Panamerican Life, Guardian Life, Sagicor and Tatil.

The majority of the Plan's government bonds were issued by the Government of Trinidad & Tobago, which also guarantees many of the corporate bonds held by the Plan. The Plan's assets are invested in a strategy agreed with the Plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 70% of the assets must be invested in Trinidad & Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan.

11 Inventories

	2024 $'000	2023 $'000
Finished goods	40,968	53,010
Goods in transit	4,047	2,872
Raw materials	1,657	1,522
Manufactured goods	323	460
	46,995	57,864

The cost of inventories recognised as an expense and included in cost of sales amounted to $111,780,000 (2023: $116,194,000). Write-downs of inventories to net realisable value amounted to $572,000 (2023: $1,260,000). These were recognised as an expense during the year and included in cost of sales in the consolidated statement of profit or loss and other comprehensive income.

Goods in transit represents orders placed within 90 days of the year end and inventories which are in transit as at the statement of financial reporting date.

12 Installation contracts work in progress

At beginning of year	20	7
Contract cost incurred in the year	--	13
Contract cost recognised	(20)	--
	--	20

13 Trade and other receivables

Trade receivables	12,237	13,421
Less: provision for impairment	(661)	(653)
Trade receivables-net	11,576	12,768
Vat/Tax recoverable	1,285	--
Other receivables	553	1,742
Prepayments	3,808	3,184
	17,222	17,694

14 Cash and cash equivalents

Cash at bank and on hand	7,058	7,384
Bank overdrafts, short-term advances and bankers' acceptances (Note 17)	(15,650)	(13,148)
	(8,592)	(5,764)

15 Share capital

	2024 $'000	2023 $'000
Authorised		
130,000,000 'A' common shares of no par value		
26,000,000 'B' common shares of no par value		
400,000 8% cumulative participating preference shares of no par value		
Issued and fully paid		
46,166,600 'A' common shares of no par value	4,617	4,617
19,742,074 'B' common shares of no par value	29,131	29,131
45,590 8% cumulative participating preference shares of no par value	228	228
	33,976	33,976

The voting rights of both the common and preference shareholders are the same. The dividend rights differ as follows:

Each holder of an "A" common share shall be entitled to receive one-tenth (1/10) only of dividends of the amount received by each holder of a "B" common share.

Preference shareholders are entitled to a fixed accumulated preferential dividend of 8% per annum on the sum of $5 being the original par value of each share. However, whenever dividends paid to the common shareholders exceed 8%, then all further dividends declared shall be paid to the holders of preference shares in an amount equal to the holder of fifty (50) "A" common shares and five (5) "B" common shares until the total dividend paid to every holder of a preference share to be equal to 12% and thereafter shall not be entitled to any further dividends.

16 Other reserves

	Land and buildings revaluation $'000	Retirement benefit asset $'000	Financial assets FVOCI $'000	Total $'000
Balance at 1 April 2023	26,379	(1,035)	220	25,564
Revaluation of land and building	10,469	--	--	10,469
Revaluation loss on financial asset	--	--	(23)	(23)
Remeasurement of retirement benefit asset (Note 10)	--	306	--	306
Deferred tax (Note 8)	(1,116)	(92)	--	(1,208)
Balance at 31 March 2024	35,732	(821)	197	35,108
Balance at 1 April 2022	26,379	(475)	247	26,151
Revaluation loss on financial asset	--	--	(27)	(27)
Remeasurement of retirement benefit asset (Note 10)	--	(800)	--	(800)
Deferred tax (Note 8)	--	240	--	240
Balance at 31 March 2023	26,379	(1,035)	220	25,564

17 Borrowings

	2024 $'000	2023 $'000
Current		
RBC Royal Bank (Trinidad & Tobago) Limited (overdraft)	12,702	10,268
Scotiabank of Trinidad and Tobago (overdraft)	--	144
JMMB Trinidad and Tobago Limited (overdraft)	2,948	2,516
Republic Bank Limited (overdraft)	--	220
Bank overdrafts and short-term advances	15,650	13,148
RBC Royal Bank (Trinidad & Tobago) Limited (commercial mortgage)	--	2,376
RBC Royal Bank (Trinidad & Tobago) Limited (US$ short term)	293	1,173
RBC Royal Bank (Trinidad & Tobago) Limited (operating loan)	--	1,480
RBC Royal Bank (Trinidad & Tobago) Limited (reducing loan)	698	659
RBC Royal Bank (Trinidad & Tobago) Limited (operating loan 7.75%)	1,585	--
RBC Royal Bank (Trinidad & Tobago) Limited (operating loan)	1,491	--
RBC Royal Bank (Trinidad & Tobago) Limited (US$ operating loan)	1,131	--
RBL (Trinidad and Tobago) Limited (operating term loan)	1,294	1,311
RBL (Trinidad and Tobago) Limited (operating loan)	568	524
Caribbean Finance Company Limited	727	134
	7,787	7,657
Non-current		
RBC Royal Bank (Trinidad & Tobago) Limited (US$ short term)	--	245
RBC Royal Bank (Trinidad & Tobago) Limited (reducing loan)	3,535	4,234
RBC Royal Bank (Trinidad & Tobago) Limited (operating loan 7.75%)	1,701	--
RBC Royal Bank (Trinidad & Tobago) Limited (US$ operating loan)	1,215	--
RBC Royal Bank (Trinidad & Tobago) Limited (operating loan)	911	--
RBL (Trinidad and Tobago) Limited (operating loan)	--	1,183
RBL (Trinidad and Tobago) Limited (operating loan)	1,709	2,271
Caribbean Finance Company Limited	164	147
	9,235	8,080
Total borrowings	32,672	28,885

a. *RBC Royal Bank (Trinidad & Tobago) Limited*

Overdraft facilities

The Group has an overdraft facility of $15,965,000 which bears interest at the rate of 7.5% (2023: 7.5%) per annum.

Revolving credit

On 31 October 2018 the Company was granted a working capital facility of US500,000 this facility was increased to US$750,000 on 2 April 2019. Amount drawn at 31 March 2021 was US$500,000 with and interest rate of 3.483%. This facility was converted to a loan on 21 June 2021 for with an interest rate of 4.25%, with a monthly instalment of US$14,818 maturing on 21 May 2024.

Commercial mortgage

This was used for the construction of a building at Barataria. The facility terms are $24,799,227 for fifteen years at 9.5% per annum. The rate of interest is currently 7.75%. This loan is payable by monthly instalments of $267,816 inclusive of interest until 30 December 2023. This loan was repaid.

17 **Borrowings (continued)**

a. *RBC Royal Bank (Trinidad & Tobago) Limited (continued)*

Operating loan

L.J. Williams Limited was granted a facility for $5,000,000 for the outfitting of The Home Store Inc. in Amazonia Mall Guyana on 14 July 2022, and bears an interest rate of 5.75%, monthly instalment $76,978 maturing on 31 July 2029.

On 6 April 2023 the Company was granted an operating loan of US$500,000 with an interest rate of 7.75% with a monthly instalment of US$15,611 maturing on 28 March 2026.

On 6 April 2023 The Home Store Ltd was granted an operating loan for US$700,000 with a monthly instalment of US$21,855 and bears an interest rate of 7.75% maturing on 28 March 2026.

On 12 October 2023 the Company was granted an operating loan of $3,000,000 with an interest rate of 5.75% with monthly instalment of $132,624 maturing on 15 October 2025.

The securities held by RBC Royal Bank (Trinidad and Tobago) Limited were as follows:

- Deed of Assignment of Debenture registered between RBC Royal Bank (Trinidad & Tobago) Limited and the Company over the fixed and floating assets. Stamped to secure $11,535,000.
- Registered First Demand Mortgage over a commercial property located on Abercromby Street, Port of Spain. Stamped to secure $5,345,000.
- Deed of Variation to include parcels 119 Abercromby Street and 25A New Street Port of Spain.
- Registered First Demand Mortgage over land and building at Barataria. Stamped to secure $37,250,000.
- Deed of Transfer of Debenture at Lot O, Century Drive, Trincity. Stamped collateral to the above Debenture.
- Assignment of Fire Policy on Stock/ Building, with Sagicor General Insurance incorporated for a total sum insured $76,700,000.
- Registered demand first debenture dated January 25, 2008 and registered on February 8, 2008 over the fixed and floating assets of The Home Store Ltd including uncalled capital and goodwill, stamped to secure $13,625,000.
- Assignment of Fire Insurance Policy on Stock/Building, Collective Policy Number PCC 10049965-007 with Sagicor General Insurance Incorporated Limited for a total sum insured $76,700,000.
- Deed of Variation of Mortgage registered to include The Home Store Ltd as “the New Borrower”.
- Collateral Guarantee and Postponement Claim dated 26 July 2016 signed by L.J. Williams Limited for $9,500,000 to support facilities granted to The Home Store Ltd. Stamped collateral to Deed of Mortgage.

17 **Borrowings (continued)**

b. *JMMB Trinidad and Tobago Limited*

Overdraft facility

This facility for $5,000,000 bears an interest rate of 9% per annum. This facility is unsecured.

c. *Republic Bank Limited*

Overdraft facility

The Home Store has an overdraft facility of $500,000 at an interest rate of 7.5%

Operating loan

The Home Store was granted a loan for $3,000,000 to assist with the outfitting of the new store at Trincity. The interest rate is 9.5%, repayment term is $61,550 maturing 30 September 2027.

This facility for US$750,006 was drawn on 23 November 2020 this was reduced to US$547,736 at a rate of libor interest rate of 5.5344%, repayment term is US$17,446 maturing on 31 January 2025.

The securities held by Republic Bank Limited were as follows:

- The loan is secured by 1st Mortgage of Lot L Century Drive, Trincity Industrial Estate in the name of L.J. Williams Limited, registered and stamped to cover $5,600,000.
- Adequate fire insurance over property Lot L Century Drive, Trincity Industrial Estate, with the Bank's interest noted.
- Letter of Undertaking dated 22 February 2019 from L.J. Williams Limited stating that the facilities advance to The Home Store Limited are in the best interest of both companies and that there are no circumstances prejudicial to them under the provisions of section 56 of the Companies Act Chap. 81:01.
- Letter of Undertaking dated 14 May 2020 from L.J. Williams Limited confirming the equity in the existing mortgage can be used to secure increased credit facilities in the name of The Home Store Limited and that the mortgage can be upstamped if call upon to do so by the Bank.

d. *Caribbean Finance Company Limited*

The Company has acquired four motor vehicles of $1,245,833 under non-cancellable finance lease arrangements at a rate of 5.5% with a monthly instalment of $25,948 maturing on 1 April 2025 and a monthly instalment of $25,964 maturing on 1 August 2025.

e. *Debt Covenants*

In order to comply with the loan agreement with RBC Royal Bank (Trinidad & Tobago) Limited, L.J. Williams Limited and The Home Store Limited has to:

a. maintain a minimum Debt Service Coverage ratio
b. not to exceed the maximum Funded Debt to EBITDA ratio.

The Group was in compliance with the debt covenants as at 31 March 2024 and 31 March 2023.

18 **Trade and other payables**

	2024 $'000	**2023 $'000**
Trade payables	11,996	24,744
Accrued charges	2,500	4,625
Statutory liabilities	253	639
	14,749	30,008

19 **Segment information**

At 31 March 2024, the Group was organised into three main business segments:

a. Manufacture and sale of a range of adhesives, manufacture and installation of curtain walls, shop fronts, panels and partitions.
b. Trading of grocery and hardware products.
c. Provision of shipping services.

The segment results for the year ended 31 March are as follows:

	Manufacturing		Trading		Shipping Services		Total	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Revenue - over time	--	171	--	--	--	--	--	171
Revenue - at a point in time foreign	--	--	15,724	5,700	--	--	15,724	5,700
Revenue - at a point in time	5,238	6,730	144,833	159,827	5,154	5,316	155,225	171,873
	5,238	6,901	160,557	165,527	5,154	5,316	170,949	177,744
Gross profit	1,149	1,744	54,646	56,161	3,374	3,645	59,169	61,550
Profit before taxation	--	--	--	--	--	--	1,648	10,390
Profit for the year	--	--	--	--	--	--	275	5,918
Total assets	--	--	--	--	--	--	202,676	214,937
Total liabilities	--	--	--	--	--	--	85,459	107,539
Capital expenditure	--	--	--	--	--	--	4,167	12,578

20 Expenses by nature

	2024 $'000	2023 $'000
Cost of sales		
Inventories of finished goods sold	112,032	117,483
Raw materials and consumables used	(252)	(1,289)
	111,780	116,194
Administrative expenses		
Employee benefit expense	21,895	21,716
Other expenses	11,181	11,053
Rent waiver IFRS 16 COVID-19 concessions (Note 7)	--	(1,026)
Depreciation (Note 6,7)	15,754	11,341
Advertising cost	781	1,491
Directors fees (Note 27)	336	339
	49,947	44,914
Distribution costs		
Transportation costs	1,568	1,530
Employee benefit expense		
Salaries and wages	20,190	20,034
National insurance	1,319	1,291
Net pension cost (Note 10)	386	391
	21,895	21,716

Audit fees for the year ended 31 March 2024 totalled $1,016,000 (2023: $1,051,000). Other fees paid to the auditor (and related network firms) for non-assurance services totalled $67,801 (2023: $45,000).

21 Other income

	2024	2023
Rental income	371	640
Dividend income from financial asset – FVOCI	89	380
Loss on revaluation of investment properties (Note 5)	--	(500)
Revaluation loss on retirement benefit asset	(95)	(223)
Gain on sale of property, plant and equipment	33	20
	398	317

22 Taxation

	2024	2023
a. Business levy	300	382
Corporation tax	3,028	4,018
Deferred tax (Note 8)	(1,955)	72
	1,373	4,472

22 Taxation (continued)

b. The tax on profit before taxation differs from the theoretical amount that would arise using the basic rate of tax as follows:

	2024 $'000	2023 $'000
Profit before taxation	1,648	10,390
Tax calculated at domestic tax rates applicable to profits in the respective countries	281	3,003
Expenses not deductible for tax purposes	661	871
Income not subject to tax	(17)	30
Other permanent differences	(489)	(171)
Business levy	300	382
Taxation losses	637	357
	1,373	4,472

23 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 period. There are two classes of shares where the earnings per share is attributable. There are no dilutive shares to warrant the calculation of a diluted earnings per share and there were no sales or issuance of shares.

	2024 $'000	2023 $'000
Reconciliations of earnings used in calculating earnings per share		
Profit attributable to equity holders of the Group	275	5,918
Less dividend paid to 8% cumulative participating preference shares	(18)	(18)
Profit attributable to ordinary shareholders of basic earnings per share	257	5,900
Earnings used in calculating earnings per share for each class of shares:		
'A' common shares of no par value	49	1,118
'B' common shares of no par value	208	4,782
	257	5,900

	2024 '000	2023 '000
Weighted average number of ordinary shares in issue:		
'A' common shares of no par value	46,167	46,167
'B' common shares of no par value	19,742	19,742
	65,909	65,909

	2024	2023
Earnings per share 'A' common shares	0.1¢	2¢
Earnings per share 'B' common shares	1¢	24¢

24 Dividends

	2024 $'000	2023 $'000
Dividends payable	--	1,952

On 19 January 2023, the Company declared a dividend of $0.008 cents per share on ordinary 'A' shares and $0.08 on ordinary 'B' shares and $0.08 on preference shares for the year ended 31 March 2023. This was paid on 21 April 2023 (2023: $Nil).

25 Net changes in operating assets/liabilities

	2024 $'000	2023 $'000
Decrease/(increase) in inventories	10,869	(15,919)
Decrease/(increase) in installation contracts work in progress	20	(13)
Decrease/(increase) in trade and other receivables	472	(939)
Decrease in other financial assets at amortised cost	--	1,700
(Decrease)/increase in trade and other payables	(15,259)	15,304
	(3,898)	133

26 Net debt reconciliation

This section sets out an analysis of net debt and movements in the net debt for each of the periods presented:

Net debt

	2024 $'000	2023 $'000
Cash at bank and on hand (Note 14)	7,058	7,384
Borrowings (including overdraft) (Note 17)	(32,672)	(28,885)
Leases liabilities (Note 7)	(27,224)	(38,484)
Net debt	(52,838)	(59,985)
Cash at bank and on hand (Note 14)	7,058	7,384
Gross debt-fixed interest rates	(59,896)	(67,369)
Net debt	(52,838)	(59,985)

26 Net debt reconciliation (continued)

	Liabilities from financing activities			
	Cash/bank overdraft $'000	Borrowings $'000	Leases $'000	Total $'000
Net debt as at 1 April 2023	(5,764)	(15,737)	(38,484)	(59,985)
Proceeds from borrowings	--	(12,877)	--	(12,877)
Derecognition	--	--	2,270	2,270
Cash flows	(2,828)	11,592	8,990	17,754
Net debt as at 31 March 2024	(8,592)	(17,022)	(27,224)	(52,838)

	Liabilities from financing activities			
	Cash/bank overdraft $'000	Borrowings $'000	Leases $'000	Total $'000
Net debt as at 1 April 2022	(6,881)	(15,849)	(15,112)	(37,842)
Acquisitions – leases	--	--	(30,082)	(30,082)
Proceeds from borrowings	--	(8,281)	--	(8,281)
Cash flows	1,117	8,393	6,710	16,220
Net debt as at 31 March 2023	(5,764)	(15,737)	(38,484)	(59,985)

27 Related party transactions

The Group's majority shareholder is Williams Holdings Limited which is incorporated in the Republic of Trinidad and Tobago and owns 54% of the issued share capital. The remaining 46% of shares is widely held. The shares of Williams Holdings Limited are governed by a trust for the benefit of the Williams family.

Transactions were carried out with the following related parties:

	2024 $'000	2023 $'000
Key management compensation		
Salaries and other short-term benefits	5,877	6,140
Directors fees (Note 20)	336	339

Key management includes divisional and sales managers and directors.

28 Contingent liabilities

Port of Authority of Trinidad and Tobago		
Letter of Guarantee	15	15
Comptroller of Customs and Excise		
Customs Bonds	245	245
Cheque Guarantee	650	650
	895	895
	910	910

28 **Contingent liabilities (continued)**

Property taxes

The Group has a legal obligation for the payment of property taxes based on the Property Tax Act which was assented to on 31 December 2009 and the subsequent amendments and waivers. The Act provides for the Government to commence the collection of property tax after the Valuation Division of the Ministry of Finance has completed 50% of the assessment of properties in Trinidad and Tobago. The Group's properties have not been assessed by the Valuation Division to enable a quantification of the likely impact of this liability. While a present obligation exists, tax payers are unable to reliably estimate the liability as the basis for the fair value at this time has not been clarified. Therefore, it is anticipated that there will be no property tax obligation to be incurred in respect of the current period and as such, no provision has been recorded in these consolidated financial statements.

29 **Events after the statement of financial position date**

There are no other events, situations or circumstances have occurred which might significantly affect the Group's equity or financial position, which have not been adequately contemplated or mentioned in these consolidated financial statements.