

# **Massy Holdings Ltd.**

Consolidated Financial Statements

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

# Massy Holdings Ltd.

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# Massy Holdings Ltd.

## Statement of Management's Responsibilities

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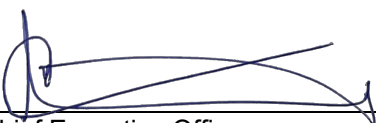
Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Massy Holdings Ltd. and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 30 September 2024, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended and material accounting policy information and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of operational efficiencies for the Group;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.


In preparing these audited consolidated financial statements, management utilised 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.



Chief Executive Officer  
19 November 2024



Chief Financial Officer  
19 November 2024



## Independent auditor's report

To the Shareholders of Massy Holdings Ltd.

### Report on the audit of the consolidated financial statements

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#### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Massy Holdings Ltd. (the Company) and its subsidiaries (together 'the Group') as at 30 September 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 30 September 2024;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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#### 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.

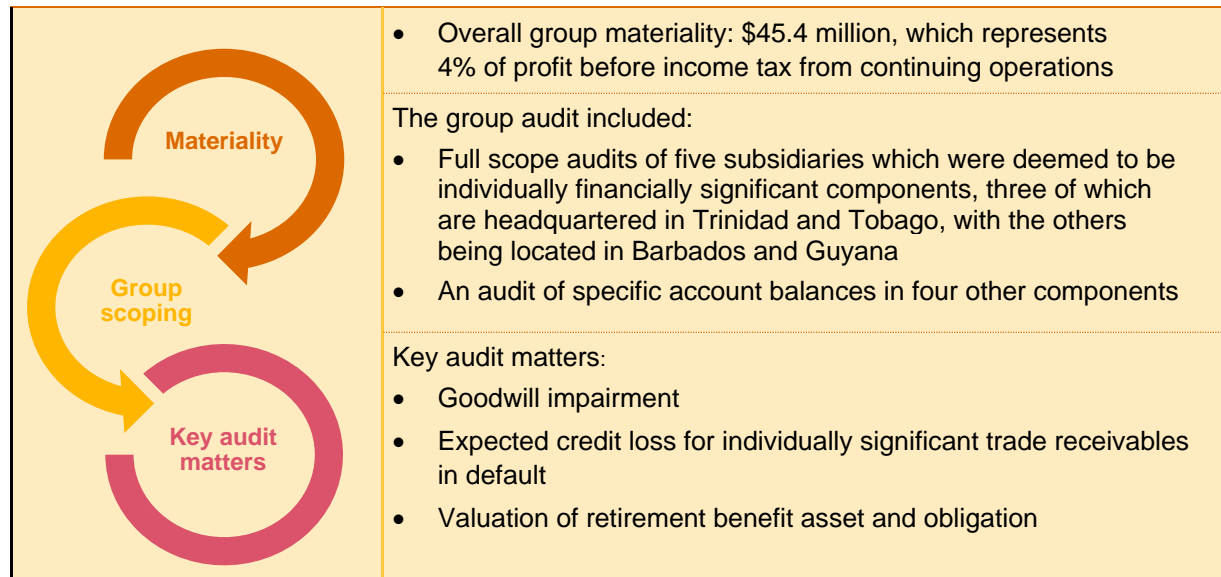
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***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



### Audit scope

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

### How we tailored our group audit scope

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

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

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

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

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## Our audit approach (continued)

### ***How we tailored our group audit scope (continued)***

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

### ***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.

<b>Overall Group materiality</b>	\$45.4 million
<b>How we determined it</b>	4% of profit before income tax from continuing operations
<b>Rationale for the materiality benchmark applied</b>	We chose profit before income tax from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 4% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$1.875 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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### ***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.

## Our audit approach (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Goodwill impairment</b></p> <p><i>Refer to notes 2.8.1 and 8 to the consolidated financial statements for disclosures of related accounting policies and balances.</i></p> <p>As at 30 September 2024, the Group carried goodwill totalling \$1,069 million on the consolidated statement of financial position. In line with IAS 36 - Impairment of Assets, management performs an annual impairment assessment of goodwill.</p> <p>The recoverable amount of each cash generating unit (CGU) is calculated as the higher of the value-in-use (VIU) and fair value less costs of disposal (FVLCOB).</p> <p>Management determined the recoverable amount by reference to the VIU which was derived using a discounted expected cash flow approach incorporating weighted cash flow projections based upon a best, worst and base case sensitivity covering a five-year period. Each scenario was assigned a weighting based on management's judgment to derive an expected cash flow for the CGU.</p> <p>The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.</p> <p>Following management's impairment assessments, no impairment was identified.</p> <p>We focused on this area because of the significant level of judgment required in arriving at the key assumptions used in management's impairment assessment.</p>	<p>Our approach to addressing the matter, with the assistance of our internal expert, involved the following procedures, amongst others:</p> <ul style="list-style-type: none"><li>• obtained an understanding of the methods used by management to perform its goodwill impairment assessment and assessed whether they were in compliance with IAS 36 and, where applicable, whether the methods applied were consistent with the prior year;</li><li>• assessed the reasonableness of the weighting assigned to each cash flow forecast based on our understanding of the current economic environment, historical results and forward-looking projections;</li><li>• recalculated the weighted average cost of capital (WACC) used to discount the expected cash flows and evaluated those rates against observable market-based inputs, our knowledge of the economic environment and the risk premium associated with the respective industries and countries;</li><li>• compared management's projected growth rates to the historical performance of the CGU and to relevant external economic industry data where available;</li><li>• compared management's future cash flow forecasts used in the impairment assessment to those presented and approved by the Board of Directors as part of the annual budgeting process and strategic plans;</li><li>• evaluated the reasonableness of the forecasts made by comparing past forecasts to historical results, where available, and by comparing to the current year results of the entity;</li><li>• tested the mathematical accuracy of management's impairment calculations; and</li><li>• independently assessed the FVLCOB for one CGU using a market approach by:<ul style="list-style-type: none"><li>- comparing certain market multiples of similar companies and adjusting for relative company risks; and</li><li>- developing an independent estimate of the disposal cost based on disposal costs of comparable companies.</li></ul></li></ul> <p>Based on the results of the procedures performed, management's goodwill impairment assessment conclusion was not unreasonable.</p>

## Our audit approach (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Expected credit loss for individually significant trade receivables in default</b></p> <p><i>Refer to notes 2.9.4, 4.a.ii, 11 &amp; 33.1.2 to the consolidated financial statements for disclosures of related accounting policies and balances.</i></p> <p>Included in the consolidated statement of financial position are receivables which are in default amounting to \$679.8 million, of which an expected credit loss (ECL) of \$244.5 million has been recorded at the reporting date.</p> <p>Included within the ECL of \$244.5 million, are provisions of \$218.2 million relating to trade receivables which have been individually assessed for impairment.</p> <p>The Group applies the simplified approach for trade receivables as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. Customer accounts are grouped together based on shared credit risk characteristics and are aged using a 'provisions matrix'. Scaled loss rates are then calculated based on historical payment profiles. The loss rates are adjusted to incorporate forward-looking information and then applied to the different ageing buckets as of the consolidated statement of financial position date.</p> <p>Management determined that certain trade receivables did not share group credit risk characteristics and consequently they were individually assessed for impairment and provisioning.</p> <p>In order to estimate the expected credit loss on the individually assessed trade receivables, management determines an unbiased and probability-weighted recoverable amount by evaluating cash flows for a range of possible outcomes, taking into account the time value of money as well as reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.</p> <p>We focused on this area, because of the complex and significant judgment required by management over the assessment of the extent and timing of the estimated future cash flows.</p>	<p>Our approach to addressing the matter involved the following procedures, amongst others:</p> <ul style="list-style-type: none"><li>• evaluated the reasonableness of the provision for individually assessed trade receivables which included discussions with management to understand their rationale for the provision, assessing customer correspondence, legal status, payment history and incorporating our knowledge of the financial condition of the customers.</li><li>• challenged the timing of management's forecasted cash flows by:<ul style="list-style-type: none"><li>- assessing the quantum and timing of forecasted cashflows against the historical experience with these customers; and</li><li>- evaluating the reasonableness of the discount rate by reference to market comparables.</li></ul></li><li>• assessed management's approach to determining possible future scenarios by:<ul style="list-style-type: none"><li>- considering events up to the audit report date in our evaluation of management's forecasted cash flows and whether there were any subsequent events that contradicted information used in management's cash flow assessment; and</li><li>- testing the mathematical accuracy of the computation prepared by management in determining the ECL.</li></ul></li></ul> <p>Based on the results of the procedures performed, management's provision for the expected credit loss for individually significant trade receivables was not unreasonable.</p>



## Our audit approach (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of retirement benefit asset and obligation</b></p> <p><i>Refer to notes 2.18.1, 4.a.(vii) and 14 to the consolidated financial statements for disclosures of related accounting policies and balances.</i></p> <p>The Group sponsors separate pension plans for its employees in Trinidad and overseas. As at 30 September 2024, the Group had a consolidated net retirement benefit asset of \$482.8 million and a consolidated net retirement benefit obligation of \$112.4 million.</p> <p>Included within the net retirement benefit asset and obligation is the fair value of pension plan assets, the present value of the pension obligation as well as any unutilisable assets.</p> <p>Management utilised external actuaries to perform certain calculations with respect to the estimated pension obligation. These calculations involve the determination of a number of key actuarial assumptions which can have a material impact on the balances reported.</p> <p>The pension assets consist of financial investments held at fair value, which are based on a range of inputs. While many of the inputs can be obtained from readily available observable market prices and rates, certain securities are based on modelled prices as observable market data is limited. In these instances, management is required to make significant judgments due to the complexity in the valuation model estimates resulting in high estimation uncertainty risk.</p> <p>We focused on this area because of the significance of the actuarial assumptions used in determining the pension obligation and the unobservable inputs used in the valuation models of certain securities within the pension assets.</p>	<p>Our approach to addressing the matter, with the assistance of our internal actuarial and valuation experts, involved the following procedures, amongst others:</p> <p>Pension obligation and unutilisable assets:</p> <ul style="list-style-type: none"><li>• evaluated the discount rate used by management against the yield of sovereign bonds of a similar period to retirement;</li><li>• compared mortality rates to publicly available statistics;</li><li>• compared salary increases to historical increases, taking into account the current economic climate;</li><li>• tested the completeness and accuracy of the employee data used in the actuarial calculation on a sample basis by comparing it to personnel files;</li><li>• assessed the independence, competence and objectivity of the actuaries used by management to calculate the retirement benefit obligations;</li><li>• performed an independent recalculation of the retirement benefit obligation; and</li><li>• performed an independent assessment of unutilisable assets in line with IFRIC 14.</li></ul> <p>Pension assets:</p> <p>For investments which were valued using a valuation model:</p> <ul style="list-style-type: none"><li>• evaluated the assumptions, methodologies and models used by the Group;</li><li>• tested the significant inputs relating to yield, prices and valuation on a sample basis to external sources where available and compared to similar transactions in the marketplace; and</li><li>• recalculated the valuation for a sample of management's modelled securities.</li></ul> <p>Based on the results of the procedures performed, management's valuation of the retirement benefit asset and obligation was not unreasonable.</p>

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### Other information

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

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

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

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### 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.

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### 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.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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



Port of Spain  
Trinidad, West Indies  
25 November 2024

# Massy Holdings Ltd.

## Consolidated Statement of Financial Position

(Expressed in Thousands of Trinidad and Tobago Dollars)

		As at 30 September	
	Notes	2024	2023
		\$	\$
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	5	3,635,867	3,399,878
Right of use assets	6	896,757	769,990
Goodwill	8	1,068,865	1,071,282
Other intangible assets	9	106,581	116,107
Investments in associates and joint ventures	10	105,328	104,014
Trade and other receivables	11	22,002	26,472
Financial assets	12	1,533,367	1,622,259
Deferred income tax assets	13	174,035	151,629
Retirement benefit assets	14	482,798	403,635
		<u>8,025,600</u>	<u>7,665,266</u>
<i>Current assets</i>			
Inventories	15	2,333,614	2,450,402
Trade and other receivables	11	2,328,464	2,344,081
Financial assets	12	836,483	1,406,286
Statutory deposits with regulators	16	82,007	77,656
Cash and cash equivalents	17	1,600,253	1,289,686
Assets classified as held for sale	35	240,761	307,473
		<u>7,421,582</u>	<u>7,875,584</u>
<b>Total assets</b>		<u><u>15,447,182</u></u>	<u><u>15,540,850</u></u>
<b>Equity</b>			
<i>Capital and reserves attributable to equity holders of the parent</i>			
Share capital	18	764,344	764,344
Retained earnings		7,074,119	6,659,025
Other reserves	20	(53,363)	(21,900)
		<u>7,785,100</u>	<u>7,401,469</u>
Non-controlling interests	21	228,345	207,037
<b>Total equity</b>		<u><u>8,013,445</u></u>	<u><u>7,608,506</u></u>

# Massy Holdings Ltd.

## Consolidated Statement of Financial Position (continued)

(Expressed in Thousands of Trinidad and Tobago Dollars)

		As at	
		30 September	
	Notes	2024	2023
		\$	\$
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Borrowings	22	1,385,200	1,487,613
Lease liabilities	6	974,860	795,533
Trade and other payables	24	17,375	8,045
Deferred income tax liabilities	13	359,520	333,683
Customers' deposits	23	279,455	262,400
Retirement benefit obligations	14	112,351	111,605
Provisions for other liabilities and charges		13,494	13,957
		<u>3,142,255</u>	<u>3,012,836</u>
<i>Current liabilities</i>			
Trade and other payables	24	1,789,299	1,943,615
Customers' deposits	23	583,167	604,054
Current income tax liabilities		204,786	215,973
Borrowings	22	1,610,484	2,002,927
Lease liabilities	6	96,115	142,399
Liabilities classified as held for sale	35	7,631	10,540
		<u>4,291,482</u>	<u>4,919,508</u>
<b>Total liabilities</b>		<u>7,433,737</u>	<u>7,932,344</u>
<b>Total equity and liabilities</b>		<u>15,447,182</u>	<u>15,540,850</u>

The notes on pages 18 to 116 are an integral part of these consolidated financial statements.

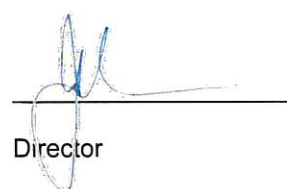
On 19 November 2024, the Board of Directors of Massy Holdings Ltd. authorised these consolidated financial statements for issue.



Director



Director



Director

# Massy Holdings Ltd.

## Consolidated Statement of Profit or Loss

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Year ended 30 September	
		2024 \$	2023 \$
<b>Continuing operations:</b>			
Revenue	3/25	15,723,137	14,195,284
Cost of sales	25	<u>(11,503,716)</u>	<u>(10,182,428)</u>
<b>Gross profit</b>		4,219,421	4,012,856
Administrative expenses	25.2	(1,562,760)	(1,511,806)
Other operating expenses	25.2	(1,561,895)	(1,400,330)
Expected credit losses	25.2	(161,788)	(59,008)
Other income		<u>322,341</u>	<u>352,338</u>
<b>Operating profit before finance cost</b>		1,255,319	1,394,050
Finance cost	27	(291,665)	(217,670)
Finance income	27	<u>52,501</u>	<u>48,883</u>
<b>Operating profit after net finance cost</b>		1,016,155	1,225,263
Share of results of associates and joint ventures	10	<u>119,030</u>	<u>3,792</u>
<b>Profit before income tax</b>		1,135,185	1,229,055
Income tax expense	28	<u>(426,887)</u>	<u>(395,756)</u>
Profit for the year from continuing operations		<u>708,298</u>	<u>833,299</u>
<b>Discontinued operations:</b>			
Profit/(loss) after tax from discontinued operations	35	<u>4,135</u>	<u>(20,367)</u>
Profit/(loss) for the year from discontinued operations		<u>4,135</u>	<u>(20,367)</u>
<b>Profit for the year</b>		<u>712,433</u>	<u>812,932</u>
<b>Owners of the parent:</b>			
Profit for the year from continuing operations		656,464	784,562
Profit/(loss) for the year from discontinued operations	35	<u>4,135</u>	<u>(20,367)</u>
		<u>660,599</u>	<u>764,195</u>
<b>Non-controlling interests:</b>			
Profit for the year from continuing operations	21	<u>51,834</u>	<u>48,737</u>
Profit attributable to non-controlling interests		<u>51,834</u>	<u>48,737</u>
<b>Profit for the year</b>		<u>712,433</u>	<u>812,932</u>
Earnings per share attributable to the owners of the parent during the year (expressed in TT\$ per share):			
Basic earnings per share			
- from continuing operations	29	33.17	39.64
- from discontinued operations	29	<u>0.21</u>	<u>(1.03)</u>
		<u>33.38</u>	<u>38.61</u>

# Massy Holdings Ltd.

## Consolidated Statement of Other Comprehensive Income

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Year ended 30 September	
	2024 \$	2023 \$
<b>Profit for the year</b>	712,433	812,932
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
- remeasurement of defined benefit pension plans	32,711	(37,610)
	<u>32,711</u>	<u>(37,610)</u>
<b>Items that may be subsequently reclassified to profit or loss</b>		
- currency translation differences	(44,615)	46,226
- remeasurement of financial assets at fair value through OCI	44,541	(109,062)
	<u>(74)</u>	<u>(62,836)</u>
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<u>32,637</u>	<u>(100,446)</u>
<b>Total comprehensive income for the year</b>	<u>745,070</u>	<u>712,486</u>
<b>Total comprehensive income for the year attributable to:</b>		
Owners of the parent	695,291	662,756
Non-controlling interests	49,779	49,730
<b>Total comprehensive income for the year</b>	<u>745,070</u>	<u>712,486</u>
<b>Total comprehensive income for the year attributable to owners of the parent, attributable to:</b>		
Continuing operations	691,333	681,815
Discontinued operations	3,958	(19,059)
<b>Total comprehensive income for the year</b>	<u>695,291</u>	<u>662,756</u>

The notes on pages 18 to 116 are an integral part of these consolidated financial statements.

# Massy Holdings Ltd.

## Consolidated Statement of Changes in Equity

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Share capital \$	Other reserves \$	Retained earnings \$	Subtotal attributable to equity holders of the parent \$	Non-controlling interest \$	Total equity \$
<b>Balance at 1 October 2023</b>		764,344	(21,900)	6,659,025	7,401,469	207,037	7,608,506
Profit for the year		--	--	660,599	660,599	51,834	712,433
Other comprehensive income/(loss)		--	(42,603)	77,295	34,692	(2,055)	32,637
Total comprehensive income for the year		--	(42,603)	737,894	695,291	49,779	745,070
Other movements:							
- Other reserve movements	20	--	11,140	(9,463)	1,677	75	1,752
Transactions with owners:							
- Dividends declared	19	--		(313,337)	(313,337)	(28,546)	(341,883)
<b>Balance at 30 September 2024</b>		764,344	(53,363)	7,074,119	7,785,100	228,345	8,013,445



# Massy Holdings Ltd.

## Consolidated Statement of Changes in Equity (continued)

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Share capital \$	Other reserves \$	Retained earnings \$	Subtotal attributable to equity holders of the parent \$	Non-controlling interest \$	Total equity \$
<b>Balance at 1 October 2022</b>		764,344	(67,903)	6,370,513	7,066,954	185,829	7,252,783
Profit for the year		--	--	764,195	764,195	48,737	812,932
Other comprehensive income/(loss)		--	45,201	(146,640)	(101,439)	993	(100,446)
Total comprehensive income for the year		--	45,201	617,555	662,756	49,730	712,486
Other movements:							
- Other reserve movements	20	--	802	(15,706)	(14,904)	(1,680)	(16,584)
Transactions with owners:							
- Purchase of non-controlling interest		--	--	--	--	(1,966)	(1,966)
- Dividends declared	19	--	--	(313,337)	(313,337)	(24,876)	(338,213)
<b>Balance at 30 September 2023</b>		764,344	(21,900)	6,659,025	7,401,469	207,037	7,608,506

		Year ended	
		30 September 2024	30 September 2023
Dividends per share	19	<u>16.78 cents</u>	<u>15.83 cents</u>
Dividends paid per share	19	<u>15.83 cents</u>	<u>15.83 cents</u>

The notes on pages 18 to 116 are an integral part of these consolidated financial statements.

# Massy Holdings Ltd.

## Consolidated Statement of Cash Flows

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Year ended 30 September	
		2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Profit before income tax from continuing operations		1,135,185	1,229,055
Profit before tax from discontinued operations	35	4,261	(20,348)
		<u>1,139,446</u>	<u>1,208,707</u>
Adjustments for:			
Share of results of associates and joint ventures	10	(119,030)	(3,792)
Depreciation and impairment of property, plant and equipment	5	367,340	303,254
Depreciation and impairment of right-of-use asset	6	108,403	106,799
Depreciation and impairment of investment properties	7	--	20,733
Amortisation of other intangible assets	9	28,416	23,466
Unwinding of interest on restoration liability		1,850	295
Gain on disposal of property, plant and equipment		(28,965)	(32,149)
Gain on disposal of associates		(673)	(30,442)
Expected credit losses/impairment expense on financial instruments		161,788	59,008
Gain on other financial instruments		(2,341)	(67)
Employee retirement and other benefits		(45,706)	2,603
Interest expense on borrowings		223,617	159,334
Interest expense on lease liabilities		61,855	56,659
Operating cashflows before changes in working capital		<u>1,896,000</u>	<u>1,874,408</u>
Changes in working capital:			
Decrease/(increase) in inventories		116,788	(365,538)
Increase in trade and other receivables		(126,900)	(512,253)
Decrease in provisions and other charges		(2,314)	(23,432)
Increase in instalment credit		(19,850)	(154,325)
(Decrease)/increase in trade and other payables		(107,033)	229,842
Increase in statutory deposits		(4,351)	(30,002)
(Decrease)/increase in customers' deposits		(3,830)	319,851
		<u>1,748,510</u>	<u>1,338,551</u>
<b>Cash generated from operations</b>		<u>1,748,510</u>	<u>1,338,551</u>
Taxation paid		(399,558)	(320,161)
<b>Net cash generated from operating activities</b>		<u>1,348,952</u>	<u>1,018,390</u>

# Massy Holdings Ltd.

## Consolidated Statement of Cash Flows

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Year ended 30 September	
		2024 \$	2023 \$
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		101,635	66,830
Proceeds on sale of investment properties		--	109,424
Additions to property, plant and equipment	5	(705,736)	(518,065)
Additions to investment properties	7	--	(3,118)
Net change in other financial assets excluding instalment credit and other loans		714,784	(76,419)
Increase in other investments, other intangibles, non-controlling interests and investments in associates and joint ventures		(10,189)	(21,972)
Dividends received from associated companies	10	74,062	13,513
Acquisition of subsidiaries net of cash acquired	34	--	(1,615,047)
Proceeds on sale of associates		673	54,813
<b>Net cash generated from/(used in) investing activities</b>		<u>175,229</u>	<u>(1,990,041)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		2,778,256	3,020,792
Repayments on borrowings		(3,498,607)	(1,522,319)
Repayments on lease liabilities		(156,689)	(147,856)
Purchase of non-controlling interest		--	(1,966)
Dividends paid to company's shareholders	19	(313,337)	(313,337)
Dividends paid to non-controlling interests		(28,546)	(24,876)
<b>Net cash (used in)/generated from financing activities</b>		<u>(1,218,923)</u>	<u>1,010,438</u>
<b>Net increase in cash, cash equivalents</b>		305,258	38,787
<b>Cash, cash equivalents and bank overdrafts at beginning of the year</b>		1,213,843	1,169,333
<b>Effect of exchange rate changes on cash and bank overdrafts</b>		<u>(7,938)</u>	<u>5,723</u>
<b>Cash, cash equivalents and bank overdrafts at end of the year</b>		<u>1,511,163</u>	<u>1,213,843</u>
Cash and short - term funds		1,602,388	1,292,079
Bank overdrafts		(91,225)	(78,236)
		<u>1,511,163</u>	<u>1,213,843</u>
The following amounts are included within cash flows from operating activities:			
Interest income		132,873	119,018
Dividend income from investments		1,592	554
Continuing operations		1,600,253	1,289,686
Reclassified to held for sale		2,135	2,393
		<u>1,602,388</u>	<u>1,292,079</u>

The notes on pages 18 to 116 are an integral part of these consolidated financial statements.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 1 General information

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

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 1 General information (continued)

Integrated Retail	Notes	Country of	Percentage equity capital incorporation held
Massy Integrated Retail Ltd.		Trinidad and Tobago	100%
Arvee Foodmaster Limited		Trinidad and Tobago	100%
Massy Stores (SLU) Ltd.		St. Lucia	60%
Massy Stores (Guyana) Inc.		Guyana	93.64%
Massy Stores (Barbados) Ltd.		Barbados	100%
Price Low Ltd.		Barbados	100%
Massy Stores (SVG) Ltd.		St Vincent	83.33%
Massy Distribution (Jamaica) Limited		Jamaica	100%
Massy Distribution (Guyana) Inc.		Guyana	93.64%
Massy Distribution (Barbados) Ltd.		Barbados	100%
Massy Distribution (St. Lucia) Ltd.		St. Lucia	100%
Massy Distribution (USA) Inc.		United States of America	100%
Knights Limited		Barbados	99.8%
Massy Stores (USA) LLC.		United States of America	100%
Rowe's IGA, LLC		United States of America	100%
Rowe's IGA II, LLC		United States of America	100%
Rowe's IGA III, LLC		United States of America	100%
Rowe's IGA IV, LLC		United States of America	100%
Rowe's IGA V, LLC		United States of America	100%
Rowe's IGA VII, LLC		United States of America	100%
Rowe's IGA VIII, LLC		United States of America	100%
<b>Corporate Services</b>			
Massy Ltd.		Trinidad and Tobago	100%
Massy (Barbados) Ltd.		Barbados	100%
Massy (Guyana) Ltd.		Guyana	93.64%
The Interregional Reinsurance Company Limited		Cayman Islands	100%
Massy Finance (Barbados) Ltd.		Barbados	100%

The Group has subsidiaries whose financial information is consolidated as at 30 September however, these subsidiaries' year-ends are not coterminous with the Group as follows:

	Reporting year end
Massy Motors Colombia S.A.S	31 December
Massy Energy Colombia S.A.S	31 December
Autogalias S.A.S	31 December
Macarena de la Montaña SAS	31 December
Autolux SAS	31 December
Seguros Automontaña Ltda.	31 December
Automontaña S.A.S	31 December
Germania Motors S.A.S	31 December
Auto Orion S.A.S	31 December
Massy Motors Premium S.A.S.	31 December
Massy Motors Rentals S.A.S	31 December
Mazko S.A.S.	31 December

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 1 General information (continued)

	Reporting year end
Massy Motors Costa S.A.S.	31 December
Massy Motors Bogota S.A.S	31 December
Granados Gomez & CIA S.A. Empresa de Servicios Publicos Gas, Gragos S.A. E.S P. (Gragos)	31 December

### 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.

#### 2.1 Basis of preparation

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

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

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

The Group has applied the following amendment for the annual reporting period commencing 1 October 2023:

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 - These amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. With regards to IAS 1, entities are now required to disclose their material rather than their significant accounting policies. The amendments define what is ‘material accounting policy information’ and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting policy information. No accounting policies were added or removed as a result of these amendments.
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction. These amendments require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Standards, amendments and interpretations adopted by the Group (continued)

- Amendment to IAS 12 - International tax reform - pillar two model rules. On 23 May 2023, the IASB issued narrow-scope amendments to IAS 12. The amendments provide a temporary exception from the requirement to recognize and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also introduce targeted disclosure requirements for affected companies. The amendments to IAS 12 are required to be applied immediately (subject to any local endorsement processes) and retrospectively in accordance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', including the requirement to disclose the fact that the exception has been applied if the entity's income taxes will be affected by enacted or substantively enacted tax law that implements the OECD's Pillar Two model rules. The countries in which the Group operates has not adopted the pillar two rules as of 30 September 2024. However, several countries have either announced their intentions to adopt or are in the process of reviewing the requirements. Consequently, there is no impact in the current year. However, this will be reassessed in future periods.

The adoption of these amendments did not have a material impact on the Group.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.1 Basis of preparation (continued)

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

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

- Amendment to IFRS 16 – Leases on sale and leaseback. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Effective for annual reporting periods commencing 1 January 2024.
- Amendment to IAS 1 – Non-current liabilities with covenants. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. Effective for annual reporting periods commencing 1 January 2024.
- Amendment to IAS 7 and IFRS 7 – Supplier finance arrangements. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. Effective for annual reporting periods commencing 1 January 2024.
- Amendments to IAS 21 - Lack of Exchangeability. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Effective for annual periods beginning on or after 1 January 2025.



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.1 Basis of preparation (continued)

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

- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments. These amendments:
  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).Effective for annual reporting periods commencing 1 January 2026.

- IFRS 18 Presentation and Disclosure in Financial Statements. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The group is in the process of evaluating the impact of IFRS 18 on the consolidated financial statement.

Effective for annual reporting periods commencing 1 January 2027.

- IFRS 19 Subsidiaries without Public Accountability Disclosures. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
  - it does not have public accountability; and
  - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Effective for annual reporting periods commencing 1 January 2027.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.2 Consolidation

##### 2.2.1 Subsidiaries

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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

##### 2.2.2 Transactions with non-controlling interests

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.2 Consolidation (continued)

##### 2.2.2 Transactions with non-controlling interests (continued)

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

##### 2.2.3 Associates and Joint ventures

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

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

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

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

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

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

#### 2.3 Segment reporting

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.4 Foreign currency translation

##### 2.4.1 Functional and presentation currency

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

##### 2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

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

Translation differences on non-monetary items such as equities classified as fair value through consolidated other comprehensive income are treated as though they were carried at amortised cost and recognised in the consolidated statement of profit or loss.

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses.

Translation differences on a monetary item designated as a hedging instrument in a cash flow hedge, to the extent that the hedge is effective, are recognised in other comprehensive income. This also occurs for a monetary item that is designated as a hedge of a net investment in consolidated financial statements, to the extent that the hedge is effective.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.4 Foreign currency translation (continued)

##### 2.4.3 Group companies

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

- a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- b) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- c) all resulting exchange differences are recognised in the consolidated statement of other comprehensive income.

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

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

#### 2.5 Property, plant and equipment

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

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.5 Property, plant and equipment (continued)

*Land is not depreciated*

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

Current rates of depreciation are:

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

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

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

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

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

#### 2.6 Leases

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.6 Leases (continued)

##### 2.6.1 The Group as a lessee

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

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

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

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.6 Leases (continued)

##### 2.6.1 The Group as a lessee (continued)

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

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

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

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

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments (or credits) are recognised as an expense (or income) in the period in which the event or condition that triggers those payments occurs. The Group did not have any variable lease payments that do not depend on an index or a rate for the period ended 30 September 2024.

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



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.6 Leases (continued)

##### 2.6.2 The Group as a lessor

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

#### 2.7 Investment properties

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

Investment properties are stated at cost less accumulated depreciation and impairment. Transaction costs are included on initial measurement. The fair values of investment properties are disclosed in Note 35. These are assessed using internationally accepted valuation methods, such as taking comparable properties as a guide to current market prices or by applying the discounted cash flow method. Like property, plant and equipment, investment properties are depreciated using the straight-line method.

The current rate of depreciation is 2%.

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

#### 2.8 Intangible assets

##### 2.8.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill represents the goodwill acquired on acquisition of subsidiaries. Goodwill on acquisition of associates is included in 'Investments in Associates'. Separately recognised goodwill is tested annually for impairment (ref note 2.8.4) and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.8 Intangible assets (continued)

##### 2.8.2 Computer software

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

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

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

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

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

##### 2.8.3 Brands

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

##### 2.8.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.9 Financial assets

##### 2.9.1 Classification

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

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

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

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

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

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

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

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

##### 2.9.2 Recognition and derecognition

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.9 Financial assets (continued)

##### 2.9.3 Measurement

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

##### a) Debt instruments

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

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

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

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

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.9 Financial assets (continued)

##### 2.9.3 Measurement (continued)

###### a) Debt instruments (continued)

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

###### b) Equity instruments

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

##### 2.9.4 Impairment

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

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

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.9 Financial assets (continued)

##### 2.9.4 Impairment (continued)

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

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

Expected credit loss (ECL) is measured as follows:

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

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

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

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

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

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

Expected credit loss measurement Quantitative criteria:

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.9 Financial assets (continued)

##### 2.9.4 Impairment (continued)

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

###### *Qualitative criteria:*

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

- The borrower is deceased
- The borrower is insolvent.
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

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

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

###### *Expected credit loss measurement*

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

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

###### *The general approach*

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.9 Financial assets (continued)

##### 2.9.4 Impairment (continued)

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

###### *The general approach (continued)*

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

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

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

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

A default on a loan occurs in the following circumstances:

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

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

###### c) Trade receivables and contract assets

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

The Group prepares separate calculations for those customers with special arrangements for settlement over an extended period. The Group segregates those customers from the main provision matrix, and thereafter calculates the impairment provision by comparing their carrying values to the present value of expected future cash flows using the discount rates which reflect the counterparty credit risk. The Group derives estimations of future receipts by considering the pattern of historical receipts and/or any formal payment arrangements.

#### 2.10 Inventories

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



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.11 Trade receivables

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 method, less provision for impairment.

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

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

#### 2.12 Cash and cash equivalents

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

#### 2.13 Share capital

Ordinary shares are classified as equity.

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

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

#### 2.14 Trade payables

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

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

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

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

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

#### 2.16 *Borrowings*

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

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.17 Current and deferred income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group's subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.18 Employee benefits

##### 2.18.1 Pension obligations

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

These plans share risks among subsidiaries of the Group which are under common control. The Group's policy is to recognise the net defined benefit cost of the plan in the Consolidated Financial Statements of Massy Holdings Ltd which is legally considered the sponsoring employer of the plan. The participating entities recognise a cost equal to its contribution payable for its employees in its separate financial statements.

The liability or asset is recognised in the Consolidated Statement of Financial Position. In respect of the defined benefit pension plan, as at September 2024, the defined benefit pension plan asset represented the fair value of the plan's asset less the present value of the obligation at the end of the reporting period. The plan is currently on a contribution holiday.

The Neal & Massy Group Pension Fund Plan, contributions to which were frozen on January 3, 1990, is a defined contribution plan whose assets are held separately from those of the Group in an independently administered fund. The pension benefits accrued prior to 1 February 1990 are defined benefit in nature. The most recent actuarial valuation, at March 31, 2023, revealed that the plan is adequately funded. There are certain benefits payable by the Neal & Massy Group Pension Fund Plan which fall within the scope of IAS 19 (revised) – Employee Benefits.

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

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

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

The asset and liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.18 Employee benefits (continued)

##### 2.18.1 Pension obligations (continued)

The Group operates in countries where there is no deep market and trading liquidity for corporate bonds and as such the market rates on government bonds are used as a benchmark to derive prices and bond values.

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

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

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

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

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

##### 2.18.2 Other post-employment obligations

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.18 Employee benefits (continued)

##### 2.18.3 Termination benefits

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

##### 2.18.4 Bonus plans

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

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

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

##### 2.18.5 Share-based payments and long term incentive plan

###### (a) Share-based payments

The Group operates cash and equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for cash or equity instruments of the Group. The fair value of the employee services received in exchange for the allocation or grant of the shares is recognised as an expense under both the Employee Share Ownership Plan ("ESOP").

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.18 Employee benefits (continued)

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

###### (a) Share-based payments (continued)

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

###### (b) Long term incentive plan

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

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

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

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 2 Material accounting policies (continued)

#### 2.19 Provisions

Provisions for dismantlement costs, restructuring costs, legal claims and all other provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 2.20 Revenue recognition

##### 2.20.1 Sale of goods and services

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

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

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

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

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



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.20 Revenue recognition (continued)

##### 2.20.1 Sale of goods and services (continued)

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

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

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

##### 2.20.2 Customer loyalty programme

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 2 Material accounting policies (continued)

#### 2.20 Revenue recognition (continued)

##### 2.20.3 Rental income

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

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

##### 2.20.4 Interest income

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

##### 2.20.5 Dividend income

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

#### 2.21 Dividend distribution

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 3 Segment information

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

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

The Group is organised into four (2023: four) main business segments:

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

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

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

(1) *Integrated retail*

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

(2) *Gas products*

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

(3) *Motors and machines*

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

(4) *Financial services*

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 3 Segment information (continued)

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

The segment results for the year ended 30 September 2024 relating to continuing operations are as follows:

	Integrated Retail \$	Gas Products \$	Motors and Machines \$	Financial Services \$	Corporate Office & Other Adjustments \$	Total \$
Group revenue	10,428,642	2,252,388	3,734,175	170,661	43,059	16,628,925
Inter-segment revenue	(533,669)	(105,774)	(247,533)	(1,161)	(17,651)	(905,788)
Third party revenue	9,894,973	2,146,614	3,486,642	169,500	25,408	15,723,137
Revenue recognised under IFRS 15:						
- At a point in time	10,428,642	1,528,631	3,556,654	170,661	17,651	15,702,239
- Over time	--	200,866	72,135	--	--	273,001
Revenue recognised in accordance with other IFRS standards	--	522,891	105,386	--	25,408	653,685
	10,428,642	2,252,388	3,734,175	170,661	43,059	16,628,925
Operating profit/(loss) before finance costs	757,018	291,714	270,756	75,077	(139,246)	1,255,319
Finance costs – net	(66,734)	(54,954)	(43,044)	404	(74,836)	(239,164)
	690,284	236,760	227,712	75,481	(214,082)	1,016,155
Share of results of associates and joint ventures (Note 10)	--	119,030	--	--	--	119,030
Profit/(loss) before income tax	690,284	355,790	227,712	75,481	(214,082)	1,135,185
Taxation (Note 28)	(198,413)	(149,244)	(77,211)	(23,546)	21,527	(426,887)
Profit/(loss) for the year	491,871	206,546	150,501	51,935	(192,555)	708,298

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 3 Segment information (continued)

The segment results for the year ended 30 September 2023 relating to continuing operations are as follows:

	Integrated Retail \$	Gas Products \$	Motors and Machines \$	Financial Services \$	Corporate Office and Other Adjustments \$	Total \$
Group revenue	9,510,060	1,861,752	3,548,230	163,398	45,343	15,128,783
Inter-segment revenue	(517,477)	(61,177)	(332,929)	--	(21,916)	(933,499)
Third party revenue	8,992,583	1,800,575	3,215,301	163,398	23,427	14,195,284
Revenue recognised under IFRS 15:						
- At a point in time	9,510,060	1,545,454	3,392,109	116,690	18,554	14,582,867
- Over time	--	297,239	64,515	46,708	--	408,462
Revenue recognised in accordance with other IFRS standards	--	19,059	91,606	--	26,789	137,454
	9,510,060	1,861,752	3,548,230	163,398	45,343	15,128,783
Operating profit/(loss) before finance costs	712,673	355,299	306,968	86,178	(67,068)	1,394,050
Finance costs - net	(58,710)	(30,669)	(30,526)	447	(49,329)	(168,787)
	653,963	324,630	276,442	86,625	(116,397)	1,225,263
Share of results of associates and joint ventures (Note 10)	--	18,612	(14,820)	--	--	3,792
Profit/(loss) before income tax	653,963	343,242	261,622	86,625	(116,397)	1,229,055
Taxation (Note 28)	(140,446)	(136,048)	(87,642)	(22,931)	(8,689)	(395,756)
Profit/(loss) for the year	513,517	207,194	173,980	63,694	(125,086)	833,299

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 3 Segment information (continued)

The segment assets and liabilities at 30 September 2024 and capital expenditure for the year then ended are as follows:

	<b>Integrated Retail \$</b>	<b>Gas Products \$</b>	<b>Motors and Machines \$</b>	<b>Financial Services \$</b>	<b>Corporate Office and Other Adjustments \$</b>	<b>Total \$</b>
Total assets	6,443,228	2,906,103	2,447,743	1,245,021	2,405,087	15,447,182
Investments in associates and joint ventures (Note 10)	--	102,723	1,215	--	1,390	105,328
Total liabilities	2,245,402	1,248,081	1,064,326	887,922	1,988,006	7,433,737
Capital expenditure (Notes 5, 6, 7 and 9)	636,612	100,284	202,587	4,282	20,729	964,494

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

Depreciation and impairment (Notes 5, 6 and 7)	219,680	121,549	132,244	3,214	(944)	475,743
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# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 3 Segment Information (continued)

The segment assets and liabilities at 30 September 2023 and capital expenditure for the year then ended are as follows:

	<b>Integrated Retail \$</b>	<b>Gas Products \$</b>	<b>Motors and Machines \$</b>	<b>Financial Services \$</b>	<b>Corporate Office and Other Adjustments \$</b>	<b>Total \$</b>
Total assets	5,879,286	3,515,179	2,355,308	1,246,551	2,544,526	15,540,850
Investments in associates and joint ventures (Note 10)	--	101,374	1,250	--	1,390	104,014
Total liabilities	2,007,135	1,443,345	960,145	910,416	2,611,303	7,932,344
Capital expenditure (Notes 5, 6, 7 and 9)	192,044	175,455	201,164	6,589	39,402	614,654

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

Depreciation and impairment (Notes 5, 6 and 7)	212,027	83,376	106,415	2,914	3,409	408,141
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# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 3 Segment information (continued)

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

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

	Third party revenue		Profit before income tax		Total assets		Capital expenditure	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Trinidad and Tobago	5,398,251	5,090,927	511,971	559,159	7,248,721	7,558,770	248,292	240,316
Barbados and Eastern Caribbean	3,827,635	3,655,867	286,575	264,215	3,164,214	3,178,457	273,555	79,797
Guyana	1,918,594	1,789,626	321,580	303,848	1,723,377	1,624,493	100,477	128,378
Jamaica	1,174,152	895,213	137,989	112,573	974,499	1,038,068	54,888	84,303
Colombia	2,195,720	1,822,736	47,609	34,796	976,465	948,837	78,596	70,960
USA	1,208,785	940,915	43,543	70,861	1,359,906	1,192,225	208,687	10,900
Corporate Office and other adjustments	--	--	(214,082)	(116,397)	--	--	--	--
	15,723,137	14,195,284	1,135,185	1,229,055	15,447,182	15,540,850	964,495	614,654



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 4 Critical accounting estimates and judgements

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

#### a. *Critical accounting estimates and assumptions*

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

##### (i) *Estimated impairment of goodwill*

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

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from approved budgets and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

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

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

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

ECL calculations are shown in Note 33.1.2. Had there been a 10% improvement in the average ECL rate for all debt instruments at amortised cost and FVOCI, the Group ECL allowance would have been lower by \$29,999 (2023: \$14,305).

For receivables greater than 90 days a 3 month delay in cash flow will result in a change in an ECL of \$1.8 million.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

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

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

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

##### (iv) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Current and deferred income tax balances are disclosed in the statement of financial position. Details of the expense for the year are shown in Note 28.

##### (v) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date. The Group uses discounted cash flow analyses for various financial assets at fair value through other comprehensive income that were not traded in active markets. The assumptions and amounts subject to fair value measurements are shown in Note 33.3.

##### (vi) Revenue recognition

Once the Group determines that a performance obligation is satisfied over time, it measures its progress towards complete satisfaction of that performance obligation, in order to determine the timing of revenue recognition. The purpose of measuring progress towards satisfaction of a performance obligation is to recognise revenue in a pattern that reflects the transfer of control of the promised good or service to the customer. Management employs various input or output methods for measuring progress ensuring that the selected approach best depicts the transfer of control of goods or services and applies that method consistently to similar performance obligations and in similar circumstances. Revenue from the rendering of services is disclosed in Note 25.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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

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

##### (vii) *Pension benefits*

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

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

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

As at 30 September 2024, if the discount rate had been 1.0% higher or lower with all other variables held constant, the carrying amount of pension benefits would have been \$241,381 lower or \$205,418 higher (2023: \$241,109 lower or \$205,663 higher).

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 5 Property, plant and equipment

	Freehold Properties \$	Leasehold properties and improvements \$	Plant and equipment \$	Rental assets \$	Furniture and fixtures \$	Motor vehicles \$	Capital work in progress \$	Total \$
<b>Year ended 30 September 2024</b>								
Opening net book amount	1,337,730	374,469	971,602	300,192	141,944	148,490	125,451	3,399,878
Additions	206,261	36,949	103,542	121,174	23,565	45,461	168,784	705,736
Disposals and adjustments	(34,246)	(2,203)	(1)	(22,990)	(447)	(12,351)	(431)	(72,669)
Translation adjustments	(11,002)	(2,303)	(10,018)	(3,404)	(649)	(1,445)	(917)	(29,738)
Transfer from capital work in progress	29,659	6,294	56,455	1,584	13,986	7,328	(115,306)	--
Depreciation and impairment charge	(25,856)	(33,935)	(148,718)	(90,249)	(32,500)	(36,082)	--	(367,340)
Closing net book amount	1,502,546	379,271	972,862	306,307	145,899	151,401	177,581	3,635,867
<b>At 30 September 2024</b>								
Cost	1,766,729	626,130	2,412,912	586,334	438,910	353,993	177,581	6,362,589
Accumulated depreciation	(264,183)	(246,859)	(1,440,050)	(280,027)	(293,011)	(202,592)	--	(2,726,722)
Net book amount	1,502,546	379,271	972,862	306,307	145,899	151,401	177,581	3,635,867

The net book amount of property, plant and equipment includes \$2,069 (2023: \$2,128) in respect of motor vehicles held under finance leases.

Depreciation and impairment expenses of \$151,808 (2023: \$77,557) have been charged in cost of sales and \$215,532 (2023: \$225,697) in 'selling, general and administrative expenses'.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

	Freehold Properties \$	Leasehold properties and improvements \$	Plant and equipment \$	Rental assets \$	Furniture and fixtures \$	Motor vehicles \$	Capital work in progress \$	Total \$
<b>Year ended 30 September 2023</b>								
Opening net book amount	1,290,370	231,594	459,457	236,081	81,059	89,873	140,326	2,528,760
Additions	15,674	15,911	123,892	146,905	19,030	41,449	155,204	518,065
Acquisition of subsidiaries (Note 34)	--	170,863	425,914	--	43,950	32,558	11,823	685,108
Disposals and adjustments	59,960	(55,318)	(87,006)	(19,778)	55,274	(4,381)	16,568	(34,681)
Translation adjustments	11,391	1,816	866	9,756	456	1,208	384	25,877
Transfer from capital work in progress	22,123	16,173	118,685	1,652	17,574	20,867	(197,074)	--
Reclassified to held for sale (Note 35)	(12,434)	--	(3,814)	--	(565)	(1,404)	(1,780)	(19,997)
Depreciation and impairment charge	(49,354)	(6,570)	(66,392)	(74,424)	(74,834)	(31,680)	--	(303,254)
Closing net book amount	1,337,730	374,469	971,602	300,192	141,944	148,490	125,451	3,399,878
<b>At 30 September 2023</b>								
Cost	1,597,580	589,979	2,339,676	564,925	418,510	335,355	125,451	5,971,476
Accumulated depreciation	(259,850)	(215,510)	(1,368,074)	(264,733)	(276,566)	(186,865)	--	(2,571,598)
Net book amount	1,337,730	374,469	971,602	300,192	141,944	148,490	125,451	3,399,878
<b>At 1 October 2022</b>								
Cost	1,517,344	441,674	1,326,088	442,794	282,920	238,098	140,326	4,389,244
Accumulated depreciation	(226,974)	(210,080)	(866,631)	(206,713)	(201,861)	(148,225)	--	(1,860,484)
Net book amount	1,290,370	231,594	459,457	236,081	81,059	89,873	140,326	2,528,760

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 6 Leases

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

#### 6.1 Right-of-use assets

	Buildings \$	Vehicles and Equipment \$	Other \$	Total \$
<b>Year ended 30 September 2024</b>				
Opening net book amount	728,613	657	40,720	769,990
Exchange adjustment	(3,226)	(69)	(16)	(3,311)
Additions	228,928	3,492	6,591	239,011
Disposals and adjustments	1,950	--	920	2,870
Effect of modification to lease terms	(3,700)		300	(3,400)
Depreciation charge	(99,024)	(989)	(8,390)	(108,403)
At end of year	<u>853,541</u>	<u>3,091</u>	<u>40,125</u>	<u>896,757</u>
Cost	1,168,245	9,432	76,015	1,253,692
Accumulated depreciation	(314,704)	(6,341)	(35,890)	(356,935)
At end of year	<u>853,541</u>	<u>3,091</u>	<u>40,125</u>	<u>896,757</u>
<b>Year ended 30 September 2023</b>				
Opening net book amount	734,620	1,784	33,131	769,535
Exchange adjustment	7,138	34	5	7,177
Additions	68,448	--	10,341	78,789
Acquisition of subsidiaries (Note 34)	140,194	80	5,486	145,760
Disposals and adjustments	1,069	(203)	(850)	16
Effect of modification to lease terms	(124,488)	--	--	(124,488)
Depreciation charge	(98,368)	(1,038)	(7,393)	(106,799)
At end of year	<u>728,613</u>	<u>657</u>	<u>40,720</u>	<u>769,990</u>
Cost	980,136	6,183	73,155	1,059,474
Accumulated depreciation	(251,523)	(5,526)	(32,435)	(289,484)
At end of year	<u>728,613</u>	<u>657</u>	<u>40,720</u>	<u>769,990</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 6 Leases (continued)

6.2 Lease liabilities	2024 \$	2023 \$
Opening net book amount	937,932	922,672
Translation adjustments	(3,965)	7,963
Additions	239,011	78,485
Repayments	(94,834)	(91,197)
Acquisition of subsidiary (Note 34)	--	146,943
Effect of modifications of lease terms*	(3,400)	(125,617)
Disposals and adjustments	(3,769)	(1,317)
Closing net book amount	<u>1,070,975</u>	<u>937,932</u>
Current	96,115	142,399
Non-current	<u>974,860</u>	<u>795,533</u>
	<u>1,070,975</u>	<u>937,932</u>

\* During the 2023 financial year, Massy Integrated Retail Ltd. conducted an exercise assessing the reasonability of exercising their lease extension options. Based on the review, six leases were identified to be remeasured for a modification of the lease term.

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

Interest expense on lease liabilities (Note 27)	61,855	56,659
Depreciation charge on right-of-use assets	108,403	106,799
Expense relating to short-term leases	45,328	30,440
Expense relating to leases of low value assets not included above	<u>1,802</u>	<u>140</u>
	<u>217,388</u>	<u>194,038</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 7 Investment properties

	2024 \$	2023 \$
Movement analysis:		
Opening net book amount	--	297,821
Translation adjustments	--	226
Additions	--	3,118
Disposals	--	(109,424)
Depreciation	--	(20,733)
Reclassified to held for sale (Note 35)	--	(175,736)
Other adjustments	--	4,728
Closing net book amount	--	--

- The fair value of the investment properties amounted to \$155,400 (2023: \$210,589). All investment properties have been reclassified to held for sale (Note 35).
- The fair value amount was either:
  1. valued by independent, professionally qualified valuers; or
  2. asserted via a Management's valuation based on:
    - references to properties in similar areas and condition;
    - correspondence from valuers which supports that there has not been significant movement in terms of market prices;
    - the directors' independent FV assessment based on a calculation if the property is tenanted;
    - re-assessment of any assumptions made in the last valuation and whether there were or should have been any changes and any other factors which support management's position that the FV continues to be relevant and appropriate.
- The property rental income earned by the Group during the year from its investment properties, amounted to \$2,043 (2023: \$6,995).
- Direct operating expenses arising on the investment properties which generated revenue during the year amounted to \$3,907 (2023 \$9,014). There were no costs in the current year.
- There were no direct operating expenses arising on the investment properties which did not generate revenue during the current and prior year.



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

8 Goodwill	2024 \$	2023 \$
Cost	1,234,367	1,234,367
Accumulated translation adjustments	(9,559)	(7,142)
Accumulated impairment	(155,943)	(155,943)
Net book amount	<u>1,068,865</u>	<u>1,071,282</u>
Movement analysis:		
Opening net book amount	1,071,282	168,200
Translation adjustments	(2,417)	502
Additions (Note 34)	--	902,580
Closing net book amount	<u>1,068,865</u>	<u>1,071,282</u>

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

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

Motors and machines	105,223	105,223
Integrated retail	219,268	220,776
Gas products	744,374	745,283
	<u>1,068,865</u>	<u>1,071,282</u>

In assessment of the impairment of goodwill the recoverable amount of cash generating units is determined based on value-in-use.

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

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

	2024		2023	
	Growth Rate <sup>1</sup>	Discount Rate <sup>2</sup>	Growth Rate <sup>1</sup>	Discount Rate <sup>2</sup>
Motors and machines	3.00%	14.40%	3.13%	12.25%
Gas products	3.00%	10.95% - 11.13%	1.11%	6.96%-12.39%
Integrated retail	0%	6.44% - 9.63%	0%	6.38%-10.72%

<sup>1</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>2</sup> Pre-tax discount rate applied to the cash flow projections in determining the value-in-use (VIU).

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 8 Goodwill (continued)

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

The value in use calculation is based on a discounted cash flow model. The expected future cash flows are derived from approved budgets and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model, the expected future cash inflows and the growth rate used for extrapolation purposes.

### 9 Other intangible assets

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

	2024 \$	2023 \$
Opening net book value	116,107	63,417
Translation adjustments	(846)	2,969
Additions for the year	19,747	14,682
Acquisition of subsidiaries (Note 34)	--	55,992
Amortisation charge for the year	(28,416)	(23,466)
Other adjustments	(11)	2,513
Net book amount	<u>106,581</u>	<u>116,107</u>
Cost	249,325	232,446
Accumulated amortisation	<u>(142,744)</u>	<u>(116,339)</u>
Net book amount	<u>106,581</u>	<u>116,107</u>

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

10 Investments in associates and joint ventures	2024 \$	2023 \$
Investment and advances	118,939	118,939
Share of post-acquisition reserves	(13,611)	(14,925)
	<u>105,328</u>	<u>104,014</u>
Movement analysis:		
Balance at beginning of year	104,014	140,228
Translation adjustments	(14)	78
Share of results before tax	119,030	3,792
Share of tax	(34,117)	(6,358)
Dividends received	(74,062)	(13,513)
Disposal of associates	(9,547)	(24,371)
Additional investments and advances	--	4,778
Other	24	(620)
Balance at end of year	<u>105,328</u>	<u>104,014</u>
Analysed as:		
Individually material associates and joint ventures	102,723	86,551
Individually immaterial associates and joint ventures	2,605	17,463
	<u>105,328</u>	<u>104,014</u>
<i>Share of profit before tax of associates and joint ventures</i>		
Continuing operations	<u>119,030</u>	<u>3,792</u>
	<u>119,030</u>	<u>3,792</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

	2024 Caribbean Industrial Gases Unlimited			2023 Caribbean Industrial Gases Unlimited		
	Massy Wood \$	Total \$		Massy Wood \$	Total \$	
<i>Summarised financial position:</i>						
Current assets	293,311	85,484	378,795	249,082	64,570	313,652
Non-current assets	17,721	--	17,721	16,181	19,513	35,694
Current liabilities	(136,027)	(37,402)	(173,429)	(104,416)	(24,256)	(128,672)
Non-current liabilities	--	--	--	--	(19,385)	(19,385)
Net assets	175,005	48,082	223,087	160,847	40,442	201,289
<i>Reconciliation to net carrying amounts:</i>						
Group share of joint ventures (%)	50%	50%		50%	50%	
Group share of joint ventures (\$)	87,502	24,041	111,543	80,423	20,221	100,644
Goodwill	727	--	727	727	--	727
Impairment	--	(9,547)	(9,547)	--	--	--
	88,229	14,494	102,723	81,150	20,221	101,371

#### Other information

Both Massy Wood and Caribbean Industrial Gases Unlimited are Joint Ventures of Massy Holdings and are incorporated in Trinidad and Tobago.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

	Massy Wood \$	Caribbean Industrial Gases Unlimited \$	Curbo \$	Total \$
<i>Summarised statement of comprehensive income</i>				
<b>As at 30 September 2024</b>				
Revenue	798,003	28,269	--	826,272
Depreciation and amortisation	(9,421)	--	--	(9,421)
Interest expense	(11)	--	--	(11)
Profit before tax	33,935	204,125	--	238,060
Tax	(6,812)	(61,422)	--	(68,234)
Profit after tax	27,123	142,703	--	169,826
<b>Reconciliation to profit or loss:</b>				
Group share of joint ventures (%)	50%	50%	--	--
Group share of profit/(loss) before impairment expenses	16,967	102,063	--	119,030
Group share of profit/(loss) before tax	16,967	102,063	--	119,030
Income tax expense	(3,406)	(30,711)	--	(34,117)
Group share of profit/(loss) for the year	13,561	71,352	--	84,913
<i>Summarised statement of comprehensive income</i>				
<b>As at 30 September 2023</b>				
Revenue	664,333	39,991	--	704,324
Depreciation and amortisation	(11,419)	--	--	(11,419)
Interest expense	(29)	(877)	--	(906)
Profit before tax	33,042	4,182	--	37,224
Tax	(10,196)	(2,520)	--	(12,716)
Profit after tax	22,846	1,662	--	24,508
<b>Reconciliation to profit or loss:</b>				
Group share of joint ventures (%)	50%	50%	19.55%	
Group share of profit/(loss) before impairment expenses	16,521	2,091	--	18,612
Group investment impairment	--	--	(14,820)	(14,820)
Group share of profit/(loss) before tax	16,521	2,091	(14,820)	3,792
Income tax expense	(5,098)	(1,260)	--	(6,358)
Group share of profit/(loss) for the year	11,423	831	(14,820)	(2,566)

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

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

Both Massy Wood Group and Curbo have year ends that are not coterminous with the group's year-end i.e. 31 December however separate financial statements are prepared as of 30 September for the purpose of equity accounting into the group's consolidated financial statements.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

11 Trade and other receivables	2024 \$	2023 \$
Trade receivables	1,414,688	1,395,449
Receivables with related parties	8,060	15,478
Less: Provision for impairment of receivables (Note 33.1.2)	<u>(252,018)</u>	<u>(106,102)</u>
Trade receivables - net	<u>1,170,730</u>	<u>1,304,825</u>
Contract assets (Note 11.1)	139,301	151,862
Less: provision for impairment of contract assets (Note 11.1)	(81)	(81)
Prepayments	164,012	133,231
Other debtors	878,563	782,644
Less: provision for impairment of other debtors (Note 33.1.2)	<u>(2,059)</u>	<u>(1,928)</u>
Other debtors and prepayments - net	<u>1,179,736</u>	<u>1,065,728</u>
	<u>2,350,466</u>	<u>2,370,553</u>
Non-current portion	22,002	26,472
Current portion	<u>2,328,464</u>	<u>2,344,081</u>
	<u>2,350,466</u>	<u>2,370,553</u>
11.1 <i>Contract assets comprises:</i>		
Unbilled income	99,229	109,072
Assets recognised from costs to fulfil a contract	112	107
Service contracts	<u>39,879</u>	<u>42,602</u>
	<u>139,220</u>	<u>151,781</u>

The contract assets and other debtors are subjected to impairment testing under IFRS 9. The basis for impairment is explained in Note 33.1.2.

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

12 Financial assets	2024 \$	2023 \$
<b>At amortised cost:</b>		
- Bonds	387,455	564,993
- Less: provision for impairment of bonds	(1,515)	(939)
- Instalment credit, hire purchase receivables and other accounts	778,237	776,530
- Less: provision for impairment of instalment credit, hire purchase receivables and other accounts	(42,247)	(31,633)
	<u>1,121,930</u>	<u>1,308,951</u>
<b>Fair value through profit or loss:</b>		
- Listed equities	1,623	8,473
- Unlisted equities	212	212
- Investment funds	213,778	139,419
- Structured notes	--	56,537
	<u>215,613</u>	<u>204,641</u>
<b>Fair value through other comprehensive income:</b>		
- Bonds and treasury bills	931,548	1,424,771
- Less: provision for impairment of bonds and Treasury Bills	(347)	(293)
- Unlisted equities	101,106	90,475
	<u>1,032,307</u>	<u>1,514,953</u>
<b>Total</b>	<u>2,369,850</u>	<u>3,028,545</u>
Non-current portion	1,533,367	1,622,259
Current portion	<u>836,483</u>	<u>1,406,286</u>
	<u>2,369,850</u>	<u>3,028,545</u>

### 12.1 Finance leases

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

Not later than 1 year	3,276	4,274
Later than 1 year but not later than 5 years	<u>2,742</u>	<u>3,183</u>
	6,018	7,457
Unearned finance charges on finance leases	(6)	(22)
Net investment on finance leases	<u>6,012</u>	<u>7,435</u>
Not later than 1 year	3,276	4,261
Later than 1 year but not later than 5 years	<u>2,736</u>	<u>3,174</u>
	<u>6,012</u>	<u>7,435</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

**30 September 2024**

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

### 13 Deferred income tax

Deferred income taxes are calculated in full, on temporary differences under the liability method using a principal tax rate of 30% (2023: 30%).

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

#### *Deferred income tax assets*

	<b>Accelerated depreciation \$</b>	<b>Tax losses \$</b>	<b>Leases \$</b>	<b>Pension \$</b>	<b>Other \$</b>	<b>Total \$</b>
<b>Year ended 30 September 2024</b>						
At beginning of year	44,161	17,036	39,657	18,173	32,602	151,629
Credit/(charge) to profit or loss	5,026	26,410	1,553	3,314	(5,099)	31,204
Exchange adjustment	(214)	(356)	(207)	--	(1,123)	(1,900)
Other movements	(3,084)	(2,937)	(69)	(136)	(672)	(6,898)
At end of year	<u>45,889</u>	<u>40,153</u>	<u>40,934</u>	<u>21,351</u>	<u>25,708</u>	<u>174,035</u>
<b>Year ended 30 September 2023</b>						
At beginning of year	15,904	18,029	38,639	15,864	45,454	133,890
Credit/(charge) to profit or loss	5,034	(724)	904	1,145	(2,371)	3,988
Exchange adjustment	61	158	84	2	4,210	4,515
Acquisition of subsidiary (Note 34)	1,162	--	--	--	--	1,162
Other movements	22,000	(427)	30	1,162	(14,691)	8,074
At end of year	<u>44,161</u>	<u>17,036</u>	<u>39,657</u>	<u>18,173</u>	<u>32,602</u>	<u>151,629</u>

Deferred tax assets are recognised for tax losses carried-forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group does not have any unrecorded deferred tax asset for unutilised losses at 30 September 2024.



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 13 Deferred income tax (continued)

#### Deferred income tax liabilities

	Accelerated depreciation \$	Pension plan surplus \$	Other \$	Total \$
<b>Year ended 30 September 2024</b>				
At beginning of year	153,520	120,173	59,990	333,683
Charge/(credit) to profit or loss	19,458	(873)	(2,237)	16,348
Exchange adjustment	(784)	(105)	(1,351)	(2,240)
Other movements	88	24,069	(12,428)	11,729
At end of year	<u>172,282</u>	<u>143,264</u>	<u>43,974</u>	<u>359,520</u>
<b>Year ended 30 September 2023</b>				
At beginning of year	51,419	138,092	34,699	224,210
Credit to profit or loss	(7,269)	(5,712)	(386)	(13,367)
Exchange adjustment	(38)	47	2,959	2,968
Acquisition of subsidiary (Note 34)	88,017	--	--	88,017
Reclassified to held for sale (Note 35)	(66)	--	--	(66)
Other movements	21,457	(12,254)	22,718	31,921
At end of year	<u>153,520</u>	<u>120,173</u>	<u>59,990</u>	<u>333,683</u>

### 14 Retirement benefit assets/obligations

	2024 \$	2023 \$
<i>Retirement benefit assets</i>		
Neal & Massy Group Pension Fund Plan	413,282	360,078
Overseas plans – Other	<u>69,516</u>	<u>43,557</u>
	<u>482,798</u>	<u>403,635</u>

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

#### Neal & Massy Group Pension Fund Plan

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

Fair value of plan assets	1,805,887	1,754,393
Present value of obligation	<u>(1,392,605)</u>	<u>(1,394,315)</u>
Asset in the statement of financial position	<u>413,282</u>	<u>360,078</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

#### Neal & Massy Group Pension Fund Plan (continued)

	2024 \$	2023 \$
The movement in the present value of the defined benefit obligation is as follows:		
Opening present value of defined benefit obligation	1,394,315	1,323,001
Current service cost	39,564	38,475
Interest cost	82,078	64,831
Actuarial (gains)/losses on obligation	(70,653)	20,778
Benefits paid	<u>(52,699)</u>	<u>(52,770)</u>
Closing present value of defined benefit obligation at 30 September	<u>1,392,605</u>	<u>1,394,315</u>

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

Opening fair value of plan assets	1,754,393	1,838,122
Expected return on plan assets	104,188	84,265
Actuarial losses on plan assets	(16,832)	(131,969)
Employer contribution	16,837	16,745
Benefits paid	<u>(52,699)</u>	<u>(52,770)</u>
Closing fair value of plan assets at 30 September	<u>1,805,887</u>	<u>1,754,393</u>

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

Current service cost	39,564	38,475
Net interest cost	<u>(22,110)</u>	<u>(19,434)</u>
Total included in profit or loss	<u>17,454</u>	<u>19,041</u>
Actuarial (gains)/losses recognised in other comprehensive income before tax	<u>(53,821)</u>	<u>17,929</u>

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

Asset at beginning of year	360,078	380,303
Net pension expense	(17,454)	(19,041)
Employer contribution	16,837	16,745
Actuarial gains/(losses)	<u>53,821</u>	<u>(17,929)</u>
Asset at end of year	<u>413,282</u>	<u>360,078</u>

The principal actuarial assumptions used were:

	Per annum	Per annum
Discount rate	6%	6%
Future salary increases	6%	6%
Future pension increases – post retirement	5%	5%
Sensitivity – change in discount rate	1% increase	1% increase
Sensitivity impact	<u>(205,418)</u>	<u>(205,663)</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

	2024	2023
Plan assets are comprised as follows:		
Local equities/mutual funds	24%	31%
Local bonds/mortgages	18%	16%
Foreign investments	54%	48%
Deferred annuities/insurance policy	3%	3%
Short-term securities/cash/accrued income	1%	2%

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

Male	81	81
Female	85	85

*Overseas plans – I.G.L. Limited, HD Hopwood Jamaica & Massy Guyana Staff Pension Fund Plans*

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

	2024	2023
	\$	\$
Fair value of plan assets	434,805	464,091
Present value of the defined benefit obligation	<u>(271,788)</u>	<u>(270,571)</u>
	163,017	193,520
Unutilisable asset	<u>(93,501)</u>	<u>(149,961)</u>
Asset recognised in the statement of financial position	<u>69,516</u>	<u>43,559</u>

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

Opening present value of defined benefit obligation	270,571	183,657
Current service cost	6,773	27,026
Interest cost	21,483	14,051
Plan participant contributions	7,387	6,388
Actuarial losses on obligation	(18,779)	51,924
Exchange differences on foreign plans	(4,398)	(996)
Benefits paid	<u>(11,249)</u>	<u>(11,479)</u>
Closing present value of defined benefit obligation	<u>271,788</u>	<u>270,571</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

Overseas plans – I.G.L. Limited, HD Hopwood Jamaica & Massy Guyana Staff Pension Fund Plans  
(continued)

	2024 \$	2023 \$
The movement in the fair value of plan assets for the year is as follows:		
Opening fair value of plan assets	464,091	451,075
Income from discount rate on utilisable plan assets	31,926	18,048
Actual return on assets greater than above	(54,556)	10,452
Assets disbursed on settlement	--	(9,682)
Exchange differences on foreign plans	(7,720)	(5,152)
Employer contributions	5,218	4,662
Plan participant contributions	7,387	6,388
Administration expenses	(292)	(221)
Benefits paid	<u>(11,249)</u>	<u>(11,479)</u>
Closing fair value of plan assets at 30 September	<u>434,805</u>	<u>464,091</u>

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

Current service cost	6,773	6,386
Net interest cost	(10,443)	(3,997)
Administration expenses	292	221
Curtailments and settlements	<u>--</u>	<u>9,682</u>
Total included in other income	<u>(3,378)</u>	<u>12,292</u>

Actual return on plan assets	<u>(22,630)</u>	<u>(45,465)</u>
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Movement in the asset recognised in the consolidated statement of financial position:

Asset at beginning of year	43,559	36,537
Actuarial losses recognised in other comprehensive	17,361	(38,675)
Net pension income/(expense)	3,378	41,035
Employer contributions	<u>5,218</u>	<u>4,662</u>
Asset at end of year	<u>69,516</u>	<u>43,559</u>

Actuarial (gains)/losses recognised in other comprehensive income

<u>(17,361)</u>	<u>38,675</u>
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The principal actuarial assumptions used were:

	Per annum	Per annum
Discount rate	5%-11%	5%-13%
Future salary increases	5%-10.5%	5%-11%
Future national insurance increases	4%	4%
Future pension increases	2%-6%	2%-5.5%
Future bonuses	0%-2%	0%-2%

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

	2024 \$	2023 \$
<i>Retirement benefit obligations</i>		
Massy Holdings/BS&T/Hopwood – medical pension plan	(150,163)	(147,926)
Barbados Shipping & Trading (BS&T) – pension plan	<u>37,812</u>	<u>36,321</u>
	<u>(112,351)</u>	<u>(111,605)</u>

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

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

Fair value of plan assets	596,687	586,753
Present value of the defined benefit obligation	<u>(500,485)</u>	<u>(494,497)</u>
	96,202	92,256
Unrecognised asset due to limit	<u>(58,390)</u>	<u>(55,935)</u>
Asset in the statement of financial position	<u>37,812</u>	<u>36,321</u>

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

Opening present value of defined benefit obligation	494,497	503,722
Current service cost	4,153	4,754
Interest cost	37,106	37,888
Past service cost	--	(3,591)
Actuarial gains on obligation	2,655	(9,463)
Exchange differences on foreign plans	(699)	1,147
Benefits paid	<u>(37,227)</u>	<u>(39,960)</u>
Closing present value of defined benefit obligation at 30 September	<u>500,485</u>	<u>494,497</u>

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

Opening fair value of plan assets	586,753	595,711
Income from discount rate on utilisable plan assets	40,182	41,273
Actual return on assets less than above	(7,327)	(20,177)
Administration expenses	(125)	(121)
Employer contributions	15,253	8,662
Exchange differences	(822)	1,365
Benefits paid	<u>(37,227)</u>	<u>(39,960)</u>
Closing fair value of plan assets at 30 September	<u>596,687</u>	<u>586,753</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

	2024 \$	2023 \$
<b>Barbados Shipping &amp; Trading (BS&amp;T) – pension plan (continued)</b>		
The amounts recognised in the consolidated statement of profit or loss are as follows:		
Current service cost	4,153	4,754
Net interest income	(3,076)	(3,385)
Past service cost	--	(3,591)
Administration expenses	<u>125</u>	<u>121</u>
Income recognised in the statement of profit or loss	<u>1,202</u>	<u>(2,101)</u>
Actual return on plan assets	<u>(32,855)</u>	<u>(21,096)</u>
Liability at beginning of year	36,321	44,077
Expense recognised in other comprehensive income	(12,560)	(18,519)
Net pension income	(1,202)	2,101
Contributions paid	<u>15,253</u>	<u>8,662</u>
Asset at end of year	<u>37,812</u>	<u>36,321</u>

	2024 Per annum	2023 Per annum
The principal actuarial assumptions used were:		
Discount rates	7.75%	7.75%
Future salary increases	5.75%	5.75%
Future NIS increases	3.5%	3.5%
Future pension increases – past service	0.75%	0.75%
Future pension increases – future service	0.75%	0.75%

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

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

	2024	2023
Male	83	83
Female	86	86

#### *BS&T – medical plans*

The principal actuarial assumptions used were:

	2024 Per annum	2023 Per annum
Discount rate	7.75%	7.75%
Annual increase in health care	4.5%	4.5%

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

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

	2024	2023
The amounts recognised in the statement of financial position are as follows: \$	\$	\$
Present value of the defined benefit obligation	<u>(150,163)</u>	<u>(147,926)</u>
Liability recognised in the statement of financial position	<u>(150,163)</u>	<u>(147,926)</u>

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

Opening present value of defined benefit obligation	(147,926)	(121,792)
Current service cost	(7,519)	(13,102)
Interest cost	(12,163)	(8,913)
Actuarial gains on obligation	(4,373)	(8,520)
Past service cost	(49)	1,049
Liabilities extinguished on curtailment	16,349	--
Exchange differences on foreign plans	559	(1,194)
Benefits paid	<u>4,959</u>	<u>4,546</u>
Closing present value of defined benefit obligation	<u>(150,163)</u>	<u>(147,926)</u>

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

Current service cost	(7,519)	(6,224)
Net interest cost	(12,163)	(8,913)
Past Service cost	<u>(49)</u>	<u>1,049</u>
Total income recognised in consolidated statement of profit or loss	<u>(19,731)</u>	<u>(14,088)</u>

The amounts recognised in other comprehensive income:

Actuarial gains/(losses) recognised in other comprehensive income	<u>4,373</u>	<u>8,520</u>
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The principal actuarial assumptions used were:

	2024	2023
	Per annum	Per annum
<b>Barbados Shipping &amp; Trading (BS&amp;T)</b>		
Discount rate	7.75%	7.75%
Annual Increases in Healthcare Costs	4.5%	4.5%
<b>Hopwood Medical Fund Plan</b>		
Discount rate	11%	13%
Annual increases in healthcare costs	10.5%	12.5%
<b>Neal &amp; Massy Group Medical Fund Plan</b>		
Discount rate	6%	6%
Annual increases in healthcare costs	5%	4%

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

15 Inventories	Gross \$	Provision \$	2024 \$
Finished goods and goods for resale	2,060,321	(64,663)	1,995,658
Goods in transit	285,352	--	285,352
Raw materials and consumables	62,432	(28,066)	34,366
Work in Progress	18,283	(45)	18,238
	<u>2,426,388</u>	<u>(92,774)</u>	<u>2,333,614</u>
	<b>Gross \$</b>	<b>Provision \$</b>	<b>2023 \$</b>
Finished goods and goods for resale	2,248,322	(76,614)	2,171,708
Goods in transit	212,361	--	212,361
Raw materials and consumables	57,471	(6,348)	51,123
Work in Progress	17,010	(1,800)	15,210
	<u>2,535,164</u>	<u>(84,762)</u>	<u>2,450,402</u>

The cost of inventories recognised in expense and included in cost of sales amounted to \$10,630,552 (2023: \$9,490,379).

### 16 Statutory deposits with regulators

This solely relates to Massy Finance GFC Ltd. The Financial Institutions Act, 2008 requires that every non-banking financial institution licensed under the Act in the Republic of Trinidad and Tobago hold and maintain a non-interest bearing deposit account with the Central Bank of Trinidad and Tobago equivalent to 9% of the total deposit liabilities of that institution. As at 30 September 2024 and 2023, Massy Finance GFC Ltd complied with the above requirement.

17 Cash and cash equivalents	2024 \$	2023 \$
Cash at Hand and in bank	1,559,391	1,249,196
Short term bank deposit	40,862	40,490
	<u>1,600,253</u>	<u>1,289,686</u>

Deposits have an average maturity of less than 90 days.

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

Cash and cash equivalents	1,600,253	1,289,686
Bank overdrafts (Note 22)	(91,225)	(78,236)
Cash, net of bank overdrafts	<u>1,509,028</u>	<u>1,211,450</u>



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 18 Share capital

	Number of shares # '000	Ordinary shares \$	Total \$
<b>At 30 September 2024</b>	<u>1,979,385</u>	<u>764,344</u>	<u>764,344</u>
<b>At 30 September 2023</b>	<u>1,979,385</u>	<u>764,344</u>	<u>764,344</u>

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

### 19 Dividends per share

	2024 \$	2023 \$
Interim paid: 2024 – 3.15 cents per share (2023 – 3.15 cents)	62,351	62,351
Final paid: 2023 – 12.68 cents per share (2022 – 12.68 cents)	<u>250,986</u>	<u>250,986</u>
	<u>313,337</u>	<u>313,337</u>

On 19 November 2024 the Board of Directors of Massy Holdings Ltd. declared a final dividend per share of 13.63 cents, bringing the total dividends per share for the financial year ended 30 September 2024 to 16.78 cents (2023 – 15.83 cents).

### 20 Other reserves

	Translation reserve \$	Catastrophe reserve (Note 20.2) \$	Statutory and general banking reserves (Note 20.1) \$	Other amounts \$	Total \$
<b>As at 30 September 2024</b>					
Balance at beginning of year	(162,057)	345,853	17,390	(223,086)	(21,900)
Currency translation adjustments	(42,603)	--	--	--	(42,603)
Other reserve movements	--	18,834	--	(7,694)	11,140
Balance at the end of year	<u>(204,660)</u>	<u>364,687</u>	<u>17,390</u>	<u>(230,780)</u>	<u>(53,363)</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 20 Other reserves (continued)

	Translation reserve	Catastrophe reserve (Note 20.2)	Statutory and general banking reserves (Note 20.1)	Other amounts	Total
	\$	\$	\$	\$	\$
<b>As at 30 September 2023</b>					
Balance at beginning of year	(207,258)	345,959	17,390	(223,994)	(67,903)
Currency translation adjustments	45,201	--	--	--	45,201
Other reserve movements	--	(106)	--	908	802
Balance at the end of year	(162,057)	345,853	17,390	(223,086)	(21,900)

#### 20.1 Statutory and general banking reserves

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

- Statutory Reserve – The Financial Institutions Act, 2008 requires a financial institution to transfer annually a minimum of 10% of its profit after taxation to a reserve fund until the balance on this reserve is equal to the paid-up capital of the institution. The reserve amounted to \$15,000 (2023: \$15,000).
- General Banking Reserve – In keeping with the Financial Institutions (Prudential Criteria) Regulations, 1994, the Company has set aside a reserve out of retained earnings to provide against unforeseen losses on the loan portfolio. The reserve amounted to \$2,390 (2023: \$2,390).

#### 20.2 Catastrophe reserve

This comprises reserves arising from The Interregional Reinsurance Company Limited (TIRCL):

- Appropriations from Retained Earnings are periodically made to this reserve as determined by the Directors. The reserve is intended to be only available to meet both current and future losses arising under the entity's insurance policies from catastrophic events. The reserve amounted to \$364,687 (2023: \$345,853).

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 21 Non-controlling interests

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Accumulated balances with non-controlling interests</i>		
Material non-controlling interests	155,202	137,837
Individually immaterial non-controlling interests	73,143	69,200
	<u>228,345</u>	<u>207,037</u>
<i>Profit for the year from non-controlling interests</i>		
Material non-controlling interests	39,511	36,324
Individually immaterial non-controlling interests	12,323	12,413
	<u>51,834</u>	<u>48,737</u>

Individually immaterial non-controlling interests include Massy Guyana Group, Massy Stores (SVG) Ltd and Knights Limited.

The table below shows a movement analysis of Massy Stores (SLU) Ltd, the only subsidiary with non-controlling interests that is material to the Group. The amounts included represents the share attributable to the non-controlling interests.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
	<b>40%</b>	<b>40%</b>
Balance at beginning of year	137,837	123,935
Total comprehensive income for the year	39,511	36,324
Dividends	(22,038)	(19,466)
Currency translation adjustments	82	178
Other adjustments	(190)	(3,134)
<b>Balance at end of year</b>	<u>155,202</u>	<u>137,837</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 21 Non-controlling interests (continued)

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

	2024	2023
	\$	\$
<i>Summarised financial position:</i>		
Current assets	343,335	311,480
Non-current assets	359,072	289,471
Current liabilities	(141,465)	(141,473)
Non-current liabilities	(155,524)	(101,107)
Indirect NCI	(8,611)	(7,591)
<b>Net assets</b>	<u>396,807</u>	<u>350,780</u>
 <i>Summarised statement of comprehensive income:</i>		
Revenue	1,619,449	1,563,475
Profit attributable to parent	<u>98,777</u>	<u>90,809</u>
<b>Total comprehensive income for the year</b>	<u>98,777</u>	<u>90,809</u>
NCI share (%)	40	40
NCI share (\$)	39,511	36,324
 <i>Summarised statement of cash flows:</i>		
Operating activities	157,768	172,455
Investing activities	(30,581)	(25,014)
Financing activities	<u>(107,960)</u>	<u>(109,381)</u>
<b>Net change in cash flows</b>	<u>19,227</u>	<u>38,060</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 22 Borrowings

	2024 \$	2023 \$
Secured advances and mortgage loans	1,457,382	1,903,323
Unsecured advances	1,437,077	1,465,389
Bank overdrafts (Note 17)	91,225	78,236
Bankers' acceptance	10,000	10,000
Loans from related parties	--	33,592
Total borrowings	<u>2,995,684</u>	<u>3,490,540</u>
Less short-term borrowings	<u>(1,610,484)</u>	<u>(2,002,927)</u>
Medium and long-term borrowings	<u>1,385,200</u>	<u>1,487,613</u>
<b>Short-term borrowings comprise:</b>		
Bank overdrafts (Note 17)	91,225	78,236
Bankers' acceptance	10,000	10,000
Current portion of other borrowings	<u>1,509,259</u>	<u>1,914,691</u>
	<u>1,610,484</u>	<u>2,002,927</u>

On 30 July 2014, Massy Holdings Ltd. issued a \$1.2B TT Dollar Unsecured Fixed Rate Bond in two \$600M series, Series A with a tenor of 10 years and a 4.00% coupon, and Series B with a tenor of 15 years and a 5.25% coupon. RBC Merchant Bank (Caribbean) Limited was the Arranger and RBC Trust (Trinidad & Tobago) Limited was the Trustee. The bond repays interest semi-annually and the principal at maturity. The bond payable is shown net of any investor's interests held by the parent. Series A of the Bond matured in July 2024 and was refinanced by short-term commercial financing arrangement which will mature in January 2025, this is reflected in the current portion of borrowings.

Secured advances and mortgage loans include secured liabilities (margin line) against US\$ investment portfolio equivalent to \$939,363 (2023: \$1,438,118).

Where applicable, the Group has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 reporting periods.

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

#### 22.1 Net debt reconciliation

	Cash and cash equivalents, net of overdrafts (Note 17) \$	Borrowings, net of overdrafts \$	Total \$
<b>Year ended 30 September 2024</b>			
At beginning of year	1,211,450	(3,412,304)	(2,200,854)
Proceeds on new borrowings	--	(2,778,256)	(2,778,256)
Principal repayments on borrowings	--	3,274,990	3,274,990
Effect of exchange rate changes on cash and bank overdrafts	(7,937)	9,453	1,516
Other cash flows	<u>305,516</u>	<u>1,658</u>	<u>307,174</u>
At end of year	<u>1,509,029</u>	<u>(2,904,459)</u>	<u>(1,395,430)</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 22 Borrowings (continued)

#### 22.1 Net debt reconciliation (continued)

	Cash and cash equivalents, net of overdrafts (Note 17) \$	Borrowings, net of overdrafts \$	Total \$
<b>Year ended 30 September 2023</b>			
At beginning of year	1,169,333	(1,728,442)	(559,109)
Proceeds on new borrowings	--	(3,020,792)	(3,020,792)
Principal repayments on borrowings	--	1,362,985	1,362,985
Effect of exchange rate changes on cash and bank overdrafts	5,723	(27,668)	(21,945)
Other cash flows	36,394	1,613	38,007
At end of year	<u>1,211,450</u>	<u>(3,412,304)</u>	<u>(2,200,854)</u>

### 23 Customers' deposits

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

	2024 \$	2023 \$
Payable within one year	583,167	604,054
Payable between two and five years	279,455	262,400
	<u>862,622</u>	<u>866,454</u>

#### Sectorial analysis of deposit balances

Private sector	459,785	460,950
Consumers	402,837	405,504
	<u>862,622</u>	<u>866,454</u>

Interest expense on customers' deposits of \$28,970 (2023: \$21,672) is shown within "other direct costs" in Note 25.

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

24 Trade and other payables	2024 \$	2023 \$
Trade creditors	993,176	1,035,993
Contract liabilities (Note 24.1)	28,044	22,129
Other payables (Note 24.2)	785,454	893,538
	<u>1,806,674</u>	<u>1,951,660</u>
Current	1,789,299	1,943,615
Non current	17,375	8,045
	<u>1,806,674</u>	<u>1,951,660</u>
24.1 <i>Contract liabilities</i>		
<i>Analysis of contract liabilities:</i>		
Deferred income	3,635	6,463
Customer loyalty programmes	22,769	14,201
Extended warranty programmes	918	842
Other	722	623
	<u>28,044</u>	<u>22,129</u>
<i>Expected timing of revenue recognition:</i>		
Within 1 year	28,044	21,589
After 1 year	--	540
	<u>28,044</u>	<u>22,129</u>
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period	<u>4,879</u>	<u>2,313</u>
24.2	<p>Included in other payables is the provision for the Long-Term Incentive Plan. The Shareholders of Massy Holdings Ltd approved a Long-term Incentive Plan for the benefit of selected Senior Executives of Massy Holdings Ltd and its subsidiaries. Individuals are awarded an incentive based on a pre-defined multiple of their salary. This amount is then converted into an equivalent number of phantom shares which are then adjusted to reflect individual Key Performance Indicators. The phantom shares awarded are subject to a vesting period of three years. On the vesting date, the settlement amount is determined by multiplying the number of phantom shares by the phantom share grant price. The latter is determined by applying a pre-determined P/E ratio to the EPS preceding the year of settlement.</p>	
	<u>47,527</u>	<u>53,479</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 25 Operating profit before finance costs

	2024 \$	2023 \$
Revenue:		
- Sale of goods	14,337,698	12,923,165
- Rendering of services	1,305,067	1,201,984
- Net interest and other investment income (Note 25.1)	80,372	70,135
	<u>15,723,137</u>	<u>14,195,284</u>
Cost of sales and other direct costs:		
- Cost of sales	(10,630,553)	(9,490,379)
- Other direct costs	(873,163)	(692,049)
	<u>(11,503,716)</u>	<u>(10,182,428)</u>

25.1 'Net interest and other investment income' is attributable to loans to customers and other financial assets held for investment purposes only. Income from bank balances, short term investments, treasuries and other securities held for cash management purposes is included within finance income (Note 27).

25.2 The following items were included in administrative and other operating expenses from continuing operations:

Staff and staff related costs	2,082,731	1,913,902
Expected credit losses/net impairment expense on financial assets (Note 33.1.2):		
- Trade and other receivables	149,516	47,781
- Corporate and sovereign bonds	515	(287)
- Instalment credit, hire purchase accounts and other financial assets	11,757	11,514
Short term lease rental	47,131	30,581
Depreciation and impairment of property, plant and equipment	367,340	303,254
Depreciation of right-of-use assets	108,403	106,799
Amortisation of other intangible assets	28,416	23,466
Directors fees	3,978	4,037
Other expenses	486,656	530,097
Total administrative and operating expenses	<u>3,286,443</u>	<u>2,971,144</u>

Audit fees for the year ended 30 September 2024 amounted to \$11,405 (2023: \$11,534). Other fees paid to the auditor (and related network firms) for non-assurance services amounted to \$414 (2023: \$570).



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 26 Staff costs

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

	2024 \$	2023 \$
Wages and salaries and termination benefits	1,735,507	1,566,453
Pension cost	55,497	58,321
	<u>1,791,004</u>	<u>1,624,774</u>
Average number of persons employed by the Group during the year:		
Full time	9,224	10,935
Part time	4,604	2,580
	<u>13,828</u>	<u>13,515</u>

### 27 Finance costs – net

*Finance costs:*

Interest expense on borrowings	227,960	160,716
Unwinding of interest on restoration liability	1,850	295
Interest expense on lease liabilities (Note 6.3)	61,855	56,659
	<u>291,665</u>	<u>217,670</u>

*Finance income:*

Finance income (Note 27.2)	(52,501)	(48,883)
Finance cost- net	<u>239,164</u>	<u>168,787</u>

27.1 Borrowing costs capitalised during the year \$1,680 (2023: \$1,654).

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

28 Income tax expense	2024 \$	2023 \$
Current tax	439,138	411,988
Deferred tax	(14,855)	(9,378)
Business levy/withholding taxes	<u>2,604</u>	<u>(6,854)</u>
	<u>426,887</u>	<u>395,756</u>

In the current and prior years, the Group's effective tax rate of 32% differed from the statutory Trinidad and Tobago tax rate of 30%, as follows:

Profit before income tax	<u>1,135,185</u>	<u>1,229,055</u>
Tax calculated at a tax rate of 30%	356,089	393,297
Effect of different tax rates in other countries	112,124	42,815
Expenses not deductible for tax purposes	154,082	142,539
Income not subject to tax	(214,254)	(169,198)
Business levy/withholding taxes	2,604	(6,854)
Effect of change in overseas tax rate	(6,680)	(11,408)
Adjustments to prior year tax provisions	<u>22,922</u>	<u>4,565</u>
Income tax expense	<u>426,887</u>	<u>395,756</u>

The income tax expense is attributable to:

Trinidad and Tobago subsidiaries	134,419	173,518
Overseas subsidiaries	258,351	215,880
Associated companies	<u>34,117</u>	<u>6,358</u>
	<u>426,887</u>	<u>395,756</u>

## 29 Earnings per share

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

	2024 \$	2023 \$
Profit attributable to shareholders:		
- from continuing operations	656,464	784,562
- from discontinued operations	<u>4,135</u>	<u>(20,367)</u>
	<u>660,599</u>	<u>764,195</u>
Weighted average number of ordinary shares in issue (thousands)	<u>1,979,385</u>	<u>1,979,385</u>
Basic earnings per share		
- from continuing operations	33.17	39.64
- from discontinued operations	<u>0.21</u>	<u>(1.03)</u>
	<u>33.38</u>	<u>38.61</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 30 Contingencies

#### *Subsidiaries*

The Property Tax Act of 2009 (PTA) was enacted into law by the Government of the Republic of Trinidad and Tobago (GORTT), effective from 1 January 2010. On 28 March 2024 there was an amendment to the PTA that was passed by the GORTT however, this does not have any effect on the group. As of present date there have been no further changes to the legislation or extension of the waivers previously granted by the GORTT. While a present obligation exists, commercial taxpayers are unable to reliably estimate the liability as the basis for fair value at this time has not been clarified. Property tax was not accrued for the year ended 30 September 2024.

At 30 September 2024 the Group had contingent liabilities in respect of customs bonds, guarantees and other matters arising in the ordinary course of business amounting to \$398,639 (2023: \$354,812).

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

#### *Other investments*

Included within the contingencies above is the guarantee entered into by Massy Holdings Ltd. with Mitsubishi Heavy Industries, Ltd (MHI) under which it guaranteed payment of 10% of the base equity commitment for Caribbean Gas Chemical Limited. MHL's maximum liability under guarantees is \$200,147 (2023: \$200,432). In October 2023, the guarantee of 10% of Caribbean Gas Chemical Limited's payment obligations to MHI under the contracts for the engineering procurement and construction of the methanol and DME plants expired.

### 31 Commitments

#### *Capital commitments*

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

	2024 \$	2023 \$
Property, plant and equipment	<u>137,965</u>	<u>70,032</u>

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

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

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

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

No later than 1 year	<u>58</u>	<u>11,728</u>
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# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 31 Commitments (continued)

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

	2024 \$	2023 \$
Less than one year	37,626	9,520
One year to five years	28,654	8,539
	<u>66,280</u>	<u>18,059</u>

### 32 Related party transactions

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

The following transactions were carried out with related parties:

#### a. Sales of goods

Associates	<u>36,430</u>	<u>45,103</u>
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Goods are sold on the basis of the price lists in force with non-related parties.

#### b. Purchases of goods

Associates	<u>338</u>	<u>1,060</u>
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Goods purchased from entities controlled by non-executive directors

<u>--</u>	<u>212,643</u>
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Goods are bought on the basis of the price lists in force with non-related parties.

#### c. Key management compensation

Salaries and other short-term employee benefits	157,668	172,822
Post-employment benefits	11,233	11,233
	<u>168,901</u>	<u>184,055</u>

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

Receivables from related parties	<u>7,297</u>	<u>14,314</u>
Payables to related parties	<u>62</u>	<u>1,328</u>

e. Customer deposits to related parties	<u>39,477</u>	<u>38,468</u>
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# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 33 Financial risk management

#### 33.1 Financial risk factors

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

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

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

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

##### 33.1.1 Market risk

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

###### (a) Currency risk

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.1 Market risk(continued)

##### (a) Currency risk (continued)

##### As at 30 September 2024

Currency	Net Currency Exposure \$	Sensitivity	Change/ Impact \$
USD	488,421	2%	9,768
BBD	(221,044)	2%	(4,421)
PESO	(263,136)	1%	(2,631)
GYD	141,559	3%	4,247
JCD	167,496	5%	8,375
Other	(131,765)	2%	(2,635)
	<u>181,531</u>		<u>12,703</u>

##### As at 30 September 2023

Currency	Net Currency Exposure \$	Sensitivity	Change/ Impact \$
USD	199,654	2%	3,993
BBD	(212,330)	2%	(4,247)
PESO	(274,575)	1%	(2,746)
GYD	216,649	3%	6,499
JCD	139,094	5%	6,955
Other	(109,810)	2%	(2,196)
	<u>(41,318)</u>		<u>8,258</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.1 Market risk (continued)

###### (b) Interest rate risk

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

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

At the end of 2024, interest rates were fixed on approximately 62.5% of the borrowings (2023: 56%). The impact on the consolidated statement of profit or loss to a 50 basis points change in floating interest rates is \$16,770 in 2024 (2023: \$31,880).

###### (c) Price risk

The Group has investments in equity securities and investment funds and these are carried at fair value, consequently resulting in exposure to equity securities price risk. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. See note 33.3.1

##### 33.1.2 Credit risk

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

The following is a summary of the Group's maximum exposure to credit risk. These amounts are net of ECL provisions.

	2024	2023
	\$	\$
Cash and cash equivalents (Note 17)	1,600,253	1,289,686
Trade and other receivables (Note 11)	2,350,466	2,370,653
Other financial assets at amortised cost (Note 12):		
- Bonds	385,940	564,054
- Instalment credit and other accounts	691,627	668,613
- Hire purchase receivables	44,362	76,284
Other financial assets at fair value through other comprehensive income (Note 12):		
- Bonds and treasury bills	931,201	1,424,478
Assets reclassified to held for sale (Note 35)		
Cash and cash equivalents	2,135	2,393
Other financial assets at amortised cost		
- Instalment credit and other accounts	65,456	67,838
- Loan receivables	26,956	26,995
Total	<u>6,098,396</u>	<u>6,490,994</u>

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

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



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

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

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

##### *Practical expedient for financial assets with low credit risk*

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

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

###### Assets written off

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

###### Collateral and other credit enhancements

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

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

###### Summary of ECL calculations

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

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

**As at 30 September 2024**

###### Aging Bucket

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Current (0-30 days)	0.52	640,376	3,360
31 to 90 days	1.74	241,836	4,199
Over 90 days	35.97	679,836	244,540
Total	16.14	1,562,048	252,099

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

Summary of ECL calculations (continued)

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

#### Reclassified to held for sale

##### Aging Bucket

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Current (0-30 days)	--	162	--
31 to 90 days	--	182	--
Over 90 days	94.33	5,020	4,735
Total	88.27	5,364	4,735

#### As at 30 September 2023

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Current (0-30 days)	0.74	767,134	5,648
31 to 90 days	2.09	270,102	5,635
Over 90 days	18.05	525,553	94,900
Total	6.79	1,562,789	106,183

#### Reclassified to held for sale

##### Aging Bucket

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Current (0-30 days)	--	1,201	--
31 to 90 days	--	1,044	--
Over 90 days	100.00	3,663	3,663
Total	62.00	5,908	3,663

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

*(Expressed in Thousands of Trinidad and Tobago Dollars)*

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### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

###### *Summary of ECL calculations (continued)*

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

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	106,183	64,717
Translation adjustments	(255)	123
Increase in loss allowance recognised in profit or loss	141,019	46,121
Amounts written off in the current year	<u>5,152</u>	<u>(1,115)</u>
Balance at end of the year	252,099	109,846
Reclassified to held for sale	<u>--</u>	<u>(3,663)</u>
Total	<u><u>252,099</u></u>	<u><u>106,183</u></u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

##### Summary of ECL calculations (continued)

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

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

	2024 \$	2023 \$
Net changes to provisions for the year per above	141,019	46,121
Other adjustments/write offs	8,485	1,679
Net expense for the year	<u>149,504</u>	<u>47,800</u>
Net expense for the year attributable to:		
Continuing operations (Note 25.2)	149,504	47,818
Discontinued operations	--	(18)
Total	<u>149,504</u>	<u>47,800</u>

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

#### As at 30 September 2024

##### Aging Bucket

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Current (0-30 days)	0.02	828,576	140
31 to 90 days	1.09	1,190	13
Over 90 days	3.91	48,797	1,906
Total	0.23	<u>878,563</u>	<u>2,059</u>

##### Reclassified to held for sale

##### Aging Bucket

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Current (0-30 days)	--	5,640	--
Total	--	<u>5,640</u>	<u>--</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

##### Summary of ECL calculations (continued)

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

##### As at 30 September 2023

Aging Bucket	Average ECL rate	Estimated EAD	Expected credit loss
Category	%	\$	\$
Current (0-30 days)	0.02	746,497	174
31 to 90 days	5.99	261	16
Over 90 days	4.84	35,886	1,738
Total	0.24	782,644	1,928

##### Reclassified to held for sale

##### Aging Bucket

Category	Average ECL rate	Estimated EAD	Expected credit loss
	%	\$	\$
Current (0-30 days)	--	6,046	--
Total	--	6,046	--

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

	2024	2023
	\$	\$
Balance at beginning of the year	1,928	1,611
Translation adjustments	(21)	(8)
Increase in loss allowance recognised in profit or loss	12	(37)
Amounts written off in the current year	140	362
Balance at end of the year	2,059	1,928

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

Net changes to provisions for the year per above	12	(37)
Net expense for the year	12	(37)
Net expense for the year attributable to:		
Continuing operations (Note 25.2)	12	(37)
Total	12	(37)

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

##### Summary of ECL calculations (continued)

##### b) The general approach

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

Category	Definition	Basis for recognition of expected credit loss provision
Performing (Stage 1)	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming (Stage 2)	Financial assets for which there is a significant increase in credit risk since origination	Lifetime expected losses
Non-performing (Stage 3)	The financial asset is in default	Lifetime expected losses
Purchased or Credit-impaired	Financial assets with evidence of impairment at the point of initial recognition (for instance, if they are acquired at a deep discount)	Lifetime expected losses using a credit-adjusted effective interest rate.
Write-off	There is no reasonable expectation of recovery	Asset is written off

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

*Corporate and sovereign bonds at amortised cost*

**As at 30 September 2024**

**Aging bucket**

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Performing (Stage 1)	0.39	386,470	1,515
Non-Performing (Stage 3)	--	985	--
Total	0.39	387,455	1,515

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

##### Summary of ECL calculations (continued)

##### b) The general approach (continued)

##### Corporate and sovereign bonds at amortised cost (continued)

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

##### As at 30 September 2024

	Performing \$	Non- Performing \$	Total \$
Balance at beginning of the year	871	68	939
Reclassification and other adjustments	(133)	(68)	(201)
Net charge to profit or loss	777	--	777
Balance at end of the year	1,515	--	1,515

##### As at 30 September 2023

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Performing (Stage 1)	0.15	562,289	871
Non-Performing (Stage 3)	2.53	2,704	68
Total	0.17	564,993	939

##### As at 30 September 2023

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

	Performing \$	Non- performing \$	Total \$
Balance at beginning of the year	813	238	1,051
Reclassification and other adjustments	132	--	132
Net charge to profit or loss	(74)	(170)	(244)
Balance at end of the year	871	68	939



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

###### Summary of ECL calculations (continued)

###### b) The general approach (continued)

###### Corporate and sovereign bonds (continued)

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

	2024 \$	2023 \$
Net changes to provisions for the year per above	777	(244)
Other adjustments	(201)	26
Net expense for the year	<u>576</u>	<u>(218)</u>
Net expense for the year attributable to:		
Continuing operations (Note 25.2)	<u>576</u>	<u>(218)</u>
Total	<u>576</u>	<u>(218)</u>

Corporate and sovereign bonds at fair value through other comprehensive income

#### As at 30 September 2024

##### Aging bucket

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Performing (Stage 1)	0.04	931,548	347
Total	0.04	<u>931,548</u>	<u>347</u>

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

#### As at 30 September 2024

	Performing \$	Total \$
Balance at beginning of the year	293	293
Reclassification and other adjustments	87	87
Net charge to profit or loss	(33)	(33)
Balance at end of the year	<u>347</u>	<u>347</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

Summary of ECL calculations (continued)

#### b) The general approach (continued)

Corporate and sovereign bonds (continued)

Corporate and sovereign bonds at fair value through other comprehensive income (continued)

As at 30 September 2023

#### Aging bucket

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Performing (Stage 1)	0.02	1,424,771	293
Total	0.02	1,424,771	293

As at 30 September 2023

	Performing \$	Total \$
Balance at beginning of the year	449	449
Reclassification and other adjustments	(116)	(116)
Net charge to profit or loss	(40)	(40)
Balance at end of the year	293	293

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

	2024 \$	2023 \$
Net changes to provisions for the year per above	(33)	(40)
Other adjustments	(28)	(29)
Net expense for the year	(61)	(69)
Net expense for the year attributable to:		
Continuing operations (Note 25.2)	(61)	(69)
Total	(61)	(69)

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

###### Summary of ECL calculations (continued)

#### b) The general approach (continued)

Instalment credit, hire purchase accounts and other financial assets

#### As at 30 September 2024

##### Aging bucket

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Performing (Stage 1)	0.06	641,631	406
Underperforming (Stage 2)	0.35	48,113	166
Non-Performing (Stage 3)	47.09	88,493	41,675
Total	5.43	778,237	42,247

##### Reclassified to held for sale

##### Aging bucket

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Performing (Stage 1)	0.14	79,777	114
Underperforming (Stage 2)	5.51	3,038	167
Non-Performing (Stage 3)	12.71	11,315	1,438
Total	1.83	94,130	1,719

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

#### As at 30 September 2024

	Performing \$	Under- performing \$	Non- Performing \$	Total \$
Balance at beginning of the year	1,967	201	29,465	31,633
Translation adjustments	(4)	(2)	(66)	(72)
Net changes to provisions and reclassifications	(1,772)	(90)	13,095	11,233
Amounts written off in the current year	215	57	(819)	(547)
Balance at end of the year	406	166	41,675	42,247

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

Summary of ECL calculations (continued)

#### b) The general approach (continued)

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

#### Reclassified to held for sale

	Performing \$	Under- performing \$	Non- Performing \$	Total \$
Balance at beginning of the year	313	291	1,472	2,076
Translation adjustments	--	--	(3)	(3)
Net changes to provisions and reclassifications	(104)	(57)	(32)	(193)
Amounts written off in the current year	(95)	(66)	--	(161)
Balance at end of the year	114	168	1,437	1,719

#### As at 30 September 2023

#### Aging bucket

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Performing (Stage 1)	0.29	683,233	1,967
Underperforming (Stage 2)	1.36	14,766	201
Non-Performing (Stage 3)	37.52	78,531	29,465
Total	4.07	776,530	31,633

#### Reclassified to held for sale

#### Aging bucket

Category	Average ECL rate %	Estimated EAD \$	Expected credit loss \$
Performing (Stage 1)	0.38	82,308	313
Underperforming (Stage 2)	9.19	3,164	291
Non-Performing (Stage 3)	12.87	11,437	1,472
Total	2.14	96,909	2,076

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.2 Credit risk (continued)

Summary of ECL calculations (continued)

#### b) The general approach (continued)

##### As at 30 September 2023

	Performing \$	Under- performing \$	Non- Performing \$	Total \$
Balance at beginning of the year	5,827	604	14,048	20,479
Translation adjustments	2	6	23	31
Net changes to provisions and reclassifications	(3,797)	(450)	15,274	11,027
Amounts written off in the current year	(65)	41	120	96
Balance at end of the year	1,967	201	29,465	31,633

##### Reclassified to held for sale

	Performing \$	Under- performing \$	Non- Performing \$	Total \$
Balance at beginning of the year	384	356	1,771	2,511
Translation adjustments	--	2	4	6
Net changes to provisions and reclassifications	53	(42)	(269)	(258)
Amounts written off in the current year	(124)	(25)	(34)	(183)
Balance at end of the year	313	291	1,472	2,076

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

	2024 \$	2023 \$
Net changes to provisions for the year per above	11,233	10,769
Other adjustments	433	539
Net expense for the year	11,666	11,308
Net expense for the year attributable to:		
Continuing operations (Note 25.2)	11,757	11,514
Discontinued operations	(91)	(206)
Total	11,666	11,308

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.1 Financial risk factors (continued)

##### 33.1.3 Liquidity risk

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

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

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

#### Maturity analysis of financial liabilities 2024

	Less than 1 Year \$	1– 5 Years \$	More than 5 years \$	Contractual Cash flows \$	Carrying amount \$
<b>Financial liabilities</b>					
Bank overdraft & bankers' acceptance (Note 22)	101,225	--	--	101,225	101,225
Other borrowings (Note 22)	1,525,541	1,206,964	219,459	2,951,964	2,894,459
Customers' deposits (Note 23)	583,167	279,455	--	862,622	862,622
Trade and other payables (Note 24)	1,804,366	2,308	--	1,806,674	1,806,674
Lease Liabilities (Note 6.2)	149,115	624,951	791,325	1,565,391	1,070,975
	<u>4,163,414</u>	<u>2,113,678</u>	<u>1,010,784</u>	<u>7,287,876</u>	<u>6,735,955</u>

#### Maturity analysis of financial liabilities 2023

	Less than 1 Year \$	1– 5 Years \$	More than 5 years \$	Contractual Cash flows \$	Carrying amount \$
<b>Financial liabilities</b>					
Bank overdraft & bankers' acceptance (Note 22)	88,236	--	--	88,236	88,236
Other borrowings (Note 22)	1,916,064	670,080	827,574	3,413,718	3,402,304
Customers' deposits (Note 23)	604,460	262,400	--	866,860	866,454
Trade and other payables (Note 24)	1,943,615	8,045	--	1,951,660	1,951,660
Lease Liabilities (Note 6.2)	145,708	466,100	809,874	1,421,682	937,932
	<u>4,698,083</u>	<u>1,406,625</u>	<u>1,637,448</u>	<u>7,742,156</u>	<u>7,246,586</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 33 Financial risk management (continued)

#### 33.2 Capital risk management

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

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

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Total borrowings (Note 22)	2,995,684	3,490,540
Less: Cash and cash equivalents including cash Reclassified to held for sale	<u>(1,602,388)</u>	<u>(1,292,079)</u>
Net debt	1,393,296	2,198,461
Total equity	<u>8,013,445</u>	<u>7,608,506</u>
Total capital	<u>9,406,741</u>	<u>9,806,967</u>
Gearing ratio	14.8%	22.4%
Total borrowings to total equity ratio	37.4%	45.9%

#### 33.2.1 Regulatory capital held by subsidiaries

##### a) Massy Finance GFC Ltd.

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

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

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

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### 33 Financial risk management (continued)

#### 33.2 Capital risk management (continued)

##### 33.2.1 Regulatory capital held by subsidiaries (continued)

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

	Massy Finance GFC Ltd.	
	2024	2023
	\$	\$
Total equity	153,403	145,889

#### 33.3 Fair value of financial assets and liabilities

##### 33.3.1 Fair value hierarchy

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

###### Level 1

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

###### Level 2

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

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

###### Level 3

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



# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.3 Fair value of financial assets and liabilities (continued)

##### 33.3.1 Fair value hierarchy (continued)

The following table presents the Group's assets that are measured at fair value at 30 September 2024:

Assets	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at FVPL and FVOCI (Note 12)				
Bonds and treasury bills	--	931,201	--	931,201
Listed equities	1,589	34	--	1,623
Unlisted equities	--	139	101,179	101,318
Investment funds	205,734	8,044	--	213,778
	207,323	939,418	101,179	1,247,920

The following table presents the Group's assets that are measured at fair value at 30 September 2023:

Assets	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at FVPL and FVOCI (Note 12)				
Bonds and treasury bills	285,765	1,138,713	--	1,424,478
Listed equities	8,439	34	--	8,473
Unlisted equities	--	140	90,547	90,687
Investment funds	125,353	14,066	--	139,419
Structured Notes	--	56,538	--	56,538
	419,557	1,209,491	90,547	1,719,595

The movement in level 3 financial assets is as follows:

	2024 \$	2023 \$
Balance at beginning of year	90,547	216,098
Additions for the year	--	67
Disposals for the year	--	(13,621)
Net fair value gains/(losses) recognised in other comprehensive income	10,748	(112,290)
Exchange adjustments on retranslation of overseas operations	(116)	293
	101,179	90,547

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 33 Financial risk management (continued)

#### 33.3 Fair value of financial assets and liabilities (continued)

##### 33.3.1 Fair value hierarchy (continued)

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

- Risk-adjusted discount rates – Discount rates ranging around 11.6% were used in arriving at fair value measurements. Had these rates changed by +/- 200 basis points, the fair value measurement would have been lower by \$3,973 or higher by \$5,821.
- Growth rate was nil since operations are at 100% capacity
- Methanol prices were based upon the Argus Price Forecast

##### 33.3.2 Fair value of financial instruments carried at amortised cost

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

	Carrying amount		Fair value	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Financial assets</b>				
Financial assets at amortised cost (Note 12)				
- Bonds	385,940	564,054	392,885	564,084
- Instalment credit and other accounts	703,600	668,613	715,363	668,613
- Hire purchase receivables	32,390	76,284	31,964	74,900
- Reclassified to held for sale (Note 35)	92,412	94,833	92,412	94,833
	<u>1,214,342</u>	<u>1,403,784</u>	<u>1,232,624</u>	<u>1,402,430</u>
<b>Financial liabilities</b>				
- Bank overdraft and bankers' acceptance (Note 22)	101,225	88,236	101,225	88,236
- Other borrowings (Note 22)	2,894,459	3,402,304	2,894,459	3,402,304
- Customers' deposits (Note 23)	862,622	866,454	862,622	866,454
	<u>3,858,306</u>	<u>4,356,994</u>	<u>3,858,306</u>	<u>4,356,994</u>

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

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 34 Business combinations

There were no business combinations that took place in the 2024 financial year.

The Group acquired 100% of the shareholdings in the following companies in 2023:

- Rowe's IGA Group – effective 12 December 2022
- Air Liquide Trinidad & Tobago Limited (*now known as Massy Gas Products Manufacturing (Trinidad) Ltd*) – effective 28 January 2023
- I.G.L. (St. Lucia) IBC Limited – effective 17 May 2023

	Rowe's IGA Group \$	Massy Gas Products Manufacturing (Trinidad) Ltd \$	IGL (SLU) Ltd. \$	Total \$
<b>Purchase consideration</b>				
Period ended 30 September 2022				
Total purchase consideration	316,684	347,005	958,803	1,622,492
Deferred consideration	--	15,589	--	15,589
	<u>316,684</u>	<u>362,594</u>	<u>958,803</u>	<u>1,638,081</u>
<b>Net assets acquired</b>				
Cash and short-term investments	--	--	23,034	23,034
Trade receivables	--	22,157	43,128	65,285
Inventories	--	3,936	19,072	23,008
Current tax asset	--	10,013	18,286	28,299
Fixed assets	100,561	233,949	350,598	685,108
Right of use assets	139,996	5,566	198	145,760
Intangible assets	55,992	--	--	55,992
Other assets	--	1,340	24,017	25,357
Trade payable	--	(3,689)	(26,876)	(30,565)
Current tax liabilities	--	(3,895)	(18,634)	(22,529)
Deferred tax liabilities	--	(52,415)	(35,602)	(88,017)
Lease obligations	(139,996)	(6,914)	(33)	(146,943)
Pension liabilities	--	--	(6,882)	(6,882)
Other liabilities	--	(15,652)	(5,754)	(21,406)
Net identifiable assets acquired	<u>156,553</u>	<u>194,396</u>	<u>384,552</u>	<u>735,501</u>
<b>Goodwill</b>	<u>160,131</u>	<u>168,198</u>	<u>574,251</u>	<u>902,580</u>
<b>Purchase consideration-cash outflow</b>				
Outflow of cash to acquire subsidiary, net of cash acquired				
Cash consideration	316,684	347,005	958,803	1,622,492
Less: Cash and short-term investments acquired	--	--	(23,034)	(23,034)
<b>Net outflow of cash – investing activities</b>	<u>316,684</u>	<u>347,005</u>	<u>935,769</u>	<u>1,599,458</u>

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 35 Discontinued operations

The following disposals are reported in the prior period.

#### 30 September 2023 – Disposed entities

- The Group's 49% interest in Dunmass Holdings, Inc. was sold to Dunblare Import-Export, Inc. on 25 September 2023.
- Other - Farnells Holdings Inc., an associate of Massy Barbados Ltd., was sold to Mr. Harry Yeh on 6 February 2023.

#### 30 September 2023 – Held for sale entities

- Massycard (Barbados) Limited has signed a sale agreement for the sale of the credit card portfolio and supporting assets. The sale is expected to be completed within the new financial year.
- Massy Properties (Barbados) Ltd., which contains all remaining investment properties, has been reclassified to held for sale as several properties have been earmarked to be sold within the next year.

#### 35.1 Held for Sale entities

Assets reclassified to Held for Sale for the period ended 30 September 2024:

	<b>Massycard (Barbados) Ltd</b>	<b>Massy Properties (Barbados) Ltd</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Property, plant and equipment	4,119	11,772	15,891
Investment properties	--	121,981	121,981
Financial assets			
- Instalment credit and other accounts	65,456	--	65,456
- Loan receivables	--	26,956	26,956
Trade & other receivables	--	6,289	6,289
Cash & cash equivalents	--	2,135	2,135
Inventories	--	2,053	2,053
Total assets	69,575	171,186	240,761

Liabilities reclassified to Held for Sale for the period ended 30 September 2024.

	<b>Massy Properties (Barbados) Ltd</b>
	<b>\$</b>
Trade and other payables	6,470
Deferred income tax liabilities	1,161
Total liabilities	7,631

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued) 30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 35 Discontinued operations (continued)

#### 35.1 Held for Sale entities (continued)

Assets reclassified to Held for Sale for the period ended 30 September 2023.

	<b>Massycard (Barbados) Ltd</b>	<b>Massy Properties (Barbados) Ltd</b>	<b>Total</b>
	\$	\$	\$
Property, plant and equipment	3,972	19,997	23,969
Investment properties	--	175,736	175,736
Financial assets			
- Instalment credit and other accounts	67,838	--	67,838
- Loan receivables	--	26,995	26,995
Trade & other receivables	--	8,487	8,487
Cash & cash equivalents	--	2,393	2,393
Inventories	--	2,055	2,055
<b>Total assets</b>	<b>71,810</b>	<b>235,663</b>	<b>307,473</b>

Liabilities reclassified to Held for Sale for the period ended 30 September 2023.

	<b>Massy Properties (Barbados) Ltd</b>
	\$
Trade and other payables	10,474
Deferred income tax liabilities	66
<b>Total liabilities</b>	<b>10,540</b>

#### 35.2 Analysis of the results of discontinued operations

	<b>2024</b>	<b>2023</b>
	\$	\$
Revenue	25,734	48,323
Operating profit before finance costs and expected credit losses	4,170	(20,572)
Expected credit losses	91	224
Operating profit before/after finance costs	4,261	(20,348)
Income tax expense	(126)	(19)
Profit after income tax	4,135	(20,367)
Profit for the year from discontinued operations	4,135	(20,367)
Attributable to:		
Owners of the parent	4,135	(20,367)
	4,135	(20,367)
Analysis of profit before tax from discontinued operations as per consolidated statement of cashflows:		
Operating profit after finance costs	4,261	(20,348)
	4,261	(20,348)

# Massy Holdings Ltd.

## Notes to the Consolidated Financial Statements (continued)

30 September 2024

(Expressed in Thousands of Trinidad and Tobago Dollars)

### 35 Discontinued operations (continued)

#### 35.2 Analysis of the results of discontinued operations (continued)

	2024	2023	2024	2023	2024	2023	2024	2023
	Massy Properties (Barbados) Ltd.		Massycard (Barbados) Ltd.		Other		Total	
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	7,144	28,150	18,590	20,174	--	--	25,734	48,323
Operating profit before finance costs and expected credit losses	(11,244)	(26,512)	15,414	3,532	--	2,408	4,170	(20,572)
Expected credit losses	--	24	91	200	--	--	91	224
Operating profit before/after finance costs	(11,244)	(26,488)	15,505	3,732	--	2,408	4,261	(20,348)
Income Tax Expense	--	--	(126)	(19)	--	--	(126)	(19)
Profit after income tax	(11,244)	(26,488)	15,379	3,713	--	2,408	4,135	(20,367)
<b>Attributable to:</b>								
Owners of the parent	(11,244)	(26,488)	15,379	3,713	--	2,408	4,135	(20,367)
	(11,244)	(26,488)	15,379	3,713	--	2,408	4,135	(20,367)

#### 35.3 Analysis of cash flows from discontinued operations.

	2024	2023
	\$	\$
Net cash inflow from operating activities	(8,922)	11,514
Net cash inflow from investing activities	56,851	110,556
Net cash outflow from financing activities	(48,183)	(122,824)
	<u>(254)</u>	<u>(754)</u>