Massy Holdings Ltd.

Consolidated Financial Statements

30 September 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

Massy Holdings Ltd.

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Massy Holdings Ltd.

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Massy Holdings Ltd. and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 30 September 2021, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

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

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

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

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

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

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

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

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

Chief Executive Officer
10 December 2021

Chief Financial Officer
10 December 2021

Independent auditor's report

To the Shareholders of Massy Holdings Ltd.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Massy Holdings Ltd. (the Company) and its subsidiaries (together 'the Group') as at 30 September 2021, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 September 2021;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

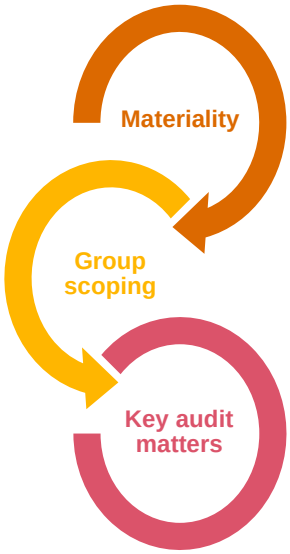
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

Overview



Overall group materiality: $46.4 million, which represents 5% of profit before income tax from continuing operations	
The group audit included: ● Full scope audits of six subsidiaries which were deemed to be individually financially significant components, three of which have head offices in Trinidad and Tobago, with the others being located in Barbados, Jamaica and Guyana; and ● An audit of specific account balances including third-party borrowings, revenue, accounts receivable, financial assets and loss reserves on insurance contracts in other components	
● Goodwill impairment ● Valuation of unquoted equity investment ● Valuation of net retirement benefit asset ● Assets and liabilities classified as held for sale ● Valuation of loss reserves on insurance contracts	

Audit scope

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

How we tailored our group audit scope

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

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

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

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

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

Materiality

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

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

Overall Group materiality	$46.4 million
How we determined it	5% of profit before income tax from continuing operations
Rationale for the materiality benchmark applied	We chose profit before income tax from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $1.5 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment *Refer to notes 2.8.1, 4.a.(i) and 8 to the consolidated financial statements for disclosures of related accounting policies and balances.* Management performs an annual impairment assessment of goodwill. Goodwill totalling $168.4 million was recognised on the consolidated statement of financial position as at 30 September 2021. Management recorded an impairment charge of $10.3 million within the consolidated statement of profit or loss. The recoverable amount of each cash generating unit (CGU) is calculated as the higher of the value-in-use and fair value less costs of disposal. Management determined the recoverable amount by reference to the value-in-use (VIU). The VIU was derived based on a discounted expected cash flow approach which involved the development of a best, worst and base case scenario. Each scenario was assigned a weighting based on management's judgement to derive an expected cash flow for the CGU. These cash flows included areas where management makes significant judgements on certain key inputs, those being assigned weightings, discount and growth rates. We focused on this area because of the significant level of judgement required in arriving at the key assumptions used in management's impairment assessment.	Our approach to addressing the matter, with the assistance of our specialist, involved the following procedures, amongst others: ● updated our understanding of the methods used by management to perform its annual goodwill impairment assessment of each CGU and assessed whether the methods applied were consistent with the prior year; ● assessed the reasonableness of the weighting assigned to each cash flow forecast based on our understanding of the current economic environment, historical results and the expected likelihood of occurrence given the Covid-19 pandemic; ● recalculated the weighted average cost of capital (WACC) used to discount the expected cash flows and evaluated those rates against market-based inputs, our knowledge of the economic environment and the risk premium associated with the respective industries and countries; ● compared management's determined growth rates to historical performance of the CGU and to external economic industry data where available, in which the CGU operates, taking into consideration the CGU's ability to achieve these growth rates in the current economic environment; ● compared management's future cash flow forecasts used in the impairment assessment to those presented and approved by the Board of Directors as part of the annual budgeting process; ● evaluated the accuracy of the forecasts made by comparing past forecasts to historical results, where available, and by comparing to the current year results of the entity; and ● tested the mathematical accuracy of management's calculations. The results of the above audit procedures indicated management's goodwill impairment assessment conclusion was not unreasonable.

Valuation of unquoted equity investment

Refer to notes 2.9.3, 4.a.(v), 12 and 34.3.1 to the consolidated financial statements for disclosures of related accounting policies and balances.

The Group's consolidated statement of financial position as at 30 September 2021 includes a carrying value of $198.9 million related to an unquoted equity investment.

This investment is classified as a financial asset at fair value through other comprehensive income (FVOCI).

Fair value was determined based on the discounted cash flow method using free cash flow to equity and risk-adjusted discount rates to arrive at the fair value of the equity investment. This methodology also used other significant unobservable inputs in computing the key assumptions being discount rate, growth rates and methanol prices.

We focused on this area because of the significant level of judgement required in arriving at the key assumptions used in management's fair valuation.

Our approach to addressing the matter, with the assistance of our valuation specialist, involved the following procedures, amongst others:

- updated our understanding of the approach used by management to determine its fair valuation of the unquoted equity investment in accordance with IFRS and confirmed that it was consistent with the prior year;
- assessed the reasonableness of the cash flow forecast made by comparing past forecasts to historical results, where available, and by comparing to the current year results;
- recalculated the weighted average cost of capital (WACC) used to discount the cash flows and evaluated those rates against market-based inputs, our knowledge of the economic environment and the risk premium associated with the investment;
- assessed the growth rate based on the capacity of the operations and methanol prices used in the cash flow projections for reasonableness in the context of the overall relationship between key components of the cash flow forecast;
- recalculated the enterprise value based on the discounted free cash flow available to firm; and
- tested the mathematical accuracy of management's calculations.

The results of the above audit procedures indicated management's fair valuation was not unreasonable within a range of outcomes.

Valuation of net retirement benefit asset

Refer to notes 2.18.1, 4.a.(vii) and 14 to the consolidated financial statements for disclosures of related accounting policies and balances.

The Group sponsors separate pension plans for its employees in Trinidad and overseas. As at 30 September 2021, the Group had a consolidated net retirement benefit asset of $457.4 million.

The net retirement benefit asset is comprised of the value of pension plan assets less the pension obligation. The following key assumptions used to calculate the pension obligation can have a material impact on the calculation of the liability:

- salary increases;
- discount rates; and
- mortality rates.

Management utilised an external actuary to perform certain calculations with respect to the estimated pension obligation.

The pension assets consist of financial investments held at fair value, which are based on a range of inputs. While many of the inputs can be obtained from readily available liquid market prices and rates, certain securities are based on modelled prices as observable market data is limited. In these instances, management is required to make significant judgements due to the complexity in the valuation model estimates resulting in high estimation uncertainty risk.

We focused on this area because of the significance of the actuarial assumptions stated above in determining the pension obligation and the unobservable inputs used in the valuation models of certain securities within the pension assets.

Our approach to addressing the matter, with the assistance of our valuation specialist (in respect of pension assets), involved the following procedures, amongst others:

Pension obligation:

- compared the discount rate used by management to the yield of sovereign bonds of a similar period to retirement;
- compared mortality rates to publicly available statistics;
- compared salary increases to historical increases, taking into account the current economic climate;
- tested the completeness and accuracy of the census data used in the actuarial calculation on a sample basis by comparing it to personnel files; and
- assessed the independence, competence and objectivity of the actuary used by management to calculate the retirement benefit obligations.

Pension assets:

For investments, which were valued using a valuation model:

- evaluated the assumptions, methodologies and models used by the Group;
- tested the significant inputs relating to yield, prices and valuation on a sample basis to external sources where available and compared to similar transactions in the marketplace; and
- recalculated the valuation for a sample of management's modelled securities.

The results of the above audit procedures indicated management's valuation of the net retirement benefit asset was not unreasonable.

Assets and liabilities classified as held for sale *Refer to notes 2.22 and 37 to the consolidated financial statements for disclosures of related accounting policies and balances.* As at 30 September 2021, the Group's consolidated statement of financial position had assets classified as held for sale of $2,508 million and liabilities classified as held for sale of $1,699 million. The following transactions have resulted in the reclassification of the related assets and liabilities: ● Massy (Barbados) Limited entered into a Share Purchase Agreement with the Coralisle Group Ltd. on 2 September, 2021 to sell 100% of the share capital of Massy United Insurance Ltd. Closing of the transaction is subject to the requisite regulatory assurances and approvals. ● Massycard (Barbados) Limited entered into an Asset Purchase Agreement on November 15, 2021 for the sale of the credit card portfolio and supporting assets. Closing of the transaction is subject to the requisite regulatory assurances and approvals. ● The remaining balances pertain to multiple properties held for sale. There are several interested parties, and the sales are expected to be completed within the new financial year. We focused on this area due to the significant and pervasive impact of the reclassifications of related assets and liabilities, management judgement around timing of the criteria being met and the presentation of these balances in the consolidated financial statements.	Our approach to addressing the matter involved the following procedures, amongst others: ● evaluated the Group's judgement on the classification of the entities held for sale in accordance with IFRS by reading executed agreements and evaluating the timing and status of the transactions; ● assessed management's measurement of the assets and liabilities held for sale as the lower of its carrying amount and fair value less costs to sell; ● reconciled the reclassified assets and liabilities and results to the underlying accounting records of the entities with assets and liabilities held for sale; ● inspected the presentation of discontinued operations in the consolidated statement of profit or loss, the presentation of the assets and liabilities in the consolidated statement of financial position and the related notes and evaluated whether these were in conformity with the applicable accounting framework. The results of the above audit procedures indicated that management's classification, measurement and disclosure of the assets and liabilities held for sale was not inappropriate.

Valuation of loss reserves on insurance contracts *Refer to notes 2.15, 4.a.(viii) and 25 to the consolidated financial statements for disclosures of related accounting policies and balances.* As at 30 September 2021, the Group had a liability of $443.7 million in relation to the settlement of claims related to insurance contracts. The methodologies and assumptions utilised to develop incurred but not reported reserves involve a significant degree of judgement. Management uses historical claims data as a key input in the actuarial estimates and an external actuarial expert to assist in determining the value of claims incurred but not reported. The liabilities are based on the best estimated ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs. There is generally less information available in relation to claims which are incurred but not reported, which can result in variability between initial estimates and final settlement. A range of methods may be used to determine these provisions. We focused on this area due to the complexity and significance of a number of explicit and implicit assumptions relating to the expected settlement amount and settlement patterns of claims underlying these methods as well as the complexity of the calculations.	Our approach to addressing the matter, with the assistance of our actuarial specialist, involved the following procedures, amongst others: ● performed detailed testing, on a sample basis, over the historical claims case estimates and settlements to the underlying source data; ● tested the completeness and accuracy of the underlying data utilised by management and their external actuarial experts to support the actuarial valuation, which also included key data reconciliations; and ● performed an independent calculation of claims incurred but not reported using relevant company data and a combination of alternative methods, assumptions and grouping of data which was compared to management's estimate. The results of the above audit procedures indicated management's estimate for outstanding claims was not unreasonable.

Other information

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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



Port of Spain
Trinidad
West Indies
10 December 2021

Massy Holdings Ltd.

Consolidated Statement of Financial Position

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	As at 30 September 2021 $	2020 $
Assets			
Non-current assets			
Property, plant and equipment	5	2,123,886	2,185,201
Right-of-use assets	6	854,536	792,920
Investment properties	7	329,503	403,215
Goodwill	8	168,409	202,768
Other intangible assets	9	59,415	63,356
Investments in associates and joint ventures	10	129,608	170,498
Trade and other receivables	11	800	41,388
Financial assets	12	923,521	1,021,432
Deferred income tax assets	13	132,405	124,623
Retirement benefit assets	14	457,411	439,987
		5,179,494	5,445,388
Current assets			
Inventories	15	1,627,654	1,587,202
Trade and other receivables	11	1,571,430	2,254,001
Financial assets	12	587,353	1,282,064
Statutory deposits with regulators	16	26,643	129,471
Cash and cash equivalents	17	2,034,141	2,533,621
Assets classified as held for sale	37	2,508,194	8,000
		8,355,415	7,794,359
Total assets		13,534,909	13,239,747
Equity			
Capital and reserves attributable to equity holders of the parent			
Share capital	18	764,344	764,344
Retained earnings		5,878,713	5,346,075
Other reserves	20	25,075	60,219
		6,668,132	6,170,638
Non-controlling interests	21	164,039	246,406
Total equity		6,832,171	6,417,044

Massy Holdings Ltd.

Consolidated Statement of Financial Position (continued)

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	As at 30 September 2021 $	2020 $
Liabilities			
Non-current liabilities			
Borrowings	22	1,448,159	1,440,184
Lease liabilities	6	919,516	844,004
Deferred income tax liabilities	13	234,043	236,050
Customers' deposits	23	114,028	98,831
Retirement benefit obligations	14	82,664	68,849
Provisions for other liabilities and charges		48,094	76,183
		2,846,504	2,764,101
Current liabilities			
Trade and other payables	24	1,485,242	1,796,004
Liabilities on insurance contracts	25	--	1,172,814
Customers' deposits	23	179,474	190,126
Current income tax liabilities		161,570	155,959
Borrowings	22	261,742	677,096
Lease liabilities	6	68,717	66,603
Liabilities classified as held for sale	37	1,699,489	--
		3,856,234	4,058,602
Total liabilities		6,702,738	6,822,703
Total equity and liabilities		13,534,909	13,239,747

The notes on pages 20 to 124 are an integral part of these consolidated financial statements.

On 10 December 2021, the Board of Directors of Massy Holdings Ltd. authorised these consolidated financial statements for issue.

E.G. Warner
Director

Anton Gopaulsingh
Director

Ian Chinapoo
Director

Massy Holdings Ltd.

Consolidated Statement of Profit or Loss

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Year ended 30 September 2021 $	2020 $ (Restated)
	37		
Continuing operations:			
Revenue	3/26	11,127,944	10,243,236
Operating profit before finance costs and expected credit losses		985,354	733,300
Expected credit losses	26.2	(4,007)	(9,498)
Operating profit before finance costs	26	981,347	723,802
Finance cost - net	28	(102,767)	(112,453)
Operating profit after finance costs		878,580	611,349
Share of profit of associates and joint ventures	10	50,296	48,948
Profit before income tax		928,876	660,297
Income tax expense	29	(250,863)	(257,143)
Profit for the year from continuing operations		678,013	403,154
Discontinued operations:			
Gain on sale of discontinued operations	37	90,784	262,442
Profit after tax from discontinued operations	37	53,231	77,555
Profit for the year from discontinued operations		144,015	339,997
Profit for the year		822,028	743,151
Attributable to:			
Owners of the parent			
- continuing operations		639,833	367,415
- discontinued operations	37	148,625	328,988
Profit attributable to owners of the parent		788,458	696,403
Non-controlling interests:			
- continuing operations		38,180	35,739
- discontinued operations	37	(4,610)	11,009
Profit attributable to non-controlling interests	21	33,570	46,748
Profit for the year		822,028	743,151
Earnings per share attributable to the owners of the parent during the year (expressed in TT$ per share)			
Basic earnings per share:			
- continuing operations	30/37	6.51	3.75
- discontinued operations	30/37	1.51	3.36
		8.02	7.11

The notes on pages 20 to 124 are an integral part of these consolidated financial statements.

Massy Holdings Ltd.

Consolidated Statement of Other Comprehensive Income

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Year ended 30 September	
	2021	**2020**
	$	**$**
Profit for the year	822,028	743,151
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit pension plans net of taxation	(19,924)	54,778
	(19,924)	54,778
Items that may be subsequently reclassified to profit or loss		
- Currency translation differences	(12,750)	(24,739)
Other comprehensive (loss)/income for the year, net of tax	(32,674)	30,039
Total comprehensive income for the year	789,354	773,190
Attributable to:		
- owners of the parent	755,851	722,715
- non-controlling interests	33,503	50,475
Total comprehensive income for the year	789,354	773,190
Attributable to:		
- Continuing operations	608,423	392,904
- Discontinued operations	147,428	329,811
Total comprehensive income attributable to owners of the parent	755,851	722,715

The notes on pages 20 to 124 are an integral part of these consolidated financial statements.

Massy Holdings Ltd.

Consolidated Statement of Changes in Equity

(Expressed in Thousands of Trinidad and Tobago Dollars)

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

Consolidated Statement of Changes in Equity

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Share capital $	Other reserves $	Retained earnings $	Subtotal attributable to equity holders of the parent $	Non-controlling interest $	Total equity $
Balance at 1 October 2019		764,344	109,919	4,839,635	5,713,898	233,043	5,946,941
IFRS 16 initial application adjustments		--	--	(70,400)	(70,400)	(3,373)	(73,773)
Balance at 1 October 2019 - restated		764,344	109,919	4,769,235	5,643,498	229,670	5,873,168
Profit for the year		--	--	696,403	696,403	46,748	743,151
Other comprehensive income		--	(25,901)	52,213	26,312	3,727	30,039
Total comprehensive income for the year		--	(25,901)	748,616	722,715	50,475	773,190
Other movements:							
- Transfer from other reserves	20	--	(35,526)	35,526	--	--	--
- Disposal of subsidiaries			11,087	5,344	16,431	--	16,431
- Other reserve movements		--	2,822	4,643	7,465	(5,120)	2,345
Transactions with owners:							
- Dividends paid	19	--	--	(217,289)	(217,289)	(24,003)	(241,292)
- Purchase of non-controlling interests		--	(2,182)	--	(2,182)	(4,616)	(6,798)
Balance at 30 September 2020		764,344	60,219	5,346,075	6,170,638	246,406	6,417,044

		Year ended	
		30 September 2021	**30 September 2020**
Dividends per share	19	$2.85	$2.50
Dividends paid per share	19	$2.55	$2.22

The notes on pages 20 to 124 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 2021 $	2020 $ (Restated)
Cash flows from operating activities			
Profit before income tax from continuing operations		928,876	660,297
Profit before tax from discontinued operations	37	161,731	377,838
Adjustments for:			
Share of results of associates and joint ventures	10	(52,344)	(53,459)
Depreciation and impairment of property, plant and equipment	5	217,010	306,438
Depreciation of right-of-use assets	6	90,332	92,553
Depreciation and impairment of investment properties	7	2,892	30,011
Impairment of goodwill	8	10,263	10,000
Amortisation of other intangible assets	9	19,320	10,594
Unwinding of interest on restoration liability		145	124
Covid-19 lease concessions	6.2	(276)	(3,217)
Gain on disposal of property, plant and equipment		(113,748)	(53,361)
Gain on disposal of investment properties		(8,828)	(23,708)
Gain on disposal of subsidiaries	37	(90,784)	(262,442)
Expected credit losses/impairment expense on financial instruments		6,942	14,460
Gains on other financial instruments		(51,255)	(1,109)
Employee retirement and other benefits		(16,541)	(3,323)
Profit before changes in working capital		1,103,735	1,101,696
Changes in working capital:			
Increase in inventories		(94,454)	(116,859)
(Increase)/decrease in trade and other receivables		(530,721)	223,129
(Decrease)/increase in other provisions and other charges		(28,234)	20,892
(Increase)/decrease in instalment credit and other loans		(14,786)	94,755
Increase/(decrease) in trade and other payables		107,234	(50,048)
Increase in statutory deposits with regulators		(45,586)	(14,951)
Increase/(decrease) in liabilities on insurance contracts		157,758	(140,645)
Increase/(decrease) in customers' deposits		4,545	(15,493)
Cash generated from operations		659,491	1,102,476
Taxation paid		(245,454)	(263,303)
Net cash generated from operating activities		414,037	839,173

Consolidated Statement of Cash Flows (continued)

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Year ended 30 September 2021 $	2020 $
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		159,176	168,378
Proceeds from sale of investment properties		27,516	34,071
Additions to property, plant and equipment	5	(423,775)	(283,618)
Additions to investment properties	7	(2,066)	(11,958)
Net change in other financial assets excluding instalment credit and other loans		292,642	(256,081)
Increase in other investments, other intangibles, non-controlling interests and investments in associates and joint ventures		(30,494)	(4,995)
Dividends received from associated companies	10	33,692	15,276
Acquisition of Dicengas and Gasprocol	36	--	(17,308)
Proceeds on sale of subsidiaries, net of cash disposed and direct costs	37	165,200	371,133
Net cash generated from investing activities		221,891	14,898
Cash flows from financing activities			
Proceeds from borrowings		647,401	355,571
Principal repayments on borrowings		(1,064,701)	(420,812)
Principal repayments on lease liabilities	6	(77,215)	(76,290)
Purchase of non-controlling interest		(2,131)	(6,798)
Dividends paid to company's shareholders	19	(250,775)	(217,289)
Dividends paid to non-controlling interests		(47,202)	(24,003)
Net cash used in financing activities		(794,623)	(389,621)
Net (decrease)/increase in cash, cash equivalents		(158,695)	464,450
Cash, cash equivalents and bank overdrafts at beginning of the year		2,525,521	2,064,262
Effect of exchange rate changes on cash and bank overdrafts		(4,734)	(3,191)
Cash, cash equivalents and bank overdrafts at end of the year		2,362,092	2,525,521
Cash and short-term bank deposits		2,379,882	2,533,621
Bank overdrafts	22	(17,790)	(8,100)
		2,362,092	2,525,521
The following amounts are included within cash flows from operating activities:			
Interest received from other financial instruments		80,218	79,180
Dividends received from other financial instruments		2,198	2,903
Cash and short-term bank deposits:			
Continuing operations	17	2,034,141	2,533,621
Reclassified to held for sale	37	345,741	--
		2,379,882	2,533,621

The notes on pages 20 to 124 are an integral part of these consolidated financial statements.

1 General information

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

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

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

Motors and Machines	**Country of incorporation**	**Percentage equity capital held**
Massy Transportation Group Ltd.	Trinidad and Tobago	100%
Massy Motors Ltd.	Trinidad and Tobago	100%
City Motors (1986) Limited	Trinidad and Tobago	100%
Massy Machinery Ltd.	Trinidad and Tobago	100%
Massy Automotive Components Ltd.	Trinidad and Tobago	100%
Massy Motors (Tobago) Ltd.	Trinidad and Tobago	100%
Master Serv Limited	Trinidad and Tobago	100%
Massy Motors (Guyana) Ltd.	Guyana	93.64%
Massy Motors Colombia S.A.S	Colombia	100%
Massy Motors Best Auto Ltd.	Trinidad and Tobago	100%
Financial Services		
Massy United Insurance Ltd.	Barbados	100%
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 Services (Guyana) Ltd.	Guyana	93.64%
Massy Credit Plus Ltd.	Trinidad and Tobago	100%
Gas Products		
Massy Gas Products Holdings Ltd.	Trinidad and Tobago	100%
Massy Energy (Trinidad) Ltd.	Trinidad and Tobago	100%
Massy Gas Products (Trinidad) Ltd.	Trinidad and Tobago	100%
Massy Gas Products (Jamaica) Limited	Jamaica	100%
Massy Gas Products (Guyana) Ltd.	Guyana	93.64%
Massy Energy Colombia S.A.S.	Colombia	100%

1 **General information (continued)**

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

The Group has subsidiaries whose year-end is not coterminous with September 30 as follows:

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

2 Summary of significant accounting policies

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

2.1 *Basis of preparation*

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

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

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

Amendments to IFRS 16, 'Leases' – Covid-19 related rent concessions

These amendments make it easier for lessees to account for Covid-19-related rent concessions such as rent holidays and temporary rent reductions.

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, in March 2021, the IASB subsequently extended this date to 30 June 2022 in another amendment to IFRS 16 (the 2021 amendment). If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment.

However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so.

The March 2021 amendment is effective for annual reporting periods beginning on or after 1 April 2021, with earlier application permitted – Including in financial statements not yet authorised for issue at 31 March 2021. In practical terms, this means that a lessee that previously applied the practical expedient in the May 2020 amendment is permitted, but not required, to apply the March 2021 amendment immediately when it is issued, subject to any endorsement process.

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

2.1 *Basis of preparation (continued)*

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

The following standards, amendments and interpretations listed were also effective as of 1 October 2020, but did not have a significant impact on the amounts recognised in prior and current periods.

- Definition of a Business – amendments to IFRS 3
- Amendments to IAS 1 and IAS 8 on the definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform
- Amendments to IAS 1, 'Presentation of financial statements' on classification of liabilities

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 entity in the current or future reporting periods and on foreseeable future transactions:

- A number of narrow-scope amendments to IFRS 17, IFRS 16, IAS 1, IAS 16, IFRS 3, IAS 37, IAS 28, IFRS 10 and some annual improvements on IFRS 9 ,IFRS 16 and IFRS 1.

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.

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

2.2 *Consolidation (continued)*

2.2.1 *Subsidiaries (continued)*

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

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

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

2.2.2 *Transactions with non-controlling interests*

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

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

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

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

2.2 *Consolidation (continued)*

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 income statement, 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 income statement.

2.3 *Segment reporting*

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

2 **Summary of significant 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.

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

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

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

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

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

2.5 *Property, plant and equipment*

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

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

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

Land is not depreciated.

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

Current rates of depreciation are:

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

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

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

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

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

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

2.6 *Leases*

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

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

2.6.1 *The Group as a lessee*

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

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

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

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

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

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

2.6 *Leases (continued)*

2.6.1 *The Group as a lessee (continued)*

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

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

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

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

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments (or credits) are recognised as an expense (or income) in the period in which the event or condition that triggers those payments. The Group did not have any variable lease payments that do not depend on an index or a rate for the period ended 30 September 2021. Covid-19 rental waivers were accounted for as variable lease payments.

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

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

2.6 *Leases (continued)*

2.6.2 *The Group as a lessor*

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

2.7 *Investment properties*

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

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

The current rate of depreciation is 2%.

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

2.8 *Intangible assets*

2.8.1 *Goodwill*

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

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

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

2.8 *Intangible assets (continued)*

2.8.2 *Computer software*

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

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

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

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

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

2.8.3 *Brands*

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

2.8.4 *Impairment of non-financial assets*

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

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

2.9 *Financial assets*

2.9.1 *Classification*

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

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

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

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

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

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

All other instruments are carried at FVPL. For assets measured at fair value, gains and losses are recorded in profit or loss. The Group did not elect to designate any financial assets at FVPL.

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

2.9.2 *Recognition and derecognition*

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

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

2.9 *Financial assets (continued)*

2.9.3 *Measurement*

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

a) *Debt instruments*

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

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

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

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

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

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

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

2.9 *Financial assets (continued)*

2.9.3 *Measurement (continued)*

a) *Debt instruments (continued)*

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

b) *Equity instruments*

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

2.9.4 *Impairment*

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

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

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

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

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

2.9 *Financial assets (continued)*

2.9.4 *Impairment (continued)*

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

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

Expected credit loss (ECL) is measured as follows:

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

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

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

The loss allowance for debt investments is recognised in profit or loss. For debt instruments at FVOCI, the loss is recognised in profit or loss and reduces the fair value loss 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 90-120 days past due on its contractual payment.

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

2.9 *Financial assets (continued)*

2.9.4 *Impairment (continued)*

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

Qualitative criteria:

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

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

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

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

Expected credit loss measurement

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

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

The general approach

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

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

2.9 *Financial assets (continued)*

2.9.4 *Impairment (continued)*

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

The general approach (continued)

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

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

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

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

- A default on a loan occurs in the following circumstances:

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

Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the country's GDP as the most relevant macroeconomic factor and accordingly adjusted the historical loss rates based on expected changes in this factor. In response to the Covid-19 pandemic, the forward-looking scenarios were adjusted to consider an additional worse case scenarios taking into consideration recent pronouncements by the IMF and other macroeconomic indicators. This resulted in an uplift of the expected loss rates by 15 bps.

c) *Trade receivables and contract assets*

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

2.10 *Inventories*

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

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

2.11 *Trade receivables*

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

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

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

2.12 *Cash and cash equivalents*

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

2.13 *Share capital*

Ordinary shares are classified as equity.

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

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

2.14 *Trade payables*

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

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

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

2.15 *Insurance*

2.15.1 *Insurance and reinsurance contracts*

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

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

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

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

2.15.2 *Amounts receivable from reinsurance companies*

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

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

2.16 *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement 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 balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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

2.17 *Current and deferred income tax*

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

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

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

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

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

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

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

Current and deferred tax is recognised in 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.

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

2.18 *Employee benefits*

2.18.1 *Pension obligations*

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

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

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

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

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

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

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

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

2.18 *Employee benefits (continued)*

2.18.1 *Pension obligations (continued)*

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

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

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

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

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

2.18.2 *Other post-employment obligations*

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

2.18.3 *Termination benefits*

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

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

2.18 *Employee benefits (continued)*

2.18.4 *Bonus plans*

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

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

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

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

(a) *Share-based payments*

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

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

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

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

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

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

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

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

2.18 *Employee benefits (continued)*

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

(b) *Long term incentive plan*

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

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

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

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

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

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

2.19 *Provisions*

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

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

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

2.20 *Revenue recognition*

2.20.1 *Sale of goods and services*

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

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

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

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

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

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

2.20 *Revenue recognition (continued)*

2.20.1 *Sale of goods and services (continued)*

Payments received in advance of satisfying performance obligations are shown within contract liabilities (if material).

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

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

2.20.2 *Customer loyalty programme*

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

2.20.3 *Premium income*

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

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

2.20 *Revenue recognition (continued)*

2.20.4 *Rental income*

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

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

2.20.5 *Interest income*

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

2.20.6 *Dividend income*

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

2.21 *Dividend distribution*

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

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

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

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

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

3 Segment information

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

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

The Group is organised into five main business segments:

(1) Integrated Retail;
(2) Gas Products;
(3) Motors and Machines;
(4) Financial Services;
(5) Strategic and Other Investments.

Head Office and Other Adjustments relate to the cost associated with the provision of support services by the head office to its subsidiaries. Included in the current year, is the income earned from divestment proceeds that were re-invested.

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

(1) *Integrated retail*

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

(2) *Gas products*

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

(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. In the prior year, this segment was restated to reflect the sale of Highway Properties Limited in September 2021. Refer to Note 37 (Discontinued operations) for further details.

(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 and Saint Lucia. This segment excludes Massy United Insurance Ltd. and the credit card portfolio of Massycard (Barbados) Limited both in the current and prior year as these are classified as Held for Sale in the current year's consolidated financial statements. Refer to Note 37 (Discontinued operations) for further details.

3 **Segment information (continued)**

(5) *Strategic and other investments*

This segment holds the group investments in strategic and other investments which include property sales, rentals and brokerage as well as engineering, maintenance and construction services for oil, gas and petrochemical clients in Trinidad. For the prior and current year, this segment excludes Roberts Manufacturing Ltd as well as Massy Pres-T-Con Holdings Ltd. which were sold in 2021. The prior year also excludes Seawell Air Services Limited and Massy Energy Production Resources Ltd. Refer to Note 37 (Discontinued operations) for further details.

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 Head Office and Other Adjustments.

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

	Integrated Retail $	Gas Products $	Motors and Machines $	Financial Services $	Strategic and Other Investments $	Head Office and Other Adjustments $	Total $
Group revenue	7,378,300	1,123,593	2,870,521	126,800	255,084	22,082	11,776,380
Inter-segment revenue	(435,185)	(13,886)	(162,854)	--	(14,429)	(22,082)	(648,436)
Third party revenue	6,943,115	1,109,707	2,707,667	126,800	240,655	--	11,127,944
Timing of revenue							
At a point in time	7,378,300	1,104,805	2,729,035	96,905	27,912	1,339	11,338,296
Over time	--	4,410	81,269	29,355	227,172	20,743	362,949
Revenue not recognised under IFRS 15	--	14,378	60,217	540	--	--	75,135
	7,378,300	1,123,593	2,870,521	126,800	255,084	22,082	11,776,380
Operating profit/(loss) before finance costs	494,662	210,409	182,985	88,756	30,746	(26,211)	981,347
Finance costs - net	(68,652)	(11,440)	(9,696)	(330)	(2,214)	(10,435)	(102,767)
	426,010	198,969	173,289	88,426	28,532	(36,646)	878,580
Share of results of associates and joint ventures (Note 10)	--	16,819	--	--	33,477	--	50,296
Profit/(loss) before income tax	426,010	215,788	173,289	88,426	62,009	(36,646)	928,876
Taxation (Note 29)	(114,684)	(68,373)	(59,869)	(23,184)	(16,269)	31,516	(250,863)
Profit/(loss) for the year	311,326	147,415	113,420	65,242	45,740	(5,130)	678,013

3 **Segment information (continued)**

The segment results for the year ended September 30, 2020 relating to continuing operations are as follows:

	Integrated Retail $	Gas Products $	Motors and Machines $	Financial Services $	Strategic and Other Investments $	Head Office and Other Adjustments $	Total $
			(Restated)	(Restated)	(Restated)	(Restated)	
Group revenue	7,411,149	943,881	2,338,181	114,538	203,003	20,430	11,031,182
Inter-segment revenue	(558,566)	(15,547)	(172,517)	--	(20,886)	(20,430)	(787,946)
Third party revenue	6,852,583	928,334	2,165,664	114,538	182,117	--	10,243,236
Timing of revenue							
At a point in time	7,411,149	929,055	2,211,678	84,714	29,612	1,270	10,667,478
Over time	--	2,318	56,390	29,062	173,391	19,160	280,321
Revenue not recognised under IFRS 15	--	12,508	70,113	762	--	--	83,383
	7,411,149	943,881	2,338,181	114,538	203,003	20,430	11,031,182
Operating profit/(loss) before finance costs	440,860	185,205	188,470	67,643	(42,129)	(116,247)	723,802
Finance costs - net	(72,793)	235	(15,820)	(216)	(758)	(23,101)	(112,453)
	368,067	185,440	172,650	67,427	(42,887)	(139,348)	611,349
Share of results of associates and joint ventures (Note 10)	--	7,302	--	--	41,646	--	48,948
Profit/(loss) before income tax	368,067	192,742	172,650	67,427	(1,241)	(139,348)	660,297
Taxation (Note 29)	(106,239)	(61,872)	(60,864)	(20,581)	(19,242)	11,655	(257,143)
Profit/(loss) for the year	261,828	130,870	111,786	46,846	(20,483)	(127,693)	403,154

3 **Segment information (continued)**

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

	Integrated Retail $	Gas Products $	Motors and Machines $	Financial Services $	Strategic and Other Investments $	Head Office and Other Adjustments $	Total $
Total assets	4,362,440	1,225,203	1,711,803	2,897,196	1,110,093	2,228,174	13,534,909
Investments in associates and joint ventures (Note 10)	6,747	37,932	742	--	84,187	--	129,608
Total liabilities	1,780,262	344,610	592,935	2,077,165	153,955	1,753,811	6,702,738
Capital expenditure (Notes 5, 6, 7 and 9)	333,178	77,311	171,341	4,158	10,982	9,208	606,178

Other segment items included in the consolidated income statement are as follows:-

Depreciation and impairment (Notes 5, 6 and 7)	171,880	43,144	80,218	1,609	12,346	(18,733)	290,464
Impairment of goodwill	--	263	--	--	--	--	263

3 Segment Information (continued)

The segment assets and liabilities at September 30, 2020 and capital expenditure for the year then ended are as follows:

	Integrated Retail $	Gas Products $	Motors and Machines $	Financial Services $	Strategic and Other Investments $	Head Office and Other Adjustments $	Total $
Total assets	4,158,475	1,074,019	1,567,944	2,745,757	1,303,325	2,390,227	13,239,747
Investments in associates and joint ventures (Note 10)	6,763	46,214	517	32,039	84,965	--	170,498
Total liabilities	1,741,721	315,756	524,881	1,951,705	201,727	2,086,913	6,822,703
Capital expenditure (Notes 5, 6 and 7)	104,377	41,142	126,110	4,440	53,621	3,588	333,278

Other segment items included in the consolidated income statement are as follows:-

Depreciation and impairment (Notes 5, 6 and 7)	167,160	46,185	87,331	1,289	50,958	16,962	369,885

3 **Segment information (continued)**

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

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

	Third party revenue		Profit before income tax		Total assets		Capital expenditure	
	2021	2020	2021	2020	2021	2020	2021	2020
	$	$ (Restated)	$	$ (Restated)	$	$	$	$
Trinidad and Tobago	4,411,406	4,280,634	416,281	380,649	5,869,643	6,018,954	206,100	161,651
Barbados and Eastern Caribbean	2,989,766	2,952,075	211,948	164,653	5,114,937	4,722,941	226,221	54,752
Guyana	1,206,509	1,027,966	202,359	160,172	889,719	926,339	47,990	67,106
Jamaica	598,306	553,644	62,897	62,546	485,175	460,643	36,839	21,287
Colombia	1,816,791	1,321,360	66,961	27,183	706,276	662,625	88,963	28,439
Other	105,166	107,557	5,076	4,442	469,159	448,245	65	43
Head Office and other adjustments	--	--	(36,646)	(139,348)	--	--	--	--
	11,127,944	10,243,236	928,876	660,297	13,534,909	13,239,747	606,178	333,278

4 **Critical accounting estimates and judgements**

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

a. *Critical accounting estimates and assumptions*

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

(i) *Estimated impairment of goodwill*

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

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

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

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

ECL calculations are shown in Note 34. Had there been a 10% shift in the average ECL rate for all debt instruments at amortised cost and FVOCI, the Group ECL allowance would have been lower by $14,281 (2020: $19,928).

(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 income statement.

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

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

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

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

(iv) *Income taxes*

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

(v) *Fair value of financial instruments*

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

(vi) *Revenue recognition*

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

(vii) *Pension benefits*

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

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

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

(vii) *Pension benefits (continued)*

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

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

As at 30 September 2021, 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 $175,212 lower or $225,220 higher (2020: $168,107 lower or $215,237 higher).

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

(viii) *Liabilities on insurance contracts*

Outstanding claims consist of estimates of the ultimate cost of claims incurred that have not been settled at the statement of financial position date, whether reported or not, together with related claims handling costs. Significant delays may be experienced in the notification and settlement of certain types of general insurance claims, such as general insurance business.

Estimates are calculated using methods and assumptions considered to be appropriate to the circumstances of the Company and the business undertaken. This provision, while believed to be adequate to cover the ultimate cost of losses incurred, may ultimately be settled for a different amount. It is continually reviewed and any adjustments are recorded in operations in the period in which they are determined.

Additional information is disclosed in Note 25.

5 **Property, plant and equipment**

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

The net book amount of property, plant and equipment includes $3,453 (2020: $1,660) in respect of motor vehicles held under finance leases.

Depreciation and impairment expenses of $44,926 (2020: $116,575) has been charged in cost of sales and $172,084 (2020: $189,863) in ‘selling, general and administrative expenses’.

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

	Freehold Properties $	Leasehold properties and improvements $	Plant and equipment $	Rental assets $	Furniture and fixtures $	Motor vehicles $	Capital work in progress $	Total $
Year ended September 30, 2020								
Opening net book amount	1,223,467	219,602	466,290	197,351	59,235	80,551	145,809	2,392,305
Additions	52,307	9,675	51,813	86,270	8,538	30,774	44,241	283,618
Acquisition of subsidiaries (Note 36)	--	--	11,700	--	28	891	--	12,619
Disposal of subsidiaries (Note 37)	(1,809)	(9,342)	(34,779)	(12,810)	(2,179)	(1,339)	(10,190)	(72,448)
Disposals and adjustments	(31,206)	3,213	17,431	(48,855)	3,247	(7,084)	(51,764)	(115,018)
Translation adjustments	(49)	(1,842)	(4,333)	(1,126)	(489)	(1,259)	185	(8,913)
Transfer to investment property (Note 7)	(524)	--	--	--	--	--	--	(524)
Transfer from capital work in progress	2,574	24,447	27,877	30	5,034	4,382	(64,344)	--
Depreciation and impairment charge	(65,196)	(27,867)	(102,891)	(67,300)	(15,298)	(27,911)	25	(306,438)
Closing net book amount	1,179,564	217,886	433,108	153,560	58,116	79,005	63,962	2,185,201
At September 30, 2020								
Cost	1,434,252	398,272	1,610,481	501,251	243,449	267,655	64,546	4,519,906
Accumulated depreciation	(254,688)	(180,386)	(1,177,373)	(347,691)	(185,333)	(188,650)	(584)	(2,334,705)
Net book amount	1,179,564	217,886	433,108	153,560	58,116	79,005	63,962	2,185,201

6 Leases

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

6.1 *Right-of-use assets*

	Buildings $	Vehicles and Equipment $	Other $	Total $
Year ended September 30, 2021				
Opening net book amount	742,822	1,091	49,007	792,920
Exchange adjustment	1,192	(15)	(29)	1,148
Additions	158,336	3,016	2,392	163,744
Disposals and adjustments	(3,774)	127	676	(2,971)
Disposal of subsidiaries (Note 37)	--	--	(8,063)	(8,063)
Effect of modification to lease terms	1,844	--	15	1,859
Depreciation charge	(83,019)	(1,508)	(5,805)	(90,332)
Reclassified to held for sale (Note 37)	(3,769)	--	--	(3,769)
At end of year	813,632	2,711	38,193	854,536
Cost	983,765	6,853	49,609	1,040,227
Accumulated depreciation	(170,133)	(4,142)	(11,416)	(185,691)
At end of year	813,632	2,711	38,193	854,536
Year ended September 30, 2020				
Adjustment on initial application of IFRS 16	816,880	3,324	54,669	874,873
Exchange adjustment	676	61	(52)	685
Additions	14,947	1,988	1,373	18,308
Disposals and adjustments	(1,795)	--	--	(1,795)
Disposal of subsidiaries (Note 37)	(12,642)	(764)	(686)	(14,092)
Effect of modification to lease terms	7,494	--	--	7,494
Depreciation charge	(82,738)	(3,518)	(6,297)	(92,553)
At end of year	742,822	1,091	49,007	792,920
Cost	825,560	4,609	55,304	885,473
Accumulated depreciation	(82,738)	(3,518)	(6,297)	(92,553)
At end of year	742,822	1,091	49,007	792,920

6.2 *Lease liabilities*

	2021 $	2020 $
Opening net book amount	910,607	988,169
Translation adjustments	236	56
Additions	162,974	9,729
Payments	(77,215)	(76,290)
Disposal of subsidiaries (Note 37)	(9,327)	(15,353)
Covid-19-related rent concessions	(276)	(3,217)
Effect of modifications of lease terms	1,901	--
Reclassified to held for sale (Note 37)	(3,968)	--
Other adjustments	3,301	7,513
Closing net book amount	988,233	910,607
Current	68,717	66,603
Non-current	919,516	844,004
	988,233	910,607

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

	2021 $	2020 $ (Restated)
Interest expense on lease liabilities (Note 28)	55,086	52,605
Depreciation charge on right-of-use assets	87,922	86,376
Expense relating to short-term leases	13,656	15,683
Expense relating to leases of low value assets not included above	1,918	638
Net losses on lease modifications	41	--
Covid-19-related rent concessions	(276)	(3,217)
	158,347	152,085

7 **Investment properties**

	2021 $	2020 $
Cost	431,008	514,277
Accumulated depreciation and impairment	(101,505)	(111,062)
Net book amount	329,503	403,215
Movement analysis:		
Opening net book amount	403,215	413,595
Translation adjustments	(908)	1,692
Additions	2,066	11,958
Transfers (Note 5)	--	524
Disposals	(18,688)	(10,363)
Depreciation	(2,892)	(3,817)
Disposal of subsidiary (Note 37)	(1,416)	--
Reclassified to held for sale (Note 37)	(51,883)	(8,000)
Impairment	--	(26,194)
Other adjustments	9	23,820
Closing net book amount	329,503	403,215

- The fair value of the investment properties amounted to $469,492 (2020: $659,986).
- The fair value amount was either:
    1. valued by independent, professionally qualified valuators; or
    2. asserted via a Director's valuation based on:
        - references to properties in similar areas and condition;
        - correspondence from valuators which supports that there has not been significant movement in terms of market prices;
        - the directors' independent FV assessment based on a calculation if the property is tenanted;
        - re-assessment of any assumptions made in the last valuation and whether there were or should have been any changes and any other factors which support management's position that the FV continues to be relevant and appropriate.
- The property rental income earned by the Group during the year from its investment properties, amounted to $ 30,460 (2020: $37,825).
- Direct operating expenses arising on the investment properties which generated revenue during the year amounted to $14,206 (2020: $18,700).
- Direct operating expenses arising on the investment properties which did not generate revenue during the year amounted to $2,666 (2020: $1,005).
- Depreciation and impairment expenses have been charged in cost of sales.

8 **Goodwill**

	2021 $	2020 $
Cost	355,760	355,760
Accumulated translation adjustments	(7,435)	(7,312)
Accumulated impairment	(155,943)	(145,680)
Disposal of subsidiary	(3,271)	--
Reclassified to held for sale (Note 37)	(20,702)	--
Net book amount	168,409	202,768
Movement analysis:		
Opening net book amount	202,768	211,782
Acquisition of subsidiaries (Note 36)	--	661
Disposal of subsidiary	(3,271)	--
Reclassified to held for sale (Note 37)	(20,702)	--
Translation adjustments	(123)	325
Impairment charge	(10,263)	(10,000)
Closing net book amount	168,409	202,768

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

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

Motors and Machines	105,223	105,223
Gas Products	2,896	3,146
Integrated Retail	60,290	60,385
Financial Services	--	30,743
Strategic and Other Investments	--	3,271
Total	168,409	202,768

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

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

8 **Goodwill (continued)**

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

	2021		2020	
	Growth Rate[1]	**Discount Rate[2]**	**Growth Rate[1]**	**Discount Rate[2]**
Motors and machines	2.5%-4.6%	11.70%-12.20%	3.1%	10.6%-11.58%
Gas products	1.9%-3.0%	9.78%-12.80%	2.0%	13.77%
Integrated retail	3.0% - 3.24%	10.80%-11.00%	2.0%	12.25%-13.66%
Financial services	--	--	2.5%	13.20%
Strategic and other investments	--	--	1.6%	15.26%

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

[2] Pre-tax discount rate applied to the cash flow projections except for Financial Services in which a post-tax discount rate applied, for the fair value less cost to sell model.

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. Covid-19 uncertainties were incorporated by adjusting the cash flows using the expected cash flow approach under varying scenarios considering factors such as the length of the recovery period and the impact on cash flows.

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.

	2021 $	**2020 $**
Opening net book value	63,356	60,263
Translation adjustments	152	(2,032)
Additions for the year	30,494	4,995
Acquisition of subsidiaries (Note 36)	--	10,724
Amortisation charge for the year	(19,320)	(10,594)
Reclassified to held for sale (Note 37)	(15,267)	--
Net book amount	59,415	63,356
Cost	130,450	115,071
Accumulated amortisation	(71,035)	(51,715)
Net book amount	59,415	63,356

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

10 Investments in associates and joint ventures

	2021 $	2020 $
Investment and advances	74,324	74,324
Share of post-acquisition reserves	55,284	96,174
	129,608	170,498
Movement analysis:		
Balance at beginning of year	170,498	146,801
Translation adjustments	(215)	284
Share of results before tax	52,344	53,459
Share of tax	(15,977)	(15,270)
Dividends received	(33,692)	(15,276)
Disposal of associates	(5,169)	--
Reclassified to held for sale (Note 37)	(38,573)	--
Other	392	500
Balance at end of year	129,608	170,498
Analysed as:		
Individually material joint ventures	121,682	120,527
Individually immaterial associates and joint ventures	7,926	49,971
	129,608	170,498
Share of profit of associates and joint ventures		
Continuing Operations	50,296	48,948
Reclassified to held for sale (Note 37)	2,048	4,511
	52,344	53,459

Individually immaterial associates and joint ventures include SigniaGlobe Financial Group Inc. in the current and prior years which has been reclassified to Held for Sale.

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

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

	2021			2020		
	Massy Wood	**Caribbean Industrial Gases Unlimited**	**Total**	**Massy Wood**	**Caribbean Industrial Gases Unlimited**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
As at September 30, 2021						
Summarised balance sheet:						
Current assets	371,206	66,784	437,990	330,357	100,873	431,230
Non-current assets	31,481	48,999	80,480	30,617	94,091	124,708
Current liabilities	(232,796)	(10,914)	(243,710)	(210,052)	(69,649)	(279,701)
Non-current liabilities	(3,844)	(30,939)	(34,783)	(3,750)	(36,350)	(40,100)
Net assets	166,047	73,930	239,977	147,172	88,965	236,137
Reconciliation to net carrying amounts:						
Group share of joint ventures (%)	50%	50%	50%	50%	50%	50%
Group share of joint ventures ($)	83,023	36,965	119,988	73,586	44,482	118,068
Goodwill	727	967	1,694	727	1,732	2,459
	83,750	37,932	121,682	74,313	46,214	120,527
Other information:						
Country of incorporation	Trinidad & Tobago	Trinidad & Tobago		Trinidad & Tobago	Trinidad & Tobago	
Nature of relationship	Joint venture	Joint venture		Joint venture	Joint venture	

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

	Massy Wood	Caribbean Industrial Gases Unlimited	Total
	$	$	$
Summarised statement of comprehensive income			
As at September 30, 2021			
Revenue	1,049,185	89,625	1,138,810
Interest income	1	--	1
Depreciation and amortisation	--	(1,453)	(1,453)
Interest expense	--	(805)	(805)
Profit before tax	66,955	35,167	102,122
Income tax expense	(21,188)	(9,717)	(30,905)
Profit for the year	45,767	25,450	71,217
Reconciliation to profit or loss:			
Group share of joint ventures (%)	50%	50%	50%
Group share of joint ventures ($)	22,883	12,725	35,608
Goodwill Impairment	--	(765)	(765)
	22,883	11,960	34,843
As at September 30, 2020			
Revenue	1,006,509	62,166	1,068,675
Interest income	16	--	16
Depreciation and amortisation	--	(620)	(620)
Interest expense	--	(789)	(789)
Profit before tax	83,291	16,135	99,426
Income tax expense	(25,031)	(4,092)	(29,123)
Profit for the year	58,260	12,043	70,303
Reconciliation to profit or loss:			
Group share of joint ventures (%)	50%	50%	50%
Group share of joint ventures ($)	29,130	6,021	35,151
Goodwill Impairment	--	(765)	(765)
	29,130	5,256	34,386

The Group has an investment in a joint venture whose year end is not coterminous with September 30:

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

11 Trade and other receivables

	2021 $	2020 $
Trade receivables	883,762	1,218,166
Receivables with related parties	25,323	14,485
Less: provision for impairment of receivables	(56,418)	(134,293)
Trade receivables – net	852,667	1,098,358
Reinsurance assets	--	648,503
Contract assets (Note 11.1)	90,028	64,103
Less: provision for impairment of contract assets (Note 11.1)	(131)	(319)
Other debtors and prepayments	631,789	490,136
Less: provision for impairment of other debtors	(2,123)	(5,392)
Other debtors and prepayments – net	719,563	1,197,031
	1,572,230	2,295,389
Non-current portion	800	41,388
Current portion	1,571,430	2,254,001
	1,572,230	2,295,389

11.1 *Contract assets comprises*:

Unbilled income	89,791	47,072
Other: Service contracts	106	16,712
	89,897	63,784

The contract assets are trade receivables subjected to impairment testing under IFRS 9. The basis for impairment is explained in Note 34.1.2.

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

12 **Financial assets**	2021 $	2020 $
At amortised cost:		
- Bonds	407,225	689,709
- Instalment credit and other accounts	538,051	909,014
- Hire purchase receivables	46,974	37,231
- Mortgages	--	3,428
	992,250	1,639,382
Fair value through profit or loss:		
- Bonds and treasury bills	304,001	346,177
- Listed equities	12,180	85,159
- Unlisted equities	212	386
- Investment funds	3,454	33,675
	319,847	465,397
Fair value through other comprehensive income:		
- Unlisted equities	198,777	198,717
Total	1,510,874	2,303,496
Non-current portion	923,521	1,021,432
Current portion	587,353	1,282,064
	1,510,874	2,303,496

12.1 *Finance leases*

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

Not later than 1 year	4,662	5,683
Later than 1 year and not later than 5 years	8,804	10,300
	13,466	15,983
Unearned finance charges on finance leases	(1,531)	(858)
Net investment in finance leases	11,935	15,125
Not later than 1 year	4,051	5,170
Later than 1 year and not later than 5 years	7,884	9,955
	11,935	15,125

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% (2020: 30%).

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

Deferred income tax assets

	Accelerated depreciation $	Tax losses $	Leases $	Other $	Total $
Year ended September 30, 2021					
At beginning of year	15,307	13,984	41,653	53,679	124,623
Credit to consolidated income statement	3,060	9,730	4,630	23,698	41,118
Exchange adjustment	2	90	(357)	253	(12)
Disposal of subsidiary (Note 37)	(932)	(2,745)	--	--	(3,677)
Reclassified to held for sale (Note 37)	1,606	(2,403)	--	(2,520)	(3,317)
Other movements	(9,723)	2,764	(9,059)	(10,312)	(26,330)
At end of year	9,320	21,420	36,867	64,798	132,405
Year ended September 30, 2020	6,812	18,972	--	50,503	76,287
At beginning of year					
IFRS 16 initial application adjustments	--	--	29,177	217	29,394
Credit to consolidated income statement	1,764	823	6,682	11,691	20,960
Exchange adjustment	2,200	(19)	7	(2,383)	(195)
Disposal of subsidiary (Note 37)	(7,374)	(548)	--	(103)	(8,025)
Other movements	11,905	(5,244)	5,787	(6,246)	6,202
At end of year	15,307	13,984	41,653	53,679	124,623

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

13 **Deferred income tax (continued)**

Deferred income tax liabilities

	Accelerated depreciation $	Pension plan surplus $	Other $	Total $
Year ended September 30, 2021				
At beginning of year	73,287	135,544	27,219	236,050
(Credit)/charge to consolidated income statement	(1,895)	(1,213)	19,870	16,762
Exchange adjustment	(405)	(624)	52	(977)
Disposal of subsidiary (Note 37)	(3,233)	--	--	(3,233)
Other movements	(11,437)	4,113	(7,235)	(14,559)
At end of year	56,317	137,820	39,906	234,043
Year ended September 30, 2020				
At beginning of year	79,781	123,864	23,406	227,051
(Credit)/charge to consolidated income statement	(1,973)	801	10,819	9,647
Exchange adjustment	(432)	32	(894)	(1,294)
Disposal of subsidiary (Note 37)	(366)	--	(1,323)	(1,689)
Other movements	(3,723)	10,847	(4,789)	2,335
At end of year	73,287	135,544	27,219	236,050

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.

14 **Retirement benefit assets/obligations**

	2021 $	2020 $
Retirement benefit assets		
Neal & Massy Group Pension Fund Plan	382,573	381,700
Overseas plans – Other	74,838	58,287
	457,411	439,987

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	1,858,543	1,669,790
Present value of obligation	(1,292,700)	(1,263,030)
	565,843	406,760
Unutilisable asset	(183,270)	(25,060)
Asset in the statement of financial position	382,573	381,700

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

Neal & Massy Group Pension Fund Plan (continued)

	2021 $	2020 $
The movement in the present value of the defined benefit obligation is as follows:		
Opening present value of defined benefit obligation	1,263,030	1,233,861
Current service cost	30,972	20,403
Interest cost	61,941	60,470
Actuarial gains on obligation	(14,821)	(2,776)
Benefits paid	(48,422)	(48,928)
Closing present value of defined benefit obligation at September 30	1,292,700	1,263,030
The movement in the fair value of plan assets for the year is as follows:		
Opening fair value of plan assets	1,669,790	1,693,695
Expected return on plan assets	81,026	80,246
Actuarial gains/(losses) on plan assets	156,149	(55,223)
Benefits paid	(48,422)	(48,928)
Closing fair value of plan assets at September 30	1,858,543	1,669,790
The amounts recognised in the consolidated income statement are as follows:		
Current service cost	30,972	20,403
Net interest cost	(19,085)	(19,776)
Total included in profit or loss	11,887	627
Actuarial (gains)/losses recognised in other comprehensive income before tax	(12,760)	13,202
Movement in the asset recognised in the consolidated statement of financial position:		
Asset at beginning of year	381,700	395,529
Net pension expense	(11,887)	(627)
Actuarial gains/(losses)	12,760	(13,202)
Asset at end of year	382,573	381,700
The principal actuarial assumptions used were:	**Per annum**	**Per annum**
Discount rate	5.0%	5.0%
Future salary increases	5.0%	5.0%
Future pension increases – post retirement	3.0%	3.0%
Sensitivity – change in discount rate	1 % increase	1% increase
Sensitivity impact	(175,212)	(168,107)

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

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

	2021	2020
Plan assets are comprised as follows:		
Local equities/mutual funds	31%	35%
Local bonds/mortgages	17%	18%
Foreign investments	46%	39%
Deferred annuities/insurance policy	4%	5%
Short-term securities/cash/accrued income	2%	3%

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

Male	81	81
Female	85	85

Overseas plans – Other

The amounts recognised in the statement of financial position are as follows:	2021 $	2020 $
Fair value of plan assets	323,425	316,604
Present value of the defined benefit obligation	(156,295)	(186,758)
	167,130	129,846
Unutilisable asset	(92,292)	(71,559)
Asset recognised in the statement of financial position	74,838	58,287

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

Opening present value of defined benefit obligation	186,758	178,540
Current service cost	3,256	3,885
Interest cost	9,807	11,304
Plan participant contributions	3,549	3,632
Actuarial losses on obligation	4,330	7,254
Liabilities extinguished on settlement/curtailment	(42,689)	(4,215)
Exchange differences on foreign plans	(1,063)	(2,171)
Benefits paid	(7,653)	(11,471)
Closing present value of defined benefit obligation	156,295	186,758

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

Overseas plans – Other (continued)	2021 $	2020 $
The movement in the fair value of plan assets for the year is as follows:		
Opening fair value of plan assets	316,604	310,084
Income from discount rate on utilisable plan assets	13,690	17,039
Actual return on assets greater than above	48,577	109
Assets disbursed on settlement	(51,070)	--
Exchange differences on foreign plans	(2,772)	(4,672)
Employer contributions	2,936	2,823
Plan participant contributions	3,549	3,632
Administration expenses	(436)	(940)
Benefits paid	(7,653)	(11,471)
Closing fair value of plan assets at September 30	323,425	316,604
The amounts recognised in the consolidated income statement are as follows:		
Current service cost	3,256	3,885
Net interest cost	(3,883)	(5,735)
Administration expenses	436	940
Curtailments and settlements	(1,296)	(4,217)
Total included in other income	(1,487)	(5,127)
Actual return on plan assets	62,267	17,149
Movement in the asset recognised in the consolidated statement of financial position		
Asset at beginning of year	58,287	89,274
Actuarial gains/(losses) recognised in other comprehensive	12,127	(9,647)
Net pension income	1,487	5,127
Increase in unrecognisable asset	--	(29,290)
Employer contributions	2,937	2,823
Asset at end of year	74,838	58,287
Actuarial gains/(losses) recognised in other comprehensive income	12,127	(9,647)

The principal actuarial assumptions used were:

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

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

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

	2021 $	2020 $
Retirement benefit obligations		
Massy Holdings/BS&T/Hopwood – medical pension plan	(130,645)	(135,139)
Barbados Shipping & Trading (BS&T) – pension plan	47,981	66,290
	(82,664)	(68,849)

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

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

Fair value of plan assets	669,730	595,565
Present value of the defined benefit obligation	(527,081)	(529,275)
	142,649	66,290
Unrecognised asset due to limit	(94,668)	--
Asset in the statement of financial position	47,981	66,290

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

Opening present value of defined benefit obligation	529,275	537,442
Current service cost	5,787	6,883
Interest cost	40,014	40,805
Asset/(liabilities) extinguished on settlement	2,625	(4,696)
Actuarial gains on obligation	(11,810)	(12,743)
Exchange differences on foreign plans	(1,253)	2,362
Benefits paid	(37,557)	(40,778)
Closing present value of defined benefit obligation at 30 September	527,081	529,275

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

Opening fair value of plan assets	595,565	591,125
Income from discount rate on utilisable plan assets	45,811	45,211
Actual return on assets less than above	36,579	(24,443)
Administration expenses	(283)	(115)
Employer contributions	31,055	21,945
Exchange differences	(1,440)	2,620
Benefits paid	(37,557)	(40,778)
Closing fair value of plan assets at September 30	669,730	595,565

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

	2021 $	2020 $
Barbados Shipping & Trading (BS&T) – pension plan *(continued)*		
The amounts recognised in the consolidated income statement are as follows:		
Current service cost	5,787	6,883
Net interest income	(5,797)	(4,406)
Loss/(gain) on curtailments	2,625	(4,696)
Administration expenses	283	115
Expense/(income) recognised in the income statement	2,898	(2,104)
Actual return on plan assets	82,390	20,768
Liability at beginning of year	66,290	(11,223)
Increase in unrecognisable asset	--	64,907
Expense recognised in other comprehensive income	(46,466)	(11,443)
Net pension (expense)/income	(2,898)	2,104
Contributions paid	31,055	21,945
Asset at end of year	47,981	66,290

	2021 Per annum	2020 Per annum
The principal actuarial assumptions used were:		
Discount rates	7.75%	7.75%
Future salary increases	5.75%	5.75%
Future NIS increases	3.50%	3.50%
Future pension increases – past service	0.75%	0.75%
Future pension increases – future service	0.75%	0.75%

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

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

Male	83	83
Female	86	86

BS&T – medical plans

The principal actuarial assumptions used were:

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

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

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

The amounts recognised in the statement of financial position are as follows:	2021 $	2020 $
Present value of the defined benefit obligation	(130,645)	(135,139)
Liability recognised in the statement of financial position	(130,645)	(135,139)

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

Opening present value of defined benefit obligation	(135,139)	(158,969)
Current service cost	(6,546)	(8,248)
Interest cost	(9,259)	(11,177)
Curtailment	--	2,407
Actuarial gains on Obligation	11,779	31,280
Past Service Cost	(115)	6,298
Liabilities extinguished on Curtailment	7,106	1,138
Exchange Differences on Foreign Plans	(1,843)	(964)
Benefits paid	3,372	3,096
Closing present value of defined benefit obligation	(130,645)	(135,139)

The amounts recognised in the Consolidated income statement are as follows:

Current service cost	(6,546)	(8,248)
Net interest cost	(9,259)	(11,177)
Past Service cost	(115)	6,298
Curtailment	--	2,407
Gains on curtailments and settlements	7,106	1,138
Total Income recognised in Consolidated income statement	(8,814)	(9,582)
The amounts recognised in Other comprehensive income:		
Actuarial gains recognised in other comprehensive income	11,779	31,280

The principal actuarial assumptions used were:

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

15 **Inventories**

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

	Gross $	Provision $	2020 $
Finished goods and goods for resale	1,391,018	(78,783)	1,312,235
Goods in transit	187,043	--	187,043
Raw materials and consumables	73,337	(6,831)	66,506
Work in progress	22,928	(1,510)	21,418
	1,674,326	(87,124)	1,587,202

The cost of inventories recognised in expense and included in cost of sales amounted to $7,707,922 (Restated 2020: $7,095,338).

16 **Statutory deposits with regulators**

This comprises the following:

- Massy United Insurance Ltd. – This entity is registered to conduct insurance business under legislation in each relevant jurisdiction. This legislation may prescribe a number of requirements with respect to deposits, investment of funds and solvency for the protection of policy holders. In order to satisfy the legislative requirements of the various jurisdictions, a portion of cash and cash equivalents has been deposited or is held in trust to the order of the regulators.
  The deposit was reclassified to held for sale in 2021 (Note 37).

- Massy Finance GFC Ltd – The Financial Institutions Act, 2008 requires that every non-banking financial institution licensed under the Act in the Republic of Trinidad and Tobago hold and maintain a non-interest bearing deposit account with the Central Bank of Trinidad and Tobago equivalent to 9% of the total deposit liabilities of that institution. As at 30 September 2021 and 2020, Massy Finance GFC Ltd complied with the above requirement.

17 **Cash and cash equivalents**

	2021 $	2020 $
Cash at bank and in hand	1,987,011	2,448,397
Short-term bank deposits	47,130	85,224
	2,034,141	2,533,621

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	2,034,141	2,533,621
Bank overdrafts (Note 22)	(17,790)	(8,100)
Cash, net of bank overdrafts	2,016,351	2,525,521

18 **Share capital**

	Number of shares #	Ordinary shares $	Total $
At September 30, 2021	98,343	764,344	764,344
At September 30, 2019	97,743	764,344	764,344
Employee share grant – vested	600	--	--
At September 30, 2020	98,343	764,344	764,344

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

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

The Base Share Price will be calculated based on the average market price of the shares, for the last ten trading days, in the calendar month immediately preceding the Grant Date. Shares may vest between three and six years from the Grant Date subject to the applicable compound annual growth rate from the Base Share Price, which must be achieved to trigger the vesting and issue of the shares. There were no amounts recognised in the income statement in 2020 and 2021. Performance Share Plan Grants have satisfied the condition to be vested and this resulted in the grant of 599,589 shares on 19 May, 2020.

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

19 **Dividends per share**

	2021 $	2020 $
Interim paid: 2021 – 55 cents per share (2020 – 50 cents)	54,089	49,171
Final paid: 2020 – 200 cents per share (2019 – 172 cents)	196,686	168,118
	250,775	217,289

On 10 December 2021 the Board of Directors of Massy Holdings Ltd. declared a final dividend per share of $2.30, bringing the total dividends per share for the financial year ended 30 September 2021 to $2.85 (2020 - $2.50).

20 **Other reserves**

	Translation reserve	Catastrophe reserve (Note 20.2)	Statutory and general banking reserves (Note 20.1)	Other amounts	Total
	$	$	$	$	$
As at 30 September 2021					
Balance at beginning of year	(120,010)	385,991	17,390	(223,152)	60,219
Currency translation adjustments	(12,653)	--	--	--	(12,653)
Disposal of subsidiary	(3,787)	--	--	729	(3,058)
Transfer to other reserves	--	(16,785)	--	--	(16,785)
Other reserves	(296)	--	--	(1,426)	(1,722)
Purchase of non-controlling interest	--	--	--	(926)	(926)
Balance at end of year	(136,746)	369,206	17,390	(224,775)	25,075
As at 30 September 2020					
Balance at beginning of year	(110,540)	421,517	18,000	(219,058)	109,919
Currency translation adjustments	(25,901)	--	--	--	(25,901)
Disposal of subsidiary	16,431	--	--	(5,344)	11,087
Transfer to other reserves	--	(35,526)	--	--	(35,526)
Other reserves	--	--	(610)	3,432	2,822
Purchase of non-controlling interest	--	--	--	(2,182)	(2,182)
Balance at end of year	(120,010)	385,991	17,390	(223,152)	60,219

Other amounts primarily include premiums paid on the acquisition of non-controlling interest.

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 (2020: $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 (2020: $2,390).

20 **Other reserves (continued)**

20.2 *Catastrophe reserve*

This comprises reserves arising from two entities:

- Massy United Insurance Ltd – This entity transfers from its retained earnings, as permitted in Section 155 of the Insurance Act, 1996 – 32, 25% of net premium income earned arising from its property business into a reserve established to cover claims made by the Group's policyholders arising from a catastrophic event, which is included as a separate component of equity. The reserve amounted to $38,299 (2020: $80,845).

- 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 $330,907 (2020: $305,146).

21 **Non-controlling interests**

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

	2021 $	2020 $
Accumulated balances with non-controlling interests		
Material non-controlling interests	105,827	161,515
Individually immaterial non-controlling interests	58,212	84,891
	164,039	246,406
Profit for the year from non-controlling interests		
Material non-controlling interests	26,608	38,635
Individually immaterial non-controlling interests	6,962	8,113
	33,570	46,748

Individually immaterial non-controlling interests include Massy Guyana Group, Massy Pres-T-Con Holdings Ltd and Massy Carbonics Limited in 2020. In 2021, Massy Pres-T-Con Holdings Ltd was sold.

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

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

	Roberts Manufacturing Co Limited $	Massy Stores (SLU) Ltd $	Total $
	49.5%	**40%**	
As at September 30, 2021			
Balance at beginning of year	67,959	93,556	161,515
Total comprehensive income for the year	(986)	27,594	26,608
Dividends	(26,314)	(15,097)	(41,411)
Currency translation adjustments	(141)	(226)	(367)
Disposal of subsidiary	(40,518)	--	(40,518)
Balance at end of year	--	105,827	105,827
As at September 30, 2020			
Balance at beginning of year	57,970	84,001	141,971
Total comprehensive income for the year	12,530	28,730	41,260
Dividends	(7,686)	(16,181)	(23,867)
Currency translation adjustments	273	477	750
Other movements for the year	4,872	(3,471)	1,401
Balance at end of year	67,959	93,556	161,515

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.

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

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

	Roberts Manufacturing Co Limited $	Massy Stores (SLU) Ltd $
As at September 30, 2020		
Summarised balance sheet:		
Current assets	159,963	230,592
Non-current assets	78,072	199,511
Current liabilities	(36,516)	(112,254)
Non-current liabilities	(7,488)	(80,586)
Indirect NCI	(17,858)	(3,371)
Net assets	176,173	233,892
Summarised statement of comprehensive income:		
Revenue	370,046	1,296,777
Profit attributable to parent	20,010	71,826
Other comprehensive income	5,302	--
Total comprehensive income for the year	25,312	71,826
NCI share (%)	49.5	40
NCI share ($)	12,530	28,730
Summarised statement of cash flows:		
Operating activities	58,166	72,966
Investing activities	(3,735)	(3,168)
Financing activities	(15,527)	(87,229)
Net change in cash flows	38,904	(17,431)

22 Borrowings

	2021 $	2020 $
Secured advances and mortgage loans	117,965	503,714
Unsecured advances	1,564,146	1,605,466
Bank overdrafts (Note 17)	17,790	8,100
Bankers acceptance	10,000	--
Total borrowings	1,709,901	2,117,280
Less short-term borrowings	(261,742)	(677,096)
Medium and long-term borrowings	1,448,159	1,440,184
Short-term borrowings comprise:		
Bank overdrafts (Note 17)	17,790	8,100
Bankers acceptance	10,000	--
Current portion of other borrowings	233,952	668,996
	261,742	677,096

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

In 2020, included in short-term borrowings is a $350M bond facility from Scotiabank Trinidad and Tobago Limited which matured on October 14, 2020.

Total borrowings include secured liabilities of $110,107 (2020: $494,381).

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

Where applicable, the Group has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting periods.

22.1 *Net debt reconciliation*

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

22 **Borrowings (continued)**

22.1 *Net debt reconciliation (continued)*

	Cash and cash equivalents, net of overdrafts (Note 17)	Borrowings, net of overdrafts	Total
	$	$	$
Year ended 30 September 2020			
At beginning of year	2,064,262	(2,190,916)	(126,654)
Proceeds on new borrowings	--	(355,571)	(355,571)
Principal repayments on borrowings	--	420,812	420,812
Disposal of subsidiaries	--	301	301
Effect of exchange rate changes on cash and bank overdrafts	(3,191)	16,130	12,939
Other cash flows	464,450	64	464,514
At end of year	2,525,521	(2,109,180)	416,341

23 **Customers' deposits**

	2021 $	2020 $
These represent the deposits for fixed terms accepted mainly by Massy Finance GFC Ltd.		
Payable within one year	179,474	190,126
Payable between two and five years	114,028	98,831
	293,502	288,957
Sectorial analysis of deposit balances		
Private sector	51,736	13,312
Consumers	241,766	275,645
	293,502	288,957

Interest expense on customers' deposits of $6,770 (2020: $7,183) is shown within "other direct costs" in Note 26.

24 Trade and other payables

	2021 $	2020 $
Trade creditors	649,780	971,973
Contract liabilities (Note 24.1)	4,505	16,336
Other payables (Note 24.2)	830,957	807,695
	1,485,242	1,796,004

24.1 *Contract liabilities*

Analysis of contract liabilities:

Deferred Income	2,483	13,778
Rebates	--	844
Extended warranty programmes	982	1,007
Other	1,040	707
	4,505	16,336

Expected timing of revenue recognition:

Within 1 year	3,094	15,463
After 1 year	1,411	873
	4,505	16,336
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period	2,299	596

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

Balance at the beginning of the year	46,814	30,972
Payments	(21,666)	--
Current service cost	37,837	15,842
Balance at the end of the year	62,985	46,814

25 Liabilities on insurance contracts

	2021 $	2020 $
Outstanding claims	434,063	433,645
Unearned premiums	896,509	739,169
(Note 37)	1,330,572	1,172,814

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

Movement in outstanding claims reserve may be analysed as follows:

	Insurance liabilities 2021 $	Reinsurers' share 2021 $	Insurance liabilities 2020 $	Reinsurers' share 2020 $
Beginning of the year	433,645	93,291	701,910	311,114
Exchange adjustment	(1,029)	(222)	8,538	3,787
Claims incurred	285,369	88,613	255,133	85,544
Claims paid	(283,922)	(84,901)	(531,936)	(307,154)
	434,063	96,781	433,645	93,291

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

	Insurance liabilities 2021 $	Reinsurers' share 2021 $	Insurance liabilities 2020 $	Reinsurers' share 2020 $
Beginning of the year	739,169	555,212	611,549	419,831
Exchange adjustment	(1,754)	(1,771)	(1,556)	(1,815)
Claims incurred	1,565,115	1,151,986	1,339,752	950,673
Claims paid	(1,406,021)	(1,011,030)	(1,210,576)	(813,477)
	896,509	694,397	739,169	555,212

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

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

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

Claims development table

Gross	**2013** $	**2014** $	**2015** $	**2016** $	**2017** $	**2018** $	**2019** $	**2020** $	**2021** $	**Total** $
At end of accident year	150,705	185,538	221,707	296,089	2,222,912	243,044	460,452	255,108	247,237	
One year later	158,985	153,082	219,948	285,344	2,087,214	257,381	413,764	319,919	--	
Two years later	152,839	157,679	207,643	272,122	1,771,109	267,547	406,993	--	--	
Three years later	153,534	157,409	196,946	270,622	1,763,957	246,720	--	--	--	
Four years later	153,558	157,018	196,491	263,973	1,757,001	--	--	--	--	
Five years later	151,439	157,453	197,757	261,109	--	--	--	--	--	
Six years later	152,632	152,089	198,514	--	--	--	--	--	--	
Seven years later	152,089	159,027	--	--	--	--	--	--	--	
Eight years later	152,510	--	--	--	--	--	--	--	--	
	152,510	159,027	198,514	261,109	1,757,001	246,720	406,993	319,919	247,237	3,749,030
Cumulative payments to date	147,651	146,698	182,598	245,770	1,733,007	198,209	362,322	263,794	127,173	3,407,222
Liability recognised	4,859	12,329	15,916	15,339	23,994	48,511	44,671	56,125	120,064	341,808
Liability in respect of prior years										92,255
Total liability										434,063
Net favourable/(unfavourable) development	(1,805)	26,511	23,193	34,980	465,911	(3,676)	53,459	(64,811)		

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

Claims development table (continued)

Net Claims	**2013** **$**	**2014** **$**	**2015** **$**	**2016** **$**	**2017** **$**	**2018** **$**	**2019** **$**	**2020** **$**	**2021** **$**	**Total** **$**
At end of accident year	91,847	114,974	169,941	190,168	241,831	204,926	263,790	202,640	163,129	
One year later	102,600	112,313	161,014	175,899	274,079	214,203	215,768	257,510	--	
Two years later	96,163	109,779	151,488	168,101	255,170	210,522	228,436	--	--	
Three years later	96,113	105,195	142,686	165,903	235,476	198,796	--	--	--	
Four years later	96,697	105,029	141,339	159,404	246,268	--	--	--	--	
Five years later	94,893	104,360	126,922	161,211	--	--	--	--	--	
Six years later	95,654	97,867	143,197	--	--	--	--	--	--	
Seven years later	91,262	103,651	--	--	--	--	--	--	--	
Eight years later	95,552	--	--	--	--	--	--	--	--	
	95,552	103,651	143,197	161,211	246,268	198,796	228,436	257,510	163,129	1,597,750
Cumulative payments to date	90,756	94,752	127,444	147,058	224,971	161,242	189,183	217,979	96,023	1,349,408
Liability recognised	4,796	8,899	15,753	14,153	21,297	37,554	39,253	39,531	67,106	248,342
Liability in respect of prior years										88,940
Total liability										337,282
Net favourable/ (unfavourable) development	(3,705)	11,323	26,744	28,957	(4,437)	6,130	35,354	(54,870)		

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

Claims development table (continued)

Gross	**2012** **$**	**2013** **$**	**2014** **$**	**2015** **$**	**2016** **$**	**2017** **$**	**2018** **$**	**2019** **$**	**2020** **$**	**Total** **$**
At end of accident year	139,220	151,063	185,980	222,234	296,794	2,228,201	243,623	461,547	255,715	
One year later	178,236	159,363	153,446	220,472	286,023	2,092,179	257,993	414,748	--	
Two years later	178,059	153,203	158,055	208,137	272,769	1,775,323	268,183	--	--	
Three years later	157,835	153,899	157,784	197,415	271,265	1,768,153	--	--	--	
Four years later	159,531	153,923	157,392	196,958	264,601	--	--	--	--	
Five years later	158,860	151,799	157,828	198,227	--	--	--	--	--	
Six years later	156,870	152,995	152,451	--	--	--	--	--	--	
Seven years later	158,411	152,451	--	--	--	--	--	--	--	
Eight years later	155,623	--	--	--	--	--	--	--	--	
	155,623	152,451	152,451	198,227	264,601	1,768,153	268,183	414,748	255,715	3,630,152
Cumulative payments to date	143,895	146,899	143,446	181,785	242,097	1,712,207	194,434	331,161	185,463	3,281,387
Liability recognised	11,728	5,552	9,005	16,442	22,504	55,946	73,749	83,587	70,252	348,765
Liability in respect of prior years										84,880
Total liability										433,645
Net favourable/(unfavourable) development	(16,403)	(1,388)	33,529	24,007	32,193	460,048	(24,560)	46,799		

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

Claims development table (continued)

Net Claims	**2012** **$**	**2013** **$**	**2014** **$**	**2015** **$**	**2016** **$**	**2017** **$**	**2018** **$**	**2019** **$**	**2020** **$**	**Total** **$**
At end of accident year	103,483	92,065	115,247	170,345	190,621	242,406	205,414	264,418	203,122	
One year later	112,824	102,844	112,580	161,397	176,317	274,731	214,713	216,281	--	
Two years later	118,474	96,392	110,040	151,849	168,501	255,777	211,022	--	--	
Three years later	123,384	96,342	105,445	143,025	166,298	236,036	--	--	--	
Four years later	125,319	96,927	105,279	141,676	159,783	--	--	--	--	
Five years later	125,171	95,119	104,608	127,224	--	--	--	--	--	
Six years later	122,853	95,881	98,100	--	--	--	--	--	--	
Seven years later	124,652	91,479	--	--	--	--	--	--	--	
Eight years later	115,576	--	--	--	--	--	--	--	--	
	115,576	91,479	98,100	127,224	159,783	236,036	211,022	216,281	203,122	1,458,623
Cumulative payments to date	107,890	86,128	89,928	115,856	139,606	195,004	158,021	155,326	164,362	1,212,121
Liability recognised	7,686	5,351	8,172	11,368	20,177	41,032	53,001	60,955	38,760	246,502
Liability in respect of prior years										93,852
Total liability										340,354
Net favourable/ (unfavourable) development	(12,093)	586	17,147	43,121	30,838	6,370	(5,608)	48,137		

26 Operating profit before finance costs

	2021 $	2020 $ (Restated)
Revenue:		
– Sale of goods	10,084,160	9,428,541
– Rendering of services	1,013,763	784,834
– Net interest and other investment income (Note 26.1)	30,021	29,861
	11,127,944	10,243,236
Cost of sales and other direct costs:		
– Cost of sales	(7,707,922)	(7,095,338)
– Other direct costs	(549,810)	(526,971)
	(8,257,732)	(7,622,309)
Gross profit	2,870,212	2,620,927
Administrative expenses	(1,170,239)	(1,116,050)
Other operating expenses	(1,020,805)	(1,013,657)
Other income	302,179	232,582
Operating profit before finance costs	981,347	723,802

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

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

Staff and staff related costs	1,608,698	1,352,849
Depreciation and impairment of property, plant and equipment	199,698	250,411
Depreciation of right-of-use assets	87,922	86,376
Depreciation and impairment of investment properties	2,844	29,963
Expected credit losses/net impairment expense on financial assets (Note 34.1.2):		
- Trade and other receivables	9,916	2,777
- Corporate and sovereign bonds	(2,696)	2,563
- Instalment credit, hire purchase accounts and other financial assets	(3,213)	4,158
Impairment of goodwill	263	--
Amortisation of other intangible assets	18,405	9,679
Directors' fees	3,707	3,949
Operating lease rentals	18,491	28,461

26 Operating profit before finance costs (continued)

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

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

	2021 $	2020 $
Gain on disposal of subsidiaries (Note 37)	(90,784)	(262,442)

27 Staff costs

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

	2021 $	2020 $ (Restated)
Wages and salaries and termination benefits	1,360,708	1,241,734
Pension costs	51,388	19,562
	1,412,096	1,261,296

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

Full time	10,315	10,230
Part time	1,792	1,556
	12,107	11,786

28 Finance costs – net

Finance costs:		
Interest expense on borrowings	106,154	116,182
Unwinding of interest on restoration liability	145	124
Interest expense on lease liabilities (Note 6.3)	55,086	52,605
	161,385	168,911
Finance income:		
Finance income (Note 28.2)	(58,618)	(56,458)
Finance costs – net	102,767	112,453

28.1 No Borrowing costs were capitalised during the year (2020: $0).

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

29 Income tax expense

	2021 $	2020 $ (Restated)
Current tax	274,427	258,205
Deferred tax	(24,356)	(11,313)
Business levy/withholding taxes	792	10,251
	250,863	257,143

The Group's effective tax rate of 27% (2020 – 39%) differs from the statutory Trinidad and Tobago tax rate of 30% as follows:

Profit before income tax	928,876	660,297
Tax calculated at a tax rate of 30%	281,902	197,405
Effect of different tax rates in other countries	(24,698)	30,510
Expenses not deductible for tax purposes	173,145	187,360
Income not subject to tax	(175,698)	(173,512)
Business levy/withholding taxes	792	10,251
Effect of change in overseas tax rate	2,577	2,323
Adjustments to prior year tax provisions	(7,157)	2,806
Income tax expense	250,863	257,143

The income tax expense is attributable to:

Trinidad and Tobago subsidiaries	98,339	117,183
Overseas subsidiaries	137,071	125,399
Associated companies	15,453	14,561
	250,863	257,143

In 2021, green fund levy was reallocated from tax to operating expenses.

30 Earnings per share

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

	2021 $	2020 $ (Restated)
Profit attributable to shareholders:		
– from continuing operations	639,833	367,415
– from discontinued operations	148,625	328,988
	788,458	696,403
Weighted average number of ordinary shares in issue (thousands)	98,343	97,964
Basic earnings per share		
– from continuing operations	6.51	3.75
– from discontinued operations	1.51	3.36
	8.02	7.11

31 Contingencies

Subsidiaries

At September 30, 2021 the Group had contingent liabilities in respect of customs bonds, guarantees and other matters arising in the ordinary course of business amounting to $936,051 (2020: $911,207).

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

Other investments

Included within the contingencies above are guarantees entered into by Massy Holdings Ltd. with Mitsubishi Heavy Industries, Ltd (MHI) under which it guaranteed payment of 10% of Caribbean Gas Chemical Limited's payment obligations to MHI under the contracts for the engineering procurement and construction of the methanol and DME plants and 12.5% of the base equity commitment for Caribbean Gas Chemical Barbados Limited. MHL's maximum liability under guarantees is $646,088. This exposure is linked to the transaction's financial close which is expected to be achieved in the next financial year.

32 Commitments

Capital commitments

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

	2021 $	2020 $
Property, plant and equipment	177,346	9,156

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	--	70,162
	--	70,162

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

Less than one year	14,191	15,513
One year to five years	9,485	11,725
	23,676	27,238

33 Related party transactions

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

The following transactions were carried out with related parties:

		2021 $	2020 $
a.	*Sales of goods*		
	Associates	49,937	18,709
	Goods are sold on the basis of the price lists in force with non-related parties.		
b.	*Purchases of goods*		
	Associates	1,088	931
	Goods purchased from entities controlled by non-executive directors	157,385	144,957
	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	149,022	101,813
	Post-employment benefits	9,686	6,618
		158,708	108,431
d.	*Year-end balances arising from sales/purchases of goods/services*		
	Receivables from related parties	25,139	14,485
	Payables to related parties	1,392	666
e.	*Customer deposits to related parties*	7,518	7,448

34 Financial risk management

34.1 *Financial risk factors*

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

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

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

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

34.1.1 *Market risk*

The Company 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.

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.1 *Market risk(continued)*

(a) *Currency risk (continued)*

As at 30 September 2021

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

As at 30 September 2020

Currency	Net Currency Exposure $	Sensitivity	Change/ Impact $
USD	863,993	2%	17,280
BBD	(59,273)	2%	(1,185)
PESO	16,812	1%	168
GYD	110,916	3%	3,327
JCD	150,683	5%	7,534
OTHER	32,874	2%	657
TOTAL	1,116,005		27,781

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.1 *Market risk (continued)*

(b) *Interest rate risk*

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

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

At the end of 2021, interest rates were fixed on approximately 95% of the borrowings (2020: 97%). The impact on the consolidated income statement to a 50 basis points change in floating interest rates is $387 in 2021 (2020: $284).

(c) *Price risk*

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

34.1.2 *Credit risk*

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

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

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

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

	2021 $	2020 $
Cash and cash equivalents (Note 17)	2,034,141	2,533,621
Trade and other receivables (Note 11)	1,572,230	2,295,389
Other financial assets at amortised cost (Note 12):		
- Bonds	407,225	689,709
- Instalment credit and other accounts	538,051	909,014
- Hire purchase receivables	46,974	37,231
- Mortgages	--	3,428
Other financial assets at fair value through profit or loss (Note 12):		
- Bonds and treasury bills	304,001	346,177
Assets reclassified to held for sale (Note 37)		
Cash and cash equivalents	345,741	--
Trade and other receivables	387,553	--
Reinsurance assets	791,178	--
Other financial assets at amortised cost		
- Bonds	304,992	--
- Instalment credit and other accounts	70,825	--
- Mortgages	2,964	--
Other financial assets at fair value through profit or loss:		
- Bonds and treasury bills	24,923	--
Total	6,830,798	6,814,569

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

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

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

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

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

Practical expedient for financial assets with low credit risk

As an exception to the simplified and general approaches, if the credit risk of a financial instrument is low at the reporting date, the Group can measure impairment using 12-month 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.

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

Assets written off

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

Collateral and other credit enhancements

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

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

Summary of ECL calculations

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

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

As at September 30, 2021

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

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

Summary of ECL calculations (continued)

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

Reclassified to held for sale

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

As at September 30, 2020

Aging Bucket	**Average ECL rate %**	**Estimated EAD $**	**Expected credit loss $**
Current (0-30 days)	1.25	488,559	6,105
31 to 90 days	5.57	545,318	30,351
Over 90 days	37.34	262,877	98,156
TOTAL	10.38	1,296,754	134,612

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

	2021 $	**2020 $**
Balance at beginning of the year	134,612	145,040
Disposal of subsidiary	(48,919)	(6,340)
Translation adjustments	(457)	71
Increase in loss allowance recognised in profit or loss	6,328	1,089
Amounts written off in the current year	(4,929)	(5,248)
Balance at end of the year	86,635	134,612
Reclassified to held for sale	(30,086)	--
Total	56,549	134,612

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

Summary of ECL calculations (continued)

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

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

	2021 $	2020 $ (Restated)
Net changes to provisions for the year per above	6,328	1,089
Other adjustments	6,557	1,545
Net expense for the year	12,885	2,634
Net expense for the year attributable to:		
Continuing operations (Note 26.2)	9,916	2,777
Discontinued operations	2,969	(143)
Total	12,885	2,634

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.

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Corporate and sovereign bonds

As at September 30, 2021

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

Reclassified to held for sale

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

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Corporate and sovereign bonds (continued)

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

As at September 30, 2021

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

As at September 30, 2020

Category	Average ECL rate %	Estimated EAD $	Expected credit loss $
Performing (Stage 1)	0.67	445,622	2,980
Non-performing (Stage 3)	6.35	219,645	13,940
Purchased or originated credit-impaired	31.34	60,246	18,884
Total	4.93	725,513	35,804

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Corporate and sovereign bonds (continued)

As at September 30, 2020

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

	Performing $	Non-performing $	Purchased or Originated Credit-Impaired $	Total $
Balance at beginning of the year	3,878	--	30,121	33,999
Translation adjustments	3	39	84	126
Reclassifications and other adjustments	(901)	6,891	(11,321)	(5,331)
Net charge to profit or loss	--	7,010	--	7,010
Balance at end of the year	2,980	13,940	18,884	35,804

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

	2021 $	2020 $ (Restated)
Net changes to provisions for the year per above	(2,696)	7,010
Other adjustments	--	2,562
Net expense for the year (Note 26.2)	(2,696)	9,572
Net expense for the year attributable to:		
Continuing operations (Note 26.2)	(2,696)	2,563
Discontinued operations	--	7,009
TOTAL	(2,696)	9,572

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Instalment credit, hire purchase accounts and other financial assets

As at 30 September 2021

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

Reclassified to held for sale

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

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

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

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.2 *Credit risk (continued)*

b) *The general approach (continued)*

Instalment credit, hire purchase accounts and other financial assets

As at 30 September 2020

Category	**Average ECL rate**	**Estimated EAD**	**Expected credit loss**
	%	**$**	**$**
Performing (Stage 1)	0.88	853,414	7,475
Underperforming (Stage 2)	2.53	69,808	1,768
Non-performing (Stage 3)	37.81	51,883	19,617
TOTAL	2.96	975,105	28,860

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

	Performing $	**Under-performing $**	**Non-performing $**	**Total $**
Balance at beginning of the year	13,759	2,958	20,545	37,262
Translation adjustments	47	4	50	101
Net changes to provisions and reclassifications	(1,942)	1,187	4,710	3,955
Amounts written off in the current year	(4,389)	(2,381)	(5,688)	(12,458)
Balance at end of the year	7,475	1,768	19,617	28,860

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

	2021 $	**2020 $ (Restated)**
Net changes to provisions for the year per above	(3,616)	3,955
Other adjustments	369	(1,701)
Net expense for the year (Note 26.2)	(3,247)	2,254
Net expense for the year attributable to:		
Continuing operations	(3,213)	4,158
Discontinued operations	(34)	(1,904)
Total	(3,247)	2,254

34 **Financial risk management (continued)**

34.1 *Financial risk factors (continued)*

34.1.3 *Liquidity risk*

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

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

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

Maturity analysis of financial liabilities

	Less than 1 year $	1 - 5 years $	More than 5 years $	Contractual cash flows $	Carrying amount $
2021					
Financial liabilities					
Bank overdraft & bankers acceptance (Note 22)	27,790	--	--	27,790	27,790
Other borrowings (Note 22)	246,179	825,624	628,311	1,700,114	1,682,111
Customers' deposits (Note 23)	181,829	118,918	--	300,747	293,502
Trade and other payables (Note 24)	1,485,242	--	--	1,485,242	1,485,242
Lease liabilities (Note 6.2)	82,619	321,131	656,378	1,060,128	988,233
Reclassified to held for sale (Note 37)	1,397,082	171,896	115,811	1,684,789	1,684,789
Total	3,420,741	1,437,569	1,400,500	6,258,810	6,161,667
2020					
Financial liabilities					
Bank overdraft (Note 17)	8,100	--	--	8,100	8,100
Other borrowings (Note 22)	743,817	1,040,180	728,145	2,512,142	2,109,180
Customers' deposits (Note 23)	190,868	104,947	--	295,815	288,957
Trade and other payables (Note 24)	1,796,004	--	--	1,796,004	1,796,004
Lease liabilities (Note 6.2)	74,514	239,846	656,092	970,452	910,607
Liabilities on insurance Contracts (Note 25)	877,046	168,350	127,418	1,172,814	1,172,814
Total	3,690,349	1,553,323	1,511,655	6,755,327	6,285,662

34 **Financial risk management (continued)**

34.2 *Capital risk management*

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

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

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

	2021 $	2020 $
Total borrowings (Note 22)	1,709,901	2,117,280
Less: Cash and cash equivalents including cash Reclassified to held for sale	(2,379,882)	(2,533,621)
Net debt	(669,981)	(416,341)
Total equity	6,832,171	6,417,044
Total capital	6,162,190	6,000,703
Gearing ratio	0%	0%

34.2.1 *Regulatory capital held by subsidiaries*

a) *Massy United Insurance Ltd.*

This entity is engaged in the insurance business and is therefore subject to the capital requirements set by the regulators of the insurance market within which it operates.

Capital adequacy is managed at the operating level and reviewed by management at least annually. This is assessed from the perspective of the solvency requirements set out in the local Insurance Acts in Barbados and the other territories in which the entity operates.

Also, as part of assessing the adequacy of its capital base the entity retains the services of an independent actuarial firm to annually assess the adequacy of its insurance reserves.

b) *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.

34 **Financial risk management (continued)**

34.2 *Capital risk management (continued)*

34.2.1 *Regulatory capital held by subsidiaries (continued)*

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

	Massy Finance GFC Ltd.		Massy United Insurance Ltd.	
	2021 $	2020 $	2021 $	2020 $
Total equity	139,606	132,255	552,550	459,721

34.3 *Fair value of financial assets and liabilities*

34.3.1 *Fair value hierarchy*

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

Level 1

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

Level 2

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

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

Level 3

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

34 **Financial risk management (continued)**

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

34.3.1 *Fair value hierarchy (continued)*

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

Assets	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets at FVPL and FVOCI (Note 12)				
- Bonds and treasury bills	1,090	302,911	--	304,001
- Listed equities	12,146	34	--	12,180
- Unlisted equities	--	139	198,850	198,989
- Investment funds	3,454	--	--	3,454
	16,690	303,084	198,850	518,624
Reclassified to held for sale (Note 37)	166,245	26,362	5	192,612
	182,935	329,446	198,855	711,236

The following table presents the Group's assets that are measured at fair value at September 30, 2020:

Assets	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets at FVPL and FVOCI (Note 12)				
- Bonds and treasury bills	57,766	288,411	--	346,177
- Listed equities	81,982	3,177	--	85,159
- Unlisted equities	--	139	198,964	199,103
- Investment funds	3,635	30,040	--	33,675
	143,383	321,767	198,964	664,114

The movement in level 3 financial assets is as follows:

	2021 $	**2020 $**
Balance at beginning of year	198,964	185,383
Additions for the year	59	14,083
Disposals for the year	--	(468)
Reclassified to held for sale (Note 37)	(5)	--
Transfers	--	(139)
Net fair value losses recognised in profit or loss	(167)	--
Exchange adjustments on retranslation of overseas operations	(1)	105
	198,850	198,964

34 **Financial risk management (continued)**

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

34.3.1 *Fair value hierarchy (continued)*

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

- Risk-adjusted discount rates – Discount rates ranging around 6% were used in arriving at fair value measurements. Had these rates changed by +/- 200 basis points, the fair value measurement would have been lower or higher by $3,976.
- Growth rate was nil since operations are at 100% capacity
- Methanol prices were based upon the Argus Price Forecast

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

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

	Carrying amount		Fair value	
	2021	2020	2021	2020
	$	$	$	$
Financial assets				
Financial assets at amortised cost (Note 12)				
- Bonds	407,225	689,709	409,075	681,026
- Instalment credit and other accounts	538,051	909,014	543,883	909,864
- Hire purchase receivables	46,974	37,231	46,974	37,221
- Mortgages	--	3,428	--	3,428
Reclassified to held for sale (Note 37)	378,781	--	378,781	--
	1,371,031	1,639,382	1,378,713	1,631,539
Financial liabilities				
Bank overdraft and bankers acceptance (Note 22)	27,790	8,100	27,790	8,100
Other borrowings (Note 22)	1,682,111	2,109,180	1,675,732	2,096,091
Lease liabilities (Note 6)	988,233	910,607	988,233	910,607
Customers' deposits (Note 23)	293,502	288,957	295,798	308,143
Reclassified to held for sale (Note 37)	3,967	--	3,967	--
	2,995,603	3,316,844	2,991,520	3,322,941

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.

35 **Management of insurance risk**

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

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

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

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

The most significant risk for these general insurance and reinsurance contracts arise from natural disasters. The Group utilizes a claims review policy which concentrates on review of large and personal injury claims where there is the potential for greater exposure, and performs periodic review of claims handling procedures throughout the agency network. The Group also enforces a policy of actively managing its claims portfolio in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

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

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

	2021			2020		
	General liabilities $	Reinsurers' share of liabilities $	Net liabilities $	General liabilities $	Reinsurers' share of liabilities $	Net liabilities $
Fire	681,637	(658,288)	23,349	549,939	(534,798)	15,141
Motor	340,454	(6,079)	334,375	340,335	(1,285)	339,050
Employers liability	--	--	--	49,223	(11,864)	37,359
Engineering	47,257	(24,903)	22,354	68,058	(43,289)	24,769
Other accident	212,165	(69,891)	142,274	118,070	(25,875)	92,195
Marine	49,059	(32,017)	17,042	47,189	(31,392)	15,797
	1,330,572	(791,178)	539,394	1,172,814	(648,503)	524,311

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

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

	2021			2020		
	General liabilities $	Reinsurers' share of liabilities $	Net liabilities $	General liabilities $	Reinsurers' share of liabilities $	Net liabilities $
Barbados	309,008	(116,624)	192,384	263,056	(76,490)	186,566
St. Lucia	57,916	(31,577)	26,339	46,995	(25,910)	21,085
Antigua	80,646	(43,033)	37,613	83,593	(45,999)	37,594
St. Vincent	29,583	(16,825)	12,758	22,273	(11,933)	10,340
Trinidad	200,462	(116,969)	83,493	189,474	(94,071)	95,403
Other Caribbean	652,957	(466,150)	186,807	556,356	(394,100)	162,256
Asia and Europe	--	--	--	11,067	--	11,067
	1,330,572	(791,178)	539,394	1,172,814	(648,503)	524,311

Sensitivities

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

	Change in assumptions	Impact on gross liabilities $	Impact on reinsurers' share $	Impact on income before tax $	Impact on equity $
As at September 30, 2021					
Average claim cost	10%	133,057	(79,118)	53,939	37,758
As at September 30, 2020					
Average claim cost	10%	117,281	(64,850)	52,431	36,702

36 **Business combinations**

On August 12, 2020 and 1 September, 2020 the Group acquired 100% of the issued share capital of Distribuidora Central de Gas S.A. ESP (Dicengas) and Gas Propano de Colombia S.A.S. ESP (Gasprocol), respectively.

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

	Dicengas $	Gasprocol $
Total purchase consideration	7,231	10,199
The assets and liabilities recognised as a result of the acquisition are as follows:		
Cash and short-term investments	121	1
Trade receivables	101	150
Inventories	71	--
Current tax assets	63	36
Other assets	143	9
Fixed assets	2,388	10,231
Other intangible assets	8,138	2,586
Medium and long-term borrowings	(768)	(18)
Trade payable	(296)	(57)
Current tax liabilities	(80)	(30)
Deferred tax liabilities	(2,441)	(1,550)
Other liabilities	(662)	(1,367)
Net identifiable assets acquired	6,778	9,991
Goodwill	453	208

Purchase consideration-cash outflow

Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	7,231	10,199
Less: Cash and short-term investments acquired	(121)	(1)
Net outflow of cash - investing activities	7,110	10,198

Acquisition-related costs

Acquisition-related costs of $86 that were not directly attributable to the issue of shares are included in other expenses in the profit or loss statement and in operating cash flows in the statement of cash flows.

37 Discontinued operations

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

30 September 2021 – Disposed entities

- The Group's 50.5% interest in Roberts Manufacturing Co. Limited was sold to Proven Investments Limited on 8 June, 2021.
- Massy Pres-T-Con Holdings Ltd's 99.35% interest was bought by Prestcon 2021 Limited on 31 March 2021.
- Highway Properties Limited, a subsidiary of Massy Transportation Group Ltd., was sold to Mouttet Capital Limited on 30 September, 2021.

30 September 2021 – Held for sale entities

- Massy (Barbados) Limited entered into a Share Purchase Agreement with the Coralisle Group Ltd. on 2 September, 2021 to sell 100% of the share capital of Massy United Insurance Ltd. Closing of the transaction is subject to the requisite regulatory assurances and approvals.
- Massycard (Barbados) Limited entered into an Asset Purchase Agreement on November 15, 2021 for the sale of the credit card portfolio and supporting assets. Closing of the transaction is subject to the requisite regulatory assurances and approvals.
- Other - this consists of multiple properties held for sale. There are several interested parties, and the sales are expected to be completed within the new financial year.

30 September 2020 – Disposed entities

- Massy Technologies (Trinidad) Ltd and Massy Technologies (Guyana) Ltd were sold to PBS Technology Group Limited (PBSTG) on 30 September, 2020.
- The assets of Seawell Air Services Limited were sold to GCG Ground Services (Barbados) Limited on 30 September, 2020.
- Massy Energy Production Resources Ltd was sold to New Horizon Exploration Trinidad and Tobago Unlimited on 4 September, 2020.

37.1 Summary of gain on sale of subsidiaries

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

37 **Discontinued operations (continued)**

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

The following are the details of the assets and liabilities sold, the proceeds and the gain on sale for the period ending September 30, 2020.

	Massy Technologies (Trinidad) Ltd $	Massy Technologies (Guyana) Ltd $	Seawell Air Services Limited $	Massy Energy Production Resources Ltd $	Total $
Analysis of net assets sold					
Property, plant and equipment	37,506	3,832	29,011	2,099	72,448
Right of use assets	14,092	--	--	--	14,092
Other financial assets	10,447	--	--	--	10,447
Inventory	33,807	14,479	1,170	--	49,456
Trade and other receivables	129,402	3,703	9,068	2,837	145,010
Lease liabilities	(15,353)	--	--	--	(15,353)
Trade and other payables	(163,648)	(6,113)	--	(966)	(170,727)
Other liabilities	(1,463)	(7,289)	--	(4,361)	(13,113)
Net assets	44,790	8,612	39,249	(391)	92,260
Cumulative currency translation adjustments	16,431	--	--	--	16,431
Adjusted net assets	61,221	8,612	39,249	(391)	108,691
Proceeds, net of cash sold	304,944	36,684	24,158	5,347	371,133
Gain/(loss) on sale	243,723	28,072	(15,091)	5,738	262,442

37 **Discontinued operations (continued)**

37.2 *Held for Sale entities*

Assets reclassified to Held for Sale

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

Liabilities reclassified to Held for Sale

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

37 **Discontinued operations (continued)**

37.3 *Analysis of the results of discontinued operations*

	2021 $	2020 $
Revenue	833,411	1,335,096
Operating profit before finance costs and expected credit losses	70,597	117,312
Expected credit losses	(2,935)	(4,962)
Operating profit before finance costs	67,662	112,350
Finance cost - net	1,237	(1,465)
Operating profit after finance costs	68,899	110,885
Share of results of associates and joint ventures	2,048	4,511
Income tax expense	(17,716)	(37,841)
Profit after income tax	53,231	77,555
Gain on sale of discontinued operations	90,784	262,442
Profit for the year from discontinued operations	144,015	339,997
Attributable to:		
Owners of the parent	148,625	328,988
Non-controlling interests	(4,610)	11,009
	144,015	339,997

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

Operating profit after finance costs	68,899	110,885
Share of results of associates and joint ventures	2,048	4,511
Gain on sale of discontinued operations	90,784	262,442
	161,731	377,838

37 **Discontinued operations (continued)**

	Roberts Manufacturing Co. Ltd.		Massy United Insurance Ltd.		Massycard (Barbados) Ltd		Other		Total	
	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $
Revenue	241,900	331,988	552,746	536,804	22,920	22,223	15,845	444,081	833,411	1,335,096
Operating profit before finance costs and expected credit losses	2,199	24,290	66,884	38,894	4,356	4,038	(2,842)	50,090	70,597	117,312
Expected credit losses	(3,582)	2,204	--	(10,374)	800	3,494	(153)	(286)	(2,935)	(4,962)
Operating profit before finance costs	(1,383)	26,494	66,884	28,520	5,156	7,532	(2,995)	49,804	67,662	112,350
Finance cost - net	(59)	210	2,077	1,865	--	--	(781)	(3,540)	1,237	(1,465)
Operating profit after finance costs	(1,442)	26,704	68,961	30,385	5,156	7,532	(3,776)	46,264	68,899	110,885
Share of results of associates and joint ventures (Note 10)	--	--	2,048	4,511	--	--	--	--	2,048	4,511
Income tax expense	(86)	(1,153)	(17,848)	(18,027)	329	130	(111)	(18,791)	(17,716)	(37,841)
Profit after income tax	(1,528)	25,551	53,161	16,869	5,485	7,662	(3,887)	27,473	53,231	77,555
Attributable to:										
Owners of the parent	3,182	15,622	53,161	16,869	5,485	7,662	(3,987)	26,393	57,841	66,546
Non-controlling interests	(4,710)	9,929	--	--	--	--	100	1,080	(4,610)	11,009
	(1,528)	25,551	53,161	16,869	5,485	7,662	(3,887)	27,473	53,231	77,555

37.4 *Analysis of cash flows from material disposals*

	2021 $	2020 $
Net cash inflow from operating activities	36,076	202,026
Net cash inflow from investing activities	42,935	(29,205)
Net cash outflow from financing activities	(49,039)	(15,599)
Total cash flows	29,972	157,222

37 **Discontinued operations (continued)**

37.5 *Restatement of results from material disposals*

The consolidated statement of profit or loss for September 30, 2020 was restated for the discontinued operations above. There was no impact on the consolidated statement of other comprehensive income.

	As previously reported 2020 $	Adjustment 2020 $	Restated 2020 $
Continuing operations:			
Revenue	11,163,818	(920,582)	10,243,236
Operating profit before finance costs And expected credit losses	800,297	(66,997)	733,300
Expected credit losses	(12,870)	3,372	(9,498)
Operating profit before finance costs	787,427	(63,625)	723,802
Finance costs-net	(111,286)	(1,167)	(112,453)
Operating profit after finance costs	676,141	(64,792)	611,349
Share of results of associates and joint ventures	53,459	(4,511)	48,948
Profit before income tax	729,600	(69,303)	660,297
Income tax expense	(276,330)	19,187	(257,143)
Profit for the year from continuing operations	453,270	(50,116)	403,154
Discontinued operations:			
Gain on sale of discontinued operations	262,442	--	262,442
Profit after tax discontinued operations	27,439	50,116	77,555
Profit for the year from discontinued operations	289,881	50,116	339,997
Profit for the year	743,151	--	743,151
Owners of the parent:			
- Continuing operations	408,484	(41,069)	367,415
- Discontinued operations	287,919	41,069	328,988
Non-controlling interests:			
- Continuing operations	44,786	(9,047)	35,739
- Discontinued operations	1,962	9,047	11,009
Profit for the year	743,151	--	743,151
Basic earnings per share			
– Continuing operations	4.17	(0.42)	3.75
– Discontinued operations	2.94	0.42	3.36
	7.11	--	7.11