ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

Ernst & Young Services Limited



ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ANSA McAL Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022 and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Report on the Audit of the Consolidated Financial Statements
(Continued)

Key Audit Matters (continued)	**How our audit addressed the key audit matter**
Estimates used in the calculation of Insurance Contracts' Liabilities Refer to related disclosures in Notes 3, 20 and 21 and accounting policy Note 2 (xxvii). The Group has significant insurance liabilities of $1.82 billion representing 21% of the Group's total liabilities as at 31 December 2022. The valuation of insurance contracts' liabilities involves extensive judgement and is dependent on a number of subjective assumptions, including primarily the timing and ultimate settlement value of long-term policyholder liabilities as well as the estimation of claims incurred, whether reported or not, for short-term insurance contracts. Various economic and non-economic key assumptions are used to estimate the long-term liabilities. Specifically, the Group estimates the expected number and timing of deaths, persistency, future expenses and future investment income arising from the assets backing long-term insurance contracts. For short-term insurance contracts, in calculating the estimated cost of unpaid claims (both reported and incurred but not reported (IBNR)), the Group uses a combination of loss-ratio-based estimates and estimates based upon actual claims experience. The Group uses valuation models to support the calculations of these insurance contracts' liabilities. The complexity of the models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models. Considering the significance of the insurance contracts' liabilities and the complexity and estimates involved in the actuarial valuations, we determined this to be a key audit matter in our audit of the consolidated financial statements.	We involved our EY actuarial specialists to assist us in performing our audit procedures in this area, which included among others: • Assessment of the key assumptions applied including consideration of emerging trends and studies on mortality and morbidity, voluntary terminations, persistency, interest rate, capital gains, policy maintenance and administrative expenses, inflation, tax and lapse rates. • Recalculation of technical provisions produced by the models on a sample basis. • An assessment of the internal controls regarding the maintenance of the policyholder database. • An analysis of the movements in insurance liabilities during the year. We assessed whether the movements are in line with changes in assumptions adopted by the Group, our understanding of developments in the business and our expectations derived from market experience. • We considered whether the Group's disclosures in the consolidated financial statements in relation to insurance contracts' liabilities were compliant with IFRS.

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Report on the Audit of the Consolidated Financial Statements
(Continued)

Key Audit Matters (continued)	**How our audit addressed the key audit matter**
Allowance for Expected Credit Losses (ECLs) Refer to related disclosures in Notes 3, 9, 10 and 33 and accounting policy Note 2 (xvi). Investment securities not held at fair value through statement of income (FVSI) and loans, advances and other assets represent 32% of the total assets of the Group amounting to $5.7 billion as at 31 December 2022. IFRS 9 'Financial Instruments' requires the Group to record an allowance for Expected Credit Losses (ECLs) for all loans and other debt financial assets not held at FVSI, together with investment in leased assets. The appropriateness of ECLs is a highly subjective area due to the level of judgement applied by the Group, involving various assumptions and factors, such as the estimate of the likelihood of default and the potential loss given default. The Group also applied adjustments, or overlays, where they believe the data driven parameters and calculations were not appropriate, either due to emerging trends or models not capturing the risks in the portfolios. These overlays required the use of significant judgement by the Group.	We understood and critically assessed the methodology and assumptions used by the Group in its ECL models while evaluating its compliance with IFRS 9 requirements. We tested the completeness and accuracy of the inputs used within the models, including the Probabilities of Default (PDs), recoveries and the associated Loss Given Defaults (LGDs) and Exposures At Default (EADs). We also considered whether all relevant risks were reflected in the ECL calculation, and where this was not, whether overlays appropriately reflected those risks. The aging of the portfolios and other qualitative factors were assessed to determine the staging and thus indication of a significant deterioration in credit risk in accordance with IFRS 9. Independent testing on PD and LGD inputs was performed through validation to international external credit rating agencies, where these were used, as well as typical collateral, historical loss trends and other borrower characteristics.

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Report on the Audit of the Consolidated Financial Statements
(Continued)

Key Audit Matters (continued)	**How our audit addressed the key audit matter**
Allowance for Expected Credit Losses (ECLs) (continued) Other significant areas of judgement included: • the interpretation of the requirements to determine impairment under the application of IFRS 9, which is reflected in the Group's ECL models; • the application of assumptions where there was limited or incomplete data; • the identification of exposures with a significant deterioration in credit quality; • assumptions used in the ECL model such as the financial condition of the counterparty or valuation of security; • the need to apply overlays, the quantification of which can be highly subjective, to reflect current or future external factors that are not appropriately captured by the ECL model; and • additional credit risk that could stem from macro-economic factors, on the ability of the Group's customers/investors to meet their financial commitments. Given the combination of inherent subjectivity in the valuation, and the material nature of the balance, we considered the measurement of ECLs to be a key audit matter in our audit of the consolidated financial statements.	In determining the reasonableness of the ECL overlay applied on the net investment in leased assets, we reviewed management's assessment. For ECLs calculated on an individual basis, we tested the factors underlying the impairment identification and quantification including forecasts of the amount and timing of future cash flows, valuation of assigned collateral and estimates of recovery on default. We utilised our EY valuation specialists to assess the appropriateness of the key assumptions used in the models. Finally, we focused on the adequacy of the Group's financial statement disclosures as to whether it appropriately reflected the requirements of the IFRSs.

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Report on the Audit of the Consolidated Financial Statements
(Continued)

Key Audit Matters (continued)	**How our audit addressed the key audit matter**
Fair value measurement of investment securities and related disclosures Refer to the related disclosures in Notes 3, 9 and 32 and accounting policy Note 2 (xvii). The Group invests in various investment securities, of which $2.2 billion is carried at fair value in the consolidated statement of financial position as at 31 December 2022. Additionally, the fair values are disclosed in Note 32 for $2.7 billion of investment securities carried at amortised cost in the consolidated statement of financial position. Of these assets, $1.9 billion is related to investments for which no published prices in active markets are available and have been classified as Level 2 and Level 3 assets within the IFRS fair value hierarchy. Valuation techniques for these investment securities can be subjective in nature and involve various assumptions regarding pricing factors, particularly in a potentially distressed macroeconomic environment. Associated risk management disclosure is complex and dependent on high quality data. A specific area of audit focus includes the determination of fair value of Level 2 and Level 3 assets where valuation techniques are applied in which unobservable inputs are used.	We independently tested the pricing on quoted securities, and utilized EY valuation specialists to assess the appropriateness of pricing models used by the Group. This included: • An assessment of the pricing model methodologies and assumptions against industry practice and valuation guidelines. • Testing of the inputs used, including cash flows and other market based data. • An evaluation of the reasonableness of other assumptions applied such as credit spreads and the volatility in the market. • The re-performance of valuation calculations on a sample basis of internally priced securities that were classified as higher risk and estimation. • An assessment of management's impairment analysis, including underlying indicators.

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Report on the Audit of the Consolidated Financial Statements
(Continued)

Key Audit Matters (continued)	**How our audit addressed the key audit matter**
Fair value measurement of investment securities and related disclosures (continued) For Level 2 assets, these techniques include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analyses, making maximum use of market inputs, such as the market risk free yield curve. Included in the Level 3 category are financial assets that are not quoted as there are no active markets to determine a price. The fair value of these assets cannot be measured reliably and are therefore held at cost, being the fair value of the consideration paid on acquisition. These assets are regularly assessed for impairment. As the determination of the fair value for certain investment securities is a key source of estimation uncertainty, is subject to differing underlying assumptions and represents a material balance and disclosure, we deemed this to be a key audit matter in our audit of the consolidated financial statements.	Finally, we assessed whether the consolidated financial statement disclosures, including sensitivity to key inputs and the IFRS fair value hierarchy, appropriately reflect the Group's exposure to financial instrument valuation risk.

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Report on the Audit of the Consolidated Financial Statements
(Continued)

Key Audit Matters (continued)	**How our audit addressed the key audit matter**
Estimation uncertainty involved in impairment testing of goodwill and other intangibles with indefinite lives Refer to related disclosures in Notes 3 and 6, and accounting policy Notes 2 (vi) and 2 (ix). As described in these notes, impairment tests are performed annually on goodwill and indefinite life brands and licenses which arose mainly from past business combinations or acquisitions and which amount to $474 million contained within 14 separate Cash Generating Units (CGUs) as at 31 December 2022. As required by IAS 36: "Impairment of Assets", the Group performed the requisite annual impairment tests which involve the estimation of the recoverable amounts of the separate CGUs, inherent in which there is significant estimation uncertainty and the application of a high level of judgment relative to key assumptions such as the applicable discount rate and forecast future cash-flows. In determining recoverable amounts, the Group uses assumptions and estimates relative to future market conditions, future economic growth, expected market share, discount rates and terminal growth rates. The outcome of the impairment testing is sensitive to these assumptions and estimates, such that changes in these assumptions/estimates may result in different impairment test conclusions. Given the high level of judgment and estimation uncertainty involved in the selection of appropriate assumptions and the relative complexities inherent in the impairment testing process, we considered this to be a key audit matter in our audit.	We evaluated and tested the Group's process for goodwill and other intangibles assessment as well as whether the value in use impairment test model utilized by the Group met the requirements of IAS 36. We reviewed and assessed management's judgments utilised in the impairment test, including longer-term assumptions. We also evaluated the CGU determination and assessed the reasonableness of the key assumptions utilised, by comparing to historical performance of the CGU, local economic conditions and other alternative independent sources of information, where available. We involved our EY valuation specialist to assist with our audit of the appropriateness of the impairment test model, including the future cash flows projections, discount rate, long term growth rates and the evaluation of the sensitivity of test results to a variation of these assumptions. We also assessed the adequacy of the disclosures in the notes to the consolidated financial statements, with reference to that prescribed by IFRSs.

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Report on the Audit of the Consolidated Financial Statements
(Continued)

Other information included in the Group's 2022 Annual Report

Other information consists of the information included in the Group's 2022 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2022 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

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

The Audit Committee is 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.

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Report on the Audit of the Consolidated Financial Statements
(Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(Continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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.

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Building a better working world

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA McAL LIMITED

Report on the Audit of the Consolidated Financial Statements
(Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(Continued)

We communicate with the Audit Committee 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 the Audit Committee 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 the Audit Committee, 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 in charge of the audit resulting in this independent auditor's report is Sheldon Griffith.



Port of Spain,
TRINIDAD:
16 March 2023

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ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	31 December 2022	2021
Assets			
Non-current assets			
Property, plant and equipment	4	2,397,848	2,371,873
Investment properties	5	215,944	172,696
Intangible assets	6	715,023	657,822
Right-of-use assets	7	92,233	104,051
Investment in associates and joint venture interests	8	125,936	118,227
Investment securities	9	2,334,210	2,225,749
Loans, advances and other assets	10	2,167,551	1,803,188
Deferred tax assets	11	232,890	209,509
Employee benefits asset	12	1,006,689	1,079,307
Restricted cash	13	38,689	100,000
		9,327,013	8,842,422
Current assets			
Investment securities	9	2,565,765	2,963,980
Loans, advances and other assets	10	681,616	720,925
Inventories	14	1,295,754	1,055,261
Trade, other receivables and contract assets	15	1,256,831	1,187,597
Cash and short term deposits	16	2,462,285	2,690,453
Restricted cash	13	61,311	–
		8,323,562	8,618,216
TOTAL ASSETS		17,650,575	17,460,638

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

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(Expressed in Thousands of Trinidad and Tobago dollars)
(Continued)

	Notes	31 December 2022	2021
EQUITY AND LIABILITIES			
Equity			
Stated capital	17	175,566	175,566
Other reserves	17	365,862	380,687
Treasury shares	17	(9,983)	(17,964)
Retained earnings		7,498,836	7,721,925
Equity attributable to equity holders of the Parent		8,030,281	8,260,214
Non-controlling interests		1,070,590	1,075,631
Total equity		9,100,871	9,335,845
Non-current liabilities			
Deferred tax liabilities	11	695,155	732,827
Employee benefits liability	12	93,276	96,900
Customers' deposits and other funding instruments	18	259,459	206,935
Lease liabilities	7	57,761	75,488
Medium and long term notes and other borrowings	19	631,558	195,261
Insurance contracts' liabilities	20	1,369,222	1,332,536
Other non-current liabilities	22	11,388	–
		3,117,819	2,639,947
Current liabilities			
Customers' deposits and other funding instruments	18	3,327,181	3,131,466
Current portion of lease liabilities	7	38,617	34,956
Current portion of medium and long term notes and other borrowings	19	116,180	655,605
Insurance contracts' liabilities	20	455,691	431,409
Trade and other payables	22	1,460,737	1,203,504
Taxation payable		33,479	27,906
		5,431,885	5,484,846
Total liabilities		8,549,704	8,124,793
TOTAL EQUITY AND LIABILITIES		17,650,575	17,460,638

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

These consolidated financial statements were authorised for issue by the Board of Directors on 16 March 2023 and signed on their behalf by:

Director

Director

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	Year ended 31 December 2022	2021
Revenue from contracts with customers	23	5,588,872	4,968,907
Other revenue	25	936,552	1,000,756
Total revenue	24, 25	6,525,424	5,969,663
Operating profit	25	482,021	977,223
Finance costs	26	(50,316)	(46,713)
Share of results of associates and joint venture interests	8	2,151	4,750
Profit before taxation		433,856	935,260
Taxation expense	27	(182,330)	(238,152)
Profit for the year		251,526	697,108
Attributable to:			
Equity holders of the Parent		197,655	594,774
Non-controlling interests		53,871	102,334
		251,526	697,108
Earnings per share:			
Basic (expressed in $ per share)	28	$1.15	$3.45
Diluted (expressed in $ per share)	28	$1.15	$3.45

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

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	Year ended 31 December 2022	2021
Profit for the year		251,526	697,108
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(3,535)	(4,232)
Mark to market loss on investments at fair value through other comprehensive income		(26,461)	(171)
Income tax impact		288	423
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		(29,708)	(3,980)
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement (loss)/gain on defined benefit plans	12	(100,055)	139,942
Income tax impact	11	24,573	(34,425)
Net other comprehensive (loss)/income not be reclassified to profit or loss subsequent periods		(75,482)	105,517
Other comprehensive (loss)/income for the year, net of tax		(105,190)	101,537
Total comprehensive income for the year, net of tax		146,336	798,645
Attributable to:			
Equity holders of the Parent		100,976	684,408
Non-controlling interests		45,360	114,237
		146,336	798,645

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

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Thousands of Trinidad and Tobago dollars)

	Attributable to equity holders of the parent						
Year ended 31 December 2022	**Stated capital** ***(Note 17)***	**Other reserves** ***(Note 17)***	**Treasury shares** ***(Note 17)***	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2022	175,566	380,687	(17,964)	7,721,925	8,260,214	1,075,631	9,335,845
Profit for the year	–	–	–	197,655	197,655	53,871	251,526
Other comprehensive income/(loss) for the year	–	(1,204)	–	(95,475)	(96,679)	(8,511)	(105,190)
Transfers and other movements	–	(13,621)	–	(15,190)	(28,811)	(3,516)	(32,327)
Net movement in unallocated ESOP shares	–	–	7,981	–	7,981	–	7,981
Dividends (Note 29)	–	–	–	(310,079)	(310,079)	–	(310,079)
Dividends of subsidiaries	–	–	–	–	–	(46,885)	(46,885)
Balance at 31 December 2022	175,566	365,862	(9,983)	7,498,836	8,030,281	1,070,590	9,100,871

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

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Thousands of Trinidad and Tobago dollars)
(Continued)

	Attributable to equity holders of the parent						
Year ended 31 December 2021	**Stated capital** *(Note 17)*	**Other reserves** *(Note 17)*	**Treasury shares** *(Note 17)*	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2021	175,566	410,290	(38,674)	7,417,024	7,964,206	1,002,545	8,966,751
Profit for the year	–	–	–	594,774	594,774	102,334	697,108
Other comprehensive income/(loss) for the year	–	(2,250)	–	91,884	89,634	11,903	101,537
Transfers and other movements	–	(27,353)	9,618	(71,694)	(89,429)	(4,014)	(93,443)
Net movement in unallocated ESOP shares	–	–	11,092	–	11,092	–	11,092
Dividends (Note 29)	–	–	–	(310,063)	(310,063)	–	(310,063)
Dividends of subsidiaries	–	–	–	–	–	(37,137)	(37,137)
Balance at 31 December 2021	175,566	380,687	(17,964)	7,721,925	8,260,214	1,075,631	9,335,845

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

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Thousands of Trinidad and Tobago dollars)

	Notes	2022	2021
Cash flows from operating activities			
Profit before taxation		433,856	935,260
Adjustments to reconcile net profit to net cash from operating activities:			
Depreciation	4, 5 ,7	411,350	403,412
Amortisation of intangible assets	6	25,587	22,632
Net realised and unrealised (gain)/loss on disposal of property, plant and equipment, investment securities	25	173,267	(257,741)
Impairment on property, plant and equipment, investment securities and associates		31,808	–
Lease modifications and other movements (net)	7	(5,277)	2,453
Foreign currency gains		–	(605)
Share of results of associates and joint venture interests	8	(2,151)	(4,750)
Employee benefit net gains		(7,340)	(12,795)
Interest and investment income	25	(157,031)	(143,835)
Finance costs	26	50,316	46,713
Operating profit before working capital changes		954,385	990,744
Increase in inventories		(240,493)	(44,977)
Increase in trade, other receivables and contract assets		(49,397)	(210,432)
Increase in trade and other payables		257,233	120,935
Increase in customers' deposits and other funding instruments		248,239	773,242
Increase in other non current liabilities		11,388	–
Increase in loans, advances and other assets		(325,054)	(239,663)
Increase in insurance contracts' liabilities		60,968	62,220
(Increase)/decrease in Central Bank reserve		(134,090)	79,356
Cash generated from operations		783,179	1,531,425
Finance costs paid		(42,687)	(32,951)
Contributions paid		(23,723)	(22,317)
Interest received		160,575	155,520
Taxation paid		(235,949)	(195,343)
Net cash inflow from operating activities		641,395	1,436,334

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

ANSA McAL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Thousands of Trinidad and Tobago dollars)
(Continued)

	Notes	2022	2021
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	39	–	(169,108)
Acquisition of investment in joint venture interests	8	(11,079)	(25,641)
Acquisition of intangible assets	6	(90,306)	(17,738)
Proceeds from sale of property, plant and equipment and investment properties		20,681	71,859
Purchase of property, plant, equipment and investment properties	4, 5	(481,809)	(372,790)
Dividends received from associates	8	13,468	4,631
Proceeds from sale of investment in associates	8	–	43,483
Proceeds from sale, maturity, or placement of investment securities/fixed deposits		2,096,427	2,243,310
Purchase of investment securities		(2,050,236)	(3,028,715)
Net cash outflow from investing activities		(502,854)	(1,250,709)
Cash flows from financing activities			
Repayment of medium and long term notes and other borrowings		(103,128)	(32,128)
Purchases of treasury shares - net		(6,751)	(435)
Payment of principal portion of lease liabilities	7	(47,106)	(40,432)
Increase in restricted cash	13	–	(100,000)
Dividends paid to non-controlling interests and preference shareholders		(46,895)	(37,147)
Dividends paid to ordinary shareholders	29	(310,069)	(310,053)
Net cash outflow from financing activities		(513,949)	(520,195)
Net decrease in cash and cash equivalents		(375,408)	(334,570)
Net foreign exchange differences		13,171	11,523
Cash and cash equivalents at beginning of year		2,496,920	2,819,967
Cash and cash equivalents at end of year	16	2,134,683	2,496,920

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

1. INCORPORATION AND BUSINESS ACTIVITIES

ANSA McAL Limited (the "Company" or the "parent company"), incorporated and domiciled in the Republic of Trinidad and Tobago, is the ultimate parent company of a diversified group of companies engaged in trading and distribution, construction, manufacturing, packaging and brewing, banking and insurance and the media, retail and service industries. ANSA McAL Limited and its consolidated subsidiaries ("the Group") operate in Trinidad and Tobago, the wider Caribbean region and the United States of America. A listing of the Group's subsidiaries and associates/joint venture interests is detailed in Notes 35 and 8.

The Company is a limited liability company with its registered office located at 11 Maraval Road, Port of Spain, Trinidad, West Indies and has a primary listing on the Trinidad and Tobago Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below:

i. Basis of preparation

These consolidated financial statements are expressed in thousands of Trinidad and Tobago dollars (except when otherwise indicated) and have been prepared on a historical cost basis except for the measurement at fair value of certain financial assets measured at fair value through statement of income, and other comprehensive income.

Statement of compliance
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Presentation of consolidated financial statements
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the consolidated statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii. Basis of consolidation

The consolidated financial statements comprise the financial statements of ANSA McAL Limited and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii. Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling interests represent the interests not held by the Group in the ANSA Merchant Bank Group, Guardian Media Group, Caribbean Development Company Group, Carib Brewery (St Kitts & Nevis) Limited, Carib Brewery (Grenada) Limited and Berger Paints Jamaica Limited, a subsidiary of ANSA Coatings International Limited.

iii. Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021, except for the adoption of new standards and interpretations below.

New and amended standards and interpretations

Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework (effective 1 January 2022)

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

The amendments must be applied prospectively. Earlier application is permitted.

These amendments had no impact on the consolidated financial statements of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use (effective 1 January 2022)

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment must be applied retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for first-time adopters.

These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract (effective 1 January 2022)

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

These amendments had no impact on the consolidated financial statements of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below.

The Group is currently assessing the potential impact of these new standards and interpretations and will adopt them when they become effective.

- IFRS 17 “Insurance Contracts. The Group will apply IFRS 17 “Insurance Contracts” for the first time on 1 January 2023. This Standard will bring significant changes to the accounting for insurance and reinsurance contracts held and is expected to have a material impact on the Group’s consolidated financial statements in the period of initial application.

  The IASB issued IFRS 17 in May 2017 and the Amendments to IFRS 17 in June 2020. IFRS 17, as amended, is effective for annual reporting periods beginning on or after 1 January 2023, to be applied retrospectively.

  IFRS 17 will replace IFRS 4 and the principles underlying IFRS 17 differ from IFRS 4, affecting how the Group accounts for its insurance contracts and when and how it reports financial performance in the consolidated financial statements. The following outlines some of the key differences:

  - New business gains under IFRS 17 will be deferred and recorded as the Contractual Service Margin (“CSM”), one of the measurement components of insurance contract liabilities. The CSM is subsequently amortized into income as insurance contract services are provided. New business losses are recorded into income immediately. On the other hand, under IFRS 4, premium income is recognised over the term of the related policy coverage.
  - The discount rate used to estimate the present value of insurance contract liabilities is based on the characteristics of the insurance contracts themselves under IFRS 17. Under IFRS 4 for life insurance contracts, the Group uses the rates of returns for current and projected assets supporting insurance contract liabilities to value the liabilities. As it relates to non-life insurance contracts, under IFRS 17, the Group will discount the future cash flows when measuring liabilities for incurred claims. Under IFRS 4, the Group currently does not discount such future cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective (continued)

- The Risk Adjustment ("RA") represents the compensation required for uncertainty related to non-financial risk such as mortality and expenses under IFRS 17. Provisions for uncertainty related to financial risk are reflected in the present value of insurance contract liabilities. Under IFRS 4, amounts provided for non-financial and financial risks are both reflected in provisions for adverse deviation ("PfAD") which is part of insurance contract liabilities.

The Group is required to measure insurance contracts using the General Measurement Model. However, the Group elected to apply the optional simplified measurement model, the Premium Allocation Approach (PAA), for non-life insurance contracts including group life insurance contracts and related reinsurance contracts, mainly because the coverage period of each contract is one year or less (short-term insurance business).

On transition to IFRS 17, the Group expects to apply the fair value approach on all long-term insurance business as the Group has made a preliminary assessment that it is impracticable to apply IFRS 17 retrospectively from the transition date for these contracts. The Group expects to apply the full retrospective approach on all short-term insurance business.

The Group is still in the process of implementing IFRS 17. As industry practice and interpretation of the Standard is still developing, the likely financial impact of its implementation remains uncertain.

- Amendments to IAS 1 Presentation of Financial Statements - Classification of liabilities as Current or Non-current - effective 1 January 2024
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and errors · Definition of accounting estimates - effective 1 January 2023
- Amendments to IAS 1 and IFRS Practice statement 2 - Disclosure of accounting policies · effective 1 January 2023
- Amendments to IAS 12 Income Taxes - Deferred tax related to assets and liabilities arising from a single transaction - effective 1 January 2023
- Amendments to IFRS 16 - Lease liability in a sale and lease back - effective 1 January 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Changes in accounting policies and disclosures (continued)

Improvements to International Financial Reporting Standards

The annual improvement process of the International Accounting Standards Board deals with non-urgent, but necessary clarifications and amendments to IFRS. The following amendments are applicable to periods beginning on or after 1 January 2022, and the Group has adopted these amendments where applicable.

IFRS	Subject of Amendment
IFRS 1 -	IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter - effective 1 January 2022
IFRS 9 -	IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities - effective 1 January 2022
IAS 41 -	IAS 41 Agriculture – Taxation in fair value measurements – The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the consolidated financial statements of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iv. Current versus non-current distinction

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

v. Investment in associates and joint arrangements

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture interests are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment separately.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Investment in associates and joint arrangements (continued)

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the joint venture and some associates are prepared for the same reporting period as that of the Group. For other associates with different reporting dates, these dates were established when those companies were incorporated and have not been changed. Where the reporting dates are within three months of the Group's year end, the associates' audited financial statements are utilised. Where the reporting dates differ from the Group's year end by more than three months or the audited financial statements are not yet available, management accounts are utilised. Further, the financial statements of these associates are adjusted for the effects of significant transactions or events that occurred between that date and the Group's year end. When necessary, adjustments are also made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

vi. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Where business combinations under common control occur, the acquisition method is also used as permitted under the guidelines of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the Scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit and loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the statement of profit and loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

vi. Business combinations and goodwill (continued)

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed and the portion of the cash-generating unit retained.

vii. Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready for use 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 largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

vii. Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

viii. Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions (Note 3)
- Debt instruments at fair value through statement of income and OCI (Note 33)
- Trade receivables, including contract assets (Note 33)

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted where applicable for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90-180 days past due depending on the nature of the financial asset. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ix. Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the CGU level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Brands, licenses and contracts

Separately acquired brands, licenses and contracts are measured on initial recognition at fair value. Following initial recognition, these intangible assets are carried at cost less any accumulated amortisation or impairment. Brands, licenses and contracts acquired in a business combination are recognised at fair value at the acquisition date. In respect of the Group's brands and licenses which have been assessed to have an indefinite useful life, impairment tests are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Those which are assessed to have a finite life are amortised over the expected economic life.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ix. Intangible assets (continued)

Computer software
Costs associated with maintaining computer software programs are recognised as an expense 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 or sale;
- Management intends to complete the software product and intend to 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 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 ten (10) years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Cash and short term deposits

Cash and short term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above, net of fixed deposits and the Central Bank reserve (Note 16).

xi. Foreign currency translation

Foreign currency transactions
The Group's consolidated financial statements are presented in Trinidad and Tobago dollars (expressed in thousands), which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago dollars at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities are translated using exchange rates that existed at the dates of the initial transactions. Exchange differences on foreign currency transactions are recognised in the consolidated statement of income.

Foreign entities
On consolidation, assets and liabilities of foreign entities are translated into Trinidad and Tobago dollars at the rate of exchange ruling at the reporting date and their statements of income are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on re-translation are recognised in other comprehensive income and accumulated in equity. On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xii. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

xiii. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repairs and maintenance costs are charged to the consolidated statement of income when incurred.

The freehold buildings of non-manufacturing companies are depreciated on the straight line basis at 2% per annum. Depreciation on the freehold buildings of the major manufacturing subsidiaries is charged on the straight line basis at rates varying between 2% and 5%. Land and capital work in progress are not depreciated.

Depreciation is provided on plant and other assets, either on the straight line or reducing balance basis, at rates varying between 5% and 33 1/3% which are considered sufficient to write off the assets over their estimated useful lives.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the consolidated statement of income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xiv. Investment properties

Investment properties principally comprise office buildings and land not occupied by the Group, which are held for long term rental yields and capital appreciation. Investment properties are classified as non-current assets and carried at cost less accumulated depreciation and accumulated impairment losses.

Buildings are depreciated on a straight line basis at a rate of 2% per annum. Land is not depreciated.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15: Revenue from contracts with customers.

Transfers are made to or from investment property only when there is a change in use. If owner occupied property becomes investment property, the Group accounts for such property in accordance with the policy under property, plant and equipment up to the date of change in use.

xv. Financial instruments – initial recognition

Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost, as explained in Note 2 (xvi) below.
- FVOCI, as explained in Note 2 (xvi) below.
- FVPL

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities

Financial assets

a) ***Initial recognition and subsequent measurement***

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortised cost and effective interest method

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt instruments that are designated as at fair value through the statement of income on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding ("the SPPI test").

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in the consolidated statement of comprehensive income and is further disclosed in Note 25.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

a) ***Initial recognition and subsequent measurement*** (continued)

Financial assets at fair value through other comprehensive income (FVOCI)

Equity instruments at fair value through other comprehensive income (FVOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to the statement of income on disposal of the investments.

Debt instruments at fair value through other comprehensive income (FVOCI)

The Group applied the FVOCI category under IFRS 9, for debt instruments measured at fair value through other comprehensive income when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding ("the SPPI test").

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

a) ***Initial recognition and subsequent measurement*** (continued)

Financial assets at fair value through other comprehensive income (FVOCI) (continued)

Debt instruments at fair value through other comprehensive income (FVOCI) (continued)

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income is recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

Financial assets at fair value through statement of income (FVSI)

Investments in equity instruments are classified as FVSI, unless the Group designates an investment that is not held for trading as FVOCI on initial recognition. The Group has designated all investments in equity instruments that are held for trading as FVSI on initial application of IFRS 9.

Debt instruments that do not meet the amortised cost criteria are measured as FVSI. In addition, debt instruments that meet the amortised cost criteria but are designated as FVSI are measured at FVSI. A debt instrument may be designated as FVSI upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments are reclassified from amortised cost to FVSI when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as FVSI on initial recognition is not allowed. The Group has not designated any debt instrument as FVSI.

Financial assets at FVSI are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of income. The net gain or loss recognised in the consolidated statement of income is included in Note 25. Fair value is determined in the manner described in Note 32.

Interest income on debt instruments designated at FVSI is included in the net gain or loss described above.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

a) ***Initial recognition and subsequent measurement*** (continued)

Financial assets at fair value through statement of income (FVSI) (continued)

Dividend income on investments in equity instruments at FVSI is recognised in the statement of income when the Group's right to receive the dividends is established in accordance with IFRS 15: Revenue from contracts with customers and is included in the net gain or loss described above.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss.

Therefore:

- for financial assets that are classified as FVSI, the foreign exchange component is recognised in the consolidated statement of income;
- for equity instruments that are designated as FVOCI, any foreign exchange component is recognised in other comprehensive income;
- for debt instruments that are designated as FVOCI, any foreign exchange component is recognised in the consolidated statement of income; and
- for foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'investment income' line item in the consolidated statement of income.

b) ***Impairment of financial assets***

Overview of the ECL principles

The Group records the allowance for expected credit losses for all loans and other debt, financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

b) ***Impairment of financial assets*** (continued)

Overview of the ECL principles (continued)

The Group uses the general probability of default approach when calculating ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in the sub-section below "The Calculation of ECLs". The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 33.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 33.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

b) ***Impairment of financial assets*** (continued)

Overview of the ECL principles (continued)

The calculation of ECLs

The mechanics of the ECL method are summarised below:

- Stage 1 — The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. The expected 12-month default probability is applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

- Stage 2 — When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but Possibility of Defaults (PDs) and Loss Given Defaults (LGDs) are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

- Stage 3 — For financial instruments considered credit-impaired (as defined in Note 33), the Group recognises the lifetime expected credit losses. The method is similar to that for Stage 2 assets, with the PD set at 100%.

- Purchase or originated credit-impaired (POCI) — POCI assets are financial assets that are credit-impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the ECLs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

b) ***Impairment of financial assets*** (continued)

Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as oil prices, unemployment rates and money supply.

In most instances, LGDs are determined on an individual loan or investment basis, including discounting the expected cash flows at the original EIR. In limited circumstances within the Group, where portfolios were small and the products homogenous with minimal history of defaults, a simplified ECL approach was applied using historical loss rates. These portfolios included premium receivables, policy loans and reinsurance receivables.

Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories and other non-financial assets such as vehicles and equipment, in the case of the Group's asset financing portfolios. Collateral, unless repossessed, is not recorded on the Group’s consolidated statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed on a periodic basis.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on independent valuation data provided by third parties such as mortgage brokers or independent valuators.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

b) ***Impairment of financial assets*** (continued)

Collateral repossessed

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the valuation cost of the asset.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but it sometimes engages external agents to recover the asset, to settle outstanding. Any surplus funds are returned to the customers/obligors.

Repossessed stock is valued at the lower of the carrying amount and fair value less estimated cost to sell.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

c) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvi. Financial assets and liabilities (continued)

Financial assets (continued)

c) Derecognition of financial assets (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of income. On derecognition of an equity instrument that is classified as FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the statement of other comprehensive income, but is reclassified to retained earnings. On derecognition of debt instruments at FVOCI, cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit and loss.

Financial liabilities

a) Initial recognition and subsequent measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through the statement of income, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value. The Group's financial liabilities include other payables, bank overdrafts, deposit liabilities and debt securities in issue. The Group has not designated any financial liabilities upon initial recognition as at fair value through statement of income.

b) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognising of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of income.

xvii. Fair value measurement

The Group measures certain financial instruments at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 32. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvii. Fair value measurement (continued)

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
- POCI - Credit impaired on initial recognition, therefore fair value at original recognition with interest income being subsequently recognised on a credit-adjusted EIR.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvii. Fair value measurement (continued)

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

xviii. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial lease liabilities recognised, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

-	Land and building	2 to 30 years
-	Plant and machinery	3 to 5 years
-	Motor vehicles and other equipment	3 to 5 years

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xviii. Leases (continued)

Group as a lessee (continued)

i) Right-of-use assets (continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2 (vii).

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xviii. Leases (continued)

Group as a lessee (continued)

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of $2,526 (2021: $1,002) (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 recognition exemption to leases of nil (2021: $231) that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

xix. Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value. Cost is arrived at on the first-in first-out or at the average method, including, in the case of manufacturing subsidiaries, a proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

xx. Reinsurance assets

The Group cedes reinsurance in the normal course of business. Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance liabilities. Premiums on reinsurance assumed are recognised as revenue in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Amounts due from reinsurers are estimated in a manner consistent with the associated reinsured policies and in accordance with the reinsurance contract. Premiums ceded and claims reimbursed are presented on a gross basis.

The benefit to which the Group is entitled under its reinsurance contract held is recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contract.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xx. Reinsurance assets (continued)

An impairment review is performed on all reinsurance assets when an indication of impairment occurs. Reinsurance assets are impaired only if there is objective evidence that the Group may not receive all amounts due to it under the terms of the contract and it can be measured reliably.

xxi. Income taxes

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred income tax
Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled based on the enacted tax rate at the reporting date.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

xxii. Employee benefits

The Group operates multiple pension plans with defined contribution, defined benefit or hybrid schemes for all eligible full time employees of the Group. The pension plans are governed by the relevant trustee rules and are generally funded by payments from employees and by the relevant Group companies, taking account of the rules of the pension plans and recommendations of independent qualified actuaries.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxii. Employee benefits (continued)

Defined contribution plans
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. 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.

Defined benefit plans
A defined benefit plan is a pension plan that is not a defined contribution plan. The pension accounting costs for the plans are assessed using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. The maximum economic benefits available, as limited by the asset ceiling will crystallise in the form of reductions in future contributions.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation within administrative and distribution costs (Note 25):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other post-employment benefit plans
The Group also provides other post-employment benefits to their retirees. These benefits are unfunded. The entitlement to these benefits is based 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 an accounting methodology similar to that for the defined benefit plans.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxiii. Share based payment transactions

The Group operates an equity settled share based compensation plan whereby senior executives of the Group render services as consideration for stock options of the parent company. The cost of equity settled transactions is measured by reference to the fair value of the options at the date on which they were granted. The fair value is determined by an independent external valuer using the binomial model.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant executive becomes fully entitled to the award (the vesting date). The cumulative expense recognised at each reporting date reflects the extent of which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the consolidated statement of income for the period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as an additional share dilution in the computation of earnings per share (Note 28).

xxiv. Employee share ownership plan ("ESOP")

As stated in Note 17, the Group operates an ESOP, whereby employees of the Group have the option to receive a percentage of their profit share bonuses in the form of ordinary shares of the parent company. The Group recognises an expense within staff costs when bonuses are awarded. Shares acquired by the ESOP are funded by parent company contributions and the cost of the unallocated ESOP shares is presented as a separate component within equity (treasury shares).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxv. Equity movements

Stated capital
Ordinary stated capital is classified within equity and is recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of new shares or options are shown as a reduction in equity, net of tax. As equity is repurchased, the amount of consideration paid is recognised as a charge to equity and reported in the consolidated statement of financial position as treasury shares.

Dividends
Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Board of Directors of the parent company. Dividends for the year that are approved after the reporting date are dealt with as an event after the end of reporting date.

Treasury shares
Own equity instruments which are re-acquired ("treasury shares") are recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated statement of income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

xxvi. Product classification

Insurance contracts
IFRS 4, 'Insurance Contracts' defines insurance contracts as those containing significant insurance risk at the inception of the contract. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. Long-term insurance contracts include those contracts with and without discretionary participation features ('DPF'). For insurance contracts with DPFs, the guaranteed element has not been recognised separately. Changes to the insurance contract liability are recognised in the consolidated statement of income as an item of expense.

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 this period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxvii. Insurance contracts' liabilities

Investment contracts
Any insurance contracts not considered to be transferring significant risks are, under IFRS, classified as investment contracts. Deposits collected and benefit payments under investment contracts are not accounted for through the consolidated statement of income, but are accounted for directly through the consolidated statement of financial position as a movement in the investment contract liability. Changes in the fair value of financial assets backing investment contracts are recognised in the consolidated statement of income as investment income.

Life insurance contracts' liabilities
The provision for life insurance contracts is calculated on the basis of a cash flow matching method where the expected cash flows are based on prudent assumptions depending on the circumstances prevailing.

The liability is determined as the sum of the discounted value of the expected benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the actual gross premiums that would be paid over the expected future lifetime of the contract. The liability is based on best estimate assumptions as to mortality, persistency, investment income and maintenance expenses that are expected to prevail over the life time of the contract.

A margin for adverse developments is added to each best estimate assumption to provide a prudent estimate of possible future claims. Adjustments to the liabilities at each reporting date are recorded in the consolidated statement of income as an expense.

General insurance contracts' liabilities
General insurance contract liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. Significant delays can be experienced in the notification and settlement of certain types of general insurance claims, particularly in respect of liability business, therefore the ultimate cost cannot be known with certainty at the reporting date.

Provision for unearned premiums
The proportion of written premiums attributable to subsequent periods is deferred as unearned premium. The change in the provision for unearned premium is taken to the consolidated statement of income in the order that revenue is recognised over the period of risk.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxvii. Insurance contracts' liabilities (continued)

Provision for unexpired risk
Provision for unexpired risk is computed as a percentage of the provision for unearned premiums at the end of the year. At each reporting date, liability adequacy tests are performed to ensure the adequacy of the insurance liabilities. Any deficiency is charged to the consolidated statement of income by subsequently establishing a provision for losses arising from the liability adequacy tests (the unexpired risk provision).

Liability adequacy test
In accordance with IFRS 4, reserving for liabilities existing as at the reporting date from property and casualty lines of business has been tested for adequacy by independent actuarial consultants using the Bornhuetter-Fergusson model.

The Bornhuetter-Fergusson model can be summarised as follows:

- The valuation method makes an independent estimate of the gross ultimate claims to a corresponding premium for each underwriting year based on expectations of claims arising from the gross premiums written in that year.
- It estimates a claim run-off pattern of how claims emerge year by year until all is known about the total ultimate claim.
- From the independent estimate of gross ultimate claims, the portion that relates to past periods is removed and the resultant balance is the gross claims yet to emerge.

The independent actuaries concluded in their report dated 11 February 2023 that the carrying amounts of the insurance liabilities of the general insurance subsidiary as at 31 December 2022, in respect of incurred but not reported claims (IBNR) from unexpired contracts were adequate.

xxviii. Trade and other payables

Liabilities for trade and other amounts payable, which are normally settled on 30-90 day terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxix. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of income, net of reimbursements.

When the Group can reliably measure the outflow of economic benefits in relation to a specific matter and considers such outflows to be probable, the Group records a provision against the matter. Given the subjectivity and uncertainty of determining the probability of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

xxx. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxx. Revenue from contracts with customers (continued)

Sale of products to third parties

Revenue from the sale of products to third parties is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the items. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. providing servicing). In determining the transaction price for sales, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

- Variable consideration

  If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

  Rights of return
  Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 Revenue from Contracts with Customers on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxx. Revenue from contracts with customers (continued)

Sale of products to third parties (continued)

- Variable consideration (continued)

Volume rebates
The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Warranty obligations

Some companies in the Group provide warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

A company in the Group provides a warranty beyond fixing defects that existed at the time of sale. This service-type warranty is sold bundled together with the sale of the related items. Contracts for bundled sales of goods or services and a service-type warranty comprise two or more performance obligations because the promises to transfer the other goods or services and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxx. Revenue from contracts with customers (continued)

Loyalty points programme

A company in the Group operates a loyalty points programme. Under IFRS 15, the loyalty points give rise to a separate performance obligation because they provide a material right to the customer and a portion of the transaction price was allocated to the loyalty points awarded to customers.

Rendering of services

The Group provides services that are either sold separately or bundled with the sale of goods and/or other services. Bundled sales may comprise two or more performance obligations where the items being sold are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices.

The Group recognises revenue from certain services over time, using an input method to measure progress towards complete satisfaction of the service where the customer simultaneously receives and consumes the benefits provided by the Group.

Group as principal and agent

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

The Group has contracts with customers to acquire, on their behalf, shipping, procurement and travel services provided by shipping companies, airlines and other suppliers. The Group is acting as an agent in these arrangements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxx. Revenue from contracts with customers (continued)

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2 (xv) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Assets and liabilities arising from rights to return

Right of return assets
Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities
A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxxi. Recognition of interest income

The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial assets measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Interest income is accrued until the investment contractually becomes three months in arrears, at which time, the interest is suspended and then accounted for on a cash basis until the investment is brought up to date.

Interest and similar income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as ‘Stage 3’, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures (as outlined in Note 33) and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxxi. Recognition of interest income (continued)

Interest and similar income (continued)

Income from loans, including origination fees, is recognised on an ongoing basis. Interest is accounted for on the accruals basis except where a loan contractually becomes three months in arrears, at which point, the accrued interest is suspended and subsequently accounted for on a cash basis until the arrears are cleared.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in net trading income and Net gains/(losses) on financial assets at fair value through profit or loss, respectively.

xxxii. Other revenue

Premium income
Premiums from life insurance contracts are recognised as revenue when payable by the policyholders. For single premium business this is the date from which the policy is effective. For non-life business, premiums written are recognised on policy inception and earned on a pro-rated basis over the term of the related policy coverage.

Premiums written on general insurance policies are recognised on policy inception and earned on a pro-rata basis over the term of the related policy coverage. For single premium business this is the date from which the policy is effective.

Reinsurance premiums
Reinsurance premiums are recognised when the right to receive the gross premium is recognised in accordance with the relevant reinsurance contract.

Fees and commissions
Unless included in the EIR calculation, fees are recognised on an accrual basis as the service is provided. Fees and commissions not integral to the effective interest arising from negotiating or participating in the negotiation of a transaction from a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contract.

Rental income
Rental income arising on investment properties under operating lease is recognised in the consolidated statement of income on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxxii. Other revenue (continued)

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

xxxiii. Benefits and claims

Life insurance
Life insurance business claims reflect the cost of all claims incurred during the year. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.

General insurance
Reported outstanding general insurance claims comprise the estimated costs of all claims incurred but not settled at the end of the reporting period, less any reinsurance recoveries. In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from adjusters and information on the cost of settling claims with similar characteristics in previous periods. Provision is made for claims incurred but not reported (IBNR) until after the end of the reporting period. Differences between the provisions for outstanding claims and subsequent revisions and settlement are included in the consolidated statement of income in the year the claims are settled.

Reinsurance claims
Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant reinsurance contract.

xxxiv. Lapses – life insurance

Life Insurance Policies will lapse and the Group's liability will cease:

i. At the end of the grace period (30 days) for any unpaid premium unless the premium or part of it is advanced under the automatic premium loan provision or the policy is changed to paid up; or

ii. At the end of the pro-rated period for which insurance is provided if part of an unpaid premium was advanced under the automatic loan provision; or

iii. At the end of the 30 day period following the mailing of a lapse notice indicating that the indebtedness equals or exceeds the gross cash value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxxv. Deposit insurance contribution

The Central Bank and the Financial Institutions (Non-Banking) (Amendment) Act, of the relevant jurisdictions of the subsidiaries which are financial institutions, have established a Deposit Insurance Fund for the protection of depositors. An annual premium of 0.05% to 0.2% is levied on the average deposit liability outstanding at the end of each quarter of the preceding year.

xxxvi. Repurchase and reverse repurchase agreements

Securities sold subject to a linked repurchase agreement ('repo') are retained in the consolidated financial statements as trading securities and the counterparty liability is included in customers' deposits and other funding instruments, loans and advances. Securities purchased under an agreement to resell ('reverse repo') are recorded as loans and advances. The difference between the sale and repurchase price is treated as interest and accrued over the life of the repo agreement using the effective yield.

xxxvii. Statutory deposits with Central Bank

Pursuant to the provisions of the Central Bank Act 1964 and the Financial Institutions Act 2008, a financial services subsidiary within the Group is required to maintain with the Central Bank of Trinidad and Tobago statutory balances in relation to deposit liabilities and certain funding instruments of the institutions. Additionally, a financial services subsidiary in Barbados is also required to maintain with the Central Bank of Barbados, statutory deposit balances in relation to deposit liabilities. These funds are not available to finance the subsidiary's day-to-day operations.

xxxviii. Earnings per share

Basic earnings per share (EPS) have been calculated by dividing the profit for the year attributable to ordinary shareholder of the parent over the weighted average number of ordinary shares in issue during the year net of treasury shares. Diluted EPS is computed by adjusting the weighted average number of ordinary shares in issue (net of treasury shares) for the assumed conversion of potential dilutive ordinary shares into ordinary shares.

xxxix. Segment information

For management purposes, the Group is organised into business units based on its products and services and has four (4) reportable segments as follows:

- The construction, manufacturing, packaging and brewing segment;
- The automotive, trading and distribution segment;
- The banking and insurance segment; and
- The media, retail, services and parent company segment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxxx. Comparative information

Changes in presentation were made to the comparative information of the previous year (2021) in these consolidated financial statements to allow consistent presentation with the current year. These changes were not material to the overall consolidated financial statements and had no impact on net assets, profit for the year or earnings per share as reported.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Impairment of financial instruments
The measurement of impairment losses under IFRS 9 across all categories of financial instruments requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk and if so, allowances for financial instruments should be measured on a LTECL basis and the qualitative assessment;

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Judgments (continued)

- The segmentation of financial instruments when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Provision for impairment of trade receivables
Management exercises judgement in determining the adequacy of provisions for trade accounts receivable balances for which collections are considered doubtful. Judgement is used in the assessment of the extent of the recoverability of long outstanding balances. Actual outcomes may be materially different from the provision established by management. The accounting policies related to impairment of trade receivables is disclosed in Note 2 (viii).

Property, plant and equipment
Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Group to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value. The accounting policy related to property, plant and equipment is disclosed in Note 2 (xiii).

Revenue from contracts with customers
The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identifying performance obligations in a bundled sale of equipment and installation services*

  The Group provides installation services that are either sold separately or bundled together with the sale of items to a customer. The installation services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Judgments (continued)

Revenue from contracts with customers (continued)
The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers: (continued)

- *Identifying performance obligations in a bundled sale of equipment and installation services* (continued)

  The Group determined that both the equipment items and installation are capable of being distinct. The fact that the Group regularly sells both equipment and installation on a stand-alone basis indicates that the customer can benefit from both products on their own. The Group also determined that the promises to transfer the items and to provide installation are distinct within the context of the contract. The equipment and installation are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the equipment and installation together in this contract do not result in any additional or combined functionality and neither the equipment nor the installation significantly modify or customise the other. In addition, the equipment and installation are not highly interdependent or highly interrelated, because the Group would be able to transfer the equipment even if the customer declined installation and would be able to provide installation in relation to products sold by other distributors. Consequently, the Group allocated a portion of the transaction price to the equipment and the installation services based on relative stand-alone selling prices.

- *Determining the timing of satisfaction of installation services*

  The Group concluded that revenue for some installation services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the installation that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Judgments (continued)

Revenue from contracts with customers (continued)

- *Determining the timing of satisfaction of installation services* (continued)

  The Group applies either the input or output method of measuring progress of the installation services depending on how management measures progress towards completion for project management purposes. Where input methods are applied, the Group recognises revenue on the basis of the cost incurred relative to the total expected cost to complete the service. Where output methods are applied, the Group recognises revenue based on the progress towards completing pre-established milestones, given the revenue allocated to those milestones, relative to total revenue.

- *Principal versus agent considerations*

  The Group enters into contracts with its customers to perform ship handling and processing duties on behalf of principals. The following factors indicate that the Group is acting in the capacity as an agent in these contracts:

  - The Group is not primarily responsible for fulfilling the promise to provide the shipping services.
  - The Group has no discretion in establishing the price for the shipping services. The Group's consideration in these contracts is only based on commissions that are a fixed fee or a percentage of the cost of shipping services.

  In addition, the Group concluded that it transfers control over its services (i.e., arranging for the shipping services), at a point in time, upon completion of the shipping services, because this is when the customer benefits from the Group's agency service.

- *Determining method to estimate variable consideration and assessing the constraint*

  Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Judgments (continued)

Revenue from contracts with customers (continued)

- *Determining method to estimate variable consideration and assessing the constraint* (continued)

  The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of products with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of products with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

  Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Determining whether the loyalty points provide material rights to customers
The Group operates a loyalty points programme which allows customers to accumulate points when they purchase certain Group products. The points can be redeemed for a discount, subject to a minimum number of points obtained. The Group assessed whether the loyalty points provide a material right to the customer that needs to be accounted for as a separate performance obligation.

The Group determined that the loyalty points provide a material right that the customer would not receive without entering into the contract. The discount the customer would receive by exercising the loyalty points do not reflect the stand-alone selling price that a customer without an existing relationship with the Group would pay for those products. The customers' right also accumulates as they purchase additional products.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Judgments (continued)

Leases

- *Determining the lease term of contracts with renewal and termination options – Group as lessee*

  The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

  The Group included the renewal period as part of the lease term for leases of land and buildings and plant and machinery with shorter non-cancellable period. The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of land and buildings and plant and machinery with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

- *Estimating the incremental borrowing rate*

  If the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Judgments (continued)

Leases (continued)

- *Estimating the incremental borrowing rate* (continued)

  The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

- *Operating lease commitments – Group as lessor*
  The Group has entered into vehicle, equipment and property leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial assets, that it retains all the significant risks and rewards of ownership of these assets and accounts for the contracts as operating leases.

- *Finance lease commitments – Group as lessor*
  Leases are classified as finance leases when the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of goodwill and other intangibles
The Group determines whether goodwill or other indefinite life intangibles are impaired at least on an annual basis. This requires an estimation of the 'value in use' or 'fair value less costs of disposal' of the cash-generating units to which the goodwill or other intangibles are allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are provided in Note 6 and accounting policy Note 2 (ix).

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Estimates and assumptions (continued)

Valuation of investments
Fair values are based on quoted market prices for the specific instrument, comparisons with other similar financial instruments, or the use of valuation models. Establishing valuations where there are no quoted market prices inherently involves the use of estimates and applying judgment in establishing reserves against indicated valuations for aged positions, deteriorating economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity, model risk itself and other factors. Further details are provided in Note 32 and accounting policy Note 2 (xvii).

Taxes
Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the existence of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and the level of future taxable profits together with future tax planning strategies. Further details are provided in accounting policy Note 2 (xxi).

Pension and other post-employment benefits
The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. Further details are provided in Note 12 and accounting policy Note 2 (xxii).

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Estimates and assumptions (continued)

Insurance contracts' liabilities

The estimation of the ultimate liability arising from claims made under life and general insurance contracts is an accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability that the Group ultimately pays for those claims.

For the life insurance contracts, estimates are made as to the expected number of deaths for each of the years in which the Group is exposed to risk. The Group based these estimates on standard industry mortality tables that reflect historical mortality experience, adjusted where appropriate to reflect the Group's unique risk exposure. The number of deaths determines the value of possible future benefits to be paid out which will be factored into ensuring sufficient cover reserves, which in return is monitored against current and future premiums. For those contracts that insure risk to longevity, prudent allowance is made for expected future mortality improvements, both endemic, as well as wide ranging changes to lifestyle, could result in significant changes to the expected future mortality exposure. All of this results in even more uncertainty in estimating the ultimate liability.

Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Estimates for future deaths, voluntary terminations, investment returns and administration expenses are determined at the inception of the contract and are used to calculate the liability over the term of the contract. At the end of each reporting period, these estimates are reassessed for adequacy and changes will be reflected in adjustments to the liability.

For general insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the reporting date. It can take a significant period of time before the ultimate claims costs can be established with certainty. The primary technique adopted by management in estimating the cost of notified and IBNR claims is that of using past claim settlement trends to predict future claims settlement estimates. At each reporting date, prior year claims estimates are reassessed for adequacy and changes are made to the provision. General insurance claims provisions are not discounted for the time value of money. Further details are provided in Note 20 and accounting policy Note 2 (xxvii).

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Estimates and assumptions (continued)

Estimating variable consideration for returns and volume rebates
The Group estimates variable considerations to be included in the transaction price for the sale of electronics equipment with rights of return and volume rebates.

The Group developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. As at 31 December 2022, the amount recognised as refund liabilities for the expected returns and volume rebates was $1.1 million (31 December 2021: $1.2 million).

4. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2022	Land & building freehold	Land & building leasehold	Plant	Other assets	Capital W.I.P	Total
Gross carrying amounts, 1 January 2022	1,135,369	168,352	2,373,373	1,091,532	138,365	4,906,991
Additions	7,323	4,740	38,074	103,846	287,288	441,271
Transfers to investment properties (Note 5)	(4,141)	–	–	–	–	(4,141)
Transfers from work in progress	59,667	973	90,068	139,066	(289,774)	–
Disposals, write downs and other movements	(1,775)	(4,623)	(34,941)	(170,701)	(28,282)	(240,322)
Gross carrying amounts, 31 December 2022	1,196,443	169,442	2,466,574	1,163,743	107,597	5,103,799
Accumulated depreciation, 1 January 2022	299,155	84,434	1,517,806	633,723	–	2,535,118
Depreciation	24,630	10,728	132,894	190,701	–	358,953
Disposals, write downs and other movements	(463)	(3,376)	(31,803)	(152,478)	–	(188,120)
Accumulated depreciation, 31 December 2022	323,322	91,786	1,618,897	671,946	–	2,705,951
Net carrying amounts, 31 December 2022	873,121	77,656	847,677	491,797	107,597	2,397,848

Other assets include furniture and fittings, motor vehicles, computer equipment and other tangible fixed assets.

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Year ended 31 December 2021	**Land & building freehold**	**Land & building leasehold**	**Plant**	**Other assets**	**Capital W.I.P**	**Total**
Gross carrying amounts, 1 January 2021	1,113,324	172,987	2,341,287	1,083,784	73,384	4,784,766
Additions	3,070	2,376	28,926	98,254	231,109	363,735
Acquired in business combinations	–	2,493	–	7,458	–	9,951
Transfers from/(to) investment properties (Note 5)	22,480	5,982	–	–	(8,304)	20,158
Transfers from work in progress	8,726	2,308	52,127	93,376	(156,537)	–
Disposals, write downs and other movements	(12,231)	(17,794)	(48,967)	(191,340)	(1,287)	(271,619)
Gross carrying amounts, 31 December 2021	1,135,369	168,352	2,373,373	1,091,532	138,365	4,906,991
Accumulated depreciation, 1 January 2021	278,987	85,544	1,418,566	601,625	–	2,384,722
Depreciation	22,602	10,475	136,297	184,740	–	354,114
Acquired in business combinations	–	1,951	–	6,457	–	8,408
Transfers from investment properties (Note 5)	–	536	–	–	–	536
Disposals, write downs and other movements	(2,434)	(14,072)	(37,057)	(159,099)	–	(212,662)
Accumulated depreciation, 31 December 2021	299,155	84,434	1,517,806	633,723	–	2,535,118
Net carrying amounts, 31 December 2021	836,214	83,918	855,567	457,809	138,365	2,371,873

Other assets include furniture and fittings, motor vehicles, computer equipment and other tangible fixed assets.

5. INVESTMENT PROPERTIES

	2022	2021
Balance 1 January	172,696	200,537
Transfers from/(to) property, plant and equipment (net) (Note 4)	4,141	(19,622)
Additions	40,539	9,055
Disposals	–	(11,600)
Foreign exchange differences and other movements	821	(3,246)
Depreciation for the year	(2,253)	(2,428)
Balance 31 December	215,944	172,696
Investment properties at cost	249,886	203,684
Accumulated depreciation	(33,942)	(30,988)
Net carrying amount	215,944	172,696

The Group has no restrictions on the realisability of its investment properties and no contractual obligations at year end to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The property rental income earned by the Group from third parties during the year from its investment properties, amounted to $24,456 (2021: $22,803). Direct operating expenses arising on the investment properties amounted to $14,574 (2021: $9,649).

6. INTANGIBLE ASSETS

	Goodwill	Brands, licenses and contracts	Computer software	Total
Gross carrying amounts, 1 January 2022	329,916	231,510	244,134	805,560
Computer software purchased	–	–	90,306	90,306
Foreign exchange differences	(230)	(207)	(71)	(508)
Disposals and other adjustments	–	–	24,657	24,657
Gross carrying amounts, 31 December 2022	329,686	231,303	359,026	920,015
Accumulated impairment and amortisation, 1 January 2022	(16,384)	(13,437)	(117,917)	(147,738)
Amortisation	–	(4,369)	(21,218)	(25,587)
Impairment	(31,800)	–	(8)	(31,808)
Disposals and other adjustments	48	23	70	141
Accumulated impairment and amortisation, 31 December 2022	(48,136)	(17,783)	(139,073)	(204,992)
Net carrying amounts, 31 December 2022	281,550	213,520	219,953	715,023
Gross carrying amounts, 1 January 2021	286,061	150,468	226,844	663,373
Goodwill on acquisition (Note 39)	43,855	–	–	43,855
Other intangibles acquired on acquisition (Note 39)	–	81,042	–	81,042
Computer software purchased	–	–	17,738	17,738
Foreign exchange differences	–	–	(153)	(153)
Transfers	–	–	1,746	1,746
Disposals and other adjustments	–	–	(2,041)	(2,041)
Gross carrying amounts, 31 December 2021	329,916	231,510	244,134	805,560
Accumulated impairment and amortisation, 1 January 2021	(16,384)	(11,227)	(99,605)	(127,216)
Amortisation	–	(2,213)	(20,419)	(22,632)
Impairment	–	–	–	–
Disposals and other adjustments	–	3	2,107	2,110
Accumulated impairment and amortisation, 31 December 2021	(16,384)	(13,437)	(117,917)	(147,738)
Net carrying amounts, 31 December 2021	313,532	218,073	126,217	657,822

6. INTANGIBLE ASSETS (continued)

Goodwill

In accordance with IFRS 3, 'Business Combinations', goodwill acquired through business combinations has been allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash-generating units to which goodwill relates. During the year the Group recognized an impairment charge amounting to $31.8 million in relation to the goodwill assigned to Standard Distributors Limited. The following table highlights the goodwill and impairment testing information for each cash-generating unit, as well as the assumptions to which the impairment testing were most sensitive:

Subsidiary	Cash generating unit	Carrying amount of goodwill	Discount rate	Growth rate (extrapolation period)	Year of acquisition
Grenada Breweries Limited	Manufacturing, packaging & brewing	1,134	13.90%	1.00%	2002
A.S. Bryden & Sons (Barbados) Limited	Automotive, trading & distribution	20,898	17.10%	1.50%	2004
Sissons Paints Limited	Manufacturing, packaging & brewing	6,167	15.70%	1.00%	2008
Standard Distributors Limited	Media, retail, services & parent company	13,365	16.40%	1.00%	2012
Alstons Marketing Company Limited	Automotive, trading & distribution	11,795	17.00%	1.00%	2013
Indian River Beverage Corporation	Manufacturing, packaging & brewing	26,103	9.80%	2.00%	2016
Easi Industrial Supplies Limited	Manufacturing, packaging & brewing	60,233	14.90%	1.00%	2016
ANSA Coatings International Limited	Manufacturing, packaging & brewing	24,601	14.4% - 16.8%	1.00%	2017
Trinidad Aggregate Products Limited (TAP)	Manufacturing	57,885	15.80%	1.00%	2019
Trident Insurance Company Limited	Media, retail, services & parent company	15,514	16.10%	2.00%	2019
ANSA Bank Limited	Banking	43,855	13.10%	1.00%	2021
		281,550			

6. INTANGIBLE ASSETS (continued)

Brands, licenses and contracts

Intangible assets also include the brands, licenses and contracts arising from the acquisition of Sissons Paints Limited, ANSA Coatings International Limited, Indian River Beverage Corporation, the Mackeson brand, various broadcast licenses and rights, banking license and customer contracts which were recognised at fair value at the acquisition dates.

Subsequent to initial recognition, brands and licenses were carried at cost and are expected to have an indefinite life due to the overall strength and longevity of the brands. Impairment tests were performed on the indefinite life brands and radio licenses at year end and there were no impairment arising other than for the Mackeson brand, which was recognized in 2020.

The Mackeson brand has been granted for a term of twenty-five (25) years with the option to renew at little or no cost to the Group, and is therefore treated as an indefinite life brand. Previous radio licenses acquired have been renewed and have allowed the Group to determine that this asset has an indefinite useful life. The banking license is tied directly to the operations of the bank as the bank cannot legally operate without. It is expected that the bank would continue into the foreseeable future with no anticipated cessation date and as such the bank license would have an indefinite useful life.

The following table highlights the impairment testing information for each brand, license and contract as well as the assumptions to which the impairment testing were most sensitive:

Brands and licenses	Cash generating unit	Carrying amount of brands and licenses	Discount rate	Growth rate (extrapolation period)
Berger brand	Manufacturing, packaging & brewing	46,065	14.4% - 16.8%	1.00%
Indian River Beverage Corporation brands	Manufacturing, packaging & brewing	24,092	9.80%	2.00%
Mackeson brand	Manufacturing, packaging & brewing	36,965	8.40%	2.00%
Broadcast licenses	Media, retail, services & parent company	11,223	13.60%	1.00%
Sissons brand	Manufacturing, packaging & brewing	13,984	15.70%	1.00%
Banking License	Banking	60,242	13.10%	1.00%
Intangible assets subject to impairment testing		192,571		

6. INTANGIBLE ASSETS (continued)

Brands, licenses and contracts (continued)

For all impairment tests for goodwill, brands and licenses, the recoverable amount of the relevant business units was determined based on value in use calculations using pre-tax cash flow projections over a five-year term. These projections are based on financial budgets approved by the Board of Directors of the respective companies. In assessing value in use, some budgets were adjusted to deliver an adequate balance between historic performance and likely future outcomes. Growth rates are based on published industry research where available or on the historic average of real gross domestic product (GDP) for the local economy.

Intangible assets subject to impairment		192,571
Intangible assets not subject to impairment testing		
Customer contracts	Banking	15,932
Contract manufacturing agreements	Manufacturing, packaging & brewing	5,017
Total brands, licenses and contracts		213,520

The useful life of the contract manufacturing agreements is 20 years. The useful life of the customer contracts is 7 years.

Computer software

Intangible assets also include the internal development cost arising from various Enterprise Resource Planning (ERP) Projects which were recognised at fair value at the capitalisation date. Subsequent to initial recognition, computer software was carried at cost, less amortisation and impairment losses where necessary, and is expected to have a finite life not exceeding ten (10) years.

7. LEASES

Group as a lessee

The Group has lease contracts for various items of land, building, plant and machinery, motor vehicles and other assets used in its operations. Leases of land and building generally have lease terms between 2 and 30 years, while plant and machinery, motor vehicles and other equipment generally have lease terms between 3 and 5 years. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of equipment and machinery with lease terms of 12 months or less and leases of plant and machinery with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The Group recognised rent expense from short-term leases of $2,526 (2021: $1,002) and from low-value assets of nil (2021: $231) for the year ended 31 December 2022. The Group also recognised rent expense relating to variable lease payments of $1,202 (2021: $1,142) for the year ended 31 December 2022.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land and building	Plant and machinery	Motor Vehicles	Other equipment	Total
As at 1 January 2022	99,307	4,141	225	378	104,051
Additions	76,156	397	–	193	76,746
Depreciation	(47,948)	(1,918)	(69)	(209)	(50,144)
Other movements	(38,332)	–	(1)	(87)	(38,420)
As at 31 December 2022	89,183	2,620	155	275	92,233
As at 1 January 2021	62,285	6,156	39	61	68,541
Additions	83,485	–	220	76	83,781
Depreciation	(44,599)	(2,108)	(72)	(91)	(46,870)
Other movements	(1,864)	93	38	332	(1,401)
As at 31 December 2021	99,307	4,141	225	378	104,051

7. LEASES (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2022	2021
As at 1 January	110,444	64,916
Additions	76,746	83,781
Principal payments	(47,106)	(40,432)
Interest payments	(5,512)	(6,100)
Accretion of interest (Note 26)	5,512	6,100
Modifications and other movements	(43,697)	2,453
Foreign exchange	(9)	(274)
As at 31 December	96,378	110,444
Current	38,617	34,956
Non-current	57,761	75,488

The maturity analysis of lease liabilities are disclosed in Note 33.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Group as lessor - Operating lease commitments

The Group is involved in leases on motor vehicles, computer equipment and investment properties. These non-cancellable leases have remaining terms of up to 6 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2022	2021
Within one year	11,054	8,434
After one year but not more than five years	11,952	4,564
After five years	–	–
	23,006	12,998

8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE INTERESTS

	2022	2021
Carrying value:		
Associates	109,329	110,175
Joint venture interests	16,607	8,052
	125,936	118,227
Share of results:		
Associates	11,124	7,952
Joint venture interests	(8,973)	(3,202)
	2,151	4,750

Associates

Significant associates interests at 31 December are as follows:

Company/Entity	Country of incorporation/ principal place of business	% Interest 2022	% Interest 2021
Trinidad Lands Limited	Republic of Trinidad and Tobago	40	40
Various interests held by ANSA McAL (Barbados) Limited	Various Caribbean islands and Barbados	23.5-49.5	23.5-49.5

In December 2021, the Group disposed of its interest in A.S. Bryden (Antigua) Ltd. and Brydens & Minors Ltd. in Antigua and recognized a gain on disposal of $43.5 million which is included in operating profit (Note 25).

The following table illustrates the summarised financial information of the Group's investment in associates:

	2022	2021
Assets:		
Non-current assets	161,914	202,704
Current assets	205,337	205,040
	367,251	407,744
Liabilities:		
Non-current liabilities	26,970	45,243
Current liabilities	93,658	88,088
	120,628	133,331
Net assets	246,623	274,413
Average proportion of the Group's ownership	44%	40%
Carrying amount of the investment	109,329	110,175

8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE INTERESTS (continued)

Associates (continued)	**2022**	**2021**
Revenue	579,216	881,508
Cost of sales	(418,608)	(637,681)
Administrative expenses	(126,620)	(212,567)
Profit before taxation	33,988	31,260
Taxation	(7,999)	(9,912)
Other comprehensive gain	–	80
Total comprehensive income	25,989	21,428
Group's share of total comprehensive income	11,124	7,952
Dividends received for the year	13,468	4,631

The associates had no contingent liabilities or capital commitments as at 31 December 2022 (2021: nil). Depreciation included in administrative expenses and cost of sales is $6,157 (2021: $15,159).

Joint venture interest

The Group's investment consists of a joint venture arrangement with MPC Caribbean Clean Energy Fund for a 50% interest in a joint venture company, CCEF ANSA Renewable Energies Holdings Limited (CARE), a company incorporated in Barbados. CARE is the 100% owner of a 21MW wind farm, Tilawind S.A. which is located in Costa Rica. This joint venture represents the Group's entry into the renewable energy power sector.

In 2022, the Group invested an additional $11.1 million (2021: $25.6 million) in CCEF ANSA Renewable Energies Holdings Limited (CARE).

In 2021, the joint venture signed an agreement to acquire 72.8% of the shares in Monte Plata Solar Park in the Dominican Republic, with a capacity of 33.4MW. The transaction was completed on 9 May 2022.

8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE INTERESTS (continued)

Joint venture interests (continued)

The Group's joint venture interest is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on the IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2022	2021
Assets:		
Non-current assets	486,705	234,144
Current assets	54,651	76,268
	541,356	310,412
Liabilities:		
Non-current liabilities	406,218	264,291
Current liabilities	101,924	30,016
	508,142	294,307
Net assets	33,214	16,105
Proportion of the Group's ownership	50%	50%
Carrying amount of the investment	16,607	8,052

Summarised statement of comprehensive income for the joint venture interest:

	2022	2021
Revenue	68,435	43,826
Administrative expenses	(86,599)	(48,906)
Loss before tax	(18,164)	(5,080)
Taxation	219	(1,326)
Total comprehensive loss for the year	(17,945)	(6,406)
Group's share of loss for the year	(8,973)	(3,202)

8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE INTERESTS (continued)

Joint venture interests (continued)

No dividends were received from joint venture interests during 2022 or 2021. Depreciation included in administrative expenses is $13,468 (2021: $14,941). The joint venture entities had no contingent liabilities or capital commitments as at 31 December 2022 and 2021 and cannot distribute its profits until it obtains the consent from the two venture partners.

9. INVESTMENT SECURITIES

	2022	2021
Investment securities designated as at fair value through statement of income	2,093,473	2,282,927
Investment securities measured at amortised cost	2,733,926	2,874,147
Investment securities measured at fair value through other comprehensive income	72,576	32,655
Total investment securities	4,899,975	5,189,729
Represented by:		
Non-current portion		
Investments at amortised cost maturing in more than one year	2,334,210	2,225,749
Current portion		
Investments at amortised cost maturing in less than one year	399,716	648,398
Investments at fair value through statement of income	2,093,473	2,282,927
Investments at fair value through other comprehensive income	72,576	32,655
	2,565,765	2,963,980

9. INVESTMENT SECURITIES (continued)

	2022	2021
Investment securities designated as at fair value through statement of income		
Equities	693,222	802,042
Managed funds	1,212,331	1,418,732
Government bonds	10,300	12,055
State-owned company securities	48,066	47,490
Corporate bonds	129,554	2,608
	2,093,473	2,282,927
Investment securities measured at amortised cost		
Government bonds	498,017	583,240
State-owned company securities	463,951	597,091
Corporate bonds	1,771,958	1,693,816
	2,733,926	2,874,147
Investment securities measured at fair value through other comprehensive income		
Managed funds	18,781	–
Government bonds	5,458	5,463
State-owned company securities	1,276	–
Corporate bonds	47,061	27,192
	72,576	32,655
Total investment securities	4,899,975	5,189,729

9. INVESTMENT SECURITIES (continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit rating system, aging and year-end stage classification.

Investments at amortised cost	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Gross carrying amount at 31 December 2022	2,699,877	11,870	19,247	56,931	2,787,925
ECL allowance	(31,315)	(296)	(3,898)	(18,490)	(53,999)
Net exposure at 31 December 2022	2,668,562	11,574	15,349	38,441	2,733,926
Investments at amortised cost					
Gross carrying amount at 31 December 2021	2,784,556	30,491	47,630	57,770	2,920,447
ECL allowance	(15,090)	(691)	(12,149)	(18,370)	(46,300)
Net exposure at 31 December 2021	2,769,466	29,800	35,481	39,400	2,874,147
Impairment on investments at amortised cost					
ECL allowance as at 1 January 2022	(15,090)	(691)	(12,149)	(18,370)	(46,300)
Translation adjustments	2	–	–	–	2
ECL on new instruments and other adjustments	(5,033)	(54)	(2,721)	(148)	(7,956)
Other credit loss movements, repayments etc.	(11,048)	–	10,964	–	(84)
Charge-offs and write-offs	(146)	449	8	28	339
ECL allowance at 31 December 2022	(31,315)	(296)	(3,898)	(18,490)	(53,999)
Impairment on investments at amortised cost					
ECL allowance as at 1 January 2021	(12,060)	(11,697)	(25,656)	–	(49,413)
Translation adjustments	–	–	(2)	–	(2)
ECL on new instruments and other adjustments	(2,779)	–	–	–	(2,779)
Other credit loss movements, repayments etc.	100	3,740	18,370	(18,370)	3,840
Charge-offs and write-offs	(351)	7,266	(4,861)	–	2,054
ECL allowance at 31 December 2021	(15,090)	(691)	(12,149)	(18,370)	(46,300)
Investments at fair value through other comprehensive income					
Gross carrying amount at 31 December 2022	72,576	–	–	–	72,576
ECL allowance	–	–	–	–	–
Net exposure at 31 December 2022	72,576	–	–	–	72,576

9. INVESTMENT SECURITIES (continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit rating system, aging and year-end stage classification. (continued)

	Stage 1	Stage 2	Stage 3	POCI	Total
Investments at fair value through other comprehensive income					
Gross carrying amount at 31 December 2021	32,655	–	–	–	32,655
ECL allowance	–	–	–	–	–
Net exposure at 31 December 2021	32,655	–	–	–	32,655
Impairment on investments at fair value through other comprehensive income					
ECL allowance as at 1 January 2022	–	–	–	–	–
ECL on new instruments and other adjustments	–	–	–	–	–
ECL allowance at 31 December 2022	–	–	–	–	–
Impairment at fair value through other comprehensive income					
ECL allowance as at 1 January 2021	(818)	–	–	–	(818)
ECL on new instruments and other adjustments	818	–	–	–	818
ECL allowance at 31 December 2021	–	–	–	–	–

10. LOANS, ADVANCES AND OTHER ASSETS

Included herein are amounts receivable under hire purchase and finance lease agreements in the financial statements of various subsidiary companies in the financial services and retail sectors. Also included, are other interest bearing loans and advances of the Group which are stated at amortised cost.

10. LOANS, ADVANCES AND OTHER ASSETS (continued)

	2022	2021
Hire purchase and finance leases	990,866	1,222,599
Mortgages, policy loans and other loans and advances	1,615,055	1,084,547
Total loans and advances	2,605,921	2,307,146
Other assets – reinsurance assets (Note 20)	243,246	216,967
Total loans, advances and other assets	2,849,167	2,524,113
Current portion	(681,616)	(720,925)
Non-current portion	2,167,551	1,803,188
Hire purchase and finance leases is analysed as follows:		
Hire purchase	1,145,794	1,301,019
Finance leases	87,460	210,585
	1,233,254	1,511,604
Less: Unearned finance charges	(134,460)	(167,039)
	1,098,794	1,344,565
Less: Provisions	(107,928)	(121,966)
Net hire purchase and finance leases	990,866	1,222,599
Mortgages, policy loans and other loans and advances is analysed as follows:		
Mortgages and policy loans	208,335	214,635
Other loans and advances	1,433,613	892,777
	1,641,948	1,107,412
Less: Provisions	(26,893)	(22,865)
Net mortgages, policy loans and other loans and advances	1,615,055	1,084,547

10. LOANS, ADVANCES AND OTHER ASSETS (continued)

	2022	2021
Minimum lease payments of hire purchase and finance leases:		
Amounts due:		
Within one year	184,456	196,841
After one year but less than five years	747,144	859,880
More than five years	301,654	454,883
	1,233,254	1,511,604
Present value of minimum lease payments of hire purchase and finance leases:		
Amounts due:		
Within one year	179,425	174,315
After one year but less than five years	650,271	770,267
More than five years	269,098	399,983
	1,098,794	1,344,565
Sectorial analysis of total loans, advances and other		
Personal	1,197,724	1,133,805
Commercial	1,550,578	1,301,064
Professional and other services	100,865	89,244
	2,849,167	2,524,113

As at 31 December 2022, the Group held repossessed vehicles with a fair value of $3.8 million (2021: $6.8 million). Repossessed vehicles are sold as soon as practical, with the proceeds used to reduce the outstanding indebtedness.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at 31 December 2022	2,379,737	236,692	124,313	2,740,742
ECL allowance	(16,790)	(23,027)	(95,004)	(134,821)
Net exposure at 31 December 2022	2,362,947	213,665	29,309	2,605,921
Other assets - reinsurance assets				243,246
Loans, advances and other assets				2,849,167

10. LOANS, ADVANCES AND OTHER ASSETS (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows: (continued)

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at 31 December 2021	2,081,250	208,406	162,321	2,451,977
ECL allowance	(19,520)	(14,824)	(110,487)	(144,831)
Net exposure at 31 December 2021	2,061,730	193,582	51,834	2,307,146
Other assets – reinsurance assets				216,967
Loans, advances and other assets				2,524,113

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2022	(19,520)	(14,824)	(110,487)	(144,831)
ECL on new instruments issued during the year	(9,079)	(6,417)	(12,626)	(28,122)
Other credit loss movements, repayments etc.	199	(926)	4,867	4,140
Charge-offs and write-offs	11,444	(1,030)	23,057	33,471
Recoveries	166	170	185	521
ECL allowance at 31 December 2022	(16,790)	(23,027)	(95,004)	(134,821)
ECL allowance as at 1 January 2021	(11,843)	(17,447)	(97,362)	(126,652)
ECL on new instruments issued during the year	(8,490)	(1,067)	(30,486)	(40,043)
Other credit loss movements, repayments etc.	742	3,690	(2,459)	1,973
Charge-offs and write-offs	71	–	19,820	19,891
ECL allowance at 31 December 2021	(19,520)	(14,824)	(110,487)	(144,831)

11. DEFERRED TAXATION

	2021	(Credit) / charge to Consolidated statement of income (Note 27)	(Credit) / charge to Life reserve and other movement	(Credit) / charge to OCI	2022
Deferred tax assets					
Unutilised tax losses	(133,891)	(19,861)	5,412	–	(148,340)
Employee benefit liability, leases and other	(75,618)	(9,120)	1,335	(1,147)	(84,550)
	(209,509)	(28,981)	6,747	(1,147)	(232,890)
Deferred tax liabilities					
Property, plant and equipment	282,846	966	1,137	–	284,949
Employee benefit asset	305,050	8,420	1,081	(23,426)	291,125
Life insurance reserves	63,318	–	(2,148)	–	61,170
Unrealised investment gains	69,119	(15,453)	(7,632)	(288)	45,746
Other	12,494	(763)	434	–	12,165
	732,827	(6,830)	(7,128)	(23,714)	695,155
Net deferred tax income		(35,811)			

	2020	(Credit) / charge to Consolidated statement of income (Note 27)	(Credit) / charge to Life reserve and other movement	(Credit) / charge to OCI	2021
Deferred tax assets					
Unutilised tax losses	(158,572)	17,036	7,645	–	(133,891)
Employee benefit liability, leases and other	(71,206)	(7,131)	599	2,120	(75,618)
	(229,778)	9,905	8,244	2,120	(209,509)
Deferred tax liabilities					
Property, plant and equipment	293,111	(8,413)	(1,852)	–	282,846
Employee benefit asset	262,072	8,041	2,632	32,305	305,050
Life insurance reserves	65,486	–	(2,168)	–	63,318
Unrealised investment gains	32,308	23,248	13,986	(423)	69,119
Other	21,469	79	(9,054)	–	12,494
	674,446	22,955	3,544	31,882	732,827
Net deferred tax expense		32,860			

11. DEFERRED TAXATION (continued)

The Group has unutilised tax losses of $674,999 (2021: $526,172) available to be carried forward and applied against future taxable income of the Group. These losses have not yet been verified by the relevant Revenue authorities.

Some subsidiaries have incurred tax losses either in the current or prior year, yet recognised deferred tax assets of $130,108 (2021: $93,493) on some or all of their total taxation losses. The recoverability of these deferred tax assets depends on these subsidiaries' ability to generate future taxable profits. The Group believes that these deferred tax assets are recoverable because these losses are expected to shelter taxable profits in the foreseeable future.

The Group has $212,768 (2021: $198,467) of tax losses, representing the sum of tax losses for several years carried forward and related to subsidiaries that have a history of losses. The losses for some of these subsidiaries expire after seven years and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have no opportunities that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on these tax losses carried forward.

12. EMPLOYEE BENEFITS

The Group has defined benefit, defined contribution and hybrid pension plan schemes in Trinidad & Tobago, Barbados, Jamaica and Guyana. The Group also provides certain post-retirement healthcare benefits to employees. These plans are governed by the deeds and rules of the specific plan and the employment laws relevant to the jurisdictions in which they operate.

Contributions recognised in the consolidated statement of income with respect to defined contribution plans are as follows:

	2022	2021
Contribution expense – Trinidad & Tobago plans	10,674	10,428
Contribution expense – Overseas plans	1,947	3,359
	12,621	13,787

12. EMPLOYEE BENEFITS (continued)

The level of pension benefits provided under the defined benefit plans depends on the member's length of service and salary at retirement age. The defined benefit pension plans require contributions to be made to a separately administered fund. The fund has a separate legal form and is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The Board of Trustees periodically reviews the level of funding in the pension plan. Such a review includes the asset-liability matching strategy and investment risk management policy which considers the term of the pension obligation while simultaneously remaining compliant with the requirements of the Pension Act. The pension plans are exposed to inflation, interest rate risks and changes in the life expectancy for pensioners in the relevant jurisdictions. As the plan assets include significant investments in quoted equity shares, the Group is also exposed to equity market risk.

	2022	2021
Employee benefits asset		
Trinidad & Tobago plans (See Note 12 (a))	973,530	1,021,659
Overseas plans (See Note 12 (b))	33,159	57,648
	1,006,689	1,079,307
Employee benefits liability		
Trinidad & Tobago plans (See Note 12 (a))	63,732	66,066
Overseas plans (See Note 12 (b))	29,544	30,834
	93,276	96,900

12. EMPLOYEE BENEFITS (continued)

(a) Trinidad and Tobago plans

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

Defined benefit pension plans			Other post - employment benefits	
2021	**2022**		**2022**	**2021**
1,176,467	1,211,232	Present value of obligations	63,732	66,066
(2,217,830)	(2,203,538)	Fair value of plan assets	–	–
(1,041,363)	(992,306)	Benefit (surplus)/deficit	63,732	66,066
19,704	18,776	Unrecognised portion	–	–
(1,021,659)	(973,530)		63,732	66,066

Based on the report of the Pension Plans' actuary, the present value of any economic benefits available in the form of reductions in future contributions to the defined benefit plans has been limited in accordance with IAS 19, 'Employee Benefits'.

Return on plan assets

2021	**2022**	**2022**	**2021**
215,682	7,398	–	–

Movements in the net (asset)/liability recognised in the consolidated statement of financial position are as follows:

Defined benefit pension plans			Other post - employment benefits	
2021	**2022**		**2022**	**2021**
(867,549)	(1,021,659)	Net (asset)/liability at 1 January	66,066	63,995
(11,377)	(15,101)	Net (income)/expense recognised in the consolidated statement of income	5,340	3,441
(125,686)	78,708	Net expense/(income) recognised in the consolidated statement of comprehensive income	(2,104)	1,267
(17,047)	(15,478)	Contributions/benefits paid	(5,570)	(2,637)
(1,021,659)	(973,530)		63,732	66,066

12. EMPLOYEE BENEFITS (continued)

(a) Trinidad and Tobago plans (continued)

Changes in the defined benefit obligation, fair value of plan assets and movements in other post-employment benefit plans:

	Defined benefit obligation	Fair value of plan assets	Unrecogni- sed portion	Defined benefit pension plans	Other post-employment benefits
Balance at 1 January 2022	1,176,467	(2,217,830)	19,704	(1,021,659)	66,066
Pension cost charged to profit or loss					
Current service cost	28,664	–	–	28,664	2,478
Past service cost	4,291	–	–	4,291	(16)
Administrative expenses	–	2,577	–	2,577	–
Curtailment gain	–	–	–	–	–
Net interest loss/(gain)	58,795	(109,428)	–	(50,633)	2,878
Sub-total included in profit or loss	91,750	(106,851)	–	(15,101)	5,340
Re-measurement (gains)/losses in OCI					
Experience (gains)/losses - demographic	(22,394)	–	–	(22,394)	(2,104)
Experience (gains)/losses - financial	–	102,030	–	102,030	–
Remeasurement gains/(losses) - Financial	–	–	(928)	(928)	–
Sub-total included in OCI	(22,394)	102,030	(928)	78,708	(2,104)
Other movements					
Contributions by employee	15,478	(15,478)	–	–	–
Contributions by employer	–	(15,478)	–	(15,478)	–
Benefits paid	(50,069)	50,069	–	–	(5,570)
Transfers	–	–	–	–	–
Sub-total - other movements	(34,591)	19,113	–	(15,478)	(5,570)
Balance at 31 December 2022	1,211,232	(2,203,538)	18,776	(973,530)	63,732

12. EMPLOYEE BENEFITS (continued)

(a) Trinidad and Tobago plans (continued)

Changes in the defined benefit obligation, fair value of plan assets and movements in other post-employment benefit plans: (continued)

	Defined benefit obligation	Fair value of plan assets	Unrecognised portion	Defined benefit pension plans	Other post-employment benefits
Balance at 1 January 2021	1,170,484	(2,056,520)	18,487	(867,549)	63,995
Pension cost charged to profit or loss					
Current service cost	30,338	–	–	30,338	2,573
Past service cost	–	–	–	–	(1,861)
Administrative expenses	–	2,796	–	2,796	–
Curtailment gain	(1,772)	325	–	(1,447)	–
Net interest loss/(gain)	56,713	(99,777)	–	(43,064)	2,729
Sub-total included in profit or loss	85,279	(96,656)	–	(11,377)	3,441
Re-measurement (gains)/ losses in OCI					
Experience losses - demographic	(10,998)	–	–	(10,998)	1,267
Experience losses - financial	–	(115,905)	–	(115,905)	–
Remeasurement gains/(losses) - Financial	–	–	1,217	1,217	–
Sub-total included in OCI	(10,998)	(115,905)	1,217	(125,686)	1,267
Other movements					
Contributions by employee	15,987	(16,176)	–	(189)	–
Contributions by employer	–	(16,858)	–	(16,858)	–
Benefits paid	(84,285)	84,285	–	–	(2,637)
Transfers	–	–	–	–	–
Sub-total - other movements	(68,298)	51,251	–	(17,047)	(2,637)
Balance at 31 December 2021	1,176,467	(2,217,830)	19,704	(1,021,659)	66,066

12. EMPLOYEE BENEFITS (continued)

(a) Trinidad and Tobago plans (continued)

The major categories of plan assets as a percentage of total plan assets are as follows:

	2022	2021
Local equities – quoted	35%	31%
Local bonds	31%	32%
Foreign investments	24%	24%
Real estate/mortgages	2%	2%
Short-term securities	8%	11%

Principal actuarial assumptions at the reporting date:

Discount rate at 31 December	5%	5%
Future salary increases	3%	3%
Future medical claims inflation	3%	3%

Shown below is a quantitative sensitivity analysis for the impact of significant assumptions on the defined benefit obligation:

Assumptions	**Discount rate**		**Future salary increases**		**Future medical claims inflation**	
Sensitivity level	**+1%**	**-1%**	**+1%**	**-1%**	**+1%**	**-1%**
At 31 December 2022	(130,728)	163,125	38,120	(33,888)	5,595	(4,370)
At 31 December 2021	(130,677)	163,572	39,040	(34,634)	5,965	(4,770)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

12. EMPLOYEE BENEFITS (continued)

(a) Trinidad and Tobago plans (continued)

The pension plan is maintained at a significant surplus. The Group has chosen not to take any contribution holidays to ensure the continued health of the plan in changing economic circumstances. The Group's contribution rate of 4% to 6% of pensionable salaries will continue into the foreseeable future.

The Group is expected to contribute $16,217 to its defined benefit plans and $6,493 to its post-employment Trinidad and Tobago benefit plans in 2023.

The weighted average duration of the defined benefit obligation at the end of the reporting period is 13 years (2021: 14 years) for the defined benefit pension plan and 8 years (2021: 7 years) for other post-employment benefit plans.

(b) Overseas plans

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

Defined benefit pension plans			Other post - employment benefits	
2021	**2022**		**2022**	**2021**
199,834	187,528	Present value of obligations	29,544	30,834
(271,842)	(245,340)	Fair value of plan assets	–	–
(72,008)	(57,812)	Benefit (surplus)/deficit	29,544	30,834
14,360	24,653	Unrecognised portion	–	–
(57,648)	(33,159)		29,544	30,834

12. EMPLOYEE BENEFITS (continued)

(b) Overseas plans (continued)

Based on the report of the Pension Plans' actuary, the present value of any economic benefits available in the form of reductions in future contributions to the defined benefit plans has been limited in accordance with IAS 19, 'Employee Benefits'.

Return on plan assets:

2021	2022		2022	2021
23,669	(8,194)	Actual return on plan assets	–	–

Movements in the net (asset)/liability recognised in the consolidated statement of financial position are as follows:

Defined benefit pension plans			Other post - employment benefits	
2021	2022		2022	2021
(38,734)	(57,648)	Net (asset)/liability at 1 January	30,834	34,935
–	–	Acquired in business combination	–	–
(5,421)	(1,432)	Net (income)/expense recognised in the consolidated statement of income	3,853	562
(12,313)	27,681	Net (income)/expense recognised in the consolidated statement of comprehensive income	(4,230)	(3,210)
(1,180)	(1,760)	Contributions/benefits paid	(913)	(1,453)
(57,648)	(33,159)		29,544	30,834

12. EMPLOYEE BENEFITS (continued)

(b) Overseas plans (continued)

Changes in the defined benefit obligation, fair value of plan assets and movements in other post-employment benefit plans:

	Defined benefit obligation	Fair value of plan assets	Unrecognised portion	Defined benefit pension plans	Other post-employment benefits
Balance at 1 January 2022	199,834	(271,842)	14,360	(57,648)	30,834
Pension cost charged to profit or loss					
Current service cost	1,964	–	–	1,964	1,242
Past service cost	8	–	–	8	645
Administrative expenses	–	840	–	840	–
Net interest loss/(gain)	15,016	(19,260)	–	(4,244)	1,949
Net exchange loss/(gain)	–	–	–	–	17
Sub-total included in profit or loss	16,988	(18,420)	–	(1,432)	3,853
Re-measurement (gain)/loss in OCI					
Experience (gains)/losses - demographic	(4,772)	–	–	(4,772)	(4,230)
Experience losses - financial	–	28,195	–	28,195	–
Re-measurement loss - financial	(5,807)	–	10,065	4,258	–
Changes in asset ceiling	–	–	–	–	–
Sub-total included in OCI	(10,579)	28,195	10,065	27,681	(4,230)
Other movements					
Contributions by employee	1,589	(1,589)	–	–	–
Contributions by employer	–	(1,760)	–	(1,760)	–
Other movements	217	(445)	228	–	–
Benefits paid	(20,521)	20,521	–	–	(913)
Sub-total - other movements	(18,715)	16,727	228	(1,760)	(913)
Balance at 31 December 2022	187,528	(245,340)	24,653	(33,159)	29,545

12. EMPLOYEE BENEFITS (continued)

(b) Overseas plans (continued)

Changes in the defined benefit obligation, fair value of plan assets and movements in other post-employment benefit plans: (continued)

	Defined benefit obligation	Fair value of plan assets	Unrecognised portion	Defined benefit pension plans	Other post-employment benefits
Balance at 1 January 2021	214,385	(268,566)	15,447	(38,734)	34,935
Pension cost charged to profit or loss					
Current service cost	2,300	–	–	2,300	1,410
Past service cost	(4,777)	–	–	(4,777)	(2,863)
Administrative expenses	–	94	–	94	–
Net interest loss/(gain)	15,841	(18,879)	–	(3,038)	2,015
Net exchange loss/(gain)	–	–	–	–	–
Sub-total included in profit or loss	13,364	(18,785)	–	(5,421)	562
Re-measurement (gain)/loss in OCI					
Experience (gains)/losses - demographic	(7,665)	–	–	(7,665)	(3,210)
Experience losses - financial	–	(4,790)	–	(4,790)	–
Re-measurement loss - financial	–	–	142	142	–
Changes in asset ceiling	–	–	–	–	–
Sub-total included in OCI	(7,665)	(4,790)	142	(12,313)	(3,210)
Other movements					
Contributions by employee	1,640	(1,745)	–	(105)	–
Contributions by employer	105	(1,837)	–	(1,732)	–
Other movements	(3,763)	5,649	(1,229)	657	(522)
Benefits paid	(18,232)	18,232	–	–	(931)
Sub-total - other movements	(20,250)	20,299	(1,229)	(1,180)	(1,453)
Balance at 31 December 2021	199,834	(271,842)	14,360	(57,648)	30,834

12. EMPLOYEE BENEFITS (continued)

(b) Overseas plans (continued)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2022	2021
Fixed deposits	21%	17%
Local equities - quoted, mortgage and real estate	36%	48%
Foreign investments	21%	26%
Bonds	22%	9%

Principal actuarial assumptions at the reporting date:

Discount rate at 31 December	7.5% - 11.0%	7.5% - 9.0%
Future salary increases	5.0% - 5.5%	5.5%
Future medical claims inflation	4.75% - 5.5%	4.75% - 5.5%

Shown below is a quantitative sensitivity analysis for the impact of significant assumptions on the defined benefit obligation:

Assumptions	**Discount rate**		**Future salary increases**		**Future medical claims inflation**	
Sensitivity level	**+1%**	**-1%**	**+1%**	**-1%**	**+1%**	**-1%**
At 31 December 2022	(16,996)	20,733	6,384	(5,400)	2,513	(1,871)
At 31 December 2021	(19,315)	23,675	7,378	(6,188)	656	(808)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

12. EMPLOYEE BENEFITS (continued)

(b) Overseas plans (continued)

The pension plan is maintained at a significant surplus. The Group has chosen not to take any contribution holidays to ensure the continued health of the plan in changing economic circumstances. The Group's contribution rate of up to 5% of pensionable salaries will continue into the foreseeable future.

The Group is expected to contribute $1,379 to its overseas defined benefit plans and $979 to its overseas post-employment benefit plans in 2023.

The average duration of the defined benefit obligation at the end of the reporting period is 10 years (2021: 12 years) for the defined benefit plan and 15 years (2021: 16 years) for the other post-employment benefits.

13. RESTRICTED CASH

A cash deposit account is held with Citibank Trinidad and Tobago Limited in the sum of TT$100 million, as collateral against the US$25 million Citibank Financing loan as described in Note 19 and bears no interest. This deposit account is held for the specific purpose as described above and $61.3 million of the cash deposit will become available for use during 2023.

	2022	2021
Current portion	61,311	–
Non-current portion	38,689	100,000
	100,000	100,000

14. INVENTORIES

Finished goods	745,527	703,024
Raw materials and work in progress	281,204	182,468
Goods in transit	192,689	106,805
Consumables and spares	76,334	62,964
	1,295,754	1,055,261

Inventories is presented net of provisions of $186.2 million (2021: $149.2 million) as at 31 December 2022.

The amount of inventories written back to cost of sales for the year amounted to $58.3 million (2021: $63.4).

15. TRADE, OTHER RECEIVABLES AND CONTRACT ASSETS

	2022	2021
Trade (net of provision) (Note 23)	714,283	625,198
Due from associates and joint venture interests (Note 36)	926	3,243
Due from other related parties (Note 36)	5,916	5,497
Right of return assets (Note 23)	774	753
Contract assets (Note 23)	2,110	12,140
Prepayments	161,367	129,681
Interest receivable	33,516	37,061
Insurance receivable	95,893	94,961
VAT recoverable	102,041	98,433
Taxation recoverable	54,232	30,851
Other receivables	85,773	149,779
	1,256,831	1,187,597

Contract assets

As at 31 December 2022, the Group has contract assets of $2,110 (2021: $12,140).

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	2022		2021	
	Trade	Other	Trade	Other
Balance at 1 January	119,004	29,762	123,666	19,466
Charge for the year (Note 25)	21,488	7,712	22,606	10,880
Recoveries, reversals and other	(17,455)	(6,788)	(27,268)	(584)
Balance at 31 December	123,037	30,686	119,004	29,762

15. TRADE, OTHER RECEIVABLES AND CONTRACT ASSETS (continued)

As at 31 December, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired 1 to 60 days	Over 60 days
2022	714,283	111,743	404,290	198,250
2021	625,198	95,702	387,065	142,431

The significant changes in the balances of trade receivables and contract assets are disclosed in Note 23 (b) while the information about the credit exposures are disclosed in Note 33.

16. CASH AND SHORT TERM DEPOSITS

	2022	2021
Cash and bank balances	2,319,894	2,549,294
Short term deposits	133,742	132,489
Fixed deposits	8,649	8,670
	2,462,285	2,690,453

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months and earns interest at the respective short-term deposit rates. Fixed deposits carry maturity periods in excess of three months but within twelve months.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are derived as follows:

	2022	2021
Cash and short term deposits	2,462,285	2,690,453
Less: Central Bank reserve	(318,953)	(184,863)
Fixed deposits	(8,649)	(8,670)
	2,134,683	2,496,920

Central Bank reserve:

The Central Bank Reserve balance represents the amounts held at the Central Bank of Trinidad and Tobago and the Central Bank of Barbados as required under the respective regulatory pronouncements. The Central Bank of Trinidad and Tobago reserve account represents 10% of average deposit liabilities and is non-interest bearing. The Central Bank of Barbados reserve account represents 19% of average deposit liabilities and earned interest of 0.10% (2021: 0.10%). These funds are not available to finance day to day operations and as such are excluded from the cash reserves to arrive at cash and cash equivalents.

17. STATED CAPITAL AND OTHER RESERVES

	2022	2021
Authorised		
Unlimited cumulative preference shares of no par value		
Unlimited ordinary shares of no par value		
Issued and fully paid		
1,630 6% cumulative preference shares of no par value	163	163
176,197,617 (2021: 176,197,617) ordinary shares of no par value converted into ordinary stock transferable in units of no par value	175,403	175,403
	175,566	175,566

	# of units Thousands	$
At 1 January 2021	176,198	175,403
Stock options exercised during the year	–	–
At 31 December 2021	176,198	175,403
Stock options exercised during the year	–	–
At 31 December 2022	176,198	175,403

Treasury shares

The number and value of own equity shares (treasury shares) held by the Group is:

	2022	2021
Number of shares (000's)	3,793	3,946
Value of shares (cost - $000's)	9,983	17,964

As detailed in Note 2 (xxiv), the Group operates an Employee Share Ownership Plan (ESOP) in which shares purchased by the Plan are vested in the name of the Trustee. The cost of these unallocated ESOP shares are accounted for and disclosed within equity as treasury shares.

Participation in the Plan is entirely voluntary and details are as follows:

	2022	2021
Number of members	516	495
Number of allocated shares (000's)	2,116	1,940
Market value of allocated shares held at 31 December ($000's)	108,987	115,389

17. STATED CAPITAL AND OTHER RESERVES (continued)

Other reserves

	Attributable to equity holders of the Parent				
	Statutory reserve fund	**Statutory surplus reserve**	**General loan loss reserve**	**Foreign currency & other**	**Total**
Balance, 1 January 2021	268,618	73,070	15,967	52,635	410,290
Total other comprehensive loss for the year	–	–	–	(2,250)	(2,250)
Transfers and other movements	11,678	(66,539)	(131)	27,639	(27,353)
Balance, 31 December 2021	280,296	6,531	15,836	78,024	380,687
Total other comprehensive income for the year	–	–	–	(1,204)	(1,204)
Transfers and other movements	4,367	–	(2,185)	(15,803)	(13,621)
Balance, 31 December 2022	284,663	6,531	13,651	61,017	365,862

Nature and purpose of other reserves

Statutory reserve fund

The Financial Institutions Act in the respective jurisdiction of the Group's Merchant Banking subsidiaries, requires a portion of the net profit of the Bank after deduction of taxes in each year be transferred to a statutory reserve fund.

Statutory surplus reserve

As previously required by Section 171 of the Insurance Act 1980 of Trinidad and Tobago at least 25% of the Insurance subsidiary's profit from general insurance business, for the preceding year is to be appropriated towards a statutory surplus reserve until such surplus equals or exceeds the reserves in respect of its outstanding unexpired policies. This reserve is not distributable. This statutory surplus reserve is no longer required under the new Insurance Act, 2018 of Trinidad and Tobago and therefore was reappropriated to retained earnings. The amount remaining in the reserve relates to Trident Insurance Company Limited in Barbados.

17. STATED CAPITAL AND OTHER RESERVES (continued)

Other reserves (continued)

Nature and purpose of other reserves (continued)

General loan loss reserve

The Group's Merchant Banking subsidiary has established a general reserve for loan losses in accordance with the guidelines issued by the Central Bank of Trinidad and Tobago. The reserve has been calculated at 0.5% of the loan balance at the year end and encompasses hire purchase loans, finance leases and premium financing loans after deducting unearned finance charges. This reserve has been accounted for as an appropriation of retained earnings and is included in other reserves in the consolidated statement of changes in equity.

Foreign currency reserve

The foreign currency reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries into Trinidad and Tobago dollars (the Group's presentation currency).

18. CUSTOMERS' DEPOSITS AND OTHER FUNDING INSTRUMENTS

Sectoral analysis is as follows:	2022	2021
Amounts due:		
Within 1 year	3,327,181	3,131,466
Over 1 year	259,459	206,935
	3,586,640	3,338,401

This balance represents deposit liabilities and other funding instruments included in the financial statements of the various subsidiary companies that are financial institutions.

	2022	2021
Individuals	934,921	973,952
Pension funds/Credit unions/Trustees	999,018	1,482,694
Private companies/estates/financial institutions	1,652,701	881,756
	3,586,640	3,338,403

Customers' deposits and other funding instruments include investment contract liabilities of $282,978 (2021: $273,901). These investment contract liabilities have neither reinsurance arrangements nor discretionary participation features.

19. MEDIUM AND LONG TERM NOTES AND OTHER BORROWINGS

	2022	2021
Amounts due:		
Within 1 year	116,180	655,605
Over 1 year	631,558	195,261
	747,738	850,866

Medium and long term notes

Notes issued by the Group's Merchant Banking Subsidiary
In September 2015, the Bank issued a US$30 million medium-term note which matured on 17 September 2021. Interest was set at a fixed rate of 4% per annum.

In November 2014, the Bank issued a TT$250 million medium-term note which matured on 28 November 2022. Interest was set at a fixed rate of 3.35% per annum. An additional TT$295 million medium-term note was issued on 5 June 2015 which also matured on 28 November 2022 with the interest set at a fixed rate of 3.75% per annum.

In April 2022, the Bank issued a TT$600 million sub-ordinated medium-term note maturing on 20 April 2029. Interest was set at a fixed rate of 5.375% per annum.

RBC TTD Promissory Notes
The Group converted existing USD obligations to TTD cashflows, effectively removing tail-end foreign exchange risk from its statement of financial position, in addition to reducing the duration of its liabilities.

Existing USD debt related to the acquisition of Lewis Berger Overseas (Holdings) Limited and the Berger brands was refinanced to a TTD obligation in the form of a promissory note to RBC Merchant Bank Caribbean. The note was issued for a face value of TT$119.543 million on 21 October 2021 and matures on 21 October 2024. Interest is fixed at 5.5% per annum. This loan is repayable via 36 monthly instalments of principal and interest. The current portion of this arrangement amounting to TT$40.2 million is included in the current portion of medium and long term notes.

The Group similarly refinanced USD debt related to its renewable energy business in the form of another promissory note to RBC Merchant Bank Caribbean. The note was issued for a face value of TT$53.251 million on 21 October 2021 and matures on 21 October 2024. Interest is fixed at 5.5% per annum. The current portion of this arrangement amounting to TT$17.9 million is included in the current portion of medium and long term notes.

19. MEDIUM AND LONG TERM NOTES AND OTHER BORROWINGS (continued)

Medium and long term notes (continued)

Citibank Loan Financing
The Group entered into a US$25 million arrangement in the form of a promissory note with Citibank NA on 9 April 2021. The purpose of the loan was primarily to fund the initial phase of the Group's strategic plan to build a significant hard currency asset base, augmented through capital contributions and investment return.

The loan is repayable through quarterly principal repayments of US$2.083 million, with interest due at 5.90% per annum on the reducing balance. The loan matures on 9 April 2024, with an early repayment option after 2 years in April 2023. The current portion of this amounting to TT$56.1 million is included in the current portion of medium and long term notes.

The loan is secured by a cash collateral in the sum of TT$100 million (refer to Note 13). The cash collateral account is held at Citibank (Trinidad & Tobago) Limited until maturity of the loan as described above, and bears no interest.

Other borrowings

This includes other interest bearing debt from third parties.

20. INSURANCE CONTRACTS' LIABILITIES

	2022	2021
Due within one year:		
General insurance contracts	412,792	386,823
Life insurance contracts – outstanding claims	42,899	44,586
	455,691	431,409
Due over one year:		
Life insurance contracts	1,369,222	1,332,536
	1,824,913	1,763,945

20. INSURANCE CONTRACTS' LIABILITIES (continued)

	Notes	2022 Insurance contracts' liabilities	2022 Reinsurers' share of liabilities *(Note 10)*	2022 Net	2021 Insurance contracts' liabilities	2021 Reinsurers' share of liabilities *(Note 10)*	2021 Net
Life insurance contracts	20 (a)	1,412,121	(20,938)	1,391,183	1,377,122	(17,368)	1,359,754
General insurance contracts	20 (b)	412,792	(222,308)	190,484	386,823	(199,598)	187,225
Total insurance contracts' liabilities		1,824,913	(243,246)	1,581,667	1,763,945	(216,966)	1,546,979

a) Life insurance contracts' liabilities may be analysed as follows:

	2022 Insurance contracts' liabilities	2022 Reinsurers' share of liabilities	2022 Net	2021 Insurance contracts' liabilities	2021 Reinsurers' share of liabilities	2021 Net
With DPF	188,506	–	188,506	194,282	–	194,282
Without DPF	1,180,716	(20,938)	1,159,778	1,138,254	(17,368)	1,120,886
	1,369,222	(20,938)	1,348,284	1,332,536	(17,368)	1,315,168
Outstanding claims	42,899	–	42,899	44,586	–	44,586
Total life insurance contracts' liabilities	1,412,121	(20,938)	1,391,183	1,377,122	(17,368)	1,359,754

20. INSURANCE CONTRACTS' LIABILITIES (continued)

a) Life insurance contracts' liabilities may be analysed as follows: (continued)

	2022			2021		
	Insurance contracts' liabilities	**Reinsurers' share of liabilities**	**Net**	**Insurance contracts' liabilities**	**Reinsurers' share of liabilities**	**Net**
At 1 January	1,377,122	(17,368)	1,359,754	1,294,548	(15,549)	1,278,999
Premiums received	167,224	(16,485)	150,739	194,726	(15,448)	179,278
Liabilities realised for payment on death, surrender and other terminations in the year	(132,225)	12,915	(119,310)	(112,152)	13,629	(98,523)
At 31 December	1,412,121	(20,938)	1,391,183	1,377,122	(17,368)	1,359,754

20. INSURANCE CONTRACTS' LIABILITIES (continued)

b) General insurance contracts' liabilities may be analysed as follows:

	2022			2021		
	Insurance contracts' liabilities	**Reinsurers' share of liabilities**	**Net**	**Insurance contracts' liabilities**	**Reinsurers' share of liabilities**	**Net**
i) Claims reported and IBNR						
Claims reported and IBNR	161,484	(60,510)	100,974	172,611	(75,468)	97,143
Provisions for unearned premiums and unexpired notes	251,308	(161,798)	89,510	214,212	(124,130)	90,082
Total at end of year	412,792	(222,308)	190,484	386,823	(199,598)	187,225
Provisions for claims reported by policy	133,914	(51,514)	82,400	143,484	(72,147)	71,337
Provisions for claims incurred but not reported (IBNR)	42,527	(18,807)	23,720	40,502	(20,863)	19,639
	176,441	(70,321)	106,120	183,986	(93,010)	90,976
Cash paid for claims settled in the year	(201,226)	40,204	(161,022)	(141,314)	2,842	(138,472)
Increase in liabilities	186,269	(30,393)	155,876	129,939	14,700	144,639
Total at end of year	161,484	(60,510)	100,974	172,611	(75,468)	97,143

20. INSURANCE CONTRACTS' LIABILITIES (continued)

b) General insurance contracts' liabilities may be analysed as follows (continued)**:**

i) Claims reported and IBNR (continued)

	2022			2021		
	Insurance contracts' liabilities	**Reinsurers' share of liabilities**	**Net**	**Insurance contracts' liabilities**	**Reinsurers' share of liabilities**	**Net**
Provision for claims reported by policy holders	119,306	(41,867)	77,439	130,723	(54,676)	76,047
Provision for claims incurred but not reported (IBNR)	42,178	(18,643)	23,535	41,888	(20,792)	21,096
	161,484	(60,510)	100,974	172,611	(75,468)	97,143

20. INSURANCE CONTRACTS' LIABILITIES (continued)

b) General insurance contracts' liabilities may be analysed as follows (continued)**:**

ii) Provisions for unearned premiums and unexpired risk

	2022			2021		
	Insurance contracts' liabilities	**Reinsurers' share of liabilities**	**Net**	**Insurance contracts' liabilities**	**Reinsurers' share of liabilities**	**Net**
Provisions for unearned premiums	226,703	(146,496)	80,207	204,379	(112,561)	91,818
Provision for unexpired risk	27,923	(17,978)	9,945	19,781	(9,893)	9,888
	254,626	(164,474)	90,152	224,160	(122,454)	101,706
Increase/(decrease) in the period	694,047	(476,493)	217,554	556,187	(326,922)	229,265
Release in the period	(697,365)	479,169	(218,196)	(566,135)	325,245	(240,890)
Total at end of year	251,308	(161,798)	89,510	214,212	(124,131)	90,081
Provision for unearned premiums	223,385	(143,820)	79,565	190,780	(110,636)	80,144
Provision for unexpired risk	27,923	(17,978)	9,945	23,431	(13,494)	9,937
	251,308	(161,798)	89,510	214,211	(124,130)	90,081

20. INSURANCE CONTRACT LIABILITIES (continued)

Claims development table

The risks associated with these insurance contracts and in particular, casualty insurance contracts, are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Group has no known or reported latent claims such as disease or asbestosis and therefore no actuarial analysis is made. The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the Group's estimate of total claims outstanding for each underwriting year has changed at successive year ends.

Accident year - Gross	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Estimate of outstanding claims costs (gross):							
- at end of accident year	130,669	168,352	169,523	158,701	180,414	191,535	999,194
- one year later	135,437	170,405	177,722	160,258	181,056	–	824,878
- two years later	131,979	171,643	176,006	159,842	–	–	639,470
- three years later	133,202	173,735	172,598	–	–	–	479,535
- four years later	137,108	169,210	–	–	–	–	306,318
- five years later	140,164	–	–	–	–	–	140,164
Current estimate of cumulative claims	140,164	169,210	172,598	159,842	181,056	191,535	1,014,405
Cumulative payments to date	(129,639)	(162,815)	(164,766)	(144,348)	(167,632)	(155,503)	(924,703)
Liability recognised in the consolidated statement of financial position	10,525	6,395	7,832	15,494	13,424	36,032	89,702
Total liability in respect of prior years							71,782
Total liability included in the consolidated statement of financial position							161,484

20. INSURANCE CONTRACT LIABILITIES (continued)

Claims development table (continued)

The risks associated with these insurance contracts and in particular, casualty insurance contracts, are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Group has no known or reported latent claims such as disease or asbestosis and therefore no actuarial analysis is made. The development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The table below illustrates how the Group's estimate of total claims outstanding for each underwriting year has changed at successive year ends.

Accident year - Net	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Estimate of outstanding claims costs (net):							
- at end of accident year	94,641	137,880	150,365	120,290	153,292	163,135	819,603
- one year later	103,039	138,862	156,077	123,044	152,521	–	673,543
- two years later	101,079	138,892	152,705	122,863	–	–	515,539
- three years later	101,870	140,400	149,227	–	–	–	391,497
- four years later	104,430	138,547	–	–	–	–	242,977
- five years later	106,108	–	–	–	–	–	106,108
Current estimate of cumulative claims	106,108	138,547	149,227	122,863	152,521	163,135	832,401
Cumulative payments to date	(99,033)	(134,329)	(144,071)	(113,007)	(143,997)	(137,416)	(771,853)
Liability recognised in the consolidated statement of financial position	7,075	4,218	5,156	9,856	8,524	25,719	60,548
Total liability in respect of prior years							40,426
Total liability included in the consolidated statement of financial position							100,974

21. INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE ASSETS - TERMS, ASSUMPTIONS AND SENSITIVITIES

(a) Life insurance contracts and investment contracts

Terms and conditions

Insurance subsidiaries in the Group offer a combination of individual life, pension, annuity and group life contracts with and without discretionary participation features. These contracts are determined by actuaries and all subsequent valuation assumptions are determined by independent consulting actuaries.

Key assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions relating to both life insurance contracts and investment contracts. Assumptions in use are based on past experience, current internal data and conditions and external market indices and benchmarks, which reflect current observable market prices and other published information. Assumptions are determined as appropriate and prudent estimates are made at the date of valuation. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

For insurance contracts, estimates are made in two stages. Firstly, at inception of the contract, the Group determines the assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. Secondly, at the end of each reporting period, new estimates are developed to determine whether the liabilities are appropriate in light of the latest current estimates.

For investment contracts, assumptions used to determine the liabilities are also updated at the end of each reporting period to reflect latest estimates.

21. INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE ASSETS - TERMS, ASSUMPTIONS AND SENSITIVITIES (continued)

(a) Life insurance contracts and investment contracts (continued)

Key assumptions (continued)

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

Mortality and morbidity rates
Assumptions are based on underlying experience as well as standard industry mortality tables, according to the type of contract written. For contracts that insure the risk of longevity, appropriate but not excessively prudent allowance is made for expected future mortality improvements. Assumptions are differentiated by sex, underwriting class and contract type.

Mortality rates higher than expected will lead to a larger number of insurance claims and claims will occur sooner than anticipated, which will increase the expenditure and reduce profits for the shareholders.

Investment return
The weighted average rate of return is derived from a model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

Expenses
Operating expense assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. An increase in the level of expenses would result in an increase in expenditure thereby reducing profits for the shareholders.

Lapse and surrender rates
Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and changes in policyholders' circumstances.

21. INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE ASSETS - TERMS, ASSUMPTIONS AND SENSITIVITIES (continued)

(a) Life insurance contracts and investment contracts (continued)

Key assumptions (continued)

Lapse and surrender rates (continued)
The impact of a decrease in lapse rates at early duration of the policy would tend to reduce profits for the shareholders but lapse rates at later policy durations is broadly neutral in effect.

Sensitivities

The table below illustrates the impact of various changes in assumptions which are within a reasonable range of possible outcomes given the uncertainties involved in the estimation process. It demonstrates the effect of changes in key assumptions whilst other assumptions remain unchanged, if these assumptions were changed in a single calendar year. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact on the claims liabilities due to changes in assumptions, these assumption changes had to be done on an individual basis. It should also be stressed that these assumptions are nonlinear and larger or smaller impacts cannot easily be gleaned from these results.

Assumption change	**Required increase in insurance contract liabilities**	
	2022	**2021**
2% Increase in mortality	12,100	11,400
5% Increase in expenses	10,400	10,200
10% Change in lapse rates	9,900	9,400
1% Decrease in investment earnings	152,000	148,300

21. INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE ASSETS - TERMS, ASSUMPTIONS AND SENSITIVITIES (continued)

(b) General insurance contracts

Terms and conditions

The major classes of general insurance written by insurance subsidiaries in the Group include motor, property, casualty, marine, general accident and other miscellaneous types of general insurance. Risks under these policies usually cover a 12 month duration.

For general insurance contracts, claims provisions (comprising provisions for claims reported by policyholders and claims incurred but not yet reported) 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 end of reporting period.

The provisions are refined as part of a regular ongoing process as claims experience develops, certain claims are settled and further claims are reported. Outstanding claims provisions are not discounted for the time value of money.

Assumptions

The principal assumption underlying the estimates is the Group's past claims development experience. This includes assumptions in respect of average costs and claim numbers for each accident year. Claims provisions are separately analysed by geographical area and class of business. In addition, larger claims are usually separately assessed by loss adjusters. Judgment is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates, as well as testing reported claims subsequent to the end of reporting period.

The general insurance claims provision is sensitive to the above key assumptions. The sensitivity of certain assumptions like legislative change, uncertainty in the estimation process and other factors is not possible to quantify. Furthermore, because of delays that arise between the occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claims provisions are not known with certainty at the end of the reporting period.

21. INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE ASSETS - TERMS, ASSUMPTIONS AND SENSITIVITIES (continued)

(b) General insurance contracts (continued)

Assumptions (continued)

Sensitivities

Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognised in subsequent consolidated financial statements.

22. TRADE AND OTHER PAYABLES

	2022	2021
Trade	660,429	427,841
Due to associates and joint venture interests (Note 36)	7,904	578
Due to other related parties (Note 36)	986	3,104
Due to statutory authorities	108,064	136,163
Client funds	116,093	82,976
Accruals	285,200	237,079
Refund liabilities (Note 23)	1,085	1,188
Contract liabilities (Note 23)	6,783	8,054
Other payables	274,193	306,521
	1,460,737	1,203,504
Other non-current liabilities	11,388	–

Other non-current liabilities relates to prepaid vehicle maintenance scheduled in more than 1 year.

23. REVENUE

a) Disaggregated revenue information

	For the year ended 31 December 2022				
Segments	**Construction, Manufacturing, packaging and brewing**	**Automotive, trading & distribution**	**Banking & Insurance**	**Media, retail, services & parent company**	**Total**
Revenue from contracts with customers					
Agency services	–	–	–	8,536	8,536
Construction products	606,881	6,080	–	–	612,961
Construction services	13,846	22,084	–	–	35,930
Consumer, retail and IT products	–	2,109,832	–	232,298	2,342,130
Consumer, retail and IT services	1,040	71,926	–	–	72,966
Sale of beverages and bottles	2,114,642	–	–	–	2,114,642
Media sales	–	–	–	12,614	12,614
Media services	–	–	–	98,867	98,867
Manufactured products	255,181	–	–	–	255,181
Financial services	–	–	35,045	–	35,045
Subtotal	2,991,590	2,209,922	35,045	352,315	5,588,872
Revenue from insurance contracts (Note 25)	–	–	818,149	–	818,149
Total	2,991,590	2,209,922	853,194	352,315	6,407,021

	For the year ended 31 December 2021				
Segments	**Construction, Manufacturing, packaging and brewing**	**Automotive, trading & distribution**	**Banking & Insurance**	**Media, retail, services & parent company**	**Total**
Revenue from contracts with customers					
Agency services	–	–	–	10,260	10,260
Construction products	595,916	4,581	–	–	600,497
Construction services	17,029	21,834	–	–	38,863
Consumer, retail and IT products	–	1,962,990	–	249,510	2,212,500
Consumer, retail and IT services	1,011	66,001	–	–	67,012
Sale of beverages and bottles	1,658,763	–	–	–	1,658,763
Media sales	–	–	–	12,693	12,693
Media services	–	–	–	86,854	86,854
Manufactured products	209,450	–	–	–	209,450
Financial services	–	–	72,015	–	72,015
Subtotal	2,482,169	2,055,406	72,015	359,317	4,968,907
Revenue from insurance contracts (Note 25)	–	–	773,383	–	773,383
Total	2,482,169	2,055,406	845,398	359,317	5,742,290

23. REVENUE (continued)

b) Contract balances

	2022	2021
Trade receivables (Note 15)	714,283	625,198
Contract assets (Note 15)	2,110	12,140
Contract liabilities (Note 22)	6,783	8,054

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2022, $123,037 (2021: $119,004) was recognised as provision for expected credit losses on trade receivables. There were no major changes to the trade receivables balance from the beginning to the end of the year.

Contract assets are initially recognised for revenue earned from installation services as receipt of consideration is conditional on successful completion of specific milestones or of the entire installation process. Upon acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. In 2022 and 2021, no provision was recognised for expected credit losses on contract assets.

Contract liabilities relate to billings made to customers for which no revenue was recognised. These billings may have been based on milestones being met that are not reflective of meaningful progress towards the satisfaction of performance obligations. Billings may also be based on advances required prior to or on commencement of work.

c) Right of return assets and liabilities

	2022	2021
Right of return assets (Note 15)	774	753
Refund liabilities (Note 22)		
- Arising from rights of return	1,085	1,188

23. REVENUE (continued)

d) Performance obligations

Automotive sector

For the sale of motor vehicles and vehicle parts, the performance obligation is satisfied upon delivery of the vehicle or the vehicle parts to the customer. Payment is due upon delivery and is sometimes completed through a financial institution via a vehicular loan in the case of motor vehicle sales. In the case of credit customers, payment is due within 30 days of delivery. Customers are granted assurance-type warranties that cover manufacturer defects only. Partial refunds are provided to customers who return vehicle parts within the stipulated return period.

For vehicle repairs or as-required servicing, the performance obligation is satisfied upon the completion of repairs or servicing, which is usually completed within one day. Payment is due upon delivery of the repaired or serviced vehicle, or within 30 days, in the case of credit customers.

Vehicle servicing packages are also sold to customers. These performance obligations are satisfied over time, with payment being required at the inception of the contract.

Beverage sector

The performance obligation is satisfied upon delivery of the beverages and/or bottles. The terms of payment are determined by prior approval and can be cash, cash on delivery, or credit for a period of 7, 21 or 30 days. Returns due to damaged or expired products or sales errors are entitled to full refunds. Such returns usually occur within one month of delivery. Empty bottles and crates in good condition can be returned at any time in exchange for a partial refund. A deposit liability has been created based on the historic trends of such returns. Companies in this sector have no warranties.

23. REVENUE (continued)

d) Performance obligations (continued)

Distribution sector

The performance obligation is satisfied upon delivery of various consumer products. The terms of payment are determined by prior approval and can be cash, cash on delivery, or credit for a period of 7, 21 or 30 days. Returns due to damaged or expired products or sales errors are entitled to full or partial refunds. Such returns usually occur within one month of delivery, but may occasionally occur outside of this period. Companies in this sector have no warranties.

Financial services sector

Revenue from contracts with customers in this sector relates to investment management and arrangement fees and spread income. The performance obligation for:

- Investment management fees is satisfied over time and payment is due quarterly in arrears.
- Arrangement fees is satisfied upon disbursement of the relevant loan and payment is due at that time.
- Spread income is satisfied upon the disbursement of the interest payment to investors and payment is due at that time.

Manufacturing sector

The performance obligation is satisfied upon delivery of manufactured products or of equipment purchased for resale. The terms of payment are determined by prior approval and can be cash, cash on delivery, or credit for a period of 7, 21 or 30 days. Returns due to damaged or faulty products or sales errors are entitled to full or partial refunds. Such returns usually occur within one month of delivery but may occasionally occur outside of this period. Warranties for equipment purchased for resale are provided for manufacturers' defects only.

The performance obligation for the servicing of equipment as-and-when required is performed when the servicing is completed. The terms of payment are determined by prior approval and can be cash, cash on delivery, or credit for a period of 7, 21 or 30 days.

23. REVENUE (continued)

d) Performance obligations (continued)

Manufacturing sector (continued)

Equipment servicing packages are also sold to customers. These performance obligations are satisfied over time, with payment being required at the inception of the contract.

In some cases, installation services are provided to customers who purchase manufactured products or equipment purchased for resale. This performance obligation is separate from that for the supply of the relevant item and is satisfied over-time. Payment terms vary depending on the contract terms. In the case of short-term contracts, payment is generally due within 30 days of the completion of the installation. In the case of long-term contracts, payment is due according to a schedule of specific milestones.

Services sector

Performance obligations in this sector are generally satisfied over time, however in many cases, these performance obligations are typically completed within a day or a few days and therefore are recognised as if they are satisfied at a point in time for simplicity. These performance obligations include the supervision of loading or unloading of containers on a vessel, the facilitation of payments to principals by the ultimate customer, the co-ordination of all activities relating to the processing of voyages through various ports and the monitoring of the movement of containers. Payment is due within 30 days of completion of the relevant service.

The supply and installation of office equipment, including information technology solutions are considered separate performance obligations, satisfied upon delivery of the equipment or solution and over the period of installation, respectively. For supply only contracts, payment is required within 30 days of delivery. For supply and installation contracts, payment is often based on a schedule of milestones. No returns or refunds are allowed as customers must sign a completion certificate confirming successful installation. An assurance-type warranty of one to two years is provided, which covers manufacturers' defects only.

23. REVENUE (continued)

d) Performance obligations (continued)

Media sector

Performance obligations in this sector are satisfied upon the appearance of the advertisement, the delivery of newspapers and the printing of third-party publications. Payment is due within 30 days of the completion of the relevant performance obligations. Refunds are granted only if the relevant performance obligation was not completed to the satisfaction of the customer. There are no warranties.

Where customers are granted access to the online newspaper or advertisements are placed for a period of time on a billboard, the performance obligation is satisfied over the subscription period. Payment is due at inception of the contract. Refunds are granted only if the relevant performance obligation was not completed to the satisfaction of the customer. There are no warranties.

Retail sector

The performance obligation is completed upon delivery of the relevant retail products. Payment is generally due within 30 days of delivery. Partial or full refunds are provided for returns within the stipulated return period, which varies from company to company. For some retail products, an assurance-type warranty of one to two years is provided, which covers manufacturers' defects only.

An extended or service-type warranty is provided for some retail products. This performance obligation is completed over the period of the extended warranty. Payment is due at inception of the contract. No refunds are allowed.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are, as follows:

	2022	2021
Within one year	22,608	22,393
More than one year	1,075	1,483
	23,683	23,876

23. REVENUE (continued)

d) Performance obligations (continued)

The remaining performance obligations expected to be recognised in more than one year relate to installation services on various long-term contracts. All the other remaining performance obligations are expected to be recognised within one year.

24. SEGMENT INFORMATION

For management purposes, the Group's operating segments are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products.

The construction, manufacturing, packaging and brewing segment is a diversified supplier of construction building materials, beverage, glass, chemicals and paint products. The automotive, trading and distribution segment provides services in passenger vehicles, spare parts and household/consumer products. The banking and insurance segment provides services relating to commercial banking, asset financing, merchant banking and life and general insurance. The media, retail, services and parent company segment includes print, radio, television, retail, shipping and corporate services. Transfer prices amongst operating segments are set on an arm's length basis under normal commercial terms and conditions, similar to transactions with unrelated third parties. Segment revenue, expenses and results include transfers amongst operating segments. Those transfers are eliminated upon consolidation.

24. SEGMENT INFORMATION (continued)

	Construction, Manufacturing, packaging and brewing		Automotive, trading & distribution		Banking & Insurance		Media, retail, services & parent company		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue										
Total gross revenue	3,420,059	2,817,138	2,262,814	2,103,604	1,057,734	1,152,006	1,095,818	1,017,915	7,836,425	7,090,663
Inter-segment	(428,469)	(334,969)	(52,892)	(48,198)	(95,174)	(82,040)	(734,466)	(655,793)	(1,311,001)	(1,121,000)
Third party revenue	2,991,590	2,482,169	2,209,922	2,055,406	962,560	1,069,966	361,352	362,122	6,525,424	5,969,663
Results										
Finance costs	1,523	1,600	1,494	1,449	29,482	27,848	17,817	15,816	50,316	46,713
Depreciation and amortisation	296,407	285,262	42,683	39,806	41,524	44,051	56,323	56,925	436,937	426,044
Impairments	8	–	–	–	–	–	31,800	–	31,808	–
Reportable segment profit/ (loss) before taxation	459,439	346,329	181,302	160,799	(33,843)	370,562	(173,042)	57,570	433,856	935,260
Taxation expense/(income)	148,818	107,784	49,499	56,154	27,190	54,118	(43,177)	20,096	182,330	238,152
Share of results of associates and joint venture interests	–	–	–	–	85	499	2,066	4,251	2,151	4,750
Assets										
Reportable segment assets	3,452,338	3,333,933	1,620,341	1,502,704	9,516,058	9,374,016	3,061,838	3,249,985	17,650,575	17,460,638
Investment in associates and joint venture interests	–	–	–	–	10,230	10,176	115,706	108,051	125,936	118,227
Capital expenditure	305,688	244,125	94,762	37,845	156,986	96,044	14,679	12,514	572,115	390,528
Liabilities										
Reportable segment liabilities	457,589	476,816	509,799	461,187	6,851,086	6,519,162	731,230	667,628	8,549,704	8,124,793

24. SEGMENT INFORMATION (continued)

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2022 or 2021.

Geographical information

	Trinidad & Tobago		Barbados		Other countries		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Third party revenue	4,750,558	4,340,926	866,702	834,986	908,164	793,751	6,525,424	5,969,663
Non-current assets	2,632,600	2,555,226	357,183	352,184	464,968	413,207	3,454,751	3,320,617

Other countries include Grenada, Guyana, St. Lucia, St. Kitts and Nevis, Jamaica and the USA. The revenue information is based on the relevant subsidiaries' principal place of business.

Non-current assets include property, plant and equipment, investment properties, intangible assets and investment in associates and joint venture interests.

25. OPERATING PROFIT

	2022	2021
Revenue		
Revenue from contracts with customers		
- Sale of goods	5,351,697	4,712,220
- Rendering of services	237,175	256,687
Total revenue from contracts with customers	5,588,872	4,968,907
Other revenue		
- Revenue from insurance contracts (Note 23)	818,149	773,383
- Finance charges, loan fees and other interest income	118,403	227,373
Total Other revenue	936,552	1,000,756
Total revenue	6,525,424	5,969,663
Cost of sales	(4,054,306)	(3,546,190)
Gross profit	2,471,118	2,423,473
Other income (see below)	445,667	366,242
Net (loss)/gain on disposal of property, plant and equipment, investment securities and other assets	(173,267)	257,741
Interest on customer deposits	(42,046)	(34,170)
Staff costs	(768,076)	(733,562)
Credit loss expense on financial assets (see below)	(52,820)	(40,051)
Impairment on property, plant and equipment, brands and licenses, intangibles and associates	(31,808)	(2,785)
Depreciation and amortisation	(123,762)	(123,606)
Depreciation on right-of-use-assets	(47,515)	(44,387)
Administrative and distribution costs	(841,733)	(703,036)
Other general costs	(353,737)	(388,636)
Operating profit	482,021	977,223

Depreciation and amortisation included in cost of sales above amounts to $265,660 (2021: $258,051).

Employee benefits expenses included in administrative and distribution costs above amounts to $7,340 (2021: $992).

	2022	2021
Net insurance revenue		
Revenue from insurance contracts	818,149	773,383
Costs related to revenue from insurance contracts - included in cost of sales above	(469,144)	(353,798)
	349,005	419,585

25. OPERATING PROFIT (continued)

	2022	2021
The components of other income are as follows:		
Interest and investment income	157,031	143,835
Net exchange gains	77,457	75,202
Miscellaneous income	116,516	86,765
Rental income	24,456	22,803
Dividend income	20,362	16,794
Management and service fees	41,952	6,389
Commission income	7,417	14,429
Promotional income	476	25
	445,667	366,242
Credit loss on financial assets are as follows:		
Credit loss on investments	8,038	(1,059)
Credit loss on loans, advances and other assets	23,294	18,504
Credit loss on trade receivables (Note 15)	21,488	22,606
	52,820	40,051

26. FINANCE COSTS

Interest on lease liabilities (Note 7)	5,512	6,100
Interest on medium and long term notes and other borrowings	43,729	39,996
Interest on overdrafts and other finance costs	1,075	617
	50,316	46,713

27. TAXATION EXPENSE

	2022	2021
Consolidated statement of income		
Current year provision	199,422	188,432
Green fund levy	19,262	18,609
Adjustments to prior year tax provisions	(543)	(1,749)
Deferred tax (income)/expense (Note 11)	(35,811)	32,860
Income tax expense reported in the consolidated statement of income	182,330	238,152
The provision for income tax is as follows:		
Current year provision and green fund levy:		
Trinidad and Tobago	191,417	182,698
Other countries	27,267	24,343
	218,684	207,041
Adjustments to prior year tax provisions:		
Trinidad and Tobago	(830)	(1,996)
Other countries	287	247
	(543)	(1,749)
Deferred taxes:		
Trinidad and Tobago	(28,443)	38,462
Other countries	(7,368)	(5,602)
	(35,811)	32,860

27. TAXATION EXPENSE (continued)

The following items represent the principal differences between income taxes computed at the aggregate statutory tax rates of all jurisdictions and the tax reported in the consolidated statement of income:

	2022	2021
Taxes at aggregate statutory tax rates of all jurisdictions:		
Trinidad and Tobago	150,980	151,192
Other countries	12,578	27,894
	163,558	179,086
Differences resulting from:		
Exempt income	(57,692)	(24,196)
Allowances	(49,619)	(7,499)
Adjustments to prior year tax provisions	(543)	(1,749)
Tax losses utilised	(1,264)	–
Non-allowable expenses	79,642	48,594
Green fund and business levy	26,522	23,613
Other permanent differences	21,726	20,303
	182,330	238,152

28. EARNINGS PER SHARE

Basic earnings per share is computed by relating profit attributable to ordinary shareholders of the Parent (net of preference dividends) to the weighted average number of ordinary share units outstanding during the year. The weighted average number of shares has been adjusted for the removal of treasury shares.

Diluted earnings per share is computed by relating profit attributable to ordinary shareholders of the Parent to the weighted average number of shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all potential dilutive ordinary shares into issued ordinary shares.

28. EARNINGS PER SHARE (continued)	**2022**	**2021**
Profit attributable to ordinary shareholders of the Parent (net of preference dividend) ($000's)	197,645	594,764
	Thousands of units	**Thousands of units**
Weighted average number of ordinary shares in issue (000's) –	172,328	172,252
Effect of dilution of share options	–	–
Weighted average number of ordinary shares in issue (000's) –	172,328	172,252
Basic earnings per share ($ per share)	$1.15	$3.45
Diluted earnings per share ($ per share)	$1.15	$3.45

29. DIVIDENDS	**2022**	**2021**
6% Cumulative preference	10	10
2022: 30c Interim ordinary – paid (2021: 30c)	51,674	51,676
2021: 150c Final ordinary – paid (2020: 150c)	258,395	258,377
	310,079	310,063

During the year ended 31 December 2022, an interim dividend of 30 cents per ordinary share (amounting to $51,674) was declared and paid. The 2021 final ordinary dividend of 150 cents per ordinary share (amounting to $258,395) has been included as a charge against retained earnings in the current year.

In addition, a final dividend of 150 cents (2021: 150 cents) per ordinary share in respect of 2022 has been declared by the Directors subsequent to year end. This 2022 final dividend estimated in the amount of $258,606 is not recorded as a liability as at 31 December 2022.

30. SHARE BASED TRANSACTIONS

In accordance with the Ordinary Resolution approved by members in the General Meeting dated 19 May 1988, 6,000,000 share units were allocated for share options under the control of the Board of Directors. Of that number, none were granted, exercised or have expired (2021: 1,397 expired). None have been granted (2021: nil). The following table summarises the number and weighted average price of and movements in share options during the period:

	2022		2021	
	No. of options	**Weighted average exercise price per share $**	**No. of options**	**Weighted average exercise price per share $**
At 1 January	–	0.00	1,397	65.33
Granted	–		–	
Expired	–		(1,397)	65.33
Exercised	–		–	
At 31 December	–		–	

Share options are granted to senior executives of the Group, and are settled by cash consideration. The exercise price of the granted options is equal to the market price of the shares at the grant date. Options are conditional on the Executives remaining in the Company's employ for periods ranging from a minimum of ten months to seven years after the date of issue. Thereafter, eligible executives have one year within which to exercise the option.

31. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	2022	2021
(i) Guarantees, bills discounted, performance and customs bonds, acceptances and other contingencies	281,826	358,838

(ii) Litigation

In the ordinary course of business, certain subsidiaries became defendants in various legal claims and proceedings. Provisions have been established where necessary based on the professional advice received.

(iii) Capital commitments	2022	2021
Contracts for capital expenditure and other commitments not accounted for in these consolidated financial statements	73,938	98,895

32. FAIR VALUES

With the exception of insurance contracts which are specifically excluded under IFRS 7: Financial Instruments disclosures, the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgment in interpreting market data and developing estimates. Consequently, the estimates made do not necessarily reflect the amounts that the Group could realise in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

The fair value information is based on information available to management as at the dates presented. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for the purposes of these consolidated financial statements and, therefore the current estimates of the fair value may be significantly different from the amounts presented herein.

(i) Short-term financial assets and liabilities

The carrying amounts of short-term financial assets and liabilities comprising the Group's cash and short-term deposits, fixed deposits, short-term borrowings, the current portion of customers' deposits and other funding instruments, current portion of medium and long term notes, trade and other receivables and trade and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

32. FAIR VALUES (continued)

(ii) Investment securities

The fair value of trading investments is based on market quotations, when available. When market quotations are not readily available, fair values are based on discounted cash flows or estimated using quoted market prices of similar investments. In the absence of a market value, discounted cash flows will approximate fair value. This process relies on available market data to generate a yield curve for each country in which valuations were undertaken, using interpolated results where there were no market observable rates.

In pricing callable bonds, where information is available, the price of a callable bond is determined as at the call date using the Yield to Worst. For bonds with irregular cash flows (sinking funds, capitalisation of interest, moratoria, amortisations or balloon payments), a process of iteration using the Internal Rate of Return is used to arrive at bond values. Yields on all tax-free bonds are grossed-up to correspond to similar taxable bonds at the prevailing rate of corporation tax.

(iii) Loans and advances

The estimated fair value for performing loans is computed as the future cash flows discounted at the yield to maturity based on the carrying values at the inherent rates of interest in the portfolio as those rates approximate market conditions. When discounted, the cash flow values are substantially equal to the carrying value.

(iv) Medium and long term notes

The Group values the debt and asset backed securities using valuation models which use discounted cash flow analysis which incorporates either only observable data or both observable and non-observable data. Observable inputs include assumptions regarding current rates of interest and real estate prices; unobservable inputs include assumptions regarding expected future default rates, prepayment rates and liquidity discounts.

(v) Carrying amounts and fair values

The following table summarises the carrying amounts and the fair values of the Group's financial assets and liabilities:

Financial assets/liabilities	Carrying amount 2022	Fair value 2022	Carrying amount 2021	Fair value 2021
Investment securities	4,899,975	4,877,371	5,189,729	5,220,721
Medium and long term notes	747,738	759,688	850,866	869,297

For all other financial assets and liabilities, the carrying value is considered a reasonable approximation of fair value.

32. FAIR VALUES (continued)

(vi) Determination of fair value and fair value hierarchies

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques. Refer also to Note 2 (xvii).

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

Purchase or originated credit-impaired (POCI)

POCI assets are financial assets that are credit-impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the ECLs.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2022:

Investment securities designated at FVSI	**Level 1**	**Level 2**	**Level 3**	**POCI**	**Total**
Equities	687,009	984	5,229	–	693,222
Managed Funds	556,729	655,602	–	–	1,212,331
Government bonds	5,486	4,814	–	–	10,300
State owned company securities	–	48,066	–	–	48,066
Corporate bonds	31,518	98,036	–	–	129,554
	1,280,742	807,502	5,229	–	2,093,473

32. FAIR VALUES (continued)

(vi) Determination of fair value and fair value hierarchies (continued)

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2022: (continued)

Investment securities designated at amortised cost for which fair values are disclosed	**Level 1**	**Level 2**	**Level 3**	**POCI**	**Total**
Government bonds	37,568	410,566	11,823	40,041	499,998
State owned company securities	–	462,683	–	–	462,683
Corporate bonds	765,349	981,653	1,638	–	1,748,640
	802,917	1,854,902	13,461	40,041	2,711,321
Investment securities measured at Fair Value through OCI					
Managed Funds	–	–	18,781	–	18,781
Government bonds	–	5,458	–	–	5,458
State owned company securities	1,276	–	–	–	1,276
Corporate bonds	47,061	–	–	–	47,061
	48,337	5,458	18,781	–	72,576

Description of significant unobservable inputs to valuation:

	Valuation Technique	**Significant unobservable inputs**	**Range (weighted average)**	**Sensitivity of the input to fair value**
Unquoted securities	Discounted Cashflows	Rate of return	1.06% to 12.00%	2% increase/(decrease) in the rate of return would result in decrease/(increase) in fair value by $8,430/($6,061)

32. FAIR VALUES (continued)

(vi) Determination of fair value and fair value hierarchies (continued)

Transfers between Level 1 and Level 2

At each reporting date the Group assesses the fair value hierarchy of its financial instruments. A transfer between levels will occur when a financial instrument no longer meets the criteria in which the financial instrument is classified. There were no transfers between Level 1 and Level 2 in 2022 or 2021.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2021:

	Level 1	Level 2	Level 3	POCI	Total
Investment securities designated at FVSI					
Equities	704,586	93,285	4,171	–	802,042
Managed funds	670,013	704,398	44,321	–	1,418,732
Government bonds	5,498	6,557	–	–	12,055
State owned company securities	–	47,490	–	–	47,490
Corporate bonds	76,213	(5,751)	(67,854)	–	2,608
	1,456,310	845,979	(19,362)	–	2,282,927
Investment securities at amortised cost for which fair values are disclosed					
Government bonds	116,789	426,115	–	39,400	582,304
State owned company securities	–	615,973	–	–	615,973
Corporate bonds	796,972	907,354	2,536	–	1,706,862
	913,761	1,949,442	2,536	39,400	2,905,139

32. FAIR VALUES (continued)

(vi) Determination of fair value and fair value hierarchies (continued)

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2021: (continued)

	Level 1	Level 2	Level 3	POCI	Total
Investment securities measured at Fair Value through OCI					
Government bonds	–	5,463	–	–	5,463
State owned company securities	–	–	–	–	–
Corporate bonds	27,192	–	–	–	27,192
	27,192	5,463	–	–	32,655

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Unquoted securities	Discounted cash flows	Rate of return	2.51% to 12.00%	2% increase/(decrease) in the rate of return would result in decrease/(increase) in fair value by $6,377/($5,523)

32. FAIR VALUES (continued)

(vi) Determination of fair value and fair value hierarchies (continued)

Movements in Level 3 financial assets measured at fair value

	2022	2021
Balance at 1 January	86,030	66,969
Gains recognised	(261)	(2,341)
Purchases	–	43,967
Transfers out of Level 3	(48,294)	(4,460)
Disposals	(3)	(18,105)
	37,472	86,030

33. RISK MANAGEMENT

Introduction

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to their responsibilities. The Group is exposed to credit risk, liquidity risk and market risk.

Board of Directors

The Board of Directors of the Group is responsible for the overall risk management approach and for approving the risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Group in compliance with the policies approved by the Board of Directors.

Treasury management

The Group’s Head Office employs a Treasury function which is responsible for managing the assets, liabilities and the overall financial structure of the Group. The Treasury function is also primarily responsible for the funding and liquidity risks of the Group.

33. RISK MANAGEMENT (continued)

Concentrations of risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's results to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's procedures include specific monitoring controls to focus on the maintenance of a diversified portfolio.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group manages its interest rate exposure by offering fixed rates on its deposits over the respective term. The Group's long-term debt and borrowings consist primarily of fixed interest rate loans. On the lending side hire purchase loans are granted at fixed rates over specified periods. As the interest rates on both deposits and loans remain fixed over their lives, the risk of fluctuations in market conditions is mitigated.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate re-pricing that may be undertaken, which is monitored daily by the Group Treasury Department. The Group has assessed its financial assets and liabilities to determine the impact of a change in interest rates by 100 basis points, and has concluded that this change will not be material to the consolidated statement of income or consolidated statement of changes in equity of the Group.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses. The aggregate value of financial assets and liabilities by reporting currency are as follows:

33. RISK MANAGEMENT (continued)

Currency risk (continued)

Year ended 31 December 2022	TTD	USD	ECD	BDS	EURO	OTHER	TOTAL
ASSETS							
Cash and short term deposits	1,394,340	619,621	70,362	244,757	38,928	94,277	2,462,285
Investment securities	1,884,407	2,881,349	1,439	97,746	–	35,034	4,899,975
Loans, advances and other assets	1,815,523	588,329	–	445,315	–	–	2,849,167
Restricted cash	100,000	–	–	–	–	–	100,000
Trade and other receivables	526,357	165,303	30,910	236,113	–	82,549	1,041,232
Total financial assets	5,720,627	4,254,602	102,711	1,023,931	38,928	211,860	11,352,659
LIABILITIES							
Short term borrowings	–	–	–	–	–	1,932	1,932
Customers' deposits and other funding instruments	2,247,767	926,300	–	412,573	–	–	3,586,640
Lease liabilities	89,214	152	–	2,395	–	4,617	96,378
Medium and long term notes and other borrowings	654,936	84,269	–	–	–	6,601	745,806
Other non-current liabilities	11,388	–	–	–	–	–	11,388
Trade and other payables	621,144	438,691	57,270	251,864	17,612	74,156	1,460,737
Total financial liabilities	3,624,449	1,449,412	57,270	666,832	17,612	87,306	5,902,881
Net currency risk exposure	–	2,805,190	45,441	357,099	21,316	124,554	
Reasonably possible change in foreign exchange	–	5%	5%	5%	5%	5%	
Effect on profit before tax	–	140,260	2,272	17,855	1,066	6,228	167,681

33. RISK MANAGEMENT (continued)

Currency risk (continued)

Year ended 31 December 2021	TTD	USD	ECD	BDS	EURO	OTHER	TOTAL
ASSETS							
Cash and short term deposits	1,650,668	718,972	88,515	164,878	12,273	55,147	2,690,453
Investment securities	2,219,388	2,850,007	905	93,462	–	25,966	5,189,729
Loans, advances and other assets	1,785,648	300,453	–	437,825	–	187	2,524,113
Restricted cash	100,000	–	–	–	–	–	100,000
Trade and other receivables	561,498	119,125	23,698	249,829	4,520	68,397	1,027,065
Total financial assets	6,317,202	3,988,557	113,118	945,994	16,793	149,697	11,531,360
LIABILITIES							
Short term borrowings	–	–	–	–	–	–	–
Customers' deposits and other funding instruments	2,113,429	868,728	–	356,244	–	–	3,338,401
Lease liabilities	95,406	227	–	9,602	–	5,208	110,444
Medium and long term notes and other borrowings	708,923	141,943	–	–	–	–	850,866
Trade and other payables	646,106	262,202	60,591	183,877	18,252	32,476	1,203,504
Total financial liabilities	3,563,864	1,273,100	60,591	549,723	18,252	37,684	5,503,215
Net currency risk exposure	–	2,715,457	52,527	396,271	(1,459)	112,013	–
Reasonably possible change in foreign exchange	–	5%	5%	5%	5%	5%	
Effect on profit before tax	–	135,773	2,626	19,814	(73)	5,601	163,741

33. RISK MANAGEMENT (continued)

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than six months although they continue to be subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries.

33. RISK MANAGEMENT (continued)

Credit risk management (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Trade Receivables - as at 31 December 2022		
	Up to 180 days	**Over 180 days**	**Total**
	$000s	**$000s**	**$000s**
Expected credit loss rate	0.62%	63.68%	14.69%
Estimated total gross carrying amount at default	650,430	186,890	837,320
Expected credit loss	4,031	119,006	123,037

	Trade Receivables - as at 31 December 2021		
	Up to 180 days	**Over 180 days**	**Total**
	$000s	**$000s**	**$000s**
Expected credit loss rate	2.40%	90.05%	15.99%
Estimated total gross carrying amount at default	628,780	115,422	744,202
Expected credit loss	15,062	103,942	119,004

Impairment assessment on financial assets

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure
The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

33. RISK MANAGEMENT (continued)

Credit risk management (continued)

Definition of default and cure (continued)
As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- Internal rating of the borrower indicating default or near-default
- The borrower requesting emergency funding from the Group
- The borrower having past due liabilities to public creditors or employees
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A material decrease in the borrower's turnover or the loss of a major customer
- A covenant breach not waived by the Group
- The debtor (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Debtor's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Probability of default (PD):
The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

33. RISK MANAGEMENT (continued)

Credit risk management (continued)

Exposure at default
The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

The EAD represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

Loss Given Default
The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Significant increase in credit risk
The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility/investment to the watch list to non-investment grade, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Other considerations
For investments, the Group primarily relies on international external credit rating agencies to provide data for PDs and LGDs. PDs and LGDs for other financial assets such as loans and advances were derived based on historical loss trends in the portfolios, recoveries, typical collateral and other borrower characteristics.

33. RISK MANAGEMENT (continued)

Credit risk management (continued)

Gross maximum exposure to credit risk
The following table shows the maximum exposure to credit risk which represents a worst case scenario of credit risk exposure, without taking account of any collateral held or other credit enhancements attached. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

	2022	2021
Trade and other receivables	1,041,232	1,027,065
Cash and short term deposits (excluding Central Bank Reserve)	2,143,332	2,505,591
Loans, advances and other assets	2,849,167	2,524,113
Investment securities (excluding equities)	4,206,753	4,387,685
Sub-total	10,240,484	10,444,454
Contingent liabilities and undrawn commitments	281,826	358,838
Total	10,522,310	10,803,292

The main types of collateral obtained are as follows:

- Hire purchase and leases – charges over auto vehicles, industrial, household and general equipment.
- Reverse repurchase transactions – cash and securities.
- Corporate loans – charges over real estate property, industrial equipment, inventory and trade receivables.
- Mortgage loans – mortgages over commercial and residential properties.

Cash and short-term deposits
These funds are placed with highly rated local banks and Central Banks within the Caribbean region where the Group operates. In addition cash is held by international financial institutions with which the Group has relationships as custodians or fund managers. All custodians and fund managers are highly rated by Moody's and have been classified with a 'stable' outlook. Management therefore considers the risk of default of these counterparties to be very low.

33. RISK MANAGEMENT (continued)

Credit risk management (continued)

Loans and advances
For the merchant banking portfolio within loans and advances, given the limited historical data, the PD history of the leased assets portfolio was used as a starting point of the calculation. For certain Stage 2 loans, where management considered the entity's financial position or industry to present higher risks, the PDs were judgementally adjusted to reflect the increased risk. LGDs were assessed on an individual loan by loan basis due to the portfolio being non-homogeneous. This was based on the security held, factoring in the liquidity, current condition and estimated value of the collateral. EAD equals the loan balance outstanding plus accrued interest.

Other financial assets
For mortgage loans, policy loans, premium receivables and reinsurance receivables, a simplified ECL approach was applied. Historical losses on these respective portfolios were calculated and applied to the current positions, with management applying judgemental overlays based on expectations as required.

Investment securities
PDs and LGDs for traded instruments were based on the global credit ratings assigned to the instruments or the country for sovereign exposures. PDs and LGDs for non-traded instruments as well as local debt instruments were based on three notches below the credit rating of the sovereign in which the instrument is issued or on company ratings where they existed. EAD equals the amortised security balance plus accrued interest.

	2022	2021
Investment securities		
Stage 1	2,772,453	2,817,211
Stage 2	11,870	30,491
Stage 3	19,247	47,630
	2,803,570	2,895,332

33. RISK MANAGEMENT (continued)	**2022**	**2021**
Credit risk management (continued)		
Loans, advances and other assets		
Stage 1	2,379,737	2,081,250
Stage 2	236,692	208,406
Stage 3	124,313	162,321
	2,740,742	2,451,977

Analysis of gross carrying amount and the corresponding ECLs are as follows:

Stage 1

As at 31 December 2022	**Investment securities**	**Loans, Advances and Other Assets**	**Total**
Gross balance	2,772,453	2,379,737	5,152,190
ECL	(31,315)	(16,790)	(48,105)
	2,741,138	2,362,947	5,104,086
ECL as a % of Gross balance	1.13%	0.71%	0.93%

Stage 1

As at 31 December 2021	**Investment securities**	**Loans, Advances and Other Assets**	**Total**
Gross balance	2,817,211	2,081,250	4,898,461
ECL	(15,090)	(19,520)	(34,610)
	2,802,121	2,061,730	4,863,851
ECL as a % of Gross balance	0.54%	0.94%	0.71%

33. RISK MANAGEMENT (continued)

Credit risk management (continued)

Analysis of gross carrying amount and the corresponding ECLs are as follows: (continued)

Stage 2

As at 31 December 2022	**Investment securities**	**Loans, Advances and Other assets**	**Total**
Gross balance	11,870	236,692	248,562
ECL	(296)	(23,027)	(23,323)
	11,574	213,665	225,239
ECL as a % of Gross balance	2.50%	9.73%	9.38%

Stage 2

As at 31 December 2021	**Investment securities**	**Loans, Advances and Other assets**	**Total**
Gross balance	30,491	208,406	238,897
ECL	(691)	(14,824)	(15,515)
	29,800	193,582	223,382
ECL as a % of Gross balance	2.27%	7.11%	6.49%

33. RISK MANAGEMENT (continued)

Credit risk management (continued)

Analysis of gross carrying amount and the corresponding ECLs are as follows: (continued)

Stage 3

As at 31 December 2022	**Investment securities**	**Loans, Advances and Other assets**	**Total**
Gross balance	19,247	124,313	143,560
ECL	(3,898)	(95,004)	(98,902)
	15,349	29,309	44,658
ECL as a % of Gross balance	20.25%	76.42%	68.89%

Stage 3

As at 31 December 2021	**Investment securities**	**Loans, Advances and Other assets**	**Total**
Gross balance	47,630	162,321	209,951
ECL	(12,149)	(110,487)	(122,636)
	35,481	51,834	87,315
ECL as a % of Gross balance	25.51%	68.07%	58.41%

33. RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Group monitors its liquidity risk by considering the maturity of both its financial investments and financial assets and projected cash flows from operations. Where possible the Group utilises surplus internal funds to a large extent to finance its operations and ongoing projects. However, the Group also utilises available credit facilities such as loans, overdrafts and other financing options where required.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual payments.

Year ended 31 December 2022	Up to 1 year	1 to 5 years	>5 years	Total
Lease liabilities	54,620	32,308	9,450	96,378
Customers' deposits and other funding instruments	3,328,018	253,605	5,017	3,586,640
Medium and long term notes and other borrowings	116,180	31,558	600,000	747,738
Other non-current liabilities	–	11,388	–	11,388
Trade and other payables	1,175,537	–	–	1,175,537
Interest payable	65,950	163,858	11,304	241,112
	4,740,305	492,717	625,771	5,858,793

Year ended 31 December 2021	Up to 1 year	1 to 5 years	>5 years	Total
Lease liabilities	34,956	68,411	7,077	110,444
Customers' deposits and other funding instruments	3,131,466	200,166	6,768	3,338,401
Medium and long term notes and other borrowings	655,605	195,261	–	850,866
Trade and other payables	966,425	–	–	966,425
Interest payable	59,089	13,355	8,305	80,749
	4,847,541	477,193	22,150	5,346,885

33. RISK MANAGEMENT (continued)

Equity price risk

Equity price risk is the risk that the fair values of equities will decrease as the result of decreases in equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group's investment portfolio.

The effect on income will arise as a result of the change in fair value of equity instruments categorised as fair value through the statement of income.

The effect on income at 31 December due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

Market indices	Change in equity price	Effect on income	
		2022	2021
TTSE	+/- 3	16,262	17,316
S&P 500	+/- 8	7,184	10,280

34. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

When managing capital, which is a broader concept than the 'equity' in the consolidated statement of financial position, the objectives of the Group are:

- To comply with the capital requirements set by the regulators of the markets where the parent and its subsidiaries operate;
- To safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

34. CAPITAL MANAGEMENT (continued)

Capital adequacy and the use of regulatory capital are monitored monthly by Management, employing techniques based on the guidelines developed and implemented by the Central Bank of Trinidad & Tobago for supervisory purposes. The required information is filed with the Central Bank on a monthly basis.

The Central Bank of Trinidad and Tobago requires each bank or banking group to: (a) hold the minimum level of the regulatory capital of $15 million, and (b) maintain a ratio of total regulatory capital to the risk-weighted asset (the 'Basel ratio') at or above the internationally agreed minimum of 10%.

In each country in which the Group's insurance subsidiaries operates, the local insurance regulator indicates the required minimum amount and type of capital that must be held by each of the subsidiaries in addition to their insurance liabilities. The Group is subject to the insurance solvency regulations in all the territories in which it issues insurance contracts. The minimum required capital must be maintained at all times throughout the year.

For 2022 and 2021, the Group complied with all of the externally imposed capital requirements to which they are subject at the date of this report.

35. SUBSIDIARY COMPANIES

The consolidated financial statements include the financial statements of ANSA McAL Limited and the consolidated subsidiaries listed as follows:

Company/Entity	Country of incorporation/ principal place of business	% Interest 2022	% Interest 2021
Alstons Limited	Republic of Trinidad and Tobago	100	100
Alstons Marketing Company Limited	Republic of Trinidad and Tobago	100	100
Alstons Shipping Limited	Republic of Trinidad and Tobago	100	100
Alstons Travel Limited	Republic of Trinidad and Tobago	100	100
AMCL Holdings Limited	Republic of Trinidad and Tobago	100	100
ANSA Motors Limited	Republic of Trinidad and Tobago	100	100
ANSA Coatings Group	Republic of Trinidad and Tobago	100	100
ANSA Coatings International Limited	St. Lucia	100	100
ANSA Global Brands Limited	St. Lucia	100	100
ANSA Merchant Bank Group	Republic of Trinidad and Tobago	82.48	82.48
ANSA McAL (US) Inc.	United States of America	100	100
ANSA McAL (Barbados) Group	Barbados	100	100
ANSA McAL Beverages (Barbados) Limited	St. Lucia	100	100
ANSA McAL Chemicals Limited	Republic of Trinidad and Tobago	100	100
ANSA McAL Enterprises Limited	Republic of Trinidad and Tobago	100	100
ANSA McAL Trading Limited	Guyana	100	100
Guardian Media Group	Republic of Trinidad and Tobago	51.03	51.03
ANSA Re Limited	St. Lucia	100	100
ANSA Technologies Limited	Republic of Trinidad and Tobago	100	100
Carib Brewery (St Kitts & Nevis) Limited	St. Kitts & Nevis	51.18	51.18
Carib Glassworks Limited	Republic of Trinidad and Tobago	100	100

35. SUBSIDIARY COMPANIES (continued)

Company/Entity	Country of incorporation/ principal place of business	% Interest 2022	% Interest 2021
Caribbean Development Company Group	Republic of Trinidad and Tobago	80	80
Caribbean Roof Tile Company Limited	Republic of Trinidad and Tobago	100	100
Easi Industrial Supplies Limited	Republic of Trinidad and Tobago	100	100
Carib Brewery (Grenada) Limited	Grenada	55.54	55.54
Indian River Beverage Corporation	United States of America	100	100
ANSA McAL Trading Limited (formerly McEnearney Business Machines Limited)	Republic of Trinidad and Tobago	100	100
Promenade Development Limited	Republic of Trinidad and Tobago	100	100
Sissons Paints Limited	Republic of Trinidad and Tobago	100	100
Sissons Paints Grenada Limited	Grenada	100	100
Standard Distributors Limited	Republic of Trinidad and Tobago	100	100
Standard Distributors and Sales Barbados Limited	Republic of Barbados	100	100
Standard Equipment Limited	Republic of Trinidad and Tobago	100	100
Tobago Marketing Company Limited	Republic of Trinidad and Tobago	100	100
Trinidad Aggregate Products Limited	Republic of Trinidad and Tobago	97.14	97.14
Trinidad Match Limited	Republic of Trinidad and Tobago	100	100
Trident Insurance Company Limited	Republic of Barbados	100	100

36. RELATED PARTY DISCLOSURES

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. The sales to and purchases from related parties are made at normal commercial terms and market rates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, the Group has recorded an impairment charge in respect of receivables relating to amounts owed by related parties of nil

The following summarises the value of outstanding balances/transactions between the Group and related parties for the relevant financial year:

	Year	Sales to/ other income from related parties	Purchases from/ expenses with related parties	Amounts owed by related parties (Note 15)	Amounts owed to related parties (Note 22)	Investments /loans and advances	Customer deposits and other funding instruments
Associates:	2022	17,521	26,801	915	7,904	–	–
	2021	16,100	16,402	3,243	578	–	–
Joint venture in which the Parent is a venturer	2022	3,929	–	11	–	52,432	–
	2021	3,641	–	11	–	45,092	–
Other related parties:	2022	4,416	9,267	5,916	986	270	213,784
	2021	6,664	21,436	5,497	3,104	369	62,222

Terms and conditions of transactions with related parties

Compensation of key management personnel of the Group
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

	2022	2021
Salaries and other short-term employee benefits	61,463	45,919
Contributions to defined contribution plans	638	621
Post-employment benefits	1,238	1,197

37. ASSETS PLEDGED

	2022	2021
Cash and short term deposits	6,733	6,725
Bonds and debentures	52,749	52,186
	59,482	58,911

In the prior years, under the provisions of the Trinidad and Tobago Insurance Act, 1980 the Group established and maintained a statutory fund and a statutory deposit to which the assets were pledged and held to the order of the Inspector of Financial Institutions. Due to change in legislation and with the proclamation of the Insurance Act 2018 effective 1 January 2021, this requirement has been lifted in Trinidad and Tobago, and therefore these assets are no longer pledged or held to the order of the Inspector of Financial Institutions. A statutory fund and deposit is still a requirement under the provisions of the Barbados Insurance Act, Cap 310 for the Barbados territory of business held to the order of the Financial Services Commission.

38. MATERIAL PARTLY OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Company Name	Country of Incorporation and Operation	% Interest 2022	% Interest 2021
ANSA Merchant Bank Group	Republic of Trinidad and Tobago	17.52	17.52
Guardian Media Group	Republic of Trinidad and Tobago	48.97	48.97
Other	Several Caribbean territories	20-48.82	20-48.82

Other includes Caribbean Development Company Limited, Carib Brewery (St. Kitts & Nevis) Limited, Carib Brewery (Grenada) Limited and Berger Paints Jamaica Limited, a subsidiary of ANSA Coatings International Limited. These entities operate in various territories including Trinidad & Tobago, Jamaica, Barbados, St. Kitts & Nevis and Grenada.

	2022	2021
Accumulated balances of material non-controlling interests:		
ANSA Merchant Bank Group	480,232	508,727
Guardian Media Group	124,464	127,236
Other	451,902	420,773
Profit allocated to material non-controlling interests:		
ANSA Merchant Bank Group	(12,198)	56,701
Guardian Media Group	(1,357)	7,892
Other	42,285	38,363

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations:

38. MATERIAL PARTLY OWNED SUBSIDIARIES (continued)

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations:

Summarised statement of comprehensive income:

	ANSA Merchant Bank Group		Guardian Media Group		Other	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Revenues	720,950	1,152,842	117,788	104,713	2,079,754	1,603,700
Cost of sales	(375,312)	(437,260)	(59,868)	(51,007)	(1,276,255)	(993,388)
Administrative expenses	(272,373)	(94,592)	(41,211)	(34,854)	(463,983)	(199,679)
Other expenses	(78,318)	(241,381)	(12,093)	(13,019)	2,222	(179,749)
Finance costs - net	(28,995)	(27,241)	(733)	706	(89)	(6,966)
(Loss)/profit before taxation	(34,047)	352,368	3,883	6,539	341,649	223,918
Taxation	(26,975)	(55,091)	(1,421)	(2,337)	(102,946)	(64,944)
(Loss)/profit after tax	(61,023)	297,277	2,462	4,202	238,703	158,974
Total comprehensive income/(loss)	(69,625)	318,844	(2,772)	16,117	178,573	159,918
Attributable to non-controlling interests	(12,198)	56,701	(1,357)	7,892	42,285	38,363
Dividends paid to non-controlling interests	17,998	14,248	1,334	1,022	26,998	19,834

38. MATERIAL PARTLY OWNED SUBSIDIARIES (continued)

Summarised statement of financial position:

	ANSA Merchant Bank Group		Guardian Media Group		Other	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Non-current assets	(5,317,263)	(4,844,473)	(203,899)	(206,937)	(809,704)	(718,664)
Current assets	(4,273,532)	(4,540,561)	(130,606)	(134,933)	(1,637,166)	(1,442,180)
Non-current liabilities	2,439,141	1,994,753	54,312	51,350	168,767	137,507
Current liabilities	4,410,604	4,508,818	26,029	30,696	380,412	271,851
Total equity						
Attributable to:						
Equity holders of parent	2,260,818	2,394,965	129,700	132,588	1,445,789	1,330,713
Non-controlling interests	480,232	508,727	124,464	127,236	451,902	420,773
Summarised cash flow information:						
Operating	115,797	866,718	(3,596)	18,398	347,274	400,412
Investing	(104,409)	(713,437)	(4,534)	(15,858)	(290,472)	(172,018)
Financing	(102,726)	(284,161)	(6,401)	(5,215)	(42,579)	(105,134)
Net (decrease)/ increase in cash and cash equivalents	(91,663)	(130,880)	(14,531)	(2,675)	14,223	123,260

39. BUSINESS COMBINATIONS

Acquisition of Bank of Baroda Trinidad and Tobago Ltd

On 26 February 2021, one of the Group's subsidiaries, ANSA Merchant Bank Limited, completed the acquisition of 100 percent of the total issued and outstanding shares held in the Bank of Baroda Trinidad and Tobago Limited ('the Bank'). Effective 24 March 2021, the Bank's name was changed to ANSA Bank Limited.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the Bank as at the date of acquisition were:

	Fair value recognised on acquisition
Assets	
Cash and short term deposits	170,110
Financial assets	102,887
Loans and advances	134,655
Other assets	9,249
	416,901
Liabilities	
Customer deposits	348,636
Other liabilities	6,579
	355,215
Net asset value	**61,686**
Fair value adjustments	**(7,393)**
Intangible assets:	
Banking license	62,455
Customer contracts	18,587
Fair value of net assets acquired	**135,335**
Goodwill arising on acquisition (Note 6)	43,855
Purchase consideration transferred	**179,190**
Net cash and cash equivalents acquired	(10,082)
Net cash outflow on acquisition	**169,108**

39. BUSINESS COMBINATIONS (continued)

The fair value of net assets acquired were based on a valuation of the acquired assets and liabilities at the date of acquisition performed by an independent third party.

The goodwill arising on acquisition of $43.9 million is allocated entirely to the Banking and Insurance segment of the Group and comprises other intangible benefits acquired that do not qualify for separate recognition.

From the date of acquisition, the Bank contributed $15.3 million towards other income of the Group and recorded a loss before tax of $18.3 million during 2021.

40. EVENTS AFTER THE REPORTING PERIOD

Acquisition of Colonial Fire & General Insurance Company Limited

On 25 November 2021, Trinidad and Tobago Insurance Limited (TATIL) entered into a lock-up agreement with CL Financial Limited to acquire 94.24 per cent of the total issued and outstanding shares held in Colonial Fire & General Insurance Company Limited (Colfire) pursuant to a takeover bid to be made by TATIL for 100 percent of the total issued capital in Colfire. The acquisition is subject to regulatory approvals and the fulfilment of specific conditions, as contained in the agreement. The acquisition is expected to close in 2023.