L.J. Williams Limited

Consolidated Financial Statements

31 March 2023

(Expressed in Trinidad and Tobago Dollars)

L.J. Williams Limited

Contents **Page**

Statement of Management's Responsibilities	1
Independent Auditor's Report	2 - 6
Consolidated Statement of Financial Position	7
Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Consolidated Financial Statements	11 - 54

L.J. Williams Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of L.J. Williams Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

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

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

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

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

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

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

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

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

Managing Director	Chief Accountant
6 July 2023	6 July 2023

Independent auditor's report

To the Shareholders of L.J. Williams Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of L.J. Williams Limited (the Company) and its subsidiaries (together 'the Group') as at 31 March 2023, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2023;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

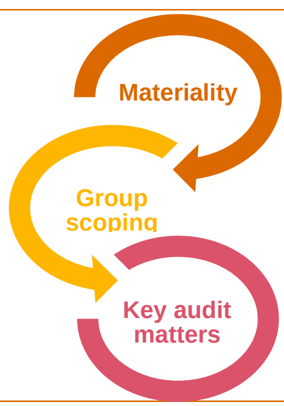
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

Overview



Overall group materiality: $1.77 million, which represents 1% of revenue.

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

IFRS 16 - Leases

Our audit approach (continued)

Audit scope

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

How we tailored our group audit scope

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

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

Materiality

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

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

Overall Group materiality	$1.77 million
How we determined it	1% of revenue
Rationale for the materiality benchmark applied	We chose revenue as the benchmark because, in our view, it is the most stable benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 1% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $89,350, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter

IFRS 16 - Leases
 	
Refer to notes 2 (g) and 7 to the consolidated financial statements for disclosures of related accounting policies and balances.
 	
As at 31 March 2023, the Group's recognition of right of use assets totalled $37,006,000 and lease liabilities of $38,484,000.
 	
The recognition of these balances for right of use assets and lease liabilities is determined in accordance with the Company's accounting policy in accordance with IFRS 16 - Leases (IFRS 16).
 	
We focused on this area because of the significant new leases that have been entered into by the Group during the year ended 31 March 2023. The accounting for these new leases are dependent on management's judgement in applying the requirements of IFRS 16. The initial measurement of new leases and lease renewals required management to apply judgement in determining the lease term and the incremental borrowing rates.
	Our approach to addressing the matter involved the following procedures, amongst others:
	• Compared the Group's IFRS 16 accounting policy, and how this was applied in the Company's calculated model, accounting books and records, against the requirements of IFRS 16.
	• Tested the completeness of individual lease agreements included in the model by comparing these to the population of stores, offices and warehouse locations based on our knowledge of the Group. We also inspected the lease schedule for lease agreements, which were entered into during the current year as well as those which remain relevant from preceding financial periods.
	• Selected a sample of right of use asset/liability leases and;
	  • inspected the lease agreements for defined lease periods considering extension and termination options;
	  • assessed the appropriateness of management's conclusion on the term of the lease;
	  • compared the Group's use of the incremental borrowing rate as included in the model to the prevailing prime bank rate, which is considered a comparable rate;
	  • agreed the lease payments to the underlying lease agreements;
	  • tested the mathematical accuracy of the model through a recalculation of the right of use assets and lease liabilities; and
	  • agreed outputs from the model to the relevant disclosures in the consolidated financial statements.
	
	Based on the procedures performed above, the assumptions and inputs, including lease term and incremental borrowing rate, used by management for determining the accounting of the right of use assets and lease liabilities were not unreasonable.

Other information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

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

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

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
6 July 2023

L.J. Williams Limited

Consolidated Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 31 March 2023 $'000	2022 $'000
Assets			
Non-current assets			
Investment properties	5	13,950	14,450
Property, plant and equipment	6	79,495	71,560
Right of use assets	7	37,006	13,885
Deferred tax assets	8	619	967
Financial assets			
- Fair value through other comprehensive income	9	340	367
Retirement benefit asset	10	565	1,588
		131,975	102,817
Current assets			
Inventories	11	57,864	41,945
Installation contracts work in progress	12	20	7
Trade and other receivables	13	17,694	16,755
Other financial assets at amortised cost	14	--	1,700
Cash at bank and on hand	15	7,384	4,363
		82,962	64,770
Total assets		214,937	167,587
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	16	33,976	33,976
Other reserves	17	25,564	26,151
Retained earnings		47,858	43,892
Total equity		107,398	104,019
Liabilities			
Non-current liabilities			
Deferred tax liabilities	8	5,176	5,692
Lease liabilities	7	29,295	10,372
Borrowings	18	8,080	7,720
		42,551	23,784
Current liabilities			
Trade and other payables	19	30,008	14,704
Dividend payable	25	1,952	--
Taxation payable		3,034	967
Lease liabilities	7	9,189	4,740
Borrowings	18	7,657	8,129
Bank overdrafts and short-term advances	18	13,148	11,244
		64,988	39,784
Total liabilities		107,539	63,568
Total equity and liabilities		214,937	167,587

The notes on pages 11 to 54 are an integral part of these consolidated financial statements.

On 6 July 2023, the Directors of L.J. Williams Limited authorised these consolidated financial statements for issue and were signed off on its behalf.

_______________ Director   _______________ Director

L.J. Williams Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 March 2023 $'000	2022 $'000
Revenue	20	177,744	152,795
Cost of sales	21	(116,194)	(100,740)
Gross profit		61,550	52,055
Other income	22	317	1,270
Administrative expenses	21	(44,914)	(36,643)
Distribution costs	21	(1,530)	(1,392)
Operating profit		15,423	15,290
Finance costs		(5,033)	(3,980)
Profit before taxation		10,390	11,310
Taxation expense	23	(4,472)	(4,719)
Profit for the year		5,918	6,591
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss			
Deferred tax	8	240	(335)
Remeasurement of retirement benefit asset	10	(800)	1,463
		(560)	1,128
Items that may be subsequently reclassified to profit or loss			
Fair value loss on financial asset	9	(27)	--
Total comprehensive income for the year attributable to equity holders of the company		5,331	7,719
Earnings per share attributable to the equity holders of the company during the year			
- basic earnings per share 'A' common shares	24	2¢	3¢
- basic earnings per share 'B' common shares	24	24¢	27¢

The notes on pages 11 to 54 are an integral part of these consolidated financial statements.

L.J. Williams Limited

Consolidated Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Notes	Share capital $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Year ended 31 March 2023					
Balance at 1 April 2022		33,976	26,151	43,892	104,019
Profit for the year		--	--	5,918	5,918
Other comprehensive income:					
Revaluation loss on investment asset	9	--	(27)	--	(27)
Remeasurement of retirement benefit asset	10	--	(800)	--	(800)
Deferred tax	8	--	240	--	240
Total comprehensive income for the year		33,976	25,564	49,810	109,350
Transactions with owners in their capacity as owners:					
Dividends declared to company's shareholders	25	--	--	(1,952)	(1,952)
Balance at 31 March 2023		33,976	25,564	47,858	107,398
Year ended 31 March 2022					
Balance at 1 April 2021		33,976	25,023	39,253	98,252
Profit for the year		--	--	6,591	6,591
Other comprehensive income:					
Remeasurement of retirement benefit asset	10	--	1,463	--	1,463
Deferred tax	8	--	(335)	--	(335)
Total comprehensive income for the year		33,976	26,151	45,844	105,971
Transactions with owners in their capacity as owners:					
Dividends declared to company's shareholders	25	--	--	(1,952)	(1,952)
Balance at 31 March 2022		33,976	26,151	43,892	104,019

The notes on pages 11 to 54 are an integral part of these consolidated financial statements.

L.J. Williams Limited

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

	Notes	Year ended 31 March 2023 $'000	2022 $'000
Cash flows from operating activities			
Profit before taxation		10,390	11,310
Adjustments to reconcile profit before taxation to net cash generated from operating activities:			
Dividends received	22	(380)	(457)
Interest expense		4,479	4,101
Gain on sale of property, plant and equipment		(20)	(16)
Revaluation of investment properties	5	500	--
Depreciation	6, 7	11,341	8,606
Contributions paid	10	(168)	(178)
Remeasurement of retirement benefit asset	10	391	525
Net changes in operating assets/liabilities	26	133	(22,670)
		26,666	1,221
Taxation paid		(2,316)	(3,096)
Net cash generated from/(used in) operating activities		24,350	(1,875)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(12,578)	(2,278)
Proceeds from sale of property, plant and equipment		212	16
Dividends received	22	380	457
Net cash used in investing activities		(11,986)	(1,805)
Cash flows from financing activities			
Interest paid		(4,479)	(4,101)
Dividends paid to company's shareholders	25	--	(1,952)
Leases		(6,656)	(4,118)
Proceeds from borrowings		8,281	--
Repayment of borrowings		(8,393)	(6,145)
Net cash used in financing activities		(11,247)	(16,316)
Net increase/(decrease) in cash and cash equivalents		1,117	(19,996)
Cash and cash equivalents at beginning of year		(6,881)	13,115
Cash and cash equivalents at end of year		(5,764)	(6,881)
Represented by:			
Cash at bank and on hand		7,384	4,363
Bank overdrafts, short-term advances and bankers' acceptances	18	(13,148)	(11,244)
		(5,764)	(6,881)

The notes on pages 11 to 54 are an integral part of these consolidated financial statements.

1 General information

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

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

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

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

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

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

2 Significant accounting policies

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

a. *Basis of preparation*

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

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

Going concern

The Group continues to prepare its consolidated financial statements on a going concern basis as it does not believe that events outside of its control will have a significant impact on the ability of the entity to continue as a going concern.

2 **Significant accounting policies (continued)**

a. *Basis of preparation (continued)*

Ukraine conflict

In January 2022 Russia mobilised military forces around Ukraine's borders. Escalation continued and on 24 February 2022, Russia launched a full scale invasion on three fronts: on the north from Belarus, on the east from Russia and on the south from Crimea. Russia's invasion of Ukraine has and may continue to have a substantial impact on grain prices and supplies since both countries are major global suppliers of grain. Capital markets are reacting to the economic effects of this situation, which include a material increase in commodity prices, which could add to already high inflationary pressures, challenging efforts by the global central banks to curb inflation. The extent and duration of the impact of Russia's invasion of Ukraine, including the resulting sanctions levied against Russia, on global and local economies, financial markets are uncertain and ever evolving and have the potential to adversely affect the Company's business, results of operations or financial condition.

Management has considered the adverse impact of the crisis on supply and cost of raw materials on the supply chain. While we do not have a physical presence in Russia or Ukraine, we have evaluated our operations, vendor contracts and customer arrangements, and at present we do not expect the conflict to directly have a material and adverse effect on our financial condition or results of operations. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and our business for an unknown period of time. While it is currently unknown what the impact on the supply chain will be, this is being continuously monitored, to ensure the Group continues generating sufficient cash flows from revenue to weather this event.

Changes in accounting policy and disclosures

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

The following standards and interpretations have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2022.

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020
- Reference to the Conceptual Framework – Amendments to IFRS 3.

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

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2022 and not early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 **Significant accounting policies (continued)**

b. *Consolidation*

(i) *Subsidiaries*

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

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

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

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

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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

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

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

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

2 **Significant accounting policies (continued)**

b. *Consolidation (continued)*

(ii) *Changes in ownership interests*

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

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

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

c. *Segment reporting*

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

d. *Foreign currency translation*

(i) *Functional and presentation currency*

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

2 **Significant accounting policies (continued)**

d. *Foreign currency translation (continued)*

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss and other comprehensive income within 'finance costs'. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within 'Other Income'.

(iii) *Foreign subsidiary*

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

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

- all resulting exchange differences are recognised in other comprehensive income.

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

e. *Investment properties*

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

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

2 **Significant accounting policies (continued)**

e. *Investment properties (continued)*

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

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

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

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

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

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

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

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

2 **Significant accounting policies (continued)**

f. *Property, plant and equipment*

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

Land and buildings comprise mainly factory, retail spaces and offices. Land and buildings are shown at fair value based on valuations by external independent valuers every five years, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Independent valuations are performed at regular intervals not exceeding five years. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

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

2 **Significant accounting policies (continued)**

g. *Leases*

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

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

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

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

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

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

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

The lease payments are discounted using the incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

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

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

2 **Significant accounting policies (continued)**

g. *Leases (continued)*

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

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

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

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

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

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Lessor accounting

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

h. *Impairment of non-financial assets*

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

2 **Significant accounting policies (continued)**

i. *Investments and other financial assets*

(i) *Classification*

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

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

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

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

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

(ii) *Recognition and derecognition*

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

(iii) *Measurement*

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

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

2 **Significant accounting policies (continued)**

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

(iii) *Measurement (continued)*

Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

Equity instruments

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

There were no financial assets at FVPL.

(iv) *Impairment*

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

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

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

2 **Significant accounting policies (continued)**

j. *Inventories*

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

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

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

k. *Trade and other receivables*

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method less provision for impairment.

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

l. *Cash and cash equivalents*

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

m. *Share capital*

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

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

n. *Other reserves*

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

2 **Significant accounting policies (continued)**

n. *Other reserves (continued)*

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

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

o. *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowing using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

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

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

p. *Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense in the consolidated statement of profit or loss and other comprehensive income.

q. *Employee benefits*

(i) *Pension obligations*

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

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

2 **Significant accounting policies (continued)**

q. *Employee benefits (continued)*

(j) *Pension obligations (continued)*

The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method with a full valuation done every three years.

Roll forward valuations, which are less detailed than full valuations are performed annually. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the consolidated statement of profit or loss and other comprehensive income in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss and other comprehensive income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in statement of other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in income.

(ii) *Termination benefits*

Benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to terminating employment of current employees according to a formal plan without the possibility of withdrawal.

r. *Revenue recognition*

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

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

Revenue from the sale of goods is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the use and deployment of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery occurs when the products have been shipped to the specific customer site or place of delivery, the risks of obsolescence and loss have been transferred to the customer, or the customer has accepted the products in accordance with the relevant contract.

2 **Significant accounting policies (continued)**

r. *Revenue recognition (continued)*

(j) *Sale of goods – wholesale and retail (continued)*

Sales are recorded based on the price specified in the sales contracts at the time of sale. No element of financing is deemed present as the sales are made with credit terms as specified for entities within the Group, which is consistent with the market practice.

(ii) *Sales of services – construction contracts*

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

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

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

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

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

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

Financing components

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

(iii) *Sale of services – shipping services*

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

(iv) *Dividend income*

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

2 **Significant accounting policies (continued)**

s. *Current and deferred tax*

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the country where the subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

t. *Trade and other payables*

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

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

u. *Offsetting financial instruments*

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

v. *Dividend distribution*

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

3 **Financial risk management**

a. *Financial risk factors*

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

(i) *Market risk*

(a) *Currency risk*

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

At 31 March 2023 if the functional currency had weakened/strengthened by 5% against the US dollar with all other variables held constant, the profit for the year would have been $764,265 (2022: $560,730) lower/higher .

At 31 March 2023 if the functional currency had weakened/strengthened by 5% against the UK Pound Sterling with all other variables held constant, the profit for the year would have been $62,612 (2022: $39,168) lower/higher.

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

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

(b) *Price risk*

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

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(i) *Market risk (continued)*

(c) *Cash flow interest rate risk*

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

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

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2022 and 2023 the Group's borrowings at variable rates were denominated in local currency.

At 31 March 2023 if the interest rate on borrowings had been 0.25% lower/higher with all other variables held constant, profit for the year would have been $ 110,567 higher/lower (2022: $71,385), mainly as a result lower/higher interest expense on floating rate borrowings.

The following table contains a comparison of details of all of the financial instruments that L.J. Williams Limited holds at 31 March 2023 which referenced LIBOR (London Interbank Offered Rate) and have been transitioned to an alternative interest rate benchmark SOFR (Secured Overnight Financing Rate).

	Liabilities US$	**Liabilities US$**
Borrowings		
Loan amount	US$750,000	US$750,000
Interest rate type	SOFR	LIBOR
Interest rate	9.827%	5.5344%
Balance as at 31 March 2023	US$368,474	US$363,333

(ii) *Credit risk*

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

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

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

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

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

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

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

Maximum exposure to credit risk

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

	2023 $'000	**2022 $'000**
Financial assets – FVOCI (Note 9)	340	367
Trade receivables (Note 13)	12,768	12,965
Other receivables (Note 13)	1,733	1,431
Other financial assets at amortised cost (Note 14)	--	1,700
Cash at bank and on hand (Note 15)	7,384	4,363
	22,225	20,826

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

Financial instruments by category

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

	Financial instruments	
Financial assets		
Financial assets – FVOCI (Note 9)	340	367
Other financial assets at amortised cost (Note 14)	--	1,700
Cash at bank and in hand (Note 15)	7,384	4,363
Trade and other receivables (excluding prepayments) (Note 13)	14,501	14,396
	22,225	20,826

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

	Other financial liabilities at amortised cost	
	2023	**2022**
	$'000	**$'000**
Financial liabilities		
Trade and other payables (excluding statutory liabilities)	29,369	13,972
Borrowings	15,737	15,849
Lease liabilities (Note 7)	38,484	15,112
	83,590	44,933

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

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

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

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

The simplified approach

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

Incorporation of forward-looking information

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

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

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

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(ii) *Credit risk (continued)*

The formula for ECL is generally the ‘Probability of Default’ (PD) multiplied by the ‘Exposure at Default’ (EAD) multiplied by the ‘Loss Given Default’ (LGD).

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

At 31 March 2023

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

At 31 March 2022

Aging	Average ECL Rate	Estimated EAD $’000	Expected Credit Loss $’000
Current (0 – 30 days)	0.53%	7,154	38
31 - 60 days	0.74%	3,671	27
61 - 90 days	1.53%	830	13
91 - 120 days	3.67%	720	26
Over 120 days	23.82%	911	217
		13,286	321

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

	2023 $’000	2022 $’000
Opening loss allowance as at 1 April	321	373
Increase allowance in profit and loss during the year	332	--
Recoveries	--	(34)
Receivables written off during the year	--	(18)
At 31 March	653	321

3 **Financial risk management (continued)**

a. *Financial risk factors (continued)*

(iii) *Liquidity risk*

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

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

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

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Contractual cash flow $'000	Carrying amount $'000
At 31 March 2023						
Borrowings	8,411	3,259	4,644	1,232	17,546	15,737
Leases	11,824	11,295	13,867	11,687	48,673	38,484
Bank overdrafts and short term advances (Note 18)	13,148	--	--	--	13,148	13,148
Dividend payable	1,952	--	--	--	1,952	1,952
Trade and other payables excluding statutory liabilities	29,369	--	--	--	29,369	29,369
	64,704	14,554	18,511	12,919	110,688	98,690
At 31 March 2022						
Borrowings	8,694	6,556	1,388	--	16,638	15,849
Leases	5,844	3,671	8,521	--	18,036	15,112
Bank overdrafts and short term advances (Note 18)	11,244	--	--	--	11,244	11,244
Trade and other payables excluding statutory liabilities	13,972	--	--	--	13,972	13,972
	39,754	10,227	9,909	--	59,890	56,177

3 **Financial risk management (continued)**

b. *Capital risk management*

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

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

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

The gearing ratios as at 31 March 2023 and 31 March 2022 were as follows:

	2023 **$'000**	**2022** **$'000**
Total borrowings (Note 18)	28,885	27,093
Total lease liabilities (Note 7)	38,484	15,112
Less: other financial assets at amortised cost (Note 14)	--	(1,700)
Less: cash at bank and on hand (Note 15)	(7,384)	(4,363)
Net debt	59,985	36,142
Total equity	107,398	104,019
Total capital	167,383	140,161
Gearing ratio	36%	26%

c. *Fair value estimation*

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

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

The following table presents the Group's assets that are measured at fair value at 31 March 2023 and 31 March 2022.

Level 1- Financial assets- FVOCI (quoted) (Note 9)	260	287
Level 3- Investment properties (Note 5)	13,950	14,450
Level 3- Land and buildings (Note 6)	70,143	65,248
Level 3- Financial assets- FVOCI (unquoted) (Note 9)	80	80
	84,433	80,065

3 **Financial risk management (continued)**

c. *Fair value estimation (continued)*

(i) *Financial assets in Level 1*

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

(ii) *Financial assets in Level 3*

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

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

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

4 Critical accounting estimates and judgements

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

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

(i) *Pension benefits*

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

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

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

(ii) *Fair value of financial instruments*

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

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

Sensitivity to market risk is included in Note 3.

(iii) *Income taxes*

Significant judgement is required in determining the provision for income taxes. There are several transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises tax liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4 Critical accounting estimates and judgements (continued)

(iv) *Deferred tax asset*

The deferred tax asset of $619,000 (2022: $967,000) include $Nil (2022: $346,000) (Note 8) which relates to carried-forward tax losses of the Group for losses acquired over time which was not previously recognised as a result of the uncertainty of recovery due to the financial situation of the Group at the time. The Group has recognised a deferred tax asset to the extent that there is a deferred tax liability related to the same tax authority. The losses can be carried forward indefinitely and have no expiry date.

(v) *Investment properties*

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

(vi) *Property, plant and equipment*

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

(vii) *Leases*

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

5 Investment properties

Year ended 31 March 2023	**Car park rental $'000**	**Office rental $'000**	**Total $'000**
At 1 April 2022	7,450	7,000	14,450
Loss on revaluation of investment properties (Note 22)	--	(500)	(500)
At 31 March 2023	7,450	6,500	13,950
Year ended 31 March 2022			
At 1 April 2021	7,450	7,000	14,450
At 31 March 2022	7,450	7,000	14,450

5 Investment properties (continued)

Properties held for long term rental or for capital appreciation are classified as investment properties. Freehold land located at 124 St Vincent Street is operated as a car park rental service and land and building located at 119 Abercromby Street offers office space rental. The rental income and annual revaluation from these properties are included in Note 22.

Valuation processes

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

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

Valuation techniques underlying management's estimate of fair value

The property located at 124 St Vincent Street is freehold land and was valued by professional valuer Brent Augustus & Associates Limited at 31 March 2023 and is currently used to let on a month to month basis to various tenants as a car park. The land's best use is for commercial office development.

The property located at 119 Abercromby Street consists of land and single storey office building and was valued by professional valuer Brent Augustus & Associates Limited at 31 March 2023. Due to the age of the building, it was not considered in the valuation. The land's best use is for commercial office development. Management will continue to monitor the economic uncertainty and review the valuations as new information comes to light. See Note 2 (a) for further information.

Income derived from revaluation and rental of investment properties:

	2023 $'000	2022 $'000
Car park rental	304	399
Office space rental	66	198
	370	597

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

The Group is exposed to property price risk because of investment properties and land and buildings carried at fair value. Had property prices in the market increased by 5% the Group's profits would have increased by $697,500 (2022: 722,500), and the Group's reserves would have increased by $697,500 (2022: $722,500).

6 Property, plant and equipment

	Land and buildings and improvements $'000	Plant and machinery $'000	Furniture and office equipment $'000	Motor vehicles $'000	Total $'000
Year ended 31 March 2023					
Opening net book amount	65,248	1,658	3,511	1,143	71,560
Additions	7,363	814	3,784	617	12,578
Disposal/adjustments	(149)	--	--	(114)	(263)
Depreciation charge	(2,319)	(287)	(1,052)	(722)	(4,380)
Closing net book amount	70,143	2,185	6,243	924	79,495
At 31 March 2023					
Cost/valuation	76,970	6,681	18,599	6,502	108,752
Accumulated depreciation	(6,827)	(4,496)	(12,356)	(5,578)	(29,257)
Net book amount	70,143	2,185	6,243	924	79,495
Year ended 31 March 2022					
Opening net book amount	66,013	1,825	3,470	1,897	73,205
Additions	1,300	114	864	--	2,278
Depreciation charge	(2,065)	(281)	(823)	(754)	(3,923)
Closing net book amount	65,248	1,658	3,511	1,143	71,560
At 31 March 2022					
Cost/valuation	84,862	7,473	22,150	7,267	121,752
Accumulated depreciation	(19,614)	(5,815)	(18,639)	(6,124)	(50,192)
Net book amount	65,248	1,658	3,511	1,143	71,560
At 1 April 2021					
Cost/valuation	83,562	7,360	21,286	7,267	119,475
Accumulated depreciation	(17,549)	(5,535)	(17,816)	(5,370)	(46,270)
Net book amount	66,013	1,825	3,470	1,897	73,205

Bank borrowings are secured on land and buildings for the value of $54,130,000 (2022: $56,095,000) (Note 18).

6 Property, plant and equipment (continued)

Land and buildings located at Trincity Industrial Estate were revalued by independent valuators Linden Scott and Associates on 18 February 2021. Land and building located at #2 Barataria was revalued by independent valuators Brent Augustus and Associates on 12 March 2021. Both valuations were made on the basis of open market values. The revaluation surplus was credited to other reserves in shareholders' equity.

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

	2023 $'000	2022 $'000
Cost	60,291	56,134
Accumulated depreciation	(10,341)	(9,182)
	49,950	46,952

7 Leases

	2023 $'000	2022 $'000
Right of use assets		
At 1 April	13,885	12,478
Additions	30,082	6,090
Depreciation	(6,961)	(4,683)
At 31 March	37,006	13,885
Cost	46,722	24,937
Accumulated depreciation	(9,716)	(11,052)
At 31 March	37,006	13,885
Lease liabilities		
At 1 April	15,112	13,327
Additions	30,082	6,087
Principal repayments	(5,684)	(2,251)
COVID-19 related rent concessions (Note 21)	(1,026)	(2,051)
At 31 March	38,484	15,112
Current	9,189	4,740
Non-current	29,295	10,372
Total lease liabilities	38,484	15,112

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

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

	2023 $'000	2022 $'000
Interest expense (included in finance costs)	1,885	1,441
COVID-19 related rent concessions (Note 21)	(1,026)	(2,051)
	859	(610)
The total cash outflow for leases	8,124	5,565

8 Deferred tax

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

	Accelerated tax depreciation $'000	IFRS 16 $'000	Retirement benefit asset $'000	Revaluation surplus $'000	Accumulated tax losses $'000	Total $'000
At 1 April 2022	(2,394)	621	(477)	(2,821)	346	(4,725)
Credited/(charged) to profit/(loss)	209	(2)	67	--	(346)	(72)
Credited to other-comprehensive income	--	--	240	--	--	240
At 31 March 2023	(2,185)	619	(170)	(2,821)	--	(4,557)
At 1 April 2021	(2,450)	452	(142)	(2,821)	2,852	(2,109)
Credited/(charged) to profit/(loss)	56	169	--	--	(2,506)	(2,281)
Charged to other-comprehensive income	--	--	(335)	--	--	(335)
At 31 March 2022	(2,394)	621	(477)	(2,821)	346	(4,725)

	2023 $'000	2022 $'000
Deferred tax assets	(619)	(967)
Deferred tax liabilities	5,176	5,692
Deferred tax liabilities - net	4,557	4,725

The movement on deferred income tax is as follows:

	2023 $'000	2022 $'000
At 1 April	4,725	2,109
Charge to profit and loss (Note 23)	72	2,281
(Credit)/charge to other comprehensive income	(240)	335
At 31 March	4,557	4,725

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 30% (2022: 30%).

9 Financial assets

	2023 $'000	2022 $'000
Beginning of year	367	367
Fair value loss	(27)	--
End of year	340	367

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

	2023 $'000	2022 $'000
GraceKennedy (Trinidad & Tobago) Limited	260	287
Container Recovery And Billing Limited	50	50
Medway Limited	30	30
	340	367

10 Retirement benefit asset

The information below was extracted from the actuarial valuation report dated 28 April 2023.

Amounts recognised in the consolidated statement of financial position:

	2023 $'000	2022 $'000
Fair value of plan assets	(21,698)	(22,700)
Retirement benefit obligation	21,133	21,112
Net defined benefit asset	(565)	(1,588)

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

	2023 $'000	2022 $'000
At beginning of year	21,112	21,639
Current service cost	461	524
Interest cost	1,232	1,164
Members' contributions	168	178
Benefits paid	(1,192)	(969)
Actuarial losses from changes in demographic assumptions	--	(1,178)
Experience adjustments	(648)	(246)
At end of year	21,133	21,112

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

	2023 $'000	2022 $'000
At beginning of year	22,700	22,111
Interest income	1,336	1,199
Return on plan assets (excluding interest income)	(1,448)	39
Employer contributions	168	178
Employee contributions	168	178
Expense allowance	(34)	(36)
Benefits paid	(1,192)	(969)
At end of year	21,698	22,700

10 **Retirement benefit asset (continued)**

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

	2023 $'000	2022 $'000
At beginning of year	(1,588)	(472)
Pension costs	391	525
Re-measurement recognised in other comprehensive income	800	(1,463)
Contributions paid	(168)	(178)
At end of year	(565)	(1,588)
Experience losses/(gains)	800	(1,463)
Amount recognised in other comprehensive income	800	(1,463)

The principal actuarial assumptions used for accounting purposes were:

	2023	2022
- Discount rate	6.0%	6.0%
- Average individual salary increases	4.0%	4.0%
- Future pension increases	0.0%	0.0%
Life expectancy for current pensioners		
- Male at age 65	17.6	17.5
- Female at age 60	26.2	26.1
Life expectancy for current member		
- Male at age 65	18.6	18.6
- Female at age 60	27.1	27.0

Sensitivity analysis	1%pa increase $000	1%pa decrease $000
- Discount rate	2,419	(2,027)
- Future salary increases	(175)	195

10 **Retirement benefit asset (continued)**

Funding

The Company meets the balance of the cost of funding the defined benefit Pension Plan and the Company must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every 3 years) actuarial valuations of the Plan and
the assumptions used to determine the funding required may differ from those set out above. The Company expects to pay $0.486 million to the Pension Plan during the 12 month period to 31 March 2024.

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income (Note 21) are as follows:

	2023 $'000	**2022 $'000**
Current service cost	461	524
Net interest on net defined benefit asset	(104)	(35)
Administration expenses	34	36
Net pension cost	391	525

Plan assets comprise the following:

	2023		**2022**	
	$000	**%**	**$000**	**%**
Locally listed equities	2,675	12%	2,815	12%
Overseas equities	3,968	18%	3,992	18%
Government issued nominal bonds	4,891	23%	4,976	22%
Corporate bonds	886	4%	1,068	5%
Mutual bonds	73	0%	622	3%
Cash and cash equivalents	1,446	7%	1,189	5%
Other (annuity polices)	7,759	36%	8,038	35%
	21,698	100%	22,700	100%

Asset values as at 31 March 2023 were estimated using the asset values provided as at 31 March 2023 by the Plan's Investment Manager (RBC). Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve. The value of the annuity policies was estimated using the same assumptions as used to value the corresponding liabilities. The value of these policies is reliant on the financial strength of the insurers – Panamerican Life, Guardian Life, Sagicor and Tatil.

The majority of the Plan's government bonds were issued by the Government of Trinidad & Tobago, which also guarantees many of the corporate bonds held by the Plan.

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

11 Inventories

	2023 $'000	2022 $'000
Finished goods	53,010	31,904
Goods in transit	2,872	6,639
Raw materials	1,522	2,971
Manufactured goods	460	431
	57,864	41,945

The cost of inventories recognised as an expense and included in cost of sales amounted to $116,194,000 (2022: $100,740,000). Write-downs of inventories to net realisable value amounted to $1,260,000 (2022: $622,000). These were recognised as an expense during the year and included in cost of sales in the consolidated statement of profit or loss and other comprehensive income.

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

12 Installation contracts work in progress

	2023 $'000	2022 $'000
At beginning of year	7	7
Contract cost incurred in the year	13	73
Contract cost recognised	--	(73)
	20	7

13 Trade and other receivables

	2023 $'000	2022 $'000
Trade receivables	13,421	13,286
Less: provision for impairment	(653)	(321)
Trade receivables-net	12,768	12,965
Other receivables	1,742	1,439
Prepayments	3,184	2,351
	17,694	16,755

14 Other financial assets at amortised cost

	2023 $'000	2022 $'000
Republic Bank Limited	--	1,700

On 23 November 2020 The Home Store Limited placed an investment of $1,700,000 for 271 days at an interest rate of 0.2%, which matured on 20 August 2021.This investment was rolled over for a further 248 days this investment matured on 25 April 2022.

15 Cash and cash equivalents

	2023	2022
Cash at bank and on hand	7,384	4,363
Bank overdrafts, short-term advances and bankers' acceptances (Note 18)	(13,148)	(11,244)
	(5,764)	(6,881)

16 Share capital

Authorised
130,000,000 'A' common shares of no par value
26,000,000 'B' common shares of no par value
400,000 8% cumulative participating preference shares of no par value

	2023	2022
Issued and fully paid		
46,166,600 'A' common shares of no par value	4,617	4,617
19,742,074 'B' common shares of no par value	29,131	29,131
45,590 8% cumulative participating preference shares of no par value	228	228
	33,976	33,976

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

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

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

17 Other reserves

	Land and buildings revaluation $'000	Retirement benefit asset $'000	Financial assets FVOCI $'000	Total $'000
Balance at 1 April 2022	26,379	(475)	247	26,151
Revaluation loss on financial asset	--	--	(27)	(27)
Remeasurement of retirement benefit asset (Note 10)	--	(800)	--	(800)
Deferred tax (Note 8)	--	240	--	240
Balance at 31 March 2023	26,379	(1,035)	220	25,564
Balance at 1 April 2021	26,379	(1,603)	247	25,023
Remeasurement of retirement benefit asset (Note 10)	--	1,463	--	1,463
Deferred tax (Note 8)	--	(335)	--	(335)
Balance at 31 March 2022	26,379	(475)	247	26,151

18 Borrowings

	2023 $'000	2022 $'000
Current		
RBC Royal Bank (Trinidad & Tobago) Limited (overdraft)	10,268	7,756
Scotiabank of Trinidad and Tobago (overdraft)	144	1,127
JMMB Trinidad and Tobago Limited (overdraft)	2,516	2,233
Republic Bank Limited (overdraft)	220	128
Bank overdrafts and short-term advances	13,148	11,244
RBC Royal Bank (Trinidad & Tobago) Limited (commercial mortgage)	2,376	3,306
RBC Royal Bank (Trinidad & Tobago) Limited (US$ short term)	1,173	1,125
RBC Royal Bank (Trinidad & Tobago) Limited (operating loan)	1,480	2,083
RBC Royal Bank (Trinidad & Tobago) Limited (reducing loan)	659	--
RBL (Trinidad and Tobago) Limited (operating term loan)	1,311	1,615
RBL (Trinidad and Tobago) Limited (commercial loan)	524	--
Caribbean Finance Limited	134	--
	7,657	8,129
Non-current		
RBC Royal Bank (Trinidad & Tobago) Limited (commercial mortgage)	--	2,388
RBC Royal Bank (Trinidad & Tobago) Limited (US$ short term)	245	1,379
RBC Royal Bank (Trinidad & Tobago) Limited (operating loan)	--	1,480
RBC Royal Bank (Trinidad & Tobago) Limited (reducing loan)	4,234	--
RBL (Trinidad and Tobago) Limited (operating loan)	1,183	2,473
RBL (Trinidad and Tobago) Limited (commercial loan)	2,271	--
Caribbean Finance Limited	147	--
	8,080	7,720
Total borrowings	28,885	27,093

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

Overdraft facilities

The Group has an overdraft facility of $13,965,000 which bears interest at the rate of 7.5% (2022: 7.5%) per annum.

18 **Borrowings (continued)**

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

Revolving credit

On 31 October 2018 the Company was granted a working capital facility of US500,000 this facility was increased to US$750,000 on 2 April 2019. Amount drawn at 31 March 2021 is US$500,000 with and interest rate of 3.483%.This facility was converted to short term loan for with an interest rate of 4.25%, with a monthly instalment of US$14,817.66 maturing on 21 May 2024.

Commercial mortgage

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

Operating loan

L.J. Williams Limited was granted a facility for $5,000,000 for the outfitting of The Home Store Inc. in Amazonia Mall Guyana on 14 July 2022, and bears an interest rate of 5.75%, monthly instalment $76,977.89 maturing on 31 July 2029.

A facility was granted for $2,500,000 and bears an interest rate of 7.5% with a monthly instalment of $77,765 and was repaid on 31 July 2019. A further $2,468,255 was granted on with a monthly instalment of $93,318.65 and bears an interest rate of 5.75%. This loan matured on 19 August 2022.

A facility was granted for $7,000,000 and bears an interest rate of 7.5% with a monthly instalment of $190,015. This loan matured on 19 August 2022.

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

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

18 **Borrowings (continued)**

b. *JMMB Trinidad and Tobago Limited*

Overdraft facility

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

c. *Republic Bank Limited*

Overdraft facility

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

Operating loan

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

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

The Home Store Limited has a facility for $4,000,000 with a variable interest rate of 7% and monthly instalment of $123,509 for three years. This loan matured on 28 June 2022.

The securities held by Republic Bank Limited were as follows:

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

d. *Caribbean Finance Company Limited*

This facility was granted on 16 February 2023 for 2 years with monthly instalments of $12,974 the maturity date is 1 April 2025.

e. *Debt Covenants*
In order to comply with the loan agreement with RBC Royal Bank (Trinidad & Tobago) Limited, L.J. Williams Limited and The Home Store Limited has to:
a. maintain a minimum Debt Service Coverage ratio
b. not to exceed the maximum Funded Debt to EBITDA ratio.

The Group is in compliance with the debt covenants as at 31 March 2023 and 31 March 2022.

19 **Trade and other payables**

	2023 **$'000**	**2022** **$'000**
Trade payables	24,744	11,358
Accrued charges	5,264	3,313
Advance on contract	--	33
	30,008	14,704

20 **Segment information**

At 31 March 2023, the Group was organised into three main business segments:

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

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

	Manufacturing		Trading		Shipping Services		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Revenue - over time	171	119	--	--	--	--	171	119
Revenue - at a point in time foreign	--	--	5,700	--	--	--	5,700	--
Revenue - at a point in time	6,730	8,075	159,827	139,194	5,316	5,407	171,873	152,676
	6,901	8,194	165,527	139,194	5,316	5,407	177,744	152,795
Gross profit	1,744	1,668	56,161	46,818	3,645	3,569	61,550	52,055
Profit before taxation	--	--	--	--	--	--	10,390	11,310
Profit for the year	--	--	--	--	--	--	5,918	6,591
Total assets	--	--	--	--	--	--	214,937	167,587
Total liabilities	--	--	--	--	--	--	107,539	63,568
Capital expenditure	--	--	--	--	--	--	12,578	2,278

		2023 $'000	2022 $'000
21	**Expenses by nature**		
	Cost of sales		
	Inventories of finished goods sold	117,483	101,296
	Raw materials and consumables used	(1,289)	(556)
		116,194	100,740
	Administrative expenses		
	Employee benefit expense	21,716	20,328
	Other expenses	11,053	8,813
	Rent waiver IFRS 16 COVID-19 concessions (Note 7)	(1,026)	(2,051)
	Depreciation (Note 6,7)	11,341	8,606
	Advertising cost	1,491	723
	Directors fees (Note 28)	339	224
		44,914	36,643
	Distribution costs		
	Transportation costs	1,530	1,392
	Employee benefit expense		
	Salaries and wages	20,034	18,644
	National insurance	1,291	1,159
	Pension charge (Note 10)	391	525
		21,716	20,328
22	**Other income**		
	Rental income	640	797
	Dividend income from financial asset – FVOCI	380	457
	Loss on revaluation of investment properties (Note 5)	(500)	--
	Revaluation loss on retirement benefit asset	(223)	--
	Gain on sale of property, plant and equipment	20	16
		317	1,270
23	**Taxation**		
	a. Business levy	382	594
	Corporation tax	4,018	1,844
	Deferred tax (Note 8)	72	2,281
		4,472	4,719

23 Taxation (continued)

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

	2023 $'000	2022 $'000
Profit before taxation	10,390	11,310
Tax calculated at domestic tax rates applicable to profits In the respective countries	3,003	3,393
Expenses not deductible for tax purposes	871	565
Income not subject to tax	30	--
Other permanent differences	(171)	(15)
Business levy	382	594
Taxation losses not recognised	357	182
	4,472	4,719

24 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period. There are two classes of shares where the earnings per share is attributable. There are no dilutive shares to warrant the calculation of a diluted earnings per share and no sale or issuance of shares.

	2023 $'000	2022 $'000
Reconciliations of earnings used in calculating earnings per share		
Profit attributable to equity holders of the Group	5,918	6,591
Less dividend paid to 8% cumulative participating preference shares	(4)	(4)
Profit attributable to ordinary shareholders of basic earning per share	5,914	6,587
Earnings used in calculating earnings per share for each class of shares:		
'A' common shares of no par value	1,121	1,248
'B' common shares of no par value	4,793	5,339
	5,914	6,587
Weighted average number of ordinary shares in issue:		
'A' common shares of no par value	4,616,660	4,616,660
'B' common shares of no par value	19,742,074	19,742,074
	24,358,734	24,358,734
Earnings per share 'A' common shares	2¢	3¢
Earnings per share 'B' common shares	24¢	27¢

25 Dividends declared to company's shareholders

	2023 $'000	2022 $'000
Dividends declared to company's shareholders	1,952	1,952

On 19 January 2023, the Company declared a dividend of $0.008 cents per share on ordinary 'A' shares and $0.08 on ordinary 'B' shares and $0.08 on preference shares for the year ended 31 March 2023.

On 3 February 2022, the Company declared and paid dividend of $0.008 cents per share on ordinary 'A' shares and $0.08 on ordinary 'B' shares and $0.08 on preference shares for the year ended 31 March 2023.

26 Net changes in operating assets/liabilities

	2023 $'000	2022 $'000
Increase in inventories	(15,919)	(12,969)
Decrease in installation contracts work in progress	(13)	--
Increase in trade and other receivables	(939)	(2,833)
Decrease in other financial assets at amortised cost	1,700	1,700
Increase/(decrease) in trade and other payables	15,304	(8,568)
	133	(22,670)

27 Net debt reconciliation

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

Net debt

	2023 $'000	2022 $'000
Cash at bank and on hand (Note 15)	7,384	4,363
Borrowings (including overdraft) (Note 18)	(28,885)	(27,093)
Leases liabilities (Note 7)	(38,484)	(15,112)
Net debt	(59,985)	(37,842)
Cash at bank and on hand	7,384	4,363
Gross debt-fixed interest rates	(67,369)	(42,205)
Net debt	(59,985)	(37,842)

27 Net debt reconciliation (continued)

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

	Liabilities from financing activities			
	Cash/bank overdraft $'000	**Borrowings $'000**	**Leases $'000**	**Total $'000**
Net debt as at 1 April 2021	13,115	(21,808)	(13,327)	(22,020)
Acquisitions - leases	--	--	(6,087)	(6,087)
Proceeds from borrowings	--	(3,400)	--	(3,400)
Cash flows	(19,996)	9,359	4,302	(6,335)
Net debt as at 31 March 2022	(6,881)	(15,849)	(15,112)	(37,842)

28 Related party transactions

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

Transactions were carried out with the following related parties:

	2023 $'000	**2022 $'000**
Key management compensation		
Salaries and other short-term benefits	6,140	5,747
Directors fees (Note 21)	339	224

Key management includes divisional and sales managers and directors.

29 Contingent liabilities

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

29 Contingent liabilities (continued)

Property taxes

The Group has a legal obligation for the payment of property taxes based on the Property Tax Act which was assented to on 31 December 2009 and the subsequent amendments and waivers. The Act provides for the Government to commence the collection of property tax after the Valuation Division of the Ministry of Finance has completed 50% of the assessment of properties in Trinidad and Tobago. The Group’s properties have not been assessed by the Valuation Division to enable a quantification of the likely impact of this liability. Recent pronouncements from the Minister of Finance also indicated that the intention is to focus collection on only residential and non-commercial properties from December 2022. Therefore, it is anticipated that there will be no property tax obligation to be incurred in respect of the current period and as such, no provision has been recorded in these consolidated financial statements.

30 Events after the statement of financial position date

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